

**D.M. TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2006**

	NOTE	30 June 2006 Rupees	30 June 2005 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	34	(48,391,542)	68,100,163
Financial charges paid		(39,420,719)	(15,751,479)
Taxes paid		(5,109,206)	(1,247,517)
Gratuity paid		(1,957,185)	(925,700)
Workers' profit participation fund paid		(1,054,387)	(516,000)
<b>Net cash from/(used in) operating activities</b>		<u>(95,933,039)</u>	<u>49,659,467</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(101,680,557)	(40,988,127)
Fixed assets acquired under finance leases		(49,045,575)	(31,202,800)
Long term investments		-	(98,000)
Long term deposits		(17,414,526)	(2,493,311)
Proceeds from sale of property, plant and equipment		69,176,815	31,271,800
<b>Net cash used in investing activities</b>		<u>(98,963,843)</u>	<u>(43,510,438)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Proceeds from:</b>			
Long term finances		-	85,000,000
Finance leases		125,144,012	33,136,427
Short term borrowings		1,500,191,044	290,035,008
<b>Repayment of:</b>			
Long term finances		(11,994,147)	(82,703,435)
Finance leases		(21,675,908)	(9,699,087)
Subordinated loan		-	(20,700,000)
Short term borrowings		(1,410,818,759)	(309,147,186)
Dividend paid		(952,250)	(1,287,658)
<b>Net cash generated from/(used in) financing activities</b>		<u>179,893,992</u>	<u>(15,365,931)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(15,002,890)</u>	<u>(9,216,902)</u>
<b>Cash and cash equivalents at the beginning of the year/period</b>		<u>18,611,995</u>	<u>27,828,897</u>
<b>Cash and cash equivalents at the end of the year/period</b>		<u><u>3,609,105</u></u>	<u><u>18,611,995</u></u>

The annexed notes form an integral part of these financial statements.

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CHIEF EXECUTIVE

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DIRECTOR