

**GULISTAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2010**

Half Year Ended	
December 31, 2010	December 31, 2009

-----Rupees-----

**A. CASH FLOWS FROM OPERATING ACTIVITIES:**

Profit before taxation	417,884,380	75,138,940
Adjustments for :		
Depreciation	51,774,270	46,822,288
Staff retirement benefits - gratuity (net)	3,224,340	(2,449,082)
Finance cost	451,244,004	440,301,370
Interest income	(955,762)	(703,593)
Share of profit of associated companies	(197,638,821)	(28,864,345)
Fair value of investment at fair value through profit and loss	(13,170,129)	(14,124,799)
Profit on sale of property, plant and equipment	(32,824)	(11,219)
Amortization of gain on sale and lease back of assets	(65,618)	(65,618)
Dividend income	(13,454,421)	(111,191)
<b>Profit before working capital changes</b>	<b>698,809,419</b>	<b>515,932,751</b>

**Movement in working capital**

**(Increase) / decrease in current assets**

Stores, spare parts and loose tools	18,768,625	3,316,146
Stock in trade	(475,752,184)	(162,877,696)
Trade debts	(68,913,192)	94,772,966
Loans and advances	37,986,478	3,463,916
Trade deposits and short term prepayments	(1,615,916)	542,920
Other receivables	(2,834,622)	2,023,913
Tax refunds due from Government	(3,678,317)	(13,683,069)

**Increase in current liabilities**

Trade and other payables	(496,039,128)	(72,440,904)
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**Cash generated from operating activities**

**320,256,031**      **573,374,881**

**Payments for:**

Finance cost	(445,454,717)	(431,140,538)
Income tax	(46,331,474)	(33,364,405)
Dividend paid	(8,233,560)	-

**Net cash generated from / (used in) operating activities**

**(179,763,719)**      **108,869,937**

**B. CASH FLOWS FROM INVESTING ACTIVITIES:**

Sale proceeds of property, plant and equipment	300,000	200,354
Fixed capital expenditure	(36,485,112)	(23,035,662)
Sale proceeds of long term investment - shares	-	723,846
Dividend received	13,454,421	111,191
Interest received	927,116	620,075
(Increase)/decrease in long term deposits	1,801,840	(4,134,552)
<b>Net cash used in investing activities</b>	<b>(20,001,735)</b>	<b>(25,514,748)</b>

**Net cash outflow before financing activities**

**(199,765,454)**      **83,355,189**

**C. CASH FLOW FROM FINANCING ACTIVITIES:**

Repayment of liabilities against assets subject to finance lease	(59,416,632)	(39,025,325)
Repayment of long term financing	(59,799,426)	(95,542,071)
Short term borrowings - net	317,800,803	61,374,055

**Net cash generated from / (used in) financing activities**

**198,584,745**      **(73,193,341)**

**Net increase in cash and cash equivalents**

**(1,180,709)**      **10,161,848**

**Cash and cash equivalents at beginning of the period**

**68,141,277**      **62,067,992**

**Cash and cash equivalents at end of the period**

**66,960,569**      **72,229,840**

**Cash and cash equivalents comprise of the following :-**

Cash and bank balances	61,423,315	66,788,085
Other financial assets - US Dollar Bonds	5,537,254	5,441,755
	<b>66,960,569</b>	<b>72,229,840</b>

**NON CASH TRANSACTIONS**

Purchase of fixed assets against finance lease	39,200,000	87,575,442
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*The annexed notes form an integral part of these condensed interim financial statements.*

CHIEF EXECUTIVE

DIRECTOR