GULISTAN TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2007 (UN-AUDITED)

	Six month period ended	
	December 31, 2007	December 31, 2006
	----------Rupees----------	
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation	**55,494,017**	18,101,911
Adjustments for:		
Depreciation	**42,518,012**	69,075,884
Staff retirement benefits-gratuity (net)	**445,067**	(4,070,401)
Finance cost	**229,209,447**	195,529,412
Interest income	**(556,884)**	(381,823)
Share of profit of associated companies	**(17,386,787)**	(2,757,837)
Fair value of investment at fair value through profit and loss	**7,349,900**	(2,499,917)
Profit/(loss) on sale of property, plant and equipment	**(3,278,680)**	(208,250)
Gain on sale & lease back of assets	**(65,618)**	-
Dividend income	**(1,165,344)**	(1,940,368)
Profit before working capital changes	**312,563,130**	270,848,611
Movement in working capital		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	**(7,396,985)**	(1,904,365)
Stocks in trade	**(1,333,774,055)**	(945,209,721)
Trade debts	**17,570,091**	150,936,544
Loans and advances	**18,217,798**	18,588,687
Trade deposits and short term prepayments	**(364,141)**	7,826,652
Other receivables	**193,998**	3,683,075
Income tax refundable	**-**	11,971,175
Sales tax refundable	**(4,521,220)**	(1,596,473)
	(1,310,074,515)	(755,704,426)
Increase/(decrease) in current liabilities:		
Trade and other payables	**75,904,155**	1,065,141
Cash used in operating activities	**(921,607,230)**	(483,790,674)
Payments for:		
Finance cost	**(176,316,011)**	(177,481,363)
Income Tax	**(10,081,346)**	(11,453,416)
Net cash used in operating activities	**(1,108,004,587)**	(672,725,453)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale proceeds of property, plant and equipment	**3,440,000**	1,700,000
Fixed capital expenditure	**(117,438,250)**	(26,330,593)
Sale proceeds of long term investment - shares	**-**	14,537,447
Dividend received	**1,165,344**	1,940,368
Interest received	**506,884**	355,908
Increase in long term deposits	**(3,034,991)**	(3,344,417)
Net cash outflow from investing activities	**(115,361,012)**	(11,141,287)
Net cash outflow before financing activities	**(1,223,365,599)**	(683,866,740)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of finance lease	**(23,440,769)**	(26,031,707)
Repayment of long term financing	**(90,522,000)**	(130,662,651)
Proceed from long term financing	**108,856,000**	41,528,571
Proceed from short term borrowings	**1,235,249,152**	791,825,566
(Repayment) / proceeds of short term loans - machinery	**(1,876,644)**	21,661,085
Net cash generated from financing activities	**1,228,265,739**	698,320,864
Net increase / (decrease) in cash and cash equivalents	**4,900,140**	14,454,124
Cash and cash equivalents at beginning of the period	**59,307,354**	58,750,567
Cash and cash equivalents at end of the period	**64,207,494**	73,204,691
Cash and cash equivalents comprise of the following :-		
Cash and bank balances	**60,239,827**	49,029,640
Other financial assets- US Dollar Bonds	**3,967,667**	24,175,051
	64,207,494	73,204,691
NON CASH TRANSACTIONS		
Purchase of fixed assets against finance lease	**55,348,519**	66,208,213

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

NASEER AHMAD
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR