

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT(UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2007

Nine Months Ended	
March 31, 2007	March 31, 2006
-----RUPEES-----	

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net Profit/(loss) before taxation	27,525,931	41,387,797
Adjustments for :		
Depreciation	104,157,857	99,191,537
Staff retirement benefits (net)	(5,507,379)	(14,261)
Finance cost	320,249,668	261,613,523
Interest income	(476,112)	(4,454,603)
Share of profit of associated companies	(2,757,837)	-
Fair value of investment through profit & loss	(7,712,327)	(4,638,629)
Profit on sale of fixed assets	(3,371,884)	(876,342)
Amortization of TFC issue expenses	-	476,878
Dividend income	(1,947,988)	(791,372)
Cash flow from operation before working capital changes	430,159,928	391,894,529

Movement in working capital

(Increase) / decrease in Current assets:

Stores , Spare parts & loose tools	(2,947,037)	(16,707,483)
Stocks in trade	(945,769,709)	(1,149,966,204)
Trade debts	(130,694,855)	(105,331,918)
Loans & Advances	17,224,172	(2,837,774)
Trade Deposits & short term prepayments	7,827,165	(8,629,735)
Other receivables	3,381,406	(1,460,986)
Income tax refundable	11,971,175	-
Sales tax refundable	(2,534,805)	8,591,921
	(1,041,542,488)	(1,276,342,177)

Increase / (decrease) in Current liabilities :

Trade and other payables	830,376	130,738,833
Cash (used in) / generated from operations	(610,552,183)	(753,708,815)

(Payments)/ Receipts for :

Finance cost paid	(301,261,863)	(238,890,073)
Income Tax paid	(16,236,252)	(15,771,514)

Net cash used in operating activities

	(928,050,298)	(1,008,370,402)
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B. Cash flow from investing activities:

Sale proceeds of fixed assets	5,854,500	2,355,000
Fixed capital expenditure	(37,785,445)	(119,243,446)
Sale proceeds of short term investment - shares	15,795,045	-
Purchase of short term investment - shares	(9,386,547)	-
Dividend Received	1,947,988	791,372
Interest received	567,606	4,229,019
Dividend paid	(3,157)	(3,338)
(Increase)/Decrease in Long term deposits	(6,460,789)	1,759,677

Net cash inflow / (outflow) from investing activities:

	(29,470,799)	(110,111,717)
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Net cash inflow / (outflow) before financing activities:

	(957,521,097)	(1,118,482,119)
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C. Cash flows from financing activities:

Repayment of Finance Lease
 Repayment of Long Term Financing
 Proceed from Long Term Financing
 Proceed from short term borrowings
 Repayment / Proceeds of short term loans - Machinery

(30,178,367)	(57,791,905)
(199,852,222)	(188,348,924)
40,457,142	255,961,396
1,151,825,621	1,112,968,999
(9,543,549)	(19,720,266)

Net cash used in / from financing activities

952,708,625 1,103,069,300

Net increase / (decrease) in cash and

Cash equivalents

(4,812,472) (15,412,820)

Cash and cash equivalents at beginning of the period

58,750,567 62,368,894

Cash and cash equivalents at end of the period

53,938,096 46,956,074

Cash & cash equivalents comprise of the following :-

Cash & bank balances

42,555,545 23,212,671

Other financial assets- US \$ Bonds

11,382,551 23,743,403

53,938,096 46,956,074

NON CASH TRANSACTIONS

Purchase of fixed assets against finance lease

130,550,609 98,966,994

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

NASEER AHMAD
 CHIEF EXECUTIVE

RIAZ AHMED
 DIRECTOR