

**GULISTAN TEXTILE MILLS LIMITED**  
CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

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

Nine months period ended		
March 31, 2008	March 31, 2007	
-----Rupees-----		
Net profit before taxation	74,356,325	27,525,931
Adjustments for:		
Depreciation	66,999,628	104,157,857
Staff retirement benefits-gratuity ( net )	(2,306,137)	(5,507,379)
Finance cost	356,132,721	320,249,668
Interest income	(925,446)	(476,112)
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	(7,712,327)
Profit/(loss) on sale of property, plant and equipment	(3,321,432)	(3,371,884)
Gain on sale & lease back of assets	(65,618)	-
Dividend income	(1,165,883)	(1,947,988)
<b>Profit before working capital changes</b>	<b>479,667,272</b>	<b>430,159,928</b>

**Movement in working capital  
(Increase)/decrease in current assets:**

Stores, spare parts and loose tools	(9,296,587)	(2,947,037)
Stocks in trade	(1,743,281,337)	(945,769,709)
Trade debts	(43,000,113)	(130,694,855)
Loans and advances	14,765,788	17,224,172
Trade deposits and short term prepayments	(3,796,601)	7,827,165
Other receivables	(2,281,307)	3,381,406
Income tax refundable	-	11,971,175
Sales tax refundable	(1,772,833)	(2,534,805)
	<b>(1,788,662,989)</b>	<b>(1,041,542,488)</b>

**Increase/(decrease) in current liabilities:**

Trade and other payables	137,674,523	830,376
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**Cash used in operating activities**

	<b>(1,171,321,194)</b>	<b>(610,552,183)</b>
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**Payments for:**

Finance cost	(306,250,337)	(301,261,863)
Income Tax	(15,927,144)	(16,236,252)

**Net cash used in operating activities**

	<b>(1,493,498,676)</b>	<b>(928,050,298)</b>
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**B. CASH FLOW FROM INVESTING ACTIVITIES:**

Sale proceeds of property, plant and equipment	3,540,000	5,854,500
Fixed capital expenditure	(116,426,710)	(37,785,445)
Sale proceeds of long term investment - shares	-	15,795,045
Dividend received	1,165,883	1,947,988
Interest received	1,092,946	567,606
Increase in long term deposits	239,294	(6,460,789)

**Net cash outflow from investing activities**

	<b>(110,388,588)</b>	<b>(29,470,799)</b>
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**Net cash outflow before financing activities**

	<b>(1,603,887,264)</b>	<b>(957,521,097)</b>
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**C. CASH FLOW FROM FINANCING ACTIVITIES:**

Repayment of finance lease	(37,696,179)	(30,178,367)
Repayment of long term financing	(83,156,099)	(199,852,222)
Proceed from long term financing	100,856,000	40,457,142
Proceed from short term borrowings	1,626,689,952	1,151,825,621
(Repayment) / proceeds of short term loans - machinery	(1,876,644)	(9,543,549)
<b>Net cash generated from financing activities</b>	<b>1,604,817,030</b>	<b>952,708,625</b>

**Net increase / (decrease) in cash and cash equivalents**

	929,766	(4,812,472)
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**Cash and cash equivalents at beginning of the period**

	59,307,354	58,750,567
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**Cash and cash equivalents at end of the period**

	<b>60,237,120</b>	<b>53,938,096</b>
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**Cash and cash equivalents comprise of the following :-**

Cash and bank balances	56,180,628	42,555,545
Other financial assets- US Dollar Bonds	4,056,492	11,382,551
	<b>60,237,120</b>	<b>53,938,096</b>

**NON CASH TRANSACTIONS**

Purchase of fixed assets against finance lease	59,353,771	130,550,609
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The annexed notes form an integral part of these condensed interim financial statements.

**NASEER AHMAD**  
**CHIEF EXECUTIVE**

**MUHAMMAD ABDULLAH**  
**DIRECTOR**