

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT(UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2007

1st Quarter Ended	
September 30, 2007	September 30, 2006
-----RUPEES-----	

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net Profit/(loss) before taxation	12,528,426	7,459,163
Adjustments for :		
Depreciation	35,732,249	34,440,173
Staff retirement benefits (net)	891,140	(1,455,837)
Finance cost	111,544,353	108,580,878
Interest income	(395,730)	(1,150,016)
Fair value of investment through profit & loss	4,954,241	2,949,208
Gain on fair value of investment property	-	-
Profit on sale of fixed assets	(2,404,600)	-
Dividend income	(40,221)	(227,188)
Profit on sale of long term investment shares	-	-
Cash flow from operation before working capital changes	162,809,858	150,596,381

Movement in working capital

(Increase) / decrease in Current assets:

Stores , Spare parts & loose tools	6,421,932	3,412,396
Stocks in trade	(548,319,941)	(234,851,335)
Trade debts	46,979,915	197,716,647
Loans & Advances	8,918,505	18,813,644
Trade Deposits & short term prepayments	(1,357,267)	2,131,509
Other receivables	4,782,650	1,585,409
Income tax refundable	-	11,971,175
Sales tax refundable	(3,104,604)	2,817,704
	(485,678,810)	3,597,149

Increase / (decrease) in Current liabilities :

Trade and other payables	69,949,515	38,524,428
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Cash (used in) / generated from operations

	(252,919,437)	192,717,958
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(Payments)/ Receipts for :

Finance cost paid	(86,253,398)	(109,736,040)
Income Tax paid	(2,002,444)	(5,528,407)

Net cash used in operating activities

	(341,175,278)	77,453,511
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B. Cash flow from investing activities:

Sale proceeds of fixed assets	2,540,000	-
Fixed capital expenditure	825,732	(24,891,944)
Sale proceeds of short term investment - shares	-	287,435
Purchase of short term investment - shares	-	(11,958,186)
Dividend Received	40,221	227,188
Interest received	416,855	1,170,917
(Increase)/Decrease in Long term deposits	(195,657)	28,000

Net cash inflow / (outflow) from investing activities:

	3,627,152	(35,136,590)
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Net cash inflow / (outflow) before financing activities:

	(337,548,127)	42,316,921
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C. Cash flows from financing activities:

Repayment of Finance Lease	(6,648,916)	(10,316,309)
Repayment of Long Term Financing	(66,689,571)	(148,237,854)
Proceed from short term borrowings	398,234,710	121,610,888
Repayment / Proceeds of short term loans - Machinery	(1,876,644)	(4,654,820)
Net cash used in / from financing activities	323,019,579	(41,598,095)
Net increase / (decrease) in cash and cash equivalents	(14,528,548)	718,826
Cash and cash equivalents at beginning of the period	59,307,354	58,750,567
Cash and cash equivalents at end of the period	44,778,807	59,469,393
Cash & cash equivalents comprise of the following :-		
Cash & bank balances	40,872,962	35,563,576
Other financial assets- US \$ Bonds	3,905,845	23,905,817
	44,778,807	59,469,393

NON CASH TRANSACTIONS

Purchase of fixed assets against finance lease	28,012,132	-
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The annexed notes form an integral part of these financial statements.

NASEER AHMAD
 CHIEF EXECUTIVE