

**GULISTAN TEXTILE MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE 1st QUARTER ENDED SEPTEMBER 30, 2010**

1st Quarter Ended	
September 30, 2010	September 30, 2009

-----Rupees-----

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

Profit before taxation	99,269,945	15,079,927
Adjustments for:		
Depreciation	25,985,177	23,758,100
Staff retirement benefits - gratuity (net)	541,540	623,680
Finance cost	242,360,778	231,833,214
Interest income	(620,709)	(403,546)
Share of profit of associated companies	(27,814,610)	-
Fair value of investment at fair value through profit and loss	-	(18,528,677)
Profit on sale of property, plant and equipment	-	(11,219)
Dividend income	-	(138)
<b>Profit before working capital changes</b>	<b>339,722,121</b>	<b>252,351,341</b>

**Movement in working capital**

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

Stores, spare parts and loose tools	(3,049,600)	(3,643,533)
Stock in trade	(203,219,603)	(272,490,301)
Trade debts	15,094,055	42,876,782
Loans and advances	6,342,726	(8,362,179)
Trade deposits and short term prepayments	(115,918)	732,473
Other receivables	(3,223,364)	3,198,933
Tax refunds due from Government	(8,710,628)	(4,930,900)
<b>Increase / (decrease) in current liabilities</b>	<b>(196,882,332)</b>	<b>(242,618,724)</b>

Trade and other payables

126,651,088 89,783,394

**Cash generated from / (used in) operating activities**

269,490,877 99,516,011

**Payments for:**

Finance cost	(246,157,229)	(215,136,954)
Income tax	(22,438,284)	(11,906,952)

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

895,364 (127,527,895)

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

Sale proceeds of property, plant and equipment	-	2,200,354
Fixed capital expenditure	(41,568,506)	(20,863,189)
Dividend received	-	138
Interest received	803,717	669,100
(Increase)/Decrease in Long term deposits	301,840	185,920
<b>Net cash from / (used in) investing activities</b>	<b>(40,462,949)</b>	<b>(17,807,677)</b>
<b>Net cash outflow before financing activities</b>	<b>(39,567,585)</b>	<b>(145,335,572)</b>

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

Repayment of liabilities against assets subject to finance lease	(29,977,567)	(16,176,812)
Repayment of long term financing	(15,566,426)	(69,391,324)
Proceed from short term borrowings	80,879,613	238,474,587
<b>Net cash generated from / (used in) financing activities</b>	<b>35,335,619</b>	<b>152,906,451</b>

**Net increase in cash and cash equivalents**

(4,231,963) 7,570,878

Cash and cash equivalents at beginning of the period

68,141,276 62,067,992

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

63,909,313 69,638,869

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

Cash and bank balances	58,338,390	64,273,794
Other financial assets - US Dollar Bonds	5,570,923	5,365,075
	<b>63,909,313</b>	<b>69,638,869</b>

**NON CASH TRANSACTIONS**

Purchase of fixed assets against finance lease	-	-
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*The annexed notes form an integral part of these condensed interim financial statements.*

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

**SOHAIL MAQSOOD**  
**DIRECTOR**