

GULISTAN TEXTILE MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008 (UN-AUDITED)

A. CASH FLOW FROM OPERATING ACTIVITIES:

1st Quarter ended		
September 30, 2008	September 30, 2007	
Re-stated		
-----Rupees-----		
Net profit before taxation	20,343,078	24,107,529
Adjustments for:		
Depreciation	23,881,129	24,153,146
Staff retirement benefits-gratuity (net)	876,982	891,140
Finance cost	133,639,994	111,544,353
Interest income	(434,933)	(395,730)
Fair value of investment at fair value through profit and loss	13,656,663	4,954,241
Profit/(loss) on sale of property, plant and equipment	-	(2,404,600)
Dividend income	-	(40,221)
Profit before working capital changes	191,962,913	162,809,858

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

Stores, spare parts and loose tools	(3,396,069)	6,421,932
Stocks in trade	(719,769,414)	(548,319,941)
Trade debts	189,896,698	46,979,915
Loans and advances	(4,914,588)	8,918,505
Trade deposits and short term prepayments	(5,541,365)	(1,357,267)
Other receivables	1,912,738	4,782,650
Tax refunds due from Government	(4,653,257)	(3,104,604)
	(546,465,257)	(485,678,810)

Increase/(decrease) in current liabilities:

Trade and other payables	(42,808,725)	69,949,515
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Cash used in operating activities

(397,311,069)	(252,919,437)
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Payments for:

Finance cost	(130,998,586)	(86,253,398)
Income Tax	(5,109,418)	(2,002,444)

Net cash used in operating activities

(533,419,074)	(341,175,279)
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B. CASH FLOW FROM INVESTING ACTIVITIES:

Sale proceeds of property, plant and equipment	-	2,540,000
Fixed capital expenditure	(1,819,472)	825,732
Dividend received	-	40,221
Interest received	220,906	416,855
Increase in long term deposits	6,392,326	(195,657)

Net cash outflow from investing activities

4,793,760	3,627,152
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Net cash outflow before financing activities

(528,625,313)	(337,548,127)
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C. CASH FLOW FROM FINANCING ACTIVITIES:

Repayment of finance lease	(4,902,300)	(6,648,916)
Repayment of long term financing	(63,535,588)	(66,689,571)
Proceed from short term borrowings	595,295,762	398,234,710
(Repayment) / proceeds of short term loans - machinery	-	(1,876,644)
Net cash generated from financing activities	526,857,874	323,019,579

Net increase / (decrease) in cash and cash equivalents

(1,767,439)	(14,528,548)
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Cash and cash equivalents at beginning of the period

33,226,471	59,307,354
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Cash and cash equivalents at end of the period

31,459,033	44,778,806
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Cash and cash equivalents comprise of the following :-

Cash and bank balances	27,061,065	40,872,962
Other financial assets- US Dollar Bonds	4,397,968	3,905,845
	31,459,033	44,778,807

NON CASH TRANSACTIONS

Purchase of fixed assets against finance lease	59,353,771	91,082,721
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The annexed notes form an integral part of these condensed interim financial statements.

NASEER AHMAD
CHIEF EXECUTIVE

TANVEER AHMAD
DIRECTOR