

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT (UNAUDITED)
#REF!

	Half Year Ended	
	December 31, 2005	December 31, 2004
	Rupees	Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit/(loss) before taxation	40,932,701	(22,850,999)
<i>Adjustments for:</i>		
Depreciation	64,390,428	62,884,758
Staff retirement benefits (net)	541,499	(562,314)
Finance cost	140,330,589	111,232,708
Interest income	(3,396,614)	(616,433)
Increase/decrease in value of investment in associated	(14,883,742)	(1,382,950)
Gain on fair value of investment property	-	(762,800)
Profit on sale of fixed assets	(864,563)	(8,920,845)
Amortization of TFC issue expenses	476,878	1,370,166
Amortization of deferred cost	-	559,780
Dividend income	(780,911)	(120,616)
Cash flows from operation before working capital changes	226,746,265	140,830,455
Movement in working capital		
(Increase)/decrease in current assets:		
Stores , spare parts & loose tools	308,296	(17,038,175)
Stocks in trade	(599,610,853)	(700,606,478)
Trade debts	(40,989,131)	98,392,344
Loans & advances	(1,623,989)	(1,965,872)
Trade deposits & short term prepayments	(3,497,040)	(1,118,973)
Other receivables	(2,869,801)	(3,026,871)
Sales tax refundable	(13,887,443)	7,179,133
	(662,169,961)	(618,184,892)
Increase/(decrease) in Current liabilities:		
Trade and other payables	40,955,923	48,639,417
Cash (used in)/generated from operations	(394,467,773)	(428,715,020)
(Payments)/receipts for:		
Finance cost	(129,342,785)	(88,323,445)
Income Tax	(9,312,557)	(7,383,339)
Net cash used in operating activities	(533,123,115)	(524,421,804)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale proceeds of fixed assets	2,305,000	19,007,006
Fixed capital expenditure	(90,015,701)	(167,573,505)
Purchase of short term investment	-	(494,000)
Dividend received	780,911	120,616
Interest received	3,085,604	664,822
Dividend paid	(3,338)	(10,230)
(Increase)/decrease in long term deposits	2,157,435	2,461,615
Net cash inflows/(outflows) from investing activities:	(81,690,089)	(145,823,676)
Net cash inflows/(outflows) before financing activities:	(614,813,204)	(670,245,480)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of finance lease	(45,897,471)	(53,399,304)
Repayment of long term financing	(93,401,412)	(112,425,594)
Proceed from long term financing	157,220,000	210,000,000
Proceed from short term borrowings	607,020,375	579,252,386
(Repayment) / proceeds of short term loans - Machinery	(22,214,934)	38,545,111
Net cash used in / from financing activities	602,726,558	661,972,599
Net increase / (decrease) in cash and		
Cash equivalents	(12,086,646)	(8,272,881)
Cash and cash equivalents at beginning of the period	62,368,894	44,243,540
Cash and cash equivalents at end of the period	50,282,248	35,970,659
Cash & cash equivalents comprise of the following :-		
Cash & bank balances	26,538,845	12,457,374
Other financial assets- US \$ Bonds	23,743,403	23,513,284
	50,282,248	35,970,658
NON CASH TRANSACTIONS		
Purchase of fixed assets against finance lease	97,420,885	6,558,700

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

NASEER AHMAD
CHIEF EXECUTIVE

MOHAMMAD ABDULLAH
DIRECTOR