

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2006 (UN-AUDITED)

	Six months period ended	
	December 31, 2006	December 31, 2005
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation	18,101,911	40,932,701
Adjustments for:		
Depreciation	69,075,884	64,390,428
Staff retirement benefits-gratuity (net)	(4,070,401)	541,499
Finance cost	195,529,412	140,330,589
Interest income	(381,823)	(3,396,614)
Share of profit of associated companies	(2,757,837)	-
Fair value of investment at fair value through profit and loss	(2,499,917)	(14,883,742)
Profit on sale of property, plant and equipment	(208,250)	(864,563)
Amortization of TFC issue expenses	-	476,878
Dividend income	(1,940,368)	(780,911)
Profit before working capital changes	270,848,611	226,746,265
Movement in working capital		
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(1,904,365)	308,296
Stocks in trade	(945,209,721)	(599,610,853)
Trade debts	150,936,544	(40,989,131)
Loans and advances	18,588,687	(1,623,989)
Trade deposits and short term prepayments	7,826,652	(3,497,040)
Other receivables	3,683,075	(2,869,801)
Income tax refundable	11,971,175	-
Sales tax refundable	(1,596,473)	(13,887,443)
	(755,704,426)	(662,169,961)
Increase/(decrease) in current liabilities:		
Trade and other payables	1,065,141	40,955,923
Cash used in operating activities	(483,790,674)	(394,467,773)
Payments for:		
Finance cost	(177,481,363)	(129,342,785)
Income Tax	(11,453,416)	(9,312,557)
Net cash used in operating activities	(672,725,453)	(533,123,115)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale proceeds of property, plant and equipment	1,700,000	2,305,000
Fixed capital expenditure	(26,330,593)	(90,015,701)
Sale proceeds of long term investment - shares	14,537,447	-
Dividend received	1,940,368	780,911
Interest received	355,908	3,085,604
Dividend paid	-	(3,338)
Increase in long term deposits	(3,344,417)	2,157,435
Net cash outflow from investing activities:	(11,141,287)	(81,690,089)
Net cash outflow before financing activities:	(683,866,740)	(614,813,204)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of finance lease	(26,031,707)	(45,897,471)
Repayment of long term financing	(130,662,651)	(93,401,412)
Proceed from long term financing	41,528,571	157,220,000
Proceed from short term borrowings	791,825,566	607,020,375
(Repayment) / proceeds of short term loans - machinery	21,661,085	(22,214,934)
Net cash generated from financing activities	698,320,864	602,726,558
Net increase / (decrease) in cash and cash equivalents	14,454,124	(12,086,646)
Cash and cash equivalents at beginning of the period	58,750,567	62,368,894
Cash and cash equivalents at end of the period	73,204,691	50,282,248
Cash and cash equivalents comprise of the following :-		
Cash and bank balances	49,029,640	26,538,845
Other financial assets- US Dollar Bonds	24,175,051	23,743,403
	73,204,691	50,282,248
NON CASH TRANSACTIONS		
Purchase of fixed assets against finance lease	66,208,213	97,420,885

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

NASEER AHMAD
CHIEF EXECUTIVE
MOHAMMAD ABDULLAH
DIRECTOR