

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT(UNAUDITED)
AS AT MARCH 31, 2006

Period Ended	
March 31, 2006	March 31, 2005
RUPEES	RUPEES

A. CASH FLOW FROM OPERATING ACTIVITIES:

Net Profit/(loss) before taxation	41,387,796	4,931,065
Adjustments for :		
Depreciation	99,191,537	92,249,600
Staff retirement benefits (net)	(14,261)	(1,088,604)
Finance cost	261,613,523	184,748,224
Interest income	(4,454,603)	(1,254,651)
Increase/Decrease in value of investment	(4,638,629)	1,047,882
Gain on fair value of investment property	-	(762,800)
Profit on sale of fixed assets	(876,342)	(8,920,845)
Amortization of TFC issue expenses	476,878	5,323,951
Amortization of deferred cost	-	559,780
Dividend income	(791,372)	(5,522,734)
Cash flow from operation before working capital changes	391,894,528	271,310,868

Movement in working capital

(Increase) / decrease in Current assets:

Stores , Spare parts & loose tools	(16,707,483)	(43,604,409)
Stocks in trade	(1,149,966,204)	(334,560,605)
Trade debts	(105,331,918)	(130,907,743)
Loans & Advances	(2,837,774)	(3,871,017)
Trade Deposits & short term prepayments	(8,629,735)	2,965,049
Other receivables	(1,460,986)	(5,514,228)
Sales tax refundable	8,591,921	14,055,646
	(1,276,342,177)	(501,437,307)

Increase / (decrease) in Current liabilities :

Trade and other payables	130,738,833	30,775,385
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Cash (used in) / generated from operations	(753,708,816)	(199,351,054)
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Payments/ Receipts for :

Finance cost paid	(238,890,073)	(174,092,362)
Income Tax paid	(15,771,514)	(13,133,157)

Net cash used in operating activities	(1,008,370,403)	(386,576,573)
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B. Cash flow from investing activities:

Sale proceeds of fixed assets	2,355,000	22,644,263
Fixed capital expenditure	(119,243,446)	(244,997,943)
Purchase of short term investment	-	629,000
Dividend Received	791,372	5,522,734
Interest received	4,229,019	1,112,325
Dividend paid	(3,338)	(9,041,408)
(Increase)/Decrease in Long term deposits	1,759,677	2,193,710

Net cash inflow / (outflow) from investing activities:	(110,111,717)	(221,937,319)
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Net cash inflow / (outflow) before financing activities:	(1,118,482,120)	(608,513,892)
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	March 31, 2006 RUPEES	March 31, 2005 RUPEES
C. Cash flows from financing activities:		
Repayment of Finance Lease	(57,791,905)	(77,669,546)
Repayment of Long Term Financing	(188,348,924)	(516,379,379)
Proceed from Long Term Financing	255,961,396	610,000,000
Proceed from short term borrowings	1,112,968,999	331,419,135
Repayment / Proceeds of short term loans - Machinery	(19,720,266)	131,376,325
Proceeds of Post Shipment loans	-	132,944,000
Net cash used in / from financing activities	1,103,069,300	611,690,535
Net increase / (decrease) in cash and		
Cash equivalents	(15,412,820)	3,176,643
Cash and cash equivalents at beginning of the period	62,368,894	44,243,540
Cash and cash equivalents at end of the period	46,956,074	47,420,183
Cash & cash equivalents comprise of the following :-		
Cash & bank balances	23,212,671	23,852,298
Other financial assets- US \$ Bonds	23,743,403	23,567,885
	46,956,074	47,420,183
NON CASH TRANSACTIONS		
Purchase of fixed assets against finance lease	98,966,994	6,558,700
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The annexed notes form an integral part of these financial statements.

NASEER AHMAD
CHIEF EXECUTIVE

ABDUL SHAKOOR
DIRECTOR