

GULISTAN TEXTILE MILLS LIMITED
NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005

1. STATUS AND NATURE OF BUSINESS

The Gulistan Textile Mills Limited (the company) was incorporated on February 02, 1966 as a Private Limited Company and converted in Public Limited Company on April 11, 1966. Its main business is manufacturing and sale of cotton yarn and fabric. The share of the company are listed on Karachi and Lahore Stock Exchanges.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting as applicable in Pakistan and the requirements of Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directive issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of this standard, the requirements of the Companies Ordinance, 1984 or the said directives take the precedence.

3. ACCOUNTING POLICIES

The present accounting policies and methods of computation followed for the preparation of these accounts are the same as those applied in the preparation of the preceding annual accounts of the Company for the period ended 30 June, 2005.

4. PRESENTATIONS

All figures except June 30, 2005, figures appearing in the financial statements are unaudited. Figures have been rounded off to the nearest rupee.

5. CONTINGENT LIABILITIES / COMMITMENTS

There have been no significant change in the status of contingent liabilities & commitments since the last audited financial statements

6. PROPERTY, PLANT AND EQUIPMENTS

	ADDITIONS		DISPOSALS (WDV)	
	30-09-05	30-06-05	30-09-05	30-06-05
OWN ASSETS				
Land	-	18,098,144	-	-
Building on free/leased hold land	-	1,321,171	-	-
Plant & Machinery	13,179,492	149,657,400	5,200,000	5,975,000
Electric Installation	1,746,047	2,007,705	-	-
Electric Equipments	-	956,495	-	-
Office Equipments	249,350	1,161,391	-	-
Mill Equipments	-	3,117,069	-	-
Furniture & Fixture	404,232	357,341	-	-
Fire Fighting Equipments	-	570,050	-	-
Vehicles	127,200	2,382,182	2,073,000	2,578,043
LEASED ASSETS				
Plant & Machinery	-	32,147,847	-	-
Vehicles	4,630,000	6,670,000	-	-
	20,336,321	218,446,796	7,273,000	8,553,043

GULISTAN TEXTILE MILLS LIMITED

		AS	AT
		30-09-2005	30-06-2005
7. SHARE CAPITAL			
Authorized Capital			
15,000,000	Ordinary shares of Rs.10/- each	150,000,000	150,000,000
Issued, subscribed and paidup capital			
4,771,715	Ordinary shares of Rs.10/- each fully paid in cash	47,717,150	47,717,150
7,864,285	Ordinary shares of Rs.10/- each issued as fully paid bonus shares	78,642,850	78,642,850
12,636,000		126,360,000	126,360,000

Quarter Ended 30-09-2005

8. COST OF SALES

Stock at beginning	319,960,391
Cost of goods manufactured	704,329,935
	1,024,290,326
Stock at end	439,361,020
	584,929,306

9. TRANSACTIONS WITH RELATED PARTIES

Purchase from associates

Stores	45,126
Raw materials	2,278,851
Yarn	26,500
Electricity	1,387,251
Processing (Dyeing & Doubling)	12,076

Sales to related parties

Raw materials	85,941,945
Yarn	314,100

Transaction with related parties are carried at arm's length, determined in accordance with comparable uncontrolled price method.

10. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on 29th October, 2005.

As per directives of SECP the Comparative figures of the previous quarter are not given in this statement.

NASEER AHMED
Chief Executive

MOHAMMAD ABDULLAH
Director