

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005

1ST QUARTER 30 SEP. 2005 RUPEES

A. CASH FLOW FROM OPERATING ACTIVITIES

Net profit / (loss) before taxation **9,847,819**

Adjustments for:

Depreciation	30,259,754
Staff retirement benefits (net)	411,929
Finance cost	66,522,644
Interest income	(1,867,460)
(Increase) / Decrease in value of investment	2,035,673
Profit on sale of fixed assets	(788,059)
Amortization of TFC issue expenses	476,878
Dividend income	(14,646)

Cash flow from operation before working capital changes **106,884,532**

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

Stores, Spares parts & loose tools	(9,664,692)
Stock in trade	100,642,058
Trade debts	13,510,984
Loans and Advances	(5,160,666)
Trade deposits & short term prepayments	503,070
Other receivables	(1,384,781)
Sales tax refundables	(2,848,496)

(95,597,476)

Increase / (decrease) in current liabilities

Trade and other payables **46,208,704**

Cash (used in)/ generated from operations **248,690,712**

Payments / Receipts for:

Finance cost paid	(54,577,111)
Income Tax paid	(4,558,894)

Net cash used in operating activities **189,554,707**

GULISTAN TEXTILE MILLS LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2005

1ST QUARTER
30 SEP. 2005
RUPEES

B. CASH FLOW FROM INVESTING ACTIVITIES

Sale proceeds of fixed assets	2,165,000
Fixed capital expenditure	(52,653,898)
Dividend received	14,646
Interest received	1,710,428
Dividend paid	(3,338)
(Increase) / Decrease in Long term deposits	2,710,012

Net cash inflow / (outflow) from investing activities **(46,057,150)**

Net cash inflow / (outflow) before financing activities **143,497,556**

C. CASH FLOW FROM FINANCING ACTIVITIES

Repayment of Finance lease	(18,731,381)
Proceed from / repayment of Long term financing	46,598,374
Proceed from Short term borrowing	(150,490,780)
Repayment of Short term loans - machinery	(43,513,432)

Net cash used in / from financing activities **(166,137,219)**

Net increase / (decrease) in cash & cash equivalents **(22,639,662)**

CASH & CASH EQUIVALENTS
- At beginning of the period **62,368,894**

CASH & CASH EQUIVALENTS
- At end of the period **39,729,231**

Cash & cash equivalents comprise of the following

Cash and bank balances	15,970,739
Other financial assets - US \$ Bonds	23,758,493

39,729,232

NON-CASH TRANSACTIONS

Purchase of fixed assets against finance lease **4,630,000**

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

NASEER AHMED
Chief Executive

MOHAMMAD ABDULLAH
Director