

**GULISTAN TEXTILE MILLS LIMITED**STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE 1st QUARTER ENDED SEPTEMBER 30, 2006

	RESERVES					TOTAL
	CAPITAL	REVENUE				
	Share Premium	General Resrve	Bonus Shares	Unappropriated Profit		
	-----Rupees-----					
Balance as at 01 July 2005-Restated	126,360,000	379,080,000	203,921,394	-	1,105,026,377	1,814,387,771
Transfer from profit & loss	-	-	-	6,318,000	(6,318,000)	-
Issue of 631,800 ordinary shares of Rs. 10 each fully paid as bonus shares	6,318,000	-	-	(6,318,000)	-	-
Share of surplus on revaluation of property, plant and equipment-land of associated companies	-	-	-	-	127,629,316	127,629,316
Profit for the year 2006	-	-	-	-	81,335,035	81,335,035
<b>Balance as at 30 June 2006</b>	<b>132,678,000</b>	<b>379,080,000</b>	<b>203,921,394</b>	<b>-</b>	<b>1,307,672,728</b>	<b>2,023,352,122</b>
<b>Profit for the Qtr. ended Sep 30, 2006</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>3,364,509</b>	<b>3,364,509</b>
<b>Balance as at 30 September 2006</b>	<b>132,678,000</b>	<b>379,080,000</b>	<b>203,921,394</b>	<b>-</b>	<b>1,311,037,237</b>	<b>2,026,716,631</b>

*The annexed notes form an integral part of these financial statements.*NASEER AHMAD  
CHIEF EXECUTIVEMUHAMMAD ABDULLAH  
DIRECTOR