

GULISTAN SPINNING MILLS LIMITED

CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31,2006

	March 31,2006	March 31,2005
Rupees.....	
	(UNAUDITED)	(UNAUDITED)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,897,290	10,950,159
Adjustments for:		
Depreciation on property, plant and equipment	29,301,565	20,680,244
Provision for employees' benefits	1,930,500	1,248,000
Finance cost	54,298,993	31,811,588
Gain on disposal of property, plant and equipment	561,064	(60,871)
Gain due to change in the fair value of investments available for sale	(460,925)	(413,536)
Provision for workers' profit participation fund	482,291	591,085
Dividend income	(68,735)	(59,757)
Gain on disposal of investments available for sale		
Profit on sale and lease back		
Operating cash flows before changes in working capital	94,942,043	64,746,911
(Increase) / decrease in current assets		
Stores, spares and loose tools	(9,241,910)	(1,539,563)
Stock in trade	(120,968,357)	(198,856,522)
Trade debts	(75,547,442)	29,975,960
Loans and advances	(18,963,087)	3,357,802
Deposits and short term prepayments	664,260	2,926,440
Other receivables	(6,284,743)	4,495,027
	(230,341,278)	(159,640,856)
Increase / (decrease) in trade and other payables	(3,248,506)	(6,489,418)
Cash generated by operations	(138,647,740)	(101,383,363)
Finance cost paid	(50,024,480)	(20,969,969)
Employees' benefits paid	(1,115,746)	(1,121,787)
Workers' profit participation fund paid	(985,640)	(290,853)
Income taxes refund/(paid)	4,253,489	(5,525,104)
Dividends paid	(2,785)	(7,086)
	(47,875,161)	(27,914,799)
Net cash from / (used in) operating activities	(186,522,902)	(129,298,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(131,231,112)	(74,310,255)
Increase/(decrease) in investments	-	(493,000)
Long-term deposits	(1,077,744)	1,507,599
Dividends received	68,735	59,757
Net cash used in investing activities	(132,240,122)	(73,235,899)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term financing	(51,101,063)	#REF!
Payment of liabilities against assets subject to finance lease	(8,662,603)	(22,802,028)
Proceeds from long-term financing	23,040,000	110,000,000
Proceeds from Lease Facility	77,980,485	-
obtained against Imported Machinery	51,105,150	#REF!
(Decrease) / increase in short term-borrowings	208,840,537	92,402,276
Net cash from financing activities	301,202,506	#REF!
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,560,518)	#REF!
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	30,397,463	20,421,396
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12,836,945	#REF!

The annexed notes form an integral part of these financial statements

TANVEER AHMED
CHIEF EXECUTIVE

ABDUL SHAKOOR
DIRECTOR