

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

**1ST QUARTER**  
**30 SEP. 2005**  
**RUPEES**

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before taxation	2,865,951
<b>Adjustments for:</b>	
Depreciation on property, plant and equipment	8,920,993
Provision for employees' benefits	643,500
Finance cost	16,211,046
Gain due to change in the fair value of investments available for sale	(425,069)
Provision for workers' profit participation fund	106,095
Dividend income	(24,271)
<b>Operating cash flow before changes in working capital changes</b>	28,298,245
<b>(Increase) / decrease in current assets</b>	
Stores, Spares parts & loose tools	(6,791,717)
Stock in trade	93,069,491
Trade debts	(19,316,525)
Loans and Advances	(3,962,281)
Deposits & short term prepayments	565,108
Other receivables	(3,146,960)
	60,417,116
<b>Increase / (decrease) in trade &amp; other payables</b>	427,204
<b>Cash generated by operations</b>	89,142,565
Finance cost paid	(16,758,027)
Employees' benefits paid	(681,950)
Income taxes refund	9,248,853
	(8,191,124)
<b>Net cash from / (used in) operating activities</b>	80,951,441

**GULISTAN SPINNING 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**

Purchase of property, plant & machinery	(90,985,120)
Dividend received	24,271
<b>Net cash used in investing activities</b>	<b>(9,960,849)</b>

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Payment of Long term financing	(13,883,867)
Payment of liabilities against assets subject to finance lease	(3,801,287)
(Decrease) / increase in Long against - Imported machinery	11,742,125
(Decrease) / increase in Short term borrowings	(76,649,519)
<b>Net cash from financing activities</b>	<b>(82,592,547)</b>

Net decrease in cash & cash equivalents (11,601,956)

**CASH & CASH EQUIVALENTS**  
- At beginning of the period 30,397,463

**CASH & CASH EQUIVALENTS**  
- At end of the period 18,795,507

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

**NASEER AHMED**  
**Chief Executive**

**MOHAMMAD ABDULLAH**  
**Director**