

**GULSHAN SPINNING MILLS LIMITED**  
**CASH FLOW STATEMENT(UN-AUDITED)**  
**AS AT 31 DECEMBER 2006**

		31 DECEMBER 2006	31 DECEMBER 2005
		RUPEES	
	NOTE		
<b>Net cash from /(used in) Operating Activities</b>	<b>8</b>	<b>(428,017,581)</b>	<b>(169,210,904)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale proceeds of property, plant and equipment		8,476,082	885,000
Addition to fixed assets		(31,958,550)	(49,816,997)
Sale proceed of investments		6,040,185	(1,434,064)
Long term deposits		(1,649,327)	493,424
<b>Net cash from /(used in) investing activities</b>		<b>(19,091,610)</b>	<b>(49,872,637)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of finance lease		(10,899,108)	(13,795,934)
Syndicate term finance		(40,000,000)	(40,000,000)
Repayment of privately placed TFC's		(21,420,000)	(20,000)
Term loan- Associate		20,000,000	-
Finance against import of machinery		68,273,001	190,000,000
Repayment of fianace against import of machinery		(35,972,614)	(150,981,510)
Short term borrowings		470,154,852	241,780,207
<b>Net cash from /(used in) financing activities</b>		<b>450,136,131</b>	<b>226,982,763</b>
Net increase /(decrease) in cash and cash equivalents		<b>3,026,940</b>	<b>7,899,222</b>
Cash and cash equivalents at beginning of the year/ period		<b>74,116,383</b>	<b>21,472,885</b>
<b>Cash and cash equivalents at end of the period</b>		<b>77,143,323</b>	<b>29,372,107</b>

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

**CHIEF EXECUTIVE**

**DIRECTOR**