

GULSHAN SPINNING MILLS LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2007

	<i>Note</i>	<i>Half year ended</i>	
		<i>December 31,</i>	<i>December 31,</i>
		<i>2007</i>	<i>2006</i>
		<i>Unaudited</i>	
		<i>(Rupees)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operations	10	(440,705,076)	(325,867,128)
Interest paid		(94,298,356)	(92,780,613)
Interest received		1,449,010	1,586,556
Dividend received		138	52,264
Tax paid		(10,416,239)	(8,996,043)
Dividend paid		(850)	-
Gratuity paid		(3,099,188)	(2,012,617)
		(106,365,485)	(102,150,453)
Net cash used in operating activities		(547,070,561)	(428,017,581)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale proceeds of property, plant and equipment		7,397,062	8,476,082
Addition to fixed assets		(23,860,666)	(31,958,550)
Sale proceeds of investment		22,128,723	6,040,185
Long term deposits		21,569	(1,649,327)
Purchase of investment		(13,913,934)	-
Net cash used in investing activities		(8,227,246)	(19,091,610)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease		(13,963,991)	(10,899,108)
Syndicate term finance		(40,000,000)	(40,000,000)
Repayment of privately placed TFC's		(26,458,285)	(21,420,000)
Term loan - Associate		60,000,000	20,000,000
Finance against import of machinery		-	68,273,001
Repayment of finance against import of machinery		(22,609,460)	(35,972,614)
Short term borrowings		590,562,353	470,154,852
Net cash generated from financing activities		547,530,617	450,136,131
(Decrease) / increase in cash and cash equivalents		(7,767,190)	3,026,940
Cash and cash equivalents at the beginning of the period		88,787,018	74,116,383
Cash and cash equivalents at the end of the period		81,019,828	77,143,323

The annexed notes 1 to 13 form an integral part of these condensed interim financial statements.

DIRECTOR

CHIEF EXECUTIVE