

**GULSHAN SPINNING MILLS LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2008**

	Note	Half year ended	
		December 31, 2008	December 31, 2007
		( Rupees )	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	11	<b>(702,793,673)</b>	(547,070,561)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale proceeds of property, plant and equipment		<b>200,000</b>	7,397,062
Addition to property, plant and equipment		<b>(10,669,326)</b>	(23,860,666)
Sale proceeds of investments		<b>434,130</b>	22,128,723
Long term deposits		<b>(239,750)</b>	21,569
Purchase of investments		<b>(75,000,000)</b>	(13,913,934)
Net cash used in investing activities		<b>(85,274,946)</b>	(8,227,246)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of finance lease		<b>(15,541,113)</b>	(13,963,991)
Syndicate term finance		<b>(40,000,000)</b>	(40,000,000)
Redemption of term finance certificates		<b>(21,003,332)</b>	(21,003,329)
Term finance from associate		<b>75,000,000</b>	60,000,000
Term finance from banks		<b>(1,945,312)</b>	(1,826,312)
Loan against import of machinery		<b>(22,609,460)</b>	(22,609,460)
LTF - EOP loans		<b>(3,628,644)</b>	(3,628,644)
Short term borrowings		<b>793,556,496</b>	590,562,353
Net cash generated from financing activities		<b>763,828,635</b>	547,530,617
<b>Net Decrease in cash and cash equivalents</b>		<b>(24,239,984)</b>	(7,767,190)
<b>Cash and cash equivalents at July 1</b>		<b>129,190,237</b>	88,787,018
<b>Cash and cash equivalents at December 31</b>		<b>104,950,253</b>	81,019,828

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE

DIRECTOR