

# GULSHAN SPINNING MILLS LIMITED

## CASH FLOW STATEMENT (un Audited)

FOR THE 3RD QUARTER ENDED MARCH 31,2007.

	31-Mar-07 Rupees	31-Mar-06 Rupees
<b>8 CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before taxation	9,892,425	24,930,418
<b>Adjustments for non cash changes and other items:</b>		
Depreciation	86,655,275	80,120,972
Provision of gratuity	3,696,000	3,884,089
Finance cost	152,529,604	133,538,234
Profit on sale of fixed assets	(1,283,384)	(582,622)
Gain on remeasurement of investment	(1,808,193)	-
Amortization of deferred cost	159,984	-
Interest Income	(3,445,225)	(1,612,591)
Dividend income	(52,385)	(50,372)
Cash flow from operation before working capital changes	246,344,101	240,228,128
<b>Movement in working capital</b>		
<b>( Increase ) / decrease in Current assets:</b>		
Stores , Spares & Loose tools	(7,285,019)	(4,166,828)
Stocks in trade	(439,025,138)	(361,120,155)
Trade debtors	(27,745,929)	(90,016,496)
Loans and advances	10,776,049	6,443,358
Deposits and prepayments	1,385,639	(9,656,217)
Other receivables	3,119,895	(16,973,937)
	(458,774,503)	(475,490,275)
Increase / ( decrease) in Current liabilities :		
Trade and other payables	(5,808,565)	26,725,343
	(5,808,565)	26,725,343
<b>Cash used in operations</b>	(218,238,967)	(208,536,804)
(Payments)/ Receipts for :		
Interest paid	(150,349,255)	(125,641,585)
Interest received	1,689,337	1,674,834
Dividend received	52,385	50,372
Tax paid	(13,726,148)	(11,616,418)
Tax refund	0	22,517,173
Gratuity paid	(3,497,824)	(2,646,631)
	(165,831,505)	(115,662,254)
<b>Net cash used in operating activities</b>	<b>(384,070,472)</b>	<b>(324,199,058)</b>

**GULSHAN SPINNING MILLS LIMITED**  
**CASH FLOW STATEMENT (un Audited)**  
**FOR THE 3RD QUARTER ENDED MARCH 31,2007.**

	<b>31-Mar-07</b>	<b>31-Mar-06</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH USED IN OPERATIONS</b>	<b>8 (384,070,472)</b>	<b>(324,199,058)</b>
<b>Cash flow from investing activities:</b>		
Addition to fixed assets	<b>(24,614,507)</b>	(108,310,299)
Sale proceeds of property, plant & equipment	<b>9,542,125</b>	975,000
Long term deposits	<b>(3,156,542)</b>	1,209,400
Sale/(Purchase) of investment	<b>5,077,060</b>	(1,434,238)
<b>Net cash used in investing activities:</b>	<b>(13,151,864)</b>	(107,560,137)
<b>Cash flows from financing activities:</b>		
Repayment liabilities under finance lease obligation	<b>(61,987,676)</b>	(164,798,930)
Repayment of syndicate term finance	<b>(80,000,000)</b>	(80,000,000)
Repayment of PPTFC	<b>(23,503,333)</b>	(20,000)
Term loan from Associates	<b>50,000,000</b>	40,000,000
Finance against import of machinery	<b>56,700,000</b>	224,005,550
Repayment of finance against import of machinery	<b>(96,803,232)</b>	(19,209,151)
Long term loan EOP	<b>92,762,637</b>	-
Repayment of long term loan EOP	<b>(986,937)</b>	-
Short term borrowings	<b>470,107,597</b>	439,961,349
<b>Net cash from financing activities</b>	<b>406,289,056</b>	439,938,818
Net increase / (decrease) in cash and Cash equivalents	<b>9,066,721</b>	8,179,623
Cash and cash equivalents at beginning of the year	<b>74,116,383</b>	21,472,885
Cash and cash equivalents at end of the period	<b>83,183,104</b>	29,652,507

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

**RIAZ AHMED**  
**Director**