

**GULSHAN SPINNING MILLS LIMITED**  
**CASH FLOW STATEMENT (un Audited)**  
**FOR THE PERIOD ENDED MARCH 31,2008.**

	<b>Mar-08</b>	Mar-07
	<b>Rupees</b>	Rupees
<b>9 CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before taxation	43,331,004	9,892,425
<b>Adjustments for non cash changes and other items:</b>		
Depreciation	53,609,594	86,655,275
Provision of gratuity	5,730,300	3,696,000
Finance cost	179,765,941	152,529,604
Loss/(Profit) on sale of fixed assets	(162,997)	(1,283,384)
Loss/(Gain) on remeasurement of investment	(355,792)	(1,808,193)
Gain on sale of investment	(13,920,719)	-
Amortization of deferred cost	110,846	159,984
Interest Income	(3,915,853)	(3,445,225)
Dividend income	(500)	(52,385)
Cash flow from operation before working capital changes	264,191,825	246,344,101
<b>Movement in working capital</b>		
<b>( Increase ) / decrease in Current assets:</b>		
Stores , Spares & Loose tools	(10,975,324)	(7,285,019)
Stocks in tarde	(345,364,358)	(439,025,138)
Trade debtors	(115,685,180)	(27,745,929)
Loans and advances	(21,667,749)	10,776,049
Deposits and prepayments	(758,916)	1,385,639
Other receivables	(358,446)	3,119,895
	(494,809,973)	(458,774,503)
Increase / ( decrease) in Current liabilities :		
Trade and other payables	(165,616,234)	(5,808,565)
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<b>Cash used in operations</b>	(396,234,383)	(218,238,967)
(Payments)/ Receipts for :		
Interest paid	(180,555,535)	(150,349,255)
Interest received	1,970,347	1,689,337
Dividend received	500	52,385
Dividend paid	(850)	-
Tax paid	(16,422,048)	(13,726,148)
Gratuity paid	(4,396,529)	(3,497,824)
	(199,404,115)	(165,831,505)
<b>Net cash used in operating activities</b>	<b>(595,638,498)</b>	<b>(384,070,472)</b>

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	<b>Rupees</b>	<b>Rupees</b>
<b>CASH USED IN OPERATIONS</b>	<b>9 (595,638,498)</b>	<b>(384,070,472)</b>
<b>Cash flow from investing activities:</b>		
Addition to fixed assets	(26,680,608)	(24,614,507)
Sale proceeds of property,plant & equipment	194,000	9,542,125
Long term deposits	(3,314,658)	(3,156,542)
Sale of investment	31,933,620	5,077,060
Purchase of investment	(12,051,905)	-
<b>Net cash used in investing activities:</b>	<b>(9,919,552)</b>	<b>(13,151,864)</b>
<b>Cash flows from financing activities:</b>		
Term finance	(43,715,167)	51,672,468
Repayment liabilities under finance lease obligation	(21,405,916)	(61,987,676)
Syndicate term finance	(80,000,000)	(80,000,000)
Privately placed term finance certificates	(21,003,329)	(23,503,333)
Term loan - Associate	120,000,000	50,000,000
Short term borrowings	655,257,021	470,107,597
<b>Net cash from financing activities</b>	<b>609,132,608</b>	<b>406,289,056</b>
Net increase / (decrease) in cash and Cash equivalents	3,574,559	9,066,721
Cash and cash equivalents at begining of the year	88,787,018	74,116,383
Cash and cash equivalents at end of the period	<b>92,361,577</b>	<b>83,183,104</b>