

**GULSHAN SPINNING MILLS LIMITED****CASH FLOW STATEMENT (un Audited)**

FOR THE FIRST QUARTER ENDED SEPTEMBER 30,2006.

	<b>Sep-06</b>	Sep-05
	<b>Rupees</b>	Rupees
<b>10 CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before taxation	3,321,600	8,317,784
<b>Adjustments for non cash changes and other items:</b>		
Depreciation	28,154,678	24,652,465
Provision of gratuity	1,335,000	885,351
Finance cost	45,503,352	43,237,846
Profit on sale of fixed assets	(1,179,666)	-
Gain on remeasurement of investment	(2,102,642)	2,095,382
Interest Income	(1,005,638)	594,167
Dividend income	(18,830)	14,646
Cash flow from operation before working capital changes	74,007,854	79,797,641
<b>Movement in working capital</b>		
<b>( Increase ) / decrease in Current assets:</b>		
Stores , Spares & Loose tools	(2,188,375)	(14,465,649)
Stocks in trade	(23,530,320)	50,908,483
Trade debtors	(8,538,735)	(54,651,876)
Loans and advances	8,916,287	(12,136,102)
Deposits and prepayments	6,032,957	(13,009,483)
Other receivables	(2,056,550)	(7,079,563)
	(21,364,738)	(50,434,190)
Increase / ( decrease) in Current liabilities :		
Trade and other payables	30,086,658	(21,726,769)
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<b>Cash used in operations</b>	82,729,775	7,636,682
(Payments)/ Receipts for :		
Interest paid	(57,279,764)	(15,075,307)
Interest received	938,100	654,731
Dividend received	18,830	14,646
Tax paid	(3,985,296)	-
Tax refund	-	11,462,422
Gratuity paid	(983,816)	(178,461)
	(61,291,945)	(3,121,969)
<b>Net cash used in operating activities</b>	<b>21,437,829</b>	<b>4,514,713</b>

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	<b>Rupees</b>	<b>Rupees</b>
<b>CASH USED IN OPERATIONS</b>	<b>10 21,437,829</b>	<b>4,514,713</b>
<b>Cash flow from investing activities:</b>		
Addition to fixed assets	(34,864,978)	(20,761,812)
Long term deposits	(1,427,686)	-
Purchase of investment	-	(1,434,238)
<b>Net cash used in investing activities:</b>	<b>(36,292,664)</b>	<b>(22,196,050)</b>
<b>Cash flows from financing activities:</b>		
Repayment of finance against import of machinery	(24,097,614)	(179,711,340)
Liabilities under finance lease obligation -obtained	29,303,733	-
Repayment liabilities under finance lease obligation	(7,015,623)	(8,573,608)
Syndicate term finance	(40,000,000)	-
Finance against import of machinery	56,700,000	190,000,000
Short term borrowings	(35,150,101)	25,613,541
<b>Net cash from financing activities</b>	<b>(20,259,604)</b>	<b>27,328,593</b>
Net increase / (decrease) in cash and Cash equivalents	(35,114,439)	9,647,256
Cash and cash equivalents at beginning of the year	74,116,383	21,472,885
Cash and cash equivalents at end of the period	39,001,944	31,120,141

**NASEER AHMED**  
**CHIEF EXECUTIVE****MOHAMMAD ABDULLAH**  
**DIRECTOR**