

GULISTAN SPINNING MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2007 (UN-AUDITED)

SIX MONTHS PERIOD ENDED

December 31, 2007 December 31, 2006

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Note

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	11,308,385	3,947,499
Adjustments for:		
Depreciation on property, plant and equipment	12,669,993	21,044,074
Provision for employee benefits	1,300,000	1,287,000
Share of profit from associates	(576,925)	(637,630)
Finance cost	47,401,676	46,936,697
Gain on disposal of investment available for sale	-	(390,370)
Amortization of surplus on sale and lease back	(189,584)	-

Unrealized gain due to change in fair value of investments available for sale	-	136,708
Dividend income	(396)	(66,874)

Cash flow before changes in working capital

Changes in working capital	10	(333,844,501)	(129,929,179)
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Cash generated from operations

Finance cost paid	(39,401,713)	(41,071,772)
Employee benefits paid	(1,427,811)	(823,569)
Income taxes	(3,265,243)	(4,009,228)
	(44,094,767)	(45,904,569)
Net cash from operating activities	(306,026,119)	(103,576,644)

CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from sale of investment available for sale	-	3,028,775
Purchase of property, plant and equipment	(6,669,617)	(14,214,200)
Long-term deposits	548,741	(1,985,883)
Dividends received	396	66,874
Net cash used in investing activities	(6,120,480)	(13,104,434)

CASH FLOW FROM FINANCING ACTIVITIES

Payment of long-term financing	(11,304,000)	(34,333,333)
Proceeds from long-term financing	-	33,450,000
Payment of liabilities against assets subject to finance lease	(15,224,106)	(4,360,347)
Proceeds from sale and lease back activity	-	39,717,659
Increase / (decrease) in short-term borrowings	334,296,412	77,476,587
Net cash from financing activities	307,768,306	111,950,566

NET DECREASE IN CASH AND CASH EQUIVALENTS

	(4,378,292)	(4,730,512)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	69,656,656	54,953,182
CASH AND CASH EQUIVALENTS AT END OF YEAR	65,278,363	50,222,669

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

TANVEER AHMED
CHIEF EXECUTIVE

MUHAMMAD ABDULLAH
DIRECTOR