

GULISTAN SPINNING MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (Un-Audited) FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Note	Half year ended	
		December 31, 2008	December 31, 2007
		(.....Rupees.....)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		7,670,724	11,308,385
Adjustments for:			
Depreciation on property, plant and equipment		12,646,912	12,669,993
Provision for staff retirement benefits - gratuity		1,600,000	1,300,000
Share of profit of associates		(1,216,626)	(576,925)
Finance cost		72,365,381	47,401,676
Amortization of surplus on sale and lease back		(189,584)	(189,584)
Dividend income		(1,015)	(396)
Cash flows before changes in working capital		92,875,792	71,913,149
Changes in working capital	10	(42,572,409)	(333,844,501)
Cash generated from operations		50,303,383	(261,931,352)
Finance cost paid		(53,536,111)	(39,401,713)
Staff retirement benefits paid - gratuity		(2,063,012)	(1,427,811)
Income taxes paid		353,734	(3,265,243)
		(55,245,389)	(44,094,767)
Net cash used in operating activities		(4,942,005)	(306,026,119)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(9,422,874)	(6,669,617)
Long term deposits		(307,800)	548,741
Dividend received		1,015	396
Net cash used in investing activities		(9,729,659)	(6,120,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of long term financing		(11,935,950)	(11,304,000)
Payment of liabilities against assets subject to finance lease		(15,505,238)	(15,224,106)
Increase in short term borrowings		31,664,245	334,296,412
Net cash from financing activities		4,223,057	307,768,306
NET INCREASE IN CASH AND CASH EQUIVALENTS		(10,448,608)	(4,378,293)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		85,332,833	69,656,656
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	74,884,225	65,278,363

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

TANVEER AHMED
CHIEF EXECUTIVE

MUHAMMAD ABDULLAH
DIRECTOR