

GULISTAN SPINNING MILLS LIMITED
CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31,2007 (UN-AUDITED)

	March 31 2007	March 31 2006
	(..... Rupees))	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	5,572,600	8,897,290
Adjustments for:		
Depreciation on property, plant and equipment	32,977,757	29,301,565
Provision for employees' benefits	2,053,800	1,930,500
Share of profit of associated undertaking	(637,630)	-
Finance cost	70,819,285	54,298,993
Gain on disposal of property, plant and equipment	(60,634)	561,064
Gain due to change in the fair value of investments available for sale	124,851	(460,925)
Provision for workers' profit participation fund	336,314	482,291
Dividend income	(66,995)	(68,735)
Gain on disposal of investments available for sale	(390,370)	-
Operating cash flows before changes in working capital	110,728,979	94,942,043
(Increase) / decrease in current assets		
Stores, spares and loose tools	(4,839,004)	(9,241,910)
Stock in trade	(216,959,078)	(120,968,357)
Trade debts	(30,944,290)	(75,547,442)
Loans and advances	13,070,476	(18,963,087)
Deposits and short term prepayments	197,104	664,260
Sales tax refundable	5,204,754	(6,507,067.00)
Other receivables	(73,225)	222,325.00
	(234,343,262)	(230,341,278)
Increase / (decrease) in trade and other payables	51,332,111	(3,248,506)
Cash generated by operations	(72,282,173)	(138,647,741)
Finance cost paid	(68,920,935)	(50,024,480)
Employees' benefits paid	(1,592,544)	(1,115,746)
Workers' profit participation fund paid	(1,207,069)	(985,640)
Income taxes	(7,005,487)	4,253,489
Dividends paid	(496)	(2,785)
	(78,726,531)	(47,875,162)
Net cash from / (used in) operating activities	(151,008,704)	(186,522,902)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	100,000	-
Proceeds from sale of investments available for sale	3,028,775	-
Purchase of property, plant and equipment	(23,075,201)	(131,231,112)
Long-term deposits	(1,985,883)	(1,077,744)
Dividends received	66,995	68,735
Net cash used in investing activities	(21,865,315)	(132,240,122)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term financing	(45,485,333)	(51,101,063)
Payment of liabilities against assets subject to finance lease	(6,301,426)	(8,662,603)
Proceeds from long-term financing	33,450,000	23,040,000
Proceeds from sale and lease back activity	39,717,659	77,980,485
(Decrease) / increase in Loan against Imported Machinery	-	51,105,150
(Decrease) / increase in short term-borrowings	156,993,062	208,840,537
Net cash from financing activities	178,373,962	301,202,506
NET DECREASE IN CASH AND CASH EQUIVALENTS	5,499,943	(17,560,517)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	54,953,182	30,397,463
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	60,453,125	12,836,945

The annexed notes form an integral part of these financial statements

RIAZ AHMED
DIRECTOR

TANVEER AHMED
CHIEF EXECUTIVE