

GULISTAN SPINNING MILLS LIMITED

CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2008 (UN-AUDITED)

	March 31, 2008	March 31, 2007
	(-----Rupees-----)	
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,323,298	5,572,600
Adjustments for:		
Depreciation on property, plant and equipment	19,064,979	32,977,757
Provision for employee benefits	2,250,000	2,053,800
Share of profit/(loss) of associates	(576,925)	(637,630)
Finance cost	75,926,283	70,819,285
Gain on disposal of investment available for sale	-	(390,370)
Gain on disposal of property, plant and equipment		(60,634)
Amortization of surplus on sale & lease back	(284,376)	-
Unrealized gain due to change in fair value of investments available for sale	-	124,851
Dividend income	(1,274)	(66,995)
Cash flows before changes in working capital	111,701,986	110,392,665
Changes in working capital	10 (432,745,994)	(183,881,907)
Cash generated from operations	(321,044,008)	(73,489,242)
Finance cost paid	(57,095,014)	(68,920,935)
Employee benefits paid	(2,025,765)	(1,592,544)
Income taxes	(5,679,695)	(7,005,487)
Dividend paid	-	(496)
	(64,800,474)	(77,519,462)
Net cash from operating activities	(385,844,482)	(151,008,704)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investment available for sale	-	3,028,775
Proceeds from disposal property, plant and equipment	-	100,000
Purchase of property, plant and equipment	(8,326,234)	(23,075,201)
Long-term deposits	548,741	(1,985,883)
Dividends received	1,274	66,995
Net cash used in investing activities	(7,776,219)	(21,865,315)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term financing	(41,822,234)	(45,485,333)
Proceeds from long-term financing	-	33,450,000
Payment of liabilities against assets subject to finance lease	(23,492,663)	(6,301,426)
Proceeds from sale and lease back activity	-	39,717,659
Increase /(decrease) in short-term borrowings	433,135,273	156,993,062
Net cash from financing activities	367,820,377	178,373,962
NET DECREASE IN CASH AND CASH EQUIVALENTS	(25,800,325)	5,499,943
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	69,656,656	54,953,182
CASH AND CASH EQUIVALENTS AT END OF YEAR	43,856,331	60,453,125

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

TANVEER AHMED
CHIEF EXECUTIVE

MUHAMMAD ABDULLAH
DIRECTOR