

GULISTAN SPINNING MILLS LIMITED

CASH FLOW STATEMENT (UN - AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	NOTE	SEPT 30, 2010	SEPT 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		23,731,461	3,961,216
Adjustments for:			
Depreciation on property, plant and equipment		6,073,607	5,801,115
Provision for staff retirement benefits - gratuity		1,250,000	750,000
Finance cost		43,146,172	43,658,758
Amortization of surplus on sale and lease back		(94,792)	(94,792)
Mark up accrued		(497,927)	(599,679)
Dividend income		-	(138)
Cash flows before changes in working capital		73,305,711	53,476,480
Changes in working capital	8	(80,277,369)	(23,998,769)
Cash generated from / (used in) operations		(6,971,658)	29,477,711
Finance cost paid		(41,202,253)	(41,915,852)
Staff retirement benefits paid - gratuity		(1,355,404)	(1,233,097)
Income taxes paid		(3,941,539)	(2,192,776)
		(46,499,196)	(45,341,725)
Net cash from / (used in) operating activities		(53,470,854)	(15,864,014)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(188,936)	(2,631,075)
Purchase of investment		(5,250,980)	-
Mark up received		641,815	734,441
Dividend received		-	138
Net cash used in investing activities		(4,798,101)	(1,896,496)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of long term financing		(3,330,250)	(6,703,375)
Payment of liabilities against assets subject to finance lease		(8,518,294)	(6,602,240)
Increase in short term borrowings		46,722,176	14,927,269
Net cash from financing activities		34,873,632	1,621,654
NET INCREASE IN CASH AND CASH EQUIVALENTS		(23,395,323)	(16,138,856)
CASH AND CASH EQUIVALENTS AT BEGINNING OF QUARTER		96,833,469	57,693,334
CASH AND CASH EQUIVALENTS AT END OF QUARTER		73,438,146	41,554,478

CHIEF EXECUTIVE

DIRECTOR