

# GULISTAN SPINNING MILLS LIMITED

## CASH FLOW STATEMENT (UN - AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	NOTE	SEP 30, 2009	SEP 30, 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		3,961,216	9,725,143
<b>Adjustments for:</b>			
Depreciation on property, plant and equipment		5,801,115	6,291,633
Provision for staff retirement benefits - gratuity		750,000	850,000
Finance cost		43,658,758	37,880,146
Amortization of surplus on sale and lease back		(94,792)	(94,792)
Mark up accrued		(599,679)	-
Dividend income		(138)	(155)
<b>Cash flows before changes in working capital</b>		<b>53,476,480</b>	<b>54,651,975</b>
Changes in working capital	9	(23,998,769)	(45,813,192)
<b>Cash generated from / (used in) operations</b>		<b>29,477,711</b>	<b>8,838,783</b>
Finance cost paid		(42,737,917)	(28,621,401)
Staff retirement benefits paid - gratuity		1,233,097	(766,488)
Income taxes paid		(3,014,841)	(1,858,632)
		(44,519,661)	(31,246,521)
<b>Net cash from / (used in) operating activities</b>		<b>(15,041,950)</b>	<b>(22,407,738)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,631,075)	(6,675,553)
Mark up received on loan to related party		734,441	-
Dividend received		138	155
<b>Net cash used in investing activities</b>		<b>(1,896,496)</b>	<b>(6,675,398)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of long term financing		(6,703,375)	(11,706,950)
Payment of liabilities against assets subject to finance lease		(6,602,240)	(8,444,586)
Increase in short term borrowings		14,105,205	49,322,241
<b>Net cash from financing activities</b>		<b>799,590</b>	<b>29,170,705</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(16,138,856)</b>	<b>87,569</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>57,693,334</b>	<b>85,332,833</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>41,554,478</b>	<b>85,420,402</b>

TANVEER AHMED  
CHIEF EXECUTIVE

NASEER AHMED  
0 DIRECTOR