

GULISTAN SPINNING MILLS LIMITED

CASH FLOW STATEMENT (Un-Audited) FOR THE QUARTER ENDED SEPTEMBER 30, 2008

	September 30, 2008	September 30, 2007
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,725,143	7,857,233
Adjustments for:		
Depreciation on property, plant and equipment	6,291,633	5,561,370
Provision for staff retirement benefits - gratuity	850,000	750,000
Finance cost	37,880,146	20,493,770
Amortization of surplus on sale and lease back	(94,792)	(94,792)
Dividend income	(155)	(396)
Cash flows before changes in working capital	<u>54,651,975</u>	<u>34,567,185</u>
Changes in working capital	9 (45,813,192)	(24,487,203)
Cash generated from / (used in) operations	8,838,784	10,079,982
Finance cost paid	(28,621,401)	(20,117,063)
Staff retirement benefits paid - gratuity	(766,488)	(1,016,564)
Income taxes paid	(1,858,632)	(1,618,011)
	<u>(31,246,522)</u>	<u>(22,751,638)</u>
Net cash from / (used in) operating activities	<u>(22,407,738)</u>	<u>(12,671,656)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,675,553)	(7,610,552)
Long term deposits	-	500,311
Dividend received	155	396
Net cash used in investing activities	<u>(6,675,398)</u>	<u>(7,109,845)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long term financing	(11,706,950)	(11,152,000)
Payment of liabilities against assets subject to finance lease	(8,444,586)	(7,488,163)
Increase /(decrease) in short term borrowings	49,322,241	20,987,129
Net cash from financing activities	<u>29,170,705</u>	<u>2,346,966</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,570	(17,434,535)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	85,332,833	69,656,656
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>85,420,403</u></u>	<u><u>52,222,121</u></u>

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

TANVEER AHMED
CHIEF EXECUTIVE

NASEER AHMED
DIRECTOR