

**GUL AHMED TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2003**

	<u>2003</u>	<u>2002</u>
	Rs.000s	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	381,834	400,362
Adjustments for:		
Depreciation/amortization	294,472	284,506
Gratuity	14,321	10,373
Financial charges	211,093	358,824
Provision for slow moving/obsolete stores and spares	6,102	4,760
Provision for doubtful debts	3,200	4,710
Profit on sale of operating assets	(2,940)	(2,687)
Interest income/exchange differences	(29,568)	13,125
	878,514	1,073,973
Changes in working capital:		
(Increase)/decrease in current assets		
Stores and spares	(44,274)	(63,515)
Stock-in-trade	98,399	80,756
Trade debts	(275,690)	477,688
Loans, advances, prepayments and other receivables	70,916	(67,207)
	(150,649)	427,722
Increase/(decrease) in current liabilities		
Creditors, accrued and other liabilities	118,224	(38,371)
	(32,425)	389,351
Cash generated from operations	846,089	1,463,324
Receipts from / payments for :		
Gratuity	(5,245)	(1,792)
Financial charges	(217,569)	(370,222)
Income tax	(102,204)	(86,639)
Long term loans and advances	2,725	(1,335)
	(348,333)	(559,988)
Net cash generated from operating activities	523,796	1,003,336
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(661,578)	(246,304)
Proceeds from sale of operating assets	14,293	12,855
Long term Investment	(58,450)	-
Interest income/exchange differences	30,653	(11,294)
Long term deposits	1,060	(1,264)
Net cash used in investing activities	(674,022)	(246,007)

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Rs.000s

**CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from long term borrowings	<b>500,000</b>	-
Repayments of long term borrowings	<b>(391,845)</b>	(143,754)
Dividend paid	<b>(170,366)</b>	(170,366)
Net cash used in financing activities	<b>(62,211)</b>	(314,120)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(212,437)</b>	443,209
<b>Cash and cash equivalents - at the beginning of the year</b>	<b>(1,235,278)</b>	(1,678,487)
<b>Cash and cash equivalents - at the end of the year</b>	<b>(1,447,715)</b>	(1,235,278)

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include:

Short term investment	<b>534,585</b>	545,213
Cash and bank balances	<b>86,319</b>	92,773
Short term running finance	<b>(2,068,619)</b>	(1,873,264)
	<b>(1,447,715)</b>	(1,235,278)

**ZAIN BASHIR**  
Director

**ZIAD BASHIR**  
Director