

**PAKISTAN PAPERSACK CORPORATION LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2006**  
**(UN-AUDITED)**

	March 31, ( 2006 )	March 31, ( 2005 )
	------(Rupees in thousands)-----	----- (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	109,645	80,218
Adjustment for non-cash charges and other items:		
Depreciation	9,365	10,123
Amortisation	116	-
Share in post acquisition profits of associates after taxation	(67,566)	(46,955)
Dividend Income	(2,533)	(1,537)
Gain on sale of goodwill and trademark of trading business	-	(2,500)
Financial charges	3,420	2,813
Profit on bank accounts	(1,032)	(728)
Gain on disposal of property, plant and equipment	(632)	(2,196)
	(58,862)	(40,980)
Operating profit before working capital changes	50,783	39,238
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(1,811)	(514)
Stock-in-trade	(81,147)	(139,963)
Trade debts	(21,611)	(51,472)
Loans and advances	(1,094)	1,010
Trade deposits and short-term prepayments	742	276
Other receivables	(4,695)	15,360
	(109,616)	(175,303)
<b>Decrease in current liabilities</b>		
Trade and other payables	67,227	21,493
	(42,389)	(153,810)
Cash used in operating activities	8,394	(114,572)
Interest paid	(3,626)	(2,253)
Income tax refund received	3,518	-
Income tax paid	(9,569)	(16,135)
Encashment of COIs	-	710
Long-term loans	77	-
Long-term deposits	324	614
	(9,276)	(17,064)
Net cash used in operating activities (A)	(882)	(131,636)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(11,169)	(15,805)
Dividend Received	38,764	18,174
Sale proceeds from sale of goodwill and trademark of trading business	-	2,500
Sale proceeds from disposal of property, plant and equipment	2,174	3,025
Disinvestment in shares	-	200
Interest income received	574	886
Purchase of short-term investment	(2,576)	(3,000)
Net cash used in investing activities (B)	27,767	5,980
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease financing - net	2,473	
Dividends paid	(13,793)	(31,058)
Net cash used in financing activities (C)	(11,320)	(31,058)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	15,565	(156,714)
Cash and cash equivalents at beginning of the period	14,480	66,480
Cash and cash equivalents at end of the period	30,045	(90,234)
Cash and cash equivalents comprise:		
Cash and bank balances	58,395	3,422
Short-term running finance	(28,350)	(93,656)
	30,045	(90,234)

The annexed notes from 1 to 9 form an integral part of these financial statements.

**Mazhar Valjee**  
Chief Executive Officer

**S. Z. Kazmi**  
Vice Chairman & Director