

PAKISTAN PAPERSACK CORPORATION LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2005**

	2005	2004 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES	Rupees in thousands	
	Note	
Profit before taxation		141,467
Adjustment for non-cash charges and other items:		
Depreciation		13,550
Amortization		50
Share in post acquisition profits of the associates before taxation		(90,828)
Dividend income		(1,537)
Gain on sale of goodwill and trademark of trading business		(2,500)
Mark-up on short-term running finance		2,878
Mark-up on short-term loans		329
Gain on sale of investment		(315)
Profit on bank accounts		(688)
Profit on short term investment		(118)
Gain on disposal of property, plan and equipment		(2,558)
		<u>(81,737)</u>
Operating profit before working capital changes		59,730
(Increase) / decrease in current assets		
Stores and spares		1,501
Stock-in-trade		(69,200)
Trade debts		(52,637)
Loans and advances		(1,136)
Deposits and short term prepayments		(1,217)
Other receivables		13,312
		<u>(109,377)</u>
Increase / (decrease) in current liabilities		
Trade and other payables		24,883
		<u>(84,494)</u>
Cash (used in) / generated from operations		56,330
Interest paid		(2,607)
Income tax refund received		6,677
Income tax paid		(20,080)
Long term loans		(83)
Long-term deposits		908
		<u>(15,185)</u>
Net cash (used in) / generated from operating activities (A)		<u>(39,949)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure		(17,142)
Dividends received		31,214
Proceeds from sale of goodwill and trademark of trading business		2,500
Sale proceeds from disposal of property, plant and equipment		4,021
Sales proceeds from sale of investment		1,225
Interest income received		932
Purchase of short term investment		(4,000)
Net cash generated from investing activities (B)		18,750
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid		(30,801)
Net cash used in financing activities (C)		(30,801)
Net decrease in cash and cash equivalents (A+B+C)		(52,000)
Cash and cash equivalents at beginning of the year		66,480
Cash and cash equivalents at end of the year		<u>14,480</u>
Cash and cash equivalents comprise:		
Cash and bank balances	14	30,095
Short-term running finance	19	(15,615)
Short term loans	19	-
		<u>14,480</u>

The annexed notes from 1 to 42 form integral part of these financial statements.

**S.Z. KAZMI
CHIEF EXECUTIVE**

Karachi: September 20, 2005.

**KERSI D. KAPADIA
DIRECTOR**