

**DYNEA PAKISTAN LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	Note	2 0 0 8 Rupees	2 0 0 7 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		64,632,096	27,118,753
Adjustments for :			
Depreciation		25,675,129	31,366,853
Provision for impairment of debts		245,411	8,319,626
Finance costs		11,075,034	15,647,972
Loss/(gain) on disposal of property ,plant and equipment		975,855	(687,097)
		<u>37,971,429</u>	<u>54,647,354</u>
Operating profit before working capital changes		102,603,525	81,766,107
(Increase)/ decrease in current assets			
Stores and spares		(100,455)	2,183,323
Stock-in-trade		(69,293,363)	(16,251,103)
Trade debts		(584,702)	14,438,910
Loans, advances, deposits, prepayments and other receivables		(44,842,266)	11,056,339
		<u>(114,820,786)</u>	<u>11,427,469</u>
Increase/ (decrease) in current liabilities			
Trade and others payables		60,766,272	(3,852,111)
Sales tax payable		(462,387)	(786,587)
		<u>60,303,885</u>	<u>(4,638,698)</u>
Cash generated from operations		48,086,624	88,554,878
Finance costs paid		(11,359,244)	(17,052,607)
Income tax paid		(26,171,877)	(8,765,778)
Decrease in long-term loans and deposits		910,289	77,321
Net cash generated from operating activities		<u>11,465,792</u>	<u>62,813,814</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(7,647,464)	(7,419,556)
Proceeds from disposal of property, plant and equipment		1,131,000	1,882,239
Net cash used in investing activities		<u>(6,516,464)</u>	<u>(5,537,317)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of short term borrowings - net		(123,406,801)	(34,715,853)
Lease rentals paid		(1,274,279)	(449,855)
Dividends paid		(16,861)	(14,058,683)
Net cash used in financing activities		<u>(124,697,941)</u>	<u>(49,224,391)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(119,748,613)</u>	<u>8,052,106</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR</b>		<u>(7,713,579)</u>	<u>(15,765,685)</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>		<u>(127,462,192)</u>	<u>(7,713,579)</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>			
Cash and bank balances	10	17,692,988	9,373,720
Running finances under mark-up arrangements	16	(145,155,180)	(17,087,299)
		<u>(127,462,192)</u>	<u>(7,713,579)</u>

The annexed notes from 1 to 38 form an integral part of these financial statements.

**ALI REZA M ALLADIN**  
**Chief Executive**

**SHABBIR ABBAS**  
**Director**