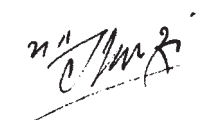



## Cash Flow Statement

for the year ended March 31, 2007

	Note	2007 (Rupees in thousand)	2006
<b>Cash flows from operating activities</b>			
Cash generated from operations	31	1,999,952	(5,356,970)
Interest and markup paid		(281,544)	(30,614)
Employees' retirement benefits and other obligations		(16,064)	(5,397)
Net (increase)/decrease in long term deposits		(2,002)	140
Net decrease/(increase) in loans to employees		5,621	(896)
Income tax paid		(137,991)	(184,977)
Royalty paid		(458,478)	(369,762)
<b>Net cash from/(used) in operating activities</b>		<b>1,109,494</b>	<b>(5,948,476)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2,450,118)	(1,802,496)
Purchase of intangible assets		(100,922)	(30,565)
Proceeds from sale of property, plant and equipment		5,457	13,522
Proceeds from sale of Investments		1,140,214	(300,000)
Dividend received		12,507	-
Interest received		55,900	193,964
<b>Net cash used in investing activities</b>		<b>(1,336,962)</b>	<b>(1,925,575)</b>
<b>Cash flows from financing activities</b>			
Long term finances		1,541,667	1,000,000
Short term borrowings		(1,150,000)	1,150,000
Dividend paid		(86)	(94,190)
<b>Net cash from financing activities</b>		<b>391,581</b>	<b>2,055,810</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>164,113</b>	<b>(5,818,241)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>55,746</b>	<b>5,873,987</b>
<b>Cash and cash equivalents at the end of the year</b>	32	<b>219,859</b>	<b>55,746</b>

The annexed notes from 1 to 40 form an integral part of these financial statements.

  
Yusuf H. Shirazi  
Chairman

  
Atsushi Yamazaki  
Chief Executive