

**CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005**

| | 31 Dec 05 (Rs. '000) | 31 Dec 04 (Rs. '000) |
|---|---------------------------------------|---------------------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit before tax | 67,032 | 53,208 |
| Adjustment for: | | |
| Depreciation | 28,574 | 24,681 |
| Provision for staff retirement benefits | 1,378 | 2,548 |
| Profit on deposits/dividend income/capital gain | (17,074) | (8,259) |
| Finance cost | 1,238 | 647 |
| Unrealised (gain) on re-measurement of available for sale securities | (9,172) | (1,255) |
| Profit on disposal of property, plant and equipment | (2,180) | (589) |
| | <u>2,764</u> | <u>17,773</u> |
| Operating profit before working capital changes | 69,796 | 70,981 |
| (Increase)/decrease : | | |
| - Trade debts | (894) | 13,108 |
| - Advances and other receivables | (9,490) | (68,408) |
| - Stock and stores | (72,631) | (53,505) |
| | (83,015) | (108,805) |
| Increase in current liabilities | 8,445 | 273 |
| | <u>(4,774)</u> | <u>(37,551)</u> |
| Finance cost paid | (1,238) | (647) |
| Staff retirement benefits paid | (278) | (4,054) |
| Income tax paid | (56,392) | (3,264) |
| NET CASH (USED IN) OPERATING ACTIVITIES | <u>(62,682)</u> | <u>(45,516)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (111,486) | (11,357) |
| Sales proceeds of property, plant and equipment | 3,095 | 720 |
| Long term deposits and advances | 5 | (46) |
| Decrease in short term investments | 17,160 | 30,529 |
| Return on deposits/dividend income | 8,279 | 4,503 |
| NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES | <u>(82,947)</u> | <u>24,349</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Re-payment of finance leases | (1,633) | (1,410) |
| Dividend paid | (39,408) | (13,422) |
| NET CASH USED IN FINANCING ACTIVITIES | <u>(41,041)</u> | <u>(14,832)</u> |
| Net decrease in cash and cash equivalents | (186,670) | (35,999) |
| Cash and cash equivalents at beginning of the period | 221,608 | 129,382 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u><u>34,938</u></u> | <u><u>93,383</u></u> |

The annexed notes 1 to 12 form an integral part of these financial statements.

DIRECTOR

CHIEF EXECUTIVE