



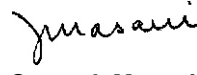
# Cash Flow Statement for the year ended June 30, 2005

|   | NOTE | 2005<br>Rupees | 2004<br>Rupees<br>(Restated) |
|---|------|----------------|------------------------------|
| <b>Cash Flow from Operating Activities</b>  |      |                |                              |
| Profit for the year   |      | 95,640,068     | 111,038,003                  |
| Adjustment for:   |      |                |                              |
| Depreciation / Amortisation   |      | 1,911,601      | 3,170,635                    |
| Profit on disposal of fixed assets  |      | (94,000)       | (1,017,976)                  |
| Impairment loss against doubtful debts  |      | 32,927         | 4,471,428                    |
| Impairment loss against doubtful receivables  |      | -              | 20,791                       |
| Impairment loss no longer required written back   |      | (22,468,438)   | (2,327,218)                  |
| Profit on musharika arrangement   |      | (38,780,450)   | (39,055,168)                 |
| Income on deposits with bank  |      | (290,439)      | (320,396)                    |
| Profit on   |      |                |                              |
| - redeemable capital  |      | 16,499,944     | 30,174,084                   |
| - morabaha finances   |      | 10,033,654     | 2,719,149                    |
| - musharika finances  |      | 23,971,724     | 4,178,453                    |
|   |      | (9,183,477)    | 2,013,782                    |
|   |      | 86,456,591     | 113,051,785                  |
| (Increase) / decrease in current assets   |      |                |                              |
| Receivable from terminated / matured contracts  |      | (1,283,595)    | 18,360,591                   |
| Advances, deposits, prepayments and other receivables   |      | 2,836,844      | (2,728,440)                  |
|   |      | 1,553,249      | 15,632,151                   |
| Increase / (decrease) in current liabilities  |      |                |                              |
| Creditors, accrued and other liabilities<br>(excluding profit payable on redeemable capital,<br>morabaha finance, and musharika finances) |      | 7,116,917      | (7,745,512)                  |
|   |      | 95,126,757     | 120,938,424                  |
| Increase / (decrease) in:   |      |                |                              |
| Investment in Ijarah Finance - net  |      | (617,898,954)  | (155,591,599)                |
| Musharika arrangements less repayments  |      | 102,199,945    | (96,219,799)                 |
| Profit received on musharika arrangements   |      | 39,143,838     | 38,759,055                   |
| Loans and advances to executives  |      | 76,860         | -                            |
| Consumer Morabaha Finance   |      | (77,866)       | -                            |
| Diminishing Musharika   |      | (4,782,822)    | -                            |
| Security deposits   |      | 40,943,057     | (11,479,221)                 |
|   |      | (440,395,942)  | (224,531,564)                |
| Profit paid on  |      |                |                              |
| - redeemable capital  |      | (16,132,082)   | (34,237,471)                 |
| - morabaha finances   |      | (6,912,423)    | (2,197,805)                  |
| - musharika finances  |      | (20,938,066)   | (5,387,680)                  |
| Tax refund received   |      | 1,920,914      | -                            |
|   |      | (42,061,657)   | (41,822,956)                 |
| Net cash flows from operating activities  |      | (387,330,842)  | (145,416,096)                |
| <b>Cash Flow From Investing Activities</b>  |      |                |                              |
| Fixed capital expenditure   |      | (1,585,316)    | (4,532,983)                  |
| Proceeds from disposal of fixed assets  |      | 2,320,000      | 4,117,652                    |
| Income on deposits with bank  |      | 290,439        | 320,396                      |
| Net cash flows from investing activities  |      | 1,025,123      | (94,935)                     |
| <b>Cash Flow from Financing Activities</b>  |      |                |                              |
| Redeemable capital less repayments  |      | 37,358,039     | (44,891,914)                 |
| Morabaha finances less repayments   |      | 250,000,000    | (50,000,000)                 |
| Musharika finances less repayments  |      | 188,285,379    | 383,380,326                  |
| Profits paid to certificate holders   |      | (92,755,131)   | (146,484,628)                |
| Net cash flows from financing activities  |      | 382,888,287    | 142,003,784                  |
| Net (decrease) in cash and cash equivalents   |      | (3,417,432)    | (3,507,247)                  |
| Cash and cash equivalent at beginning of the year   |      | 16,902,987     | 20,410,234                   |
| Cash and cash equivalent at end of the year   | 4    | 13,485,555     | 16,902,987                   |

The annexed notes 1 to 31 form an integral part of these financial statements.

  
**Badar Kazmi**  
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 Standard Chartered Services  
 of Pakistan (Private) Limited

  
**Shariq Saleem**  
 Chief Executive  
 Standard Chartered Services  
 of Pakistan (Private) Limited

  
**Cyrus J. Masani**  
 Director  
 Standard Chartered Services  
 of Pakistan (Private) Limited