

**STATE PHARMACEUTICALS CORPORATION OF SRI LANKA**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2008**

	<b>2008</b> <b>Rs.</b>	<b>2007</b> <b>Rs. ( Restated)</b>
<b>Cash flow from operating activities</b>		
Net profit before taxation,	449,144,085	436,971,467
<b>Adjustments for</b>		
Depreciation	20,691,153	20,696,455
Gratuity Provision	15,161,512	14,547,504
Prior year Adjustment	-	3,921,245
Profit on Disposal of Fixed Assets	-	(3,935,623)
Amotization of lease rent	152,174	152,174
Unrealised Profit	1,539,865	4,769,634
Distraction of Stock	(6,307,809)	(6,672,437)
Provision for Damaged & Outdated Stock	43,420,862	21,223,029
<b>Operation profit before working capital changes</b>	<b>523,801,843</b>	<b>491,673,447</b>
Increase/Decrease in Trade and Other receivable	(96,857,408)	767,109,374
Increase/Decrease in Deposit & Prepayments	(5,438,650)	583,895
Increase/Decrease in Inventories	(1,363,339,248)	(819,152,208)
Increase/Decrease in Trade Payables	(102,091,800)	(20,805,334)
Increase/Decrease in Work in progress	(14,123,802)	-
Disposal of Fixed Assets	-	3,935,628
<b>Cash generated from operations</b>	<b>(1,058,049,064)</b>	<b>423,344,802</b>
Income Tax paid	(119,264,339)	(197,426,166)
Gratuity paid	(6,586,605)	(5,660,055)
Consolidated Fund	(25,000,000)	(20,000,000)
<b>Cash flow after extraordinary items</b>	<b>(150,850,944)</b>	<b>(223,086,221)</b>
<b>Net cash from operating activities</b>	<b>(1,208,900,008)</b>	<b>200,258,581</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipments	(28,952,150)	(23,843,881)
<b>Net Cash used in investing activities</b>	<b>(28,952,150)</b>	<b>(23,843,881)</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>(1,237,852,158)</b>	<b>176,414,700</b>
<b>Cash and Cash equivalents at beginning of period</b>	<b>(1,107,721,854)</b>	<b>(1,284,136,554)</b>
<b>Cash and Cash equivalents at end of period (Note A)</b>	<b>(2,345,574,012)</b>	<b>(1,107,721,854)</b>

**Note A : Cash and Cash equivalents**

	<b>2008</b> <b>Rs.</b>	<b>2007</b> <b>Rs.</b>
Cash in hand & at Bank	239,306,122	475,604,881
Call Deposits	11,353,919	5,182,021
Bank Overdraft	(2,596,234,053)	(1,588,508,756)
	<b>(2,345,574,012)</b>	<b>(1,107,721,854)</b>