

**SUNRAYS TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT-UNAUDITED**  
**FOR THE 3rd QUARTER ENDED MARCH 31, 2006**

	<b>Nine Month Ended March 31 , 2006</b>	<b>Nine Month Ended March 31 , 2005</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>RUPEES '000'</b>	
<b>Profit before taxation</b>	12,719	66,589
<b>Adjustments for non cash items:</b>		
Depreciation	53,045	40,467
Provision for gratuity	2,533	1,532
Loss / (gain) on sale of property,plant and equipments	-	(244)
Finance cost	52,369	25,046
Operating cash flow before working capital	<u>120,666</u>	<u>133,390</u>
<b>Changes in working capital</b>		
(Increase)/decrease in current assets		
Stores and spares	(7,273)	233
Stock in trade	(70,382)	(366,582)
Trade debts	(33,512)	(4,641)
Loans and advances	(29,396)	8,797
Deposits and prepayments	(2,623)	(6,145)
Other receivables	(1,168)	12,088
<b>Increase/(decrease) in current liabilities</b>		
Trade and other payables	2,528	10,688
	<u>(141,826)</u>	<u>(345,562)</u>
Cash (used in) generated from operations	(21,160)	(212,172)
Finance cost paid	(48,210)	(20,616)
Gratuity paid	(1,009)	(4,977)
Tax paid / adjusted	(2,349)	(16,457)
Net cash (used in) operating activities	<u>(72,728)</u>	<u>(254,222)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property,plant and equipment	(137,840)	(180,906)
Sale proceeds of property , plant and equipment	-	1,300
Long term deposits	(826)	4,428
<b>Net cash used in investing activities</b>	<u>(138,666)</u>	<u>(175,178)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(5,972)	(4,937)
Long term financing obtained	110,000	197,000
Repayment of long term financing	(34,319)	(44,511)
Repayment of finance lease	(2,649)	(6,354)
Short term borrowings - net	118,482	296,851
<b>Net cash from financing activities</b>	<u>185,542</u>	<u>438,049</u>
Net Increase in cash and bank balances during the period	(25,852)	8,649
Cash and bank balances at the beginning of the period	45,223	21,579
Cash and bank balances at the end of the period	<u><u>19,371</u></u>	<u><u>30,228</u></u>

**CHIEF EXECUTIVE**

**DIRECTOR**