

**SUNRAYS TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<b>For year ended June 30, 2006 Rupees</b>	<b>For nine months ended June 30, 2005 Rupees</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	28,599,699	84,404,455
<b>Adjustments for:</b>		
Depreciation on operating assets	70,481,512	43,029,284
Provision for gratuity	1,608,805	1,514,303
(Gain) / loss on sale of operating assets	(451,458)	4,033,863
Finance cost	76,515,385	33,822,397
Operating cash flow before working capital changes	<u>176,753,943</u>	<u>166,804,302</u>
<b>Changes in working capital</b> <b>(Increase) / decrease in current assets</b>		
Stores and spares	(8,477,441)	(3,229,166)
Stock-in-trade	101,505,224	(303,397,754)
Trade debts	2,200,519	14,049,314
Loans and advances	(45,628,632)	796,165
Trade deposits and short term prepayments	674,237	1,751,409
Other receivables	1,021,090	(4,941,753)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	5,467,993	3,482,435
	<u>56,762,990</u>	<u>(291,489,350)</u>
Cash from / (used in) operations	233,516,933	(124,685,048)
Finance cost paid	(69,514,741)	(28,617,511)
Gratuity paid	(1,639,045)	(4,028,752)
Income taxes paid / adjusted	(2,903,852)	(6,762,932)
Net cash from / (used in) operating activities	<u>159,459,295</u>	<u>(164,094,243)</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(157,721,955)	(179,040,953)
Sale proceed of property, plant and equipment	2,005,000	4,565,000
Long term deposits	(825,300)	860,000
<b>Net cash used in investing activities</b>	<u>(156,542,255)</u>	<u>(173,615,953)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(6,704,120)	(6,540,376)
Long term finances obtained	110,000,000	147,000,000
Repayment of long term finances	(63,803,000)	(39,823,500)
Repayment of principal portion of finance lease	(2,673,624)	(8,813,806)
Short term borrowings - net	(47,845,741)	283,537,217
<b>Net cash from financing activities</b>	<u>(11,026,485)</u>	<u>375,359,535</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(8,109,445)	37,649,339
Cash and cash equivalents at the beginning of the year / period	45,222,917	7,573,578
Cash and cash equivalents at the end of the year / period	<u>37,113,472</u>	<u>45,222,917</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**