

**SUNRAYS TEXTILE MILLS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2007</b>	<b>2006</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	16,080,130	28,599,699
<b>Adjustments for:</b>		
Depreciation on operating assets	77,655,238	70,481,512
Provision for gratuity	1,721,468	1,608,805
Gain on sale of operating assets	(20,341,088)	(451,458)
Provision for doubtful debts	314,018	-
Finance cost	<u>86,904,834</u>	<u>76,515,385</u>
Operating cash flows before working capital changes	162,334,600	176,753,943
<b>Changes in working capital</b>		
<b>(Increase)/ decrease in current assets</b>		
Stores and spares	(2,597,666)	(8,477,441)
Stock-in-trade	(19,164,678)	101,505,224
Trade debts	(24,760,565)	2,200,519
Loans and advances	15,616,663	(45,628,632)
Trade deposits and short term prepayments	(948,984)	674,237
Other receivables	(5,600,466)	1,021,090
<b>Increase in current liabilities</b>		
Trade and other payables	<u>4,697,964</u>	<u>5,467,993</u>
	<u>(32,757,732)</u>	<u>56,762,990</u>
Cash generated from operations	129,576,868	233,516,933
Finance cost paid	(84,068,776)	(69,514,741)
Gratuity paid	(3,405,570)	(1,639,045)
Income tax paid/ adjusted	(750,938)	(2,903,852)
Net cash from operating activities	<u>41,351,584</u>	<u>159,459,295</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(102,850,520)	(157,721,955)
Sale proceed of operating assets	42,291,000	2,005,000
Long term deposits	32,200	(825,300)
<b>Net cash used in investing activities</b>	<u>(60,527,320)</u>	<u>(156,542,255)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(60,328)	(6,704,120)
Long term finances obtained	105,000,000	110,000,000
Repayment of long term finances	(106,032,694)	(63,803,000)
Repayment of principal portion of finance lease	(3,831,715)	(2,673,624)
Short term borrowings - net	1,968,145	(47,707,887)
<b>Net cash used in financing activities</b>	<u>(2,956,592)</u>	<u>(10,888,631)</u>
Net decrease in cash and cash equivalents (A+B+C)	(22,132,328)	(7,971,591)
Cash and cash equivalents at the beginning of the year	37,251,326	45,222,917
Cash and cash equivalents at the end of the year	<u>15,118,998</u>	<u>37,251,326</u>

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

**CHIEF EXECUTIVE OFFICER**

**DIRECTOR**

**CHIEF FINANCIAL OFFICER**