

REDCO TEXTILES LIMITED**CASH FLOW STATEMENT**

FOR THE YEAR ENDED JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

2011
Rupees2010
Rupees

19,898,248

5,047,571

Adjustments for :

Depreciation

46,227,479

44,552,429

Provision for staff retirement benefits - gratuity

2,396,669

1,995,150

Provision for doubtful advances to employees

-

5,101,006

Provision for workers' profit participation fund

1,047,276

271,083

Provision for workers' welfare fund

-

103,012

Loss on sale of property, plant and equipment

-

84,758

Impairment loss on available for sale investment

-

(7,828)

Finance cost

19,070,414

18,920,284

68,741,839

71,019,894

Operating profit before working capital changes

88,640,087

76,067,465

Changes in working capital:

(increase) / decrease in current assets

Stores, spare parts and loose tools

(2,555,889)

(2,276,809)

Stock in trade

(58,012,367)

(6,512,588)

Trade debts

(2,641,202)

39,838,721

Advances deposits, prepayments

(13,311,897)

23,016,436

Increase / (decrease) in current liabilities

74,287,353

(49,910,212)

Trade and other payables

(2,234,002)

4,155,542

Cash generated from operations

86,406,085

80,223,000

Staff retirement benefits paid

(3,212,664)

(2,724,542)

Finance cost paid

(18,898,967)

(18,790,671)

Sales tax income taxes paid - net

(2,014,358)

(7,145,116)

(24,125,988)

(28,660,329)

Net cash generated from operating activities

62,280,096

51,562,680

CASH FLOWS FROM INVESTING ACTIVITIES

Property, plant and equipment - acquired

(123,757,298)

(18,004,721)

Proceeds from sale of property, plant and equipment

-

220,121

Long term deposit

(3,632,000)

(1,115,300)

Net cash used in investing activities

(127,389,298)

(18,899,899)

CASH FLOWS FROM FINANCING ACTIVITIES

Loan from associated undertakings - unsecured

2,950,733

2,467,380

Long term loans from directors

64,577,530

-

Short term borrowings - net

23,682

(21,490,721)

Liabilities against assets subject to finance lease - paid

(4,325,418)

(12,708,041)

Net cash from / (used in) financing activities

63,226,528

(31,731,382)

Net cash (decrease) / increase during the year

(1,882,674)

931,399

Cash and cash equivalents at the beginning of the year

4,253,954

3,322,550

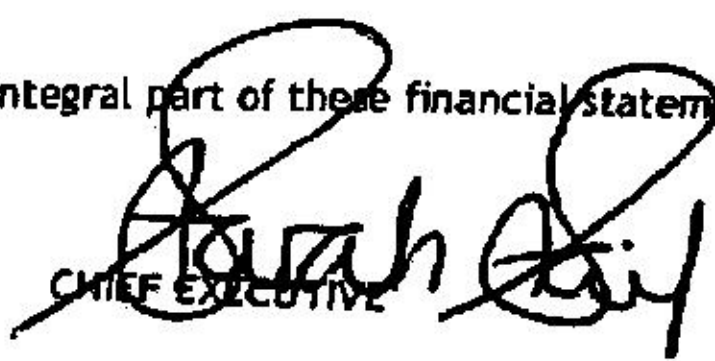
Cash and cash equivalents at the end of the year

2,371,280

4,253,954

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

MA



CHIEF EXECUTIVE



DIRECTOR