REDCO TEXTILES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2010

	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	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		
Trade and other payables	74,287,353	(49,910,217
	(2,234,002)	4,155,543
Cash generated from operations	86,406,085	80,223,008
Staff retirement benefits paid	(3,212,664)	(2,724,547
Finance cost paid	(18,898,967)	(18,790,671
Sales tax income taxes paid - net	(2,014,358)	(7,145,110
	(24,125,988)	(28,660,328
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)	(18,004,720
Proceeds form 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	2,467,388
Long term loans from directors	64,577,530	-
Short term borrowings - net	23,682	(21,490,727
Liabilities against assets subject to finance lease - paid	(4,325,418)	(12,708,043
Net cash from / (used in) financing activities	63,226,528	(31,731,382
Net cash (decrease) / increase during the year	(1,882,674)	931,398
Cash and cash equivalents at the beginning of the year	4,253,954	3,322,556
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.

CHIEF EXECUTIVE

DIRECTOR