



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2005

|   | Current Year    | Rs. Million<br>Previous Year |
|---|-----------------|------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                       |                 |                              |
| <b>Net Profit before tax and Prior Period Adjustments</b>           | <b>60,680</b>   | 59,080                       |
| <b>Adjustment for:</b>  |                 |                              |
| Depreciation  | 20,139          | 20,232                       |
| Provisions  | 75              | 5,835                        |
| Deferred revenue on account of Advance Against Depreciation         | 1,783           | 1,320                        |
| Interest charges  | 9,740           | 10,107                       |
| Guarantee Commission & other Finance charges                        | 1,597           | 432                          |
| Interest/Income on Bonds/Investment                                 | (14,991)        | (35,930)                     |
| Prior Period Adjustments (Net)                                      | 102             | (183)                        |
| Dividend Income   | (117)           | (95)                         |
| Provisions Written Back   | (6,235)         | (9,648)                      |
| Others (Bonds issue and Servicing Expenses)                         | 18              | 119                          |
|   | <u>12,111</u>   | <u>(7,811)</u>               |
| <b>Operating Profit before Working Capital Changes</b>              | <b>72,791</b>   | 51,269                       |
| <b>Adjustment for:</b>  |                 |                              |
| Trade and Other Receivables   | (2,835)         | (12,159)                     |
| Inventories   | (408)           | 239                          |
| Trade Payables and Other Liabilities                                | (16,309)        | 27,489                       |
| Loans and Advances  | 3,264           | (6,562)                      |
| Other Current Assets  | (417)           | (111)                        |
|   | <u>(16,705)</u> | <u>8,896</u>                 |
| <b>Cash generated from operations</b>                               | <b>56,086</b>   | 60,165                       |
| Direct Taxes Paid   | (12,959)        | (5,115)                      |
| Income Tax Recoverable  | 7,346           | 2,393                        |
| <b>Net Cash from Operating Activities - A</b>                       | <b>50,473</b>   | 57,443                       |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                       |                 |                              |
| Purchase of Fixed Assets  | (53,742)        | (46,450)                     |
| Purchase of Investments   | (34,167)        | (770)                        |
| Investment in Subsidiaries/Joint Ventures                           | (430)           | (216)                        |
| Loans & Advances to Subsidiaries                                    | (52)            | (36)                         |
| Development Surcharge Account                                       | (1,358)         | 1,022                        |
| Interest/Income on Bonds/Investment Received                        | 25,453          | 22,984                       |
| Dividend Received   | 117             | 95                           |
| <b>Net cash used in Investing Activities - B</b>                    | <b>(64,179)</b> | (23,371)                     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                       |                 |                              |
| Proceeds from issue of Share Capital (Including Premium)            | 26,841          | -                            |
| Proceeds from Long Term Borrowings                                  | 29,592          | 37,949                       |
| Repayment of Long Term Borrowings                                   | (13,242)        | (15,578)                     |
| Interest Paid   | (9,755)         | (10,023)                     |
| Guarantee Commission & other Finance charges Paid                   | (1,597)         | (432)                        |
| Dividend Paid   | (20,718)        | (3,080)                      |
| Tax on Dividend   | (2,679)         | (395)                        |
| Others (Equity/Bonds issue and Servicing Expenses)                  | (304)           | (119)                        |
| <b>Net Cash flow from Financing Activities - C</b>                  | <b>8,138</b>    | 8,322                        |
| <b>D. OTHERS</b>  |                 |                              |
| Intangibles - D   | -               | 63                           |
| <b>Net Increase/Decrease in Cash and Cash equivalents (A+B+C+D)</b> | <b>(5,568)</b>  | 42,457                       |
| <b>Cash and cash equivalents (Opening balance) *</b>                | <b>66,351</b>   | 23,894                       |
| <b>Cash and cash equivalents (Closing balance) *</b>                | <b>60,783</b>   | 66,351                       |

NOTES: Cash and Cash Equivalents consists of Cash in Hand, Balance with Banks, Public Deposit Account and interest accrued thereon. Previous year's figures have been regrouped/rearranged wherever necessary.

\* Includes Rs. 11 Million deposited as security with Government Authorities as per court orders.

For and on behalf of the Board of Directors

(A. K. Bajpaie)  
Company Secretary

(P. Narasimharamulu)  
Director (Finance)

(C.P. Jain)  
Chairman & Managing Director

As per our report of even date

For Kalani & Co.  
Chartered Accountants  
(Sandeep Jhanwar)  
Partner  
M. No. 78146

For Amit Ray & Co.  
Chartered Accountants  
(Pradeep Mukherjee)  
Partner  
M. No. 70693

For Umamaheswara Rao & Co.  
Chartered Accountants  
(L. Shyama Prasad)  
Partner  
M. No. 28224

For S.N. Nanda & Co.  
Chartered Accountants  
(Gaurav Nanda)  
Partner  
M. No. 500417

For T.R. Chadha & Co.  
Chartered Accountants  
(Sanjay Gupta)  
Partner  
M. No. 87563

Place : New Delhi  
Dated : 13<sup>th</sup> June, 2005