

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2008

	2007-08 Rs. Million	2006-07 Rs. Million
A. Cash flow from operating activities:		
Net Profit Before Tax	218.326	508.127
Adjustments for :		
Depreciation	327.190	295.924
Bad debts written off	10.375	12.277
Provision for doubtful debts (Net)	(7.317)	6.554
Loss on sale of assets	1.206	1.925
Interest received	(17.886)	(19.707)
Interest paid	287.003	180.481
Income from Mutual Funds	(16.185)	(4.417)
	<u>584.386</u>	<u>473.037</u>
Operating profit before working capital changes	802.712	981.164
Trade and other receivables	(173.623)	(284.735)
Inventories	(723.439)	(134.154)
Trade and other payables	592.610	(182.198)
	<u>(304.452)</u>	<u>(601.087)</u>
Cash generated from operations	498.260	380.077
Direct taxes paid	(78.850)	(162.562)
Net cash from operating activities	<u>419.410</u>	<u>217.515</u>
B. Cash flow from investing activities:		
Purchase of fixed assets	(663.262)	(716.154)
Sale of fixed assets	4.102	29.267
Interest received	17.886	19.707
Purchase of investments	—	(35.000)
Sale of Mutual Fund Investments	77.020	73.417
Net cash used in investing activities	<u>(564.254)</u>	<u>(628.763)</u>
C. Cash flow from financing activities:		
Long term borrowings	585.884	282.937
Unsecured Loans & Deposits	(730.173)	660.840
Working Capital borrowings	414.881	(167.929)
Dividend & Tax on Dividend paid	(104.499)	(101.831)
Interest paid	(276.058)	(179.879)
Net cash from / (used in) financing activities	<u>(109.965)</u>	<u>494.138</u>
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(254.809)	82.890
Cash and cash equivalents as at 1.4.2007 and 1.4.2006 (Opening balance)	308.984	226.094
Cash and cash equivalents as at 31.3.2008 and 31.3.2007 (Closing balance)	<u>54.175</u>	<u>308.984</u>

As per our report of date attached
For Suri & Co.,
Chartered Accountants
C.S. Sathyanarayanan
Partner
Membership No.28328
Coimbatore, 29th May 2008

For and on behalf of the Board
Vijay Mohan
Chairman & Managing Director
Vanitha Mohan
Executive Director
P. Ravi
General Manager
Finance & Secretarial

D. Sarath Chandran
Director
T.G. Thamizhanban
Company Secretary