

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

| | 2008-09 Rs. Million | 2007-08 Rs. Million |
|--|------------------------|------------------------|
| A. Cash flow from operating activities: | | |
| Net Profit / (Loss) Before Tax | (382.803) | 218.326 |
| Adjustments for : | | |
| Depreciation | 364.911 | 327.190 |
| Bad debts written off | 0.739 | 10.375 |
| Provision for doubtful debts (Net) | 5.261 | (7.317) |
| (Profit) / Loss on sale of assets | (4.249) | 1.206 |
| Exchange Fluctuation (Gain) / Loss on Re-statement | 43.125 | (11.016) |
| Interest received | (11.816) | (17.886) |
| Interest & Finance charges | 395.505 | 287.003 |
| Income from Mutual Funds | (0.271) | (16.185) |
| | <u>793.205</u> | <u>573.370</u> |
| Operating profit before working capital changes | 410.402 | 791.696 |
| Trade and other receivables | 61.763 | (132.827) |
| Inventories | 361.557 | (723.439) |
| Trade and other payables | 76.670 | 552.817 |
| | <u>499.990</u> | <u>(303.449)</u> |
| Cash generated from operations | 910.392 | 488.247 |
| Direct taxes (paid) / refunds | 2.917 | (78.850) |
| Net cash from operating activities | 913.309 | 409.397 |
| B. Cash flow from investing activities: | | |
| Purchase of fixed assets | (268.544) | (663.262) |
| Sale of fixed assets | 19.497 | 4.102 |
| Interest received | 11.816 | 17.886 |
| Sale of Mutual Fund Investments | 0.271 | 77.020 |
| Net cash used in investing activities | (236.960) | (564.254) |
| C. Cash flow from financing activities: | | |
| Long term borrowings | 166.330 | 611.059 |
| Unsecured Loans & Deposits | (207.345) | (730.173) |
| Working Capital borrowings | (183.899) | 399.719 |
| Dividend & Tax on dividend paid | (63.330) | (104.499) |
| Interest & Finance charges paid | (403.020) | (276.058) |
| Net cash used in financing activities | (691.264) | (99.952) |
| D. Net increase / (decrease) in cash and cash equivalents (A+B+C) | (14.915) | (254.809) |
| Cash and cash equivalents as at 1.4.2008 and 1.4.2007 (Opening balance) | 54.175 | 308.984 |
| Cash and cash equivalents as at 31.3.2009 and 31.3.2008 (Closing balance) | <u>39.260</u> | <u>54.175</u> |

As per our report of date attached
For Suri & Co.,
Chartered Accountants
C.S. Sathyanarayanan
Partner
Membership No.28328
Coimbatore, 29th May 2009

Vijay Mohan
Chairman & Managing Director

Vanitha Mohan
Executive Director

For and on behalf of the Board

D. Sarath Chandran
Director

P. Ravi
General Manager
Finance & Secretarial

T.G. Thamizhanban
Company Secretary