

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2006

	2005-06 Rs. Millions	2004-05 Rs. Millions
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	428.960	622.534
Adjustments for :		
Depreciation	256.600	218.902
Bad debt written off	—	0.189
Provision for bad debt	(2.738)	4.683
Foreign Exchange fluctuation (Net)	(0.057)	(15.412)
(Profit) / Loss on sale of assets	(7.166)	(4.781)
Interest Income	(14.419)	(11.156)
Interest	121.868	68.325
Other investment income	(4.432)	(2.939)
	<u>349.656</u>	<u>257.811</u>
Operating profit before working capital charges	778.616	880.345
Trade and other receivables	(484.647)	(178.807)
Inventories	(15.407)	(193.681)
Trade payable	110.060	147.037
	<u>(389.994)</u>	<u>(225.451)</u>
Cash generated from operations	388.622	654.894
Direct taxes paid	(112.009)	(215.780)
	<u>(112.009)</u>	<u>(215.780)</u>
Net cash flow from operating activities	276.613	439.114
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(946.938)	(828.040)
Sale of fixed assets	494.068	62.900
Interest received	14.419	11.156
Purchase of investments	(227.907)	—
Sale of Investments	—	24.000
Other investment income	4.432	2.939
	<u>(661.926)</u>	<u>(727.045)</u>
Net cash used in investing activities	(661.926)	(727.045)
<b>C. Cash Flow from financing activities:</b>		
Long term borrowings	538.375	179.799
Unsecured Loans & deposits	99.055	(4.999)
Working Capital borrowings	138.944	247.205
Dividends & Tax on Dividend paid	(101.367)	(60.763)
Interest paid	(124.468)	(72.411)
	<u>550.539</u>	<u>288.831</u>
Net cash used in financing activities	550.539	288.831
<b>D. Net increase in cash and cash equivalents (A+B+C)</b>	165.226	0.900
Cash and cash equivalents as at 1.4.2005 and 1.4.2004 (Opening balance)	60.868	59.968
Cash and cash equivalents as at 31.3.2006 and 31.3.2005 (Closing balance)	<u>226.094</u>	<u>60.868</u>

As per our report of date attached  
For SURI & Co.,  
Chartered Accountants  
**C.S. Sathyanarayanan**  
Partner  
Membership No.28328  
Coimbatore, 27th May, 2006

**Vijay Mohan**  
Chairman & Managing Director

**Vanitha Mohan**  
Executive Director

For and on behalf of the Board

**R. Janardhanan**  
General Manager  
Finance & Secretarial

**D. Sarath Chandran**  
Director

**V. Srinivasan**  
Company Secretary