

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2005

	2004-05 Rs.Millions	2003-04 Rs.Millions
A. Cash flow from operating activities:		
Net profit before tax	622.534	512.034
Adjustments for :		
Depreciation	218.902	205.468
Bad debt written off	0.189	1.944
Provision for bad debt	4.683	5.662
Foreign Exchange fluctuation (Net)	(15.412)	0.388
(Profit) / Loss on sale of assets	(4.781)	0.121
Interest Income	(11.156)	(9.325)
Interest	68.325	80.023
Other investment income	(2.939)	(1.024)
	<u>257.811</u>	<u>283.257</u>
Operating profit before working capital charges	880.345	795.291
Trade and other receivables	(178.807)	(225.409)
Inventories	(193.681)	(186.390)
Trade payable	147.037	176.568
	<u>(225.451)</u>	<u>(235.231)</u>
Cash generated from operations	654.894	560.060
Interest paid	(72.411)	(79.063)
Direct taxes paid	(215.780)	(144.756)
	<u>(288.191)</u>	<u>(223.819)</u>
Net cash flow from operating activities	366.703	336.241
B. Cash flow from investing activities:		
Purchase of fixed assets	(828.040)	(295.654)
Sale/Transfer of fixed assets	62.900	14.816
Interest received	11.156	9.325
Purchase of investments	—	(23.000)
Sale of Investments	24.000	1.300
Other investment income	2.939	1.024
	<u>(727.045)</u>	<u>(292.189)</u>
Net cash used in investing activities	(727.045)	(292.189)
C. Cash Flow from financing activities:		
Debentures	—	(40.000)
Long term borrowings	179.799	(23.812)
Unsecured Loans & deposits	(4.999)	162.513
Working Capital borrowings	247.205	(142.320)
Dividends & Tax on Dividend paid	(60.763)	(40.600)
	<u>361.242</u>	<u>(84.219)</u>
Net cash used in financing activities	361.242	(84.219)
D. Net increase in cash and cash equivalents (A+B+C)	0.900	(40.167)
Cash and cash equivalents as at 1.4.2004 and 1.4.2003 (Opening balance)	59.968	100.135
Cash and cash equivalents as at 31.3.2005 and 31.3.2004 (Closing balance)	<u>60.868</u>	<u>59.968</u>

As per our report of date attached
For SURI & Co.,

C.S. Sathyanarayanan
Partner, Chartered Accountants
Membership No.28328

Coimbatore, 21st May, 2005

For and on behalf of the Board

Vijay Mohan
Chairman & Managing Director

Vanitha Mohan
Executive Director

D. Sarath Chandran
Director

V. Srinivasan
Company Secretary