

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

(Rs.in Thousands)

	For the year ended 31st December, 2005	For the year ended 31st December, 2004
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Taxation & Extraordinary Items	386,904	336,493
<b>Adjustments for</b>		
Depreciation	249,360	220,886
Miscellaneous Expenditure Amortised	365	3,757
Unrealised Foreign Exchange Loss/(Gain)-Net	(2,675)	2,200
Interest Income	(1,621)	(1,464)
Dividend Income	(7,300)	(10,080)
Financial Expenses	7,050	7,696
Provision for Diminution in Value of Investments	3	-
Provision for Doubtful Debts	3,118	(454)
(Profit)/Loss on Sale of Investments	(634)	3,438
Fixed Assets Written Off	2,720	509
Profit on Sale of Assets	(27,463)	(4,550)
Operating Profit before Changes in Working Capital	<u>609,827</u>	<u>558,431</u>
<b>Adjustments for</b>		
Trade Receivables	(49,175)	(99,082)
Inventories	(150,321)	(31,297)
Trade Payables	59,808	91,833
Loans and Advances	(16,046)	(3,107)
Other Current Liabilities	15,176	(561)
Cash Generated from Operations	<u>469,269</u>	<u>516,217</u>
Direct Taxes Paid (Net of Refunds Received)	(169,810)	(104,750)
Cash Flow before Extraordinary Items	<u>299,459</u>	<u>411,467</u>
<b>Extraordinary Items</b>		
Flood Claim (Net)	(22,726)	-
<b>Net Cash from Operating Activities</b>	<u>276,733</u>	<u>411,467</u>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(264,594)	(412,973)
Proceeds from Sale of Fixed Assets	32,080	6,779
Purchase of Investments	(902,478)	(791,051)
Sale of Investments	918,682	1,000,647
Dividend Received	7,300	10,080
Interest Received	1,230	1,120
<b>Net Cash Used in Investing Activities</b>	<u>(207,780)</u>	<u>(185,398)</u>

	(Rs.in Thousands)	
	For the year ended 31st December, 2005	For the year ended 31st December, 2004
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Sales Tax Deferral Loan	33,466	27,803
Repayment of Fixed Deposits & Debentures	(727)	(240)
Leasing Charges	(60)	(2,026)
Interest Paid	(6,965)	(5,900)
Dividends Paid (Including Dividend Tax thereon)	(85,775)	(212,639)
<b>Net Cash Used in Financing Activities</b>	<u>(60,061)</u>	<u>(193,002)</u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	<u>8,892</u>	<u>33,067</u>
Cash & Cash Equivalents at the Beginning of the Year	129,068	96,001
Cash & Cash Equivalents at the Close of the Year	<u>137,960</u>	<u>129,068</u>
Cash & Cash Equivalents,comprise :		
Cash & Bank Balances	138,874	128,861
Less:Unrealised (Loss)/Gain on Foreign Currency Cash & Cash Equivalents	914	(207)
	<u>137,960</u>	<u>129,068</u>

As per our report of even date attached

**For BSR & Associates**  
*Chartered Accountants*

**SANJAY AGGARWAL**  
*Partner*  
Membership No. 040780  
Mumbai  
31st January, 2006

**PRADEEP PASARI**  
*Company Secretary*

**PARAG VYAVAHARE**  
*Controller - Accounts*

**K.C. NARANG**  
*Chairman*

**SURESH GUPTA**  
*Managing Director & President*

**RAVI CHIDAMBARAM**  
*Controller - Finance*