

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2005

(Figures for the previous year have been rearranged to conform with the revised presentation)

	For the year ended 31st March, 2005 (Rs. in Crores)	For the year ended 31st March, 2004 (Rs. in Crores)
A. NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS	2673.07	2319.06
ADJUSTMENTS FOR :		
Depreciation	312.87	241.62
Interest etc. – Net	5.91	(35.88)
Income from Long Term Investments	(46.04)	(27.28)
Income from Current Investments	(100.72)	(78.16)
Fixed Assets – Loss on Sale/Write off – Net	1.89	12.17
Loss on Sale of Current Investments – Net	0.34	1.36
Unrealised Loss on Exchange – Net	0.04	0.14
Write off of Long Term Investment	0.05	—
Liability no longer required written back	(15.39)	(9.25)
	<u>158.95</u>	<u>104.72</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2832.02	2423.78
ADJUSTMENTS FOR :		
Trade and Other Receivables	(109.07)	(35.24)
Inventories	(506.09)	(274.23)
Trade Payables	418.11	568.29
	<u>(197.05)</u>	<u>258.82</u>
CASH GENERATED FROM OPERATIONS	2634.97	2682.60
Income Tax Paid	(783.77)	(789.33)
Cash Flow before Exceptional items	1851.20	1893.27
Exceptional items paid/received [see Schedule 19(ii)]	—	—
NET CASH FROM OPERATING ACTIVITIES	1851.20	1893.27
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(517.20)	(444.60)
Sale of Fixed Assets	21.51	0.77
Purchase of Business (See Note 3 Below)	(38.83)	(38.83)
Purchase of Current Investments	(24398.51)	(11629.27)
Sale/Redemption of Current Investments	23446.79	10470.69
Purchase of Long Term Investments	(67.38)	(21.73)
Sale of Long Term Investments	0.05	0.04
Income from Long Term Investments Received	44.72	21.61
Income from Current Investments Received	4.49	9.24
Interest Received	16.76	59.11
Refund of Deposits towards Property Options	77.01	1.50
Loans Given	(186.34)	(384.05)
Loans Realised	157.98	364.23
	<u>(1438.95)</u>	<u>(1791.29)</u>
NET CASH USED IN INVESTING ACTIVITIES		
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (Includes Rs. 0.01 Crore received by erstwhile ITC Hotels Limited)	37.32	11.21
Proceeds from Long Term Borrowings	11.31	7.47
Repayments of Long Term Borrowings	—	(28.01)
Net increase/(decrease) in Cash/Export Credit Facilities and other Short Term Loans	113.12	9.38
Interest etc. Paid	(18.68)	(29.54)
Dividends Paid	(494.65)	(369.58)
Income Tax on Dividend Paid	(65.51)	(47.57)
	<u>(417.09)</u>	<u>(446.64)</u>
NET CASH FLOW USED IN FINANCING ACTIVITIES		
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4.84)	(344.66)
OPENING CASH AND CASH EQUIVALENTS	34.00	378.66
CASH AND CASH EQUIVALENTS TAKEN OVER ON AMALGAMATION (Note 1)	26.50	—
CLOSING CASH AND CASH EQUIVALENTS	55.66	34.00
CASH AND CASH EQUIVALENTS COMPRISE :		
Cash and Bank Balances	55.66	34.04
Unrealised Loss/(Gain) on Foreign Currency Cash and Cash Equivalents	—	(0.04)
	<u>55.66</u>	<u>34.00</u>

Notes :

- Cash and Cash Equivalents include Rs. 26.50 Crores of erstwhile ITC Hotels Limited and Ansal Hotels Limited taken over on amalgamation.
- The amalgamation of the erstwhile ITC Hotels Limited and Ansal Hotels Limited with the Company is a non cash transaction [see Schedule 19(i)]
- Purchase consideration of Rs. 232.99 Crores (net of liability of Rs. 15.03 Crores towards sales tax deferment loans assumed) on acquisition of business, payable to M/s BILT Industrial Packaging Company Limited.

Cash paid [Including Rs. 38.83 Crores (2004-Rs. 38.83 Crores) during the year]	232.99	232.99
Balance Payable	77.66	38.83
	<u>155.33</u>	<u>194.16</u>
- Previous year's figures are not comparable due to Note 2 above.

Per our Report attached to the Balance Sheet

For A. F. FERGUSON & CO.

Chartered Accountants

M. S. DHARMADHIKARI

Partner

Kolkata, 27th May, 2005

On behalf of the Board

Y.C. DEVESHWAR *Chairman*

K. VAIDYANATH *Director*

B.B. CHATTERJEE *Secretary*