

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2007

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

	For the year ended 31st March, 2007 (Rs. in Crores)	For the year ended 31st March, 2006 (Rs. in Crores)
<b>A. NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS</b>	<b>3926.70</b>	<b>3269.19</b>
ADJUSTMENTS FOR :		
Depreciation	362.92	332.34
Interest etc. – Net	(17.51)	2.83
Income from Long Term Investments	(21.09)	(8.51)
Income from Current Investments	(183.13)	(155.65)
Fixed Assets – Loss on Sale/Write off – Net	17.40	19.63
(Profit)/Loss on Sale of Current Investments – Net	(6.84)	(3.43)
Excess of Cost over Fair Value of Current Investments	20.60	12.76
Unrealised (Gain)/Loss on Exchange – Net	(4.61)	1.55
Liability no longer required written back	(25.60)	(7.38)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>4068.84</b>	<b>3463.33</b>
ADJUSTMENTS FOR :		
Trade and Other Receivables	(271.32)	(160.31)
Inventories	(717.75)	(633.30)
Trade Payables	321.83	327.05
<b>CASH GENERATED FROM OPERATIONS</b>	<b>3401.60</b>	<b>2996.77</b>
Income Tax Paid	(1260.41)	(999.22)
Cash Flow before Exceptional items	2141.19	1997.55
Exceptional items (paid)/received [See Schedule 19(i)]	—	(67.87)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2141.19</b>	<b>1929.68</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(1742.94)	(709.19)
Sale of Fixed Assets	3.82	5.89
Purchase of Business (See Note 1 Below)	(38.83)	(38.83)
Purchase of Current Investments	(28395.85)	(32734.10)
Sale/Redemption of Current Investments	29026.35	33215.54
Purchase of Long Term Investments	(51.13)	—
Sale of Long Term Investments	0.01	—
Income from Long Term Investments Received	20.63	8.46
Income from Current Investments Received	39.06	20.83
Interest Received	21.86	7.92
Refund of Deposits towards Property Options	47.50	46.50
Loans Given	(77.37)	(55.24)
Loans Realised	64.11	56.91
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1082.78)</b>	<b>(175.31)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital	42.39	65.95
Proceeds from Long Term Borrowings	30.57	17.01
Net increase/(decrease) in Cash/Export Credit Facilities and other Short Term Loans	50.58	(142.64)
Interest etc. Paid	(8.62)	(16.28)
Dividends Paid	(989.43)	(769.78)
Income Tax on Dividend Paid	(139.56)	(108.47)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>(1014.07)</b>	<b>(954.21)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>44.34</b>	<b>800.16</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>855.82</b>	<b>55.66</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>900.16</b>	<b>855.82</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Cash and Bank Balances	<b>900.16</b>	<b>855.82</b>
<i>Note :</i>		
1. 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 in 2004, payable to M/s BILT Industrial Packaging Company Limited.	232.99	232.99
Cash paid [Including Rs. 38.83 Crores (2006 - Rs. 38.83 Crores) during the year as per scheme of repayment]	155.32	116.49
Balance Payable	77.67	116.50

Per our Report attached to the Balance Sheet

For A. F. FERGUSON & CO.

Chartered Accountants

M. S. DHARMADHIKARI

Partner

Kolkata, 25th May, 2007

On behalf of the Board

Y.C. DEVESHWAR Chairman

K. VAIDYANATH Director

B.B. CHATTERJEE Secretary