

Cash Flow STATEMENT

for the year ended 31 March

₹ millions

| | 2012 | 2011 |
|--|--------------|----------------|
| A.CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 7,338 | 8,442 |
| Adjustments for : | | |
| Depreciation and Amortization expense | 215 | 167 |
| Share issue expenses written off (₹ Nil (₹ 1,966)) | - | 0 |
| Provision for doubtful debts and advances (net) | 60 | 10 |
| Loss on sale / discard of fixed assets (net) | 72 | 79 |
| Interest on vehicle loan | 2 | 33 |
| Profit on sale of investments (net) | - | (197) |
| Loss on redemption of units of mutual funds (₹ Nil (₹ 51,204)) | - | 0 |
| Provision for diminution in value of investments (₹ Nil (₹ 140,000)) | 11 | 0 |
| Dividend income | (126) | (121) |
| Interest income | (760) | (442) |
| Operating profit before working capital changes | 6,812 | 7,971 |
| Adjustments for : | | |
| (Increase) / Decrease in trade and other receivables | (746) | (653) |
| (Increase) / Decrease in Inventories | 1,100 | (796) |
| Increase / (Decrease) in trade and other payables | (680) | 396 |
| Cash Generated from Operations | 6,486 | 6,918 |
| Direct taxes paid (net) | (2,898) | (2,260) |
| Net Cash flow from Operating Activities (A) | 3,588 | 4,658 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets / Capital Work In Progress | (690) | (299) |
| Sale of fixed assets | 3 | 1 |
| Purchase of Non current investments | (111) | (80) |
| Sale of Non current investments | - | 456 |
| Purchase of Current investments | (33,252) | (10,068) |
| Sale of Current investments | 32,605 | 8,130 |
| Loans to others | (200) | (2,500) |
| Loans repaid by others | 1,000 | 1,292 |
| Dividend received | 125 | 121 |
| Interest received | 734 | 431 |
| Net Cash flow from Investing Activities (B) | 214 | (2,516) |

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|--|----------------|----------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividend paid (including dividend tax) | (2,274) | (2,269) |
| Interest paid | (2) | (34) |
| Proceeds from issue of share capital | 8 | - |
| Payment on buyback of shares | (2,319) | - |
| Proceeds from Long-Term borrowings | 14 | - |
| Repayments of Long-Term borrowings | (7) | (1) |
| Repayments of Short-Term borrowings (net) | - | (676) |
| Net Cash flow from Financing Activities (C) | (4,580) | (2,980) |
| Net Cash Flow during the year (A+B+C) | (778) | (838) |
| Cash and Cash Equivalents at the beginning of the year | 1,539 | 3,003 |
| Cash and Cash Equivalents transferred as per Scheme of Amalgamation | - | (833) |
| Cash and Cash Equivalents transferred as per Scheme of Arrangement on demerger | - | 207 |
| Cash and Cash Equivalents at the end of the year | 761 | 1,539 |
| Notes: | | |
| 1. Previous year's figures have been regrouped, recast wherever necessary. | | |
| 2. Scheme of Amalgamation/Arrangement is not considered in the above cash flow statement, being a non-cash transaction | | |
| 3. Cash and Cash Equivalents at the end of the year: | | |
| Balances with Banks - | | |
| In current accounts | 448 | 916 |
| In deposit accounts | - | 600 |
| Cheques, demand drafts in hand | 303 | 12 |
| Cash in Hand | 1 | 2 |
| Other Bank balances | | |
| In Unclaimed dividend account | 9 | 9 |
| TOTAL | 761 | 1,539 |

As per our attached report of even date

For MGB & Co. Chartered Accountants

Hitendra Bhandari Partner

Place : Mumbai
Date : 21 May, 2012

For and on behalf of the Board

Punit Goenka Managing Director & CEO

M Y Khan Director

Hitesh Vakil Chief Financial Officer

M Lakshminarayanan Company Secretary