CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
A. Cash Flow from Operating Activities		
Net Profit Before Tax	4,75,49,43,448	4,09,11,43,051
Adjustments for:		
Depreciation	1,72,80,03,438	1,11,85,61,067
(Profit)/ loss on Fixed Assets sold / discarded (net)	26,23,824	(3,35,17,858)
Profit on sale of Long Term Investments (other than trade)	-	(36,14,099)
Profit on sale of Current Investments (other than trade)	(42,250)	(76,319)
Income from Long Term Investments (other than trade)	(4,74,18,383)	(4,72,50,844)
Dividend from Current Investments (other than trade)	(46,55,917)	(19,43,811)
Borrowing Cost [including interest Rs.1,09,03,12,626 (Previous year - Rs.1,20,87,21,809) paid/payable on loans	1,25,11,07,404	1,29,59,66,293
Interest received/receivable on loans etc.	(88,53,852)	(83,89,262)
Provision for Doubtful debts	2,51,609	5,28,089
Debts / Advances / Deposits written off	-	7,22,15,354
Long Term Investments (other than trade) written off	-	13,000
Liabilities no longer required written back	(2,07,22,174)	(4,64,64,863)
Unrealised(Gain)/ Loss on derivative contracts (net)	(15,92,70,523)	10,91,66,989
[2009-10 : after considering reversal of excess liability]		
Unrealised (Gain)/ Loss on foreign currency fluctuation (net)	(14,05,95,767)	10,63,09,576
Operating profit before working capital changes	7,35,53,70,857	6,65,26,46,363
Adjustments for :		
Inventories	(3,27,13,28,413)	(1,46,89,11,160)
Trade and other receivables	(2,36,09,35,689)	(1,06,06,80,673)
Trade Payables	1,88,51,60,479	42,27,51,290
Cash generated from operations	3,60,82,67,234	4,54,58,05,820
Direct taxes paid (net of refunds)	(1,04,28,07,755)	(84,31,62,185)
Net cash from operating activities	2,56,54,59,479	3,70,26,43,635
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(12,58,46,26,265)	(9,89,08,18,749)
Proceeds from sale of fixed assets	61,37,205	5,02,30,352
Trade investment in Joint Venture	(2,27,280)	-
Purchase of Long Term Investment (other than trade)	(2,23,00,000)	(14,17,70,160)
{2008-09: including Rs.12,60,00,000 paid for acquisition of subsidiary}		
Purchase of Current Investments (other than trade)	(11,48,03,85,394)	(2,60,69,43,811)
Proceeds from sale of Current Investments (other than trade)	11,48,04,27,644	2,60,70,20,130
Proceeds from sale/redemption of Long Term Investments (other than trade)	-	58,28,400
Income from Long Term Investments (other than trade)	4,74,18,383	4,72,50,844
Dividend from Current Investments (other than trade)	46,55,917	19,43,811
Loans given	(23,04,00,000)	(44,00,00,000)
Realisation of Loans given	25,00,00,000	1,52,00,000
Interest received on loans,deposits etc.	59,43,472	49,17,237
Net cash used in investing activities	(12,52,33,56,318)	(10,34,71,41,946)

CASH FLOW STATEMENT *(Contd.)*

	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
C. **Cash Flow from Financing Activities**		
Proceeds from -		
Long-term borrowings	14,83,36,10,022	11,11,58,77,507
Short-term borrowings	67,70,96,56,040	69,25,45,39,180
Unclaimed debentures paid/transferred	-	(2,53,82,188)
Repayment of -		
Long-term borrowings	(9,61,46,71,768)	(2,67,45,73,561)
Short-term borrowings	(60,71,83,45,761)	(68,02,19,57,779)
Increase/(Decrease) in cash credit and overdrafts from banks	6,74,05,843	(81,52,49,830)
Borrowing Cost [including interest Rs.1,55,71,09,516 (Previous year - Rs.1,39,15,13,827) paid	(1,79,13,54,465)	(1,61,50,42,037)
Dividends Paid during the year (including taxes thereon)	(29,25,41,324)	(41,05,81,720)
Net Cash from financing activities	10,19,37,58,587	6,80,76,29,572
Net Increase in Cash and Cash Equivalents	23,58,61,748	16,31,31,261
Opening Cash and Cash Equivalents	56,85,52,594	40,54,21,333
Cash and Cash equivalents consequent to amalgamation (Note 2)	73,935	-
Closing Cash and Cash Equivalents (Note 3)	80,44,88,277	56,85,52,594

Notes :

1 The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements.

2 Pursuant to scheme of Amalgamation (the'Scheme') sanctioned by the High Court at Calcutta in July 2009, Bulland Buildmart Private Limited (Transferor Company) has been amalgamated with Kesoram Industries Limited (Tansferee Company) with retrospective effect from 1st October 2008 (Appointed Date). In accordance with the Scheme, all assets and liabilities of the Transferor Company immediately preceding the Appointed Date have been incorporated in the books of account of Transferee Company at their respective book values on the basis of audited accounts of the Transferor Company. The net assets as per the books of account of the Tranferor Company after cancellation of investment of the Transferee Company in Tranferor Company as on 30th September, 2008 has been credited to Capital Reserve of the Transferee Company in 2009-10 and the results of the Transferor Company for the period 1st October, 2008 to 31st March, 2009 has been adjusted with the opening cradit balance in Profit & Loss Account of Transferee Company. Also refer Note 2 on Schedule 17 to Accounts.

	31st March, 2010 Rs.	31st March, 2009 Rs.
3 Cash and Cash Equivalents comprise :		
Cash in Hand	36,27,459	83,38,292
With Scheduled Banks on -		
Current Account	78,11,08,183	54,25,66,016
Unpaid Dividend Account	1,66,16,447	1,48,12,098
Term Deposits Account	31,31,188	28,31,188
With Post Office Savings Bank Account	5,000	5,000
	80,44,88,277	56,85,52,594

This is the Cash Flow Statement referred to in our report of even date.

B. K. BIRLA *Chairman*

K. G. MAHESHWARI
B. P. BAJORIA
P. K. CHOKSEY
G. B. PANDE
AMITABHA GHOSH
P. K. MALLIK
MANJUSHREE KHAITAN
Directors

For Price Waterhouse
Firm Registration No. 301112 E
Chartered Accountants
(S.K. DEB)
Partner
Membership No. 13390

DEEPAK TANDON
Whole-time Director

S.K.PATODIA
Secretary

Kolkata,
28th April, 2010.