CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

₹/crore

	2011-2012	2010-2011
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(710.25)	(152.34)
Adjustments for:		
Depreciation and amortisation	297.40	272.58
Debt/advance/deposits written off	5.67	0.58
Diminuation in the value of investment		0.16
Provision for bad and doubtful debts	2.58	0.18
Provision for contingencies	30.00	
Finance cost	410.15	258.18
Unrealised loss/(gain) on derivative contracts	(1.02)	3.67
Unrealised loss/(gain) on foreign currency fluctuation	29.92	(13.45)
Profit on sale of fixed assets (net)	(0.04)	(2.20)
Profit on long term investment (other than trade) sold		(6.81)
Profit on current investment (other than trade) sold	(0.00) *	(0.01)
Liabilities no longer rquired written back	(11.46)	(0.80)
Interest income	(9.56)	(0.91)
Dividend income from long term investment (other than trade)	(5.72)	(5.18)
Dividend income from current investment (other than trade)	(0.37)	(0.15)
Operating profit before working capital changes	**37.30**	**353.50**
Changes in Working Capital:		
Increase / (decrease) in trade and other payables	17.22	223.13
(Increase) / decrease in trade and other receivables	42.65	(166.04)
(Increase) / decrease in inventories	123.39	(202.35)
Cash Generated from Operations	**220.56**	**208.24**
Taxes paid (net of refunds)	24.97	(35.88)
Net cash generated from operating activities	**245.53**	**172.36**
B. Cash flow from Investing Activities:		
Purchase of fixed assets	(554.20)	(562.39)
Sale of fixed assets	2.85	4.13
Trade investment in Joint Venture		0.00*
Purchase of Long Term Investments (other than trade)	(0.54)	(21.22)
Proceeds from sale of Long Term Investments (other than trade)		13.48
Purchase of Current Investments (other than trade)	(566.50)	(628.18)
Proceeds from sale of Current Investments (other than trade)	566.50	628.19
Loan given	(0.35)	(5.47)
Realisation of loans given		0.50
Loans taken		48.00
Loans repaid		(48.00)
Interest received	6.77	1.22
Income from Long Term Investments (other than trade)	5.72	5.17
Dividend from Current Investments (other than trade)	0.37	0.15
Net cash from investing activities	**(539.38)**	**(564.42)**

CASH FLOW STATEMENT *(contd.)*

₹/crore

	2011- 2012	2010- 2011
C. Cash flow from Financing Activities		
Dividends paid	(14.82)	(24.99)
Dividend distribution tax paid	(2.41)	(4.18)
Finance cost paid	(409.84)	(249.05)
Proceeds from		
Long term borrowings	1,733.88	1,249.23
Short term borrowings	4,184.25	9,882.28
Repayment of		
Long term borrowings	(861.72)	(777.83)
Short term borrowings	(4,677.15)	(9,679.12)
Increase/(decrease) in cash credit and overdrafts from banks	338.36	(11.84)
Net cash used in financing activities	**290.55**	**384.50**
Net increase in cash and cash equivalents	**(3.30)**	**(7.56)**
Cash and cash equivalents at the beginning of the year	72.89	80.45
Cash and cash equivalents at the end of the year	69.59	72.89

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.

	31st March, 2012	31st March, 2011
2. **Cash and Cash Equivalents comprise :**		
Cash on hand	0.16	0.22
Cheques on hand	2.31	0.30
Balances with banks on current account	65.17	69.52
Others		
In post office saving bank account	0.00 *	0.00 *
Other Bank Balances:		
Balances with banks		
On current account	0.07	1.02
On unpaid dividend accounts	1.88	1.83
	69.59	**72.89**

** Amount is below the rounding off norm adopted by the Company*

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

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

Prabal Kr. Sarkar
Partner
Membership No 52340

Place: Kolkata
Date : 28th April, 2012

K. C. Jain
Whole time Director

Gautam Ganguli
Company Secretary

B. K. Birla — *Chairman*

K. G. Maheshwari
P. K. Choksey
Amitabha Ghosh
P. K. Mallik
Manjushree Khaitan
Vinay Sah
K. P. Khandelwal
Directors