

Cash Flow Statement

for the year ended 31st December, 2010

	2010 ₹ Lakhs	2009 ₹ Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit after exceptional items and before taxation	16532.36	16310.67
<i>Adjustments for :</i>		
Depreciation/Amortisation	1689.16	1896.35
Impairment of fixed assets	—	136.98
Unrealised foreign exchange (gain)/loss (Net)	(6.48)	(32.89)
Interest income	(92.96)	(83.20)
Dividend income	(677.96)	(407.90)
Loss/(profit) on sale of assets (Net)	(512.38)	(80.31)
Loss/(profit) on sale of investments (Net)	(13.51)	(0.21)
Provision for doubtful debts/advances (Net)	(94.79)	29.39
Provision for leave encashment	36.51	(126.69)
Provision for ex-gratia gratuity	(4.48)	(15.21)
Provision for gratuity	345.31	(186.30)
Interest expenses	116.16	99.87
Assets written-off	206.89	100.69
Operating profit before working capital changes	17523.83	17641.24
<i>Adjustments for :</i>		
Trade and other receivables	1801.24	(1050.90)
Inventories	(1407.59)	2878.95
Trade, other payables and provisions	5163.03	3693.84
Cash generated from operations	23080.51	23163.13
Direct taxes paid-(Net of refunds)	(6709.91)	(6055.45)
Net Cash from operating activities	16370.60	17107.68
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(3512.58)	(1005.00)
Sale of fixed assets	1477.88	138.31
Purchase of investments	(181779.90)	(95164.44)
Sale of investments	175059.45	88499.17
Loans given to subsidiary	(55.00)	(31.00)
Loans repaid by subsidiary	15.00	1.00
Interest received	92.96	83.20
Dividend received	677.96	407.90
Net Cash used in investing activities	(8024.23)	(7070.86)

	2010 ₹ Lakhs	2009 ₹ Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of borrowings	(99.50)	(104.29)
Interest paid	(111.38)	(93.33)
Dividend/dividend tax paid	(7740.63)	(8984.89)
Net Cash used in financing activities	(7951.51)	(9182.51)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	394.86	854.31
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR	1696.62	842.31
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR (See note 3) (Refer Schedule 8)	2091.48	1696.62

Notes:

- The Cash flow has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash flow statement notified by the Companies (Accounting Standards) Rules, 2006.
- Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- Cash and cash equivalents at the end of the year include current account balances with banks of ₹ 253.20 lakhs (Previous Year : ₹ 221.71 lakhs) which are restricted in use on account of unclaimed dividend/fixed deposit/interest on fixed deposit.
- Figures for the previous year have been regrouped wherever necessary to conform to the current year's classification.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A.C. Khanna
Partner

Mumbai, 24th February, 2011

For and on behalf of the Board,

R. A. Shah Chairman

P. Palm Vice-Chairman & Managing Director

B. S. Mehta }
H. Meier } Directors

B. L. Gaggar Director Finance & Company Secretary

Mumbai, 24th February, 2011