

Indian GAAP – Statement of cash flows

Cash flow statement for the		Quarter ended		Half year ended		Year ended	
		March 31, 2002	March 31, 2001	March 31, 2002	March 31, 2001	March 31, 2002	March 31, 2001
CASHFLOWS FROM OPERATING ACTIVITIES							
Profit before tax		249.25	203.42	490.30	389.25	943.39	696.03
Adjustments to reconcile profit before tax to cash provided							
By operating activities							
(Profit)/Loss on sale of fixed assets		(0.07)	(0.01)	(0.06)	(0.10)	(0.09)	(0.09)
Depreciation		44.82	37.90	86.15	70.92	160.65	112.89
Interest income		(15.27)	(10.44)	(27.64)	(21.27)	(51.23)	(38.47)
Effect of Deferred Taxes		(1.89)	-	(5.58)	-	(8.69)	-
Provisions on long-term investments		-	2.21	-	15.29	-	15.29
Income taxes paid during the period/year	1	(27.13)	(21.61)	(52.44)	(52.93)	(131.27)	(85.18)
Exchange differences on translation of foreign currency deposits		(7.37)	0.37	(9.44)	(3.07)	(13.26)	(20.17)
Changes in current assets and liabilities							
Sundry debtors		(26.20)	1.59	6.88	(59.30)	(34.36)	(166.19)
Loans and advances	2	(8.44)	(13.27)	(20.92)	(21.54)	(39.02)	(34.72)
Current liabilities and provisions	3	(34.81)	(13.47)	(51.04)	(14.88)	(5.16)	60.93
NET CASH GENERATED BY OPERATING ACTIVITIES		172.89	186.69	416.21	302.37	820.96	540.32
CASHFLOWS FROM FINANCING ACTIVITIES							
Proceeds on exercise of stock options		2.79	1.56	4.19	2.28	4.60	2.38
Dividends paid during the period/year, including Dividend Tax		-	-	(54.68)	(20.18)	(109.37)	(42.20)
NET CASH USED IN FINANCING ACTIVITIES		2.79	1.56	(50.49)	(17.90)	(104.77)	(39.82)
CASHFLOWS FROM INVESTING ACTIVITIES							
Purchases of fixed assets and change in capital work-in-progress	4	(38.18)	(138.34)	(91.24)	(263.51)	(322.74)	(463.35)
Proceeds on disposal of fixed assets		0.47	0.01	0.56	0.22	1.60	0.23
Long-term investments in securities	5	-	-	-	(3.68)	(10.32)	(26.65)
Interest income		15.27	10.44	27.64	21.27	51.23	38.47
NET CASH USED IN INVESTING ACTIVITIES		(22.44)	(127.89)	(63.04)	(245.70)	(280.23)	(451.30)
Effect of exchange differences on translation of foreign currency deposits		7.37	(0.37)	9.44	3.07	13.26	20.17
Net (decrease)/increase in cash and cash equivalents during the period/year		160.61	59.99	312.12	41.84	449.22	69.38
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		866.35	517.75	714.84	535.90	577.74	508.37
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	6	1,026.96	577.74	1,026.96	577.74	1,026.96	577.74

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

for Bharat S Raut & Co.
Chartered Accountants

S. Balasubrahmanyam Partner	N. R. Narayana Murthy Chairman and Chief Mentor	Nandan M. Nilekani Chief Executive Officer, President and Managing Director	S. Gopalakrishnan Chief Operating Officer and Deputy Managing Director	Deepak M. Satwalekar Director
Marti G. Subrahmanyam Director	Philip Yeo Director	Jitendra Vir Singh Director	Omkar Goswami Director	Larry Pressler Director
Rama Bijapurkar Director	Claude Smadja Director	K. Dinesh Director	S. D. Shibulal Director	T. V. Mohandas Pai Director and Chief Financial Officer
Phaneesh Murthy Director	Srinath Batni Director	V. Balakrishnan Company Secretary and Vice President – Finance		

Bangalore

April 10, 2002

Schedules to the Statement of Cash flows	In Rs.crores					
	Quarter ended		Half year ended		Year ended	
	March 31, 2002	March 31, 2001	March 31, 2002	March 31, 2001	March 31, 2002	March 31, 2001
1 INCOME TAXES PAID DURING THE PERIOD/YEAR						
Charge as per the Profit and Loss Account	38.93	21.75	73.93	41.25	135.43	72.71
Add: Tax provided on Intellectual property rights transferred	-	-	-	-	-	3.44
Increase in advance income taxes	2.89	21.61	32.11	39.12	112.51	69.33
Less: Increase/(Decrease) in income tax provision	(14.69)	(21.75)	(53.60)	(27.44)	(116.67)	(60.30)
	27.13	21.61	52.44	52.93	131.27	85.18
2 CHANGE IN LOANS AND ADVANCES DURING THE PERIOD/YEAR						
As per the Balance Sheet	643.87	430.28	643.87	430.28	643.87	430.28
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(254.74)	(192.68)	(254.74)	(192.68)	(254.74)	(192.68)
Advance income taxes separately considered	(236.25)	(123.74)	(236.25)	(123.74)	(236.25)	(123.74)
	152.88	113.86	152.88	113.86	152.88	113.86
Less: Opening balance considered	(144.44)	(100.59)	(131.96)	(92.32)	(113.86)	(79.14)
	8.44	13.27	20.92	21.54	39.02	34.72
3 CHANGE IN CURRENT LIABILITIES AND PROVISIONS DURING THE PERIOD/YEAR						
As per the Balance Sheet	459.41	319.85	459.41	319.85	459.41	319.85
Add/ Provisions separately considered in the cash flow (Less): Statement:						
Income taxes	(239.57)	(122.90)	(239.57)	(122.90)	(239.57)	(122.90)
Dividends	(82.73)	(49.62)	(82.73)	(49.62)	(82.73)	(49.62)
Dividend tax	-	(5.06)	-	(5.06)	-	(5.06)
	137.11	142.27	137.11	142.27	137.11	142.27
Less: Opening balance considered	(171.92)	(155.74)	(188.15)	(157.15)	(142.27)	(81.34)
	(34.81)	(13.47)	(51.04)	(14.88)	(5.16)	60.93
4 PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS						
As per the Balance Sheet	113.96	127.81	176.77	197.44	342.72	349.66
Less: Opening Capital work-in-progress	(226.45)	(160.12)	(236.20)	(104.58)	(170.65)	(56.96)
Add: Closing Capital work-in-progress	150.67	170.65	150.67	170.65	150.67	170.65
	38.18	138.34	91.24	263.51	322.74	463.35
5 LONG-TERM INVESTMENTS IN SECURITIES DURING THE PERIOD/YEAR						
As per the Balance Sheet	44.44	34.12	44.44	34.12	44.44	34.12
Add: Provisions on investments	-	2.21	-	15.29	-	15.29
Less: Non-cash investment (see note 7.3 below)	-	-	-	-	-	(8.93)
	44.44	36.33	44.44	49.41	44.44	40.48
Less: Opening balance considered	(44.44)	(36.33)	(44.44)	(45.73)	(34.12)	(13.83)
	-	-	-	3.68	10.32	26.65
6 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR						
As per the Balance Sheet	772.22	385.06	772.22	385.06	772.22	385.06
Add: Deposits with financial institutions and body corporate, included herein	254.74	192.68	254.74	192.68	254.74	192.68
	1,026.96	577.74	1,026.96	577.74	1,026.96	577.74

7 NOTES ON THE STATEMENT OF CASH FLOWS

- 7.1 Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing, and investing activities of the company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.
- 7.2 The balance of cash and cash equivalents includes Rs 1.12 as at March 31, 2002 (as at March 31, 2001, Rs 0.48) and set aside for payment of dividends and accordingly is not otherwise available to the company.
- 7.3 During the year ended March 31, 2001, the company transferred intellectual property rights in OnScan – a web-based wireless enabled notification product, to OnMobile Systems, Inc., USA (formerly OnScan, Inc.) – a company incubated by Infosys. The product was transferred for a gross consideration of Rs 8.93 that was received as equity preferred convertible voting and non-voting stock in OnMobile Systems, Inc. Accordingly the transaction being non-cash has not been considered in the statement of cash flows, except for the related income taxes.
- 7.4 The previous year's/periods' figures have been recast/ restated, wherever necessary, to conform to the current year's/periods' classifications.