

Indian GAAP – Statement of cash flows

Consolidated cash flow statement for the		in Rs. crore		
	Schedule	Quarter ended June 30, 2003	2002	Year ended March 31, 2003
CASHFLOWS FROM OPERATING ACTIVITIES				
Profit before tax		330.92	258.13	1,155.77
Adjustments to reconcile profit before tax to cash provided				
By operating activities				
(Profit)/Loss on sale of fixed assets		(0.01)	(0.01)	(0.01)
Depreciation and amortization		45.14	40.49	190.34
Interest income		(23.30)	(17.71)	(80.67)
Provisions on long-term investments		6.36	-	23.77
Exchange differences on translation of foreign currency cash and cash equivalents		3.20	(1.77)	(2.06)
Changes in current assets and liabilities				
Sundry debtors		(46.85)	(77.16)	(181.92)
Loans and advances	1	(9.47)	(51.14)	(132.38)
Current liabilities and provisions	2	37.90	65.90	163.04
Income taxes paid	3	(11.18)	(25.96)	(232.54)
NET CASH GENERATED BY OPERATING ACTIVITIES		332.71	190.77	903.34
CASHFLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issue of preference share capital		-	49.00	49.00
Proceeds on exercise of stock options		1.06	0.40	13.52
Dividends paid during the period/year, including Dividend Tax		(108.35)	(82.73)	(165.49)
NET CASH USED IN FINANCING ACTIVITIES		(107.29)	(33.33)	(102.97)
CASHFLOWS FROM INVESTING ACTIVITIES				
Purchases of fixed assets and change in capital work-in-progress	4	(61.13)	(54.20)	(225.82)
Proceeds on disposal of fixed assets		0.25	0.13	0.33
Investments in securities	5	(100.54)	(0.27)	(0.27)
Interest income		23.30	17.71	80.67
NET CASH USED IN INVESTING ACTIVITIES		(138.12)	(36.63)	(145.09)
Exchange differences on translation of foreign currency cash and cash equivalents		(3.20)	1.77	2.06
Net (decrease)/increase in cash and cash equivalents during the period/year		84.10	122.58	657.34
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,684.30	1,026.96	1,026.96
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	6	1,768.40	1,149.54	1,684.30

NOTES ON THE STATEMENT OF CASH FLOWS

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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

Omkar Goswami
Director

Larry Pressler
Director

Rama Bijapurkar
Director

Claude Smadja
Director

Sridar A. Iyengar
Director

K. Dinesh
Director

S. D. Shibulal
Director

T. V. Mohandas Pai
Director and
Chief Financial Officer

Srinath Batni
Director

V. Balakrishnan
Company Secretary and
Vice President – Finance

Bangalore
July 10, 2003

Schedules to the Statement of Cash flows	<i>In Rs.crores</i>		
	Quarter ended June 30, 2003	2002	Year ended March 31, 2003
1 CHANGE IN LOANS AND ADVANCES			
As per the Balance Sheet	977.52	723.17	913.46
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(382.98)	(256.94)	(337.76)
Advance income taxes separately considered	(299.81)	(262.21)	(290.44)
	294.73	204.02	285.26
Less: Opening balance considered	(285.26)	(152.88)	(152.88)
	9.47	51.14	132.38
2 CHANGE IN CURRENT LIABILITIES AND PROVISIONS			
As per the Balance Sheet	689.08	510.20	707.81
Add/			
(Less): Provisions separately considered in the cash flow Statement:			
Income taxes	(326.53)	(282.69)	(274.81)
Dividends	-	-	(96.05)
Dividend tax	-	-	(12.30)
	362.55	227.51	324.65
Less: Non cash transaction – (also refer note 7.3)	-	(24.50)	(24.50)
Less: Opening balance considered	(324.65)	(137.11)	(137.11)
	37.90	65.90	163.04
3 INCOME TAXES PAID			
Charge as per the Profit and Loss Account	52.00	42.50	201.00
Add: Increase in advance income taxes	9.37	25.96	54.19
Increase/ (Decrease) in Deferred taxes	1.53	0.62	12.59
Less: Increase/(Decrease) in income tax provision	(51.72)	(43.12)	(35.24)
	11.18	25.96	232.54
4 PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS			
As per the Balance Sheet	93.07	140.23	323.60
Less: Opening Capital work-in-progress	(77.39)	(150.67)	(150.67)
Less: Non cash transaction – (also refer note 7.3)	-	(24.50)	(24.50)
Add: Closing Capital work-in-progress	45.45	89.14	77.39
	61.13	54.20	225.82
5 INVESTMENTS IN SECURITIES			
As per the Balance Sheet	115.13	44.71	20.95
Add: Provisions on investments	6.36	-	23.77
	121.49	44.71	44.72
Less: Opening balance considered	(20.95)	(44.44)	(44.45)
	100.54	0.27	0.27
6 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR			
As per the Balance Sheet	1,385.42	892.60	1,346.54
Add: Deposits with financial institutions and body corporate, included herein	382.98	256.94	337.76
	1,768.40	1,149.54	1,684.30

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. 2.66 as at June 30, 2003 (as at June 30, 2002, Rs. 8.18 and March 31, 2003, Rs. 1.60) and set aside for payment of dividends.
- 7.3 The cashflows for the year ended March 31, 2003 excludes an agreement to purchase intellectual property for Rs. 24.50, as the intellectual property and its corresponding liability are in substance a non- cash transaction.
- 7.4 The previous year's / periods' figures have been recast/ restated, wherever necessary, to conform to the current year's/periods' classifications.