

Indian GAAP – Statement of cash flows

Cash flow statement for the		in Rs. crore		
	Schedule	Quarter ended June 30,		Year ended
		2003	2002	March 31, 2003
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		330.12	259.35	1,158.93
Adjustments to reconcile profit before tax to cash provided				
By operating activities				
(Profit)/Loss on sale of fixed assets		(0.01)	(0.01)	-
Depreciation and amortization		44.26	40.48	188.95
Interest income		(22.75)	(17.68)	(78.05)
Provisions on long-term investments		6.36	-	23.77
Exchange differences on translation of foreign currency cash and cash equivalents		3.28	(1.77)	(2.06)
Changes in current assets and liabilities				
Sundry debtors		(45.16)	(76.56)	(175.41)
Loans and advances	1	(9.85)	(51.59)	(127.63)
Current liabilities and provisions	2	39.01	65.07	158.46
Income taxes paid	3	(11.06)	(25.96)	(232.09)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>		<b>334.20</b>	<b>191.33</b>	<b>914.87</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>				
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)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(107.29)</b>	<b>(82.33)</b>	<b>(151.97)</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of fixed assets and change in capital work-in-progress	4	(58.38)	(53.79)	(219.26)
Proceeds on disposal of fixed assets		0.10	0.13	0.33
Investments in securities	5	(100.54)	(12.52)	(12.53)
Interest income		22.75	17.68	78.05
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(136.07)</b>	<b>(48.50)</b>	<b>(153.41)</b>
Exchange differences on translation of foreign currency cash and cash equivalents		(3.28)	1.77	2.06
<b>Net (decrease)/increase in cash and cash equivalents during the period/year</b>		<b>87.56</b>	<b>62.27</b>	<b>611.55</b>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		1,638.51	1,026.96	1,026.96
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR</b>	<b>6</b>	<b>1,726.07</b>	<b>1,089.23</b>	<b>1,638.51</b>

NOTES ON THE STATEMENT OF CASH FLOWS **7**  
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	Quarter ended June 30,		<i>In Rs.crores</i>
	2003	2002	Year ended March 31, 2003
<b>1 CHANGE IN LOANS AND ADVANCES</b>			
As per the Balance Sheet	942.16	668.59	872.78
Less: Deposits with financial institutions and body corporate, included in cash and cash equivalents	(352.56)	(201.91)	(302.28)
Advance income taxes separately considered	(299.24)	(262.21)	(289.99)
	290.36	204.47	280.51
Less: Opening balance considered	(280.51)	(152.88)	(152.88)
	9.85	51.59	127.63
<b>2 CHANGE IN CURRENT LIABILITIES AND PROVISIONS</b>			
As per the Balance Sheet	685.61	509.37	703.23
Add/ Provisions separately considered in the cash flow			
(Less): Statement:			
Income taxes	(326.53)	(282.69)	(274.81)
Dividends	-	-	(96.05)
Dividend tax	-	-	(12.30)
	359.08	226.68	320.07
Less: Non cash transaction – (also refer note 7.3)	-	(24.50)	(24.50)
Less: Opening balance considered	(320.07)	(137.11)	(137.11)
	39.01	65.07	158.46
<b>3 INCOME TAXES PAID</b>			
Charge as per the Profit and Loss Account	52.00	42.50	201.00
Add: Increase in advance income taxes	9.25	25.96	53.74
Increase/ (Decrease) in Deferred taxes	1.53	0.62	12.59
Less: Increase/(Decrease) in income tax provision	(51.72)	(43.12)	(35.24)
	11.06	25.96	232.09
<b>4 PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS</b>			
As per the Balance Sheet	90.70	139.99	317.87
Less: Opening Capital work-in-progress	(76.55)	(150.67)	(150.67)
Less: Non cash transaction – (also refer note 7.3)	-	(24.50)	(24.50)
Add: Closing Capital work-in-progress	44.23	88.97	76.56
	58.38	53.79	219.26
<b>5 INVESTMENTS IN SECURITIES</b>			
As per the Balance Sheet	127.38	56.96	33.20
Add: Provisions on investments	6.36	-	23.77
	133.74	56.96	56.97
Less: Opening balance considered	(33.20)	(44.44)	(44.44)
	100.54	12.52	12.53
<b>6 CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR</b>			
As per the Balance Sheet	1,373.51	887.32	1,336.23
Add: Deposits with financial institutions and body corporate, included herein	352.56	201.91	302.28
	1,726.07	1,089.23	1,638.51

**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.