

**Cash Flow Statement**

(Rs. '000)

For the year ended 31st March

	<b>2006</b>	<b>2005</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extraordinary items:	<b>33815</b>	11463
Adjustment : for Depreciation	<b>9780</b>	10410
for Investment written off	<b>1</b>	—
for Provision for Impairment of Assets	<b>(1525)</b>	6253
for Provision for Taxation	<b>24049</b>	—
(Profit)/Loss on sale of fixed assets	<b>(507)</b>	188
Interest Paid	<b>10068</b>	8805
Less : Interest Received	<b>(714)</b>	(410)
	<b>9354</b>	8395
Operating Profit before working capital changes	<b>74967</b>	36709
Adjustment for : Trade and other receivables	<b>(19689)</b>	(30776)
Inventories	<b>(44943)</b>	(11590)
Trade payables	<b>32601</b>	43371
Cash generated from operations	<b>42936</b>	37714
Interest paid	<b>(10068)</b>	(8805)
Interest received	<b>714</b>	410
Cash flow before extraordinary items	<b>33582</b>	29319
Taxation	<b>(24049)</b>	—
Extraordinary Items	<b>125</b>	(141)
<b>Net cash from operating activities</b>	<b>9658</b>	29178
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(6611)</b>	(2537)
Sale/Adjustment of fixed assets	<b>1343</b>	228
<b>Net cash used in investing activities</b>	<b>(5268)</b>	(2309)
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Increase in Equity Share Capital	<b>35000</b>	—
Proceeds from long term borrowings	<b>(2540)</b>	43901
Proceeds from short term borrowings	<b>(39550)</b>	(3960)
<b>Net cash used in financing activities</b>	<b>(7090)</b>	39941
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(2700)</b>	66810
Cash and cash equivalents opening balance:		
Cash and bank balance	<b>13393</b>	6547
Settlement Accounts	—	<b>13393</b>
		(59964)
Cash and cash equivalents closing balance:		
Cash and bank balance	<b>10693</b>	13393

As per our report of even date attached

for **KHETAWAT & ASSOCIATES**

Chartered Accountants

**A K Akhetawat**

Partner

Membership No. 052751

Kolkata

Dated : 31st day of May, 2006

**Kailash Baheti**Chief Executive Officer  
and Chief Financial Officer**Sumit Modi**

Company Secretary

**M. P. Jhunjhunwala**

Chairman &amp; Managing Director

**R N Das****M G Todi****P K Sengupta****V K Mushran****Vikram Jhunjhunwala**

Directors