

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2006

(Figures for the previous year have been rearranged to conform with the revised presentation)

| | For the year ended 31st March, 2006 (Rs. in Crores) | For the year ended 31st March, 2005 (Rs. in Crores) |
|---|---|---|
| A. NET PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS | 3269.19 | 2673.07 |
| ADJUSTMENTS FOR : | | |
| Depreciation | 332.34 | 312.87 |
| Interest etc. – Net | 2.83 | 5.91 |
| Income from Long Term Investments | (8.69) | (27.04) |
| Income from Current Investments | (155.47) | (119.72) |
| Fixed Assets – Loss on Sale/Write off – Net | 19.63 | 1.89 |
| (Profit)/Loss on Sale of Current Investments – Net | (3.43) | 0.34 |
| Excess of Cost over Fair Value of Current Investments | 12.76 | — |
| Unrealised Loss on Exchange – Net | 0.01 | 0.04 |
| Write off of Long Term Investment | — | 0.05 |
| Liability no longer required written back | (7.38) | (15.39) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 192.60 | 158.95 |
| ADJUSTMENTS FOR : | 3461.79 | 2832.02 |
| Trade and Other Receivables | (160.51) | (109.07) |
| Inventories | (633.30) | (506.09) |
| Trade Payables | 328.79 | 418.11 |
| CASH GENERATED FROM OPERATIONS | 2996.77 | 2634.97 |
| Income Tax Paid | (999.22) | (783.77) |
| Cash Flow before Exceptional items | 1997.55 | 1851.20 |
| Exceptional items paid/received [See Schedule 19(i)] | (67.87) | — |
| NET CASH FROM OPERATING ACTIVITIES | 1929.68 | 1851.20 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (709.19) | (517.20) |
| Sale of Fixed Assets | 5.89 | 21.51 |
| Purchase of Business (See Note 2 Below) | (38.83) | (38.83) |
| Purchase of Current Investments | (32734.10) | (24462.88) |
| Sale/Redemption of Current Investments | 33215.54 | 23446.79 |
| Purchase of Long Term Investments | — | (3.01) |
| Sale of Long Term Investments | — | 0.05 |
| Income from Long Term Investments Received | 8.37 | 27.04 |
| Income from Current Investments Received | 20.92 | 22.17 |
| Interest Received | 7.92 | 16.76 |
| Refund of Deposits towards Property Options | 46.50 | 77.01 |
| Loans Given | (55.24) | (186.34) |
| Loans Realised | 56.91 | 157.98 |
| NET CASH USED IN INVESTING ACTIVITIES | (175.31) | (1438.95) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of Share Capital | 65.95 | 37.32 |
| Proceeds from Long Term Borrowings | 17.01 | 11.31 |
| Net increase/(decrease) in Cash/Export Credit Facilities and other Short Term Loans | (142.64) | 113.12 |
| Interest etc. Paid | (16.28) | (18.68) |
| Dividends Paid | (769.78) | (494.65) |
| Income Tax on Dividend Paid | (108.47) | (65.51) |
| NET CASH FLOW USED IN FINANCING ACTIVITIES | (954.21) | (417.09) |
| NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS | 800.16 | (4.84) |
| OPENING CASH AND CASH EQUIVALENTS | 55.66 | 34.00 |
| CASH AND CASH EQUIVALENTS TAKEN OVER ON AMALGAMATION [Note 1] | — | 26.50 |
| CLOSING CASH AND CASH EQUIVALENTS | 855.82 | 55.66 |
| CASH AND CASH EQUIVALENTS COMPRISE : | | |
| Cash and Bank Balances | 855.82 | 55.66 |
| Notes : | | |
| 1. Cash and Cash Equivalents include Rs. Nil (2005 - Rs. 26.50 Crores) of erstwhile ITC Hotels Limited and Ansal Hotels Limited taken over on amalgamation. | | |
| 2. Purchase consideration of Rs. 232.99 Crores (net of liability of Rs. 15.03 Crores towards sales tax deferment loans assumed) on acquisition of business in 2004, payable to M/s BILT Industrial Packaging Company Limited. | 232.99 | 232.99 |
| Cash paid [Including Rs. 38.83 Crores (2005 - Rs. 38.83 Crores) during the year as per scheme of repayment] | 116.49 | 77.66 |
| Balance Payable | 116.50 | 155.33 |

Per our Report attached to the Balance Sheet
For A. F. FERGUSON & CO.

Chartered Accountants

M. S. DHARMADHIKARI
Partner

Kolkata, 26th May, 2006

On behalf of the Board

Y.C. DEVESHWAR Chairman
K. VAIDYANATH Director
B.B. CHATTERJEE Secretary