onsolidated cash flow state	ment for the	0 - 1 1 1 -	Questes	d lune 20	in Rs. crore Year ended
		Schedule	Quarter ender 2003	2002 a June 30,	Year ended March 31, 2003
CASHFLOWS FROM OPE	RATING ACTIVITIES		2000	2002	110101,2000
Profit before tax			330.92	258.13	1,155.7
Adjustments to reconcile p	rofit before tax to cash provid	led			
By operating activities					
(Profit)/Loss on sale of f	ixed assets		(0.01)	(0.01)	(0.01
Depreciation and amorti			45.14	40.49	190.3
Interest income	Zation		(23.30)	(17.71)	(80.67
	investmente		· · · · · ·	(17.71)	23.7
Provisions on long-term		av aaab	6.36	-	23.1
	n translation of foreign currer	icy cash	0.00	(4 77)	(0.0)
and cash equivalents			3.20	(1.77)	(2.0
Changes in current assets	and liabilities				
Sundry debtors			(46.85)	(77.16)	(181.92
Loans and advances		1	· · · · · · · · · · · · · · · · · · ·	(51.14)	(132.38
	a vialana		(9.47)	· · · ·	
Current liabilities and pr	JVISIONS	2	37.90	65.90	163.0
Income taxes paid		3	(11.18)	(25.96)	(232.54
NET CASH GENERATED	BY OPERATING ACTIVITIE	S	332.71	190.77	903.3
CASHFLOWS FROM FIN					
Proceeds from the issue of			_	49.00	49.0
Proceeds on exercise of st			1.06	0.40	13.5
	period/year, including Divider	nd Tax	(108.35)	(82.73)	(165.49
	chourycar, including Divider		(100.00)	(02.73)	(100.43
NET CASH USED IN FINA	NCING ACTIVITIES		(107.29)	(33.33)	(102.9)
CASHFLOWS FROM INV					
		n-progress 4	(61 12)	(54.20)	(225.0)
	and change in capital work-in	i-progress 4	(61.13)	(54.20)	(225.82
Proceeds on disposal of fix	led assets	_	0.25	0.13	0.3
Investments in securities		5	(100.54)	(0.27)	(0.2
Interest income			23.30	17.71	80.6
NET CASH USED IN INVE	STING ACTIVITIES		(138.12)	(36.63)	(145.09
	anslation of foreign currency	cash and			
cash equivalents			(3.20)	1.77	2.0
Nat (daaraaaa)/inaraaaa i	n and and and any ivalan	to during			
	n cash and cash equivalen	ts during	94.40	100 50	657 3
the period/year			84.10	122.58	657.3
	ALENTS AT THE BEGINNIN	GOF			
THE PERIOD/YEAR	ALEINIS AT THE BEGINNIN	0.01	1,684.30	1,026.96	1,026.9
THE FERIOD/TEAR			1,004.30	1,020.90	1,020.9
CASH AND CASH EQUIV	ALENTS AT THE END OF T	ΉE			
PERIOD/YEAR		6	1,768.40	1,149.54	1,684.3
NOTES ON THE STATE		7			
This is the Cash Flow Sta	atement referred to in our repor	t of even date			
for Bharat S Raut & Co.					
Chartered Accountants					
S. Balasubrahmanyam	N. R. Narayana Murthy	Nandan M. Nilekani	S Gona	lakrishnan	Deepak M. Satwalel
	Chairman and Chief Mentor	Chief Executive Officer, Pres		perating Officer and	Director
Partner		and Managing Director		Managing Director	2.0000
Partner			= -,		
Partner					
Partner					
	Dhille Mare				
Partner Marti G. Subrahmanyam Director	Philip Yeo Director	Omkar Goswami Director	Larry Pr Director	essler	Rama Bijapurkar Director

S. D. Shibulal Director

T. V. Mohandas Pai Director and Chief Financial Officer

Claude Smadja Director

Sridar A. Iyengar Director

K. Dinesh Director

Srinath Batni Director

V. Balakrishnan Company Secretary and Vice President – Finance

Bangalore July 10, 2003

0.41-	adulas to the Statement of Cash flows	Quarter and ad luna 20		In Rs.crore
Schedules to the Statement of Cash flows		Quarter ended June 30,		Year ended
		2003	2002	March 31, 2003
	CHANGE IN LOANS AND ADVANCES	077.50	700 47	040.40
	As per the Balance Sheet	977.52	723.17	913.46
	Less: Deposits with financial institutions and body corporate, included	(000.00)	(0=0.0.4)	(000)
	in cash and cash equivalents	(382.98)	(256.94)	(337.76)
	Advance income taxes separately considered	(299.81)	(262.21)	(290.44)
	Lass. Openias halance considered	294.73	204.02	285.26
	Less: Opening balance considered	<u>(285.26)</u> 9.47	<u>(152.88)</u> 51.14	(152.88) 132.38
		9.47	51.14	132.30
2	CHANGE IN CURRENT LIABILITIES AND PROVISIONS	000.00	540.00	707.04
	As per the Balance Sheet	689.08	510.20	707.81
	Add/			
(Less	(Less): Provisions separately considered in the cash flow Statement:	(200 50)	(000.00)	(074.04)
	Income taxes Dividends	(326.53)	(282.69)	(274.81)
	Dividends	-	-	(96.05) (12.30)
		-	227.51	324.65
	Less: Non cash transaction – (also refer note 7.3)	362.55		(24.50)
	Less: Opening balance considered	(324.65)	(24.50) (137.11)	(137.11)
		37.90	65.90	163.04
		57.50	00.00	103.04
3		50.00	40.50	004.00
	Charge as per the Profit and Loss Account Add: Increase in advance income taxes	52.00	42.50 25.96	201.00 54.19
	Increase/ (Decrease) in Deferred taxes	9.37 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
ŀ	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS			
	As per the Balance Sheet	93.07	140.23	323.60
Le: Le:	Less: Opening Capital work-in-progress	(77.39)	(150.67)	(150.67)
	Less: Non cash transaction – (also refer note 7.3)	(11.55)	(24.50)	(130.07) (24.50)
	Add: Closing Capital work-in-progress	45.45	89.14	77.39
		61.13	54.20	225.82
;	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
	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			
	Add: Deposits with financial institutions and body corporate, included herein	382.98	256.94	337.76

## 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.