CASHFLOWS FROM OPERATING ACTIVITIES 70.001	n Rs. cror ended	une 30.	Quarter ended J	Schedule	ash flow statement for the
CASHFLOWS FROM OPERATING ACTIVITIES The proceeds on exercise of stock options Dividend Spundend Spundends Subject of season of s	31, 2003			00000.0	
Adjustments to reconcile profit before tax to cash provided By operating activities Country By operating activities Country Coun					CASHFLOWS FROM OPERATING ACTIVITIES
By operating activities (Profit)/Loss on sale of fixed assets (0.01)	1,158.9	259.35	330.12		Profit before tax
ProtityLoss on sale of fixed assets (0.01)					Adjustments to reconcile profit before tax to cash provided
Depreciation and amortization					By operating activities
Depreciation and amortization		(0.01)	(0.01)		
Interest income	188.9	40.48	44.26		
Provisions on long-term investments	(78.0	(17.68)	(22.75)		·
Exchange differences on translation of foreign currency cash and cash equivalents Changes in current assets and liabilities Sundry debtors Loans and advances 1 (9.85) (51.59) Current liabilities and provisions 1 (9.85) (51.59) Current liabilities and provisions 2 39.01 (65.07) Income taxes paid 3 (11.06) (25.96) NET CASH GENERATED BY OPERATING ACTIVITIES ACSHFLOWS FROM FINANCING ACTIVITIES Proceeds on exercise of stock options Dividends paid during the period/year, including Dividend Tax NET CASH USED IN FINANCING ACTIVITIES Purchases of fixed assets and change in capital work-in-progress Proceeds on disposal of fixed assets 1 (107.29) (82.33) CASHFLOWS FROM INVESTING ACTIVITIES Purchases of fixed assets and change in capital work-in-progress 4 (58.38) (53.79) Proceeds on disposal of fixed assets 1 0.10 0.13 Investments in securities 5 (100.54) (12.52) Interest income 22.75 17.68 NET CASH USED IN INVESTING ACTIVITIES Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year R7.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	23.7	(, ,		
A cash equivalents 3.28 (1.77) Changes in current assets and liabilities Sundry debtors (45.16) (76.56) Loans and advances 1 (9.85) (51.59) Current liabilities and provisions 2 39.01 (65.07) Income taxes paid 3 (11.06) (25.96) NET CASH GENERATED BY OPERATING ACTIVITIES 334.20 191.33 CASHFLOWS FROM FINANCING ACTIVITIES Proceeds on exercise of stock options 1.06 0.40 Dividends paid during the period/year, including Dividend Tax (108.35) (82.73) NET CASH USED IN FINANCING ACTIVITIES (107.29) (82.33) CASHFLOWS FROM INVESTING ACTIVITIES (100.54) (12.52) Interest income of fixed assets and change in capital work-in-progress 4 (58.38) (53.79) Proceeds on disposal of fixed assets 5 (100.54) (12.52) Interest income 1 (100.54) (12.52) Interest income 1 (100.54) (12.52) Interest income 1 (100.54) (12.52) Exchange differences on translation of foreign currency cash and cash equivalents (100.54) (100.54) (100.54) Exchange differences on translation of foreign currency cash and cash equivalents (100.54)	20.1		0.50		
Changes in current assets and liabilities Sundry debtors (45.16) (76.56)	(2.0	(1.77)	3 28		
Sundry debtors	(2.0	(1.77)	3.20		and cash equivalents
Sundry debtors					Changes in current assets and liabilities
Loans and advances	(175.4	(76.56)	(45.16)		
Income taxes paid 3	(127.6	(51.59)	(9.85)	1	Loans and advances
Income taxes paid 3	158.4	`65.07	39.01	2	Current liabilities and provisions
NET CASH GENERATED BY OPERATING ACTIVITIES CASHFLOWS FROM FINANCING ACTIVITIES Proceeds on exercise of stock options Dividends paid during the period/year, including Dividend Tax 1.06 0.40 0.40 0.40 0.40 0.40 0.40 0.40 0	(232.0				
CASHFLOWS FROM FINANCING ACTIVITIES Proceeds on exercise of stock options Dividends paid during the period/year, including Dividend Tax (108.35) NET CASH USED IN FINANCING ACTIVITIES (107.29) (82.33) CASHFLOWS FROM INVESTING ACTIVITIES Purchases of fixed assets and change in capital work-in-progress 4 (58.38) (53.79) Proceeds on disposal of fixed assets	,	(/	(/	-	
Proceeds on exercise of stock options Dividends paid during the period/year, including Dividend Tax NET CASH USED IN FINANCING ACTIVITIES CASHFLOWS FROM INVESTING ACTIVITIES Purchases of fixed assets and change in capital work-in-progress Proceeds on disposal of fixed assets Investments in securities Interest income NET CASH USED IN INVESTING ACTIVITIES Exchange differences on translation of foreign currency cash and cash equivalents Exchange differences in cash and cash equivalents during the period/year CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1.06 0.40 0.40 0.40 0.40 0.40 0.40 0.40 0	914.8	191.33	334.20		NET CASH GENERATED BY OPERATING ACTIVITIES
CASHFLOWS FROM INVESTING ACTIVITIES Purchases of fixed assets and change in capital work-in-progress 4 (58.38) (53.79) Proceeds on disposal of fixed assets 0.10 0.13 Investments in securities 5 (100.54) (12.52) Interest income 22.75 17.68 NET CASH USED IN INVESTING ACTIVITIES (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	13.9 (165.4				Proceeds on exercise of stock options
Purchases of fixed assets and change in capital work-in-progress 4 (58.38) (53.79) Proceeds on disposal of fixed assets 0.10 0.13 Investments in securities 5 (100.54) (12.52) Interest income 22.75 17.68 NET CASH USED IN INVESTING ACTIVITIES (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	(151.9	 (82.33)	(107.29)		NET CASH USED IN FINANCING ACTIVITIES
Purchases of fixed assets and change in capital work-in-progress 4 (58.38) (53.79) Proceeds on disposal of fixed assets 0.10 0.13 Investments in securities 15 (100.54) (12.52) Interest income 22.75 17.68 NET CASH USED IN INVESTING ACTIVITIES (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96					CASHELOWS FROM INVESTING ACTIVITIES
Proceeds on disposal of fixed assets Investments in securities Interest income 5 (100.54) (12.52) Interest income 8 (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	(219.2	(53.79)	(58.38)	4	
Investments in securities 5 (100.54) (12.52) Interest income 5 (22.75 17.68 NET CASH USED IN INVESTING ACTIVITIES (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	0.3	, ,	, ,	·	
Interest income 22.75 17.68 NET CASH USED IN INVESTING ACTIVITIES (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	(12.5			5	
NET CASH USED IN INVESTING ACTIVITIES (136.07) (48.50) Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	78.0			Ü	
Exchange differences on translation of foreign currency cash and cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	70.0	17.00	22.70		The foot moonie
cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	(153.4	(48.50)	(136.07)		NET CASH USED IN INVESTING ACTIVITIES
cash equivalents (3.28) 1.77 Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96					Eychange differences on translation of foreign currency cash and
Net (decrease)/increase in cash and cash equivalents during the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	2.0	1 77	(3.28)		
the period/year 87.56 62.27 CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR 1,638.51 1,026.96	2.0	1.77	(3.20)		asii equivalents
THE PERIOD/YEAR 1,638.51 1,026.96	611.	62.27	87.56		
THE PERIOD/YEAR 1,638.51 1,026.96					CASH AND CASH FOLIN/ALENTS AT THE DECININING OF
AAOU AND AAOU FOUNTAL ENTO AT THE END OF THE	1,026.9	1,026.96	1,638.51		
PERIOD/YEAR 6 1,726.07 1,089.23	1.638.	 1 090 22	1 726 07	6	CASH AND CASH EQUIVALENTS AT THE END OF THE

7

NOTES ON THE STATEMENT OF CASH FLOWS

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 <i>Director</i>	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

3011	lules to the Statement of Cash flows Quarter ended June 3		lune 30	In Rs.cro Year ended
	saules to the diatement of dash nows	2003	2002	March 31, 2003
	CHANGE IN LOANS AND ADVANCES			
	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
	CHANCE IN CURRENT LIABILITIES AND PROVISIONS			
	CHANGE IN CURRENT LIABILITIES AND PROVISIONS	685.61	509.37	703.23
	As per the Balance Sheet Add/ Provisions separately considered in the cash flow	000.01	509.57	703.20
	(Less): Statement:			
	Income taxes	(326.53)	(282.69)	(274.81)
	Dividends	(320.33)	(202.00)	(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
	Charge as per the Profit and Loss Account Add: Increase in advance income taxes Increase/ (Decrease) in Deferred taxes	52.00 9.25 1.53	42.50 25.96 0.62	201.00 53.74 12.59
	Less: Increase/(Decrease) in income tax provision	(51.72)	(43.12)	
	Less: Increase/(Decrease) in income tax provision	(51.72) 11.06		(35.24) 232.09
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL		(43.12)	(35.24)
			(43.12)	(35.24 232.09
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS	11.06	(43.12) 25.96	(35.24 232.09 317.87
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet	90.70	(43.12) 25.96 139.99 (150.67) (24.50)	(35.24 232.09 317.87 (150.67
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress	90.70	(43.12) 25.96 139.99 (150.67)	(35.24 232.09 317.8 (150.67 (24.50
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3)	90.70 (76.55)	(43.12) 25.96 139.99 (150.67) (24.50)	(35.24 232.09 317.87 (150.67 (24.50 76.56
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress	90.70 (76.55) - 44.23	(43.12) 25.96 139.99 (150.67) (24.50) 88.97	(35.24 232.09 317.87 (150.67 (24.50 76.56
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress	90.70 (76.55) - 44.23 58.38	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79	(35.24 232.09 317.87 (150.67 (24.50 76.56 219.26
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress	90.70 (76.55) - 44.23	(43.12) 25.96 139.99 (150.67) (24.50) 88.97	(35.24 232.09 317.87 (150.67 (24.50 76.56 219.26
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress INVESTMENTS IN SECURITIES As per the Balance Sheet	90.70 (76.55) 	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79	(35.24 232.09 317.87 (150.67 (24.50 76.56 219.26
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress INVESTMENTS IN SECURITIES As per the Balance Sheet Add: Provisions on investments	90.70 (76.55) 44.23 58.38	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79	(35.24 232.09 317.87 (150.67 (24.50) 76.56 219.26 33.20 23.77 56.97
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress INVESTMENTS IN SECURITIES As per the Balance Sheet	90.70 (76.55) 	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79 56.96	(35.24 232.09 317.87 (150.67 (24.50 76.56 219.26 33.20 23.77 56.97 (44.44
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress INVESTMENTS IN SECURITIES As per the Balance Sheet Add: Provisions on investments Less: Opening balance considered CASH AND CASH EQUIVALENTS AT THE END OF THE	90.70 (76.55) - 44.23 58.38 127.38 6.36 133.74 (33.20)	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79 56.96 	(35.24 232.09 317.87 (150.67 (24.50 76.56 219.26 33.20 23.77 56.97 (44.44
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress INVESTMENTS IN SECURITIES As per the Balance Sheet Add: Provisions on investments Less: Opening balance considered CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR As per the Balance Sheet	90.70 (76.55) - 44.23 58.38 127.38 6.36 133.74 (33.20)	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79 56.96 	317.87 (150.67 (24.50 76.56 219.26 33.20 23.77 56.97 (44.44 12.53
	PURCHASES OF FIXED ASSETS AND CHANGE IN CAPITAL WORK-IN-PROGRESS As per the Balance Sheet Less: Opening Capital work-in-progress Less: Non cash transaction – (also refer note 7.3) Add: Closing Capital work-in-progress INVESTMENTS IN SECURITIES As per the Balance Sheet Add: Provisions on investments Less: Opening balance considered CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	90.70 (76.55) 	(43.12) 25.96 139.99 (150.67) (24.50) 88.97 53.79 56.96 	(35.24 232.09 317.87 (150.67 (24.50) 76.56 219.26

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.