

CASH FLOW STATEMENT

For the Period Ended March 31, 2010

(All amounts in millions of Indian ₹)

	For the period ended March 31, 2010	For the year ended December 31, 2008
A. CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES:		
Net Profit/(Loss) before tax	(7,933.40)	(4,570.78)
Adjustments for:		
Depreciation/Amortisation	710.48	460.28
Amortisation of expenses	10.08	12.09
Liabilities no more payable	(25.37)	–
Provision for doubtful debts and bad debts written off	204.18	27.86
(Profit)/loss on sale of fixed assets, net	(156.70)	1.07
(Profit)/loss on sale of Animal Health Division	(1,570.97)	–
Interest expense	2,319.73	1,216.71
Interest income	(260.86)	(313.11)
Dividend income	(0.01)	(0.02)
Fixed assets written off	–	0.29
Provision for marked to market loss	303.26	4,256.32
Realised derivative loss	3,691.01	–
Exchange fluctuation, net	180.07	558.39
Product development expenses written off	74.79	76.45
FCCB Premium	268.30	1,294.91
Depreciation considered for product development expenses	61.43	50.33
Operating profit before working capital changes	(2,123.98)	3,070.79
Movement in working capital		
(Increase)/decrease in inventories	(572.54)	53.40
(Increase)/decrease in sundry debtors	(784.08)	(498.67)
(Increase)/decrease in loans and advances	450.92	(3,164.68)
Increase/(decrease) in current liabilities and provisions	(4,204.27)	1,393.09
Cash generated from operations	(7,233.95)	853.93
Direct taxes paid, including fringe benefit tax	(102.61)	(174.84)
Net cash used in operating activities	(7,336.56)	679.09
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:		
Purchase of fixed assets including capital work-in-progress	(1,539.15)	(2,626.48)
Proceeds from sale of fixed assets	206.78	5.52
Proceeds from sale of Animal Health Division	1,662.50	–
Investments in Subsidiaries	–	(1.38)
Proceeds from sale of investments	0.03	–
(Loans to)/Repayment by subsidiaries/companies	2,120.29	(2,646.61)
Margin money and fixed deposits under lien	4,048.77	(4,348.34)
Interest received	107.82	144.46
Dividend received	0.01	0.02
Net cash from/(used in) investing activities	6,607.05	(9,472.81)

	For the period ended March 31, 2010	For the year ended December 31, 2008
C. CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES:		
Proceeds from issuance of share capital	700.00	–
Proceeds from borrowings	7,530.61	11,095.15
Repayment of borrowings	(4,882.58)	(2,317.58)
Interest paid	(2,313.45)	(1,029.81)
Dividend paid (Including tax on dividend)	(1.26)	(321.66)
Net cash from/(used in) financing activities	1,033.32	7,426.10
Net Increase In Cash And Cash Equivalents (A+B+C)	303.81	(1,367.62)
Cash and Cash Equivalents, at the beginning of period	363.22	1,742.23
Unrealised gain/(loss) on Foreign Currency Cash and Cash Equivalents	(6.31)	(11.39)
Cash and Cash Equivalents, at the end of period	660.72	363.22
Components of Cash and Cash Equivalents, as at March 31, 2010		
Cash	1.96	1.32
With Banks:		
– on Current Account (excluding unclaimed dividend accounts)	644.23	247.64
– on unpaid dividend account*	12.31	13.58
– on Margin Money Account	–	0.30
– on Fixed Deposits Account	2.22	100.38
	660.72	363.22

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place: Mumbai
Date : May 20, 2010

J. B. Manmadkar
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta
Abid Hussain
Aman Mehta
Bharat Patel
R. A. Shah

} *Directors*