

Cash Flow Statement

For the 18 Months period ended 31st March, 2011

(₹ in Lacs)

Particulars	18 Months ended		Year ended	
	31st March, 2011		30th September, 2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax		22600.13		24960.75
Adjustments to reconcile Net Profit before tax to Cash Flow provided by Operating Activities :				
Depreciation & Amortisation	16810.96		10794.38	
Interest	13844.72		9694.24	
Provision for Doubtful Debts / Advances	98.71		6.00	
Provision for Retirement Benefits of Employees	35.34		1.02	
Provision for Liabilities Written Back	(0.45)		–	
Provision for Diminution in value of Investments	283.27		–	
Unspent Liabilities / Balances Written Back	(291.93)		(148.94)	
Provision for Doubtful Debts/Advances Written Back	(83.96)		–	
Sundry Debit Balances / Advances Written Off	166.44		54.68	
Bad Debts Written Off	404.19		–	
Profit on Sale of Fixed Assets	(18.84)		(35.09)	
Loss on Sale/discard of Fixed Assets	1823.35		683.30	
Profit on Sale of Investments	–		(41.78)	
Unrealised Exchange Rate Fluctuation - (Gain) /Loss	(11.08)		14.77	
Employee Stock Option Expense	239.71		891.11	
Share Issue Expenses Written Off	53.27		124.83	
Transfer to Storage Fund for Molasses	78.40	33432.10	17.94	22056.46
Operating Profit before Working Capital changes		56032.23		47017.21
Adjustments to reconcile Operating Profit to Cash Flow provided by changes in Working Capital :				
Trade Debtors & Other Receivables	(11282.69)		4267.96	
Inventories	(112014.21)		21296.06	
Trade Payables and Other Liabilities	7538.32	(115758.58)	(4394.73)	21169.29
Cash Generated from Operations		(59726.35)		68186.50
Direct Taxes Paid		(2212.02)		(4010.01)
Net Cash Generated / Used - Operating Activities		(61938.37)		64176.49
B. CASH FLOW FROM INVESTING ACTIVITIES				
Additions to Fixed Assets (Including Intangibles)	(6049.28)		(1090.06)	
Sale of Fixed Assets	708.24		278.63	
Sale/(Purchase) of Shares of Associates	(225.01)		136.44	
Investment in Shares of a Subsidiary	(7.49)		–	
Purchase of Investments	(0.70)		–	
Purchase of Post Office NSC	(1.10)		(2.69)	
Proceeds from maturity of Post Office NSC	–		1.37	
Fixed Deposits made with Banks	(261.65)		(586.43)	
Fixed Deposits redeemed from Banks	81.78		593.15	
Loan Given to a Subsidiary	(129.13)		(4182.34)	
Loan Received back from a Subsidiary	–		4182.34	
Loan Given to Others	(7552.00)		(12050.00)	
Loan Received back from Others	202.00		9300.00	
Interest Received from a Subsidiary	23.28		1002.07	
Interest Received on Fixed Deposits / Loans / Govt. Securities	555.28		103.70	
Net Cash Generated / Used - Investing Activities		(12655.78)		(2313.82)

Cash Flow Statement (Contd...)

₹ in Lacs)

Particulars	18 Months ended 31st March, 2011	Year ended 30th September, 2009
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Exercise of Stock Options	1316.23	548.44
Buy Back of Equity Shares	(3265.96)	-
Capital Subsidy	21.80	-
Proceeds from Long Term Borrowings	-	5570.23
Repayment of Long Term Borrowings	(25754.85)	(10468.53)
Repayment/Proceeds from Other Borrowings (Net)	126570.73	(32990.04)
Interest Paid	(15272.34)	(11036.25)
Dividend Paid including Tax thereon	(9071.10)	(1494.82)
Net Cash Generated / Used - Financing Activities	74544.51	(49870.97)
Net Increase in Cash & Cash Equivalents (A+B+C)	(49.64)	11991.70
Opening Cash and Cash Equivalents	15271.75	3280.05
Cash & Bank Balance acquired from Demerged Undertaking	52.46	-
Closing Cash and Cash Equivalents	15274.57	15271.75

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statement notified under the Companies (Accounting Standard) Rules, 2006.
- Interest paid is exclusive of, and Purchase of Fixed Assets is inclusive of, interest capitalised Nil (previous year Nil).
- Additions to Fixed Assets include movement of Capital Work-in-Progress during the period.
- Consideration for Sale and Purchase of Shares of Associates fully discharged by means of Cash.
- Repayment / Proceeds from Other Borrowings have been shown on net basis.
- Current Investments carry insignificant risk and are readily convertible into known amount of Cash, hence considered as part of Cash & Cash Equivalents.
- Cash & Cash Equivalents do not include any amount which is not available to the Company for its use.
- Cash and Cash Equivalents at the end of the period consists of:

₹ in Lacs)

Particulars	As at 31st March, 2011	As at 30th September, 2009
a) Cash on hand	121.10	127.90
b) Cheques on hand	69.44	637.00
c) Balance with Banks on Current Accounts	2583.57	2304.90
d) Balance with Post Office on Saving Bank Accounts	0.46	0.46
e) Current Investments (In Liquid Schemes of Mutual Funds)	12500.00	12201.49
	15274.57	15271.75

- Reconciliation of items of Cash & Cash Equivalents as disclosed in Cash Flow Statement with the equivalent items as reported in the Balance Sheet :

₹ in Lacs)

Particulars	As at 31st March, 2011	As at 30th September, 2009
Cash and Cash Equivalents as per Cash Flow Statement	15274.57	15271.75
Add : Fixed Deposits classified as Investing Activities	311.56	130.14
Add : Bank Balances in Unclaimed Dividend Accounts not considered as an item of Cash & Cash Equivalents in Cash Flow Statement	136.16	96.99
Less : Current Investments classified as Cash Equivalents	12500.00	12201.49
Cash and Bank Balances as reported in the Balance Sheet	3222.29	3297.39

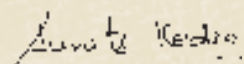
- Figure in brackets represent cash outflow from respective activities.

This is the Cash Flow Statement referred to in our report of even date.

For **G. P. Agrawal & Co.**

Chartered Accountants

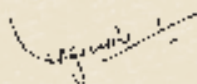
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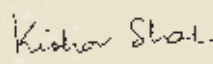
(CA. Sunita Kedia
Membership No. 60162)
Partner

7A, Kiran Shankar Ray Road,
Kolkata - 700 001.

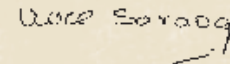
13th May, 2011.



S. K. Agrawala
Secretary



Kishor Shah
Director cum Chief Financial Officer



Vivek Saraogi
Managing Director