

CASH FLOW STATEMENT

CASH FLOW STATEMENT ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2005

A. CASH FLOW FROM OPERATING ACTIVITIES	31.03.2005	31.03.2004
	(Rs.in lacs)	(Rs.in lacs)
Net Profit before tax and extraordinary items	4,324.30	3,011.37
<u>Adjustments for</u>		
Depreciation	408.92	264.26
Profit on Sale of Fixed Assets	(0.33)	(0.02)
Loss on Sale of Fixed Assets	2.76	8.73
Income on Sale of Investment (Long term investment)	0.00	(333.32)
Interest Income	(43.83)	(46.79)
Dividend Income (from trade and long term investment)	0.00	(3.80)
Interest Paid	1,392.43	1,180.94
Miscellaneous Expenditure Written Off	0.41	0.41
Operating Profit before working capital changes	<u>6,084.66</u>	<u>4,081.78</u>
<u>Adjustments for</u>		
Trade and Other Receivables	(5,812.04)	(2,990.46)
Inventories	(4,994.49)	(2,092.04)
Trade Payables	4,193.73	2,069.91
Other Liabilities	821.79	839.14
Cash generated from Operations	<u>293.65</u>	<u>1,908.33</u>
Direct taxes paid	(1,007.94)	(976.96)
CASH FLOW BEFORE EXTRAORDINARY ITEMS	<u>(714.29)</u>	<u>931.37</u>
Net Cash received (+) / used (-) from Operating Activities	<u>(714.29)</u>	<u>931.37</u>
B. CASH FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,929.61)	(1,643.01)
Addition in Capital Work in Progress	(2,095.19)	(403.90)
Investment in Shares	(0.002)	1,255.04
Sale of Fixed Assets	11.41	143.41
Interest Received	43.83	46.79
Income on Sale of Investment	0.00	333.32
Dividend Received	0.00	-
Net Cash used in Investing Activities	<u>(4,969.56)</u>	<u>(264.55)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Debentures	2,372.20	-
Proceeds from Long Term Borrowings	4,899.79	773.93
Proceeds from Fixed Deposits	10.89	(115.47)
Repayment of Finance Lease Liabilities	(37.59)	63.21
Repayment of Unsecured Advances	(0.50)	-
Interest Paid	(1,392.43)	(1,180.94)
Dividend Paid	(144.89)	(231.82)
Net Cash received (+) / used (-) from Financing Activities	<u>5,707.47</u>	<u>(691.09)</u>
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	23.62	(24.27)
Cash and Cash Equivalents as at the beginning of the year	11.39	35.66
Cash and Cash Equivalents as at the close of the year	35.01	11.39

For and on behalf of the Board of Directors of
Havell's India Limited

(Qimat Rai Gupta)
Chairman & Managing Director

(Surjit Gupta)
Director

(Ritu Mehrotra)
Company Secretary

(Yogesh Bansal)
Senior Manager

Noida, May 12, 2005

AUDITOR'S CERTIFICATE

We have examined the above cash flow statement of Havell's India Limited for the period ended 31st March 2005. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the Company's listing agreements with the Stock Exchanges. The statement is based on and is derived from the corresponding profit and loss account and balance sheet of the Company for the period ended 31st March, 2005 and 31st March, 2004, covered by our report dated May 12, 2005 and May 6, 2004 respectively to the members of the Company.

For V.P.Bansal & Co.
Chartered Accountants

V.P.Bansal
Proprietor

Noida, May 12, 2005