



HI-TECH GEARS LIMITED

HI-TECH GEARS LIMITED

CASH FLOW FROM STATEMENT FOR YEAR ENDED 31ST MARCH, 2004

A. CASH FLOW FROM OPERATING ACTIVITIES :	Current Year	Previous Year
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	63,099,200	83,056,841
ADJUSTMENTS FOR :		
1. DEPRECIATION NET	65,005,795	43,854,280
2. FOREIGN EXCHANGE		
3. INVESTMENTS		
4. INTEREST/DIVIDEND		
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	128,104,994	126,911,121
ADJUSTMENT FOR :		
1. TRADE AND OTHER RECEIVABLES	(14,632,670)	(24,523,719)
2. INVENTORIES	(48,804,370)	(14,816,985)
3. TRADE PAYABLES	65,120,620	76,743,738
CASH GENERATED FROM OPERATIONS		
1. INTEREST PAID		
2. DIRECT TAXES PAID	(24,334,983)	(40,404,650)
CASH FLOW BEFORE EXTRAORDINARY ITEMS		
1. EXTRAORDINARY ITEMS (PRELM. EXP. WRITTEN OFF)	74,435	133,430
2. EXTRAORDINARY ITEMS (STATE CAPITAL INVESTMENT SUBSIDY)		
NET CASH FROM OPERATING ACTIVITIES	105,528,026	124,042,935
B. CASH FLOW FROM INVESTING ACTIVITIES :		
PURCHASE OF FIXED ASSETS	185,919,908	124,106,026
SALE OF FIXED ASSETS	(1,280,987)	(335,528)
ACQUISITIONS OF COMPANIES AS PER ANNEXURE)		
PURCHASE OF INVESTMENTS		
SALE OF INVESTMENTS		
INTEREST RECEIVED		
DIVIDEND RECEIVED		
NET CASH IN INVEST ACTIVITIES	184,638,922	123,770,498



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C. CASH FLOW FROM FINANCING ACTIVITIES

PROCEEDS FROM ISSUE OF SHARE CAPITAL		
PROCEEDS FROM LONG TERM BORROWING	24,544,352	32,533,005
REPAYMENTS OF FINANCE LEASE LIABILITIES		
DIVIDENDS PAID		
NET CASH USED IN FINANCING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+C-B)	(54,566,544)	32,805,442
NET INCREASE IN CASH AND CASH EQUIVALENTS	(54,566,544)	32,805,442
OPENING BALANCES	124,965,244	92,159,80
CLOSING BALANCES	70,398,700	124,965,244

PLACE : NEW DELHI
DATED: 21ST MAY,2004

Sd/- VIJAY MATHUR DGM (FINANCE)	DEEP KAPURIA K. L. KALRA ANIL KHANNA	Sd/- Sd/- Sd/-	CHAIRMAN & MANAGING DIRECTOR DIRECTOR DIRECTOR
Sd/- PRAVEEN JAIN CO-SECRETARY	SANDEEP DINODIA PRANAV KAPURIA	Sd/- Sd/-	DIRECTOR WHOLE TIME DIRECTOR

AUDITOR'S REPORT

We have checked the attached cash flow statement of HI-TECH GEARS LTD. For the year ended March 31 2004 from the books and records maintain by the company in the ordinary course of business and found accordance therewith,

for GUPTA VIGG & CO.
Chartered Accountants

Sd/-
Kawal Jain
PARTNER
MEMBERSHIP NO. 89214