

# Cash Flow Statement

Hi-Tech Gears Ltd.



FOR THE PERIOD ENDED 31ST MARCH, 2006

	Current Year	Previous Year
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	69,111,451	100,999,308
Adjustments for :		
1. Depreciation Net	92,584,823	66,746,762
2. Foreign Exchange		
3. Investments	(4,310,000)	
4. Interest/Dividend		
Operating Profit Before Working Capital Changes	157,386,274	167,746,070
Adjustment for :		
1. Trade and Other Receivables	(108,282,346)	(47,079,223)
2. Inventories	(39,052,694)	(127,475,590)
3. Trade Payables	116,035,554	58,984,166
Cash Generated from Operations		
1. Interest Paid		
2. Direct Tax Paid	(13,716,241)	(36,148,772)
Cash Flow before Extraordinary Items		
1. Extraordinary Items (Prelm. Exp. Written off)	37,721,839	6,987
Net Cash From Operating Activities	150,092,387	16,033,639
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	478,051,428	341,129,877
Sale of Fixed Assets		(3,641,413)
Acquisitions of Companies (As per Annexure)		
Purchase of Investments		
Sale of Investments		
Interest Received		
Dividend Received		
Net Cash in Investing Activities	478,051,428	337,488,464
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital		
Proceeds from Long Term Borrowings	330,773,932	291,759,433
Repayments of Finance Lease Liabilities		
Dividends Paid		
Net Cash used in Financing Activities		
Net increase in Cash and Cash Equivalents (A+C-B)	2,814,891	(29,695,392)
Net increase in Cash and Cash Equivalents	2,814,891	(29,695,392)
Opening Balances	40,703,308	70,398,700
Closing Balances	43,518,199	40,703,308

Sd/-  
Sanjeev Pandiya  
C.F.O.

Deep Kapuria

Sd/-

Chairman &  
Managing Director

K.L. Kalra

Sd/-

Director

Sd/-  
Vijay Mathur  
DGM (Finance)

Sandeep Dinodia

Sd/-

Director

Sd/-  
Praveen Jain  
Co. Secretary

Pranav Kapuria

Sd/-

Dy. Managing Director

Anuj Kapuria

Sd/-

Director

Place : Gurgaon

Dated : June 30, 2006

## Auditor's Report

We have checked the attached cashflow statement of HI-TECH GEARS LTD. for the year ended March 31, 2006 from the books and records maintain by the company in the ordinary course of business and found accordance therewith.

Per our report attached  
For Gupta Vigg & Co.  
Chartered Accountants

Sd/-  
Kawal Jain  
Partner