

CASH FLOW STATEMENT

(Amount in Rs.)

	Year ended 31st March, 2008	Year ended 31st March, 2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax	(27,652,495.65)	(12,453,226.12)
Adjustments for		
– Depreciation and Amortisation	1,026,673.50	–
– Miscellaneous Expenditure	1,560.00	1,560.00
– Interest Expenses	338,710.90	20,330.00
– Interest Income	(30,782.48)	–
– (Profit)/Loss on sale of Investments in liquid mutual funds	(95,927.36)	–
Operating Profit/(Loss) before Working Capital Changes	(26,412,261.09)	(12,431,336.12)
Adjustments for		
– Inventories	(32,811,445.20)	–
– Trade/Other receivables	(8,163,898.43)	–
– Trade/Other payables	8,541,776.33	1,633.00
Cash Generated from Operations	(58,845,828.39)	(12,429,703.12)
– Direct tax paid	(143,608.00)	–
Net Cash from Operating Activities	(58,989,436.39)	(12,429,703.12)
B. CASH FLOW FROM INVESTING ACTIVITIES		
– Purchase of fixed Assets including work in progress	(27,343,266.64)	–
– Purchase of Investments	(7,400,000.00)	–
– Sale Proceeds of Investments	7,495,927.36	–
– Interest received	30,782.48	–
Net Cash Used in Investing Activities	(27,216,556.80)	–
C. CASH FLOW FROM FINANCING ACTIVITIES		
– Proceeds by way of Issue of Shares	65,000,000.00	–
– Share Application Money	–	19,900,000.00
– Proceeds from short term Borrowings (Net)	14,709,981.55	–
– Interest paid	(284,590.23)	(20,330.00)
Net Cash Used in Financing Activities	79,425,391.32	19,879,670.00
Net Increase in Cash & Cash Equivalents (A+B+C)	(6,780,601.87)	7,449,966.88
Cash and Cash Equivalents in the beginning	7,541,046.88	91,080.00
Cash and Cash Equivalents at the close	760,445.01	7,541,046.88

AUDITORS' REPORT

We have examined the above Cash flow statement of the Hindware Home Retail Private Limited for the year ended 31st March, 2008. The statement has been prepared by the Company and is based on and in agreement with the corresponding Profit & Loss Account and the Balance Sheet for the Company covered by our report of even date to the members of the Company.

For Choudhari Pramod & Co.
Chartered Accountants

On behalf of the Board of Directors

D. Panda
Partner
Membership No. 66197

N. Goenka
Director

G. L. Sultania
Director

Place : Kolkata
Date: 7th May, 2008