

SPARC  
**CASH FLOW STATEMENT**  
 FOR THE YEAR ENDED 31ST MARCH, 2008

Rs in Thousand

Year ended 31st March	2008	2007
<b>Particulars</b>		
<b>Cash Flow From Operating Activities:</b>		
Loss before Tax	(45,615)	(18,343)
Adjustments for:		
Depreciation	12,674	1,004
(Profit) / Loss on Sale of Fixed Assets	105	—
Interest Expenses	135	—
Interest Income	(745)	(40)
Provision for compensated absences	3,933	1,492
Unrealised Foreign Exchange (Gain) / Loss	(1,085)	—
<b>Operating Loss Before Working Capital changes</b>	<b>(30,598)</b>	<b>(15,887)</b>
<b>Adjustments for changes in Working Capital:</b>		
(Increase) / Decrease in Sundry Debtors	(243,385)	—
(Increase) / Decrease in Other Receivables	(28,439)	162
Increase / (Decrease) in Trade payable and Other Liabilities	100,136	10,242
<b>Cash Generated from Operations</b>	<b>(202,286)</b>	<b>(5,483)</b>
Taxes Paid (Net of TDS)	(1,634)	—
<b>Net Cash used in Operating Activities</b>	<b>(203,920)</b>	<b>(5,483)</b>
<b>Net Cash Flow from Investing Activities:</b>		
Amount received pursuant to the scheme of demerger	244,929	5,071
Interest received	745	40
Purchase of Fixed Assets	(45,089)	—
Sale Proceeds of Fixed Asset	166	—
<b>Net Cash Generated from Investing Activities</b>	<b>200,751</b>	<b>5,111</b>
<b>Cash Flow From Financing Activities:</b>		
Interest Paid	(135)	—
<b>Net Cash Flow used in Financing Activities</b>	<b>(135)</b>	<b>—</b>
<b>Net Decrease in Cash or Cash Equivalents</b>	<b>(3,304)</b>	<b>(372)</b>
Cash and Cash equivalents at the beginning of the year	128	500
<b>Cash and Cash equivalents at the close of the year</b> (See Note No. 1 below)	<b>(3,176)</b>	<b>128</b>
<b>NOTES TO CASH FLOW STATEMENT</b>		
1 Cash and Cash equivalents included in cash flow statement comprise of the following:		
Cash on hand and balances with Bank	1,120	137
Less:		
Bank overdraft / Temporary Overdrawn bank balance as per books	(4,296)	(9)
Cash and Cash equivalents as restated	(3,176)	128
2 The above cash flow statement excludes issue of equity shares to the holder of FCCB's, by adjusting the general reserve without payment being received in cash pursuant to the scheme of demerger as sanctioned by the Hon'ble High Court of Gujarat in March, 2007.		

As per our report of even date attached

For **Deloitte Haskins & Sells**  
 Chartered Accountants

**K. A. KATKI**  
 Partner  
 London U. K., 14th May, 2008

**SUNIL R. AJMERA**  
 Company Secretary

For and on behalf of the Board

**DILIP S. SHANGHVI**  
 Chairman & Managing Director  
 New York, 14th May, 2008

**SUDHIR V. VALIA**  
 Director

**Dr. T. RAJAMANNAR**  
 Wholetime Director

Mumbai, 14th May, 2008