

Consolidated Cash Flow Statement for the year ended March 31, 2008

(Rs. in crore)

	Year ended March 31, 2008	Year ended March 31, 2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	321.03	283.31
Adjustments for :		
Depreciation	178.51	134.56
Provision for diminution in value of investments	6.66	5.69
Provisions no longer required, written back	(12.91)	-
(Profit)/Loss from sale of investments (net)	(14.93)	(3.77)
(Profit)/Loss from sale/write off of fixed assets (net)	0.68	0.13
Provision for doubtful advances/claims/debts etc.	17.52	4.97
Income from investments	(19.59)	(3.27)
Dividend Income	(79.25)	(12.82)
Interest income	(19.30)	(17.23)
Interest expenses	168.71	144.14
Bad Debts Written off	5.73	-
Operating Profit Before Working Capital Changes	552.86	535.71
Adjustments for:		
Inventories	(7.62)	5.46
(Increase)/Decrease in Trade and other receivables	(394.33)	(151.62)
Increase/(Decrease) in Trade Payables	617.32	337.81
Cash generated from operations	215.37	191.65
Direct taxes paid (including fringe benefit tax)	(61.15)	(53.08)
Net Cash from Operating Activities	707.08	674.28
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
(Purchase)/Sale of fixed assets (net)	(5,153.12)	(1,958.84)
(Purchase) / Sale of investments (net)	(4,628.91)	(8.70)
Income from investments	79.25	12.82
Interest received	23.21	11.22
Dividend received	19.59	3.27
Net Cash used in Investing Activities	(9,659.98)	(1,940.23)

Consolidated Cash Flow Statement (Contd.) for the year ended March 31, 2008

(Rs. in crore)

	Year ended March 31, 2008	Year ended March 31, 2007
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Issue of equity shares (including share premium) (Refer Note 2 below)	3,902.10	1,268.42
Issue of common stock in consolidated entities (including share application money)	533.95	34.40
Proceeds/(Repayments) from/of Borrowings (Net)	4,270.41	735.40
Interest paid	(159.06)	(145.65)
Dividend paid (including dividend distribution tax)	(0.05)	(2.33)
Net Cash used in Financing Activities	8,547.35	1,890.24
Net increase/(decrease) in Cash and Cash Equivalents	(405.55)	624.29
Cash and Cash Equivalents as at April 1,	1,300.04	675.75
Cash and Cash Equivalents as at March 31,	894.49	1,300.04

Note:

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.
2. Represents amount received towards issue of Equity Shares under qualified institutional placement for the year ended March 31, 2008 and towards issue of equity shares under preferential allotment and initial public offer for the year ended March 31, 2007.
3. Previous periods figures have been regrouped and reclassified to conform to those of the current year.
4. Cash and cash equivalents as at March 31, 2008 include restricted Cash and Bank balance amounting to Rs. 6.54 (2007: Rs. 256.54).

This is the Consolidated Cash flow referred to in our report of even date.

For and on behalf of the Board of Directors

P. Rama Krishna

Partner

Membership Number 22795

For and on behalf of

Price Waterhouse

Chartered Accountants

Place : Bangalore

Date : May 21, 2008

G.M.Rao

Executive Chairman

G. B. S Raju

Managing Director
& Group CFO

A. S. Cherukupalli

Company Secretary