

Cash Flow Statement For The Year Ended March 31, 2006

(Amount in Rupees)

Particulars	March 31, 2006	March 31, 2005
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	355,070,747	242,290,335
Adjustments for:		
Depreciation	2,176,197	2,545,998
Amortisation of Miscellaneous Expenditure		9,691,666
Provision for Doubtful Advance	28,676,000	–
(Profit)/Loss on sale of investments	(52,645,090)	(2,428,873)
Fixed Assets written off	736,724	219,622
Dividend Received	(521,741,420)	(443,549,096)
Interest Received	(9,130,735)	(18,077,105)
Finance Charges	182,012,334	254,393,586
Operating Profit Before Working Capital Changes	(14,845,243)	45,086,133
Adjustments for:		
(Increase)/Decrease in Trade and other receivables	(47,211,507)	773,200,105
Increase/(Decrease) in Trade Payables	3,835,610	(36,297,303)
Cash generated from Operations	(58,221,140)	781,988,935
Income Taxes refund/(paid) during the year	59,509,506	(6,198,000)
Fringe Benefit Tax paid	(443,473)	–
Net Cash Flow from/(used in) Operating Activities	844,893	775,790,935
B. Cash Flow from/(Used In) Investing Activities		
Purchase of Fixed Assets	(321,460)	(21,632)
Purchase of Investments (including Share application money)	(1,203,931,860)	(1,292,866,126)
Proceeds from Sale of Fixed Assets	–	42,200
Proceeds from Sale of Investments	520,822,902	30,602,721
Interest Income Received	10,169,798	22,352,756
Dividend Received	39,457	1,114,545,235
Net Cash Flow from/(used in) Investing Activities	(673,221,163)	(125,344,846)
C. Cash Flow from/(Used in) Financing Activities		
Proceeds from Secured Loan	–	1,638,750,000
Repayment of Secured Loans	(383,469,672)	(1,709,846,436)
Proceeds/(Repayment) from/of Unsecured Loans (Net)	530,390,039	387,994,882
Share Application Money Received/(Refunded)	(400,000,000)	400,000,000
Redemption of Preference Share Capital	–	(185,000,000)
Financial Charges paid	(186,469,635)	(254,393,587)
Dividends paid (including dividend distribution tax)	–	(17,507,340)
Net cash from/(used in) financing activities	(439,549,268)	259,997,519
Net increase/(decrease) in Cash and Cash Equivalents	(1,111,925,538)	910,443,608
Cash and Cash Equivalents at the beginning of the year	1,134,777,163	224,333,555
Cash and Cash Equivalents at the end of the year	22,851,625	1,134,777,163

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. Previous years figures have been regrouped and reclassified to conform to those of the current year.

This is the cash flow statement referred to in our report of even date

Sd/-
P. Rama Krishna
 Partner
 For and on behalf of
Price Waterhouse
Chartered Accountants

Sd/-
G.M.Rao
 Chairman &
 Managing Director

Sd/-
G B S Raju
 Group Director &
 Group CFO

Sd/-
A.S.Chelukupalli
 Company Secretary

Place : Hyderabad
 Date : May 13, 2006

Place : Bangalore
 Date : May 13, 2006

