

Cash Flow Statement

(Amount in Rupees)

	Year ended March 31, 2008	Year ended March 31, 2007
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	655,413,249	52,719,691
Adjustments for :		
Depreciation	1,293,226	1,988,151
Provision for diminution in the value of investments	65,363,174	56,906,860
(Profit)/Loss on sale of investments	(80,732,124)	(2,344,800)
Fixed Assets written off	-	1,176,462
Dividend Income	(751,312,159)	(192,489,674)
Interest Income	(176,358,242)	(141,454,607)
Finance Charges	253,655,318	199,550,837
Operating Profit Before Working Capital Changes	(32,677,558)	(23,947,080)
Adjustments for :		
(Increase)/Decrease in Trade and other receivables	(640,926,021)	(13,670,045)
Increase/(Decrease) in Trade Payables	116,526,626	2,600,083
Cash generated from Operations	(557,076,953)	(35,017,042)
Income Taxes refund/(paid) during the year	(8,458,915)	(37,912,805)
Net Cash Flow from/(used in) Operating Activities	(565,535,868)	(72,929,847)
B. CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of Fixed Assets	(14,551)	(130,844)
Purchase of Long Term Investments - (including Share application money)	(11,273,837,206)	(8,630,172,897)
(Purchase)/Sale of Investments - Short Term	(32,161,271,214)	(406,150,436)
Interest Income Received	186,660,329	96,373,252
Dividend Received	746,516,831	711,414,645
Net Cash Flow from/(used in) Investing Activities	(42,501,945,811)	(8,228,666,280)

Cash Flow Statement (Contd.)

	(Amount in Rupees)	
	Year ended March 31, 2008	Year ended March 31, 2007
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans	3,125,531,290	766,230,403
Repayment of Secured Loans	(205,500,000)	(753,359,836)
Proceeds/(Repayment) from/of Unsecured Loans (Net)	(100,000,000)	(867,491,266)
Loan (given) to/received from a subsidiary company (Net of repayments)	(708,400,000)	(150,495,000)
Issue of equity shares (including share premium) (Refer Note 2 below)	39,020,873,906	12,684,263,040
Financial Charges paid	(174,723,818)	(209,206,102)
Net cash from/(used in) financing activities	40,957,781,378	11,469,941,239
Net increase/(decrease) in Cash and Cash Equivalents	(2,109,700,301)	3,168,345,112
Cash and Cash Equivalents at the beginning of the year	3,191,196,737	22,851,625
Cash and Cash Equivalents at the end of the year	1,081,496,436	3,191,196,737

Notes:

- 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.
- For the year ended March 31, 2008, the amount received is towards the issue of Equity Shares under Qualified Institutional Placement (QIP) and is net of Rs. 627,295,076 and Rs. 9,545,787 expenditure incurred in respect of issues of shares under QIP and Initial Public Offer (IPO). For the year ended March 31, 2007, the amount received is towards issue of Equity Shares by way of preferential allotment and IPO and is net of Rs. 706,703,400 expenditure incurred in respect of IPO.
- Previous years figures have been regrouped and reclassified to conform to those of the current year.
- Cash and Cash Equivalents includes restricted Cash and Bank balance amounting to Rs. 65,400,000 (2007: Rs. 2,565,400,000).

This is the 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