

Consolidated Cash Flow Statement for the year ended March 31, 2007

(Rs. in Crore)

Particulars	2007	2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	283.31	106.13
Adjustments for :		
Depreciation	134.56	219.97
Provision for diminution in value of investments	5.69	-
(Profit)/Loss from sale of investments (net)	(3.77)	1.77
(Profit)/Loss from sale/write off of fixed assets (net)	0.13	0.46
Provision for doubtful advances/claims/debts etc.	4.97	15.65
Dividend income	(3.27)	(5.79)
Income from investments	(12.82)	(3.64)
Interest income	(17.23)	(0.91)
Interest expenses	144.14	130.27
Operating Profit Before Working Capital Changes	535.71	463.91
Adjustments for :		
Inventories	5.46	(5.23)
(Increase)/Decrease in Trade and other receivables	(151.62)	(140.98)
Increase/(Decrease) in Trade Payables	337.81	(37.68)
Cash generated from operations	191.65	(183.89)
Direct taxes paid (including fringe benefit tax)	(53.08)	(14.84)
Net Cash from Operating Activities	674.28	265.18
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
(Purchase)/Sale of fixed assets (net)	(1,958.84)	(866.37)
(Purchase) / Sale of investments (net)	(8.70)	(82.00)
Income from investments	12.82	3.64
Interest received	11.22	26.57
Dividend received	3.27	5.79
Net Cash used in Investing Activities	(1,940.23)	(912.37)
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Issue of equity shares (including share premium) (Refer Note 2 below)	1,268.42	-
Issue of common stock in consolidated entities (including share application money)	34.40	30.35
Proceeds/(Repayments) from/of Borrowings (Net)	735.40	1,006.53
Interest paid	(145.65)	(157.56)
Dividend paid (including dividend distribution tax)	(2.33)	(7.32)
Net Cash used in Financing Activities	1,890.24	872.00
Net increase/(decrease) in Cash and Cash Equivalents	624.29	224.81
Cash and Cash Equivalents as at April 1,	675.75	450.94
Cash and Cash Equivalents as at March 31,	1,300.04	675.75

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.
- Represents amount received towards issue of Equity Shares by way of preferential allotment and initial public offer and is net of Rs. 70.67 expenditure incurred in respect of initial public offer of equity shares.
- Previous years figures have been regrouped and reclassified to conform to those of the current year.
- Cash and cash equivalents as at March 31, 2007 include restricted Cash and Bank balance amounting to Rs. 256.54 (2006: Rs Nil).

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

For and on behalf of the Board of Directors

Sd/-
P. Rama Krishna
Partner
Membership Number 22795
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. Cherukupalli
Company Secretary

Place: Bangalore
Date: June 30, 2007