

## Consolidated Cash Flow Statement

(Rupees in Millions)

Particulars	March 31, 2006	March 31, 2005
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,061.15	1,171.24
Adjustments for:		
Depreciation	2,199.71	1,911.65
Provision for diminution in value of investments	-	(11.35)
Provisions no longer required, written back	(1.06)	(25.88)
(Profit)/Loss from sale of investments (net)	17.69	(2.42)
(Profit)/Loss from sale/write off of fixed assets (net)	4.54	27.53
Provision for doubtful advances/claims/debts etc.	127.81	160.03
Dividend income	(57.92)	(0.63)
Income from investments	(36.36)	(7.27)
Interest income	(264.18)	(179.05)
Interest expenses	1,286.69	1,030.42
Amortisation of Miscellaneous expenditure	-	10.06
<b>Operating Profit Before Working Capital Changes</b>	<b>4,338.07</b>	<b>4,084.34</b>
Adjustments for:		
Inventories	(52.34)	5.16
Trade and other receivables/other assets	(1,381.27)	58.67
Current Liabilities and Provisions	(375.70)	1,920.95
<b>Cash generated from operations</b>	<b>(1,809.31)</b>	<b>1,984.78</b>
Direct taxes paid	(148.39)	(79.15)
<b>Net Cash from Operating Activities</b>	<b>2,380.37</b>	<b>5,989.97</b>
<b>B. Cash Flow from / (Used In) Investing Activities</b>		
(Purchase)/Sale of fixed assets (net)	(8,663.66)	(8,554.14)
(Purchase) / Sale of investments (net)	(819.90)	(1,373.33)
Income from investments	36.36	7.27
Interest received	265.75	195.01
Dividend received	57.92	0.63
<b>Net Cash used in Investing Activities</b>	<b>(9,123.53)</b>	<b>(9,724.56)</b>
<b>C. Cash Flow from/(Used in) Financing Activities</b>		
Proceeds from issue of equity shares (including Share Application Money)	-	(185.00)
Issue of common stock in consolidated entities	303.48	(50.51)
Proceeds/(Repayments) from/of Borrowings (Net)	10,062.09	4,770.34
Interest paid	(1,304.46)	(1,026.32)
Dividend paid (including dividend distribution tax)	(73.17)	(75.39)
<b>Net Cash used in Financing Activities</b>	<b>8,987.94</b>	<b>3,433.12</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents</b>	<b>2,244.78</b>	<b>(301.45)</b>
<b>Cash and Cash Equivalents as at April 1,</b>	<b>4,509.43</b>	<b>4,810.88</b>
<b>Cash and Cash Equivalents as at March 31,</b>	<b>6,754.21</b>	<b>4,509.43</b>

**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. The cash flow statement has been prepared from the consolidated financial statements which have been consolidated on proportionate basis and hence, the change in capital reserve includes change in working capital of the subsidiary companies.

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  
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

