

# Cash Flow Statement for the year ended March 31, 2010

(Amount in Rupees)

Sl. No.	Particulars	March 31, 2010	March 31, 2009
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax	136,376,766	1,039,889,872
	Adjustments for :		
	Depreciation	9,362,939	1,085,519
	Provision for doubtful advances	-	60,000,000
	Provisions/ Liabilities no longer required, written back	(3,035,586)	-
	(Profit)/ Loss on sale of investments (net)	(170,352,598)	36,064,690
	Fixed assets written off	-	723,136
	Loss on sale of fixed assets	39,978	-
	Loss/ (Gain) on foreign exchange fluctuations (net)	11,881,841	(53,374,575)
	Dividend income	-	(1,077,343,110)
	Interest income	(466,879,048)	(514,660,434)
	Finance charges	691,148,979	237,924,361
	<b>Operating Profit Before Working Capital Changes</b>	<b>208,543,271</b>	<b>(269,690,541)</b>
	Adjustments for :		
	(Increase)/ Decrease in Inventories	(126,808,589)	-
	(Increase)/ Decrease in Loans and advances	308,864,139	146,377,874
	(Increase)/ Decrease in Sundry debtors	(373,515,770)	-
	Increase/ (Decrease) in Current liabilities and provisions	461,702,429	(29,697,538)
	<b>Cash generated from Operations</b>	<b>478,785,480</b>	<b>(153,010,205)</b>
	Direct taxes paid (net)	(130,910,347)	(108,469,759)
	<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>347,875,133</b>	<b>(261,479,964)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed assets	(289,007,185)	(3,164,530)
	Proceeds from sale of fixed assets	127,927	-
	Purchase of long term investments (including share application money)	(20,513,943,874)	(21,654,081,405)
	Proceeds from sale of long term investments (including refund of share application money)	5,819,916,391	-
	Purchase of investments - short term	(105,667,765,174)	(58,857,808,750)
	Proceeds from sale of investments - short term	96,442,211,959	91,406,879,461
	Loan given to subsidiary companies	(10,000,000,000)	-
	Interest income received	496,312,350	490,336,710
	Dividend received	-	1,084,915,430
	<b>Net Cash Flow from/ (used in) Investing Activities</b>	<b>(33,712,147,606)</b>	<b>12,467,076,916</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from secured loans	10,000,000,000	-
	Repayment of secured loans	(650,000,000)	(150,000,000)
	Proceeds from unsecured loans	13,000,000,000	-
	Repayment of unsecured loans	-	(100,000,000)
	Proceeds/ (Repayment) from/ of working capital loan	(803,010,883)	(338,750,809)
	Repayment of loan from subsidiary companies	-	858,895,000
	Received against calls unpaid	-	132,240
	Debenture/ Share issue expenses paid	(196,240,713)	(287,782)
	Financial charges paid	(620,327,062)	(237,924,361)
	<b>Net cash from/ (used in) financing activities</b>	<b>20,730,421,342</b>	<b>32,064,288</b>
	<b>Net increase/ (decrease) in Cash and Cash Equivalents</b>	<b>(12,633,851,131)</b>	<b>12,237,661,240</b>
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>13,319,157,676</b>	<b>1,081,496,436</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>685,306,545</b>	<b>13,319,157,676</b>

## 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 as referred to in section 211(3C) of the Companies Act, 1956.
- Previous year 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. 100,526,322 as at March 31, 2010 (2009: Rs. 735,082,373).

As per our report of even date

For PRICE WATERHOUSE

Firm Registration Number: 007568S

Chartered Accountants

J Majumdar

Partner

Membership Number: F51912

For S.R. BATLIBOI & ASSOCIATES

Firm Registration Number: 101049W

Chartered Accountants

per Navin Agrawal

Partner

Membership Number: 56102

Place: Bengaluru

Date: May 24, 2010

For and on behalf of the Board of Directors

G.M. Rao

Executive Chairman

Srinivas Bommidala

Managing Director

Subba Rao Amarthaluru

Group CFO

C.P. Sounderarajan

Company Secretary

Place: New Delhi

Date: May 24, 2010