

Cash Flow Statement for the year ended March 31, 2009

(Amount in Rupees)

| Sl. No. | Particulars | March 31, 2009 | March 31, 2008 |
|-----------|--|-----------------------|-------------------------|
| A. | CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES | | |
| | Net Profit Before Tax and Extraordinary Items | 1,039,889,872 | 655,413,249 |
| | Adjustments for : | | |
| | Depreciation | 1,085,519 | 1,293,226 |
| | Provision for doubtful advances | 60,000,000 | - |
| | Provision for diminution in the value of investments | - | 65,363,174 |
| | (Profit)/Loss on sale of current investments | 36,064,690 | (80,732,124) |
| | Fixed Assets written off | 723,136 | - |
| | Dividend Income | (1,077,343,110) | (751,312,159) |
| | Interest Income | (514,660,434) | (176,358,242) |
| | Interest and Finance Charges | 237,924,361 | 253,655,318 |
| | Operating Profit Before Working Capital Changes | (216,315,966) | (32,677,558) |
| | Adjustments for : | | |
| | (Increase) / Decrease in Trade and other receivables | 146,377,874 | (640,926,021) |
| | Increase / (Decrease) in Trade Payables | (29,697,538) | 116,526,626 |
| | Cash generated from Operations | (99,635,630) | (557,076,953) |
| | Income Taxes refund / (paid) during the year | (108,469,759) | (8,458,915) |
| | Net Cash Flow from/(used in) Operating Activities | (208,105,389) | (565,535,868) |
| B. | CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES | | |
| | (Purchase)/Sale of Fixed Assets | (3,164,530) | (14,551) |
| | (Purchase)/Sale of Long Term Investments - (including Share application money) | (21,707,455,980) | (11,273,837,206) |
| | (Purchase)/Sale of Investments - Short Term | 32,549,070,711 | (32,161,271,214) |
| | Interest Income Received | 490,336,710 | 186,660,329 |
| | Dividend Received | 1,084,915,430 | 746,516,831 |
| | Net Cash Flow from/(used in) Investing Activities | 12,413,702,341 | (42,501,945,811) |
| C. | CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES | | |
| | Proceeds from Secured Loans | - | 3,125,531,290 |
| | Repayment of Secured Loans | (488,750,809) | (205,500,000) |
| | Proceeds/(Repayment) from/of Unsecured Loans (Net) | (100,000,000) | (100,000,000) |
| | Loan (given) to/received from a subsidiary company (Net of repayments) | 858,895,000 | (708,400,000) |
| | Issue of equity shares (including share premium) (Refer Note 2 below) | (155,542) | 39,020,873,906 |
| | Interest and Financial Charges paid | (237,924,361) | (174,723,818) |
| | Net Cash from/(used in) Financing Activities | 32,064,288 | 40,957,781,378 |
| | Net increase/(decrease) in Cash and Cash Equivalents | 12,237,661,240 | (2,109,700,301) |
| | Cash and Cash Equivalents at the beginning of the year | 1,081,496,436 | 3,191,196,737 |
| | Cash and Cash Equivalents at the end of the year | 13,319,157,676 | 1,081,496,436 |

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.
- Represents amount received towards issue of Equity Shares under Qualified Institutional Placement for the year ended March 31, 2008, net of issue expenses.
- Cash and Cash Equivalents includes restricted Cash and Bank balances amounting to Rs. 734,575,318 (2008:Rs.77,825,031).
- Previous year's 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.

For and on behalf of the Board of Directors

Thomas Mathew
Partner
Membership Number: 50087
For and on behalf of
Price Waterhouse
Chartered Accountants

G. M. Rao
Executive Chairman

G. B. S. Raju
Managing Director
(Place: Singapore)

A.Subba Rao
Group CFO

Place: Bangalore
Date: June 04, 2009

C.P.Sounderarajan
Company Secretary