

Cash Flow Statement For The Year Ended March 31, 2007

(Amount in Rupees)

Particulars	March 31, 2007	March 31, 2006
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	52,719,691	355,070,747
Adjustments for:		
Depreciation	1,988,151	2,176,197
Provision for doubtful advance	-	28,676,000
Provision for diminution in the value of investment	56,906,860	-
(Profit)/Loss on sale of investments	(2,344,800)	(52,645,090)
Fixed Assets written off	1,176,462	736,724
Dividend Income	(192,489,674)	(521,741,420)
Interest Income	(141,454,607)	(9,130,735)
Finance Charges	199,550,837	182,012,334
Operating Profit Before Working Capital Changes	(23,947,080)	(14,845,243)
Adjustments for:		
(Increase)/Decrease in Trade and other receivables	(13,670,045)	(47,211,507)
Increase/(Decrease) in Trade Payables	2,600,083	3,835,610
Cash generated from Operations	(35,017,042)	(58,221,140)
Income Taxes refund/(paid) during the year	(37,912,805)	59,066,033
Net Cash Flow from/(used in) Operating Activities	(72,929,847)	844,893
B. Cash Flow from/(Used In) Investing Activities		
Purchase of Fixed Assets-Long Term	(130,844)	(321,460)
Purchase of Investments (including Share application money)	(8,630,172,897)	(1,203,931,860)
Purchase of Investments-Short Term	(12,299,594,379)	-
Proceeds from Sale of Investments-Short Term	11,893,443,943	520,822,902
Interest Income Received	96,373,252	10,169,798
Dividend Received	711,414,645	39,457
Net Cash Flow from/(used in) Investing Activities	(8,228,666,280)	(673,221,163)
C. Cash Flow from/(Used in) Financing Activities		
Proceeds from Secured Loan	766,230,403	-
Repayment of Secured Loans	(753,359,836)	(383,469,672)
Proceeds/(Repayment) from/of Unsecured Loans (Net)	(867,491,266)	530,390,039
Loan given to a subsidiary company (Net of Repayments)	(150,495,000)	-
Share Application Money Received/(Refunded)	-	(400,000,000)
Issue of equity shares (including share premium) (Refer note 2 below)	12,684,263,040	-
Financial Charges paid	(209,206,102)	(186,469,635)
Net cash from/(used in) financing activities	11,469,941,239	(439,549,268)
Net increase/(decrease) in Cash and Cash Equivalents	3,168,345,112	(1,111,925,538)
Cash and Cash Equivalents at the beginning of the year	22,851,625	1,134,777,163
Cash and Cash Equivalents at the end of the year	3,191,196,737	22,851,625

Note:

- 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. 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.
- Includes restricted Cash and Bank balance amounting to Rs. 2,565,400,000 as at March 31, 2007 (2006: Rs Nil).

This is the cash flow statement 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