

Cash Flow Statement for the year ended March 31, 2010

Rs. in Thousands

	2010	2009
A Cash Flow from Operating Activities		
Profit before taxation	1,511,288	1,016,709
Adjustments for:		
Interest Income	(327,015)	(147,143)
Depreciation and Amortisation	882,692	762,150
Interest Expenses (Net)	555,006	896,377
Dividend Income	(3,861)	(48,954)
Profit on sale of Investments	(117,982)	—
Provision for Doubtful Debts	1,184	2,710
Provision for Doubtful Advances	—	928
Bad debts written off	—	8,991
Bad advances written off	10,836	5,866
Provision for Doubtful Debts no longer required written back	(117)	—
(Profit)/Loss on Sale of Assets	3,426	2,185
	<u>1,004,169</u>	<u>1,483,110</u>
Operating Profits before Working Capital changes	2,515,457	2,499,819
Adjustment for Working Capital Changes:		
(Increase) / Decrease in Sundry Debtors	(1,463,903)	(1,489,798)
(Increase) / Decrease in Inventories	(329,789)	(461,209)
Increase / (Decrease) in Current Liabilities and Provisions	1,158,519	(208,833)
(Increase) / Decrease in Other Current Assets, Loans and Advances	(150,102)	(1,556,589)
	<u>(785,275)</u>	<u>(3,716,429)</u>
Cash Generated from Operations	1,730,182	(1,216,610)
Direct taxes (Income Tax and Fringe Benefit Tax) paid (including TDS)	(399,670)	(309,292)
Net Cash Generated from Operating Activities	1,330,512	(1,525,902)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets (including acquisition on amalgamation)	(1,443,476)	(1,441,519)
Sale of Fixed Assets	17,089	12,226
(Purchase) / Sale of Investments	528,240	(900,248)
Interest Income	113,293	9,547
Dividend Income	3,861	48,954
Net Cash used in Investing Activities	(780,993)	(2,271,040)

Cash Flow Statement for the year ended March 31, 2010 (contd.)

Rs. in Thousands

	2010		2009	
C Cash Flow from Financing Activities				
(Repayment)/Proceeds from unsecured term loans (net)	—		943,021	
(Repayment)/Proceeds from Bank Borrowings (net)	552,053		(267,215)	
Proceeds from Rights Issue	—		4,248,854	
Advance to subsidiary companies/others	(74)		(122)	
Interest Paid	(557,277)		(756,990)	
Dividend paid (including distribution tax)	(128,785)		(128,785)	
Net Cash Generated from Financing Activities	(134,083)		4,038,763	
Net Increase / (Decrease) in cash and cash equivalents	415,436		241,821	
Opening cash and cash equivalents				
Cash on hand including Remittances in Transit	1,760		8,037	
Bank Balances including cheques on hand	415,973	417,733	167,875	175,912
Closing cash and cash equivalents				
Cash on hand including Remittances in Transit	2,838		1,760	
Bank Balances including cheques on hand	830,331	833,169	415,973	417,733

Notes:

1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at March 31, 2010 and the related Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements as notified under Companies (Accounting Standards) Rules, 2006 and the reallocations required for the purpose are as made by the Company.
3. Cash and cash equivalents include Rs.5,850 (2009: Rs.19,925) which are not available for use by the Company. [Refer Note in Schedule 8]
4. Previous year's figures have been regrouped / reclassified wherever necessary to conform with current year's classification.

This is the Cash Flow Statement referred to in our report of even date.

For **Price Waterhouse**
 Firm Registration Number: 007568 S
 Chartered Accountants

J. Majumdar
 Partner
 Membership No. F51912

Bangalore, July 21, 2010

Kalyan Ganguly
 Managing Director

Govind Iyengar
 Company Secretary

Bangalore, July 21, 2010

Guido de Boer
 Director & CFO