CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

<table>
<thead>
<tr>
<th>Current Year</th>
<th>Previous Year</th>
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<tbody>
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<td>Rs. million</td>
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**A. CASH FLOW FROM OPERATING ACTIVITIES**

Net Profit before tax and Prior Period Adjustments 105,204 88,965

Adjustments:
- Depreciation 21,385 20,754
- Provisions 71 114
- Deferred revenue on account of advance against depreciation 7,167 2,159
- Deferred foreign currency fluctuation liability 2,554 -
- Interest charges 17,864 14,837
- Guarantee fee & other finance charges 375 528
- Interest/income on bonds/Investments (12,573) (15,070)
- Prior period adjustments (Net) (2,745) 109
- Dividend income (96) (150)
- Provisions written back (64) (41)
- Bonds issue fee and service expenses 12 21
- Profit on disposal of fixed assets (21) (10)
- Loss on disposal of fixed assets 136 104
- Exchange differences on long term borrowings 1,123 (695)
- Waiver of interest - 640

Total Operating Profit before Working Capital Changes 35,188 23,300

Adjustments:
- Trade and other receivables (17,305) (3,843)
- Inventories (555) (682)
- Trade payables and other liabilities 5,997 5,598
- Loans and advances (5,096) (5,029)
- Other current assets 316 (914)

Net Cash generated from operations 123,109 106,165

Direct taxes paid (91,498) (95,512)

Net Cash from Operating Activities - A 31,611 10,653

**B. CASH FLOW FROM INVESTING ACTIVITIES**

Purchase of fixed assets (82,353) (79,503)

Disposal of fixed assets 89 57

Purchase of Investments (3,864) (29,596)

Sale of Investment 21,329 57,157

Investment in subsidiaries/joint ventures (9,918) (3,502)

Loans advances to subsidiaries (145) 95

Interest/income on bonds/Investment received 13,640 16,913

Income tax on interest/income on bonds/Investment received (1,593) (47)

Dividend received 96

Net cash used in investing activities - B (62,038) (31,458)

**C. CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from long term borrowings 50,231 60,500

Repayment of long term borrowings (21,987) (16,140)

Interest paid (17,580) (14,469)

Guarantee Fee & other Finance charges Paid (375) (598)

Dividend paid (28,859) (26,385)

Tax on dividend (4,905) (3,700)

Bonds issue fee and service expenses (41) (21)

Net cash flow from financing activities - C (23,487) (763)

Net increase/decrease in cash and cash equivalents (A+B+C) 16,186 48,432

Cash and cash equivalents (Opening balance) * 133,146 84,714

Cash and cash equivalents (Closing balance) 149,332 133,146

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NOTES:
- Cash and Cash Equivalents consists of Cash in Hand and balance with Banks
- Previous year ’s figures have been regrouped/rearranged whenever necessary.
- * Includes Rs 22 million (Previous Year Rs 16 million) deposited as security with Government Authorities as per court orders.

For and on behalf of the Board of Directors

(A.K. RASTOGI)  
Company Secretary

(A.K. SINGHAL)  
Director (Finance)

(R.S. SHARMA)  
Chairman & Managing Director

For Varma and Varma  
Chartered Accountants

For B.C. Jain & Co.  
Chartered Accountants

For Parakh & Co.  
Chartered Accountants

Champion & Company  
Chartered Accountants

(VD. Martri)  
Partner

M N 74678  
Partner

M N 95066  
Partner

M N 82099  
Partner

Place : New Delhi  
Dated : 30th May 2008