



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008

| | Current Year | Rs. million Previous Year |
|---|-----------------|------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and Prior Period Adjustments | 105,294 | 88,965 |
| Adjustment for: | | |
| 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 and servicing 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 |
| Operating Profit before Working Capital Changes | 35,188 | 23,300 |
| Adjustment for: | | |
| Trade and other receivables | (17,305) | (3,843) |
| Inventories | (555) | (682) |
| Trade payables and other liabilities | 5,297 | 5,598 |
| Loans and advances | (5,026) | (5,029) |
| Other current assets | 316 | (2,144) |
| Cash generated from operations | (17,273) | (6,100) |
| Direct taxes paid | 123,209 | 106,165 |
| Net Cash from Operating Activities - A | (21,498) | (95,512) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (82,353) | (79,503) |
| Disposal of fixed assets | 89 | 57 |
| Purchase of investments | (3,854) | (23,598) |
| Sale of investment | 21,322 | 57,157 |
| Investment in subsidiaries/joint ventures | (9,218) | (2,562) |
| Loans & advances to subsidiaries | (167) | (25) |
| Interest/income on bonds/investment received | 13,640 | 16,913 |
| Income tax on interest/income on bonds/investment | (1,593) | (47) |
| Dividend received | 96 | 150 |
| 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) | (14,489) |
| Guarantee Fee & other Finance charges Paid | (375) | (528) |
| Dividend paid | (28,859) | (26,385) |
| Tax on dividend | (4,905) | (3,700) |
| Bonds issue and servicing expenses | (12) | (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 |

NOTES : Cash and Cash Equivalents consists of Cash in Hand and balance with Banks
 Previous year 's figures have been regrouped/rearranged wherever 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

As per our report of even date

For Varma and Varma
 Chartered Accountants

For B.C. Jain & Co.
 Chartered Accountants

For Parakh & Co.
 Chartered Accountants

(Cherian K. Baby)
 Partner
 M No. 16043

(B.C. Jain)
 Partner
 M No 5690

(V.D. Mantri)
 Partner
 M No. 74678

For S.K. Mittal & Co.
 Chartered Accountants

For Dass Gupta & Associates
 Chartered Accountants

For S.K. Mehta & Co.
 Chartered Accountants

(S.K. Mittal)
 Partner
 M No 8506

(Naresh Kumar)
 Partner
 M No 82059

(S.K. Mehta)
 Partner
 M No 10870

Place : New Delhi
 Dated : 29th May 2008