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There is nothing impossible to him who will try.

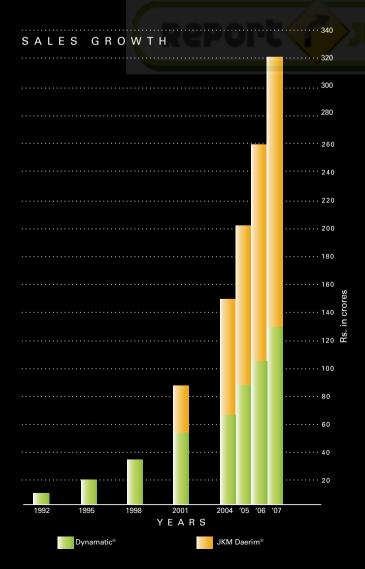
- Alexander the Great

Dear Fellow Shareholder,

On behalf of the Board of Directors of Dynamatic Technologies Limited and its Subsidiaries, I take pleasure in presenting you with the audited financial statements for the year 2006-2007.

During the year under review, your Company along with its Subsidiaries has recorded a growth rate of 23.13% in aggregated sales. Gross Sales of Rs. 3,191.5 Million (aggregated with Subsidiaries) was the highest ever recorded by your Company.

The graph below shows your Company's growth over the past 15 years. This growth has come largely on account of your Company's focus on



developing skillsets required by an increasingly sophisticated Indian marketplace. Additionally, all processes and facilities have been custom-

balance between short drown and focus on long term weath or ation for huilding on long term weath or ation for huilding for huilding for the short drown and focus for huilding for huilding for the short drown and focus for huilding for huilding for huilding for the short drown and focus for huilding for

tailored to meet the needs of your Company's OEM customers.

Today, your Company is a leader in its fields of endeavour in the Indian sub-continent. In addition to the strong growth of the Indian economy, your Company's next cycle of expansion will come as a result of its globalisation strategies.

Action expresses priorities.

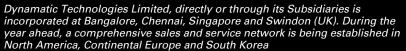
- Mahatma Gandhi

The past year has been one, in which the Board and Senior Management have been exercised with establishing your Company's growth infrastructure.

The JKM Science Center was inaugurated on 28th February, 2007. This is an integrated research and development facility that is involved in material science, new product design and development, production optimization, prototyping and test validation. Along with our manufacturing capabilities in automotive, hydraulics, aeronautics and metallurgy, the JKM Science Center enables your Company to provide end-to-end solutions built uniquely around your customers' needs.

Your Company's Subsidiary, JKM Daerim® Automotive has embarked upon substantial expansion of its manufacturing facilities near Chennai. A number of new products have been developed for Hyundai, TATA, Honeywell Garrett and Cummins. In addition to Hyundai's own expansion program, Mahindra, Renault and Nissan are all setting up greenfield facilities at Chennai,





and by 2009, the Chennai region will produce as many cars as were produced nationally in 2007. In addition to JKM Daerim's technical and organizational capabilities, geographical proximity to major OEM's will create substantial growth opportunities in future.

JKM Daerim[®] Automotive Limited is the largest business in your Company's portfolio. It is now proposed that this subsidiary be merged with Dynamatic Technologies Limited in order to have a unified Balance Sheet with all the attendant benefits of size.

During the year under review, your



Architect's rendition of JKM Daerim's new plant near Chennai, which is nearing completion

Company initiated negotiations to acquire a worldclass manufacturing plant in the United Kingdom. On June 15, 2007, your Company successfully completed the acquisition of the manufacturing facilities of Sauer Danfoss Limited, UK,

> through its Subsidiary, Dynamatic Limited, UK. This move has provided Dynamatic[®] with a global sales footprint, as well as a manufacturing facility at the customers' doorstep. Your Company has also gained an excellent engineering laboratory with a large amount of intellectual property.

The Board of Directors believe that this acquisition will grant Dynamatic® quick and easy access to the European and US markets, bring in new OEM customers while enhancing your Company's potential to develop its aftermarket. Your Company has also acquired broader technologies to support its overall business, in addition to benefiting through inorganic growth with a better synergic effect.



Integrated Design, Engineering and Manufacturing Services built around Customers' needs



spread will enable it to

serve its customers wherever they are located, and to respond to customer needs locally. This by itself is a big growth driver for your Company.

enabling it to tap

into a wider pool

of experience

and knowledge.

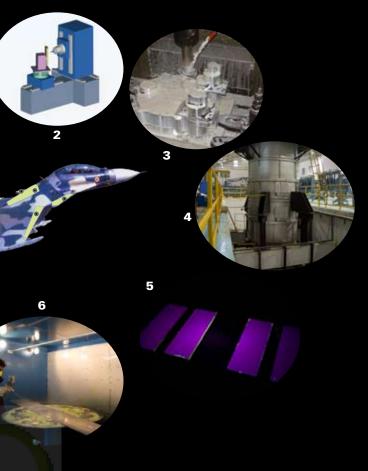
Its geographical

Your Company has signed a teaming agreement with Northrop Grumman Corporation, one of the world's most respected Defence companies. A letter of intent with Spirit AeroSystems, the world's largest manufacturer of Aerostructures, is currently being acted upon to create a large export opportunity. A MoU has been signed with Cobham PLC, one of the leading British Aerospace companies. Clearly, there are large opportunities in front of your Company. The graphic above shows how Dynamatic Aerospace[®] and Powermetric[®] Design are collaborating to offer Integrated Design, Engineering and Manufacturing services built around

All the processes employed by your Company in its various businesses are sophisticated, difficult and challenging, and it is a tribute to the Management,

customers' needs.

support.



Staff and Workers that they are able to succeed in delivering results on a continuous basis.

On behalf of our Board of Directors and Senior Management, I thank you for your continued

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Udayant Malhoutra Chief Executive Officer and Managing Director



Dynamatic Technologies Limited

Chairman

Industrialist, Parliamentarian Founder Chairman of the JKM Group Past President – Bombay Management Association

Director

Management Consultant Former Dy. Managing Director, GKW Limited Past President – AIEI (now called CII)

Director

Dr. K. Aprameyan Distinguished Technocrat Former Chairman and Managing Director, Bharat Earth Movers Limited Former Member, National Council, Confederation of Indian Industries (CII) Former Member, Governing Council, Institute of Robotics and Intelligence Systems (IRIS)

Director

Air Chief Marshal S. Krishnaswamy (Retd.) Distinguished Former Head of Indian Defence Services Chief of Air Staff, Indian Air Force, 2002-04

Director

Ms. Shanti Ekambaram Kotak Mahindra Bank Ltd Former Executive Director and CEO, Kotak Mahindra Capital Company Limited

Director

Mr. Raymond Keith Lawton Company Executive Executive Director & Chief Operating Officer, Dynamatic Limited, UK Sauer Danfoss, (Swindon unit), UK

Director

Mr. B. Seshnath Company Executive JKM Daerim[®] Automotive Limited Former Director Commercial, Dynamatic® Former Head of Marketing Dept, Dynamatic®

President & Group Chief Financial Officer

Company Executive Former CEO and Executive Director, Former Head of Corporate Planning & Company Secretary of Dynamatic[®]

Executive Director & Chief Operating Officer

Mr. N. Rajagopal Former Director, JKM Daerim[®] Automotive Limited Former Head of Production, Materials, R & D Depts. at Dynamatic®

Chief Executive Officer & Managing Director

Chairman, JKM Daerim[®] Automotive Limited Chairman, Cll National Technology Committee and Member, Cll National Council (2001-2002) President, Fluid Power Society of India, 2006-08

C O R P O R A T E S T R U C T U R E

DIRECTORS Dr K Aprameyan Director, DTL Member & Alternate Chairman, Audit Committee Chairman, Technical Development Committee Chairman, HRD & Remuneration Committee Director, JDAL

J K Malhoutra Chairman of the Board, DTL Member, Audit Committee Director, JDAL



Vijai Kapur Director, DT Chairman, Audit Committee Member, HRD & **Remuneration Committee**



Udavant Malhoutra CEO & Managing Director, DTL Member, Technical Development Committee Member, Shareholders Committee Chairman, JDAL Chairman, JKM Research Farm Ltd Chairman, JKM Global Pte Ltd, Singapore Director, Dynamatic Ltd, UK

Air Chief Marsha S Krishnaswamy (Retd.) Director DTL Member, Audit Committee Member & Alternate Chairman, Technical Development Committee Chairman, Shareholders Committee Member, HRD & **Remuneration Committee**



President and Group CFO, DTL Member, Shareholders Committee Director, JKM Research Farm Ltd Director, JKM Global Pte Ltd, Singapore Director, Dynamatic Ltd, UK

B Seshnath Director, DTL Member, Audit Committee ED & COO, JDAL



Air Cmde (Betd) **Ravish Malhotra**

& SBU Head

Dynamatic Aerospace®

Chief Operating Officer

Dynamatic Aerospace®

~

Shanti Ekamb

Member, Audit Committee

Director, DTL

A D

V O

G Srinivasan Vice President Operations JDAL

K R Srinivasan Vice President Finance & Corporate Affairs

Kwangtae Kim Vice President Technical JDAL

IDAI

P K Ray Choudhury Sr. General Manager Engineering Head DTL Research & Development

DTL

G V Gururai General Manager Marketing Dynamatic[®] Hydraulics

Altaf Shareef General Manager Information Systems

N Rajagopal ED & COO, Dynamatic®

Hydraulics & Dynametal®

Development Committee

P S Ramesh

Sr. General Manager

& Operations Head

Dynamatic[®] Hydraulics

Member, Technical

N Murali General Manager Finance DTL

ED & COO, Dynamatic Ltd, UK

Raymond K Lawton



Ian Patterson Technical Director & Chief Technology Officer Hydraulics, Dynamatic Ltd, UK



S K Kapur

Vice Presiden

Corporate Affairs, DTL

Anil Kumar Katti Sr. General Manager & SBU Head Powermetric[®] Design



SENIOR MAN G Haritha Company Secretary DTI

Your Company's Organisational Structure is based on a network of highly talented people who have been empowered to deliver results. A concerted effort has been made to remove hierarchy in everything we do.

JKM Daerim[®] Automotive Limited

Chairman Vice-Chairman Mr. Hyo Kyon Lee Director Mr. J. K. Malhoutra Director Dr. K. Aprameyan Executive Director & **Chief Operating Officer** Mr. B. Seshnath Auditors Price Waterhouse & Co. Chartered Accountants, Bangalore

JKM Research Farm Limited

Chairman Director Mrs. Pramilla Malhoutra Director Mr. V. Sunder Auditors B N Govinda Prasad Chartered Accountants, Bangalore

JKM Global Pte Limited (Singapore)

Chairman Director Mr. V. Sunder Director Mr. Lim Tiong Beng Auditors RSM Chio Lim., Singapore, Certified Public Accountants

Dynamatic Limited (UK)

Director Mr. Michael John Handley Director Director Mr. Udayant Malhoutra Executive Director & Chief Operating Officer Mr. Raymond Keith Lawton

REGISTERED OFFICE

Bangalore 560 058

AUDITORS

Price Waterhouse & Co., Chartered Accountants, Bangalore

COMPANY SECRETARY Ms. G. Haritha

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Pvt. Ltd. Reliance Cyber Villa, Plot No. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad 500 081

BANKERS

AXIS Bank (formerly known as UTI Bank) Punjab National Bank Standard Chartered Bank Citibank N.A.

CONSOLIDATED FINANCIAL STATEMENTS

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DYNAMATIC TECHNOLOGIES LIMITED

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PLEASE LIFT FOLDOUT FOR CORPORATE STRUCTURE

AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF DYNAMATIC TECHNOLOGIES LIMITED

- 1. We have audited the attached consolidated balance sheet of Dynamatic Technologies Limited and its subsidiaries (Dynamatic Technologies Limited Group) as at March 31, 2007, the consolidated profit and loss account for the year ended on that date annexed thereto, and the consolidated cash flow statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Dynamatic Technologies Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
- 2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs.40,288,251 as at March 31, 2007, total revenues of Rs.4,200,000 and net cash inflow amounting to Rs.1,181,115 for the year ended on that date(before eliminations on consolidation). These financial statements and other information of these subsidiaries have been audited by other auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

- 4. We report that the consolidated financial statements have been prepared by Dynamatic Technologies Limited's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by The Institute of Chartered Accountants of India.
- 5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in the case of the consolidated balance sheet, of the state of affairs of the Dynamatic Technologies Limited Group as at March 31, 2007;
 - in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

S. Dutta Partner Membership Number – F 50081 For and on behalf of *Price Waterhouse & Co.,* Chartered Accountants

PLACE : BANGALORE DATE : 7th AUGUST, 2007

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2007

SOURCES OF FUNDS	S	chedule	2007 Rs.	2006 Rs.
Shareholders' Funds Capital		1	41,935,600	41,935,600
Reserves and Surplus		2	404,886,798	300,344,480
Minority Interest		-	63,134,291	52,039,721
-			03,134,231	52,000,721
Loan Funds Secured Loans		2	705 007 505	549,407,973
Unsecured Loans		3 4	765,937,585 73,167,719	76,405,059
		4		
Deferred Tax Liability [Schedu	ile 21 Note 8]		110,150,476	86,261,588
APPLICATION OF FUNDS			1,459,212,469	1,106,394,421
Fixed Assets		5		
Gross Block		J	1,500,856,167	1,236,425,794
Less: Depreciation			596,899,000	518,913,810
Net Block			903,957,167	717,511,984
Capital Work-in-progress			252,657,842	108,196,235
Incidental Expenditure dur	ing Construction Period	6	34,101,682	13,895,158
	-		1,190,716,691	839,603,377
Investments		7	15,001	115,001
Current Assets, Loans and Ad	vances			
Inventories		8	310,245,944	275,267,584
Sundry Debtors		9	529,341,305	427,538,029
Cash and Bank Balances		10	26,590,985	33,331,470
Other Current Assets		11	22,025,511	16,599,062
Loans and Advances		12	91,853,181	65,973,716
			980,056,926	818,709,861
Less: Current Liabilities and P	rovisions			
Liabilities		13	660,410,676	512,112,276
Provisions		14	51,207,948	39,992,330
			711,618,624	552,104,606
Net Current Assets			268,438,302	266,605,255
Miscellaneous Expenditure			42,475	70,788
(To the extent not written	off or adjusted)		1 450 212 460	1,106,394,421
Notes on Accounts		21	1,459,212,469	1,100,394,421
The Schedules referred to above This is the Consolidated Balance		m an integ		
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YAF	The C		memor	<i>pr</i>
of finite	J.K. MALHOUTRA	U	DAYANT MALHOUTRA	VIJAI KAPUR
S. Dutta	Chairman		EO and	Director
Partner	un esterne	N	lanaging Director	Brancha
For and on behalf of	Yilum		Najngogul	T - J-
<i>Price Waterhouse & Co.,</i> Chartered Accountants	V. SUNDER President and Grou		I. RAJAGOPAL xecutive Director & COO	Dr. K. APRAMEYA
	J. seriling		Nu	Alast
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- Baster G. HARITHA

Company Secretary

Director PLACE : BANGALORE

PLACE : BANGALORE

DATE : 7th AUGUST, 2007

DATE : 7th AUGUST, 2007

S. KRISHNASWAMY

N. MÜRALI Air Chief Marshal (Retd.) G M - Finance

DYNAMATIC TECHNOLOGIES LIMITED - CONSOLIDATED - ANNUAL REPORT 2006 - 2007

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

NCOME Schedule Rs. Rs. Sales and Services 15 2,922,892,351 2,373,514,415 Less: Excise duty included therein 520,002,788 3,91,467,881 Net Sales 2,402,889,563 1,982,046,534 Other Income 16 49,755,463 330,07,332 XPEPNDTURE 2,452,625,026 2,015,053,866 Materials Consumed 17 1,477,807,683 1,154,487,555 Employee Cost 18 219,328,994 184,680,304 Other Operating Profit before Depreciation and interest (EBITDA) 2,033,442,144 1,642,877,669 Poperating Profit before Taxation, Extraordinary and trior Period letms 252,293,815 223,449,303 Tior Period Depreciation 252,293,815 223,449,303 Torior Fraic Depreciation 232,975,641 219,509,450 Tory Strift before Taxation, Extraordinary and trior Period terms 232,397,641 219,509,450 Tory Strift before Taxation 232,975,641 219,509,450 Current Tax (Net of Excess provision in respect (56,306,424) (79,838,548) of earlier years Rs.84,868 (2006): Rs.4,005,4				2007		2006
Less: Excise duty included therein 520,002,788 391,467,881 Net Sales 2,402,889,563 33,007,332 Other Income 16 49,735,463 33,007,332 XPENDITURE 2,452,625,026 2,015,053,866 Materials Consumed 17 1,477,807,863 1,154,487,555 Employee Cost 18 219,328,994 184,680,804 Other Operating Expenses 19 336,305,467 303,809,310 Depreciation 1,642,977,669 184,680,804 372,076,197 Depreciation 99,922,822 (341,996) 99,580,826 (345,417) Depreciation 99,922,822 (341,996) 99,580,826 (345,417) Toff before Taxation, Extraordinary and 76,708,241 59,958,944 59,958,944 Toff before Taxation 223,494,303 1,870,620 58,956,944 Torior Foriod Depreciation 19,318,174 2,114,233 1,950,945,044 Current Tax (Net of Excess provision in respect (56,306,424) (79,838,548) 1,235,062 Fringe Benefit Tax 149,309,9944 137,027,	INCOME S	chedule				
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Other Operating Expenses 19 336,305,467 303,809,310 Operating Profit before Depreciation and Interest (EBITDA) 2,033,442,144 1,642,977,669 Depreciation 99,922,822 88,968,367 303,809,310 Interest (EBITDA) 99,922,822 99,580,826 (345,417) 88,622,950 Interest 20 67,308,241 59,958,944 59,958,944 Profit before Taxation, Extraordinary and Prior Period Depreciation 252,293,815 223,494,303 1,870,620 Xitraordinary Item (Schedule 21 Note 11) 19,318,174 2,114,233 21,142,233 Profit before taxation 232,975,641 219,509,450 238,8588 Troir Period Tax (Net of Excess provision in respect roof after taxation before Minority Interest (56,306,424) (79,838,548) Of earlier years Rs.84,868 (2006: Rs.4,005,477)] 211,335) (60,433) Deferred Tax (Including provision pertaining to earlier year Rs.64,309 (2006: Rs.Nill) 149,309,994 137,027,8620 Voriat fater taxation before Minority Interest 149,309,994 137,027,8620 18,207,090 Voriat fater taxation before Minority Interest 17,412,570 18,207,090 </td <td>Materials Consumed</td> <td>17</td> <td></td> <td>1,477,807,683</td> <td></td> <td>1,154,487,555</td>	Materials Consumed	17		1,477,807,683		1,154,487,555
Deparating Profit before Depreciation and Interest (EBITDA) 1,642,977,669 Depreciation (Less): Transfer from Revaluation Reserve (Less): Transfer from Revaluation Reserve (Less): Transfer from Revaluation Reserve (Less): Transfer from Revaluation Reserve (Less): Transfer from Revaluation Reserve (S41,996) 419,182,882 (341,996) 372,076,197 Vior Period Items 20 67,308,241 59,958,944 59,958,944 Vior Period Depreciation 1,870,620 223,494,303 1,870,620 Vior Period Depreciation 1,870,620 21,9509,450 219,509,450 Viori Period Taxation 232,975,641 219,509,450 219,509,450 Current Tax [Net of Excess provision in respect of earlier years Rs.84,868 (2006: Rs.4,005,477)] (56,306,424) (79,838,548) 1,235,062 Pringe Benefit Tax (3,259,000) (3,817,669) (3,817,669) (3,817,669) Wealth Tax [Including provision pertaining to earlier year Rs.64,309 (2006:Rs.Ni)] 121,335) (60,433) 137,027,862 Viorit after taxation Profit after taxation Profits 17,412,570 18,207,090 138,827,720 18,827,720 Viorit Interest in Profits 17,412,570 12,580,680 12,580,680 12,580,680 12,580,680	Employee Cost	18		219,328,994		184,680,804
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After Extraordinary item 31.45 28.33		Note 13)			
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lotes on Accounts 21	-			31.45		28.33
	Notes on Accounts	21				

The Schedules referred to above and notes thereon form an integral part of the Accounts. This is the Consolidated Profit and Loss Account referred to in our report of even date.

Þ 21. man J.K. MALHOUTRA **UDAYANT MALHOUTRA VIJAI KAPUR** S. Dutta Chairman CEO and Director Partner Managing Director lopran For and on behalf of VSucce Na Price Waterhouse & Co., N. RAJAGOPAL Dr. K. APRAMEYAN V. SUNDER **Chartered Accountants** Executive Director & COO Director President and Group CFO 8-serily Rost PLACE : BANGALORE Air Chief Marshal (Retd.) N. MURALI **G. HARITHA** S. KRISHNASWAMY DATE : 7th AUGUST, 2007 G M - Finance **Company Secretary** Director PLACE : BANGALORE DATE : 7th AUGUST, 2007

C-4

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

		2007 Rs.	2006 Rs.
Δ	Cash flow from operating activities:		
,	Net profit before tax and extraordinary item:	252,293,815	221,623,683
	Adjustments for:	,,	, ••,••••
	Depreciation	99,580,826	90,493,570
	Interest Expense	67,308,241	59,958,944
	Interest Income	(3,247,592)	(2,874,120)
	Income from Investment - Dividends	-	(18,000)
	(Profit)/Loss on Fixed Assets sold	1,943,061	456,345
	Deferred revenue expenditure written off	28,313	4,682,000
	Debts / Advances Written off	1,756,481	1,986,384
	Provision for Bad & Doubtful Debts	3,369,813	4,098,434
	Provision for Doubtful Advances	63,630	840,495
	Liability no longer required written back	(568,694)	(2,343,474)
	Provision for Gratuity & Leave Encashment	4,616,866	2,594,251
	Provision for diminution in value of Investments	-	92,152
	Unrealised foreign exchange (gain) /loss	(3,488,102)	1,221,865
	Provision for warranty	654,917	629,000
	Operating profit before working capital changes	424,311,575	383,441,529
	Adjustments for changes in working capital :		
	- (INCREASE)/DECREASE in Sundry Debtors	(109,013,917)	(93,724,188)
	- (INCREASE)/DECREASE in Other Receivables	(17,956,039)	(19,517,308)
	- (INCREASE)/DECREASE in Inventories	(34,978,360)	(38,863,319)
	- INCREASE/(DECREASE) in Trade and Other Payables	131,943,823	140,834,849
	Cash generated from operations	394,307,082	372,171,563
	- Direct Tax paid	(66,277,033)	(64,896,931)
	- Fringe Benefit Tax paid	(3,295,513)	(4,046,156)
	Cash flow before extraordinary items	324,734,536	303,228,476
	Extraordinary items (Schedule 21 Note 11)	(19,318,174)	(2,114,233)
	Net cash from operating activities	305,416,362	301,114,243
В.	Cash flow from Investing activities:		
	Adjustments for changes in :		
	Purchase of fixed assets	(447,828,421)	(193,495,356)
	Proceeds from Sale of fixed assets	4,676,316	1,450,547
	Proceeds from Sale of Investments	100,000	500
	Loans/ICDs extended during the year	-	(774,600)
	Loans/ICDs refunds received	-	1,021,683
	Interest Received (Revenue)	2,102,960	3,222,822
	Dividend Received		18,000
	Net cash used in investing activities	(440,949,145)	(188,556,404)

	2007 Rs.	2006 Rs.
C. Cash flow from financing activities:		
Proceeds from long term borrowings	174,637,101	(64,748,424)
Proceeds from short term borrowings(NET)	(10,000,000)	(10,197,431)
Proceeds from fixed deposits (NET)	1,929,000	5,385,000
Proceeds from Cash Credits (NET)	46,481,813	44,935,883
Interest Paid	(66,628,496)	(58,655,524)
Dividend Paid	(14,740,680)	(21,094,240)
Dividend Tax Paid	(2,886,440)	(4,596,788)
Net cash used in financing activities	128,792,298	(108,971,524)
Net Increase/(Decrease) in Cash and Cash Equivalents	(6,740,485)	3,586,315
Cash and cash equivalents as at 31.03.2006	33,331,470	29,745,155
Cash and cash equivalents as at 31.03.2007	26,590,985	33,331,470
	(6,740,485)	3,586,315

Notes :

- 1 The above Consolidated Cash Flow Statement has been compiled from and is based on the Consolidated Balance Sheet as at March 31, 2007 and the relative Consolidated Profit and Loss Account for the year ended on that date.
- 2 The above Consolidated 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 and reallocation required for this purpose are as made by the Group.
- 3 Previous year's figures are not comparable with the figures of the current year to the extent of financial impact of inclusion of new subsidiary for only part of the previous year.
- 4 Previous year's figures have been regrouped/ reclassified wherever necessary in order to confirm with current year's classification.

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

For and on behalf of the Board of Directors

J.K. MALHOUTRA S. Dutta Chairman Partner VSucce For and on behalf of Price Waterhouse & Co., V. SUNDER **Chartered Accountants** President and Group CFO J. seriting PLACE : BANGALORE Air Chief Marshal (Retd.) S. KRISHNASWAMY DATE : 7th AUGUST, 2007 Director PLACE : BANGALORE

PLACE : BANGALORE DATE : 7th AUGUST, 2007

CEO and Managing Director

N. RAJAGOPAL Executive Director & COO

N. MURALI G M - Finance

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VIJAI KAPUR Director

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Dr. K. APRAMEYAN Director

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G. HARITHA Company Secretary