

# Cash Flow Statement

for the year ended

(Rupees in Millions)

Dec 31, 2007

Dec 31, 2006

## A. Cash flow from Operating Activities

Net Profit / (Loss) before tax		(1,180.26)	417.46
Adjustments for:			
Add: Depreciation and amortisation		188.88	164.07
Provision for doubtful debts		2.57	10.91
Loss on sale of investments		95.30	-
Impairment in Long term investments		815.32	-
Impairment in Brands & Registrations		13.24	-
Loss on sale of assets		3.27	1.09
Interest Expenses		454.96	273.59
Exchange loss (net)		-	27.08
Compensation under ESOP Scheme		4.73	-
Less: Dividend received		23.00	-
Unrealised Exchange gain (net)		40.94	-
Interest received		137.21	74.71
<b>Operating profit before working capital changes</b>		<b>196.86</b>	<b>819.49</b>
<b>Changes in working capital</b>			
(Increase) / Decrease in Trade and other receivables		(364.52)	(1,270.68)
(Increase) / Decrease in Inventories		(83.76)	(135.52)
Increase / (Decrease) in Trade and other payables		831.48	485.01
(Increase) / Decrease in Margin money		(17.94)	(8.23)
<b>Net change in working capital</b>		<b>365.26</b>	<b>(929.42)</b>
<b>Cash generated from operations</b>		<b>562.12</b>	<b>(109.93)</b>
Direct taxes paid		(31.95)	(58.23)
<b>Net cash from Operating Activities</b>	<b>A</b>	<b>530.17</b>	<b>(168.16)</b>

## B. Cash flow from Investing Activities

Purchase of fixed assets / CWIP		(657.40)	(447.93)
Investment in subsidiaries / Joint Ventures		(5,983.80)	(192.76)
Sale of Long term Investments		55.20	-
Sale of fixed assets		2.53	1.76
Dividend / Interest received		160.21	74.71
<b>Net cash used in Investing Activities</b>	<b>B</b>	<b>(6,423.26)</b>	<b>(564.22)</b>

## C. Cash flow from Financing Activities

Proceeds from issue / (Repayment) of Share / Warrants (Net)		(111.60)	318.58
Proceeds from Foreign Currency Convertible Bonds		3,998.70	-
Proceeds from 5% Fully Convertible Debentures		2,018.29	-
Proceeds from long term borrowings		591.00	350.55
Proceeds from / (Repayment of) short term borrowings		1,183.28	186.56
Repayment of long term borrowings		(233.30)	(372.53)
Equity Dividend paid		(69.10)	(69.15)
Tax paid on dividends		(16.02)	(11.98)
Interest paid on borrowings		(425.45)	(282.32)
<b>Net cash generated from Financing Activities</b>	<b>C</b>	<b>6,935.80</b>	<b>119.71</b>

# Cash Flow Statement

for the year ended

(Rupees in Millions)

	Dec 31, 2007	Dec 31, 2006
<b>Net Increase / (Decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>1,042.71</b>	<b>(612.67)</b>
Effect of exchange differences on restatement of foreign Currency cash and cash equivalents	37.87	(15.67)
Cash and cash equivalents at the beginning of the year	73.47	701.82
<b>Cash and cash equivalents at the end of the year</b>	<b>1,154.05</b>	<b>73.47</b>

**Note:** Refer Note B.31, Schedule 'P' for notes on Cash Flow Statement

As per our report of even date

**For DELOITTE HASKINS & SELLS**

Chartered Accountants

V. Srikumar

Partner

Membership No.84494

Bangalore, March 7, 2008

**For and on behalf of the Board**

Arun Kumar - Vice Chairman & Managing Director

K.R.Ravishankar - Director

Kannan. N - Company Secretary