

Profit & Loss Account

for the year ended

(Rupees in Millions)

	Schedule	Dec 31, 2007	Dec 31, 2006
I. INCOME			
1. Sales & services (including export incentives)	I	3,929.15	4,550.88
2. Other income	J	102.53	0.001
Total		4,031.68	4,550.88
II. EXPENDITURE			
1. Materials consumed	K	2,418.65	2,378.43
2. (Increase)/Decrease in stock	L	(93.72)	55.73
3. Personnel cost	M	516.69	418.43
4. Operating and other expenses	N	953.07	917.88
5. Finance charges	O	317.75	198.88
6. Loss on sale of long term investment (Refer Note B.10 c (ii), Schedule 'P')		95.30	-
Total		4,207.74	3,969.35
III. PROFIT/ (LOSS) BEFORE DEPRECIATION, EXCEPTIONAL ITEMS AND TAX		(176.06)	581.53
7. Depreciation	E	188.88	164.07
IV. PROFIT / (LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS		(364.94)	417.46
8. Impairment in investment in subsidiaries (Refer Note B.10 c (i) & (iii), Schedule 'P')		815.32	-
V. PROFIT / (LOSS) BEFORE TAX		(1,180.26)	417.46
Less: Provision for tax - Current		35.00	13.43
- Deferred [Net]		(66.70)	36.70
- Fringe Benefit Tax		3.58	5.49
VI. PROFIT / (LOSS) AFTER TAX		(1,152.14)	361.84
Balance brought forward	1,045.19		896.71
Differential tax on equity dividend of previous year	2.08		-
		1,043.11	896.71
VII. PROFIT / (LOSS) AVAILABLE FOR APPROPRIATION		(109.03)	1,258.55
VIII. APPROPRIATIONS			
Proposed dividend on equity shares		-	69.90
Tax on equity dividends		-	9.80
Dividend on preference shares		-	29.51
Tax on preference dividends		-	4.15
Transfer to general reserve		-	100.00
Balance carried to balance sheet		(109.03)	1,045.19
Total		(109.03)	1,258.55
IX. EARNINGS / (LOSS) PER SHARE			
(Face value of Rs.10 each)			
- Basic (in Rs.)		(33.98)	9.39
- Diluted (in Rs.)		(33.98)	8.34
(Refer Note B.30, Schedule 'P')			
Accounting policies and notes on accounts	P		

The above schedules form an integral part of the financial statements.

As per our report of even date

For DELOITTE HASKINS & SELLS

Chartered Accountants

V. Sri Kumar

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