

Consolidated Cash Flow Statement

For the year ended

(Rupees in Millions)

	Dec 31, 2008	Dec 31, 2007
A. Cash flow from Operating Activities		
Net Profit/(Loss) before tax	1,148.79	(345.69)
Adjustments for:		
Add: Depreciation and Amortisation	404.36	366.37
Compensation under ESOP Scheme	13.16	4.73
Bad debts written off and Provision for doubtful debts	96.91	144.07
Unbilled debtors written off	64.42	186.38
Impairment / Obsolescence in Assets	14.22	632.47
Interest on borrowings	771.23	604.87
Impairment in investments	1,655.94	17.22
Unrealised Exchange Loss	216.31	61.07
Less: Changes in fair value of embedded derivatives in FCCB's	452.22	-
Profit on sale of investments (Net)	2,509.04	980.15
Profit on sale of assets (Net)	1.02	13.84
Interest received	79.58	102.11
Operating profit before working capital changes	1,343.48	575.39
Changes in working capital		
(Increase)/Decrease in Trade and other receivables	(287.84)	(268.41)
(Increase)/Decrease in Inventories	(611.22)	(570.57)
Increase/(Decrease) in Trade and other payables	817.69	1,223.42
(Increase)/Decrease in Margin money	14.05	(16.13)
Net change in working capital	(67.32)	368.31
Cash generated from operations	1,276.16	943.70
Direct taxes paid	(97.95)	(50.69)
Net cash from Operating Activities	1,178.21	893.01
B. Cash flow from Investing Activities		
Purchase of fixed assets / CWIP	(3,028.38)	(2,512.73)
Sale of fixed assets	49.50	94.26
Subsidy received on investment	-	0.10
Purchase of investments	(4,034.76)	(4,728.43)
Sale/redemption of investments	4,744.78	1,130.76
Dividend / Interest received	79.58	102.11
Net cash used in Investing Activities	(2,189.28)	(5,913.93)
C. Cash flow from Financing Activities		
Proceeds from issue of share capital / Share warrants	-	206.97
Proceeds from issue of FCCB/ Debentures	-	6,016.99
Proceeds from long term borrowings	1,308.87	591.00
Repayment of long term borrowings	(499.32)	(244.38)
Proceeds from short term borrowings (Net)	(59.12)	787.55
Dividends paid	(6.89)	(81.79)
Tax paid on equity and preference dividend	-	(49.60)
Interest paid on borrowings	(609.20)	(580.69)
Net cash generated from Financing Activities	134.34	6,646.05

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For the year ended

(Rupees in Millions)

	Dec 31, 2008	Dec 31, 2007
Net Increase /(Decrease) in Cash and Cash Equivalents (A+B+C)	(876.73)	1,625.13
Cash and cash equivalents at the beginning of the year	1,794.30	267.90
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	0.06	37.87
Consolidation adjustment	(457.26)	(136.60)
Cash and cash equivalents at the end of the year	460.37	1,794.30

Note: Refer Note C.23, Schedule 'Q' for notes on Cash Flow Statement

Basis of Consolidation,
Accounting policies and notes on accounts – Schedule 'Q'

As per our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants
V. Balaji
Partner
Membership No. 203685
Bangalore, February 25, 2009

For and on behalf of the Board

Arun Kumar - Vice Chairman & Managing Director
K.R.Ravishankar - Director
Kannan.N - Company Secretary