



Consolidated Statement of Profit and Loss Account

For the Year Ended December 31, 2007

Notes	For the year ended 31.12.2007 Rs. in millions [see note 1(b)(d)]	For the year ended 31.12.2007 USD in millions [see note 1(b)(d)]	For the year ended 31.12.2006 Rs. in millions [see note 1(b)(d)]	For the year ended 31.12.2006 USD in millions [see note 1(b)(d)]	
INCOME					
Sales and services	2(f)	26,683.85	677.08	17,536.81	396.33
Less: Excise duty		(152.31)	(3.86)	(246.42)	(5.57)
		26,531.54	673.22	17,290.39	390.76
Other income	15	110.44	2.80	189.79	4.30
TOTAL		26,641.98	676.02	17,480.18	395.06
EXPENDITURE					
Materials consumed and purchase of goods	16	11,358.94	288.22	7,291.32	164.78
(Increase)/decrease in inventories	2(d) & 17	(1,431.42)	(36.32)	(612.83)	(13.84)
Operating and other expenses	18	10,213.85	259.17	6,609.25	149.36
TOTAL		20,141.37	511.07	13,287.74	300.30
PROFIT BEFORE DEPRECIATION, INTEREST AND TAX		6,500.61	164.95	4,192.44	94.76
Less: Depreciation/Amortisation	2(a) & 8	784.84	19.92	620.61	14.03
PROFIT BEFORE INTEREST AND TAX		5,715.77	145.03	3,571.83	80.73
Less: Financial expenses (net)	19	974.29	24.72	26.39	0.59
PROFIT BEFORE TAX AND EXCEPTIONAL ITEMS		4,741.48	120.31	3,545.44	80.14
Less: Exceptional items		-	-	603.72	13.64
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS		4,741.48	120.31	2,941.72	66.50
Provision for tax					
— Current tax	2 (h)	(526.50)	(13.36)	(435.13)	(9.83)
— Minimum alternate tax credit entitlement		-	-	199.16	4.50
Net Current Tax		(526.50)	(13.36)	(235.97)	(5.33)
— Deferred tax	2 (h) & 7	(354.01)	(8.98)	(260.49)	(5.89)
— Fringe benefit tax		(36.07)	(0.92)	(32.76)	(0.74)
NET PROFIT AFTER TAX		3,824.90	97.05	2,412.50	54.54
Add: Share in Profit of Associate Companies		33.24	0.85	-	-
NET PROFIT AFTER TAX FOR THE YEAR		3,858.14	97.90	2,412.50	54.54
Balance brought forward from previous year		963.53	24.45	674.95	15.25
PROFIT AVAILABLE FOR APPROPRIATION		4,821.67	122.35	3,087.45	69.79
APPROPRIATIONS					
Proposed dividend on equity shares		273.59	6.94	-	-
Tax on proposed dividend		46.50	1.18	-	-
Interim dividend on equity shares		957.56	24.30	547.18	12.38
Tax on interim dividend		162.74	4.13	76.74	1.74
Transfer to general reserve		500.00	12.69	1,500.00	33.90
Surplus carried to balance sheet		2,881.28	73.11	963.53	21.77
		4,821.67	122.35	3,087.45	69.79
Earnings per share (Rs.)	22				
— Basic		35.25	0.89	22.05	0.50
— Diluted		35.25	0.89	22.04	0.50
Nominal Value of shares Rs. 5 (Previous Year – Rs. 5)		5.00	0.13	5.00	0.11

The Notes referred to above form an integral part of the Profit & Loss Account

As per our report of even date

For S. R. Batliboi & Co.
Chartered Accountants

per **Vijay Bhatt**
Partner
Membership No: 36647

Place : Mumbai
Date : February 20, 2008

R. B. Gandhi
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman and Managing Director

B. L. Maheshwari
Shekhar Datta
Aman Mehta
Bharat Patel
R. A. Shah
Abid Hussain
Directors