

Profit and Loss Account

For the Year Ended December 31, 2007

(All amounts in millions of Indian Rupees)

	Notes	For the year ended 31.12.2007	For the year ended 31.12.2006
INCOME			
Sales and services	1(f)	12,520.24	11,585.86
Less: Excise Duty		(152.31)	(240.98)
		12,367.93	11,344.88
Other income	14	110.07	219.05
TOTAL		12,478.00	11,563.93
EXPENDITURE			
Materials consumed and purchase of goods	15	6,059.88	4,809.27
(Increase)/decrease in inventories	1(d) & 16	(517.65)	(257.02)
Operating and other expenses	17	3,696.67	3,332.47
Research and development expenses	18	354.54	512.09
Depreciation/Amortisation	1(a) & 7	345.41	348.43
Financial expenses (net)	19	(191.92)	(311.27)
TOTAL		9,746.93	8,433.97
PROFIT BEFORE TAX AND BEFORE EXCEPTIONAL ITEMS			
Less: Exceptional Items	22	-	603.72
PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEMS			
		2,731.07	2,526.24
Provision for tax			
– Current tax (Minimum Alternative Tax)	1 (h)	(251.77)	(278.26)
– Less: Minimum Alternative Tax Credit	1 (h)	-	199.16
– Net current tax		(251.77)	(79.10)
– Deferred tax	1 (h)	(304.47)	(280.60)
– Fringe Benefit Tax		(36.07)	(31.05)
NET PROFIT AFTER TAX			
		2,138.76	2,135.49
Balance brought forward from previous year		321.62	310.05
PROFIT AVAILABLE FOR APPROPRIATION			
		2,460.38	2,445.54
APPROPRIATIONS			
Interim dividend on equity shares		957.56	547.18
Tax on interim dividend		162.74	76.74
Proposed dividend on equity shares		273.59	-
Tax on proposed dividend		46.50	-
Transfer to general reserve		500.00	1,500.00
Surplus carried to Balance Sheet		519.99	321.62
		2,460.38	2,445.54
Earnings per share (Rs.)	21		
– Basic		19.54	19.52
– Diluted		19.54	19.51
Nominal Value of shares (Rs.)		5.00	5.00

The notes referred to above form an integral part of the Profit and 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