

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Period Ended March 31, 2010

	For the period ended 31.03.2010 ₹ in millions	For the period ended 31.03.2010 USD in millions [see note 1(b)(d)]	For the year ended 31.12.2008 ₹ in millions	For the year ended 31.12.2008 USD in millions [see note 1(b)(d)]
A. CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES:				
Net Profit/(Loss) Before Tax	(9,856.36)	(219.28)	(2,509.60)	(51.50)
Adjustments for:				
Depreciation/Amortisation	1,481.39	32.96	1,130.47	23.21
Product development expenses written off	74.79	1.66	76.45	1.57
Exchange fluctuation, net	259.30	5.77	9.01	0.18
Provision for premium payable on Foreign Currency Convertible Bonds	268.30	5.97	1,294.91	26.58
Provision for Marked to market losses on derivatives	303.26	6.75	4,586.98	94.17
Realised derivative losses	3,691.01	82.12	–	–
Amortisation of expenses/Depreciation for Product Development	71.50	1.59	62.42	1.28
Liabilities no more payable	(25.37)	(0.56)	–	–
Bad debts/One time charge backs	649.65	14.45	154.06	3.16
(Profit)/Loss on sale of fixed assets, net	(192.53)	(4.28)	(9.71)	(0.20)
Profit on sale of business/division	(1,782.55)	(39.66)	–	–
Impairment of goodwill	2,661.74	59.22	–	–
Fixed assets written off	–	–	0.29	0.01
Inventory written off	56.58	1.26	–	–
Interest expense	3,424.83	76.17	2,703.40	55.50
Interest income	(101.71)	(2.26)	(245.35)	(5.04)
Dividend income	(0.01)	–	(0.02)	–
Operating profit before working capital changes	983.82	21.88	7,253.31	148.92
Movement in working capital				
(Increase)/Decrease in inventories	159.84	3.56	(610.12)	(12.53)
(Increase)/Decrease in sundry debtors	1,291.47	28.73	(1,987.64)	(40.81)
(Increase)/Decrease in loans and advances	846.74	18.84	(3,335.13)	(68.47)
Increase/(Decrease) in current liabilities and provisions	(4,738.69)	(105.43)	236.16	4.85
Cash generated from operations	(1,456.82)	(32.42)	1,556.58	31.96
Direct Taxes paid, including fringe benefit tax	(468.51)	(10.42)	(311.54)	(6.40)
Net cash provided by operating activities	(1,925.33)	(42.84)	1,245.04	25.56
B. CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES:				
Purchase of fixed assets including capital work-in-progress	(552.60)	(12.29)	(6,821.37)	(140.05)
Proceeds from sale of fixed assets	206.91	4.60	6.27	0.13
Purchase of investments	–	–	(17.70)	(0.37)
Proceeds from sale of investments	0.03	–	–	–
Proceeds from sale of business/division	2,433.68	54.15	–	–
Repayment by companies/(loan to companies)	781.25	17.38	(965.52)	(19.81)
Margin money and fixed deposits under lien	4,048.77	90.08	(4,348.34)	(89.27)
Interest received	63.81	1.42	165.70	3.40
Dividend received	0.01	–	0.02	–
Net cash provided by/(used in) investing activities	6,981.86	155.34	(11,980.94)	(245.97)

	For the period ended 31.03.2010 ₹ in millions	For the period ended 31.03.2010 USD in millions [see note 1(b)(d)]	For the year ended 31.12.2008 ₹ in millions	For the year ended 31.12.2008 USD in millions [see note 1(b)(d)]
C. CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES:				
Proceeds from issuance of share capital	700.00	15.57	–	–
Repayment of borrowings	(6,896.00)	(153.42)	(4,065.91)	(83.47)
Proceeds from borrowings*	5,574.33	124.02	17,408.41	357.40
Interest paid	(3,333.76)	(74.17)	(2,622.46)	(53.84)
Dividend paid (including tax on dividend)	(1.29)	(0.03)	(321.34)	(6.60)
Net cash from/(used in) financing activities	(3,956.72)	(88.03)	10,398.70	213.49
Translation/consolidation adjustment	(80.37)	(1.79)	(1,313.78)	(26.97)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,019.44	22.68	(1,650.98)	(33.89)
CASH AND CASH EQUIVALENTS, beginning of period	2,121.57	47.20	3,772.55	77.45
CASH AND CASH EQUIVALENTS, at the end of period	3,141.01	69.88	2,121.57	43.56
Components of cash and cash equivalents, as at March 31, 2010				
Cash	2.06	0.05	2.27	0.05
With banks				
– on current accounts (excluding unclaimed dividend accounts)	3,026.76	67.34	1,121.95	23.04
– on Unpaid Dividend Account**	12.60	0.28	13.90	0.28
– on margin money accounts	0.10	–	0.30	0.01
– on fixed deposit accounts	99.49	2.21	983.15	20.18
	3,141.01	69.88	2,121.57	43.56

* Proceeds from Borrowings includes exchange difference of ₹ 2,205.43 million (2008 – ₹ 4,187.64 million) included in Foreign Currency Translation Reserve.

** These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

As per our attached report of even date

For Haribhakti & Co.
Chartered Accountants

Shailesh Haribhakti
Partner

Place: Mumbai
Date : May 20, 2010

J. B. Manmadkar
Company Secretary

For and on behalf of the Board of Directors

H. F. Khorakiwala
Chairman

Huzaifa Khorakiwala
Executive Director

Murtaza Khorakiwala
Managing Director

Shekhar Datta
Abid Hussain
Aman Mehta
Bharat Patel
R. A. Shah

Directors