

Cash Flow Statement For the year Ended 31st March, 2008

(Rs in Million)

	For the year ended 31.03.08	For the year ended 31.03.07
A. Cash flow from Operating Activities:		
Net Profit before Tax	25,030	22,798
Adjustments for:		
Depreciation	5,682	2,714
Interest Expense	596	376
Interest Income	(1,408)	(1,109)
Dividend Income	(1,668)	(1,528)
Net Loss on Sale / discarding of Fixed Assets	24	4
Profit on sale of Investments	(898)	(389)
Debts / Advances Written off	-	22
Provision for diminution in value of investment	26	
Provisions no longer required written back	(855)	(459)
Opening Loss of MSAIL adjusted from opening surplus on amalgamation	-	(84)
Impact of transition provision of Accounting Standard 15	-	(5)
Employee Benefit		
Mark to Market loss on Derivatives	505	-
Operating Profit before Working Capital changes	27,034	22,340
Adjustments for changes in Working Capital :		
- (Increase)/Decrease in Sundry Debtors	919	(1,035)
- (Increase)/Decrease in Other Current Assets, Loans & Advances	(1,191)	(1,523)
- (Increase)/Decrease in Inventories	(3,366)	1,798
- Increase/(Decrease) in Current Liabilities and Provisions	3,555	5,170
Cash generated from Operating Activities	26,951	26,750
- Taxes (Paid) (Net of TDS)	(8,647)	(6,352)
Net Cash from Operating Activities	18,304	20,398
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets	(16,999)	(14,073)
Sale of Fixed Assets	69	123
Sale of investments	170,123	109,253
Purchase of investments	(186,966)	(122,444)
Interest received	1,490	1,127
Dividend received	1,668	1,528
Net Cash from Investing Activities	(30,615)	(24,486)

(Rs in Million)

	For the year ended 31.03.08	For the year ended 31.03.07
C. Cash flow from Financing Activities:		
Proceeds from Short term borrowings	3,999	233
Proceeds from Long term borrowings	-	5,675
Repayment of Short term borrowings	(634)	(317)
Interest paid	(743)	(280)
Dividend paid	(1,299)	(1,011)
Net Cash from Financing Activities	1,323	4,300
Net Increase/(Decrease) in Cash & Cash Equivalents	(10,988)	212
Cash and Cash Equivalents as at 1st April (Opening Balance)	14,228	14,016
Cash and Cash Equivalents as at 31st March (Closing Balance)	3,240	14,228
Cash and Cash Equivalents comprise	3,240	14,228
Cash, Cheques in hand	1,339	946
Balance with Scheduled Banks in Current Accounts	1,633	202
Balance with Scheduled Banks in Deposit Accounts	-	13,080
Balance with Other Banks in Current Accounts	268	-

Notes :

- 1 The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 on "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.
- 2 Cash and Cash Equivalent includes Rs 3 Million (Previous Year Rs. 2 Million) in respect of unclaimed dividend, the balance of which is not available to the company.
- 3 Figures in bracket represents cash outflow.

This is the Cash Flow Statement referred to in our report of even date.

ANUPAM DHAWAN
Membership Number - F 084451
Partner
For and on behalf of
PRICE WATERHOUSE
Chartered Accountants
New Delhi
April 24, 2008

SHINZO NAKANISHI
Managing Director & CEO

HIROFUMI NAGAO
Director & Managing
Executive officer - Admin

ANIL RUSTGI
Company Secretary
& Chief Legal Officer