

Cash Flow Statement for the year ended 31 December 2010
(Rupees in millions, except for share data, and if otherwise stated)

	For the year ended 31 December 2010	For the year ended 31 December 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes	15,652.45	10,619.17
Adjustments for :		
Depreciation, amortisation and impairment	2,283.53	1,482.03
Fixed assets written off	86.04	12.00
Reversal of deferred employees compensation	(3.45)	(8.17)
Unrealised foreign exchange gain	(856.52)	(1,818.26)
Fair valuation gain on options	(5,473.50)	(8,932.47)
Dividend income	(13.06)	(9.54)
Profit on sale of current investments	(2,255.03)	(420.33)
Unclaimed balances/ excess provision written back	(225.79)	(1,116.76)
Profit on sale of assets (net)	(260.59)	(237.34)
Provision for diminution in value of long term investments	4,078.00	-
(Reversal)/ provision for diminution in value of current investments	(4.36)	53.92
Interest expense	541.94	394.66
Interest income	(1,451.70)	(945.47)
Provision / write-off of doubtful debts, advances and other current assets	166.80	48.71
	<u>(3,387.69)</u>	<u>(11,497.02)</u>
Operating profit/ (loss) before working capital changes	12,264.76	(877.85)
Adjustments for :		
Increase in inventories	(2,594.24)	(319.64)
Decrease/ (increase) in sundry debtors	2,050.68	(5,410.08)
Decrease/ (increase) in loans and advances	171.05	(112.09)
Increase in other current assets	(496.19)	(14.42)
Increase in current liabilities and provisions	4,524.89	2,453.38
	<u>3,656.19</u>	<u>(3,402.85)</u>
Cash generated from/ (used in) operating activities before taxes	15,920.95	(4,280.70)
Direct taxes paid (net of refunds)	(4,232.08)	(2,373.64)
Net cash generated from/ (used in) operating activities	11,688.87	(6,654.34)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,283.58)	(2,747.61)
Proceeds from sale of fixed assets	769.65	358.56
Purchase of certificates of deposits	(3,922.74)	-
Investment in subsidiaries	-	(2,404.49)
(Increase)/ decrease in fixed deposit with a maturity more than 90 days	(18,820.15)	3,865.19
Sale proceeds of investments (net of expenses)	2,396.66	614.28
Decrease in loans/ advances to subsidiaries	1,494.18	324.42
Increase/ (decrease) in secured loans to employees	2.41	(8.02)
Interest received	672.51	849.34
Dividend received	13.06	9.54
Net cash (used in)/ generated from investing activities	(20,678.00)	861.21
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of capital (including premium)	267.20	13.44
Increase/ (decrease) in short term bank borrowings (net)	7,607.29	(1,737.94)
Proceeds from long term bank borrowings	3,733.15	-
Re-payment of long term bank borrowings	(1,152.71)	-
(Decrease)/ increase in other borrowings (net)	(19.78)	15.17
Short term borrowings from non convertible debentures	1,600.00	2,000.00
Re-payment of short term borrowings of non convertible debentures	(1,600.00)	(2,000.00)
Interest paid	(520.32)	(432.09)
Net cash (used in)/ generated from financing activities	9,914.83	(2,141.42)
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	925.70	(7,934.55)
Cash and cash equivalents at the beginning of the year	689.31	8,622.07
Effect of exchange (gain)/ loss on cash and cash equivalents	3.30	1.79
Cash and cash equivalents at the end of the year	1,618.31	689.31
Notes :		
Cash and cash equivalents include :		
Cash and cheques in hand and remittances in transit	101.74	68.05
With banks in :		
Current accounts	66.57	121.26
Deposit accounts	1,450.00	500.00
Cash and cash equivalents at the end of the year	1,618.31	689.31
Add: Restricted cash		
Fixed deposit pledged (restricted cash)	0.86	0.79
Unclaimed dividend	56.04	66.33
Fixed deposit more than 90 days	25,447.61	6,784.81
Cash and bank balances at the end of the year	27,122.82	7,541.24

Note: The above cash flow statement has been prepared under the indirect method set out in Accounting Standard 3 'Cash Flow Statement' specified in the Companies (Accounting Standards) Rules, 2006.

As per our report attached

For B S R & Co.
Chartered Accountants
Registration No.: 101248W

Vikram Aggarwal
Partner
Membership No. 089826

Place : Gurgaon
Dated : 22 February 2011

For and on behalf of the Board of Directors

Dr. Tsutomu Une
Chairman

Ranjit Kohli
Director - Global Accounts

Place : Gurgaon
Dated : 22 February 2011

Arun Sawhney
Managing Director

Sushil K. Patrawari
Company Secretary