

Cash Flow Statement for the year ended 31st March, 2004

	Year ended 31-03-2004 Rs. Crores	Year ended 31-03-2003 Rs. Crores
A. Cash Flow from Operating Activities		
Net Profit before Taxes and Extraordinary Items	734.27	676.94
Adjustments for:		
Depreciation	333.95	318.04
Interest Expenditure	265.85	308.27
Interest Income	(107.28)	(79.35)
Income from Trade Investments	(1.38)	(13.36)
Income from Subsidiaries	(1.06)	(2.03)
Income from Other Investments	(6.14)	(7.11)
Provision for diminution in value of Investments written back (Net)	(6.26)	(14.44)
Provision for doubtful deposits	1.27	—
Retiring Gratuities	10.07	8.45
Leave Encashment	3.90	4.47
Pension Scheme	2.33	4.84
Profit on Sale / Retirement of Assets (Net)	(3.48)	(5.38)
Loss on Exchange on loan repayments (Net)	5.13	8.50
Guarantee Fees for Loans	7.45	10.63
Profit on Sale of Investments (Net)	(35.28)	(30.37)
Surplus on buy-back of Euro Notes	—	(2.32)
Net increase in Foreign Currency Liabilities written off	95.08	90.63
Miscellaneous Expenditure written off	13.44	14.17
	577.59	613.64
Operating Profit before Working Capital Changes	1,311.86	1,290.58
Adjustments for:		
Trade & Other Receivables	193.42	(115.57)
Inventories	17.76	(5.02)
Trade Payables	(138.55)	135.15
	72.63	14.56
Cash Generated from Operations	1,384.49	1,305.14
Taxes Paid	(284.74)	(216.55)
Retiring Gratuities Paid	(6.42)	(4.28)
Leave Encashment Paid	(2.20)	(1.65)
Pension Paid	(1.18)	(0.72)
	(294.54)	(223.20)
Cash Flow before Extraordinary Items	1,089.95	1,081.94
Extraordinary Items	—	—
Net Cash from Operating Activities	1,089.95	1,081.94
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(254.18)	(367.97)
Sale of Fixed Assets	5.24	8.20
Purchase of Investments	(5,185.99)	(4,632.96)
Sale of Investments	4,950.53	4,502.08
Interest Received	117.09	67.88
Inter-corporate deposits / advances	331.06	(9.08)
Income from Trade Investments	1.38	13.36
Income from Subsidiaries	1.06	2.03
Income from Other Investments	10.27	3.06
	(23.54)	(413.40)
Net Cash used in Investing Activities	(23.54)	(413.40)
C. Cash Flow from Financing Activities		
Increase in Capital Contributions	*	—
Calls in Arrears Received	0.01	—
Proceeds from Borrowings	84.81	141.49
Repayment of Borrowings		
(Including premium on redemption of debentures Rs. 40.84 crores - Previous Year Rs. Nil)	(791.48)	(570.41)
Guarantee / Upfront Fees for Loans	(7.82)	(11.19)
Interest Paid	(282.16)	(310.73)
Dividend Paid	(127.78)	(98.30)
Additional Income-tax on Dividend Paid	(16.50)	—
	(1,140.92)	(849.14)
Net Cash used in Financing Activities	(1,140.92)	(849.14)
Net Decrease in Cash and Cash Equivalents	(74.51)	(180.60)
Cash and Cash Equivalents as at 1st April, 2003 (Opening Balance)	126.41	307.01
Cash and Cash Equivalents as at 31st March, 2004 (Closing Balance)	51.90	126.41

Notes: 1. Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised Rs. 0.87 crore (Previous Year Rs. 7.62 crores).

2. Cash and cash equivalents include:

Current Accounts with Scheduled Banks Rs. 29.54 crores (Previous Year Rs. 66.17 crores).

Term/Call Deposits with Scheduled Banks Rs. Nil (Previous Year Rs. 60.05 crores).

Cash and Cheques on Hand Rs. 22.36 crores (Previous Year Rs. 0.19 crore).

3. Purchase of Investments include purchase of shares in subsidiaries:

(a) Af-Taab Investment Company Limited Rs. 29.69 crores (Previous Year Rs. Nil).

(b) Tata Power Broadband Company Limited Rs. 0.10 crore (Previous Year Rs. Nil).

(c) Tata Power Trading Company Limited Rs. 2.00 crores (Previous Year Rs. Nil).

(d) Powerlinks Transmission Limited Rs. 66.94 crores (Previous Year Rs. Nil).

(e) Duncans North Hydro Power Company Limited Rs. 3.12 crores (Previous Year Rs. Nil).

4. Purchase of Investments include Rs. Nil (Previous Year Rs. 187.68 crores) and sale of Investments include Rs. Nil (Previous Year Rs. 7.36 crores) in respect of shares pertaining to North Delhi Power Ltd.

5. Previous year's figures have been restated, wherever necessary, to conform to this year's classification.

As per our report attached.

For S. B. BILLIMORIA & CO.
Chartered Accountants,

UDAYAN SEN
Partner.

Mumbai, 21st May, 2004.

For A. F. FERGUSON & CO.
Chartered Accountants,

R. A. BANGA
Partner.

B. J. SHROFF
Secretary.

Mumbai, 21st May, 2004.

For and on behalf of the Board,

F. A. VANDREVALA
Managing Director.

H. S. VACHHA
Director.