

Cash Flow Statement for the year ended 31st March, 2010

	Year ended 31-03-2010 Rs. Crores	Year ended 31-03-2009 Rs. Crores
A. Cash Flow from Operating Activities		
Net Profit before Taxes and Extraordinary Items	1,259.26	1,116.68
Adjustments for:		
Depreciation/Amortisation	477.94	328.85
Interest Expenditure	406.64	305.79
Interest Income	(116.08)	(102.78)
Dividend Income	(90.69)	(97.49)
Provision for doubtful debts/advances (Net)	8.55	(0.98)
Provision for diminution in value of investments written back (Net)	Nil	(0.78)
Provision for future foreseeable losses etc.	0.19	(2.40)
Provision for Warranties	2.33	0.77
Premium amortised on Bonds (Net)	0.20	1.22
Derivative Premium Charges	10.26	Nil
Guarantee Commission received from Subsidiaries	(1.03)	(2.94)
Provision in respect of Current Assets held for disposal	33.00	4.48
Loss on sale/retirement of Assets (Net)	1.28	0.88
Profit on settlement of Options/Swaps	Nil	(15.00)
Adjustment of expenses recoverable under tariff	(108.83)	Nil
Profit on Sale of Investments (Net)	(22.00)	(285.25)
Unrealised Exchange Gain (Net)	(36.67)	(176.61)
Miscellaneous Expenditure written off	Nil	4.88
	<u>565.09</u>	<u>(37.36)</u>
Operating Profit before Working Capital Changes	1,824.35	1,079.32
Adjustments for:		
Trade and Other Receivables	(362.08)	(196.10)
Inventories	54.78	(167.14)
Trade Payables and Provisions	54.09	52.37
	<u>(253.21)</u>	<u>(310.87)</u>
Cash Generated from Operations	1,571.14	768.45
Taxes Paid (including Fringe Benefit Tax) (Net)	(218.29)	(119.84)
Net Cash from Operating Activities	1,352.85	648.61
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets and CWIP	(916.31)	(1,487.17)
Sale of Fixed Assets	3.03	4.14
Purchase of Investments in Subsidiaries	(1,168.58)	(926.58)
Purchase of Investments in Joint Ventures / Associates	(17.93)	(17.07)
Purchase of Investments - Others	(9,101.42)	(8,832.47)
Sale of Investments	9,264.97	8,957.50
Interest Received	109.71	104.91
Inter-corporate Deposits (Net)	30.30	167.75
Shareholders Loan to Subsidiary	(172.00)	(289.02)
Dividend Received	90.29	97.49
Derivative Premium Charges Paid	(10.26)	Nil
Profit on settlement of Options/Swaps	15.00	Nil
Net Cash used in Investing Activities	(1,873.20)	(2,220.52)
C. Cash Flow from Financing Activities		
Increase in Capital Contributions	42.55	2.78
Proceeds from Borrowings	610.29	3,178.87
Repayment of Borrowings	(1,181.57)	(1,063.80)
Proceeds from Global Depository Receipt Issue	1,619.78	Nil
Global Depository Receipt Issue Expenses Paid	(3.18)	Nil
Proceeds from Issue of Foreign Currency Convertible Bonds (FCCB)	1,404.45	Nil
FCCB Issue Expenses Paid	(12.76)	Nil
Guarantee Commission received from Subsidiaries	1.03	2.94
Interest Paid	(401.65)	(273.40)
Dividend Paid	(253.46)	(233.21)
Additional Income-tax on Dividend Paid	(31.68)	(25.47)
Net Cash from Financing Activities	1,793.80	1,588.71
Net Increase in Cash and Cash Equivalents	1,273.45	16.80
Cash and Cash Equivalents as at 1st April, 2009 (Opening Balance)	45.50	28.70
Cash and Cash Equivalents as at 31st March, 2010 (Closing Balance)	1,318.95	45.50

(A + B + C)

Cash Flow Statement for the year ended 31st March, 2010 (Contd.)

Notes:

1. Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised Rs. 35.01 crores (Previous Year - Rs. 116.83 crores).
2. The following have been treated as non-cash transactions:
 - (a) Conversion of Foreign Currency Convertible Bonds (FCCB) to Equity Shares.
 - (b) Conversion of loan given to Trust Energy Pte. Limited to Equity Shares.
3. Cash and Cash Equivalents include:

- (i) Cash and Cheques on Hand (includes cheques on hand Rs. 2.25 crores, 31-03-2009 - Rs. 1.01 crore)
- (ii) Current Accounts with Scheduled Banks
- (iii) Current Accounts with Standard Chartered Bank - Singapore and Jakarta branches - Non Scheduled Bank
- (iv) Term Deposits with Scheduled Banks

Add: Unrealised Exchange Loss included in Cash and Cash Equivalents

	As at 31-03-2010 Rs. Crores	As at 31-03-2009 Rs. Crores
	21.46	1.16
	42.40	42.96
	3.11 !	1.38 !
	<u>1,210.67 !</u>	<u>* !</u>
	1,277.64	45.50
	41.31	Nil
	<u><u>1,318.95</u></u>	<u><u>45.50</u></u>

! In foreign currency.

4. Figures below Rs. 50,000 are denoted by '*'.
5. Previous year's figures have been regrouped, wherever necessary, to confirm to current year's classification.

In terms of our report attached.

For DELOITTE HASKINS & SELLS

Chartered Accountants

N.VENKATRAM

Partner

For and on behalf of the Board,

R. N. TATA

Chairman

PRASAD R. MENON

Managing Director

S. RAMAKRISHNAN

Executive Director

B. J. SHROFF

Secretary

Mumbai, 24th May, 2010.

Mumbai, 24th May, 2010.

