

Cash Flow Statement for the year ended 31st March, 2009

	Year ended 31-03-2009 Rs. Crores	Year ended 31-03-2008 Rs. Crores
A. Cash Flow from Operating Activities		
Net Profit before Taxes and Extraordinary Items	1,116.68	970.12
Adjustments for:		
Depreciation/Amortisation	328.85	290.50
Interest Expenditure	305.79	167.60
Interest Income	(102.78)	(100.87)
Dividend Income	(97.49)	(22.95)
Provision for doubtful debts/advances (Net)	(0.98)	(5.35)
Provision for diminution in value of Investments written back (Net)	(0.78)	Nil
Provision for future foreseeable losses etc.	(2.40)	1.31
Provision for Warranties	0.77	0.12
Premium/(Discount) amortised/accrued on Bonds (Net)	1.22	Nil
Guarantee Commission received from Subsidiaries	(2.94)	Nil
Provision in respect of Current Assets held for disposal	4.48	13.97
(Profit)/ Loss on sale/ retirement of Assets (Net)	0.88	(6.27)
(Profit)/ Loss on settlement of Options/ Swaps	(15.00)	42.09
Profit on sale of Investments (Net)	(285.25)	(342.02)
Unrealised Exchange Gain (Net)	(176.61)	(101.36)
Bad Debts	Nil	10.10
Miscellaneous Expenditure written off	4.88	5.01
	(37.36)	(48.12)
Operating Profit before Working Capital Changes	1,079.32	922.00
Adjustments for:		
Trade & Other Receivables	(196.10)	42.87
Inventories	(167.14)	(77.19)
Trade Payables and Provisions	52.37	191.08
	(310.87)	156.76
Cash Generated from Operations	768.45	1,078.76
Taxes Paid (including Fringe Benefit Tax) (Net)	(119.84)	47.49
Net Cash from Operating Activities	648.61	1,126.25
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets and CWIP	(1,487.17)	(1,201.29)
Sale of Fixed Assets	4.14	8.65
Purchase of Investments in Subsidiaries	(926.58)	(869.72)
Purchase of Investments in Joint Venture/ Associates	(17.07)	(187.76)
Purchase of Investments - others	(8,832.47)	(8,442.16)
Sale of Investments	8,957.50	8,781.71
Interest Received	104.91	128.99
Inter-corporate Deposits (Net)	167.75	(49.56)
Shareholders Loan to Subsidiary	(289.02)	(732.95)
Dividend received	97.49	22.95
Net Cash used in Investing Activities	(2,220.52)	(2,541.14)
C. Cash Flow from Financing Activities		
Increase in Capital Contributions	2.78	3.92
Issue of Shares/Share Warrants (including premium)	Nil	641.84
Proceeds from Borrowings	3,178.87	3,450.36
Repayment of Borrowings	(1,063.80)	(3,229.33)
Loss on settlement of Options/Swaps	Nil	(42.09)
Guarantee Commission received from Subsidiaries	2.94	Nil
Interest Paid	(273.40)	(152.94)
Dividend Paid	(233.21)	(197.29)
Additional Income-tax on Dividend Paid	(25.47)	(33.59)
Net Cash from Financing Activities	1,588.71	440.88
Net Increase/(Decrease) in Cash and Cash Equivalents	16.80	(974.01)
Cash and Cash Equivalents as at 1st April, 2008 (Opening Balance)	28.70	1,002.71
Cash and Cash Equivalents as at 31st March, 2009 (Closing Balance)	45.50	28.70

Cash Flow Statement for the year ended 31st March, 2009 (Contd.)

Notes:

1. Interest paid is exclusive of and purchase of Fixed Assets is inclusive of interest capitalised Rs. 116.83 crores (Previous Year - Rs. 57.16 crores).

2. Cash and Cash Equivalents include:

- (i) Cash and Cheques on Hand (includes cheques on hand Rs. 1.01 crore, Previous Year - Rs. 5.18 crores)
- (ii) Current Accounts with Scheduled Banks
- (iii) Current Accounts with Standard Chartered Bank - Singapore and Jakarta branches - Non-Scheduled Bank
- (iv) Term Deposits with Standard Chartered Bank - London - Non-Scheduled Bank

	As at 31-03-2009 Rs. Crores	As at 31-03-2008 Rs. Crores
	1.16	5.35
	42.96	23.01
	1.38!	0.34!
	*!	*!
	45.50	28.70

! In foreign currency.

3. Cash Flow from Financing Activities excludes non-cash transaction of conversion of FCCB to equity shares. (Refer Note 4 to the Notes forming part of the Accounts)

4. Figures below Rs. 50,000 are denoted by '*'

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

As per our report attached to the Balance Sheet.

For DELOITTE HASKINS & SELLS
Chartered Accountants

N. VENKATRAM
Partner

Mumbai, 28th May, 2009.

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, 28th May, 2009.