

Cash Flow Statement for the year ended 31st March, 2008

	Year Ended 31-3-2008 Rupees crores	Year Ended 31-3-2007 Rupees crores
A. Cash Flow from Operating Activities :		
Net Profit before tax	7,066.36	6,261.65
Adjustments for :		
Depreciation	834.61	819.29
(Profit)/Loss on sale of Assets/Discarded Assets written off	(28.26)	(11.19)
(Profit)/Loss on sale of current investments	(9.98)	(15.63)
Impairment of Assets	0.06	6.22
(Gain)/Loss on cancellation of forward covers/options	(124.30)	(82.69)
Provision for diminution in value of investments	—	0.10
Interest income	(50.33)	(77.35)
Income from investments	(170.67)	(324.16)
Interest charged to Profit and Loss Account	929.03	251.25
Amortisation of employee separation compensation	226.18	152.10
Provision for Wealth Tax	0.95	0.97
Contribution for sports infrastructure written off	150.00	—
Exchange (Gain)/Loss on revaluation of foreign currency loans	(743.60)	(222.10)
Amortisation of long term loan expenses	57.99	65.10
	<u>1,071.68</u>	<u>561.91</u>
Operating Profit before Working Capital Changes	8,138.04	6,823.56
Adjustments for :		
Trade and Other Receivables	(143.44)	(21.94)
Inventories	(272.00)	(158.22)
Trade Payables and Other Liabilities	806.34	512.04
	<u>390.90</u>	<u>331.88</u>
Cash Generated from Operations	8,528.94	7,155.44
Direct Taxes paid	(2,060.20)	(2,034.59)
Cash Flow before Exceptional Item	6,468.74	5,120.85
Employee Separation Compensation paid	(214.54)	(224.85)
Net Cash from Operating Activities	<u>6,254.20</u>	<u>4,896.00</u>
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(2,458.97)	(2,009.58)
Sale of fixed assets	63.88	17.85
Purchase of investments	(31,595.17)	(18,306.13)
Purchase of investments in Subsidiaries	(29,587.40)	(118.17)
Sale of investments	34,110.46	14,623.48
Intercorporate deposits	(85.80)	(20.00)
Interest received	63.75	58.89
Dividend received	170.67	324.16
Net Cash used in Investing Activities	<u>(29,318.58)</u>	<u>(5,429.50)</u>

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C. Cash Flow from Financing Activities :		
Issue of Equity Capital	4,881.45	1,393.20
Issue of Cumulative Convertible Preference Shares	5,472.52	—
Issue of Share Warrants	—	147.06
Capital contributions received	—	5.59
Proceeds from borrowings	17,632.70	8,043.69
Repayment of borrowings	(10,386.61)	(692.31)
Amount received on cancellation of forward covers/options	134.41	93.65
Long term loan expenses paid	(202.38)	(118.88)
Interest paid	(746.07)	(227.85)
Dividends paid	(937.95)	(717.69)
Net Cash from/(used in) Financing Activities	15,848.07	7,926.46
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	(7,216.31)	7,392.96
Opening Cash and Cash equivalents [See Schedule I, Page 161]	(v) 7,681.35	288.39
Closing Cash and Cash equivalents [See Schedule I, Page 161]	(vi) 465.04	(vi) 7,681.35

- Notes :**
- (i) Figures in brackets represent outflows.
 - (ii) Cash and cash equivalents include gain on foreign exchange revaluation of **Rs. 0.01** crore (31.03.2007 : loss of Rs. 224.09 crores).
 - (iii) Interest paid is exclusive of and purchase of fixed assets is inclusive of interest capitalised **Rs. 12.24** crores (31.03.2007 : Rs. 0.07 crores).
 - (iv) Investment in subsidiaries represents the portion of purchase consideration discharged in cash during the period and includes application money on investments **Rs. 29,587.40** crores (31.03.2007 : Rs. 118.17 crores).
 - (v) Includes **Rs. 7,225.94** crores ringfenced for a specific purpose.
 - (vi) Includes **Rs. 5.65** crores refund orders issued on account of over subscription of Rights Issue of Equity Shares not encashed as on 31st March, 2008.
 - (vi) Previous year figures have been recast/restated wherever necessary.

As per our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 26th June, 2008

J C BHAM
Company Secretary

For and on behalf of the Board

RATAN N TATA	Chairman
JAMES LENG	Dy. Chairman
NUSLI N WADIA	}
S M PALIA	
ISHAAT HUSSAIN	
JAMSHED J IRANI	
SUBODH BHARGAVA	
JACOBUS SCHRAVEN	
ANDREW ROBB	
T MUKHERJEE	Directors
PHILIPPE VARIN	
B MUTHURAMAN	Managing Director