

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

	Year Ended 31-3-2004 Rs. crores	Year Ended 31-3-2003 Rs. crores
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax	2665.96	1262.50
Adjustments for :		
Depreciation	625.11	555.48
(Profit)/Loss on sale of Assets/Discarded Assets written off	(32.17)	(21.27)
(Profit)/Loss on sale of investments	(14.93)	(4.62)
Provision for diminution in value of investments	18.37	0.43
Loss on cancellation of own debentures	13.69	—
Interest income	(21.31)	(34.05)
Dividend income	(98.34)	(23.25)
Interest charged to Profit and Loss Account	140.81	342.41
Miscellaneous Expenditure -		
Deferred Revenue Expenditure (amortised)	—	1.38
Miscellaneous Expenditure-Employee Separation		
Compensation (amortised)	230.83	229.57
Provision for Wealth Tax	0.70	0.60
Expenditure on Gopalpur Project Written off	—	43.00
Amount received on cancellation of swaps	—	(4.57)
Amortisation of long term loan expenses	5.82	3.83
	<u>868.58</u>	<u>1088.94</u>
Operating Profit before Working Capital Changes	3534.54	2351.44
Adjustments for :		
Trade and Other Receivables	364.73	148.88
Inventories	(96.13)	(24.28)
Trade Payables and Other Liabilities	305.98	124.07
	<u>574.58</u>	<u>248.67</u>
Cash Generated from Operations	4109.12	2600.11
Direct Taxes paid	(926.93)	(229.95)
Cash Flow before Exceptional Item	3182.19	2370.16
Employee Separation Compensation paid	(267.75)	(277.01)
<b>Net Cash from Operating Activities</b>	<u>2914.44</u>	<u>2093.15</u>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets	(960.33)	(451.23)
Sale of fixed assets	52.80	39.58
Purchase of investments	(4615.68)	(1773.26)
Investment in Subsidiaries	(1.55)	—
Sale of investments	3460.93	1368.20
Intercompany deposits	48.56	(27.55)
Interest received	24.99	30.54
Dividend received from subsidiary Companies	2.77	5.68
Dividend received from other Companies	95.57	17.57
	<u>(1891.94)</u>	<u>(790.47)</u>
<b>Exceptional Items :</b>		
Sale of long term investments	9.31	0.31
<b>Net Cash used in Investing Activities</b>	<u>(1882.63)</u>	<u>(790.16)</u>



**C. Cash Flow from Financing Activities :**

	Year Ended 31-3-2004 Rs. crores	Year Ended 31-3-2003 Rs. crores
Capital contributions received	0.41	20.66
Proceeds from borrowings	318.71	593.00
Repayment of borrowings	(1036.04)	(1281.27)
Interest Paid	(144.47)	(341.29)
Dividends paid	(292.80)	(145.53)
Amount received on cancellation of swaps	—	4.57
<b>Net Cash from Financing Activities</b>	<b>(1154.19)</b>	<b>(1149.86)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(122.38)</b>	<b>153.13</b>
<b>Cash and Cash equivalents as at 1st April, 2003 (Opening Balance)</b> [See Schedule I, Page 70]	<b>373.12</b>	<b>219.20</b>
<i>Add : Cash and Bank balances taken over on amalgamation of Tata SSL Ltd.</i>	—	0.79
<b>Cash and Cash equivalents as at 31st March, 2004</b> [See Schedule I, Page 70]	<b>250.74</b>	<b>373.12</b>

- Notes :** (i) Figures in brackets represent outflows.  
(ii) Interest paid is exclusive of, and purchase of Fixed Assets is inclusive of, interest capitalised **Rs. 3.44** crores (2002-2003 : *Rs. 9.76 crores*).  
(iii) Interest paid is net of **Rs. 86.31** crores reversed during the year for interest upto 31st March, 2003 in respect of loans from Steel Development Fund (SDF) which has been adjusted against the outstandings of loans from SDF.  
(iv) Proceeds from borrowing includes translation loss on foreign currency loans **Rs. 11.25** crores (31.3.2003 : *Rs. 60.69 crores*) which has been included in purchase of Fixed Assets.  
(v) Investment in Subsidiaries represents the portion of purchase consideration discharged in cash out of the total consideration of **Rs. 6.55** crores.  
(vi) Previous year figures have been recast/restated wherever necessary.

As per our report attached  
to the Balance Sheet

For A F FERGUSON & CO.,  
*Chartered Accountants,*  
A K MAHINDRA  
*Partner.*

For S B BILLIMORIA & CO.,  
*Chartered Accountants,*  
P R RAMESH  
*Partner.*

Mumbai, 20th May, 2004

J C BHAM  
*Company Secretary*

For and on behalf of the Board

RATAN N TATA	}	<i>Chairman</i>
KESHUB MAHINDRA		
NUSLI N WADIA	}	<i>Directors</i>
S M PALIA		
P K KAUL		
ISHAAT HUSSAIN		
JAMSHED J IRANI	}	<i>Executive Directors</i>
B MUTHURAMAN		
T MUKHERJEE		
A N SINGH		

**AUDITORS' CERTIFICATE**

To,  
The Board of Directors,  
The Tata Iron and Steel Company Ltd.,  
Bombay House, 24, Homi Mody Street,  
Fort, Mumbai - 400 001.

We have examined the attached Cash Flow Statement of The Tata Iron and Steel Company Limited for the year ended 31st March, 2004. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 20th May, 2004 to the members of the Company.

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

A K MAHINDRA  
*Partner.*  
Membership No. : 10296  
Mumbai, 20th May, 2004.

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

P R RAMESH  
*Partner.*  
Membership No. : 70928