

## Cash Flow Statement for the year ended 31st March, 2003

	Year Ended 31-3-2003 Rs. crores	Year Ended 31-3-2002 Rs. crores
<b>A. Cash Flow from Operating Activities :</b>		
Net Profit before tax	1,262.50	251.00
Adjustments for :		
Depreciation	555.48	524.75
(Profit)/Loss on sale of Assets/Discarded Assets written off	(21.27)	(27.68)
(Profit)/Loss on sale of investments	(4.62)	(22.83)
Provision for diminution in value of investments	0.43	17.82
Interest income	(34.05)	(31.22)
Dividend income	(23.25)	(49.62)
Interest charged to Profit and Loss Account	342.41	403.15
Miscellaneous Expenditure -		
Deferred Revenue Expenditure (amortised)	1.38	—
Miscellaneous Expenditure-Employee Separation Compensation (amortised)	229.57	227.02
Provision for Wealth Tax	0.60	0.60
Expenditure on Gopalpur Project Written off	43.00	—
Amount received on cancellation of swaps	(4.57)	—
	1,085.11	1,041.99
Operating Profit before Working Capital Changes	2,347.61	1,292.99
Adjustments for :		
Trade and Other Receivables	148.88	268.86
Inventories	(24.28)	(99.82)
Trade Payables and Other Liabilities	127.90	(55.08)
	252.50	113.96
Cash Generated from Operations	2,600.11	1,406.95
Direct Taxes paid	(229.95)	(63.47)
Cash Flow before Extraordinary Item	2,370.16	1,343.48
Employee Separation Compensation paid	(277.01)	(189.35)
<b>Net Cash from Operating Activities</b>	2,093.15	1,154.13
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of fixed assets	(451.23)	(534.95)
Sale of fixed assets	39.58	32.27
Purchase of investments	(1,773.26)	(794.62)
Sale of investments	1,368.20	657.02
Intercompany deposits	(27.55)	(3.49)
Interest received	30.54	33.94
Dividend received	23.25	49.62
	(790.47)	(560.21)
<b>Extraordinary Items :</b>		
Sale of long term investments	0.31	60.51
<b>Net Cash used in Investing Activities</b>	(790.16)	(499.70)

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

	Year Ended 31-3-2003 Rs. crores	Year Ended 31-3-2002 Rs. crores
Redemption of Preference Shares	—	(140.00)
Capital contributions received	20.66	1.77
Proceeds from borrowings	593.00	1,178.95
Repayment of borrowings	(1,281.27)	(1,143.35)
Interest Paid	(341.29)	(385.87)
Dividends paid	(145.53)	(185.96)
Amount received on cancellation of swaps	4.57	—
	<u>(1,149.86)</u>	<u>(674.46)</u>
<b>Net Cash from Financing Activities</b>	<b>(1,149.86)</b>	<b>(674.46)</b>
<b>Net increase/(decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>153.13</b>	<b>(20.03)</b>
<b>Cash and Cash equivalents as at 1st April, 2002 (Opening Balance)</b>	<b>219.20</b>	<b>239.23</b>
<b>Add : Cash and Bank balances taken over on amalgamation of Tata SSL Ltd.</b>	<b>0.79</b>	<b>—</b>
<b>Cash and Cash equivalents as at 31st March, 2003</b>	<b><u>373.12</u></b>	<b><u>219.20</u></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. 9.76** crores (2001-2002 : Rs. 16.01 crores).  
(iii) Proceeds from borrowing includes translation loss on foreign currency loans **Rs. 60.69** crores (31.3.2002 : Rs. 63.99 crores) of which **Rs. 60.69** crores (31.3.2002 : Rs. 63.99 crores) has been included in purchase of Fixed Assets.  
(iv) Previous Year figures have been recast/restated wherever necessary.

As per our report attached  
For A. F. FERGUSON & CO.,  
Chartered Accountants,  
A. K. MAHINDRA  
Partner.  
For S. B. BILLIMORIA & CO.,  
Chartered Accountants,  
Y. H. MALEGAM  
Partner.

Mumbai, 29th May, 2003

J.C. BHAM  
Company Secretary

Mumbai, 29th May, 2003

For and on behalf of the Board

RATAN N. TATA  
Chairman  
B. MUTHURAMAN  
Managing Director

**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, 2003. 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 29th May, 2003 to the members of the Company.

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

Mumbai, 29th May, 2003.

For S. B. BILLIMORIA & CO.,  
Chartered Accountants,  
Y. H. MALEGAM  
Partner.