

Cash Flow Statement for the year ended 31st March, 2007

	Year Ended 31-3-2007 Rupees crores	Year Ended 31-3-2006 Rupees crores
A. Cash Flow from Operating Activities :		
Net Profit before tax	6261.65	5239.96
Adjustments for :		
Depreciation	819.29	775.10
(Profit)/Loss on sale of Assets/Discarded Assets written off	(11.19)	(41.00)
(Profit)/Loss on sale of current investments	(15.63)	(9.95)
Impairment of Assets	6.22	—
Amount received on cancellation of forward covers/options	(82.69)	(37.73)
Provision for diminution in value of investments	0.10	—
Reversal of Impairment Loss	—	(3.33)
Interest income	(77.35)	(50.00)
Income from investments	(324.16)	(166.08)
Interest charged to Profit and Loss Account	251.25	174.51
Miscellaneous Expenditure - Employee Separation Compensation (amortised)	152.10	52.77
Provision for Wealth Tax	0.97	0.80
Amortisation of long term loan expenses	65.10	4.98
	<u>784.01</u>	<u>700.07</u>
Operating Profit before Working Capital Changes	7045.66	5940.03
Adjustments for :		
Trade and Other Receivables	(21.94)	(175.94)
Inventories	(158.22)	(302.35)
Trade Payables and Other Liabilities	512.04	139.60
	<u>331.88</u>	<u>(338.69)</u>
Cash Generated from Operations	7377.54	5601.34
Direct Taxes paid	(2034.59)	(1747.11)
Cash Flow before Exceptional Item	5342.95	3854.23
Employee Separation Compensation paid	(224.85)	(216.77)
Net Cash from Operating Activities	<u>5118.10</u>	<u>3637.46</u>
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(2007.68)	(1527.58)
Sale of fixed assets	17.85	44.00
Purchase of investments	(18306.13)	(8037.32)
Purchase of investments in Subsidiaries	(118.17)	(277.40)
Sale of investments	14623.48	7089.51
Intercompany deposits	(20.00)	—
Interest received	58.89	78.12
Dividend received	324.16	166.08
Net Cash used in Investing Activities	<u>(5427.60)</u>	<u>(2464.59)</u>

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C. Cash Flow from Financing Activities :		
Issue of Equity Capital	1393.20	—
Issue of Share Warrants	147.06	—
Capital contributions received	5.59	—
Proceeds from borrowings	8043.69	535.64
Repayment of borrowings	(916.31)	(758.96)
Amount received on cancellation of forward covers/options	93.65	43.76
Long term loan expenses	(118.88)	(57.97)
Interest paid	(227.85)	(180.21)
Dividends paid	(717.69)	(713.46)
Net Cash from/(used in) Financing Activities	7702.46	(1131.20)
Net increase/(decrease) in Cash and Cash equivalents (A+B+C)	7392.96	41.67
Opening Cash and Cash equivalents	288.39	246.72
[See Schedule I, Page 139]		
Closing Cash and Cash equivalents	7681.35	288.39
[See Schedule I, Page 139]	(vi)	

- Notes :** (i) Figures in brackets represent outflows.
- (ii) Proceeds from borrowing includes translation gain on foreign currency loans **Rs. 224.00** crores (2005-06 : translation Gain of Rs. 15.27 crores) out of which **Rs. 1.90** crores (2005-06 : Rs. 15.27 crores) has been included in purchase of Fixed Assets.
- (iii) Cash and cash equivalents include loss on foreign exchange revaluation of **Rs. 224.09** crores (31.3.2006 : Nil).
- (iv) Interest paid is exclusive of, and purchase of Fixed Assets is inclusive of, interest capitalised **Rs. 0.07** crore (2005-06 : Rs. 3.76 crores).
- (v) Investment in subsidiaries represents the portion of purchase consideration discharged in cash during the year out of the total consideration of **Rs. 118.17** crores (2005-06 : Rs. 707.71 crores).
- (vi) Includes **Rs. 7,225.94** crores (31.3.2006: Nil) ringfenced for a specific purpose.
- (vii) Previous year figures have been recast/restated wherever necessary.

As per our report attached
to the Balance Sheet
For DELOITTE HASKINS & SELLS
Chartered Accountants,

P R RAMESH
Partner.

Mumbai, 17th May, 2007

J C BHAM
Company Secretary

For and on behalf of the Board	
RATAN N TATA	Chairman
NUSLI N WADIA S M PALIA SURESH KRISHNA ISHAAT HUSSAIN JAMSHED J IRANI SUBODH BHARGAVA	} Directors
B MUTHURAMAN T MUKHERJEE A N SINGH	} Executive Directors