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## CASH FLOW STATEMENT

	For the year ended 31st March Notes	2008 Rs. Million	2007 Rs. Million
<b>A Cash Flow from Operating Activities</b>			
Net Profit Before tax and prior period items		24,719.12	28,879.48
<i>Adjustments for :</i>			
Depreciation		10,982.06	9,041.12
Interest		6,724.72	5,326.66
Foreign Exchange Fluctuations	Note 3	(1,158.79)	(971.95)
(Profit) / Loss on Sale of fixed assets		10.11	9.20
(Profit) / Loss on Sale of investments		(479.10)	421.69
Income from Investments		(5,046.85)	(3,372.47)
Dividend Received		(1,352.04)	(964.06)
Other Non-Cash items	Note 4	1,957.53	2,040.55
<b>Operating Profit before Working Capital Changes</b>		<b>36,356.76</b>	<b>40,410.22</b>
<i>(Invested in)/Generated from :</i>			
Trade Receivables		(925.88)	(2,541.93)
Other receivables		(39,646.38)	(3,724.91)
Inventory		(19,469.27)	3,729.31
Current Liabilities & Payables		34,880.61	13,988.66
<b>Cash generated from Operations</b>		<b>11,195.84</b>	<b>51,861.35</b>
Direct Taxes paid		(8,283.68)	(5,708.75)
<b>Cash flow before prior period items</b>		<b>2,912.16</b>	<b>46,152.60</b>
Prior Period Items		1,253.75	(1,203.04)
Non-Cash items		5.39	1,516.98
<b>Net Cash from Operating Activities</b>		<b>4,171.30</b>	<b>46,466.54</b>



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## CASH FLOW STATEMENT (CONTD.)

	For the year ended 31st March Notes	2008 Rs. Million	2007 Rs. Million
<b>B Net Cash Flow from Investing Activities</b>			
Purchase of fixed assets		(20,664.65)	(17,908.40)
Sale of fixed assets		375.30	35.12
Capital Grant Received		—	21.93
<i>(Investment)/Sale of Investment in Joint Venture Companies</i>			
Bharat Shell Ltd.		1,524.00	—
Central UP Gas Ltd.		(0.25)	(22.75)
Premier Oil Cachar BV		—	(1.04)
Sabarmati Gas Ltd.		—	(0.13)
Maharashtra Natural Gas Ltd.		—	(0.13)
Bharat Stars Services Pvt. Ltd.		(34.00)	—
Cochin International Airport Ltd.		—	(52.50)
Advance for Investments		(507.25)	(8,706.36)
Purchase of Investments		(47,205.53)	(52,493.55)
Sale of Investments		24,538.78	15,795.31
Income from Investment		5,082.04	3,372.47
Dividend Received		1,352.04	964.06
		<u>(35,539.52)</u>	<u>(58,995.97)</u>
<b>C Net Cash Flow from Financing Activities</b>			
Long term Borrowings		9,990.19	(3,643.23)
Repayment of loans		(1,490.35)	8,799.67
Interest paid		(6,344.58)	(5,095.65)
Interim Dividend Paid		—	(2,169.25)
Dividend Paid		(3,616.69)	(902.41)
Corporate Dividend Tax		(614.44)	(431.01)
Realised gains of exchange differences on foreign currency loans		98.51	205.41
<b>Net Cash Flow from Financing Activities</b>		<u>(1,977.36)</u>	<u>(3,236.47)</u>
<b>D Net Increase / (Decrease) in Cash and Cash equivalents (A+B+C)</b>		<u>(33,345.58)</u>	<u>(15,765.90)</u>



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## CASH FLOW STATEMENT (CONTD.)

Cash and Cash equivalents as at 31st March	Notes	2007	2006
		Rs. Million	Rs. Million
Cash in Hand		4,088.91	2,309.54
Cash at Bank		4,449.52	2,465.37
Cash in transit		101.25	146.05
Cash Credit from scheduled banks		(17,134.32)	(17,573.53)
CBLOs		(8,660.00)	(8,650.00)
Unsecured loans from scheduled banks / ICDs / CPs		(60,896.44)	(40,982.61)
		<u>(78,051.08)</u>	<u>(62,285.18)</u>
<b>Cash and Cash equivalents as at 31st March</b>		<b>2008</b>	<b>2007</b>
Cash in Hand		3,958.42	4,088.91
Cash at Bank		5,657.49	4,449.52
Cash in transit		—	101.25
Cash Credit from scheduled banks		(9,301.22)	(17,134.32)
CBLOs		(10,000.00)	(8,660.00)
Unsecured loans from scheduled banks / ICDs / CPs		(101,711.35)	(60,896.44)
		<u>(111,396.66)</u>	<u>(78,051.08)</u>
<b>Net change in Cash and Cash equivalents</b>		<b>(33,345.58)</b>	<b>(15,765.90)</b>

### Explanatory notes to Cash Flow Statement

1. The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Standard 3 prescribed by the Institute of Chartered Accountants of India.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. "Other Non-Cash items" include excess provisions written back, foreign exchange adjustments, diminution in value of investment, amortisation of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5. Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

As per our attached report of even date

Sd/-  
**ASHOK SINHA**  
Chairman and Managing Director

For and on behalf of  
**B.K. KHARE & CO.**  
Chartered Accountants

Sd/-  
**PADMINI KHARE KAICKER**  
Partner  
Membership No. 44784

Place: Mumbai  
Dated: 17th June, 2008