

Cash Flow Statement

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
A. Cash flow from Operating Activities		
Net profit before tax	947.80	1,339.15
Adjusted for:		
– Exceptional Items	–	(55.31)
– Depreciation, Amortisation and impairment	150.64	166.18
– Dividend Income	(296.84)	(478.51)
– Interest Income	(596.17)	(176.27)
– Interest & Finance Charges	256.44	203.92
– Unclaimed Liabilities written back	(3.99)	(4.84)
– (Profit) on Sale of Current Investment (Net)	(85.75)	(26.92)
– Loss on Sale/Discarding of Assets (Net)	0.47	0.57
– Bad Debts and advances Written Off	20.74	–
– Unrealised exchange Loss/(Gain) (Net)	(33.72)	104.59
– Gain on Mark to market of Current Investments	(20.54)	(31.61)
– Gain on Fair Valuation of deferred sales tax liabilities	(6.37)	(12.54)
– Gain on fair valuation of embedded derivatives	(58.66)	–
	(673.75)	(310.74)
Operating profit before working capital changes	274.05	1,028.41
Adjusted for:		
– Trade and other receivables	297.24	112.78
– Inventories	(587.14)	899.09
– Trade payables	49.08	79.95
	(240.82)	1,091.82
Cash generation from operations	33.23	2,120.23
Direct taxes paid/Refund received	(161.28)	(143.99)
Net cash flow (used in)/from Operating Activities	(128.05)	1,976.24
B. Cash flow used in Investing Activities		
Purchase of Fixed Assets & Capital Work in Progress	(329.78)	(104.64)
Sale of Fixed Assets	3.40	1.71
Purchase of Current Investments	(100,106.56)	(67,784.39)
Sale of Current Investments	100,830.07	68,540.61
Redemption/(Investment) of debentures & Equity Shares in subsidiaries (refer note 4)	109.74	68.57
Movement of loans (refer note 4)	(8,966.45)	(160.97)
Payment towards Share application money in subsidiary (refer note 4)	(400.00)	(1,335.00)
Interest Received	457.78	143.43
Dividend Received on Investments	296.84	478.51
Fixed Deposits held for more than three months placed	(2,188.95)	(1,670.00)
Fixed Deposits held for more than three months matured	1,670.00	–
Net cash flow (used in) Investing Activities	(8,623.91)	(1,822.17)

Cash Flow Statement continued

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
C. Cash flow from Financing Activities		
Net Proceeds from issue of share capital including Security Premium	7,734.60	–
Share issue expenses (net)	(81.72)	–
Interest and finance charges paid	(225.64)	(170.51)
Payment made towards Corporate Guarantees	–	(107.98)
Proceeds from long term loans	2,330.79	26.00
Repayment of long term loans	(33.47)	(75.60)
Short term loans (Net)	(600.95)	496.40
Dividend paid	(343.53)	(331.52)
Net Cash flow from/(used in) from Financing Activities	8,780.08	(163.21)
Net Increase/(decrease) in cash and cash equivalent	28.12	(9.14)
Opening balance of cash and cash equivalent	67.84	76.98
Closing balance of cash and cash equivalent	95.96	67.84
Add: Fixed Deposits held for more than three months	2,188.95	1,670.00
Closing Cash and bank balance as per schedule 9	2,284.91	1,737.84

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting standard-3 "Cash Flow Statement".
- 2) Cash and cash equivalent Includes amount lying in Margin money Account amounting to Rs. 6.03 Crore (Previous year Rs. 5.89 Crore) and matured Dividend/Debenture/Debenture Interest Accounts amounting to Rs. 5.03 Crore (Previous year Rs. 5.04 Crore).
- 3) The figures of previous year have been recast, rearranged and regrouped wherever considered necessary.
- 4) During the year, the Company has been allotted equity shares of Sterlite Energy Limited amounting to Rs. 17.49 Crore out of the total Share Application Money of Rs. 1,735 Crore and the balance share application money of Rs. 1,717.50 Crore has been converted into loan. The same has not been considered for the purpose of cash flow.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

D.D. Jalan
Whole Time Director

R Korla
Partner

Shyamak R. Tata
Partner

Kishore Kumar
Chief Executive Officer

Vinod Bhandawat
Chief Financial Officer

Rajiv Choubey
Company Secretary

Place : Mumbai

Dated : 26 April 2010