

**BHARAT SANCHAR NIGAM LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011**

PARTICULARS	Year ended 31st March 2011	Year ended 31st March 2010
	(Rs. in Lakh)	(Rs. in Lakh)
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax but after Prior period and Extraordinary items	(657,881)	(219,748)
Adjustments for:		
Depreciation	972,543	919,679
Prior period depreciation	9,259	10,464
Utilization of General Reserve for leave encashment provision for earlier period	-	(33,186)
Utilization of Capital Reserve	(2,265)	(341)
Provision for Impairment in CWIP	1,268	558
Provision for Decommissioned Assets	6,638	(1,905)
Interest/Finance charges	38,986	35,161
Interest Income	(74,519)	(245,699)
Loss/(Profit) on Fixed Assets sold	(4,545)	(2,468)
Capitalization of Overheads	(58,555)	(63,428)
Operating profit before working capital changes	<b>230,929</b>	<b>399,087</b>
Adjustments for changes in working capital :		
- Change in Inventories	111,009	(48,575)
- Sundry Debtors	(158,325)	(2,403)
Loans and Advances	130,636	(305,762)
Current Liabilities	(2,077,214)	2205854
Change in Provisions	81,653	63727
Change in Remittances	(13,816)	(27,584)
<b>Cash from Operations Before Taxes</b>	<b>(1,926,057)</b>	<b>1,885,257</b>
Payment of Wealth Tax	(110)	(119)
Payment of Income Tax	(87,537)	(159,886)
Payment of FBT	-	(1,000)
<b>Net Cash generated from Operative Activities After Taxes</b>	<b>(1,782,775)</b>	<b>2,123,339</b>
<b>B. Cash flow from Investing activities:</b>		
Sale of Assets	159,504	128,798
Purchase of fixed assets	(858,291)	(2,950,337)
Capital Work in Progress	75,804	(104,217)
Investment in Retirement Benefits	(530,141)	-
Interest Received	159,748	247417
	<b>(993,376)</b>	<b>(2,678,339)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long term borrowings	-	-
Unsecured Loan Adjustment	18,868	(189,934)
Interest on Government Loan	(18,868)	(32,551)
Interest on deposits & Others	(8,181)	(1,605)
<b>Net cash used in financing activities</b>	<b>(8,181)</b>	<b>(224,090)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,784,332)</b>	<b>(779,090)</b>
<b>Opening Cash and cash equivalents</b>	<b>3,034,340</b>	<b>3,813,430</b>
<b>Cash and cash equivalents as at 31.03.2011</b>	<b>250,008</b>	<b>3,034,340</b>

<b>Cash and cash equivalents comprise</b>				
<b>Cash, Cheques and Drafts (in hand)</b>	1,987		2,257	
<b>Balances with banks</b>	248,021	<b>250,008</b>	3,032,083	<b>3,034,340</b>

**Notes:**

1. In the absence of adequate data regarding assets appearing in the deletions/adjustments column of the fixed assets schedule all deletions have been assumed to be cash sales.
2. In the absence of adequate details regarding unreconciled inter circle remittances with the subsidiary records, all the inter circle remittance have been treated as part of working capital changes.
3. Figures in bracket shows outflows.

**For and on behalf of Bharat Sanchar Nigam Limited**

As per report of even date.  
For **Sharma Goel & Co.**  
**Chartered Accountants**  
**FRN 000643N**

**R.K Upadhyay**  
**Chairman and Managing Director**

**Amar Mittal**  
**Partner**  
**M. No: 017755**

**R.K.Agarwal**  
**Director(CM)**

**Geeta Rau**  
**Executive Director (Finance)**

**Rajeev Singh**  
**General Manager (Corporate Accounts)**

**Place: New Delhi**  
**Date : 26th August 2011**

**H.C.Pant**  
**Company Secretary and Sr. General Manager (Legal)**