

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)	
A. Cash flow from operating activities:				
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)	888,810	(63,428)	618,835
Operating profit before working capital changes		230,929		399,087
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)	
Cash from Operations Before Taxes		(1,926,057)		1,885,257
Payment of Wealth Tax	(110)		(119)	
Payment of Income Tax	(87,537)		(159,886)	
Payment of FBT	-	(87,647)	(1,000)	(161,005)
Net Cash generated from Operative Activities After Taxes		(1,782,775)		2,123,339
B. Cash flow from Investing activities:				
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	(993,376)	247417	(2,678,339)
C. Cash flow from financing activities:				
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)	(8,181)	(1,605)	(224,090)
Net cash used in financing activities				
Net Increase/(Decrease) in Cash and Cash Equivalents		(2,784,332)		(779,090)
Opening Cash and cash equivalents		3,034,340		3,813,430
Cash and cash equivalents as at 31.03.2011		250,008		3,034,340

Cash and cash equivalents comprise
Cash, Cheques and Drafts (in hand)
Balances with banks

1,987		2,257	
248,021	250,008	3,032,083	3,034,340

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)