

**BHARAT SANCHAR NIGAM LIMITED****Cash flow statement for the year ended 31 March 2015***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2015	For the year ended 31 <sup>st</sup> March 2014
<b>A. Cash flow from operating activities</b>		
Loss before tax	(884,342)	(712,419)
Adjustments for :		
Depreciation and amortisation-Current year	881,680	602,317
Depreciation and amortisation-Prior period	6,859	9,063
Finance costs	50,189	21,799
Wealth tax	78	84
Interest income	(7,413)	(6,888)
Profit on sale of fixed assets (net)	(3,234)	(3,817)
Capitalisation of overheads	(37,020)	(43,421)
Write off and losses other than bad debts	30,046	22,534
Bad-debt provision other than services	735	832
Write off of unrecovered service tax	3,774	1,286
Bad-debt written off	22,941	25,684
Provision for doubtful debts and disputed bills	26,966	53,953
Excess provision written back	(67,692)	(91,985)
Write back of long-term borrowings	(72,000)	-
Adjustment of grant in aid	(4,540)	(4,596)
<b>Operating profit/loss before working capital changes</b>	<b>(52,973)</b>	<b>(125,574)</b>
<b>Adjustment for :</b>		
(Increase)/ decrease in inventories	(19,735)	18,951
Decrease/(increase) in trade receivables	10,450	(86,517)
Decrease in other receivables (current and non-current)	137,405	127,296
Decrease/(increase) in other payables (current and non-current)	51,508	(45,322)
Decrease/(increase) in provisions	(60,573)	50,311
Decrease in remittances	29,225	15,921
Cash generated from operating activities	<b>95,307</b>	<b>(44,934)</b>
Wealth tax paid	(82)	(85)
Direct tax (paid)/refunded	(35,202)	149,601
Net cash generated from operating activities	<b>60,023</b>	<b>104,582</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(410,660)	(479,357)
Proceeds from sale of fixed assets	158,243	248,789
Interest received	7,429	7,058

Proceeds from/(investment in) earmarked deposits with bank	123	(750)
<b>Net cash used in investing activities</b>	<b>(244,865)</b>	<b>(224,260)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from term loan	5,619	–
Increase in short term borrowing (net)	259,018	117,739
Interest paid	(50,391)	(21,741)
<b>Net cash generated from financing activities</b>	<b>214,246</b>	<b>95,998</b>
<b>Net increase/(decrease) in cash and cash equivalents (A + B + C)</b>	<b>29,405</b>	<b>(23,680)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>92,073</b>	<b>115,753</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>121,478</b>	<b>92,073</b>
<b>Components of cash and cash equivalents</b>		
Balance with bank	<b>109,514</b>	<b>85,256</b>
Cheques on hand	<b>8,266</b>	<b>4,473</b>
Cash on hand	<b>3,698</b>	<b>2,344</b>
<b>Total cash and cash equivalents (note 19)</b>	<b>121,478</b>	<b>92,073</b>

**Notes:**

- In the absence of adequate data regarding assets appearing in the deletions/adjustments column of note no. 13 of fixed assets, all deletions (except amount transferred as decommissioned assets) have been assumed to be cash sales.
- 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.
- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on 'Cash Flow Statement' specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- Figures in bracket show outflows.

**Notes 1 to 49 form an integral part of the financial statements.**

This is the cash flow statement referred to in our report of even date.

"for Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)"  
Chartered Accountants

Sd/-  
per **Anamitra Das**  
Partner

Place : New Delhi

Date : 18<sup>th</sup> September 2015

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

Sd/-  
**Anupam Shrivastava**  
Chairman and Managing Director

Sd/-  
Sujata Ray  
Director (HR)

Sd/-  
M.N.Punde  
General Manager (Corporate Accounts)

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