

BHARAT SANCHAR NIGAM LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

| PARTICULARS | Year ended 31st March 2010 | Year ended 31st March 2009 |
|---|----------------------------|----------------------------|
| | (Rs. in Lakh) | (Rs. in Lakh) |
| A. Cash flow from operating activities: | | |
| Net (loss)/profit before tax but after Prior period and Extraordinary items | (219,748) | 127,163 |
| Adjustments for: | | |
| Depreciation | 919,679 | 852,341 |
| Utilization of General Reserve for leave encashment provision for earlier period | (33,187) | - |
| Prior period depreciation | 10,464 | 4,189 |
| Interest/Finance charges | 35,161 | 44,325 |
| Interest Income | (245,699) | (388,504) |
| Loss/(Profit) on Fixed Assets sold | (2,468) | (2,165) |
| Debts / Advances Written off | 54,371 | 91,453 |
| Provision for Bad and Doubtful Debts | 67,161 | 85,640 |
| Excess provision written back | (80,353) | (117,014) |
| Prior Period item other than depreciation | 6,021 | 14,419 |
| Foreign Exchange Loss | (2,500) | 3,865 |
| Other Provision | 176,742 | 176,091 |
| Operating profit before working capital changes | 905,392 | 764,640 |
| Adjustments for changes in working capital : | | |
| - Inter Circle Remittance | (27,584) | (45,118) |
| - Sundry Debtors | (121,664) | (83,612) |
| - Other Receivables | (338,413) | (152,971) |
| - Trade and Other Payables | 2,205,401 | 326,506 |
| Cash generated from operations | 1,717,740 | 44,805 |
| | 2,403,384 | 936,608 |
| Taxes paid | (161,006) | (237,808) |
| Prior Period item other than depreciation | (6,021) | (14,419) |
| Net cash from operating activities | (167,027) | (252,227) |
| | 2,236,357 | 684,381 |
| B. Cash flow from Investing activities: | | |
| Inventories Purchased | (48,533) | (132,712) |
| Purchase of fixed assets | (3,016,422) | (860,242) |
| Capital Work in Progress | (102,619) | (226,409) |
| Proceeds from Sale of fixed assets | 128,798 | 36,597 |
| Interest Received | 247,418 | 438,952 |
| | (2,791,358) | (743,814) |
| C. Cash flow from financing activities: | | |
| Interest Paid | (34,155) | (41,901) |
| Repayment of Government Loan | (189,934) | - |
| Dividend Paid | - | (120,000) |
| Dividend Distribution Tax Paid | - | (20,394) |
| Net cash used in financing activities | (224,089) | (182,295) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (779,090) | (241,728) |
| Opening Cash and cash equivalents | 3,813,430 | 4,055,158 |
| Cash and cash equivalents as at 31.03.2010 | 3,034,340 | 3,813,430 |
| Cash and cash equivalents comprise | | |
| Cash, Cheques and Drafts (in hand) | 2,257 | 2,415 |
| Balances with banks | 3,032,083 | 3,811,015 |
| | 3,034,340 | 3,813,430 |

Notes:

- 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.
- In the absence of adequate details regarding unreconciled inter circle remittances with the subsidiary records, the inter circle remittance have been treated as part of working capital changes.
- Figures in bracket shows outflows.

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

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

Kuldeep Goyal
Chairman and Managing Director

Amar Mittal
Partner
M. No: 017755

Gopal Das
Director (HRD)

S R Kapoor
Executive Director (Finance)

Arundati Panda
Sr. General Manager (Corporate Accounts)

Place: New Delhi
Date : 30th July 2010

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