

BHARAT SANCHAR NIGAM LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2008				
PARTICULARS	Year ended 31st March 2008		Year ended 31st March 2007	
	(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		445,155		815,381
Adjustments for:				
Depreciation	969,610		914,931	
Prior period depreciation	5,106		8,288	
Interest/Finance charges	86,254		77,941	
Interest Income	(403,324)		(281,123)	
Loss/(Profit) on Fixed Assets sold	(2,002)		(800)	
Debts / Advances Written off	70,926		35,340	
Provision for Bad and Doubtful Debts	47,899		127,875	
Excess provision written back	(80,829)		(21,676)	
Prior Period item other than depreciation	(8,565)		1,276	
Other Provision	147,595	832,670	102,518	964,570
Operating profit before working capital changes		1,277,825		1,779,951
Adjustments for changes in working capital :				
- Inter Circle Remittance	38,837		(12,229)	
- Sundry Debtors	(62,838)		(131,465)	
- Other Receivables	(54,335)		(67,776)	
- Trade and Other Payables	65,923	(12,413)	(685)	(212,155)
<b>Cash generated from operations</b>		1,265,412		1,567,796
-Taxes paid	(175,793)		(152,524)	
- Prior Period item other than depreciation	8,565	(167,228)	(1,276)	(153,800)
<b>Net cash from operating activities</b>		1,098,184		1,413,996
<b>B. Cash flow from Investing activities:</b>				
Inventories Purchased	(76,049)		24,723	
Purchase of fixed assets	(717,309)		(815,313)	
Capital Work in Progress	(9,231)		125,505	
Proceeds from Sale of fixed assets	50,319		107,795	
Interest Received	379,785		230,602	
<b>Net cash used in investing activities</b>		(372,485)		(326,688)
<b>C. Cash flow from financing activities:</b>				
Proceeds from long term borrowings	(300,000)		(174,027)	
Interest Paid	(1,767)		(77,700)	
Interim Dividend Paid	(30,000)		(50,000)	
Dividend Paid	(67,500)		(80,000)	
Dividend Distribution Tax Paid	(16,570)		(18,233)	
<b>Net cash used in financing activities</b>		(415,837)		(399,960)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		309,862		687,348
<b>Opening Cash and cash equivalents</b>		3,745,296		3,057,948
<b>Cash and cash equivalents as at 31.03.2008</b>		4,055,158		3,745,296
<b>Cash and cash equivalents comprise</b>				
<b>Cash, Cheques and Drafts (in hand)</b>	2,569		2,704	
<b>Balances with banks</b>	4,052,589	4,055,158	3,742,592	3,745,296

**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 remittances have been treated as part of working capital changes.
- Figures in bracket shows outflows.

As per report of even date.  
For **Thakur, Vaidyanath Aiyar & Co.**  
Chartered Accountants

**M.P.Thakur**  
Partner  
M. No: 52473

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

Kuldeep Goyal  
(Chairman and Managing Director)

S.D. Saxena  
Director (Finance)

P.K.Purwar  
Deputy Director General (Corporate Accounts)

Place: New Delhi  
Date : 25th July, 2008

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