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BHARAT PETROLEUM CORPORATION LIMITED
CASH FLOW STATEMENT

<i>For the year ended 31st March</i>	-	2007	2006
	Notes	Rs. Million	Rs. Million
A <u>Cash Flow from Operating Activities</u>	-	-	-
Net Profit Before tax and prior period items		28,879.48	3,906.01
<i>Adjustments for :</i>			
Depreciation		9,041.12	7,680.06
Interest paid		4,773.52	2,474.14
Foreign Exchange Fluctuations	Note 3	(418.81)	490.21
(Profit) / Loss on Sale of fixed assets		9.20	(35.07)
(Profit) / Loss on Sale of investments		421.69	4.70
Income from Investments		(3,372.47)	(666.25)
Dividend Received		(964.06)	(1,118.47)
Other Non-Cash items	Note 4	2,040.55	636.47
Operating Profit before Working Capital Changes		40,410.22	13,371.80
<i>Invested in :</i>			
Trade Receivables		(2,541.93)	6,099.56
Other receivables		(3,724.91)	18,329.83
Inventory		3,729.31	(14,037.92)
Current Liabilities & Payables		13,988.66	(8,663.46)
Cash generated from Operations		51,861.35	15,099.81
Direct Taxes paid		(5,708.75)	(1,638.39)
Cash flow before prior period items		46,152.60	13,461.42
Prior Period Items		(1,203.04)	165.94
Non Cash items		1,516.98	22.48



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Net Cash from Operating Activities	46,466.54	13,649.84

CASH FLOW STATEMENT (contd.)

	<i>For the year ended 31st March</i>		
	-	2007	2006
	Notes	Rs. Million	Rs. Million
B Net Cash Flow on Investing Activities	-	-	-
Purchase of fixed assets	Note 5	(17,908.40)	(19,945.49)
Sale of fixed assets		35.12	108.26
Capital Grant Received		21.93	-
<i>Investment in Joint Venture Companies</i>			
Petroleum India International		-	(6.60)
Central UP Gas Ltd.		(22.75)	-
Premier Oil Cachar BV		(1.04)	-
Sabarmati Gas Ltd.		(0.13)	-
Maharashtra Natural Gas Ltd.		(0.13)	-
Cochin Airport		(52.50)	-
Advance for Investments		(8,706.36)	(119.48)
Purchase of Investments		(52,493.55)	(34,715.10)
Sale of Investments		15,795.31	6,575.30
Income from Investment		3,372.47	666.25
Dividend Received		964.06	1,118.47
		(58,995.97)	(46,318.39)
	-	-	-
C Net Cash Flow on Financing Activities	-	-	-
	-	-	-
Long term Borrowings		(3,643.23)	1,649.34
Repayment of loans		8,799.67	(2,105.78)
Interest paid		(5,095.65)	(2,646.76)
Interim Dividend Paid		(2,169.25)	-
Dividend Paid		(902.41)	(2,684.54)



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Corporate Dividend Tax	(431.01)	(379.65)
Realised gains of exchange differences on foreign currency loans	205.41	(93.83)
Net Cash Flow on Financing Activities	(3,236.47)	(6,261.22)
Net Increase / (Decrease) in Cash and Cash equivalents	(15,765.90)	(38,929.77)
D (A+B+C)		

CASH FLOW STATEMENT (contd.)			
		2006	2005
	Notes	Rs. Million	Rs. Million
Cash and Cash equivalents as at 31st March			
Cash in Hand		2,309.54	1,550.89
Cash at Bank		2,465.37	1,912.84
Cash in transit		146.05	60.16
Cash Credit from scheduled banks		(17,573.53)	(7,258.13)
CBLOs		(8,650.00)	
Unsecured loans from scheduled banks / ICDs / CPs		(40,982.61)	(18,842.87)
		(62,285.18)	(22,577.11)
Cash and Cash equivalents as at 31st March of erstwhile			
KRL consequent to amalgamation		-	(778.30)
		(62,285.18)	(23,355.41)
Cash and Cash equivalents as at 31st March			
		2007	2006
Cash in Hand		4,088.91	2,309.54
Cash at Bank		4,449.52	2,465.37
Cash in transit		101.25	146.05
Cash Credit from scheduled banks		(17,134.32)	(17,573.53)
CBLOs		(8,660.00)	(8,650.00)
Unsecured loans from scheduled banks / ICDs / CPs		(60,896.44)	(40,982.61)
		(78,051.08)	(62,285.18)



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Net change in Cash and Cash equivalents	(15,765.90)	(38,929.77)
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Explanatory notes to Cash Flow Statement

1. The Cash Flow Statement is prepared in accordance with the format prescribed by Securities and Exchange Board of India and as per Accounting Standard 3 prescribed by the Institute of Chartered Accountants of India.
2. In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
3. The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
4. "Other Non-Cash items" include excess provisions written back, foreign exchange adjustments, diminution in value of investment, amortisation of Capital grant, Bad debts and materials written off and miscellaneous adjustments not affecting cash flow.
5. "Purchase of Fixed Assets" include reduction in liability of **Rs.5.90 million** (2005-06 - reduction in liability of Rs.3.06 million) arising on account of exchange rate variation during the year.
6. Figures of the previous year have been regrouped wherever necessary, to conform to current year's presentation.

For and on behalf of the Board of Directors

ASHOK SINHA

Chairman and Managing Director

Place:

Dated:

As per our attached report of even date

For and on behalf of

V. SANKAR AIYAR & CO.

Chartered Accountants

S. VENKATRAMAN

Partner

Membership No. 34319