

**BHARAT SANCHAR NIGAM LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

	SCHEDULE	For the Year ended 31st March 2009 (Rs. in Lakh)	For the Year ended 31st March 2008 (Rs. in Lakh)
<b>INCOME</b>			
Service Revenue and Other Operating Income	N	3,026,857	3,284,230
Other Income	O	554,335	520,453
		<u>3,581,192</u>	<u>3,804,683</u>
<b>EXPENDITURE</b>			
Employees' Remuneration and Benefits	P	1,136,323	880,891
Licence fee and Spectrum fee (Refer Note 13 on Schedule U)		264,635	315,213
Administrative, Operating and Other Expenses	Q	1,137,797	1,111,018
Financial Expenses	R	44,325	86,254
Depreciation	D	852,341	969,610
		<u>3,435,421</u>	<u>3,362,986</u>
<b>Profit before Prior period items</b>		<b>145,771</b>	<b>441,697</b>
Prior period items (Net)	S	-18,608	3,458
<b>Profit before taxation</b>		<b>127,163</b>	<b>445,155</b>
Current Tax		132,322	136,094
MAT Credit		0	-2,171
Deferred Tax		-66,569	6,448
Fringe Benefit Tax		3,800	3,700
Wealth Tax		125	145
<b>Profit for the year after taxation</b>		<b>57,485</b>	<b>300,939</b>
Appropriation :			
Interim Dividends on Equity Share Capital		0	30,000
Proposed Dividends:			
- On Equity Share Capital		0	52,500
- On Preference Share Capital		0	67,500
Tax on Dividends		0	25,493
Transfer to General Reserve		0	60,188
Surplus carried to Balance Sheet		<u>57,485</u>	<u>65,258</u>
		<u>57,485</u>	<u>300,939</u>
<b>Earnings Per Share (In Rs.)</b>			
Basic earnings per equity share (Refer Note 18 on Schedule U)		<b>1.15</b>	<b>4.44</b>

**Accounting Policies**

T

**Notes to Accounts**

U

The Schedules referred to above, form an integral part of the Profit and Loss Account.

As per our report of even date  
For **Sharma Goel & Co.**  
**Chartered Accountants**

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

(Amar Mittal)  
**Partner**  
M. No: 17755

**Kuldeep Goyal**  
(Chairman and Managing Director)

**Gopal Das**  
Director (HRD)

**P.K.Purwar**  
General Manager (Corporate Accounts)

Place : New Delhi  
Date : 30th July, 2009

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

**BHARAT SANCHAR NIGAM LIMITED**  
**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2009**

	SCHEDULE	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SOURCES OF FUNDS</b>			
<b>Shareholder's Funds</b>			
Capital	A	1,250,000	1,250,000
Reserves and Surplus	B	7,613,358	7,562,825
<b>Loan Funds</b>			
Unsecured Loans	C	341,384	338,887
<b>Deferred Tax Liability-Net</b> (Refer Note 19.1 on Schedule U)		64,484	131,053
		<u>9,269,226</u>	<u>9,282,765</u>
<b>APPLICATIONS OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	D	13,224,291	12,457,823
Less: Depreciation		<u>7,792,203</u>	<u>6,987,974</u>
Net Block		5,432,088	5,469,849
Capital Work-in-Progress	E	492,864	266,562
Decommissioned Assets	F	<u>4,644</u>	<u>389</u>
		5,929,596	5,736,800
<b>Investments</b>	G	20,000	20,000
<b>Current Assets, Loans and Advances</b>			
Inventories	H	457,258	322,006
Sundry Debtors	I	472,054	546,551
Cash and Bank Balances	J	3,813,430	4,055,158
Other Current Asset - Accrued interest		87,239	137,687
Loans and Advances	K	<u>944,880</u>	<u>744,441</u>
		5,774,861	5,805,843
<b>Less : Current Liabilities and Provisions</b>			
Current Liabilities	L	2,072,702	1,739,788
Provisions	M	<u>493,878</u>	<u>606,321</u>
		2,566,580	2,346,109
<b>Net Current Assets</b>		3,208,281	3,459,734
<b>Inter/Intra Circle Remittance</b> (Refer Note 14 on Schedule U)		<u>111,349</u>	<u>66,231</u>
<b>Total</b>		<u>9,269,226</u>	<u>9,282,765</u>

**Accounting Policies**

T

**Notes to Accounts**

U

The Schedules referred to above, form an integral part of the Balance Sheet.

As per our report of even date

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

For **Sharma Goel & Co.**

**Chartered Accountants**

**Kuldeep Goyal**  
(Chairman and Managing Director)

(Amar Mittal)

Partner

M. No: 17755

**Gopal Das**  
Director (HRD)

**P.K.Purwar**  
General Manager (Corporate Accounts)

Place : New Delhi  
Date : 30th July, 2009

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

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE A : CAPITAL</b>		
(Refer Note 2.2 on Schedule U)		
<b>Authorised</b>		
10,000,000,000 (P. Y.: 10,000,000,000) Equity Shares of Rs. 10/- each	1,000,000	1,000,000
7,500,000,000 (P.Y.: 7,500,000,000) Preference Shares of Rs. 10/- each	750,000	750,000
	<b>1,750,000</b>	<b>1,750,000</b>
<b>Issued , Subscribed and Paid Up</b>		
5,000,000,000 (P. Y. : 5,000,000,000) Equity Shares of Rs 10/- each fully paid up	500,000	500,000
7,500,000,000 (P. Y. : 7,500,000,000) 9% Non- Cumulative Preference Shares of Rs 10/- each fully paid up	750,000	750,000
	<b>1,250,000</b>	<b>1,250,000</b>

Notes: Out of the above Equity shares 4,999,998,400 Equity shares of Rs. 10/- each (P.Y. : 4,999,998,400) and 7,500,000,000 Preference Shares of Rs. 10/- each P.Y. : 7,500,000,000) were allotted as fully paid up for consideration other than cash

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE B : RESERVES AND SURPLUS</b>		
<b>Capital Reserves</b>		
As per last Balance Sheet	4,040,518	
Add: Assets recognised	(472)	
Less: Liabilities identified & transferred to liabilities (Refer Note 2.2 on Schedule U)	<u>6,480</u>	4,033,566
		4,040,518
<b>General Reserves</b>		
As per last Balance Sheet	463,270	
Add: Carried from P&L Account	<u>-</u>	463,270
		463,270
<b>Contingency Reserves</b>	200,000	200,000
<b>Surplus:</b>		
<b>Profit and Loss Account</b>		
As per last Balance Sheet	2,859,037	
Add: Carried from P&L account	<u>57,485</u>	2,916,522
		2,859,037
<b>Total</b>	<b>7,613,358</b>	<b>7,562,825</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE C : UNSECURED LOANS</b>		
Loan from Govt. of India (Non refundable & non interest bearing )	72,000	72,000
15 Year Government of India Loan (Refer Note 3 on Schedule U)	269,384	-
Interest accrued and due on the above Govt. loan (Refer Note 3 on Schedule U)	-	266,830
Deferred Payment Liabilities	-	57
<b>Total</b>	<b>341,384</b>	<b>338,887</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE E : CAPITAL WORK-IN-PROGRESS</b>		
(Refer Note 2.1 & 5 on Schedule U)		
Land	5	101
Buildings	25,435	16,465
Apparatus and Plants	185,982	86,454
Cables	140,040	99,541
Subscriber Installations	4,782	4,581
Lines and Wires	1,804	1,725
Electrical Fittings and Appliances	31,576	15,024
Computers	33,829	16,340
Masts and Aerials	68,428	27,701
Installation Test Equipments	3,067	828
Office Machinery and Equipments	225	73
Furniture and fittings	161	57
Motor Vehicle and Launches	12	-
Overheads awaiting allocation on the above components	919	966
	<u>496,265</u>	<u>269,856</u>
Less: Provision for Impairment in pending projects etc.	3,401	3,294
<b>Total</b>	<b><u>492,864</u></b>	<b><u>266,562</u></b>
	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE F : DECOMMISSIONED ASSETS</b>		
Decommissioned Assets	59,770	52,681
Less : Provision for diminution in the value of decommissioned assets	55,126	52,292
<b>Total</b>	<b><u>4,644</u></b>	<b><u>389</u></b>
	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE G : INVESTMENTS</b>		
<b>(At cost)</b>		
<b>(Long Term , Unquoted, Non-trade)</b>		
20,000,000 (P. Y. 20,000,000) 7% Redeemable Cumulative Preference Shares of Rs. 100/- each Fully Paid in ITI Limited (A Government of India owned company).	20,000	20,000
<b>Total</b>	<b><u>20,000</u></b>	<b><u>20,000</u></b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE H : INVENTORIES</b>		
(Refer item 7 of Schedule T and Note 6 on Schedule U)		
Building materials	305	344
Lines and Wires	15,395	14,696
Cables	149,346	132,359
Apparatus and Plants	214,607	120,566
Telephone and Telex Instruments	21,111	19,257
Telegraph and Telex Spares	128	150
Broad Band Equipments	16,384	10,632
Raw material (at Factory)	22,127	12,572
Finished goods (at Factory)	1,413	952
Finished Stock (at various Circles)	14,165	15,348
Other Stores	24,329	20,189
Excess/(Short) in Inventory Account	63	150
	479,373	347,215
Less: Provision for obsolete inventory/short inventory	22,115	25,209
<b>Total</b>	<b>457,258</b>	<b>322,006</b>

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
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**SCHEDULE I : SUNDRY DEBTORS**

(Refer Note 7 on Schedule U)

Debtors	658,587	762,157
Less: Provision for Doubtful debts (Refer accounting policy 2 (a) of Schedule T)	399,712	427,771
	258,875	334,386
Accrued Revenue (Bills not raised)	213,179	212,165
<b>Total</b>	<b>472,054</b>	<b>546,551</b>

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
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**SCHEDULE J : CASH AND BANK BALANCES**

(Refer Note 10 on Schedule U)

Cash and Cheques in hand	2,415	2,569
Balances with Scheduled banks		
- Current Account	277,245	147,508
- Deposit Account	3,533,770	3,905,081
<b>Total</b>	<b>3,813,430</b>	<b>4,055,158</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE K : LOANS AND ADVANCES</b>		
(Refer Note 8 on Schedule U)		
Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in kind or for value to be received	186,080	135,497
Capital Advance	37,222	26,079
Amount recoverable from DoT on Current Account	105,101	96,946
Claims recoverable from other Government departments	7,132	8,339
Claims recoverable from other Government companies	282,851	247,290
Claims recoverable from U.S.O. Administrator	72,674	36,772
Claims recoverable from others	13,614	9,141
Claims recoverable towards defence telecom projects (Net of advances)	8,145	54,262
Advance Income Tax	279,147	178,779
(Net of provision for tax Rs. 700649 Lakh ( P.Y. Rs. 568,331 lakh)		
Advance Fringe Benefit Tax	4,898	3,698
(Net of provision for FBT Rs. 15300 lakh (P.Y. Rs.11,500 lakh)		
MAT credit receivable	21,641	21,641
Excise Duty, Cenvat & Service Tax Recoverable	80,473	49,243
Sales Tax Recoverable	8,317	7,887
	1,107,295	875,574
Less: Provision for doubtful items	162,415	131,133
<b>Total</b>	<b>944,880</b>	<b>744,441</b>
	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE L : CURRENT LIABILITIES</b>		
Sundry Creditors	795,292	606,327
(including Rs. 87 lacs dues to MSMEs) (P.Y. Rs. 5,864 lacs)		
(Refer note no. 25 (d) on Schedule U)		
Advances received from Customers and others	65,889	32,802
Deposits from Customers and others	558,034	582,676
Income received in advance against services	66,802	48,569
Claims payable to DoT	27,581	37,610
Claims payable to departments of Govt. of India	19,185	19,176
Claims payable to Government companies	98,145	79,094
Licence Fee, Spectrum charges and Transponder charges payable	(746)	4,662
(Refer Note 13 on Schedule U)		
Excise Duty payable	133	141
Payable for revised wages	213,758	121,318
Salary & Incentive payable to employees	86,456	83,679
Payable to SAARC Countries (Refer Note 12.3 on Schedule U)	110	251
Liabilities for services	75,112	63,730
Liabilities for Construction account	1,201	1,128
Claims Payable for USO Tower	3,330	80
Other Provisions for expenses	39,450	41,780
Other liabilities	19,859	13,524
Interest accrued but not due on Deposits	3,111	3,241
<b>Total</b>	<b>2,072,702</b>	<b>1,739,788</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March 2009 (Rs. in Lakh)	As at 31st March 2008 (Rs. in Lakh)
<b>SCHEDULE M : PROVISIONS</b>		
Provision for Wealth Tax	418	415
Provision for Tax on Dividend	-	20,395
Proposed Dividend	-	120,000
Provision for Leave Encashment	489,496	461,007
Provision for Gratuity liability (Refer Note 11.3 on Schedule U)	3,964	4,504
<b>Total</b>	<b>493,878</b>	<b>606,321</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>For the Year ended 31st March 2009 (Rs. in Lakh)</b>	<b>For the Year ended 31st March 2008 (Rs. in Lakh)</b>
<b>SCHEDULE N : Service Revenue and Other Operating Income</b>		
Telephones (other than WLL)	917,342	1,266,837
Cellular	982,795	1,053,006
Wireless in Local Loop (WLL)	63,643	61,796
Income from Broad Band Services	175,622	91,596
Leased line	96,020	75,732
Value Added Services	82,189	58,764
Installation / Reconnection Charges	52,858	40,924
Surcharge on delayed payments	12,327	16,759
Telegraph & Telex	1,351	1,836
Receipt from other operators	430,461	565,562
Other Operating Income	207,489	46,721
Miscellaneous Services	4,760	4,697
<b>Total</b>	<b>3,026,857</b>	<b>3,284,230</b>

	<b>For the Year ended 31st March 2009 (Rs. in Lakh)</b>	<b>For the Year ended 31st March 2008 (Rs. in Lakh)</b>
<b>SCHEDULE O : OTHER INCOME</b>		
Interest		
- On deposits in Banks *	384,505	400,428
- Others	3,999	2,895
Profit on sale of Assets	2,165	2,002
Liquidated Damages	21,537	13,026
Excess provision written back	117,014	80,829
Rent of Staff Quarters	1,296	1,247
Sale of Scrap	4,339	5,405
Others including sale of Directories, Publications, Forms, Waste Paper etc.	18,840	14,621
Misc. Income from USO Towers	640	-
<b>Total</b>	<b>554,335</b>	<b>520,453</b>

\* Includes TDS: Rs. 104,808.03 lakh (P.Y. Rs. 81,445.97 lakh)

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>For the Year ended 31st March 2009 (Rs. in Lakh)</b>	<b>For the Year ended 31st March 2008 (Rs. in Lakh)</b>
<b>SCHEDULE P : EMPLOYEES REMUNERATION AND BENEFITS</b>		
Salaries, Wages, Incentives & Allowances	945,196	726,121
Leave Encashment (including provisions)	49,905	55,776
Pension Contribution (Refer Note 11 on schedule U)	128,839	82,115
Contribution to Employees' Provident Fund and Gratuity (incl. provisions)	11,753	7,166
Leave Salary Contribution	71	636
Medical Expenses	43,122	41,683
Staff Welfare Expenses	2,885	2,546
	<u>1,181,771</u>	<u>916,043</u>
<b>Less:</b> Allocated to Capital Work-in-Progress/W.I.P.	45,448	35,152
<b>Total</b>	<b><u>1,136,323</u></b>	<b><u>880,891</u></b>

	<b>For the Year ended 31st March 2009 (Rs. in Lakh)</b>	<b>For the Year ended 31st March 2008 (Rs. in Lakh)</b>
<b>SCHEDULE Q : ADMINISTRATIVE, OPERATING AND OTHER EXPENSES</b>		
Rent	26,357	24,347
Rates and Taxes	5,624	5,667
Power and Fuel	177,997	160,661
Insurance	1,082	251
Repairs and Maintenance		
-Buildings	29,013	28,075
-Plant and Machinery	72,590	64,420
-Cables	42,666	37,557
- Others	4,115	4,024
Professional and Consultancy charges	2,992	3,503
Printing and Stationery	10,370	12,311
Lease Rent	323	772
Commission on Franchise Services	46,118	168,216
Transponder Charges	9,731	8,920
Bank charges	684	1,078
Advertisement	2,280	2,379
Business Promotion and marketing Expenses	35,536	26,188
Social Responsibility expenses	501	--
Travel Expenses	15,883	15,307
Postage & Courier Charges	9,580	10,831
Security Services	32,992	28,929
Vehicle Running Expenses (Including hired vehicles)	20,539	19,679
IUC payable to other service providers	351,702	315,589
Expenditure on Services and other expenses	65,200	54,139
W/off & Losses other than Bad debts	22,853	42,781
Bad-Debt Provision other than services	2,014	7,708
Bad-Debt actually written off	68,601	28,145
Provision for doubtful debts and disputed bills	85,640	47,899
Foreign Exchange Fluctuation Loss/ (Gain) (Net)	3,865	(657)
Loss/(Profit) from Factories (Refer Note 6.2 on Schedule U)	(1,404)	(1,546)
Loss/(Profit) from Construction/Telecom services projects	(87)	(81)
	<u>1,145,357</u>	<u>1,117,092</u>
<b>Less:</b> Allocated to Capital Project Works/W.I.P.	7,560	6,074
<b>Total</b>	<b><u>1,137,797</u></b>	<b><u>1,111,018</u></b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>For the Year ended 31st March 2009 (Rs. in Lakh)</b>	<b>For the Year ended 31st March 2008 (Rs. in Lakh)</b>
<b>SCHEDULE R : FINANCIAL EXPENSES</b>		
Interest on Government Loan	43,154	84,521
Interest on Subscribers Deposit	1,031	1,626
Interest - Others	140	107
<b>Total</b>	<b>44,325</b>	<b>86,254</b>

	<b>For the Year ended 31st March 2009 (Rs. in Lakh)</b>	<b>For the Year ended 31st March 2008 (Rs. in Lakh)</b>
<b>SCHEDULE S : PRIOR PERIOD ITEMS</b>		
<b>Income</b>		
Excess income booked earlier now reversed	(11895)	6438
USO Subsidy	513	8425
<b>Total</b>	<b>(11382)</b>	<b>14863</b>

<b>Expenditure</b>		
Rent, Rates & Taxes	219	193
Repairs	186	(319)
Depreciation (Refer note 5 of Schedule D)	4189	5106
Interest	127	175
Other services	2811	5098
Expenditure booked earlier now reversed:		
- Salaries and Staff Expenses	(180)	291
- Power and Fuel	(2)	23
- Interconnect Usage Charges (IUC)	(80)	838
- USO Towers	(44)	
<b>Total</b>	<b>7226</b>	<b>11405</b>
<b>Net</b>	<b>(18608)</b>	<b>3458</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**

**SCHEDULE D: FIXED ASSETS**

(Refer Note 2.1 and 5 on Schedule U)

(Rs. in lakh)

Particulars	Gross Block				Depreciation				Closing Balance at 31st March 2009	Closing Balance as at 31st March 2008
	Opening Balance as at 1st April 2008	Additions During the year	Deletions	Closing Balance as at 31st March 2009	Opening Balance as at 1st April 2008	For the year (Refer note 5, 6 & 7)	Deductions/ adjustments	Closing Balance as at 31st March 2009		
	2	3	4	5=(2+3)-4	6	7	8	9=(6+7)-8	10 = (5 - 9)	11
<b>TANGIBLES</b>										
Land ( Free Hold )	106078	2007	5729	102356	461	44	352	153	102203	105,617
Land ( Lease Hold )	10402	4807	-35	15244	1057	656	-558	2271	12973	9,345
Buildings	690274	31516	1125	720665	186477	26458	-463	213398	507267	503,797
Apparatus & Plants	4702382	448274	60098	5090558	2559411	359502	34964	2883949	2206609	2,142,971
Motor Vehicle & Launches	15780	1297	655	16422	11822	1168	572	12418	4004	3,958
Cables	5251623	167175	7174	5411624	3247499	318037	3969	3561567	1850057	2,004,124
Lines & Wires	545145	3703	5926	542922	336920	28921	3981	361860	181062	208,225
Subscriber Installations	369239	44777	9080	404936	271628	50530	8555	313603	91333	97,611
Installation Test Equipments	38045	4875	867	42053	18850	3024	340	21534	20519	19,195
Masts & Aerials	284987	81123	1926	364184	106530	29585	603	135512	228672	178,457
Office Machinery & Equipments	18035	993	173	18855	9059	1343	71	10331	8524	8,976
Electrical Fittings	286351	57790	1098	343043	138797	25188	143	163842	179201	147,554
Furniture & Fixtures	18445	1831	48	20228	10610	1818	3	12425	7803	7,835
Computers	103735	7722	966	110491	83790	9283	795	92278	18213	19,945
<b>INTANGIBLES</b>										
Entry Licence Fees	2500	0	0	2500	646	125	0	771	1729	1,854
Softwares	14802	3408	0	18210	4417	1857	-17	6291	11919	10,385
<b>Total</b>	<b>12,457,823</b>	<b>861,298</b>	<b>94,830</b>	<b>13,224,291</b>	<b>6,987,974</b>	<b>857,539</b>	<b>53,310</b>	<b>7,792,203</b>	<b>5,432,088</b>	<b>5,469,849</b>
<b>Previous Year</b>	<b>11,864,901</b>	<b>716,812</b>	<b>123,890</b>	<b>12,457,823</b>	<b>6,071,511</b>	<b>975,444</b>	<b>58,981</b>	<b>6,987,974</b>	<b>5,469,849</b>	<b>5,793,390</b>

**Notes:-**

- In some cases, the title deeds of land purchased/acquired on leasehold/freehold from various authorities, are yet to be executed.
- Leasehold land to the extent identified by twenty eight circles (P.Y. Twenty five circles).
- Additions to the fixed assets include assets identified and taken over/reduced by the company in the current year, relating to DOT as on 01.10.2000 Rs. (47) Lakh (P.Y. Rs.1,224 lakh)
- Additions in Gross Block include Rs. 53,008 Lakh (P.Y. Rs. 41,226 lakh) of establishment & administrative expenses capitalised.
- The depreciation during the year includes Rs. 4,189 lakh (P.Y. Rs. 5,106 lakh) relating to prior period and the same has been included as prior period adjustment in P&L A/c.
- The current year depreciation include additional depreciation of Rs. 1,621 lakh (P.Y. Rs. 98,963 lakh) on subscriber installation due to application of revised rate effected in previous financial year .
- Depreciation for the year includes Rs. 1,009 lakh (P.Y. Rs.727 lakh) which has been capitalised.

**BHARAT SANCHAR NIGAM LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

PARTICULARS	Year ended 31st March 2009	Year ended 31st March 2008
	(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	127,163	445,155
Adjustments for:		
Depreciation	852,341	969,610
Prior period depreciation	4,189	5,106
Interest/Finance charges	44,325	86,254
Interest Income	(388,504)	(403,324)
Loss/(Profit) on Fixed Assets sold	(2,165)	(2,002)
Debts / Advances Written off	91,453	70,926
Provision for Bad and Doubtful Debts	85,640	47,899
Excess provision written back	(117,014)	(80,829)
Prior Period item other than depreciation	14,419	(8,565)
Foreign Exchange Loss	3,865	(657)
Other Provision	176,091	147,595
Operating profit before working capital changes	<b>891,803</b>	<b>1,277,168</b>
Adjustments for changes in working capital :		
- Inter Circle Remittance	(45,118)	38,837
- Sundry Debtors	(83,612)	(62,181)
- Other Receivables	(152,971)	(54,335)
- Trade and Other Payables	326,506	65,923
<b>Cash generated from operations</b>	<b>936,608</b>	<b>1,265,412</b>
Taxes paid	(237,808)	(175,793)
Prior Period item other than depreciation	(14,419)	8,565
<b>Net cash from operating activities</b>	<b>684,381</b>	<b>1,098,184</b>
<b>B. Cash flow from Investing activities:</b>		
Inventories Purchased	(132,712)	(76,049)
Purchase of fixed assets	(860,242)	(717,309)
Capital Work in Progress	(226,409)	(9,231)
Proceeds from Sale of fixed assets	36,597	50,319
Interest Received	438,952	379,785
	<b>(743,814)</b>	<b>(372,485)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long term borrowings	-	(300,000)
Interest Paid	(41,901)	(1,767)
Interim Dividend Paid	-	(30,000)
Dividend Paid	(120,000)	(67,500)
Dividend Distribution Tax Paid	(20,394)	(16,570)
<b>Net cash used in financing activities</b>	<b>(182,295)</b>	<b>(415,837)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(241,728)</b>	<b>309,862</b>
<b>Opening Cash and cash equivalents</b>	<b>4,055,158</b>	<b>3,745,296</b>
<b>Cash and cash equivalents as at 31.03.2009</b>	<b>3,813,430</b>	<b>4,055,158</b>
<b>Cash and cash equivalents comprise</b>		
<b>Cash, Cheques and Drafts (in hand)</b>	2,415	2,569
<b>Balances with banks</b>	3,811,015	4,052,589
	<b>3,813,430</b>	<b>4,055,158</b>

**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 **Sharma Goel & Co.**  
**Chartered Accountants**

(Amar Mittal)  
**Partner**  
M. No: 17755

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

**Kuldeep Goyal**  
**(Chairman and Managing Director)**

**Gopal Das**  
**Director (HRD)**

**P.K.Purwar**  
**General Manager (Corporate Accounts)**

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

**Place: New Delhi**  
**Date : 30th July, 2009**