

BHARAT SANCHAR NIGAM LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007.

	SCHEDULE	Year ended 31 st March 2007 (Rs. in Lakh)	Year ended 31 st March 2006 (Rs. in Lakh)
INCOME			
Income from Services	N	3,461,621	3,613,893
Other Income	O	509,890	403,765
		<u>3,971,511</u>	<u>4,017,658</u>
EXPENDITURE			
Employees' Remuneration and Benefits	P	730,897	742,063
Licence fee and Spectrum fee (Refer Note 13.1 on Schedule U)		331,169	352,305
Administrative, Operating and Other Expenses	Q	1,091,628	1,049,689
Financial Expenses	R	77,941	108,980
Depreciation	D	914,931	937,669
		<u>3,146,566</u>	<u>3,190,706</u>
Profit before Prior period items		824,945	826,952
Prior period items (Net)	S	-9,564	-40,549
Profit before Extraordinary items		815,381	786,403
Extraordinary items (Refer Note 13.4 on Schedule U)		-	58,296
Profit before taxation		815,381	844,699
Current Tax		96,229	80,130
MAT Credit		-19,470	-
Deferred Tax		-45,795	-134,002
Fringe Benefit Tax		3,700	4,100
Wealth Tax		130	501
Profit for the year after taxation		<u>780,587</u>	<u>893,970</u>
Appropriation :			
Interim Dividends on Equity Share Capital		50,000	37,500
Proposed Dividends:			
- On Equity Share Capital		-	12,500
- On Preference Share Capital		67,500	67,500
Tax on Dividends		18,484	16,479
Transfer to General Reserve		156,117	178,794
Surplus carried to Balance Sheet		488,486	581,197
		<u>780,587</u>	<u>893,970</u>
Earnings Per Share (In Rs.)			
Basic/Diluted earnings per equity share (Refer Note 18 on Schedule U)		14.03	15.28

Accounting Policies
Notes to Accounts

T
U

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

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

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

A.K.Sinha
(Chairman and Managing Director)

M.P.Thakur
Partner
M. No: 52473

S.D.Saxena
Director (Finance)

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

Place : New Delhi
Date :

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

BHARAT SANCHAR NIGAM LIMITED
BALANCE SHEET AS AT 31ST MARCH 2007.

	SCHEDULE	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SOURCES OF FUNDS			
Shareholder's Funds			
Capital	A	1,250,000	1,250,000
Reserves and Surplus	B	7,444,802	6,825,651
Loan Funds			
Unsecured Loans	C	554,366	728,393
Deferred Tax Liability-Net (Refer Note 19.1 on Schedule U)		124,605	170,400
Total		<u>9,373,773</u>	<u>8,974,444</u>
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block	D	11,864,901	11,169,203
Less: Depreciation		<u>6,071,511</u>	<u>5,150,354</u>
Net Block		5,793,390	6,018,849
Capital Work-in-Progress	E	256,860	382,048
Decommissioned Assets	F	<u>6,444</u>	<u>7,346</u>
		6,056,694	6,408,243
Investments	G	20,000	20,000
Current Assets, Loans and Advances			
Inventories	H	242,847	279,524
Sundry Debtors	I	622,986	630,205
Cash and Bank Balances	J	3,745,296	3,057,948
Other Current Asset - Accrued interest		114,148	63,627
Loans and Advances	K	<u>649,511</u>	<u>582,501</u>
		5,374,788	4,613,805
Less : Current Liabilities and Provisions			
Current Liabilities	L	1,667,919	1,652,585
Provisions	M	<u>514,858</u>	<u>507,858</u>
		2,182,777	2,160,443
Net Current Assets		3,192,011	2,453,362
Inter/Intra Circle Remittance (Refer Note 14 on Schedule U)		<u>105,068</u>	<u>92,839</u>
Total		<u>9,373,773</u>	<u>8,974,444</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 **Thakur, Vaidyanath Aiyar & Co.**
Chartered Accountants

M.P.Thakur
Partner
M. No: 52473

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

A.K.Sinha
(Chairman and Managing Director)

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Deputy Director General (Corporate Accounts)

Place : New Delhi
Date :

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

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE A : CAPITAL		
(Refer Note 2.2 on Schedule U)		
Authorised		
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
	1,750,000	1,750,000

Issued, Subscribed and Paid Up		
5,000,000,000 (P. Y. : 5,000,000,000) Fully paid up Equity Shares of Rs 10/- each	500,000	500,000
7,500,000,000 (P. Y. : 7,500,000,000) Fully paid up 9% Non- Cumulative Preference Shares of Rs 10/- each	750,000	750,000
	1,250,000	1,250,000

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 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE B : RESERVES AND SURPLUS		
Capital Reserves		
As per last Balance Sheet	4,071,880	
Less: Assets derecognised	9,674	
Less: Liabilities identified & transferred to liabilities (Refer Note 2.2 on Schedule U)	15,778	4,046,428
		4,071,880
General Reserves		
As per last Balance Sheet	248,478	
Transfer from P&L Account	156,117	404,595
		248,478
Contingency Reserves		
	200,000	200,000
Surplus:		
Profit and Loss Account		
As per last Balance Sheet	2,305,293	
Transfer from P&L account	488,486	2,793,779
		2,305,293
Total	7,444,802	6,825,651

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE C : UNSECURED LOANS		
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)	300,000	550,000
Interest accrued and due on the above Govt. loan (Refer Note 3 on Schedule U)	182,309	106,333
Deferred Payment Liabilities	57	59
Accrued interest due on the above	-	1
Total	554,366	728,393

Note :

1. Deferred payment liabilities represent arrangement mainly with cable suppliers with interest ranging from 12% to 15% p.a. payable over a period of 5 to 7 years.
2. Amount of deferred payment liability was due for payment in earlier years, however, since the party has filed a civil suit in the court neither interest has been provided for, nor payment has been made during last two years.

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE E: CAPITAL WORK-IN-PROGRESS (Refer Note 2.1 & 5 on Schedule U)		
Land	1	43
Buildings	20,336	24,657
Apparatus and Plants	89,162	167,736
Cables	106,361	127,232
Subscriber Installations	3,988	6,295
Lines and Wires	2,583	5,950
Electrical Fittings and Appliances	16,315	17,076
Computers	270	2,199
Mast and Aerials	20,170	30,273
Installation Test Equipments	489	665
Office Machinery and Equipments	156	214
Furniture and fittings	90	150
Motor Vehicle and Launches	10	5
Overheads awaiting distribution on the above components	1,175	2,578
	261,106	385,073
Less : Provision for long pending incomplete projects etc.	4,246	3,025
Total	256,860	382,048

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE F: DECOMMISSIONED ASSETS		
Decommissioned Assets	36,089	26,636
Less : Provision for diminution in the value of decommissioned assets	29,645	19,290
Total	6,444	7,346

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE G : INVESTMENTS (At cost)		
(Long Term , Unquoted, Non-trade)		
20,000,000 (P. Y. 20,000,000) 7% Fully Paid Redeemable Cumulative Preference Shares of Rs. 100/- each in ITI Limited (A Government of India owned company).	20,000	20,000
Total	20,000	20,000

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE H : INVENTORIES		
(Refer Note 6 on Schedule U)		
Building materials	466	365
Lines and Wires	16,354	16,822
Cables	106,839	129,481
Apparatus and Plants	83,342	92,454
Telephone and Telex Instruments	19,268	14,142
Telegraph and Telex Spares	149	63
Broad Band Equipments	1,168	1,426
Satellite Based Broadband Equipments	227	-
Raw material (at Factory)	11,108	8,890
Finished goods (at Factory)	1,078	1,266
Finished Stock (at various Circles)	15,932	17,303
Stores	13,016	12,415
Excess/Short in Inventory Account	2,186	601
	271,133	295,228
Less: Provision for obsolete inventory/short inventory	28,286	15,704
Total	242,847	279,524

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
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SCHEDULE I : SUNDRY DEBTORS

(Refer Note 7 on Schedule U)

Debtors	767,664	717,907
Less: Provision for Doubtful debts (Refer accounting policy 2 (a) of Schedule T)	447,033	372,386
	320,631	345,521
Accrued Revenue	302,355	284,684
Total	622,986	630,205

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
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SCHEDULE J : CASH AND BANK BALANCES

(Refer Note 10 on Schedule U)

Cash and cheques in hand	2,704	3,094
Balances with Scheduled banks		
- Current Account	147,251	186,941
- Deposit Account	3,595,341	2,867,913
Total	3,745,296	3,057,948

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE : K - LOANS AND ADVANCES		
(Refer Note 8 on Schedule U)		
Advances recoverable in Cash or in kind or for value to be received	196,971	148,579
Capital Advance	33,584	26,829
Amount recoverable from DoT on Current Account	95,954	114,003
Claims recoverable from other Government departments	10,649	13,033
Claims recoverable from other Government companies	202,268	201,674
Claims recoverable from others	11,924	15,306
Claims recoverable towards defence telecom projects (Net of advances)	8,327	-
Advance Income Tax (Net of provision for tax Rs. 432,233 lakh (P.Y. Rs. 336,004 lakh)	143,968	93,790
Advance Fringe Benefit Tax (Net of provision for FBT Rs. 7,800 lakh (P.Y. Rs. 4,100 lakh)	2,655	355
MAT credit receivable	19,470	-
Excise Duty, Cenvat & Service Tax Recoverable	29,088	37,428
Sales Tax Recoverable	6,164	5,566
	761,022	656,563
Less: Provision for doubtful items	111,511	74,062
Total	649,511	582,501

	As at 31 st March 2007 (Rs. in Lakh)	As at 31 st March 2006 (Rs. in Lakh)
SCHEDULE : L - CURRENT LIABILITIES		
Sundry Creditors	597,419	582,687
Advances received from Customers and others	24,176	6,116
Deposits from Customers and others	613,555	634,294
Income received in advance against services	39,027	33,450
Claims payable to DoT	48,521	54,091
Claims payable to departments of Govt. of India	12,469	13,310
Claims payable to Government companies	68,584	58,948
Licence Fee, Spectrum charges and Transponder charges payable (Refer Note 13 on Schedule U)	40,644	38,795
Excise Duty payable	3	35
Payable for revised wages	18,931	18,954
Salary & Incentive payable to employees	84,691	77,591
Payable to SAARC Countries (Refer Note 12.3 & 12.4 on Schedule U)	569	934
Liabilities for services	62,649	54,514
Other liabilities	16,252	35,571
Interest accrued but not due on Deposits	3,275	3,034
Other Provisions for expenses	37,154	40,261
Total	1,667,919	1,652,585

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March 2007 (Rs. in Lakh)	As at 31st March 2006 (Rs. in Lakh)
SCHEDULE : M - PROVISIONS		
Provision for Wealth Tax	413	400
Proposed Dividend	67,500	80,000
Provision for Tax on Dividend	11,472	11,220
Provision for phased out assets (Refer Note 5.4 on Schedule U)	10,523	10,595
Provision for leave encashment	422,839	405,153
Provision for Gratuity liability	2,111	490
Total	514,858	507,858

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31st March 2007 (Rs. in Lakh)	Year ended 31st March 2006 (Rs. in Lakh)
SCHEDULE : N - INCOME FROM SERVICES		
Telephones (other than WLL)	1,660,499	2,042,102
Cellular	926,463	643,372
Wireless in Local Loop (WLL)	56,805	48,166
Income from Broad Band Services	51,384	16,245
Circuits	51,268	53,152
Value Added Services	41,364	42,505
Installation / Reconnection Charges	32,812	37,862
Surcharge on delayed payments	19,857	19,695
Telegraph & Telex	1,896	2,379
Receipt from other operators	614,619	697,183
Other Services	4,654	11,232
Total	3,461,621	3,613,893

	Year ended 31st March 2007 (Rs. in Lakh)	Year ended 31st March 2006 (Rs. in Lakh)
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SCHEDULE : O - OTHER INCOME

Recoverable from Universal Service Fund (Refer Note 13.3 on Schedule U)	171,915	176,575
Interest		
- On deposits in Banks *	278,849	172,076
- Others	2,275	1,264
Profit on sale of Assets	800	851
Liquidated Damages	17,773	13,861
Excess provision written back	21,676	19,133
Rent of Staff Quarters	1,236	1,245
Sale of Scrap	4,233	3,371
Others including sale of Directories, Publications, Forms, Waste Paper etc.	11,080	15,091
Foreign Exchange Fluctuation Gain/(Loss) (Net)	53	298
Total	509,890	403,765

* Includes TDS: Rs 1,579.62 lakh, P.Y.: Rs. 34,065.35 lakh

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31 st March 2007 (Rs. in Lakh)	Year ended 31 st March 2006 (Rs. in Lakh)
SCHEDULE : P - EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Wages, Incentives & Allowances	639,683	604,282
Leave encashment	33,023	84,467
Pension Contribution (Refer Note 11 on schedule U)	53,185	55,607
Contribution to Employees' Providend Fund	3,844	2,620
Leave Salary Contribution	227	702
Medical Expenses	36,450	32,977
Staff Welfare Expenses	2,993	2,743
	<u>769,405</u>	<u>783,398</u>
Less: Allocated to Capital Work-in-Progress/W.I.P.	38,508	41,335
Total	<u>730,897</u>	<u>742,063</u>

	Year ended 31 st March 2007 (Rs. in Lakh)	Year ended 31 st March 2006 (Rs. in Lakh)
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SCHEDULE : Q - ADMINISTRATIVE, OPERATING AND OTHER EXPENSES

Rent	22,402	20,377
Rates and Taxes	5,019	3,379
Power and Fuel	152,250	135,764
Insurance	264	303
Repairs and Maintenance		
-Buildings	26,544	23,806
-Plant and Machinery	65,532	54,061
-Cables	32,352	25,814
- Others	4,838	2,232
Professional and Consultancy charges	3,174	2,790
Printing and Stationery	13,372	12,593
Lease Rent	538	386
Commission on Franchise Services	197,371	209,759
Transponder Charges	7,417	7,865
Bank charges	1,719	3,082
Advertisement	1,947	1,642
Travel Expenses	15,323	15,068
Postage & Courier Charges	12,854	12,455
Security Services	24,351	21,361
Vehicle Running Expenses (Including hired vehicles)	18,707	17,216
IUC payable to other service providers	268,494	213,889
W/off & Losses other than Bad debts	35,340	47,059
Expenditure on Services and other expenses	63,180	63,255
Provision for doubtful debts and disputed bills	127,875	159,518
Loss/(Profit) from Factories (Refer Note 6.2 on Schedule U)	(2,510)	2,179
Loss/(Profit) from Construction/Telecom services projects	(6)	0
	<u>1,098,347</u>	<u>1,055,853</u>
Less: Allocated to Capital Project Works/W.I.P.	6,719	6,164
Total	<u>1,091,628</u>	<u>1,049,689</u>

BHARAT SANCHAR NIGAM LIMITED
SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Year ended 31 st March 2007 (Rs. in Lakh)	Year ended 31 st March 2006 (Rs. in Lakh)
SCHEDULE : R - FINANCIAL EXPENSES		
Interest on Government Loan	75,976	106,333
Interest on Subscribers Deposit	1,809	2,459
Interest on Others	156	188
Total	77,941	108,980

	Year ended 31 st March 2007 (Rs. in Lakh)	Year ended 31 st March 2006 (Rs. in Lakh)
SCHEDULE : S - PRIOR PERIOD ITEMS		
Income		
Income from Services	10,609	-3,126
Excess income booked earlier now reversed	-7,034	-354
Total	3,575	(3,480)
Expenditure		
Salaries and Staff Expenses	364	2,078
Power and Fuel	23	47
Others	5,277	8,547
Repairs	1,368	1,021
Depreciation (Refer note 4 of Schedule D)	8,288	21,231
Interest	25	577
Expenditure booked earlier now reversed		
- Rent, Rates & Taxes	-1,069	135
-Interconnect Usage Charges (IUC)	-1,137	3,433
Total	13,139	37,069
Net	-9,564	-40,549

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 2007	Closing Balance as at 31st March 2006	
	Opening Balance as at 1st April 2006	Additions During the year	Deletions	Closing Balance as at 31st March 2007	Opening Balance as at 1st April 2006	For the year (Refer note 4)	Deductions/ adjustments			Closing Balance as at 31st March 2007
TANGIBLES										
Lands	115,105	1,153	640	115,618	681	88	(139)	908	114,710	114,424
Buildings	639,582	26,347	3,343	662,586	133,467	26,405	389	159,483	503,103	506,115
Apparatus & Plants	4,132,121	402,665	87,942	4,446,844	1,865,980	384,240	8,141	2,242,079	2,204,765	2,266,141
Motor Vehicle & Launches	14,660	1,141	541	15,260	10,343	1,119	268	11,194	4,066	4,317
Cables	4,890,867	184,894	7,339	5,068,422	2,527,244	377,100	1,784	2,902,560	2,165,862	2,363,623
Lines & Wires	543,779	10,843	4,228	550,394	272,246	38,455	1,220	309,481	240,913	271,533
Subscribers Installations	284,582	51,410	5,655	330,337	107,913	30,755	708	137,960	192,377	176,669
Installation Test Equipments	31,102	3,685	507	34,280	14,141	2,257	(400)	16,798	17,482	16,961
Mast & Aerials	177,299	66,055	2,746	240,608	50,313	22,058	(9,107)	81,478	159,130	126,986
Office Machinery & Equipments	15,569	1,531	142	16,958	6,415	1,441	5	7,851	9,107	9,154
Electrical Fittings	219,105	35,707	2,212	252,600	90,639	22,825	(1,112)	114,576	138,024	128,466
Furniture & Fittings	14,496	1,988	251	16,233	6,930	1,791	(69)	8,790	7,443	7,566
Computers	88,328	12,521	2,965	97,884	63,609	11,891	375	75,125	22,759	24,719
Subscriber Handsets	108	6	-	114	37	13	0	50	64	71
INTANGIBLES										
Licence fees	2,500	-	-	2,500	396	125	-	521	1,979	2,104
Software	-	14,263	-	14,263	-	2,657	-	2,657	11,606	-
Total	11,169,203	814,209	118,511	11,864,901	5,150,354	923,220	2,063	6,071,511	5,793,390	6,018,849
Previous Year	10,410,216	889,202	130,215	11,169,203	4,233,309	958,900	41,855	5,150,354	6,018,849	6,176,907

Notes:

1. In some cases, the title deeds of land purchased/acquired on leasehold/freehold from various authorities, are yet to be executed.
2. Land includes Leasehold land to the extent identified by nine circles (P.Y. nine circles) amounting to Rs. 2,961 lakh (P.Y. 8,113 lakh).
3. Additions to fixed assets include assets identified and taken over/reduced by the Company in the current year, relating to DOT as on 1.10.2000 Rs. 1,104 lakh - reduction (P.Y. Rs. 6,761 lakh - taken over)
4. The depreciation during the year includes Rs. 8,288 lakh (P.Y. Rs. 21,231 lakh) relating to the prior period and the same has been included as prior period adjustments in P&L A/c.
5. Additions in Gross Block include Rs.45,227 lakh (P.Y. Rs. 47,499 lakh) of expenses capitalised.
6. Depreciation during the year includes Rs. 6,798 lakh (P.Y. NIL) for permanent impairment of Apparatus & Plants (Rs. 5,057 lakh), Subscriber Installations (Rs. 1,684 lakh) & Installation Test Equipments (Rs. 57 lakh).

BHARAT SANCHAR NIGAM LIMITED				
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007				
PARTICULARS	Year ended 31st March 2007		Year ended 31st March 2006	
	(Rs. in Lakh)		(Rs. in Lakh)	
A. Cash flow from operating activities:				
Net (loss)/profit before tax but after Prior period and Extraordinary items		815,381		844,698
Adjustments for:				
Depreciation	914,931		937,669	
Prior period depreciation	8,288		21,231	
Interest/Finance charges	77,941		108,980	
Interest Income	(281,123)		(173,340)	
Loss/(Profit) on Fixed Assets sold	(800)		(851)	
Debts / Advances Written off	35,340		47,059	
Provision for Bad and Doubtful Debts	127,875		159,518	
Excess provision written back	(21,676)		(19,133)	
Prior Period item other than depreciation	1,276		19,320	
Extraordinary Items	-		(58,296)	
Other Provision	102,518	964,570	181,942	1,224,099
Operating profit before working capital changes		1,779,951		2,068,797
Adjustments for changes in working capital :				
- Inter Circle Remittance	(12,229)		1,663	
- Sundry Debtors	(131,465)		(94,637)	
- Other Receivables	(87,246)		(170,397)	
- Trade and Other Payables	(685)	(231,625)	145,474	(117,897)
Cash generated from operations		1,548,326		1,950,900
-Taxes paid	(152,524)		(118,971)	
- MAT Credit	19,470		-	
- Extraordinary Items	-		58,296	
- Prior Period item other than depreciation	(1,276)	(134,330)	(19,320)	(79,995)
Net cash from operating activities		1,413,996		1,870,905
B. Cash flow from Investing activities:				
Inventories Purchased	24,723		(54,539)	
Purchase of fixed assets	(815,313)		(882,441)	
Capital Work in Progress	125,505		78,066	
Proceeds from Sale of fixed assets	107,795		84,750	
Interest Received	230,602		124,081	
Net cash used in investing activities		(326,688)		(650,083)
C. Cash flow from financing activities:				
Proceeds from long term borrowings	(174,027)		(93,696)	
Interest Paid	(77,700)		(108,358)	
Interim Dividend Paid	(50,000)		(37,500)	
Dividend Paid	(80,000)		(97,500)	
Dividend Distribution Tax Paid	(18,233)		(18,933)	
Net cash used in financing activities		(399,960)		(355,987)
Net Increase/(Decrease) in Cash and Cash Equivalents		687,348		864,835
Opening Cash and cash equivalents		3,057,948		2,193,113
Cash and cash equivalents as at 31.03.2007		3,745,296		3,057,948
Cash and cash equivalents comprise				
Cash, Cheques and Drafts (in hand)	2,704		3,094	
Balances with banks	3,742,592	3,745,296	3,054,854	3,057,948
				-

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.

For and on behalf of Bharat Sanchar Nigam Limited

For Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

A.K.Sinha
(Chairman and Managing Director)

M.P.Thakur
Partner
M. No: 52473

S.D. Saxena
Director (Finance)

P.K.Purwar
Deputy Director General (Accounts)

Place: New Delhi
Date :

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