

BHARAT SANCHAR NIGAM LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004

	SCHEDULE	Year ended	Year ended
		31st March 2004	31st March 2003
		(Rs.000's)	(Rs.000's)
INCOME			
Income from Services	N	313,993,436	252,931,493
Other Income	O	25,192,467	5,994,525
		339,185,903	258,926,018
EXPENDITURE			
Employees' Remuneration and Benefits	P	63,766,311	62,660,305
Licence fee and Spectrum fee (Refer Note 12 on Schedule U)		37,130,795	34,315,833
Administrative, Operating and Other Expenses	Q	71,118,280	54,654,959
Financial Expenses	R	882,444	3,645,516
Depreciation	E	98,737,422	95,513,093
		271,635,252	250,789,706
Profit before Prior period adjustments and Extraordinary items		67,550,651	8,136,312
Prior period adjustments	S	(589,018)	(4,557,259)
Profit before Extraordinary items		66,961,633	3,579,053
Extraordinary items (Refer Note 12.2 on Schedule U)		23,000,000	23,000,000
Profit before taxation		89,961,633	26,579,053
Tax Expenses			
-Current Tax		20,451,999	2,043,265
-Deferred Tax		9,744,415	10,091,296
Profit after Taxation		59,765,219	14,444,492
Appropriation :			
Contingency Fund (Refer Note 14 on Schedule U)		20,000,000	-
Bonds Redemption Reserve		-	5,362,900
Dividend		2,812,500	2,500,000
Tax on Dividend		367,559	-
Surplus carried to Balance Sheet		36,585,160	6,581,592
		59,765,219	14,444,492
Earnings per Share			
Basic/Diluted earnings per equity share (Rupees)		11.95	2.89
(Refer Note 19 on Schedule U)			

Significant Accounting Policies

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Notes to Accounts

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This is the Profit and Loss Account referred to in our report of even date

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

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

V.P.Sinha
(Chairman and Managing Director)

Partner

For and on behalf of

Price Waterhouse

Chartered Accountants

S.D.Saxena
Director (Finance)

A.S.Ray
Deputy Director General (Corporate Accounts)

Place : New Delhi
Date : August 2004

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

BHARAT SANCHAR NIGAM LIMITED**BALANCE SHEET AS AT 31ST MARCH 2004**

	SCHEDULE	<u>As at 31st March 2004</u> (Rs.000's)	<u>As at 31st March 2003</u> (Rs.000's)
SOURCE OF FUNDS			
Shareholders' Funds			
Capital	A	125,000,000	125,000,000
Reserves and Surplus	B	505,183,259	434,218,011
Deferred Government Grant		7,200,000	7,200,000
Loan Funds			
Secured Loan	C	-	5,100,000
Unsecured Loans	D	75,376,842	78,864,381
Deferred Tax Liability-Net (Refer Note 15.1 on Schedule U)		48,033,540	38,289,125
Total		760,793,641	688,671,517
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	952,878,982	853,406,778
Less: Depreciation		324,262,136	223,305,948
Net Block		628,616,846	630,100,830
Capital Work-in-Progress	F	58,549,917	92,650,554
Decommissioned Assets		1,477,395	1,170,342
		688,644,158	723,921,726
Investment	G	2,000,000	2,000,000
Current Assets and Loans and Advances			
Inventories	H	23,437,496	30,532,810
Sundry Debtors	I	39,794,505	29,451,975
Cash and Bank Balances	J	115,574,751	34,396,844
Loans and Advances	K	97,040,202	68,085,928
		275,846,954	162,467,557
Less : Current Liabilities and Provisions			
Liabilities	L	149,280,684	173,100,827
Provisions	M	58,866,140	33,898,939
		208,146,824	206,999,766
Net Current Assets		67,700,130	(44,532,209)
Intra/Inter Circle Remittance (Refer Note 13 on Schedule U)		2,449,353	7,282,002
Total		760,793,641	688,671,517
Significant Accounting Policies	T		
Notes to Accounts	U		

This is the Balance Sheet referred to in our report of even date

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

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

Anupam Dhawan
Partner
For and on behalf of
Price Waterhouse
Chartered Accountants

V.P.Sinha
(Chairman and Managing Director)

S.D.Saxena
Director (Finance)

A.S.Ray
Deputy Director General (Corporate Accounts)

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

Place : New Delhi
Date : 26 August 2004