

BHARAT SANCHAR NIGAM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2005

	SCHEDULE	Year ended 31st March 2005 (Rs. in Lakh)	Year ended 31st March 2004 (Rs. in Lakh)
INCOME			
Income from Services	N	3,345,004	3,139,934
Other Income	O	264,005	251,925
		3,609,009	3,391,859
EXPENDITURE			
Employees' Remuneration and Benefits	P	841,845	637,663
Licence fee and Spectrum fee (Refer Note 12 on Schedule U)		337,717	371,308
Administrative, Operating and Other Expenses	Q	795,176	711,183
Financial Expenses	R	2,929	8,824
Depreciation	D	962,486	987,374
		2,940,153	2,716,352
Profit before Prior period adjustments and Extraordinary items		668,856	675,507
Prior period adjustments	S	-53,438	-5,890
Profit before Extraordinary items		615,418	669,617
Extraordinary items (Refer Note 12.3 on Schedule U)		176,590	230,000
Profit before taxation		792,008	899,617
Tax Expenses			
-Current Tax		78,816	204,520
-Deferred Tax		-175,933	97,444
-Wealth Tax (includes Rs. 722 lakh for earlier year)		992	-
-Excess Corporate tax provision written back		-130,196	-
Profit for the year after Taxation		1,018,329	597,653
Appropriation :			
Contingency Reserve		-	200,000
Interim Dividend		20,000	-
Proposed Dividend on Equity & Preference Capital		97,500	28,125
Tax on Dividend		16,288	3,676
Transfer to General Reserve		203,666	-
Surplus carried to Balance Sheet		680,875	365,852
		1,018,329	597,653
Earnings per Share			
Basic/Diluted earnings per equity share (Rupees)		18.83	11.95

(Refer Note 18 on Schedule U)

Significant Accounting Policies
Notes to Accounts

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

V.Rajaraman
Partner
M. No: 2705
For and on behalf of
Thakur, Vaidyanath Aiyar & Co.
Chartered Accountants

Place : New Delhi
Date : 09th August 2005.

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

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

A.K.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)

BHARAT SANCHAR NIGAM LIMITED
BALANCE SHEET AS AT 31ST MARCH 2005

SCHEDULE	<u>As at 31st March</u> <u>2005</u> (Rs. in Lakh)	<u>As at 31st March</u> <u>2004</u> (Rs. in Lakh)	
SOURCE OF FUNDS			
Shareholders' Funds			
Capital	A	1,250,000	1,250,000
Reserves and Surplus	B	6,027,911	5,051,833
Loan from Govt. of India (Non refundable & non interest bearing)		72,000	72,000
Loan Funds			
Unsecured Loans	C	750,089	753,768
Deferred Tax Liability-Net (Refer Note 15.1 on Schedule U)		304,402	480,335
Total		<u>8,404,402</u>	<u>7,607,936</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	10,410,216	9,528,790
Less: Depreciation		4,233,309	3,242,621
Net Block		<u>6,176,907</u>	<u>6,286,169</u>
Capital Work-in-Progress	E	457,226	580,815
Decommissioned Assets	F	8,045	3,071
		<u>6,642,178</u>	<u>6,870,055</u>
Investment	G	20,000	20,000
Current Assets and Loans and Advances			
Accrued Interest (Net)		15,029	5,071
Inventories	H	224,535	222,082
Sundry Debtors	I	663,587	636,086
Cash and Bank Balances	J	2,193,113	1,155,133
Loans and Advances	K	751,498	616,408
		<u>3,847,762</u>	<u>2,634,780</u>

Less : Current Liabilities and Provisions

Liabilities	L	1,453,862	1,509,427
Provisions	M	746,178	497,772
		<hr/>	<hr/>
		2,200,040	2,007,199
Net Current Assets		1,647,722	627,581
Intra/Inter Circle Remittance (Refer Note 13 on Schedule U)		94,502	90,300
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Total		8,404,402	7,607,936

Significant Accounting Policies
Notes to Accounts

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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**

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Place : New Delhi
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