

BHARAT SANCHAR NIGAM LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2006

	SCHEDULE	Year ended 31st March 2006 (Rs. in Lakh)	Year ended 31st March 2005 (Rs. in Lakh)
INCOME			
Income from Services	N	3,613,894	3,345,004
Other Income	O	403,764	264,001
		<u>4,017,658</u>	<u>3,609,005</u>
EXPENDITURE			
Employees' Remuneration and Benefits	P	742,063	839,302
Licence fee and Spectrum fee (Refer Note 13 on Schedule U)		352,305	330,236
Administrative, Operating and Other Expenses	Q	1,049,689	805,196
Financial Expenses	R	108,980	2,929
Depreciation	D	937,669	962,486
		<u>3,190,706</u>	<u>2,940,149</u>
Profit before Prior period and Extraordinary items		826,952	668,856
Prior period items (Net)	S	-40,550	-53,438
Profit before Extraordinary items		786,402	615,418
Extraordinary items (Refer Note 13.4 on Schedule U)		58,296	176,590
Profit before taxation		844,698	792,008
Current Tax (Including Rs. 737 lakh for earlier year)		80,130	78,816
Fringe Benefit Tax		4,100	-
Deferred Tax		-134,002	-175,933
Wealth Tax (Including Rs. 101 lakh for earlier year)		501	992
Excess tax provision written back		-	-130,196
Profit for the year after Taxation		<u>893,969</u>	<u>1,018,329</u>
Appropriation :			
Interim Dividend		37,500	20,000
Proposed Dividend on Equity & Preference Capital		80,000	97,500
Tax on Dividend		16,479	16,288
Transfer to General Reserve		178,794	203,666
Surplus carried to Balance Sheet		581,196	680,875
		<u>893,969</u>	<u>1,018,329</u>
Earnings per Share			
Basic/Diluted earnings per equity share (Rupees) (Refer Note 18 on Schedule U)		15.28	15.65

Significant Accounting Policies

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Notes to Accounts

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As per 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

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 : 31st July 2006.

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

BHARAT SANCHAR NIGAM LIMITED
BALANCE SHEET AS AT 31ST MARCH 2006

	SCHEDULE	As at 31st March 2006 (Rs. in Lakh)	As at 31st March 2005 (Rs. in Lakh)
SOURCE OF FUNDS			
Shareholder's Funds			
Capital	A	1,250,000	1,250,000
Reserves and Surplus	B	6,825,651	6,027,911
Loan Funds			
Unsecured Loans	C	728,393	822,089
Deferred Tax Liability-Net (Refer Note 19.1 on Schedule U)		170,400	304,402
Total		8,974,444	8,404,402
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	11,169,203	10,410,216
Less: Depreciation		5,150,354	4,233,309
Net Block		6,018,849	6,176,907
Capital Work-in-Progress	E	382,048	457,226
Decommissioned Assets	F	7,346	8,045
		6,408,243	6,642,178
Investments	G	20,000	20,000
Current Assets, Loans and Advances			
Inventories	H	278,922	224,535
Sundry Debtors	I	630,205	663,703
Cash and Bank Balances	J	3,057,948	2,193,113
Other Current Asset - Accrued interest		63,627	14,368
Loans and Advances	K	923,207	752,160
		4,953,909	3,847,879
Less : Current Liabilities and Provisions			
Liabilities	L	1,612,324	1,461,541
Provisions	M	888,223	738,616
		2,500,547	2,200,157
Net Current Assets		2,453,362	1,647,722
Intra/Inter Circle Remittance (Refer Note 14 on Schedule U)		92,839	94,502
Total		8,974,444	8,404,402

Significant Accounting Policies

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Notes to Accounts

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For and on behalf of Bharat Sanchar Nigam Limited

For Thakur, Vaidyanath Aiyar & Co.

Chartered Accountants

M.P.Thakur

Partner

M. No: 52473

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