

# Annual Report 2017-18



**BSNL** is always there with the speed of your life

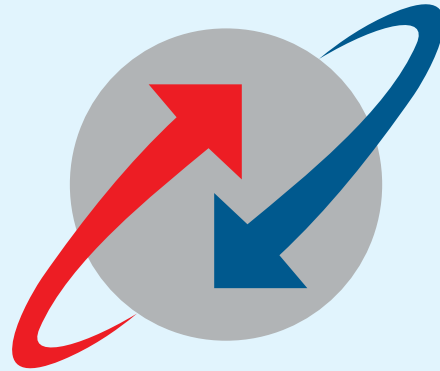


*Be the Best*



*Here  
There  
Everywhere*

**Bharat Sanchar Nigam Limited**  
(A Govt. of India Enterprise)



# **18<sup>th</sup> ANNUAL REPORT**

**For the Financial Year ended 31.3.2018**

**BHARAT SANCHAR NIGAM LIMITED**



**Bharat Sanchar Nigam Limited**

## CONTENTS

DETAILS	PAGE NO
CMD and the Board of Directors	04 – 06
Vision and Mission	07
Chairman and Managing Director's Message	08 – 09
Board's Report	10 – 44
Management Discussion and Analysis Report	45 – 46
Report on Corporate Governance	47 – 73
<b>STANDALONE</b> Financial Statements [Balance Sheet, P & L Account, Cash Flow Statement, Notes forming part of the Financial Statements]	74 – 163
Auditor's Report	164 – 294
Management Replies to the Auditor's Report	295 – 313
Comments of the Comptroller and Auditor General of India on the Accounts	314 – 315
Replies of the Management to the Comments of the Comptroller and Auditor General of India on the Accounts	316 – 317
<b>CONSOLIDATED</b> Financial Statements [Balance Sheet, P & L Account, Cash Flow Statement, Notes forming part of the Financial Statements]	318 – 399
Auditor's Report	400 – 472
Management Replies to the Auditor's Report	473 – 490
Comments of the Comptroller and Auditor General of India on the Accounts	491 – 492



## **BOARD OF DIRECTORS**



**Shri Anupam Shrivastava**  
Chairman and Managing Director  
& Director (CM)



**Smt. Sujata Ray**  
Director (HRD) & (F)



**Shri N.K. Mehta**  
Director(E)



**Shri Vivek Banzal**  
Director(CFA)  
[W.e.f. 18.10.2018]



**Shri R.K. Mittal**  
Director (CM)  
[Upto 30.06.2018]



**Shri N. Sivasailam**  
Government Director  
[Upto 01.02.2018]



**Shri Amit Yadav**  
Government Director  
[W.e.f. 01.02.2018 to 11.10.2018]



**Smt. Padma Iyer Kaul**  
Government Director



**Shri R.K. Khandelwal**  
Government Director  
[W.e.f. 11.10.2018]



**Ms. K. Sujatha Rao**  
Director, [W.EF 30.01.2017]  
Chairperson Audit Committee  
Chairperson CSR Committee



**Dr. Santosh R. Dastane**  
Director, [W.EF 30.01.2017]  
Chairperson Nomination &  
Remuneration Committee



**Shri V.V. Bhat**  
Director  
[W.EF 08.09.2017]



**Prof. Jasbir Singh**  
Director  
[W.EF 08.09.2017]

**H.C. Pant**

Company Secretary & CGM(Legal)

**Corporate Identity Number: U74899DL2000GOI107739**

Registered and Corporate Office

Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001

**Website: [www.bsnl.co.in](http://www.bsnl.co.in)**

**Statutory Auditors**

M/s ANDROS & Co, Chartered Accountants, A-101, GIA, Wazirpur,  
New Delhi-110 052.

**Cost Auditors**

M/s Vijayendra Sharma & Co, Cost Accountants11 (3rd floor), Hargovind Enclave,  
Vikas Marg, Delhi-110 092.

**Secretarial Auditors**

M/s VAP & Associates, Company Secretaries, 387 First Floor Shakti Khand-3, Indirapuram,  
Ghaziabad-201 010 Uttar Pradesh.

**Bankers**

State Bank of India, Bank of Baroda, Canara Bank, Union Bank of India, Punjab National Bank, Jammu and Kashmir Bank, United Bank of India, Corporation Bank, Indian Bank, Allahabad Bank, Central Bank of India, ICICI Bank Ltd., INDUSIND Bank Ltd., YES Bank

**Depository:** National Securities Depository Limited, 4th Floor A Wing, Trade World, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai-400013.

**Registrar and Transfer Agent:** Indus Portfolio Private Limited, G-65 Bali Nagar, New Delhi-110015. Phone: 011-47671214/ Fax 011-25449863



## OUR BUSINESS

<p><b>Mobile Services</b></p> <p>GSM 2G, GSM 3G</p>	<p><b>Broadband Services</b></p> <p>Landline Broadband</p> <p>Mobile Broadband</p> <p>GSM Wi-Fi</p> <p>WiMAX Broadband</p> <p>Dial up Internet (DIAS)</p> <p>High Speed Fiber Broadband (FTTH)</p> <p><b>CDMA Broadband:-</b> EVDO Prepaid, EVDO Postpaid, EVDO Router.</p>
<p><b>Enterprise Business</b></p> <p><b>Enterprise Voice and Mobility:-</b> EPABX, Voice VPN, ISDN/PRI/BRI, Centrex, Mobile, Blackberry services</p> <p><b>Internet Data Centre Services:-</b> IDC Overview, Managed Colocation services, Managed/Hosting Services, Managed IT Services, Cloud Services (PCaas)</p> <p><b>Enterprise Data Services:-</b> Leased Circuit (DLC), MPLS VPN, Internet Leased Line, VSAT, VPN Services (Over BB, CDMA/3G)</p> <p><b>Enterprise Broadband:-</b> Wi-Max, Wi-Fi, DSL Broadband/FTTH Broadband</p> <p><b>Managed Services:-</b> Managed Network Services (MNS), Managed Global Audio Conferencing, Managed SaaS (Mail), Internet Data Centre</p> <p><b>Other Enterprise Services:-</b> Web Colocation, Fleet Tracking, Video Conferencing (VC), Video Surveillance, Web Hosting, USOF Project and host of other innovative Enterprise Business Solution Services</p>	<p><b>Landline Services</b></p> <p>Telephone Lines, FLPP B-fone, Phone plus services</p> <p><b>Intelligent Network Services:-</b> UAN service, Toll free numbers/services, VPN service, Televoting services</p> <p><b>BSNL PCO:-</b> FLPP-PCO</p> <p><b>PRI/BRI/Dial-up Internet:-</b> ISDN PRI, ISDN BRI</p>

## VISION AND MISSION

### VISION:

- Be the leading telecom service provider in India.
- Be a customer focused organization with excellence in customer care and marketing.
- Leverage technology to provide affordable and innovative telecom services/products across customer segments.

### MISSION:

#### **Be the leading telecom service provider.**

- Becoming the most trusted, preferred and admired telecom brand
- Providing reliable telecom services that are value for money
- Generating value for all stakeholders – employees, shareholders, vendors & business associates
- Excellence in customer service -friendly, reliable, time bound, convenient and courteous service
- Offering differentiated products/services tailored to different service segments
- Developing a marketing culture that is responsive to customer needs
- Maximizing return on existing assets with sustained focus on profitability

### OBJECTIVES:

- Increase sales revenue with focus on subscriber retention & acquisition by way of strengthening marketing, quality of service and customer delivery
- Accelerate the pace of expansion of mobile & data services with up-gradation of technology
- Adopt policies and processes to enable transparent, quick and efficient decision making.
- Developing marketing team with attitude towards customer care
- Improve customer care by reducing fault rate, upgrading Customer service and convergent billing
- Providing a conducive work environment with strong focus on performance to enhance customer delight towards BSNL services
- Leverage data services to increase BSNL's customer's base & revenues by providing higher bandwidths capabilities for wire line and wireless broadband customers
- Strengthen company's finances by gainful utilization of its assets through sharing/monetization of existing infrastructure like land, building and sharing of passive infrastructure like towers etc.
- Creating Wi-Fi Hot Spots and replacing Legacy wire line exchanges by Next Generation Network.
- Expanding the reach of fiber network near to the customer premises particularly in apartment complexes through FTTH in order to meet the bandwidth requirement for both data & video applications
- Leverage the existing infrastructure of BSNL thereby contributing towards nation building by facilitating the execution of government programmes and initiatives viz National Optical Fiber Network (NOFN), Network for Spectrum (NFS), and Smart City concept
- Improve productivity by training and skill development and rationalization of manpower
- Developing knowledge pool exposed to latest technological advancements
- To explore opportunities in international telecom in developing markets
- To become preferred service provider to the Government for reliable and secure service Network and to serve National security interests





## **CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE**

### **Ladies and Gentlemen,**

It gives me immense pleasure to welcome you all on behalf of the Board of Directors, in the 18th Annual General Meeting of Your Company. The Company's Annual Financial Statements for the year 2017-18, alongwith the Board's and Auditors' Report have been circulated amongst the Members.

### **PERFORMANCE HIGHLIGHTS 2017-18**

Hyper competition and pricing pressures have resulted in the decline of telecom industry's revenue in the last year. There has been an overall revenue decline of 15-20% across the board in the telecom sector. The sector is witnessing the new trend of fixed charging mechanism for all sort of services; and, owing to this and the highly price competitive market, the situation of revenue earning is likely to remain the same in the coming financial year also.

During the year 2017-18, the company incurred a loss of Rs.799285 Lakhs [Previous year Rs.479321 Lakhs]. While the Income from services is Rs. 2266778 Lakhs [ Previous Year Rs.2840373 Lakhs]. Other income is Rs.240286 Lakhs [Previous Year Rs.312971 Lakhs].

### **MARKET SHARE**

India is the world's second largest telecom industry market and is expected to grow by 10% annually to reach USD 103.9 billion by 2020. During the year under review, country's tele-density was at 90.94 %.

Your Company, with 124.11 million total telephone connections out of 1210.08 million, stood at 5th position having a market share of

10.26% of total telephone connections in the country as at 31.3.2018.

In wireless segment, out of total connections of 1183.67 million, 111.85 million connections have been provided by Your Company as at 31.3.2018, with a market share of 9.45%.

In the Broadband (wired ) segment, out of 17.95 million total connections, Your Company has provided 9.30 million as at 31.3.2018 with market share of 51.81%.

### **SWACHH BHARAT ABHIYAN**

Your Company has fully imbedded the concept of Swachh Bharat into its business philosophy also. The abhyans have now become a regular activity at all the business premises of the Company at regular intervals. As part of the ongoing swachhta campaign action plan, all the Heads of the Units of the Company across the country administered Swachhta Pledge to all the employees on 16.11.2018.

### **CORPORATE GOVERNANCE**

Being the successor and assigns of central government departments, Your Company is committed to good corporate governance as laid down in the relevant statutes.

### **ACKNOWLEDGEMENTS**

I would like to express my sincere gratitude and acknowledge the assistance, support and guidance extended time to time by the Ministry of Communications, Department of Telecommunications and Ministries and Departments of the Govt. of India, Regulatory Authorities, Local Bodies and the State

Governments.

The inspiration, guidance and support I drew all through this period from other distinguished Members on the Board needs a special mention. I express my sincere thanks to all of them.

We also put on record our sincere thanks to all our esteemed customers, associates, suppliers and service providers for their continued support.

And, finally, I would like to place on record our

appreciation and sincere thanks to the “Team BSNL”, for their immense contribution in our forward march.

Thank you,

Jai Hind !

**ANUPAM SHRIVASTAVA**  
**CHAIRMAN AND MANAGING DIRECTOR**



Hon'ble Minister for Textiles Smt. Smiriti Irani inaugurating the free wi-fi services from BSNL Corporate Office in the august presence of Shri Manoj Sinha Hon'ble Minister for Communications. Also seen Shri Anupam Shrivastava CMD BSNL and Shri N. Sivasailam Special Secretary (T) in DoT



## **BOARD'S REPORT**

Dear Members,

Your Directors present the 18th Annual Report of your company, alongwith the Audited Statement of Accounts, both Statutory and Secretarial Auditors' Report and Comments and Review of the Comptroller and Auditor General of India, on the Accounts for the financial year ended March 31, 2018. The Financial statements have been prepared as per the prescribed Format under Schedule III to the Companies Act 2013 and in accordance with Ind AS.

### **FINANCIAL PERFORMANCE**

The financial performance for fiscal 2017-18 is summarized as below:

<b>S. No</b>	<b>Particulars</b>		<b>2017-18 [Rs. in Crs.]</b>
1	Income from services	1	22667.78
2	Other Income	2	2402.86
3	Expenditure [Excluding Interest and depreciation]	3	27928.91
4	Profit before interest, depreciation and tax [EBIDTA]	4 = 1 + 2-3	(2858.27)
5	Depreciation	5	5831.58
6	Interest	6	48.31
7	Profit/(Loss) before prior period adjustment	7 = 4-(5 + 6)	(8738.16)
8	Prior period adjustments	8	0
9	Profit/loss before tax	9 = 7 + 8	(8738.16)
10	Provision for deferred tax	10	
	Tax Provision for the year		(745.31)
	Tax Provision for the earlier years		
	Wealth tax		
11	Net Profit/Loss for the year		(7992.85)

### **ESTABLISHMENT OF WHOLLY OWNED SUBSIDIARY COMPANY**

Pursuant to the approval of the Union Cabinet dated 12.09.2017 and the Administrative Ministry Govt. of India, Ministry of Communications, Department of Telecommunications directives vide No. 79-51/2013-SU (Vol.I), dated the 25th September 2017, Your Board of Directors approved the proposal for formation of a new company as wholly owned subsidiary company to take over the Mobile Tower business.

Accordingly, a new company was incorporated on 4th January 2018 with the name BSNL Tower

Corporation Limited having Corporate Identity Number: U64203DL2018GOI328034.

Staff Unions and Associations have filed a writ petition against the Government's decision dated 12.09.2017 for creation of BSNL Tower subsidiary Company in the Hon'ble High Court of Delhi vide WP ( c) No.5758.

Pursuant to the provisions of the first proviso to the sub-section (3) of Section 129 of the Companies Act 2013, a statement in the Form AOC-1 containing the salient features of the company's said subsidiary is attached to the annual financial statements of the Company.

### **LOAN AND INVESTMENT BY THE COMPANY**

Your Company had made an initial investment of Rs.17,000/- (Rupees Seventeen Thousand Only) as subscription money while forming and incorporating the said subsidiary.

### **DIVIDENDS**

In view of the losses incurred by the Company, Your Directors do not recommend any dividend for the year.

### **DIVIDENDS FROM INVESTMENTS IN M/S BHARAT BROADBAND NETWORKS LIMITED**

Pursuant to the approval of the Administrative Ministry, Your Company made an investment of Rs.10/- (Rupees Ten Only) towards the subscription for taking up One Equity Share as Member of M/s Bharat Broadband Networks Limited, a CPSE under the aegis of the Department of Telecommunications. Now, the BBNL had declared a dividend at the rate of Rs.0.14 per fully paid equity share. Your Company has received Rs.0.14 as dividend income during the year 2017-18.

### **BORROWINGS DURING FINANCIAL YEAR 2017-18**

Opening balance of borrowings as on 1.4.2017 stood at Rs.3813 crores. During the year under review, the company borrowed Rs.6,600 crores and repaid an amount of Rs.650 Crores. The loan balance as on 31.3.2018 stood at Rs.9,763 Crores.

### **CREDIT RATING**

Your Company has been assigned the Credit Rating CARE AAA(SO); Stable [Triple A(Structured Obligation); Outlook ; Stable] by M/s CARE Ratings for Company's Long Term Bank Facility of Rs.20000 Crores.

### **DEMAT FACILITY TO THE SHAREHOLDERS**

The Government of India, Ministry of Communications, Department of Telecommunications, have directed for dematerialization of shares of the Company held in physical mode. To enable the Government to dematerialize the shares, International Security Identity Number (ISIN) from NSDL has been obtained for both the Equity and Preference Shares of the Company, which are (a) Equity Shares – INE103D01018; and (b) Preference Shares – INE103D04012, respectively. The same had accordingly, been communicated to the Administrative Ministry D/o Telecommunications.



## **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Heightened competition and pricing pressures have resulted in the decline of telecom industry's revenue in the last year.

During the year 2017-18, the company incurred a loss of Rs.7992.85 Crores [Previous year Rs.4793.21 Crores]. While the Income from services is Rs. 22667.78 Crores [ Previous Year Rs.28403.73 Crores ]. Other income is Rs.2402.86 Crores [Previous Year Rs.3129.71 Crores

There was a decrease of 20.19% in income from services in comparison to previous year.

BSNL offers services under stiff competitive market dominated by large private sector telecom service providers. It is a unique CPSE which was formed to take over the business of providing telecom services from the erstwhile Central Government Departments carved out of the DoT, Ministry of Communications and IT, along with all the assets and liabilities w.e.f. 1.10.2000 on going concern basis. All the employees working in these departments were transferred to BSNL on as is where is basis, without making any assessment of actual manpower requirement.

While the Company inherited the legacy of landline business during the year 2000, it was a late entrant in the wireless business as it started Mobile services only during 2002. By the time the Company commenced its Mobile Services most of the major private players had already established the market and there was a major shift in consumer choice from landline to mobile and as result the decline in wireline business had started up. Still arrival of BSNL in mobile segment worked as tariff balancer and market witnessed lower tariffs on mobile services. To avail the benefit of the response received by its wireless received by its wireless services, steps to add to capacity met several impediments.

Being State entity, Your Company is amenable to writ jurisdiction of the hon'ble courts. The market got further competitive owing to launch of VoLTE services by the competitors at almost no cost basis tariffs, which resulted in steep reduction in ARPU.

## **CLASSIFICATION OF THE COMPANY AS INCIPIENT SICK CPSE - AND MEASURES FOR RESTRUCTURING / REVIVAL**

The performance of the Company had been analysed by the Administrative Ministry, the Department of Telecommunications (DoT) in line with the instructions of the Department of Public Enterprises (DPE); and, it was found that BSNL is "incipient sick CPSE." Accordingly, the Department of Public Enterprises declared BSNL as incipient sick CPSE and requested the DoT to undertake a study with the objective of Restructuring / Revival of BSNL. Department of Telecommunications had assigned the task to IIM Ahmedabad.

## **PHYSICAL PERFORMANCE**

The status of MoU Targets and Net Achievements in respect of physical performance during the year 2017-18 is as follows:-

S. No.	Item	Unit	Status as on 31.3.2017	Status as on 31.3.2018	Net achievement during 2017-18
1	Total Telephone connection	Lakh Conn	1,150.88	1,247.52	96.64
1(a)	Wireline	"	136.89	122.56.	-14.22
1(b)	WLL	"	9.61	7.45	-2.16
1(c)	Mobile		1,004.38	1,111.10	106.72
1(d)	Mobile(VLR)		656.33	664.56	8.23
2	Total switching capacity	Lakh Lines	1,417.10	1,417.51	0.41
2(a)	Wireline	"	360.65	321.88	-38.77
2(b)	WLL	"	69.31	63.29	-6.02
2(C)	Mobile	"	987.14	1,030.83	43.69
3(a)	Broadband Wireline	Lakh cons	98.43	90.88	-7.55
3(b)	FTTH	Nos	1,24,358	1,97,435	73,077
3 (c )	Leased Line	Nos	12,712	15,783	3,071
3(d)	Wi-Fi	Lakh	2.97	5.88	2.91
3(e)	EVDO connection	Nos	55,634	46,543	-9,091
3 (f)	Wimax connection	Nos	63,041	28,734	-34,307
3 (g)	3G	Lakh Cons	116.93	117.76	0.83
4	OF Cable	Route Kms	7,87,760	8,19,292	31,532

**Note: 1.** The achievements in GSM VLR connections is based on VLR data as on the last working day of the month. 2. 3G connection figure is the no. of unique data subscribers that have been active during the month. There is no service as 2G or 3 G. It is only the bearer which is 2G or 3G and all the services are accessed via these two different bearers. 3. As per TRAI letter No. 1-1/2016-BB & OA dated 16.5.2016, one Wi-Fi Hotspot be reported as one subscriber / connection. The figure shown is the Wi-Fi unique users

#### MEMORANDUM OF UNDERSTANDING [MoU] WITH THE DEPARTMENT OF TELECOM

Your Company has been signing the Memorandum of Understanding regularly since 2004-05 with the Department of Telecommunications, pursuant to the guidelines for "MoU Signing and Monitoring Mechanism" issued by the Department of Public Enterprises, Government of India.

#### MARKET SHARE

Your Company, with 124.11 million total telephone connections out of 1210.08 million, stood at 5th position having a market share of 10.26% of total telephone connections in the country as at 31.3.2018.

In wireless segment, out of total connections of 1183.67 million, 111.85 million connections have been provided by Your Company as at 31.3.2018, with a market share of 9.45%.



In the Broadband (wired) segment, out of 17.95 million total connections, Your Company has provided 9.30 million as at 31.3.2018 with market share of 51.81%.

While the broadband (wired) density in the country as at 31.3.2018 was 1.35% of which Your Company itself had contributed 0.70%.

### **VIRTUAL NETWORK OPERATOR SERVICES (VNO)**

Your Company is the first operator in India to launch VNO services as per the DoT guidelines issued in May 2016. Two Virtual Network Operators namely M/s Adpay Mobile Payment India Private Limited and M/s Plintron India Private Limited have integrated their system with BSNL mobile infrastructure to offer services to retail customers.

### **CONSUMER FIXED ACCESS**

#### **LAND LINE AND BROADBAND SERVICES**

A total of 8,90,250 connections were provided during the year under review. For the financial year 2018-19, a monthly target of 1 lakh connections has been assigned to the Circles.

Under the newly launched ASEEM Plan, which aims to tap new landline customers, in the year under review, 69,047 connections were provided.

There is improvement of all operational parameters of landline with reference to previous years, as the Fault rate reduced from 7.07% to 5.99%

In addition, the Prepaid Land Line Service on state of the art technology Next Generation Network (NGN) platform has been launched. This service gives customers competitive and economical tariff packages with lot of new features like Limited Fixed Mobile Telephony (LFMT), Multimedia Video Conferencing (MMVC), Fixed Mobile Convergence (FMC) and IP-CENTREX.

#### **Augmentation of broadband network for meeting data growth**

Your Company has upgraded download speed upto 8-10 Mbps in higher plans, matching the tariff of Broadband, FTTH and Wifi services of the competitors. BBoWifi Services have been launched with M/s B4S and M/s Tikona.

In order to provide high speed internet to customer, the Company is planning to introduce VDSL+2 with Vectoring and FTTH technology in Broadband network. As part of the MNG PAN project, for aggregation of DSLAM/ONT/BTS, 708 switches has already been deployed and additional order for 702 MNG switches has also been placed.

For providing better browsing speed to customers, the Company has entered into agreements for peering and caching with various content providers like Google, Facebook, Akamai, Netflix etc., in the Company's network.

Company is in the process of replacing the Legacy TDM based switches to IMS based NGN class 5 network, in an integrated fashion, for voice & broadband together in same network.

## WINGS – THE INTERNET TELEPHONY (VOIP)

With the Sectoral Regulators clearance and the Licensors subsequent clarifications on the Internet Telephony, Your Company has launched its Internet Telephony (VOIP) Service with brand name “WINGS” to the customers.

This service using Mobile Numbering scheme is being provided using IP based access network of IMS NGN Core switches. To use the service, a customer needs to install a SIP client (soft app) on any of its smart devices (laptop/smart mobile handset/tablet etc) having internet which will act as SIP phone to make and receive calls from anywhere in India and abroad with any party (landline/mobile). The subscriber uses its parent IMS core and IP access network of any location for the voice service through BSNL “Wings”.

### Wi-fi Hot Spots

As on May 2018, number of working Wi-Fi hotspots was 21682. This sector witnessed a revenue growth of 174% over previous years ( 2016-17 Rs.50 crores and Rs.87 crores in 2017-18).

Pursuant to the agreement signed with the USOF for providing 25,000 Wi-Fi Hotspots at rural exchanges, the Company has already deployed 3900 Wi-Fi Hotspots and another 1100 are under process.

### BSNL My App

Your Company is the first in the domestic market to launch this facility for its customers having Android & IOS platforms. With this app, the customers are able to access the 44 million Wi-Fi hotspots in more than 100 countries, with simple one time registration in the BSNL My App platform.

## MOBILE SEGMENT

Expansion of the Company’s mobile network is being carried out under recently finalized Phase VIII.4 project. The project envisages to provide about 20,881 2G BTS, 22517 3G Node Bs and 10000 4G e-Node Bs with the aim to:-

Replacing old equipment which are having high operational cost and AMC

Addition of 3G capacities for increasing 3G foot prints and

Introduction of 4G services alongwith IMS for VoLTE functionality.

### Roll out of 4G Services

Presently, Your Company is not having any spectrum for rollout of 4G network. Licensor i.e. the Department of Telecommunications has been requested to allot additional 5 MHz in 2100 MHz band in all LSA except Rajasthan where it is in 800 MHz band.

However, Your Company has plans to launch 4G services by utilizing available spectrum of 3G i.e., 2100 MHz by using combination of 2G + 4G in such cities/pockets where 3G network is not so good; 4G devices (like Handsets, dongle etc) are expected to be in good numbers; The interference from the neighbouring 3G network of the Company ( working on same 2100 MHz band) if any, is expected to be zero/minimal. There is potential of revenue generation.





### **Commercial Launch of International Roaming**

During the period under review, Your Company has commercially launched International Roaming services.

### **Inter-Circle Roaming in Delhi for 'BSNL as a Seeker**

To provide roaming options to the customers of Your Company – both Post-paid and Pre-paid categories in Delhi region, inter-circle roaming with M/s Vodafone in Delhi for 'BSNL as a Seeker' has been launched. Similarly, Inter-Circle roaming has also been launched with M/s Vodafone in Madhya Pradesh and Chhattisgarh Telecom Circles for Vodafone as a Seeker.

## **VALUE ADDED SERVICES (VAS)**

### **VAS-CM**

VAS is a service differentiation and is used as a Marketing Tool for Customer Retention rather than a mere revenue stream.

VAS like PRBT, IVR, Cell Broadcast Services, Bulk SMS Push, Mobile TV, BSNL M-Wallet, and SMS/WAP data type subscription based services are provisioned through VAS Providers.

Revenue from value added services was Rs.436 Cr (FY 2016-17), Rs.463 Cr (FY 2017-18) and Rs.185 Cr (37% in 4 months of (FY 2018-19) – Rev. in FY 2018-19 is expected to exceed the revenue earning during the Financial Year 2017-18.

To tap the revenues from this segment, Your Company has recently launched new schemes like Online Education Services, Mobile based rich interactive multimedia advertisement services etc.

### **BSNL Mobile Wallet services**

To complement the Govt. initiatives in promotion of payments in digital mode and to develop a new revenue stream, the Company has launched M-wallet services such as Mobicash, BSNL Wallet and Speedpay. Subscriber of any operator can use the services by successfully downloading the M-wallet app.

### **Promotion of bundled content**

In line with the current market trend of bundling free or highly subsidized content with basic services like voice and data, Your Company has started bundling of PRBT with STVs, Mobile TV bundling with Data STVs, Mobile Wallet with STV and Online games.

These will help in subscriber retention besides increased data consumption to sustain the ARPU.

### **Internet of Things**

Internet of Things (IoT) is a new horizon, which is being seen as an opportunity to augment the Company's revenue streams by joining the Government of India's Digital India initiatives.

Your Company, with its state of the art mobile connectivity will be the preferred partner for the enterprises that are partnering it.

Your Company has already empaneled the CSP solution providers to deliver the solution as well as connectivity, wherein BSNL will get revenue share in addition to charges for provisioning of bandwidth and hosting serves at data centres.

BSNL and NTT Adavance Technology Corporation (Telecom leader in Japan) along with their partners in India Virgo Corp have signed a Memorandum of Understanding (MoU) to collaborate in futuristic technologies such as, artificial intelligence / IoT and jointly create a 5G test bed. The MoU is in line with the vision of the Hon'ble Prime Minister to collaborate on the Next Gen technologies and use the expertise of India in Software and Japanese expertise in Manufacturing.

### **Interactive Cell broadcast based services**

Under the brand name of BSNL BUZZ, the cell broadcasting service is being offered to the customers. This service provides value added services and content promotions. This live app is already imbedded in every BSNL SIM.

### **India's first 3D smart phone bundled with BSNL SIMs**

ROKiT IO 3D and ROKiT Pro 3D are the first glasses free 3D smartphones to be introduced for sale in India in early next year. EECON ROK Corporation Pvt. Ltd has unveiled the city Wide Wi-Fi Network to be established in 25 cities across the country. Your Company has tied up with them for bundling the BSNL SIMs with the smart phones, which will become available from early next year.

### **Other new services in the offing**

Your Company had already launched Online Education Services, with M/s Probit Plus & M/s Extra Marks. Similarly, Bulk Push SMS to EB Customers is a new area, which is being tapped as another Value Added Service.

### **Spectrum Management**

6 GHz systems are proposed to be closed and 7 GHz systems are planned as part of GSM backbone. 231 GSM BTSs on VSATs are proposed to be migrated to mini links / radio modems or OFC.

Plans are afoot for proper maintenance of GSM BTSs.

### **PASSIVE INFRA SHARING**

To generate additional revenue for the company, Your Management has decided to lease out its passive infrastructure (towers) to other telecom service providers. The broad points on the same are as follows:-

Your Company has signed Master Services Agreements (MSAs) with various Telecom Service Providers (TSPs) viz. Bharti Airtel, Idea, Vodafone, Reliance Jio, R COM, Aircel, VTI, TTSL etc. on PAN India basis. M/s Vodafone has signed MSAs at Circle level for Maharashtra, Tamil Nadu, Madhya Pradesh, Odisha, Karnataka, Andhra Pradesh, West Bengal, Jharkhand, Bihar, Chennai Telephone District, Chattisgarh, Kerala, Kolkatta Telephone District, Rajasthan, Uttar Pradesh (East ) and Uttar Pradesh (W) Circles.



Your Company has about 67,177 towers including erstwhile USO towers as on 30.9.2018. The targets for the financial year 2018-19 have been fixed to lease out 2500 towers to earn Rs.600 Crores.

The growth of the leasing business (Passive Infra / Mobile Towers ) during the last five years is as follows:-

	Financial Year				
	2014-15	2015-16	2016-17	2017-18	2018-19 [Till 30.9.2018]
Total No. of BSNL Mobile Towers	59590	65568	66569	67018	67279
Leased out to other TSPs on sharing basis	2263	1713	2477	4048	1415
Revenue earned	Rs.151.90 Crs.	Rs.2132.14 Crs.	Rs.338.95 Crs.	Rs.580.43 Crs.	Rs.336.56 Crs. [As on 30.9.2018]

### **SATELLITE BASED SERVICE**

Your Company’s Satellite based phone service is being offered under INMARSAT platform. With an overwhelming response from the Government institutions and the corporates, Your Company foresee to have an increased footprint in this segment which is expected to contribute to significantly to company’s exchequer.

### **ENTERPRISE BUSINESS**

This segment is a jewel on the crown of your Company. With an ever increasing growth in the business volume, during the year under review, against a Target of Rs.4235 Crores, Enterprise segment registered an achievement of Rs.5946 Crores.

### **CUSTOMER CARE**

Winning and retaining the customer is the mantra of Your Company’s customer care action plan. To enhance the customer satisfaction, various programmes are conducted all through the year. Special care is always taken by the customer service teams to reach the customer for their needs.

### **MEASURES TO IMPROVE OPERATIONAL PARAMETERS**

With a view to further strengthen the customer service, following initiatives are in place:-

Improving the Quality of Service i.e. fault cleared within 24 hours;

Regular performance monitoring for improvement of operational parameters to increase customer satisfaction with the aim of customer retention in the competitive market;

Migration of landline connections on FTTH ( if feasible) in case of irreparable copper cable;

Settling of billing complaints promptly.

“Service with a Smile (SwaS)”, is a campaign undertaken by the employees at all levels, with ultimate aim of customer winning and customer retention.

## DIGITAL INDIA INITIATIVES AND IMPLEMENTATION OF GOVT. PROJECTS

Your Company, being the largest pan-India Central Public Sector telecom service provider is actively engaged in the nation building exercise with the Government of India. **The following key projects of the Government are under implementation:-**

- (i) **Bharat Net-II:-** Your Company is partnering the Government of India in its ambitious programme with the objective of providing telecom connectivity to 45,563 Gram Panchayats. Project is targeted to be completed by March 2019.
- (ii) **Network for Spectrum (NFS):-** This is a Government funded project to be implemented on turn key basis for Defense Tri-services for releasing of spectrum utilized by Defence.
- (iii) **Left Wing Extremism affected areas (LWE):-** Your Company is actively pursuing the government funded project of providing connectivity to the LWE affected areas, to strengthen the communication networks. LWE main project and Add on Project for 2348 towers has been completed and covered 10000 villages. Currently implementing NE project for Andhra Pradesh & Assam for 2817 towers 4118 villages.
- (iv) **Development of communication networks of NE Region:-** Your Company has completed Ashta Mangal Project Phase-I for improving the connectivity North-East Region.

Under Ashta Mangal Project Phase-I, the Company has provided reliable connectivity to State Capitals of Seven Sisters States of North-Eastern Regions and Assam, using optical fibre power ground wire (OPGW). The connectivity has been provided from Kolkata to Guwahati (Assam) and to other Seven State Headquarters of the region (NE). The cost of this project was around Rs.100 Crore.

After completion of this project, Guwahati has been connected to Shillong, Aizwal, Agartala, Itanagar, Dimapur, Kohima, Imphal, Tezpur and Nagaon. Gangtok has been connected to Siliguri and Kolkata.

The connectivity of all State Headquarters has improved and the people of NE Region have been benefited by getting reliable telecom services in the Region. Bandwidth of this region is up-graded by additional 810 Gbps by this project.

Your Company is further expanding telecom connectivity and coverage to far-flung areas of this region and taking high speed connectivity to other towns of Seven Sisters and Assam from their state capitals. This is being done by executing Phase-II of Ashta Mangal Project at an estimated cost of over Rs. 430 Crore. Completion of Phase-II will further strengthen the Optical Fibre Cable Network between District Headquarters and State Headquarters in North-East Region. This will help states of Seven Sisters and Assam to grow economically and get better connectivity to the World.

## AUGMENTATION OF THE COMMUNICATION NETWORKS OF ANDAMAN AND NICOBAR AND LAKSHADWEEP ISLANDS

Your Board is planning to expand the connectivity and coverage of the Company's telecom network to far-flung areas of the country. Your Company is in process of connecting A&N Islands on Optical Fiber Submarine Cable link from Chennai to Port Blair and seven other islands namely- Hutbay, Car Nicobar, Kamorta, Campbelbay, Havelock, Long and Rangat. This project will be completed within next two years and initial capacity of these links will be 400Gbps.



Satellite bandwidth in A&N Islands has been augmented from 240Mbps to 1Gbps, which will further be augmented to 2 Gbps in coming days.

In Lakshadweep Islands, the bandwidth has been augmented from 102 Mbps to 354 Mbps. Due to this increase in bandwidth, the citizen of these Islands as well as tourists will be able to get faster internet service.



Shri Manoj Sinha Hon'ble Minister for Communications presenting Sanchar Seva Padak to the Meritorious Employees of BSNL. Also seen Shri Anupam Shrivastava CMD BSNL and Smt Aruna Sunderarajan Secretary (T), Smt.Sujata Ray Director (HRD) BSNL.

## **PAN INDIA CONNECTIVITY TO THE 'DIRECT SAMVAD' PROGRAMME OF THE HON'BLE PRIME MINISTER OF INDIA**

By virtue of its being leading public sector telecom service provider, Your Company is actively partnering the Govt. of India in its various Digital India Mission.

Your Company effectively managed the communication network during the event of Hon'ble Prime Minister's "Direct Samwad", held on 12.7.2018 through Video Conferencing with the Members of Self Help Groups (SHGs) in all the states at 586 districts. Out of all locations across the country, 15 locations were having two way connectivity for interaction, including at 5 Common Service Centers (CSCs) where connectivity was provided by the BSNL in a very short time.

## **BSNL IN SMART CITY PROJECTS**

As part of its commitment to be a part of the Prime Minister's vision of Digital India and Smart Cities, Your Company is actively partnering with various Government Bodies.

M/s Infosys limited, Recon Group Teamax Smart Industry India Pvt., Limited and Akash Universal are partnering Your Company in many of the smart city projects, for offering Smart Parking, Smart Classroom, Solid Waste Management/intelligent transportation, Command & control centre/CTV surveillance, Smart Poles, Citizen Centric application and Wi-Fi Hotspots. To tap additional revenue streams, Your Board had taken several other initiatives such as leasing of spareable building spaces.

### **STRATEGIC PLAN FOR SYNERGY AMONG PSUs AND OTHER ORGANISATIONS OF THE MINISTRY OF COMMUNICATIONS, DEPARTMENT OF TELECOMMUNICATIONS**

Hon'ble Minister for Communications Shri Manoj Sinha launched the ambitious strategic plan for synergy amongst the PSUs and other organisations under the Department of Telecommunications, to carry forward the objective of National Telecom Policy 2012.

The strategic synergy initiatives include optimum utilization of vacant spaces in land and buildings, BSNL to develop unified information portal, settlement of financial disputes and legal issues, to jointly address the smart city projects of central/state governments, and the BSNL to leverage its widespread telecom network and field offices to support and coordinate smart infrastructure projects etc.

### **INFORMATION SECURITY SYSTEM IN THE COMPANY**

Your Company has its own Information Security Framework, as contained in BSNL Information Security Policy 2015; and, the Circles and the Data Centres have been given directions to implement the same. The Information Security Framework of the organization is as follows:-

Information Security Steering Committee has been nominated at Corporate Office with the nomination of GM (CIT) as the Chief Information Security Officer (CISO)

Unit heads of Mobile, CFA, BB, Core Network Operations at Corporate Office are nominated as Information Security Managers(ISMs).

In the Circles DGM level officers are nominated as Information Security Officer(ISOs)

Based on the points for guidance prepared by the CIT Branch on ISO 27001, field units are advised to carry out Annual Security Audit. Capacity Building trainings were imparted to the officers of the Company by designated agencies at various places. Seven such programmes were conducted in the year under review. More such programmes are contemplated in the year 2018-19 also.

### **LAUNCH OF 'ROBOTIC PROCESS AUTOMATION SERVICES'**

Your Company is also planning to offer the first Robotic Process Automation Services in collaboration with E&Y, to prospective clients. This technology targets such clients who wants to automate & perfect their internal processes effectively and at reasonable cost.

Induction of this in the system of the Company shall monitor potential exposure of the Company to excess TDS, which can reduce cash blockage in excess of 100 crores per annum and thus, create new operational efficiencies across business processes.



## TELECOM FACTORIES

The telecom factories of your Company located at Kolkatta, Gopalpur, Kharagpur, Jabalpur, Richhai, Bhilai and Mumbai are in-house manufacturing units engaged in production of various telecom products such as PLB HDPE Telecom Duct, SIM Cards, Splice Closure, SS Drop Wire, LJU/IPM, OFC Accessories and Jointing kits.

The factories clocked a revenue of Rs.165 crores against the target of Rs.120 crores during the year under review, from external sources. A target of Rs.360 crores has been set for the financial year 2018-19.

## OPERATION SAMUNDRA MANTHAN(OSM)

Operation Samundra Manthan (OSM) was launched with the objective of Audit of Inventory, assets, WIP as per record vis-à-vis those physically available. The OSM disposal status at a glance:-

S. No.	Financial Year	Target (Rs. In Lakhs)	Amount Realised (Rs. In Lakhs)
1	2015-16	15133.48	15133.48
2	2016-17	26910.53	21414.31
3	2017-18	30132.00	30826.00

## SOCIAL MEDIA MANAGEMENT BY THE COMPANY

To give impetus to customer relationships management, to increase social accountability and analyse the social performance and generate reports of engagements, Your Company is using the IT Tools very effectively. Your Company’s official facebook page is [www.facebook.com/bsnlcorporate](http://www.facebook.com/bsnlcorporate) and its twitter handle is <https://twitter.com/BSNLCorporate>

The Twitter Seva Ticket is an important tool in customer grievance redressal mechanism. With the active participation of all the Executives of the Company in the social media and use of the twitter seva ticket, the customer service had gained prominence.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

### INDUSTRIAL RELATIONS

Industrial relations have remained cordial during the year under review.

### CORPORATE RESTRUCTURING PLANS

No major restructuring exercise was undertaken during the year under review.

### TRAINING

#### Training of Employees

Main objective of the Company’s training policy provides “to enhance skills through training to transform

human resources into a motivated and efficient workforce that works toward growth of the Company while taking on external challenges so as to build competitive advantage for the Company.

### Participation in National Skill Development Trainings

#### Skill Training for Youth

As part of nation building exercise, Your Company's state of art training centres located at various places offer skill training to the country's youth in the areas of Telecom, Finance, Electrical and Civil areas.

5687 candidates got skill development training during the year under review, in the programmes conducted by RGMTC Chennai, RTTC Thiruvananthapuram and in Tamil Nadu Circle in arrangement with the Tamil Nadu Skill Development Corporation.

#### Training of the Directors

The Training Policy also aims at providing orientation & training programs to be offered to the Board of Directors of the Company. It aims at building leadership qualities and providing a platform to share the knowledge and skill.

#### Training on capacity building for the Govt. and Independent Directors

While the Govt. Nominee Directors are serving Class I Officers of the Central Government, the Non-official Part-Time Directors, being men of eminence in public life with proven expertise, bring their own value addition to the management of the company.

Keeping in view the important role of the Government Directors in effective management of the CPSEs, the Government of India Department of Public Enterprises organises capacity building programme for the newly inducted Govt. Directors, for which the Government Directors are nominated.

Similarly, the Government of India Department of Public Enterprises also organise capacity building / orientation programmes for the non-official independent directors. All the independent directors attended the programmes conducted during the year under review.

Apart from these, whenever the Department of Public Enterprises conducts any special training programmes, the Directors are nominated for attending the same.

### RESERVATION POLICIES OF THE CENTRAL GOVERNMENT

Government policies with regard to reservations for various categories of employees in the matters of recruitments and promotions are being followed.

A glimpse of representation of Scheduled Caste, Scheduled Tribe, OBC, Ex-Servicemen, Divyaangjan employees as on 31.3.2018

Group	Total No. of Employees	Scheduled Caste	Scheduled Tribe	OBC	Ex-Servicemen
Executive	48455	8315	2721	8531	200
Non-Executive	135067	25383	7176	12708	132
<b>Total</b>	<b>183522</b>	<b>33698</b>	<b>9897</b>	<b>21239</b>	<b>332</b>





Category	Executive	Non-Executive	Total
Blindness of low vision	5	31	36
Hearing Impairment	17	8	25
Locomotor Disability or Cerebral Palsy	410	607	1017

**BENEFITS TO FEMALE EMPLOYEES AND PERSONS WITH DISABILITIES**

Apart from the maternity leave of 180 days Child Care leave as per the provisions of DoP & T instructions on the subject is available for all the women employees. Special allowance for child care for women employees with disabilities @ Rs.1000/- per month per child maximum for two children till the child attains two years is being granted.

Double the rates of transport allowance for eligible Divyaang jan employees is being granted.

As far as possible, subject to administrative constraints, Divyang jan employees are posted near their native places within the region.

**EMPLOYEES WELFARE**

Your Company has a wide array of employees welfare schemes i.e. comprehensive medical care, scholarships, education, housing and schemes of social security.

**Employee Welfare Trusts**

To address the superannuation fund requirements of the directly recruited employees of the Company, Your Board had established following trusts:-

- BSNL Recruited Employees Gratuity Fund Trust;
- BSNL Recruited Employees Superannuation Fund Trust

**REPORT ON THE COMPLAINTS COMMITTEE FOR REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACES**

Pursuant to the provisions of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013 and in compliance with the guidelines of the Government on the subject, Your Board had established an Internal Complaints Committee (ICC) at the Corporate Office and at Circle/SSA level to redress complaints received regarding sexual harassment. All employees are covered under this policy.

The following is the summary of sexual harassment complaints received and disposed off during the year 2017-18:-

- No. of complaints received -6
- No. of complaints disposed of - 6

Pursuant to the Recommendations made by the Committee on Papers Laid on the Table (Rajya Sabha) in its 150th Report, the 'Disclosures on Particulars on Vigilance Cases, RTI Disposal and Replies made to the audit objections is, as follows:-

## VIGILANCE CASES

Number of the Vigilance Cases disposed off during the year 2017-18 is as follows:-

(a) Complaints Disposed off	:	609
(i) CVC	:	41
(ii) Non CVC	:	568
(b) Complaints pending	:	245
(i) CVC	:	5
(ii) Non CVC	:	240
(c) Departmental inquiries finalized	:	145
(i) CVC	:	57
(ii) Non CVC	:	88
(d) Departmental inquiries pending	:	265
(i) CVC	:	118
(ii) Non CVC	:	147

## RIGHT TO INFORMATION

In line with the directions contained in the Right to Information Act 2005, Your Company has nominated CPIOs for respective branch at the Corporate Office as well as the field units of the Company for providing information to citizens. The details of the CPIOs is posted in the website of the company at [www.bsnl.co.in](http://www.bsnl.co.in)

Details of RTI Applications / Appeals disposed off in the year 2017-18 is as follows:

RTI Requests disposed off : 3515 Numbers

RTI Appeals disposed off : 331 Numbers

## AUDIT QUALIFICATIONS AND MANAGEMENT REPLIES

Audit qualifications, C & AG's comments and Review if any, and management replies thereto are contained in the Addendum which forms part of the Board Report.

## IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

The Government's guidelines on the implementation of the official language policy is followed scrupulously. Your Company has a full fledged official language wing.

Unicode software has been installed in all the computers to encourage increased use of Hindi in official work and employees are also trained to use Unicode software. OL Wing carries out inspection of Circles. Skill development workshops are held frequently for sharpening the skills of employees.

## EMPOWERMENT OF WOMEN

Your Company employs women employees across the board in all disciplines. Your Company encourages and nominates women employees for various training programmes in India and abroad.



## **PHILOSOPHY OF SUSTAINABLE BUSINESS GROWTH - A RESPONSIBLE BUSINESS MODEL**

Your Company's strong belief in establishing a sustainable business growth and a responsible business organization is imbedded deeply into its business philosophy. Highly transparent governance mechanism, Independent external vigilance monitoring set up, Enhancing environmental sustainability in applicable areas, Strong Internal Control mechanisms, Associated with the Government in Nation Building are all concomitant to the business and existence of the entity.

Being an unlisted entity engaged in providing all types of telecom services, provisions of sustainability reporting and business responsibility reporting are not applicable to it; however, being a responsible corporate citizen Your Company is already complying with the applicable segments.

## **MECHANISM OF COMPLIANCES**

All the Senior Management Personnel including key managerial personnel of the Company handling different verticals/units have been delegated with administrative and financial powers thereto, are responsible to ensure adherence to all the applicable laws, rules, guidelines etc., and ensure implementation of the enterprise risk management policy of the company as a routine, while taking or processing the detail for decision or approval by the competent authority(ies). The Company Secretary ensures the compliance of all the applicable provisions of the Companies Act and other applicable corporate laws.

No significant and material orders, passed by the Hon'ble Courts/tribunals/Regulators that would impact the going concern status of the Company and its future operations were reported by any of the units.

## **CORPORATE GOVERNANCE**

Your Company's philosophy of Corporate Governance is mounted on sound pillars of quality of governance, transparency in disclosures, enhancement of the value of all the stakeholders as a responsible corporate citizen. Company has also entered into a MoU with the Transparency International paving for Integrity Pact to ensure transparent procurement transactions.

Consistent efforts of the Company for overall monitoring of the set processes had taken the governance mechanism to the next level, wherein, the business is conducted completely in compliance with the norms of governance.

All the Guidelines on Corporate Governance for the Unlisted CPSEs laid down by the Department of Public Enterprises are being adhered to.

All the Members of the Board; and the Senior Management Personnel of the Company have affirmed compliance with the Company's Codes of Conduct for the Members of the Board and the Senior Management Personnel, respectively.

Management Discussion and Analysis Report (Annexure 2), Report on Corporate Governance (Annexure-3), together with the Secretarial Audit Report in Form MR-3 and Certificate on compliance of CG Norms forms part of this Report. Quarterly progress reports on the implementation of CG Norms for the unlisted CPSEs issued by the DPE are being sent regularly to the Administrative Ministry.

The Secretarial Auditors M/s VAP & Associates, Company Secretaries have, pursuant to the provisions of Section 204 of the Companies Act 2013 and in pursuance of CG Norms for the unlisted CPSEs issued by the D/o Public Enterprises, issued the Compliance Certificates, which forms part of this report.

### **MEETINGS OF THE BOARD**

The Board of Directors of your Company met Six (06) times during the financial year 2017-18. Details of the attendance of directors etc., form part of the Corporate Governance Report which forms part of this Report. [Refer to the Chapter on Board Meetings held, Attendance of Directors etc.]

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

#### **Corporate Social Responsibility Committee**

Pursuant to the provisions contained in the Section 135 of the Companies Act 2013 and Rules thereunder, the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board.

Consequent upon the appointment of Non official Independent Directors on the Board of Directors of the Company, the Board of Directors of the Company, in their 175th meeting held on 30.3.2017 re-constituted the Committee. The Committee comprise Smt.Sujata Ray Director(HRD) & (F), Shri N.K.Mehta Director(E) and Ms.K.Sujatha Rao Director as Members. The Committee has elected Ms.K.Sujatha Rao as the Chairperson of the Committee.

Owing to losses being incurred by the company since the year 2009-10, no specific amount could be earmarked for CSR activities. However, the Company, continued its engagement with social obligations to bridge the digital divide and connecting India.

### **SWACHH BHARAT ABHIYAN**

Your Company carried out intensive campaign on the subject all through the year at its premises.

As part of the ongoing swachhta campaign action plan, all the Heads of the Units of the Company across the country administered Swachhta Pledge to all the employees on 16.11.2018.

### **INTERNATIONAL YOGA DAY**

Your Company, time to time organizes Yog Abhiyan for its employees at various places. The Corporate Office at Delhi conducted special Yoga camps which were concluded on International Yoga Day.

### **NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD**

Being a wholly owned Government Company, all powers for the appointments, terms and conditions and remuneration etc., of the Directors, the Chairman and Managing Director and the Whole Time Functional Directors vest with the President of India. Pursuant to the Govt. of India, Ministry of Corporate Affairs Notification No.1/2/2014-CL.V, dated 5.6.2015, provisions contained sub-sections (2), (3) and (4) of the Section 178 of the Act of 2013 are only applicable to the Company with regard to appointment and remuneration of senior management and other employees.



As regards policy on remuneration of Senior Managerial Personnel and other employees of the Company, their pay structure, allowances and other benefits are governed by relevant Govt. of India DPE Guidelines.

To comply with the provisions contained Section 178(1) of the Companies Act 2013, the Board of Directors, in their 162nd meeting held on Tuesday, the 7th day of April 2015 constituted the Nomination and Remuneration Committee of the Board by re-constituting the existing Remuneration Committee of the Board.

The present composition of the Committee is as follows:-

- [1] Dr.Santosh R.Dastane Director, Chairman
- [2] Ms.Kanuru Sujatha Rao, Director, Member
- [3] Mrs.Padma Iyer Kaul, DDG(LFA) DoT and Govt. Director, Member
- [4] Shri V.V. Bhat, Director, Member
- [5] Prof.Jasbir Singh, Director, Member

#### **AUDIT COMMITTEE OF THE BOARD**

To comply with the provisions contained Section 177(1) of the Companies Act 2013 and other applicable provisions, pending appointment of Non official Part Time (Independent) Directors, the Board of Directors, in their 164th meeting held on 28.8.2015 re-constituted the Audit Committee of the Board comprising both the Government Directors and Director(HRD) as Members.

The present composition of the Committee is as follows:-

- [1] Ms.Kanuru Sujatha Rao, Director, Chairperson
- [2] Dr.Santosh R.Dastane Director, Member
- [3] Mrs.Padma Iyer Kaul, Director, Member
- [4] Shri V.V.Bhat, Director, Member.
- [5] Prof.Jasbir Singh, Director, Member

#### **DETAILS OF THE BOARD COMMITTEE MEMBERSHIPS AND CHAIRMANSHIPS OF THE DIRECTORS**

The details of Memberships of the Committees and Chairmanship of the Committees held across the companies is available in the Report on Corporate Governance forming part of this Report.

#### **VIGIL MECHANISM**

In compliance of CVC / DPE Guidelines, BSNL already has a full fledged Vigilance Mechanism, headed by an independent CVO.

The Company has put in place a Whistle Blower Policy. Same has been circulated widely and posted in the intranet portal as well as corporate website of the company. Under this mechanism, protected disclosure can be made by the whistle blower to the Chairman of the Audit Committee.

Particulars of the Vigilance mechanism under CVC compliance are posted in the company's website at [www.bsnl.co.in](http://www.bsnl.co.in) at 'contact us'. Further, BSNL has also entered into an agreement with the Transparency International to ensure transparency in tendering process. Further, apart from the Audit by the C&AG of India, Statutory and Branch Audits, Amenability to the Writ Jurisdiction of the Court, GoI's Rules and Regulations, BSNL has its own Conduct, Disciplinary and Appeal Rules covering all the classes of employees including the Functional Directors. The Members of the Board and Sr.Management Personnel are also governed by the Code of Conduct laid down in accordance with the CG Norms.

## RISK MANAGEMENT

As mandated by the Department of Public Enterprises through Guidelines on Corporate Governance Norms for the Un-Listed CPSEs Company has laid down an Enterprise Risk Management Policy, for undertaking the risk management as part of the normal business practice by integrating and aligning the same with corporate and operational objectives.

For managing the affairs of the Company, the Board of Directors of the Company has delegated its powers to the Management Committee of the Board (MCB), the CMD and the Functional Directors and Below Board Functionaries, viz., the Executive Directors/CGMs/PGMs/GMs/TDMs/DGMs etc., as the case be.

**Risk Management Administration:-** Considering the size and geographical spread of the organization vis-à-vis the delegation of powers made to the business heads and unit heads – who carry out the task of undertaking the risk management as a part of the normal business practice by integrating and aligning the same with corporate and operational objectives -the Business Heads in the Corporate Office; CGMs/PGMs/GMs and Other Unit Heads of the field units were designated as the Risk Management Administrators [RMAs].

With a view to continuously train and develop the employees in the risk management techniques segment, Risk Management Training Courses specially designed for the Senior Management Personnel who function as the Risk Management Administrators are being organized at the Training Centres of the Company.

**Risk Management Monitoring:-** Establishing Risk Monitoring Centres being one of the Dynamic Parameters, for "Overseeing the mechanism of Enterprise Risk Management Mechanism", inter-alia, the periodical review of risk assessment and minimization procedures, submission of recommendations / reports to the Executive Management and the Audit Committee of the Board, a ERM Committee comprising of all the Executive Directors was constituted with Executive Director(Corporate Affairs) as Convenor.

In addition to already existing Risk Management Policy which mandates the Risk Management Administrators for ensuring efficient litigation management and compliance of all applicable provisions of the laws, as directed by the Administrative Ministry, detailed instructions have been issued to all concerned to ensure and comply with the provisions of the NLP-2010. Accordingly, the Unit Heads of the Corporate Office and GM/DGM in-charge of Administration in the field units are the Nodal Officers for respective unit for overall policy implementation, who will be assisted by the "Officer-in-charge of litigation", is responsible for litigation administration and management of respective unit.



## **CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION – SUSTAINABLE DEVELOPMENT**

Although Your Company is engaged in telecom service provisioning, being responsible Corporate Citizen makes sustainable efforts to protect the environment. Your Company has put in place effective policies in line with the law of the land to prevent pollution.

Water Conservation through Rain Water-Harvesting: With an eye on preservation of the precious water resources, Rain Water Harvesting is already under implementation at all new buildings.

Use of re-cycled water:- Wherever found feasible, treated water is used for gardening and cleaning purposes.

Use of Renewable Energy: Although the guidelines on the subject are not applicable to it; but, as a responsible corporate citizen, your Company always accords priority to Environmental Protection Activities, as laid down by the Govt. agencies time to time.

Adoption of New Technologies for improvement in production / design and production processes: Company has already started using Energy efficient AC units, High Precision packaged AC Units (HPACs), Energy Efficient light fixtures etc in various Company buildings.

## **PROJECT OJAS – TO REDUCE THE ENERGY CHARGES**

With a view to bring down the energy charges, Your Management had initiated the “Project Ojas”, which was inaugurated from Maharashtra Circle of the Company on 7.8.2018. Prime Objective of the project is to reduce the power charges by Rs.452.97 crores during the year 2018-19.

The objective is proposed to be met through:- Implementation of in-house software based on MH Circle model for optimizing the energy charges; Adoption of economical tariff packages; Review of demands; Optimizing the use of DG sets – One set for a group of 20 sites in urban and 10 sites in rural areas; Powering of non-electrified BTSs through renewable / non-renewable sources; Replacing air-conditioners at BTS with Turbo Ventilator for cooling; Provisioning of renewable energy resources on RESCO model from Renewable Energy Service Companies without CAPEX from the Company; and, On line monitoring of the project from corporate office level.

Already a saving of Rs.77.82 crores (34.36%) has been realized w.e.f. 1.4.2018 to 30.9.2018 against the proportionate target of Rs.226.48 Crores.

## **PROCUREMENT FROM MEDIUM AND SMALL ENTERPRISES**

In line with the Govt. of India’s Public Procurement Policy for Micro and Small Enterprises(MSEs) order, 2012, Company’s Procurement Manual had been amended and instructions exist for procurement from MSEs.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earned:- Rs. 12706 Lakhs

Used:- Rs. 4921 Lakhs

## INTERNAL FINANCIAL CONTROLS

Your company has a well defined internal control systems and procedures commensurate with its size and operations. Internal checks are routinely carried out by the internal audit teams. Internal audit wing of the Company is headed by a General Manager(PGM) level officer. Pursuant to the provisions of Companies Act 2013, the Company also appoints external auditor(s) / audit firm(s) as Internal Auditors. Company has also appointed Cost Auditor.

Apart from its own Internal Audit machinery, Your Company is subject to the Resident Audit Office scheme of the Director General of P & T Audit under the aegis of C & AG of India,

## DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

The Company neither invited nor accepted any Deposits from the public which are covered under the Chapter V of the Companies Act 2013.

## RELATED PARTY DISCLOSURES

The company has not entered into any material financial or commercial transactions with the Key Managerial Personnel, the Directors or the Management or their relatives or the companies and firms etc., in which they are either directly or through their relatives interested as Directors and/or Partners except with the certain PSUs, where the Directors are Directors without the required shareholdings.

The Company has obtained disclosures from all the Directors in this regard, which were noted by the Board.

## EXTRACTS OF ANNUAL RETURN

Information required to be disclosed pursuant to Section 134(3)(a) of the Companies Act 2013, with respect of details being part of the extracts of the Annual Return, in Form MGT 9 forms part of the Report (Annexure-1).

## DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief, and in terms of information and explanation offered and records submitted, the Directors of the Company pursuant to the provisions of Section 134 (3) (c) of the Companies Act, 2013 hereby confirm:

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) that the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 and 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;





- (d) that the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **DISCLOSURES AND DECLARATION BY THE DIRECTORS**

The Company has complied with the provisions contained in Section 164 of the Companies Act 2013. None of the Directors of your Company is disqualified as per provision of Section 164 of the Companies Act 2013. Pursuant to the Govt. of India, Ministry of Corporate Affairs Notification No.1/2/2014-CL.V, dated 5.6.2015, the provisions contained in sub-section (2) of Section 164 are not applicable to BSNL being a wholly owned Government Company.

### **STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS**

Pursuant to the provisions contained sub-section (7) of the Section 149, the Non official (Independent) Directors of the Company made declaration that they meet the criteria of independence as provided in sub-section (6) of the Companies Act 2013 which was noted by the Board of Directors.

### **SEPARATE MEETING OF THE INDEPENDENT DIRECTORS**

No meeting of the Non-official Independent directors took place during the financial year under review.

### **MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES**

Your Company being a Government Company, is exempted to furnish information under Section 197 of the Companies Act 2013 vide Notification dated 5.6.2015 issued by the Govt. of India, Ministry of Corporate Affairs. Further, being a wholly owned Government Company, the appointments, terms and conditions and remuneration of the Chairman and Managing Director and Whole Time Functional Directors are governed by the orders of the Govt. of India Department of Public Enterprises.

As regards policy on remuneration of Senior Managerial Personnel and other employees of the Company, their pay structure, allowances and other benefits are governed by relevant Govt. of India DPE Guidelines.

### **COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION**

#### **Size of the Board**

Being a Government Company, the power to appoint or remove a Director vest with the President of India. The Article of Association provides that the minimum strength of the Board shall not be less than three (03) and the maximum at fifteen (15).

#### **Composition of the Board**

The Board comprise of 12 Directors, of which 6 [including the CMD] are whole time Directors; 2 Government Nominee Directors and 4 Non-official Part Time (Independent) Directors. Thus, the Board

has the optimum mix of 50% Whole-time and 50% part-time Directors.

### Representation of Woman on the Board

Smt. Sujata Ray, a whole time director i.e., Director(HRD); Smt. Padma Iyer Kaul DDG[LFA] DoT M/o Communications Govt. of India & Govt. Nominee Director; and, Ms. K.Sujatha Rao Non official Independent Director, are the women Directors on the Board of Your Company.

### Formal Annual Evaluation

Pursuant to Govt. of India, Ministry of Corporate Affairs Notification No. 1/2/2014-CL.V, dated 5.6.2015, the provisions of the Companies Act 2013 contained in Section 134(3)(b) relating to the Evaluation of Directors are not applicable to BSNL.

The Govt. of India, through the Administrative Ministry appoints the CMD, the Whole Time Functional Directors, Government Nominee Directors and the Non official Independent Directors on the Board of Directors of the Company.

Terms and conditions of Appointment of CMD and Whole Time Directors and their Remuneration is determined by the Govt. of India; and, their evaluation is being done by the appropriate mechanisms as laid down by the Govt. of India time to time.

## CHANGES THAT TOOK PLACE IN BOARD OF DIRECTORS AND KMPs

### Appointments

- Government of India, Ministry of Communications, D/o Telecommunications vide Order No.E-5-1-2018-PSA, dated 1.2.2018 appointed Shri Amit Yadav, Joint Secretary(T) Department of Telecommunications as Govt. Director on the Board of Directors of the Company with immediate effect in place of Shri N.Sivasailam AS(T) & Govt. Director who had since been elevated to the rank of Special Secretary.
- Government of India, Ministry of Communications, D/o Telecommunications vide Order No.E-5-1-2018-PSA, dated 11.10.2018, have appointed Shri R.K.Khandelwal Joint Secretary (Admn.) & DDG (C & A) Department of Telecommunications as Government Nominee Director with immediate effect, in place of Shri Amit Yadav JS(T) in Department of Telecommunications, for a period three years or till the date of superannuation or till further orders, whichever is the earliest.
- Government of India, Ministry of Communications, Department of Telecommunications vide Order No. E-1-6/2016-PSA, dated 18th October 2018 appointed Shri Vivek Banzal, Principal General Manager(PGM) BSNL to the post of Director (Consumer Fixed Access), BSNL in the scale of pay of RS.75,000-1,00,000/- for a period of five years with effect from the date of his assumption of his charge of the post, or till the date of his superannuation, or until further orders, whichever is the earliest, subject to the outcome of the original application No.200/610/2018 filed by Dr.Mahesh Shukla, Chief General Manager(CGM) BSNL before the Central Administrative Tribunal, Jabalpur Bench. Shri Vivek Banzal assumed the charge of the post of Director(CFA) wef 18.11.2018.



### **Cessation of Directorships**

- Pursuant to the Government of India, Ministry of Communications, D/o Telecommunications Order No.E-5-1-2018-PSA, dated 1.2.2018 Shri N.Sivasailam Special Secretary(T) DoT ceased to be Govt. Director with immediate effect. The Board place its deep appreciation of the services rendered by Shri N.Sivasailam during his association with the Company.
- Pursuant to the Government of India, Ministry of Communications, D/o Telecommunications Order No. E-1-7/2016-PSA, dated 29.6.2018, consequent upon attaining the age of superannuation, Shri R.K.Mittal Director(CM) retired from service w.e.f. Afternoon of 30.6.2018. The Board place its deep appreciation of the services rendered by Shri R.K.Mittal during his association with the Company.
- Pursuant to the Government of India, Ministry of Communications, D/o Telecommunications Order No. E-5-1-2018-PSA, dated 11.10.2018, Shri Amit Yadav ceased to be Govt. Director with immediate effect. The Board place its deep appreciation of the services rendered by Shri Amit Yadav during his association with the Company.

### **Entrustment of the Additional Charge(s) by the Govt. of India MoC DoT**

- Consequent upon the retirement of Shri R.K.Mittal Director(CM) wef afternoon of 30.6.2018, the Govt. of India, Ministry of Communications, Department of Telecommunications entrusted the additional charge of the post of Director(CM) to Shri Anupam Shrivastava CMD for a period of three months w.e.f. 1.7.2018 or until further orders whichever is the earliest. During the period of holding said additional charge Shri Anupam Shrivastava will not be entitled to any additional remuneration; and, vide further orders the GoI MoC DoT, extended the same time to time. The present extension is for a period of six months w.e.f. 1.10.2018.
- Consequent upon the retirement of Shri KCGK Pillai on superannuation on 31.11.2013, the post of Director (F) fell vacant w.e.f. 01.12.2013. Since then, the Additional Charge of the post of Director (F) is being entrusted to the CMD/Functional Director by the Govt. of India, M/o Communications D/o Telecommunications. At present the additional charge has been entrusted to Smt.Sujata Ray Director (HRD) which is extended time to time. The present extension is for a further period of six months w.e.f. 01.09.2018.
- Consequent upon the retirement of Shri N.K.Gupta Director(CFA) on superannuation on 31.05.2017, the post of Director (CFA) fell vacant w.e.f. 01.06.2017. Thereafter, w.e.f. 1.6.2017, Government of India, Ministry of Communications, D/o Telecommunications, entrusted the additional charge of the post of office of Director(CFA) to Shri N.K.Mehta Director(Enterprise) for a period of 3 months wef 1.6.2017 (F/N) and, vide further orders, the GoI MoC DoT extended the same time to time. The last extension was for a further period of six months w.e.f. 1.9.2018. However, consequent upon the appointment and assumption of charge of the post of Director (CFA) by Shri Vivek Banzal wef 18.10.2018, Shri Mehta relinquished the said additional charge.

Consequent upon the conclusion of the entrustment of said additional charges, until receipt of further orders from the Govt. of India, Ministry of Communications D/o Telecommunication, the charges of any vacant post(s) of functional director vested in the CMD.

## STATUTORY AUDITORS

M/s ANDROS & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company by the Comptroller & Auditor General of India. In addition to the Statutory Auditors, 47 Branch Auditors were also appointed for the year 2017-18. The Report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India, alongwith replies of the Management thereto forms part of this Report.

## COST AUDITORS

Your Board has appointed M/s Vijendra Sharma & Co., Cost Accountants Firm Registration No.00180 as Cost Auditor of the Company for conducting the Cost Audit and Accounting Separation Report(ASR) Audit for the financial year 2017-18. Further pursuant to the provisions of Section 148 of the Companies Act 2013 and Rule 14(a) of the Companies (Audit and Auditors) Rules 2014, as recommended by the Audit Committee, Your Board has approved the remuneration of Rs. 3,99,000/-[Rupees Three Lakh Ninety-Nine Thousand only] plus applicable taxes as Audit Fee to the Cost Auditor, subject to ratification of the same by the Members in the ensuing Annual General Meeting.

The Cost Audit Report for the year 2016-17 was filed with the MCA, Registrar of Companies on 29.12.2017.

## SECRETARIAL AUDITORS

Pursuant to the provisions contained in Section 204 of the Companies Act 2013 and Rules thereunder, your Directors appointed M/s VAP & Associates, Company Secretaries [COP No. 13901] the Secretarial Auditor of the Company for conducting the Secretarial Audit for the year 2017-18. The Secretarial Auditor submitted their Report in Form MR-3, which forms part of this report.

## GENERAL

Your Directors state that there is no disclosure or reporting required in respect of following, as no transactions under these provisions were reported / took place during the year under review:-

- (i) Details relating to Deposits covered under Chapter V of the Act;
- (ii) Section 43 – Relating to Issue of Equity Shares with differential rights;
- (iii) Section 54 – Relating to Issue of Sweat Equity shares;
- (iv) Section 62 – Employees Stock Option Scheme;
- (v) Proviso to Section 67(3) – Details of voting rights not exercised directly by the employees in respect of shares to which the scheme for provision of money for purchase of subscription for shares by employees or by trustees for the benefit of employees, as per the Rule;
- (vi) Section 131 – Reasons for revision of financial statement and Board Report
- (vii) Section 188 – Contract with the related parties.



## **ACKNOWLEDGEMENTS**

Your Directors would like to place on record their sincere appreciation and gratitude to the Government of India Ministry of Communications, D/o Telecommunications and other Ministries/Departments, subscribers of Company's telecom services, the stakeholders, and bankers and to all the State Governments, Local Bodies and Regulatory authorities for their continued cooperation and invaluable support.

Your Directors express their deep appreciation for the hardwork and dedicated efforts put in by the employees at all levels and look forward to their continued contribution in achieving the mission and objectives of the Company.

**For and on behalf of the Board of Directors,**

Sd/-

**[ANUPAM SHRIVASTAVA]  
CHAIRMAN AND MANAGING DIRECTOR**

Place: NEW DELHI

Dated: 31.12.2018

**DECLARATION BY THE CHAIRMAN AND MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY THE BOARD MEMBERS AND THE SENIOR MANAGEMENT PERSONNEL OF THE COMPANY DURING THE FINANCIAL YEAR 2017-18**

I, Anupam Shrivastava, Chairman and Managing Director Bharat Sanchar Nigam Limited, do hereby declare that all the Members of the Board and the Senior Management Personnel of the Company have affirmed their compliance to the Code of “Conduct for Board Members and the Senior Management Personnel” during 2017-18.

Sd/-  
**[ANUPAM SHRIVASTAVA]**  
**CHAIRMAN AND MANAGING DIRECTOR**

Place: NEW DELHI  
Dated: 14.11.2018



Olympian Gold Medalist Ms. Mary Kom, Brand Ambassador of BSNL during her visit to the Corporate Office

## FORM MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

*[Pursuant to section 92(3) of the Companies Act 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014]*

#### I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U74899DL2000GOI107739
(ii)	Registration Date	15th September 2000
(iii)	Name of the Company	Bharat Sanchar Nigam Limited
(iv)	Category/Sub-category of the Company	Wholly Owned Government Company
(v)	Address of the Registered office and contact details	Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001. H.C.Pant, CS & CGM(L) / PH; 23353395 / Fax: 23353389 / Mail: hcpant@bsnl.co.in
(vi)	Whether listed company	Un-Listed
(VII)	Name, Address and Contact details of Registrar and Transfer Agent, if any	INDUS PORTFOLIO PRIVATE LIMITED, MANAGER-SHR, G-65, BALI NAGAR, NEW DELHI-110015. PHONE 011-47671214/47671217 FAX 25449863

#### II. PRINCIPAL ACTIVITIES OF THE COMPANY

All the business activities contributing 10% of the total turnover of the company shall be stated:

S. No.	Name and Description of main products/services	NIC code of the Product/ Service	% of total turnover of the company
1	Basic services	Not available	34
2	Cellular services	Not available	47
3	Broadband services	Not available	19

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Section
1	BSNL Tower Corporation Limited, Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110 001.	U64203DL2018GOI328034	Wholly owned subsidiary of the Bharat Sanchar Nigam Limited.	100%	2(87) of the Companies Act 2013.

## II. SHARE HOLDING PATTERN ( Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(g) Individual/HUF	-	-	-	-	-	-	-	-	-
(h) Central Govt.	-	Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%		Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%	-
(i) State Govt(s)	-	-	-	-	-	-	-	-	-
(j) Bodies Corp	-	-	-	-	-	-	-	-	-
(k) Banks/FI	-	-	-	-	-	-	-	-	-
(l) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	-	Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%		Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%	-
<b>(2) Foreign</b>									
(a) NRIs –Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter (A) = (A)(1) + (a)(2)</b>		Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%		Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
(a) Bodies Corp	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-





Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c) others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B) = (B)(1) + B(2)</b>	-	-	-	-	-	-	-	-	-
<b>C.Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A + B + C)</b>	-	-	-	-	-	-	-	-	-

**(ii) Shareholding of Promoters**

S. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1	The President of India and Nominees of President of India	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	100%	NIL	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	100%	NIL	NIL

**(iii) Change in Promoters' shareholding (please specify, if there is no change)**

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the company
	At the beginning of the year	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	100%	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	100%
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus /sweat equity etc.)	There is no change in the promoters shareholding holding during the year 2017-18.			
	At the End of the Year	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000		Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs):

S. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus /sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year (or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

## (v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus /sweat equity etc.)	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	[Amounts in Crores of Rupees]			
Indebtedness at the beginning of the financial year				
(i) Principal Amount	3,217	596	0	3,813
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i) + (ii) + (iii)</b>	<b>3,217</b>	<b>596</b>	<b>0</b>	<b>3,813</b>



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	[Amounts in Crores of Rupees]			
C.Change in Indebtedness during the financial year				
Addition	6,600	0	0	6,600
Reduction	365	285	0	650
Net Change	6,236	(285)	0	5,950
Indebtenness at the end of the financial year				
(i) Principal Amount	9,452	311	0	9,763
(ii) Interest due but not paid	0	0	0	0
(iii) Interest accrued but not due	0	0	0	0
<b>Total (i) + (ii) + (iii)</b>	<b>9,452</b>	<b>311</b>	<b>0</b>	<b>9,763</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Chairman and Managing Director and Whole Time Directors

S. No.		Particulars of Remuneration					Total
		Shri Anupam Shrivastava, CMD	Shri N.K.Gupta Director (CFA) [Upto 31.5.2017]	Smt. Sujata Ray Director (HRD)	Shri N.K. Mehta Director E)	Shri R.K. Mittal Director (CM)	In Rs.
1	Gross Salary	[Amount in Rupees]					
	(a)Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	2565169	1475138	2503635	2454960	2433162	11432064
	(b)Value of Perquisites u/s 17(2) Income-Tax Act 1961	361975	134144	356258	68329	376147	1296853
	©Profits in lieu of salary under Section 17(3) of Income Tax Act 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Swat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	-as % of profit	-	-	-	-	-	-
	-others, specify	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total(A)	2927144	1609282	2859893	2523289	2809309	12728917
	Ceiling as per the Act						

## B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Govt. Nominee Directors			Non official Independent Directors				Total Remuneration
		Shri N. Sivasailam Govt. Dir. [Upto 1.2.18]	Shri Amit Yadav Govt. Dir. [Wef 1.2.18]	Smt. Padma Iyer Kaul Govt. Dir.	Ms.K. Sujatha Rao [wef 30.1.17]	Dr. S.R. Dastane [Wef 30.1.17]	Shri V.V. Bhat [Wef 8.9.17]	Prof. Jasbir Singh [Wef 8.9.17]	
	3.Independent Directors								
	-Fee for attending Board Committee meetings	-	-	-	1,20,000	1,20,000	50,000	50,000	3,40,000
	-Commission	-	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-	-
	<b>Total (1)</b>		-	-	<b>1,20,000</b>	<b>1,20,000</b>	<b>50,000</b>	<b>50,000</b>	<b>3,40,000</b>
	4.Other Non Executive Directors	-	-	-	NIL	NIL	NIL	NIL	NIL
	-Fee for attending Board Committee meetings	-	-	-	NIL	NIL	NIL	NIL	NIL
	-Commission	-	-	-	NIL	NIL	NIL	NIL	NIL
	-Others, please specify	-	-	-	NIL	NIL	NIL	NIL	NIL
	<b>Total(2)</b>	-	-	-	-	-	-	-	-
	<b>Total(B) = (1 + 2)</b>	-	-	-					
	<b>Total Managerial Remuneration</b>	-	-	-	<b>1,20,000</b>	<b>1,20,000</b>	<b>50,000</b>	<b>50,000</b>	<b>3,40,000</b>
	Overall Ceiling as per the Act		Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 provides for maximum of Rs.1,00,000/- per meeting. The Board of Directors, in their 112th meeting held on 2.7.2008, pursuant to the provisions contained in Article No.115 of the AoA of the Company, fixed the sitting fee as Rs.10,000/- per meeting of the Board or Committees thereof. Being a wholly owned Govt. Company, provisions of Section 197 relating to managerial remuneration are fully exempt to the Company, pursuant to Govt. of India, Ministry of Corporate Affairs Notification GSR 463(E), dated 5.6.2015.						

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Shri H.C.Pant, Company Secretary & CGM(L)	-	-	-	-	Total Amount
1	Gross Salary		<b>[Amount in Rupees]</b>				
	(a)Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	2308847	-	-	-	-	2308847
	(b)Value of Perquisites u/s 17(2) Income-Tax Act 1961	332992	-	-	-	-	332992
	©Profits in lieu of salary under Section 17(3) of Income Tax Act 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Swat Equity	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	-as % of profit	-	-	-	-	-	-
	-others, specify	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	<b>Total</b>	<b>2641839</b>	-	-	-	-	<b>2641839</b>



VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give details)
<b>A.COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B.DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C.OTHER OFFICER IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Sd/-  
[ANUPAM SHRIVASTAVA]  
CHAIRMAN AND MANAGING DIRECTOR

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### NATIONAL DIGITAL COMMUNICATIONS POLICY 2018

The National Digital Communications Policy 2018 has been approved by the Govt. of India.

The Policy acknowledges spectrum as a key natural resource for public benefit to achieve India's socio-economic goals. The Policy propose to making adequate spectrum available to be equipped for the new broadband era. The Policy also focusses on optimal pricing of spectrum to ensure sustainable and affordable access to digital growth. The Policy also speaks about promoting co-use / secondary use of spectrum and constitution of Spectrum Advisory Team. It further aims to liberalise the spectrum sharing/leasing/trading leading to productive use of entire available spectrum.

Bharat Net, one of the leading projects of the government, is aimed at connecting 2.5 lakh gram panchayats of India through optical fibre network in two phases. Through this network, services such as e-health, e-education, e-governance and e-commerce will be offered in the future.

The New Policy, together with the Bharat Net, Broadband for all initiatives of the Government present a new phase of business.

#### REGULATORY FRAMEWORK - POLICY DECISIONS AND THEIR IMPACT ON THE COMPANY

Telecom Regulatory Authority of India (TRAI), notified "The Telecommunication Mobile Number Portability per Port Transaction Charge and Dipping Charge (Amendment) Regulations 2018 on 31.1.2018, prescribing the ceiling for Per Port Transaction Charge of Rs. 4 for each successful porting (earlier Rs.19 per porting). This will have positive impact on BSNL due to saving of Rs.11 per successful porting.

TRAI notified the Telecommunication Interconnection Usage Charges (Fourteenth Amendment) Regulations 2018 on 12.1.2018. Through this the regulator has reduced the termination charges payable by an ILD Operator to the Access Provider in whose network the call terminates from Rs.0.53 per minute to Rs.0.30 per minutes. This will have a positive impact on the Company. Your Company reacted promptly by lowering the rates for incoming traffic in order to incentivize incoming / terminating traffic. Due to no change in tariff of other ILDO operators, revenue increased. But this trend is to be monitored continuously.

TRAI notified the Telecommunication Interconnection Regulations 2018 dated 1.1.2018, mandating every service provider to enter into interconnect agreement on non-discriminatory basis within thirty days of receipt of request from a service provider. The Company has taken up the matter of agreements with other operators regarding sharing of infrastructure and interconnect charges

TRAI notified the Telecommunication Interconnection Usage Charges (Thirteenth Amendment) Regulations 2017 dated 19.9.2017. Domestic Termination charges are the charges payable by a Telecom Service Provider whose subscriber originates the call, to the TSP in whose network the call terminates. This regulation provides for (a) Mobile to Mobile termination charge has been reduced from 14 paise per minute to 6 paise per minute wef 1.10.2017; (b) For other calls, the termination charge would continue to be zero; (c) From 1st January 2020 onwards the termination charge for all



types of domestic calls shall be zero. This has negative impact on the Company. During 2016-17, BSNL was getting almost Rs.455 crore net IUC receivables minus payables); and, now by the feature of this regulation, receivable may get decreased by around Rs.260 crores per annum.

## **RISKS AND CONCERNS**

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your company has a well defined internal control systems and procedures commensurate with its size and operations. Internal audit wing of the Company is headed by a Senior Management level officer.

In accordance with the Guidelines on Corporate Governance Norms issued by the Department of Public Enterprises, the Audit Committee of the Board had discussions and reviewed the Internal Audit Paras.

Further, pursuant to the directions of the Government of India, Ministry of Corporate Affairs for Cost Audit of the Telecommunication Companies by the Cost Accountants, your Company has appointed Cost Auditors.

Pursuant to the mandate of the Companies Act 2013, the appointments of Internal Auditors and the Secretarial Auditor for the year 2017-18 were made with the approval of the Board of Directors.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Hyper competition and pricing pressures have resulted in the decline of telecom industry's revenue in the last year. There has been a overall revenue decline of 15-20% across the board in the telecom sector. The sector is witnessing the new trend of fixed charging mechanism for all sort of services; and, owing to this and the highly price competitive market, the situation of revenue earning is likely to remain the same in the coming financial year also.

During the year 2017-18, the company incurred a loss of Rs.7992.85 Crores [Previous year Rs.4793.21 Crores]. While the Income from services is Rs. 22667.78 Crores [ Previous Year Rs.28403.73 Crores ]. Other income is Rs.2402.86 crores [Previous Year Rs.3129.71 Crores].

There was a decrease of 20.19% in income from services in comparison to previous year. While employee expenses was 43.88% of total expenses, other expenses formed 33.56% of the total expenses.

### **ENVIRONMENTAL PROTECTION AND CONSERVATION, TECHNOLOGICAL CONSERVATION, RENEWABLE ENERGY DEVELOPMENTS, FOREIGN EXCHANGE CONSERVATIONS**

As part of energy conservation exercises under Project Ojas, Company targets to save around Rs.452.97 crores in Electricity and Fuel charges. Implementation of the Guidelines of the Department of Telecommunication for Green Technology, Release of electric connection at non electrified BTS sites and installation of Solar systems for reduction of Carbon foot print are part of the energy conservation initiatives.

### **CAUTIONERY STATEMENT**

These discussions are forward looking within the meaning of the applicable laws and regulations. Actual performance may deviate or vary from the explicit or implicit expectations.

## REPORT ON CORPORATE GOVERNANCE

The term Corporate Governance connotes broad guidelines and principles, put in a codified way, to promote value addition of the Corporate.

The Company, by virtue of its being the successor of erstwhile Central Government Departments of Telecom Services (DTS) and Telecom Operations (DTO), is a forerunner in the segment of having already put in place a sound mechanism for Corporate Governance, which were further modified to suit the Norms on Corporate Governance for the Unlisted CPSEs as laid down by the Department of Public Enterprises, now enshrined in the Companies Act 2013.

Being a leading pan-India Public Sector telecom service provider to the nation, BSNL is committed to adopting the globally accepted best corporate governance norms practices.

With highly institutionalized system aiming for transparency, disclosures and internal control, BSNL has already been complying with most of the codified norms, viz.-

- Composition of the Board;
- Complete conformity with Board procedure, specially, the Secretarial Standards laid down by the Institute of Company Secretaries of India;
- Clear cut demarcation of powers with Delegation of Financial and Administrative Powers to the Management Committee of the Board, CMD and the Functional Directors, and below Board-level executives;
- Conduct, Discipline and Appeal Rules for all the Employees and reporting systems;
- Code of Conduct for the Members of the Board and annual affirmation to the Code by the Members of the Code;
- Code of Conduct for the Senior Management Personnel of the Company and annual affirmation to the Code by the Senior Management Personnel;
- Disclosures by the Directors to the Board of Directors and filing of requisite forms evidencing the taking note of the disclosures by the Board with the appropriate authorities;
- The Company constituted the Audit Committee, Nomination & Remuneration Committee and the Corporate Social Responsibility (CSR) Committees, pursuant to the provisions of the Companies Act 2013.
- The Company has its Enterprise Risk Management Policy;
- Appointment of Statutory and Branch Auditors by the C & AG of India;
- Appointment of Cost Auditors;
- Appointment of Secretarial Auditor;
- Appointment of Internal Auditors;





- Audit jurisdiction of the DG P & T's Resident Audit Office scheme,
- Dedicated Internal Audit Set up;
- Amenability with the Guidelines of Central Vigilance Commission;
- Outside independent personnel as CVO;
- Dedicated and full-fledged Vigilance set up across the units of the Company;
- Whistle blower policy in vogue;
- Compliance of the Orders and Guidelines of the Government of India - Department of Public Enterprises, Administrative Ministry, Laying of Annual Report before both the Houses of the Parliament and host of other compliances.

## **BOARD OF DIRECTORS**

### **Size of the Board**

Being a wholly owned Government Company, the provisions of the Companies Act 2013 relating to appointment, remuneration, evaluation etc., of the Directors are not applicable to your Company. The power to appoint or remove a Director vest with the President of India. The Article of Association provides that the minimum strength of the Board shall not be less than three (03) and the maximum at fifteen (15).

### **Composition of the Board**

The Board comprise of 12 Directors, of which 6 [including the CMD] are whole time Directors; 2 Government Nominee Directors and 4 Non-official Part Time Directors. Thus, the Board has the optimum mix of 50% Whole-time and 50% part-time Directors. The composition is as per the Corporate Governance Norms for the unlisted CPSEs, laid down by the Department of Public Enterprises.

The details of the composition of the Board of Directors is as follows:-

#### **Whole-Time Directors [06 including CMD]**

##### **Chairman and Managing Director**

Shri Anupam Shrivastava w.e.f. 15.1.2015.

##### **Director(Enterprise)**

Shri N.K.Mehta Wef 1.8.2015

##### **Director(CFA)**

Shri N.K.Gupta [Wef 1.6.2012 to 30.5.2017]

Shri N.K.Mehta Director (E) [ Wef 1.6.2017 to 18.10.2018. Additional charge entrusted by the GoI MoC DoT]

Shri Vivek Banzal [W.e.f. 18.10.2018]

##### **Director(HRD)**

Smt.Sujata Ray [wef 8.7.2015.]

**Director(Finance)**

Smt.Sujata Ray Director(HRD) [Wef 21.10.2015 onwards. Additional Charge entrusted by the Gol MoC DoT]

**Director(CM)**

Shri R.K.Mittal [Wef 4.11.2015 to 30.6.2018]

Shri Anupam Shrivastava CMD [ W.e.f. 1.7.2018 onwards. Additional Charge entrusted by the Gol MoC DoT]

However, consequent upon conclusion of respective extension order(s) and pending receipt of further orders from the Gol MoC DoT, the additional charge(s) of the post of functional directors so entrusted vested in the CMD.

**Government Nominee Directors [ 02 ]**

1.Smt.Padma Iyer Kaul DDG[LFA] in DoT [ Wef 18.9.2015]

2.Shri N.Sivasailam Additional Secretary(T) in DoT [Wef 21.10.2015 to 1.2.2018]

3.Shri Amit Yadav, Joint Secretary (T) in DoT [ Wef 1.2.2018 to 11.10.2018]

4,Shri R.K.Khandelwal, Joint Secretary (Admn.) & DDG ( C & A) in DoT [ Wef 11.10.2018]

**Non-official Part-Time Directors [ 04]**

1.Ms.K.Sujatha Rao Director [ Wef 30.1.2017]

2.Dr.Santosh R.Dastane Director [ Wef 30.1.2017]

3.Prof.Jasbir Singh Director [Wef 8.9.2017]

4.Shri V.V.Bhat Director [Wef 8.9.2017]

**Woman Representatives on the Board**

The Company has Three Women Representatives on its Board viz. Smt.Sujata Ray a Whole time Director, i.e. Director(HRD), Smt. Padma Iyer Kaul DDG(LFA) in M/ o Communications, D/o Telecommunications Govt. of India& Government Nominee Director and Ms.K.Sujatha Rao Non official Independent Director.

**BRIEF PROFILE OF THE DIRECTORS**

**Shri Anupam Shrivastava CMD [ Wef 15.1.2015] [DIN: 06590535] :-** Shri Anupam Shrivastava is a 1981 batch of Indian Telecom Service (ITS) Officer who has around three decades of experience in the field of telecommunications. He is BE (Electronics & Communications) and is also MBA (Mktg.). He has taken telecommunication trainings in India & Japan. Prior to his present assignment as CMD, Shri Shrivastava joined BSNL Corporate Office as Director (CM) on 1st May, 2013 and is responsible for the growth of mobile business of GSM / CDMA / WIMAX in BSNL, including all activities related to Sales & Marketing, VAS, Tariff finalization & revenue. As Zonal Director for North Zone he is responsible for monitoring growth and maintenance of Telecom Network in 8 Circles. Prior to this assignment, Shri Shrivastava had held the post of Sr. GM, Ajmer TD where he gave special attention to Sales & Marketing of telecom products in the SSA which resulted in physical growth of connections in all segments and increased revenue for the SSA. Ajmer SSA was chosen for the pilot project for NOFN which was successfully completed ahead of target. His contributions in providing quality service to BSNL customers have been widely acknowledged and he strived to achieve benchmarks prescribed by TRAI / BSNL C.O. for various service parameters. Shri Shrivastava also worked as GM Jodhpur SSA and



during his stint there he gave record number of mobile and landline connections with special emphasis on data and broadband business. He also has experience of working as GM (BB) in Rajasthan Telecom Circle with additional charge of Marketing and Enterprise Business. Shri Shrivastava also has overseas working experience in Zimbabwe where he was posted in Harare while representing TCIL as Task Force Leader to upgrade their telecom services. Due to his hard work and coordination skills the fault rate was drastically curtailed which was well appreciated by PTC Zimbabwe and TCIL management. He was associated with 6th G-15 Summit in Harare in 1996. Shri Shrivastava has delivered lectures extensively in different institutions both in India and abroad including many universities and management colleges. He also organized many seminars and skill up-gradation courses at many places. A firm believer in team work, Shri Shrivastava always sets examples by himself and uses latest technological applications to promote and inculcate team work amongst his subordinates and maintain synergy with superiors in BSNL management.

**Smt.Sujata Ray Director(HRD) [DIN: 07240022] [Wef 8.7.2015]:-** Smt.Ray has taken over as Director(HRD) of BSNL on 8.7.2015. A post graduate from Calcutta University, she belongs to the 1982 batch of the Indian P&T Accounts and Finance Service, having over 32 years of experience in the field of telecom finance.

Prior to her present assignment, Smt.Ray was Executive Director(Finance) in the Company since April 2014. She has rich and varied experience encompassing postings in the Department of Telecommunications both in the Ministry as well as in MTNL and BSNL, the two major PSUs. While serving in various capacities as General Manager and Principal General Manager, she has acquired rich experience in Corporate Accounts, Budgeting and Corporate Finance. She is also a strong proponent of the Integrated Finance approach having functioned as IFA for more than a decade in various territorial maintenance and project Circles of the Company. In fact, as Executive Director, Smt.Ray performed the role of rendering financial advice to the Functional Directors inclusive of financial appraisal of various projects and significant procurement issues.

While heading the Finance Wing of the Company, she demonstrated strong leadership qualities in guiding and motivating small and large functional teams to achieve the ascribed business goals. Smt. Ray has also substantial experience in handling HR and personnel issues over the past few years. She has headed or actively participated in key Committees relating to important HR matters of BSNL. Having been a keen member of the Steering Committee for implementing ERP in the Company, she is actively involved in formulation of HR plan of BSNL which is an integral part of its revival plan.

She is a firm believer in the power of positive thinking and the strength of soft skills in her new role of developing the vast human resources of the Company. Smt.Ray is a voracious reader and has received extensive training in India and abroad.

**Shri N.K. Mehta Director (Enterprise) [DIN: 07247767 ] [Wef 1.8.2015]:-** Shri Mehta, an Indian Telecommunication Service officer of 1981 batch joined as Director(Enterprise) BSNL on 01.08.2015. He is a Bachelor of Engineering with Honours in Electronics & Communication and MBA in HR. He has more than three decades of rich and diversified experience in Telecom Management, Network Operations, Project Management, Business Development, Human Resource Management and Development.

Before joining BSNL as Director(E), he was working as Executive Director(IT) with additional charge of

ED (CA) in BSNL. As ED(IT) he successfully rolled out ERP system in BSNL, improved the productivity within organization through BPR. As ED(CA) has handled Regulatory Affairs, Material Management, Corporate Planning, IT Security Policy etc.

While working on an overseas assignment as Area Manager with TCIL in Kingdom of Saudi Arabia, he was responsible for planning and execution and provisioning of Telecom Services in Alhasa & Riyadh city and execution of a Turnkey Telecom Network Project in 17 cities in KSA. As DGM, Area Manager and GM in MTNL, he was responsible for planning, O & M of Telecom Network, Sales and Marketing of Telecom Services, CRM, Human Resource Management and development and Financial Management. As GM(Trg) in MTNL, he successfully transformed an obscure inhouse training centre into a centre of excellence and a profit centre. Served as GM(EB) & later on as CGM (EB) in MTNL from November 2010 to April 2014.

As Director(E) BSNL, he is responsible for formulating and implementing policies for sustainable growth of the Enterprise and wholesale Business and Managing core-Network. Enterprise customers include small, medium and large corporate, Central/State Government Departments and Public Sector Undertakings. The wholesale business covers India and International Carriers and Internet Service Providers. All deals pertaining to the ILD and NLD network falls within his jurisdiction. His core network responsibilities include procurement, installation, commissioning and O & M of all transmission equipment as well as planning, installation, maintenance and management of all MPLS core network.

As head of these business, he is responsible for the creation of innovative and affordable products, superior sales, marketing and customer service and excellence in network operations.

**Shri Vivek Banzal Director(CFA) [DIN 0008267362] [Wef 18.10.2018]:-** Shri Vivek Banzal, an Indian Telecom Service Officer of 1987 batch joined as Director (CFA), in BSNL Corporate Office on 18.10.2018. He is Bachelor of Engineering in Electronics, Master of Engineering in Computer Science and MBA. He has more than 31 years experience of handling Computer and Telecom Network. He started his carrier as customer service and solution engineer in computer industry. After joining Telecom Department, he executed first digital satellite ground station project for telecom in India.

His quest for innovation and process re-engineering was tested when competition begun in Telecom Sector in India at Indore in fixed line segment in 1997. He is known for successful implementation of innovation ideas, during his stint in fixed line segment, with start of wire-line broadband in India. Later he worked in customer mobility with same flavour in planning, engineering, rollout, network upgrade, O&M, marketing and retail chain management. He had planned and implemented, number of innovations in various customer centric activities in Mobile Network in Gujarat. Few of them were replicated in other Circles later on.

As Director (CFA), BSNL, he is responsible for formulating and implementing policies for Fixed Line and Broadband network in BSNL. The FTTH project is also handled by CFA vertical. The modernization of fixed Line network and the IT enabling for BSNL as a whole falls within his jurisdiction.

**Shri R.K.Mittal Director(CM) [DIN 07334039] [Wef 4.11.2015 to 30.6.2018]:-** Rakesh Kumar Mittal, an officer of Indian Telecommunications Service 1981 batch, is a Graduate in Electrical (Electronics) Engineering from Delhi College of Engineering. He assumed the charge of the Consumer Mobility Vertical on 4.11.2015. Prior to the current assignment, he was General Manager in MTNL Delhi. At MTNL he was in charge of MM, IT & Tech/Plg in Corporate office. He started his career in Department



of Telecommunications and held various positions in the field formation. He has been responsible for procurement of ADSL2+ and 3G technologies for the 1st time in India by any of the operator. He attended various training programmes in India and abroad.

**Shri N. Sivasailam [DIN: 00131008] Govt. Director [Wef 21.10.2015 to 1.2.2018]:-** Shri N. Sivasailam is an officer of the 1985 batch of the Indian Administrative Service allotted to Karnataka Cadre. He graduated in Mechanical Engineering from University of Delhi. He did his Post Graduate studies at the Faculty Management Studies, University of Delhi and at the London School of Economics in Business Administration and Social Policy & Planning in Business Administration and Social Policy & Planning in Developing Countries respectively. He also has a Post Graduate Diploma in Intellectual Property Rights Law (IPRL) from the National Law School of India University, Bangalore. His last assignment in cadre was at the Department of Public Enterprises, Government of Karnataka where he served in the position of Additional Chief Secretary. He has served in the Departments of Health & Family Welfare and Forest, Ecology & Environment Departments of the Govt. of Karnataka as Principal Secretary.

He has served Bangalore Metro Rail Corporation Ltd, the Karnataka State Beverages Corporation Limited and Rajiv Gandhi Rural Housing Corporation Ltd. as Managing Director, in earlier stints in the Cadre besides serving an assignment as Secretary in the Rural Development & Panchayat Raj Department of the State Government.

In his earlier stint with the Central Government, he served as Deputy Secretary (AIS) in the M/o Personnel, Public Grievances and Pensions. Presently, he is serving as Additional Secretary (Telecom) and is also ex-officio Secretary of the Telecom Commission in the Government of India.

He has been a Member of National Award Winning Teams in Panchayat Raj Administration and E-governance applications.

**Shri Amit Yadav Government Director [DIN: 06491798] [Wef 1.2.2018 – 11.10.2018]:-** Shri Amit Yadav is an officer of Indian Administrative Service (IAS) and belongs to 1991 batch. He is a Law graduate (LLB) and has also done Masters in Business Administration (MBA). He has served in the states of Arunachal Pradesh, Delhi and Goa and has a wide range of experience in various Departments like Finance, Industry, Agriculture, Commerce, etc. He served as Director in the Department of Commerce during the period 2006-2009 and as Counsellor in the Permanent Mission of India (WTO), Geneva during the period 2009-2012. At present he is working as Joint Secretary in the Department of Telecommunications, Ministry of Communications since January, 2016.

**Shri R.K.Khandelwal Government Director [DIN: 02861350] [W.e.f. 11.10.2018]:-** Shri R.K. Khandelwal is an officer of Indian Administrative Service (IAS) and belongs to 1989 batch. He is an Engineering graduate (B.E.) and has also done Masters in Technology (M. Tech). He has served in the state of Bihar and has a wide range of experience in various Departments like Finance, Cooperative, Agriculture and Home etc. He has served as Joint Secretary in the Department of Food & Public Distribution, Govt. of India during the period 2017-2018. At present, he is working as Joint Secretary in the Department of Telecommunications, Ministry of Communications since September, 2018.

**Smt. Padma Iyer Kaul Government Director [DIN: 07303737 ] [Wef 18.9.2015]:-** An officer of Indian P & T Accounts and Finance Service, at present, she is Deputy Director General in the D/o Telecommunications, handling the responsibility of Licence Finance Assessments. She is a post graduate of Delhi University.

**Ms. K.Sujatha Rao Director [DIN: 07129022 ] [Wef 30.1.2017]:-** Ms Sujatha Rao, is a former Union Secretary of the Ministry of Health and Family Welfare, Government of India. She belonged to the Andhra Pradesh cadre. During her tenure she held several posts such as Commissioner Education, Commissioner of the Municipal Corporation, Hyderabad, Secretary in the departments of Finance, Health, Education and so on.

Ms. Rao served in the boards of the Global Fund for HIV/AIDS, TB and Malaria (GFATM) 2007-09; WHO and UNAIDS. She was a member of the Global Advisory Panel of the Bill & Melinda Gates Foundation; Founding member of the Public Health Foundation of India; Member of the Advisory Board of the Ministerial Leadership Program of the Harvard School of Public Health and member of the High Level Panel on Global Risk Framework of the National Academy of Sciences, USA.

A MPA from Harvard University, USA 1991-92, she was a Takemi Fellow at the Harvard School of Public Health 2001-2002 and Gro Harlem Brundtland Senior Leadership Fellow at HSPH in 2012. She is author of the book entitled "DO We Care? India's Health System" – published by Oxford University Press.

**Dr.Santosh R.Dastane Director [DIN: 00761985 ] [Wef 30.1.2017]:-** Dr.Dastane, M.A. Ph.D (Economics) has vast teaching, research and consultancy experience of over 40 years. Presently, he is Director, Research & Dean, Institute of Business Management, Pune. He M.A. Ph.D (Economics). His area of specialisation are Research Methodology, Managerial Economics and Industrial Economics.

He is an approved research guide of University of Pune, Tilak Maharashtra Vidyapeeth (Deemed University), Bharati Vidyapeeth (Deemed University), Symbiosis International University (Deemed University) and "Emeritus Scholar" of Bharati Vidyapeeth Deemed University. He has guided 27 students for PhD and 19 students for M.Phil. Presently, he is guiding 1 student for M.Phil and 3 students for PhD. He also guided one candidate for post doctoral research.

He has authored 27 books in Economics/Finance/Banking; Translated 4 books into Marathi, contributed numerous articles, book reviews, research papers etc. Contributed 22 articles to Marathi Vishwakosha (Encyclopedia). Acting as Coordinator for Economics for Vishwakosha.

He was Controller of Examinations of University of Pune for 5 years. He was associated with examinations of UPSC, MPSC, Indian Institute of Banking & Finance and RBI in various capacities. He is also Member-Board of Studies in Economics, Bharati Vidyapeeth Deemed University and Symbiosis International University, Pune. He is Life Member of Indian Economic Association, Modern Education Society Pune.

**Shri V.V. Bhat Director [DIN: 00259832] [Wef 8.9.2017]:-** Shri.V.V.Bhat joined the Indian Administrative Service (AGUMUT cadre) in 1976, after his post graduation in Economics from the University of Mysore. Subsequently he studied Management (MBA) and Development Economics (Cambridge University). He has worked in different capacities in the North East, Andaman and Nicobar Islands, Pondicherry, Goa and NCT of Delhi. He has also worked in the Ministry of Education, Ministry of Finance and Department of Space in Government of India. He has been a Director on the different Public Sector Banks and Public Sector Undertakings, in addition to being Chairman of Pondicherry Textile Corporation and Delhi Industries and Infrastructure Development Corporation. He retired from the post of Secretary to the Government of India and Member [Finance] in Space Commission, Atomic Energy Commission and Earth Commission.



**Prof. Jasbir Singh Director [ DIN: 07954620 ] [Wef 8.9.2017]:-** Prof. Jasbir Singh, Professor of Economics is serving in the University of Jammu, Jammu and Kashmir, India. He is M.A., M.Phil., PhD in Economics. Formally, Head, Department of Economics, University of Jammu, Jammu has 25 years teaching experience. His field of specialization is Political Economy of Development, Human Development and Gender Economics. He has been teaching Macro Economics, Classical Political Economy and Indian Economic Policy at the post graduate level. He has to his credit 6 books published. He has completed six research Projects. At present he is Hon. Director, Centre for Study of Social Exclusion and Inclusive Policy, University of Jammu, Jammu.

He has attended and presented research papers in 95 conferences and seminars within and outside the country. For academic interactions he has been invited to Geneva, Italy, Venice, Malaysia, Istanbul-Turkey, China, Srilanka and Poland. He has published about 49 research papers in journals of national and international repute. He has supervised 9 Ph. D scholars and 8 more scholars are working on their Ph.D thesis with him and 18 M.Phil students had already completed their research thesis under his supervision. He has attended 22 workshops, chaired 20 technical sessions in conferences and delivered about 107 extension lectures.

He is member of 13 academic organizations/ associations. At present he is Vice President of World Centre for Women Studies since 2015-18. He has also been Vice-President, The Indian Society of Agricultural Economics, Mumbai in 2010-2012; Joint Secretary, The Indian Econometrics Society, New Delhi in 2010-11; Member of the Executive Committee, The Indian Society of Labour Economics, New Delhi in 2009-11; Member of the Executive Committee, North West Indian Sociology Association, Chandigarh-2017-2020; Local Organizing Secretary, 46th Annual Conference of The Indian Econometric Society, 2010; Local Organizing Secretary, 70th Annual Conference of the Indian Society of Agricultural Economics, 2010. Alongwith his teaching he conducts workshops and personality development programmes for students at the college and the university levels.

### **Appointment and Tenure of the Directors**

In terms of Article No.111 of the Articles of Association, the Directors are appointed by the President of India.

Functional Directors are appointed for a period/tenure of five years from the date of assumption of charge, or till the date of superannuation or until further orders of the President of India, whichever is the earliest. The salary and allowances are determined by the President of India.

The Government Nominee Directors are appointed by the President of India from amongst the officials of the Government of India. Such nominee Director ceases to be a Director on his superannuation from Government Service or transfer from the respective Ministry/Department.

Non-official Independent Directors are appointed by the President of India for a period of three years from the date of assumption of charge. The appointment of the Non-official Independent Directors shall be at the pleasure of the President of India and other terms and conditions as may be deemed fit by the President of India from time to time in accordance with the Memorandum and Articles of Association of the Company.

## BOARD COMMITTEE MEETINGS AND PROCEDURES

### Institutionalised Decision Making Process

With the aim of completely institutionalising the process of corporate governance and decision making by the Board of Directors, the Company has, well defined process of placing vital and sufficient information before the Board and/or committee(s) thereof.

The Board of Directors have voluntarily constituted a standing committee for the purposes of general management and administration of business affairs of the Company named as "Management Committee of the Board (MCB), comprising of the CMD and all the Functional Directors as Members and the Company Secretary as the Secretary, and have delegated powers of general management of company's business affairs to it. The Board of Directors have also delegated some of their powers to the CMD, Functional Directors, EDs and Senior Management Personnel of the Company.

The Statutory standing Committees, viz., (a) the Audit Committee of the Board in accordance with the provisions of Section 177(1) of the Companies Act 2013; and, (b) the Nomination and Remuneration Committee of the Board in terms of Section 178(1) of the Companies Act 2013; and (c) the Corporate Social Responsibility(CSR) Committee pursuant to the provisions of the Section 135(1) of the Companies Act 2013 and Rules thereunder; and (d) Voluntary Standing Committee on Appellate & Review matters under BSNL CDA Rules 2006 have also been constituted by the Company.

In addition, as and when need arises, Board constitutes Committee of Directors.

### Role of the Company Secretary in overall Governance Process

The Company Secretary ensures that the Board procedures are followed and regularly reviewed. The Company Secretary endeavors that all the relevant information and documents are made available to the Directors by the different nodal units to facilitate an effective decision making in their meetings. Being the interface between the Board and the Executive Management, all the Senior Management Personnel of the Company take advice and services of the Company Secretary.

The Company Secretary is also the interface between the management and the regulatory authorities for governance matters.

### Guidelines for the Board/Committee Meetings

Details guidelines have been laid down by the Company secretariat especially with reference to preparation and submission of Agenda Notes, Circulation of decisions thereto etc. These are reiterated from time to time. These guidelines are in conformity with the Secretarial Standards prescribed by the Institute of Company Secretaries of India (ICSI) New Delhi, in terms of Section 118(10) of the Companies Act 2013.

The Agenda papers are prepared by the respective units under Business verticals headed by PGM/ Sr.GM/GM as the case be at corporate office, after considering complete technical, commercial, legal and financial aspects. After getting approval of the concerned ED/Functional Director/CMD/MCB as the case be, in accordance with the delegation of Administrative and Financial Powers, the agenda papers are sent to the Company Secretariat for circulation amongst the Members of the Board / Committee(s)





thereof as the case be.

Observance of the Secretarial Standards issued by the Institute of the Company Secretaries of India

The Institute of Company Secretaries of India (ICSI) has, evolved and laid down the best corporate practices in the form of Secretarial Standards. The Company has been adhering to the Standards relating to Board Meetings, General Meetings, Payment of Dividend, Maintenance of Records and Registers, Minutes of the Meetings, Passing of Resolution by Circulation, affixing of Common Seal, Board's Report etc.

### **Code of Conduct for the Members of the Board and the Senior Management Personnel**

In addition to the Company's Conduct, Disciplinary and Appeal Rules, in line with the corporate governance norms, the Board of Directors of the Company have laid down a "Code of Conduct for the Members of the Board". All the Members have affirmed compliance with the said code.

Similarly, In addition to the Company's Conduct, Disciplinary and Appeal Rules, in line with the corporate governance norms, the Board of Directors of the Company have laid down a "Code of Conduct for the Senior Management Personnel of the Company". All the Senior Management Personnel have affirmed compliance with the said code.

### **Scheduling of Board/Committee Meetings and Submission of Agenda Items for the Board/Committee meetings.**

The meetings of the Board/Committee thereof are convened, keeping in view the statutory provisions and the convenience of the Members, with sufficient advance planning. The Agenda Notes are, generally sent minimum seven days in advance to facilitate meaningful and informed discussions;

Wherever required, voluminous documents/documents of confidential nature are tabled at the meeting, with the approval of the meeting;

The Board also discusses sensitive and urgent business proposals, without formal agenda note, depending on urgency and case to case basis;

Wherever required, the Senior Management Personnel of the Company are called to make presentations before the Board/Committee on specific agenda notes.

The Meetings of the Board/Committee are generally held at the Registered office of the Company at Delhi. Whenever required, meetings are also held outside the headquarters.

### **Recording of Minutes of the Board/Committee meetings**

Minutes of the proceedings of the Board of Directors and the Committees of the Board are recorded. The minutes are circulated amongst the Members of the Board/Committee(s) for their comments in a given time frame. The comments if any, received are discussed in the next meeting of the Board/Committee, while confirming the minutes. All the minutes duly signed/initialed by the Chairman are entered into the Minutes Book. The unit heads submit Action Taken Report on the decisions of the previous meetings.

## COMPLIANCES

All the Senior Management Personnel including key managerial personnel handling different verticals/units have been delegated with administrative and financial powers thereto, are responsible to ensure adherence to all the applicable laws, rules, guidelines etc., and ensures implementation of the enterprise risk management policy of the company as a routine, while taking or processing the detail for decision or approval by the competent authority(ies). The Company Secretary ensures the compliance of all the applicable provisions of the Companies Act and other applicable corporate laws.

Being the successor and assigns of the erstwhile Departments of Telecom Services and Telecom Operations with vast geographical spread, the BSNL follows the existing system. Accordingly, all the litigations before the hon'ble Courts/Tribunals/Arbitrators are handled by the respective verticals and units under their control with the help of Advocates. Significant litigation if any, are reported by concerned vertical/unit to the management.

## INFORMATION PLACED BEFORE THE BOARD OF DIRECTORS

Subject to the provisions of the Companies Act, Memorandum and Articles of Association of the Company, and the directives, guidelines of the Government on the subject, the Board of Directors have delegated all general powers of managing the company's affairs to the Management Committee of the Board comprising CMD and the Functional Directors;EDs; and, the Senior Management Personnel of the Company. The Minutes of the Meetings of the Management Committee of the Board are placed before the Board in its immediately following meetings. In addition, information on following items is invariably placed before the Board of Directors:-

- (1) BUDGET (a)Annual Budget Estimates and revised budget estimates for capital expenditure; (b) Annual Budget Estimates and revised budget estimates for revenue account for operational expenditure; and (c)Budget requirements for five year plans.
- (2) PLANS (a)Annual Plans; (b) Five Year Plans;( c) Manpower Plans; (d) Corporate Plans; and (e) Resource Mobilisation Plans.
- (3) ACQUISITIONS Acquiring shares, stocks, securities etc., of other Companies or Undertakings other than in Government guaranteed securities for short term and in duly registered employees consumer co-operative societies.
- (4) STRATEGIC DECISIONS a. Agreement involving foreign collaboration proposed to be entered into by the Company irrespective of the consideration involved; b Strategic Investments/decision and acquisition of shares/controlling stake/debentures/bonds of other companies; and Decision with regard to formation of joint ventures, subsidiary companies and restructuring of organization.
- (5) PERSONNEL a. Creation of posts of the level of Executive Director; b. Formulation of any changes in wage structure and scales of pay of employees of the company; c. Policy matters relating to allowances of the employees such as HRA, Performance Related Pay, Bonus etc.
- (6) ACCOUNTS Acceptance of periodical profit and loss accounts; and Declaration of Dividend.
- (7) Investment of the surplus funds of the company in acquisition of controlling stake/shares/ debentures/bonds in other companies.



- (8). All issues that are reserved for exclusive consideration by the Board of Directors by the Companies Act ; and, the Memorandum and Articles of Association of the Company.
- (9) COMPLIANCE REPORTINGS UNDER THE CORPORATE GOVERNANCE NORMS

**NUMBER OF BOARD MEETINGS HELD DURING 2017-18; ATTENDANCE OF DIRECTORS IN THE BOARD MEETINGS & 17TH ANNUAL GENERAL MEETING HELD ON 21.12.2017**

**TOTAL BOARD MEETINGS HELD IN 2017-18: 06**

Name and Designation	No. of Board Meetings Attended out of 6 Meetings	Attended the last AGM held on 21.12.2017	Directorships in other Companies	Remarks
Shri Anupam Shrivastava CMD	6	Present	1\$	Appointed as CMD and joined wef 15.1.15.
Shri N.K.Gupta Director(CFA) [Upto 31.5.2017]	NA	NA	NIL	Tenure of apptt ended on 31.5.17 and as such relinquished the charge wef A/N of 31.5.17.
Smt. Sujata Ray, Director (HRD)& (F) [Adl Chg of Dir (F) Wef 21.10.15]	6	Present	1\$	-
Shri N.K.Mehta Director (Enterprise) & (CFA) [Addl chge of Dir (CFA) wef 1.6.2017 to 18.10.2018]	6	Present	1\$	-
Shri Vivek Banzal Director (CFA) [Wef 18.10.2018]	NA	NA	NIL	Appointed vide Gol MoC DoT order No.E-1-6/2016-PSA dt 18.10.18 and assumed charge on 18.10.2018.
Shri R.K.Mittal Director(CM) [Upto 30.6.2018]	6	Present	1\$	On attaining the age of superannuation retired from service w.e.f. afternoon of 30.6.2018
Shri N. Sivasailam, Govt. Director [Upto 1.2.2018]	2	-	-	Consequent upon the appointment of Shri Amit Yadav as Govt. Director in his place by the Gol MoC DoT with immediate effect from 1.2.2018 he ceased to be Govt. Director.
Shri Amit Yadav, Govt. Director [Wef 1.2.2018 to 11.10.2018]	1	NA	1#	Gol MoC DoT appointed him as Govt. Dir wef 1.2.2018. Consequent upon the appointment of Shri R.K.Khandelwal in his place by the Gol MoC DoT, Shri Yadav ceased to be Govt Dir wef 11.10.2018.

Name and Designation	No. of Board Meetings Attended out of 6 Meetings	Attended the last AGM held on 21.12.2017	Directorships in other Companies	Remarks
Shri R.K.Khandelwal, Govt. Director [Wef 11.10.2018]	NA	NA		Gol MoC DoT appointed him as Govt. Dir wef 11.10.2018 in place of Shri Yadav.
Smt.Padma Iyer Kaul Govt. Director	4	-	NIL	-
Ms.K.Sujatha Rao Non official Independent Director	6	Present	1@	Appointed by the Gol MoC DoT wef 30.1.2017
Dr.Santosh R.Dastane Non official Independent Director	6	Present	NIL	-do-
Shri V.V. Bhat Non official Independent Director	4	Present	NIL	Appointed by the Gol MoC DoT wef 8.9.2017
Prof.Jasbir Singh Non official Independent Director	4	Present	NIL	Appointed by the Gol MoC DoT wef 8.9.2017

**Note:-** The disclosure of the Directorships are based on the disclosures received from the Directors.

# Govt. Director in MTNL

@ Director in Prithvi Asset Reconstruction and Securitisation company limited.

\$ Appointed by the Board of Directors of BSNL as First Directors in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited.

Dr.S.R.Dastane, Chairman Nomination and Remuneration Committee and Ms.K.Sujatha Rao Chairperson, Audit Committee of the Board were present in the 17th Annual General Meeting of the Company held on 21.12.2017.

#### DETAILS OF NUMBER OF COMMITTEE MEMBERSHIPS AND CHAIRMANSHIPS OF DIRECTORS

Name and Designation	Details of Memberships of Board Committee		Details of Chairmanships of Board Committee	
	Name of Company	Name of Committee	Name of Company	Name of Committee
Shri Anupam Shrivastava CMD	BSNL	-	-	-
Shri N.K.Gupta Director (CFA) [Upto 31.5.2017]	BSNL	Corporate Social Responsibility Committee of the Board	NIL	NIL
Smt.Sujata Ray, Director (HRD)	BSNL	Corporate Social Responsibility Committee of the Board	-	-
	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006		
Shri N.K.Mehta Dir(E) & (CFA) [Adl chg wef 1.6.2017 to 18.10.2018]	BSNL	Corporate Social Responsibility Committee of the Board	-	-
Shri Vivek Banzal Director (CFA) [Wef 18.10.2018]	-	-	-	-
Shri R.K.Mittal Director(CM) [Upto 30.6.2018]	-	-	-	-
Shri N.Sivasailam, Govt. Director [Upto 1.2.2018]	-		BSNL	Nomination & Remuneration Committee [Upto 29.8.17]
	-	-	BSNL	Audit Committee



Name and Designation	Details of Memberships of Board Committee		Details of Chairmanships of Board Committee	
	Name of Company	Name of Committee	Name of Company	Name of Committee
[Upto 29.8.17]				
Shri Amit Yadav, Govt. Director [Wef 1.2.2018 to 11.10.2018]	-	-	-	-
Shri R.K.Khandelwal Govt. Director [Wef 11.10.2018]	-	-	-	-
Smt.Padma Iyer Kaul Govt. Director	BSNL	Audit Committee of the Board [Wef 29.8.17]	-	-
	BSNL	Nom. & Rem.Committee of the Board [Wef 29.8.17]	-	-
	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006.	-	-
Ms.K.Sujatha Rao Non official Independent Director[Wef 30.1.2017]	BSNL	Corporate Social Responsibility Committee of the Board	BSNL	Audit Committee of the Board
	BSNL	Nomination and Remuneration Committee of the Board	-	-
Dr.Santosh R.Dastane Non official Independent Director [Wef 30.1.2017]	BSNL	Audit Committee of the Board	BSNL	Nomination and Remuneration Committee of the Board
Shri V.V.Bhat Non official Independent Director [wef 8.9.2017]	BSNL	Audit Committee of the Board	-	-
	BSNL	Nomination and Remuneration Committee of the Board		
Prof.Jasbir Singh Non official Independent Director [wef 8.9.2017]	BSNL	Audit Committee of the Board	-	-
	BSNL	Nomination and Remuneration Committee of the Board	-	-

**Note:-** The disclosure of the Memberships/Chairmanships are based on the disclosures received from the Directors.

By virtue of holding the Additional Charges as were entrusted by the Govt. of India, M/o Communications, D/o Telecom and further extended time to time, the Whole Time Directors were members of the Committees during relevant periods.

### **BOARD COMMITTEES**

The Company has the following Committees of the Board.

### **VOLUNTARY COMMITTEES**

The Management Committee of the Board (MC of the Board)

The Board of Directors of the Company, in their 118th meeting held on Thursday, the 26th day of February 2009, in supercession of all the extant instructions on the aforesaid subject, have, voluntarily constituted a Standing Committee of the Board, named, "Management Committee of the Board [MC of the Board], comprising the Chairman and Managing Director [CMD] as the Chairman, and the Functional Directors as Members, with the Company Secretary as the Secretary of the Committee.

Further, the Board of Directors of the Company have also delegated to the aforesaid standing committee the powers for the management and administration of the business of the Company. The powers of the Board, in respect of the matters for which approval of the Board of Directors is statutorily required; or , the powers, which cannot be delegated; or, the matters, where, prior approval of the Government is necessary, have not been delegated.

Committee on Appellate & Review matters under BSNL Conduct, Discipline and Appeal Rules 2006

To consider and decide all the appeal / review cases for and on behalf of the Board of Directors, wherever the Board is indicated as Appellate and Reviewing Authority in the CDA Rules 2006 of the Company, the Board of Directors, in their 135th meeting held on 26.8.2011, constituted a Standing Committee of the Board known as Committee on Appellate & Review matters under BSNL Conduct, Discipline and Appeal Rules 2006, comprising of Director(HR) and One Government Director and the Company Secretary as Secretary of the Committee. The minutes of each of the meetings of the Committee shall be submitted to the Board in the immediately following meeting of the Board.

At present, the committee comprise Smt.Padma Iyer Kaul and Smt. Sujata Ray Director(HRD).

## STATUTORY COMMITTEES

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD

Pursuant to the provisions contained in the Section 135(1) of the Companies Act 2013 and Rules thereunder, the Company has constituted the Corporate Social Responsibility Committee (CSR Committee) of the Board. The Committee comprise (i) Smt. Padma Iyer Kaul Govt. Director (ii) Smt. Sujata Ray Director(HRD) and (iii) Shri N.K.Gupta, Director(CFA).Secretary of the Company as the Secretary of the Committee.

Consequent upon the appointment of non official independent directors on the Board of Directors of the Company, the Board, in its 175th meeting held on 30.3.2017 re-constituted the Committee, which now comprise (i) Smt.Sujata Ray Director(HRD) & (F), (ii) Shri N.K.Mehta Director(Enterprise) and Ms.K.Sujatha Rao Director, as Members. The Committee has elected Ms.K.Sujatha Rao Director as the Chairperson of the Committee.

The Terms of Reference of the Committee are as prescribed under Section 135 and other applicable provisions of the Companies Act 2013 & Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India time to time and remain in force for the time being.

### NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

Being a wholly owned Government Company, all powers for the appointments, terms and conditions and remuneration etc., of the Directors, the Chairman and Managing Director and the Whole Time Functional Directors vest with the President of India. Pursuant to the Govt. of India, Ministry of Corporate Affairs Notification No.1/2/2014-CL.V, dated 5.6.2015, provisions contained sub-sections (2)(3) and (4) of the Section 178 of the Act of 2013 are only applicable to the Company with regard to appointment and remuneration of senior management and other employees.



As regards policy on remuneration of Senior Managerial Personnel and other employees of the Company, their pay structure, allowances and other benefits are governed by relevant Govt. of India DPE Guidelines.

To comply with the provisions contained Section 178(1) of the Companies Act 2013, the Board of Directors, in their 162nd meeting held on Tuesday, the 7th day of April 2015 constituted the Nomination and Remuneration Committee of the Board by re-constituting the existing Remuneration Committee of the Board.

Thereafter, consequent upon the cessation of Directorships of Non official (Independent) Part Time Directors, pending appointment of Non official Part Time / Independent Directors, to comply with the provisions of the Act, Your Directors, in their 164th meeting held on 28.8.2015 re-constituted the Committee, comprising both the Government Directors and the CMD as Members and the Director(HRD) as Regular Invitee. Secretary of the Company acts as the Secretary of the Committee. The Committee, elected Shri N.Sivasailam Govt. Director as Chairman of the Committee.

Consequent upon the appointment of Non official Independent Directors on the Board of Directors of the Company, the Board of Directors of the Company, in their 175th meeting held on 30.3.2017 re-constituted the Committee. The Committee comprised Ms.K.Sujatha Rao and Dr.Santosh R.Dastane Directors and Shri N.Sivasailam AS(T) DoT and Govt. Director as Members.

The Board in its 177th Meeting of the Board of Directors held on 29.8.2017, reconstituted the Committee by inducting Smt.Padma Iyer Kaul Govt. Director in place of Shri N.Sivasailam Govt. Director. The Committee comprised Ms.K.Sujatha Rao and Dr.Santosh R.Dastane Directors and Smt.Padma Iyer Kaul DDG(LFA) DoT and Govt. Director as Members.

The Committee, in its 9th Meeting held on 29.8.2017 elected Dr.Santosh R.Dastane Director, as Chairman of the Committee.

Thereafter, the Board inducted Shri V.V. Bhat and Prof. Jasbir Singh Non official Independent Directors in the Committee. Present composition of the Committee is as follows:-

- [1] Dr.Santosh R.Dastane Director, Chairman
- [2] Ms.Kanuru Sujatha Rao, Director, Member
- [3] Mrs.Padma Iyer Kaul, Director, Member
- [4] Shri V.V.Bhat, Director, Member.
- [5] Prof.Jasbir Singh, Director, Member

Terms of Reference, Roles and Responsibilities of the Committee are as per the provisions of Section 178 (2)(3) & (4) and other applicable provisions of the Companies Act 2013, Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India time to time and remain in force for the time being.

## **AUDIT COMMITTEE OF THE BOARD**

Pursuant to the provisions contained in the Section 177 and other applicable provisions if any, of the Companies Act 2013 pending appointment of Non official Part Time (Independent) Directors, Your

Directors, in their 164th meeting held on 28.8.2015 re-constituted the Audit Committee of the Board comprising both the Government Directors and Director(HRD) as Members. Secretary of the Company acts as the Secretary of the Committee. Director(Finance) is regular invitee. The Committee, in its 60th meeting held on 17.11.2015 elected Shri N.Sivasailam Govt. Director as Chairman of the Committee.

Consequent upon the appointment of Non official Independent Directors on the Board of Directors of the Company, the Board of Directors of the Company, in their 175th meeting held on 30.3.2017 re-constituted the Committee. The Committee comprised Ms.K.Sujatha Rao and Dr.Santosh R.Dastane Directors and Shri N.Sivasailam AS(T) DoT and Govt. Director as Members. The Board, in its 177th Meeting of the Board of Directors held on 29.8.2017, reconstituted the Committee by inducting Smt.Padma Iyer Kaul Govt. Director in place of Shri N.Sivasailam Govt. Director. The Committee comprised Ms.K.Sujatha Rao and Dr.Santosh R.Dastane Directors and Smt.Padma Iyer Kaul DDG(LFA) DoT and Govt. Director as Members. The Committee, in its 66th Meeting held on 29.8.2017 elected Ms.K.Suhjatha Rao Director, as Chairman of the Committee.

Thereafter, the Board in its 180th meeting held on 21.12.2017 inducted Shri V.V. Bhat and Prof. Jasbir Singh Non official Independent Directors in the Committee. Present composition of the Committee is as follows:-

- [1] Ms.Kanuru Sujatha Rao, Director, Chairperson
- [2] Dr.Santosh R.Dastane Director, Member
- [3] Mrs.Padma Iyer Kaul, Director, Member
- [4] Shri V.V.Bhat, Director, Member.
- [5] Prof.Jasbir Singh, Director, Member

The Terms of Reference of the Committee are as prescribed under Section 177 (4)(5) & (6) and other applicable provisions of the Companies Act 2013 & Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India time to time and remain in force for the time being.

**NUMBER OF MEETINGS HELD DURING 2017-18 AND ATTENDANCE**  
**NO. OF MEETINGS HELD: 04**

Name and Designation	No. of meetings attended out of 4 meetings	Remarks
Shri N.Sivasailam SS(T) DoT & Govt. Director, Chairman	1	Till 29.8.17.
Ceased to be Govt. Director wef 1.2.2018.		
Ms.K.Sujatha Rao, Director Chairperson	4	-
Smt.Padma Iyer Kaul DDG(FA) DoT Govt. Director Member	3	Inducted as Member wef 29.8.17 in place of Shri N.Sivasailam.
Dr. Santosh R.Dastane Non official Independent Director Member	4	-
Shri V.V.Bhat Non official Independent Director Member	1	Inducted as Member wef 21.12.2017
Prof.Jasbir Singh Non official Independent Director Member	1	Inucted as Member wef 21.12.2017



## DISCLOSURES

### FUNCTIONAL DIRECTORS

BSNL being a Government Company, and in terms of Article No.111 of the Articles of Association of the Company, the remuneration payable to the Directors is determined by the President of India.

The salary and other perks paid to the Key Managerial Personnel [a] Whole Time Functional Directors; [b] other than whole time directors during the year under review is as follows:-

Name	Desgn.	Salary incl. DA	Other Benefits & Perks	Contribution in CPF & Other Funds	Total
Shri Anupam Shrivastava CMD	CMD	3329580	138000	308806	3776386
Shri N.K. Gupta [Upto 31.5.2017]	Dir(CFA)	2452754	20000	50884	2523638
Smt. Sujata Ray	Director (HRD)	2840509	120000	301095	3261604
Shri N.K. Mehta	Director(E)	2628490	120000	260124	3008614
Shri R.K. Mittal [Upto 30.6.18]	Director(CM)	3245176	120000	292185	3657361
Shri H.C.Pant	Co. Secy & CGM (Legal)	2532759	3600	289380	2825739
<b>TOTA</b>		<b>17029268</b>	<b>521600</b>	<b>1502474</b>	<b>19053342</b>

### GOVERNMENT NOMINEE DIRECTORS

The Government Nominee Directors are not paid any remuneration.

### NON-OFFICIAL INDEPENDANT DIRECTORS

Non-official Independent Directors are paid a sitting fee at the rate of Rs.10,000/-[Rupees Ten Thousand only] for attending each meeting of the Board or Committee thereof in addition to TA/DA to outstation Directors.

There were no other pecuniary relationships or transactions of the Non-official Independent Directors vis-à-vis the Company.

### SHAREHOLDINGS BY THE DIRECTORS AND STOCK OPTIONS

Being a hundred percent Government Owned Company, the shares are held by the President of India through Ministry of Communications, Department of Telecommunications. The Directors are not required to hold any qualification shares.

The company has not issued any stock options to its Directors/Employees.

### MATERIAL CONTRACTS/RELATED PARTY TRANSACTIONS

The company has not entered into any material financial or commercial transactions with the Directors or the Management or their relatives or the companies and firms etc., in which they are either directly or through their relatives interested as Directors and/or Partners.

**LIST OF PRESIDENTIAL DIRECTIVES ISSUED IN THE PAST THREE YEARS**

S. No	Year of Issue	Subject	Status of Implementation
1	2014-15	NIL	NIL
2	2015-16	NIL	NIL
3	2016-17	NIL	NIL
4	2017-18	NIL	NIL

**ANNUAL GENERAL MEETINGS**

Venue, Date and Time, where the previous three Annual General Meetings of the Company were held, including the details of the 18th Annual General Meeting are as follows:-

Meeting and Date	Time	Venue	Details of Special Resolutions passed in the AGMs
15 <sup>th</sup> AGM, 17.11.2015	12.30 P.M.	Regd & Corp. office, Board Room, 3rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	
16 <sup>th</sup> AGM, 23.11.2016	01.00 P.M.	Regd & Corp. office, Board Room, 3rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	
17 <sup>th</sup> AGM, 21.12.2017	04.00 P.M.	Regd & Corp. office, Board Room, 3rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	
18 <sup>th</sup> AGM, 31.12.2018	05.15 P.M.	Regd & Corp. office, Board Room, 3rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001	

**MEANS OF COMMUNICATIONS**

**Annual financial statements, New releases, etc.,** are put in the company's website as well as in the intranet portal of the company.

**Website:-** The company's website [www.bsnl.co.in](http://www.bsnl.co.in) is a user friendly site, containing all the latest developments.

**Annual Report**

Annual Report of the Company containing inter-alia, Audited Accounts, Directors Report, Auditors Report and replies of management thereto, Comments and Review of the C & AG of India are circulated amongst all the Members and others entitled thereto. As enunciated in the Companies Act and also laid



before the Houses of the Parliament.

## **TRAINING OF DIRECTORS**

The Company is managed by the Sectoral Experts/Specialists having domain knowledge and expertise of the core sector, which is “Telecom Services Management”. Being a Telecom Service Provider, BSNL is also Member of various National and International level Telecom / Technology related forums.

### **Training of the Directors**

The Training Policy also aims at providing orientation & training programs to be offered to the Board of Directors of the Company. It aims at building leadership qualities and providing a platform to share the knowledge and skill.

### **Training on capacity building for the Govt. and Independent Directors**

While the Govt. Nominee Directors are serving Class I Officers of the Central Government, the Non-official Part-Time Directors, being men of eminence in public life with proven expertise, bring their own value addition to the management of the company.

Keeping in view the important role of the Government Directors in effective management of the CPSEs, the Government of India Department of Public Enterprises organises capacity building programme for the newly inducted Govt. Directors, for which the Government Directors are nominated.

Similarly, the Government of India Department of Public Enterprises also organise capacity building / orientation programmes for the non-official independent directors. All the independent directors attended the programmes conducted during the year under review.

Apart from these, whenever the Department of Public Enterprises conducts any special training programmes, the Directors are nominated for attending the same.

## **VIGIL MECHANISM**

In compliance of CVC / DPE Guidelines, BSNL already has a full fledged Vigilance Mechanism, headed by an independent CVO.

Pursuant to the mandate of the DPE’s MoU Task Force mandating for establishing a Whistle Blower mechanism; and, in compliance with the provisions of the Companies Act 2013, the Company has also put in place in place a Whistle Blower Policy. Same has been circulated widely and posted in the intranet portal as well as the corporate website of the Company. Under this mechanism, protected disclosure can be made by the whistle blower to the Chairman of the Audit Committee.

Particulars of the Vigilance mechanism under CVC compliance are posted in the company’s website at [www.bsnl.co.in](http://www.bsnl.co.in) at ‘contact us’. Further, BSNL has also entered into an agreement with the Transparency International to ensure transparency in tendering process. Further, apart from the Audit by the C&AG of India, Statutory and Branch Audits, Amenability to the Writ Jurisdiction of the Court, Gol’s Rules and Regulations, BSNL has its own Conduct, Disciplinary and Appeal Rules covering all the classes of employees including the Functional Directors. The Members of the Board and Sr.Management Personnel are also governed by the Code of Conduct laid down in accordance with the CG Norms.

## RISK MANAGEMENT

BSNL, by virtue of being the successor of erstwhile Central Government Departments of the Telecom Services (DTO) and Telecom Operations (DTO) already had a codified set up with inbuilt mechanism to foresee the potential risks and methods to arrest, control, ignore and/or respond to the risks. However, as mandated by the Department of Public Enterprises through Guidelines on Corporate Governance Norms for the Un-Listed CPSEs - further revised and made mandatory for the CPSEs vide No.18(8)/2005-GM, dated the 14th May 2010 –Company has laid down a Enterprise Risk Management Policy.

For managing the affairs of the Company, the Board of Directors of the Company has delegated its powers to the Management Committee of the Board (MCB), the CMD and the Functional Directors and Below Board Functionaries, viz., the Executive Directors/CGMs/PGMs/GMs/TDMs/DGMs etc., as the case be. Considering the size and geographical spread of the organization vis-à-vis the delegation of powers made to the business heads and unit heads – who carry out the task of undertaking the risk management as a part of the normal business practice by integrating and aligning the same with corporate and operational objectives -the Business Heads in the Corporate Office; CGMs/PGMs/GMs and Other Unit Heads of the field units were designated as the Risk Management Administrators [RMAs].

With a view to continuously train and develop the employees in the risk management techniques segment, Risk Management Training Courses specially designed for the Senior Management Personnel who function as the Risk Management Administrators are being organized at the Training Centres of the Company.

Establishing Risk Monitoring Centres being one of the Dynamic Parameters, for “Overseeing the mechanism of Enterprise Risk Management Mechanism”, inter-alia, the periodical review of risk assessment and minimization procedures, submission of recommendations / reports to the Executive Management and the Audit Committee of the Board, a ERM Committee comprising of all the Executive Directors has been constituted with Executive Director(Corporate Affairs) as Convenor.

In addition to already existing Risk Management Policy which mandates the Risk Management Administrators for ensuring efficient litigation management and compliance of all applicable provisions of the laws, as directed by the Administrative Ministry, detailed instructions have been issued to all concerned to ensure and comply with the provisions of the NLP-2010. Accordingly, the Unit Heads of the Corporate Office and GM/DGM in-charge of Administration in the field units are the Nodal Officers for respective unit for overall policy implementation, who will be assisted by the “Officer-in-charge of litigation”, who shall be responsible for litigation administration and management of respective unit.

## SECRETARIAL AUDIT REPORT

Pursuant to the provisions contained in Section 204 of the Companies Act 2013 and Rules thereunder, your Board appointed M/s VAP & Associates Company Secretaries as the Secretarial Auditor of the Company for conducting the Secretarial Audit for the year 2017-18.

The Secretarial Audit Report in Form MR-3 forms part of this Report.

## CERTIFICATE OF COMPLIANCE OF CORPORATE GOVERNANCE NORMS

Your Company has obtained certificate from the Secretarial Auditor M/s VAP & Associates, Company



Secretaries, regarding compliance of conditions of corporate governance as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises 2007 and revised further vide No. 18(8)/2005-GM, dated 14.5.2010 issued by the Department of Public Enterprises, which forms part of this Report.

### **FEE TO STATUTORY AUDITORS**

Remuneration paid to the Statutory Auditors during the year 2017-18 was Rs 37Lakhs (exclusive of service tax and cess wherever applicable). It includes Statutory Audit Fee, Certification Charges, Reimbursement of Expenses and Other services.



Shri Manoj Sinha, Honble Minister for Communications addressing the gathering during the Heads of Circle Conference. Others on the stage Shri Anupam Shrivastava CMD, Smt.Sujata Ray Director (HRD), Shri N.K.Mehta Director (E) and Shri R.K.Mittal Director (CM)

# VAP & ASSOCIATES

## Company Secretaries



387, First Floor, Shakti Khand-3  
Indirapuram, Ghaziabad-201010, U.P.  
Tel. 91-0120-4272409  
M:+91-9910091070, 9711670085  
E-mail: vapassociatescs@gmail.com

### THE CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE NORMS

**To**  
**The Members,**  
**M/s Bharat Sanchar Nigam Limited,**  
**New Delhi.**

We have examined the relevant books, records and statements in connection with compliance of the conditions of Corporate Governance by M/s Bharat Sanchar Nigam Limited ("the Company") for the financial year ended on 31st March, 2018, as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as laid down in the above said guidelines. Our Certification is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has substantially complied with the conditions of Corporate Governance Norms as stipulated in the abovementioned DPE Guidelines. The appointment of two Independent Directors were made by Department of Telecommunications, Government of India, on 30th January, 2017 and other two Independent Directors were appointed on 8th September, 2017.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of the effectiveness with which the management has conducted the affairs of the Company.

**For VAP & Associates**  
**Company Secretaries**

Sd/-  
**Parul Jain**  
**Proprietor**

Place: Ghaziabad  
Date: 03.12.2018

**CP No. 13901**  
**M. No. F8323**



# VAP & ASSOCIATES

## Company Secretaries



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Indirapuram, Ghaziabad-201010, U.P.  
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### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2018

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
**The Members,  
Bharat Sanchar Nigam Limited,  
Bharat Sanchar Bhawan,  
Harish Chandra Mathur Lane,  
Janpath, New Delhi – 110001.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Sanchar Nigam Limited (CIN U74899 DL2000 GOI 107739) (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:
- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the company);
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

# VAP & ASSOCIATES

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- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period)
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable to the Company during the Audit Period)
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not Applicable to the Company during the Audit Period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable to the Company during the Audit Period)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the Audit Period)
- (vi) The other laws as may be applicable specifically to the Company are: Having regard to the compliance system prevailing in the Company, on the basis of presentation/ certificates made by the heads of the Departments, and the compliance certificates made by the heads of the various Departments submitted to the Secretarial and Legal Department of the Company, we report that the Company has generally complied with the provisions of those Acts that are applicable to company including Department of Public Enterprises (DPE) Guidelines on Corporate Governance, The Indian Telegraph Act, 1885, The Indian Wireless Telegraphy Act, 1933, The Telecom Regulatory Authority of India Act, 1997, The Information Technology Act, 2000, other laws related to maintenance of Factories, Laws related to Human resources including Employees Provident Fund Act, Employees State Insurance Act.
- C. We have also examined compliance with the applicable clauses of the following:
- I. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
  - II. Listing Agreements entered into by the Company with Stock Exchange(s). (not applicable to the Company during the audit period).





## **VAP & ASSOCIATES**

### **Company Secretaries**



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- D. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. The Company, being a Government of India owned enterprise, all the Director level appointments are made by the Government of India. The appointment of two Independent Directors was made by Department of Telecommunications, Government of India, on 30th January, 2017 and other two Independent Directors were appointed on 8th September, 2017. No meeting of the Independent directors took place during the year under review.

We further report that

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and the appointment of two Independent Directors were done on 30th January, 2017 and other two Independent Directors were appointed on 8th September, 2017. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - III. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- E. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

**For VAP & Associates  
Company Secretaries**

Sd/-

**Parul Jain  
Proprietor**

**CP No. 13901  
M. No. F8323**

Place: Ghaziabad  
Date: 03.12.2018

# VAP & ASSOCIATES

## Company Secretaries



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**Annexure – 'A'**

**To**  
**The Members,**  
**Bharat Sanchar Nigam Limited,**  
**Bharat Sanchar Bhawan,**  
**Harish Chandra Mathur Lane,**  
**Janpath, New Delhi – 110001.**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have relied on the Internal Auditors Report for the period under review; hence we have verified the correctness and appropriateness of Statutory / Legal Compliances on sample basis.
4. We have relied on the Statutory Auditors Report for the period under review; hence we have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The qualifications/observations mentioned in their report also forming part of this report.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case..

**For VAP & Associates**  
**Company Secretaries**

Sd/-

**Parul Jain**  
**Proprietor**

**CP No. 13901**  
**M. No. F8323**

Place: Ghaziabad  
Date: 03.12.2018



**BHARAT SANCHAR NIGAM LIMITED**  
**Standalone Balance Sheet as at 31<sup>st</sup> March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Note	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3(i)	9,931,362	10,015,696
Capital work-in-progress	3(ii)	870,384	649,235
Intangible assets	4	697,230	755,004
Investment in subsidiary	5	-	-
Financial assets			
(i) Investments	6	-	-
(ii) Loans	7	583	870
(iii) Other financial assets	8	24,029	28,785
Deferred tax assets (net)	9	-	-
Other non-current assets	10	85,184	65,422
<b>Total non-current assets</b>		<b>11,608,772</b>	<b>11,515,012</b>
<b>Current assets</b>			
Inventories	11	21,241	20,473
Financial assets			
(i) Investments	12	20,000	20,000
(ii) Trade receivables	13	392,538	309,881
(iii) Cash and cash equivalents	14	75,782	338,737
(iv) Bank balances other than (iii) above	15	138	126
(v) Loans	16	224	445
(vi) Other financial assets	17	920,213	722,212
Current tax assets (net)	18	119,650	38,669
Other current assets	19	86,708	138,285
Assets held for sale	20	34,517	-
<b>Total current assets</b>		<b>1,671,011</b>	<b>1,588,828</b>
<b>Total assets</b>		<b>13,279,783</b>	<b>13,103,840</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	21	500,000	500,000
Other equity	22	8,467,242	9,267,424
<b>Total equity</b>		<b>8,967,242</b>	<b>9,767,424</b>

**BHARAT SANCHAR NIGAM LIMITED**  
**Standalone Balance Sheet as at 31<sup>st</sup> March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Note	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	23	1,654,348	1,062,657
(ii) Other financial liabilities	24	181,781	138,770
Provisions	25	91,204	95,099
Other non-current liabilities	26	65,097	102,842
<b>Total non-current liabilities</b>		<b>1,992,430</b>	<b>1,399,368</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	27	30,910	59,613
(ii) Trade payables	28	782,989	592,993
(iii) Other financial liabilities	29	698,476	791,388
Other current liabilities	30	806,579	492,259
Provisions	31	1,157	795
<b>Total current liabilities</b>		<b>2,320,111</b>	<b>1,937,048</b>
<b>Total liabilities</b>		<b>4,312,541</b>	<b>3,336,416</b>
<b>Total equity and liabilities</b>		<b>13,279,783</b>	<b>13,103,840</b>

This is the balance sheet referred to in our report of even date.  
The accompanying notes are an integral part of these standalone financial statements 1 to 58

In terms of our report attached

**For ANDROS & Co.**  
Chartered Accountants  
Firm Registration No. : 008976N

Sd/-  
**Puneet Gupta**  
Partner  
Membership No. : 093714

Place : New Delhi  
Date : 4 October 2018

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

Sd/-  
**Anupam Shrivastava**  
Chairman and Managing Director  
DIN: 06590535

Sd/-  
**Sujata Ray**  
Director (Finance)  
DIN: 07240022

Sd/-  
**P.D. Chirania**  
General Manager (Corporate Accounts)

Sd/-  
**H.C. Pant**  
Company Secretary and Chief General Manager (Legal)  
M.No. F- 2584



**BHARAT SANCHAR NIGAM LIMITED**  
**Standalone of Profit and Loss for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Note	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Revenue</b>			
Revenue from operations	32	2,266,778	2,840,373
Other income	33	240,286	312,971
<b>Total revenue (I)</b>		<b>2,507,064</b>	<b>3,153,344</b>
<b>Expenses</b>			
License and spectrum fee	39	174,338	231,086
Employee benefits expense	34	1,483,724	1,571,545
Finance costs	35	4,831	14,679
Depreciation and amortisation expense	36	583,158	633,042
Other expenses	37	1,134,829	1,182,313
<b>Total expenses (II)</b>		<b>3,380,880</b>	<b>3,632,665</b>
<b>Loss before tax (I - II = III)</b>		<b>(873,816)</b>	<b>(479,321)</b>
<b>Tax expense: (IV)</b>			
Current tax	51	(80,429)	-
Fringe benefit tax		5,898	-
<b>Loss for the year (III - IV = V)</b>		<b>(799,285)</b>	<b>(479,321)</b>
<b>Other comprehensive income (VI)</b>			
<b>Items that will not be reclassified to the statement of profit and loss</b>			
Remeasurement of post employment benefit obligation (net of tax)		(897)	717
<b>Total other comprehensive income/ (expense) for the year, net of taxes (VI)</b>		<b>(897)</b>	<b>717</b>
<b>Total comprehensive income/ (expense) for the year (V + VI = VII)</b>		<b>(800,182)</b>	<b>(478,604)</b>
<b>Loss per equity share (INR)</b>	44	<b>(15.99)</b>	<b>(9.59)</b>
Basic and diluted (nominal value of shares INR 10 each)			

This is the statement of profit and loss referred to in our report of even date.  
The accompanying notes are an integral part of these standalone financial statements 1 to 58

In terms of our report attached  
**For ANDROS & Co.**  
Chartered Accountants  
Firm Registration No. : 008976N

Sd/-  
**Puneet Gupta**  
Partner  
Membership No. : 093714

Place: New Delhi  
Date: 4 October 2018

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

Sd/-  
**Anupam Shrivastava**  
Chairman and Managing Director  
DIN: 06590535

Sd/-  
**Sujata Ray**  
Director (Finance)  
DIN: 07240022

Sd/-  
**P.D. Chirania**  
General Manager (Corporate Accounts)

Sd/-  
**H.C. Pant**  
Company Secretary and Chief General Manager (Legal)  
M.No. F- 2584

**BHARAT SANCHAR NIGAM LIMITED**  
**Standalone Cash Flow Statement for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>A. Cash flows from operating activities</b>		
<b>Profit/ (loss) before tax</b>	<b>(873,816)</b>	<b>(479,321)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	583,158	633,042
Finance costs	936	6,788
Unwinding of discount on decommissioning liabilities	3,895	7,891
Interest income	(7,497)	(50,350)
Profit on sale of property, plant and equipment (net)	(12,796)	(7,006)
Capitalisation of overheads	(92,481)	(63,913)
Write off and losses other than bad debts	24,904	21,511
Bad-debt provision other than services	487	547
Write off of unrecovered service tax/ GST	2,515	4,967
Bad-debt written off	25,159	37,047
Provision for doubtful debts and disputed bills	19,642	28,462
Excess liabilities written back no longer required	(151,624)	(195,062)
Grant in aid (net)	(37,745)	78,311
<b>Operating cash flows before working capital changes</b>	<b>(515,263)</b>	<b>22,914</b>
(Increase)/Decrease in loans (current and non-current)	507	830
(Increase)/Decrease in trade receivables	(127,458)	(113,839)
(Increase)/Decrease in inventories	(768)	(1,344)
(Increase)/Decrease in other financial assets	(193,324)	124,400
(Increase)/Decrease in other assets	28,168	64,977
Increase/(Decrease) in trade payables	189,996	(92,067)
Increase/(Decrease) in other financial liabilities	69,854	329,074
Increase/(Decrease) in provisions	5,297	(17,356)
Increase/(Decrease) in other liabilities	286,414	36,907
<b>Cash from operating activities</b>	<b>(256,577)</b>	<b>354,497</b>
Net income tax refund (paid)	(6,450)	504,312
<b>Net cash generated from operating activities (A)</b>	<b>(263,027)</b>	<b>858,809</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(743,332)	(483,765)
Proceeds from sale of property, plant and equipment	141,920	66,583
Interest received	7,574	208,117
Proceeds from / (investment in) deposits with banks	(10)	(17)
<b>Net cash generated used in investing activities (B)</b>	<b>(593,848)</b>	<b>(209,082)</b>
<b>C. Cash flows from financing activities</b>		
Interest paid	(936)	(6,550)
Repayment of short term borrowings (net)	-	(283,672)
Proceeds from/(repayment) of long term loans (net)	623,559	(182,951)



**BHARAT SANCHAR NIGAM LIMITED**  
**Standalone Cash Flow Statement for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Net cash generated from/(used in) financing activities (C)	622,623	(473,173)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(234,252)	176,553
Cash and cash equivalents at the beginning of the year	279,124	102,571
Cash and cash equivalents at the end of the year	44,872	279,124
<b>Components of cash and cash equivalents:</b>		
Balances with banks in current account including sweep-in-deposit	70,949	270,104
Deposits with original maturity of less than three months	-	63,300
Cheques on hand	2,428	2,182
Cash on hand	2,405	3,151
Bank overdraft	(30,910)	(59,613)
<b>Total cash and cash equivalents (Note 14)</b>	<b>44,872</b>	<b>279,124</b>

**Notes:**

- In the absence of adequate data regarding assets appearing in the disposals/ adjustments column of note no. 3 of property, plant and equipment, all deletions (except amount transferred as assets held for sale) have been assumed to be cash sales.
- In the absence of adequate details regarding unreconciled inter circle remittances with the subsidiary records, all the 'intra/ inter circle remittances' have been treated as part of working capital changes.
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings*
Opening balance as at 1 April 2017	321,657
Cash flows during the year	623,559
Interest expense	54,914
Interest paid	(54,914)
<b>Closing balance as at 31 March 2018</b>	<b>945,216</b>

\* Includes current maturities of non-current borrowings, refer Note 29.

The accompanying notes are an integral part of these standalone financial statements

In terms of our report attached

**For ANDROS & Co.**

Chartered Accountants

Firm Registration No. : 008976N

**Puneet Gupta**

Partner

Membership No. : 093714

Place: New Delhi

Date: 4 October 2018

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

Sd/-

**Anupam Shrivastava**

Chairman and Managing Director

DIN: 06590535

Sd/-

**Sujata Ray**

Director (Finance)

DIN: 07240022

Sd/-

**P.D. Chirania**

General Manager (Corporate Accounts)

Sd/-

**H.C. Pant**

Company Secretary and Chief General Manager (Legal)

M.No. F- 2584

**BHARAT SANCHAR NIGAM LIMITED****Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***a. Equity share capital**

Particulars	Note	Amount
Balance as at 1 April 2016		500,000
Changes in equity share capital during the year ended 31 March 2017	21	-
Balance as at 31 March 2017		500,000
Changes in equity share capital during the year ended 31 March 2018	21	-
Balance as at 31 March 2018		500,000

**b. Other equity**

Particulars	Reserves and surplus \					Total
	Capital reserve	General reserve	Contingency reserve	Retained earnings	Capital contribution from shareholder (Refer note 22)	
Balance as at 1 April 2016	4,021,118	290,075	200,000	5,136,517	98,318	9,746,028
Loss for the year	-	-	-	(479,321)	-	(479,321)
Contingency reserve transferred to general reserve	-	200,000	(200,000)	-	-	-
Other comprehensive income/ (expense) for the year	-	-	-	717	-	717
Balance as at 31 March 2017	4,021,118	490,075	-	4,657,913	98,318	9,267,424
Balance as at 1 April 2017	4,021,118	490,075	-	4,657,913	98,318	9,267,424
Loss for the year	-	-	-	(799,285)	-	(799,285)
Contingency reserve transferred to general reserve	-	-	-	-	-	-
Other comprehensive income/ (expense) for the year	-	-	-	(897)	-	(897)
Balance as at 31 March 2018	<b>4,021,118</b>	<b>490,075</b>	<b>-</b>	<b>3,857,731</b>	<b>98,318</b>	<b>8,467,242</b>

The accompanying notes are an integral part of these standalone financial statements 1 to 58

In terms of our report attached

**For ANDROS & Co.**

Chartered Accountants

Firm Registration No. : 008976N

**Puneet Gupta**

Partner

Membership No. : 093714

Place: New Delhi

Date: 4 October 2018

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

Sd/-

**Anupam Shrivastava**

Chairman and Managing Director

DIN: 06590535

Sd/-

**Sujata Ray**

Director (Finance)

DIN: 07240022

Sd/-

**P.D. Chirania**

General Manager (Corporate Accounts)

Sd/-

**H.C. Pant**

Company Secretary and Chief General Manager (Legal)

M.No. F- 2584





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**1. Corporate information**

Bharat Sanchar Nigam Limited (the 'Company' or 'BSNL') is a Public Sector Company fully owned by the Government of India and was formed on 15 September 2000 in pursuance to the Telecom Policy 1999, to take over the ongoing business of the Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) from 1 October 2000 (CIN: U74899DL2000GOI107739). The Company has been incorporated under the erstwhile Companies Act, 1956 with its registered corporate office in New Delhi.

**2.1. Basis of preparation**

**a) Statement of compliance**

These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under The Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, under Section 133 of The Companies Act, 2013 (to the extent notified and applicable), and applicable provisions of the Companies Act, 1956.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 4 October 2018.

**b) Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR) which is the Company's functional and presentational currency.

**c) Basis of measurement**

The financial statements have been prepared on going concern basis under the historical cost convention except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation
Assets held for sale	Lower of net carrying cost and net realisable value

**d) Critical accounting estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 2.2 (p) - whether the Company acts as a principal rather than as an agent in a transaction

Note 2.2 (r) - leases: whether an arrangement contains a lease

Note 2.2 (r) - lease classification

Note 2.2 (e) and 52- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March, 2019 is included in the following notes:

Note 2.2 (m) and 40- measurement of defined benefit obligations and plan assets: key actuarial assumptions

Note 2.2 (h) - measurement of useful lives and residual values to property, plant and equipment

Note 2.2 (j) - measurement of useful lives of intangible assets

Note 2.2 (n), 2.2 (o) and 49 and 49 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 2.2 (c) and 52 - fair value measurement of investment in preference shares

Note 2.2 (t) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

**2.2. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these standalone financial statements.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**a) Current and non-current classification**

All assets and liabilities are classified as current or non-current on the following basis:

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets are classified as non-current assets.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***b) Foreign currency transactions and translations**

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Company at the exchange rates at the dates of the transactions or at average rates if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on the reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the statement of profit and loss.

**c) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

value measurement is unobservable

Fair values of financial instruments at each reporting date are disclosed in Notes 52.

**d) Investment in subsidiary**

Investment in subsidiary is measured at cost.

**e) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**

Recognition and initial measurement

All financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Classification and subsequent measurement**

**Classification**

For the purpose of subsequent measurement, the Company classifies financial assets in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)

A financial asset being a 'debt instrument' is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset being an equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI (Fair value through Other Comprehensive Income) or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Subsequent measurement**

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

**Derecognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the statement of profit and loss.

**Impairment**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance computed using ECL model, are recognised as an impairment gain or loss in the statement of profit and loss.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**ii. Financial liabilities****Recognition and initial measurement**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

**Classification and subsequent measurement**

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

**Derecognition**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

**iii. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

**f) Equity share capital**

Proceeds from issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

**g) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**h) Property, plant and equipment**

**Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- i. Assets are capitalised to the extent completion certificates have been obtained, wherever applicable.
- ii. Apparatus and plants principally consisting of telephone exchanges, transmission equipment and air conditioning plants etc. are capitalised as and when an exchange is commissioned.
- iii. Cables are capitalised as and when ready for connection to the main system.
- iv. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains/ (losses).
- v. Spares parts costing above INR 200,000 per unit and which meet the definition of property, plant and equipment are capitalised.

Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to selectively fair value its freehold land. The Company has considered the fair value as deemed cost at the transition date, viz., 1 April 2015.

All other remaining property, plant and equipment are carried at cost which is recomputed retrospectively as per Indian Accounting Standard 16. 'Property, plant and equipment'.

**Subsequent expenditure**

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

- i. Depreciation on property, plant and equipment has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on written down value (WDV) method except in respect of the assets mentioned in (ii) and (iii) below.
- ii. Assets costing up to INR 5,000 are depreciated fully in the year of purchase. Similarly, partition works and paintings costing up to INR 200,000 are depreciated fully in the year of construction/ acquisition.
- iii. The depreciation on machinery and tools used both for project and maintenance work is charged to the statement of profit and loss instead of capitalization.
- iv. All telephone exchange buildings, administrative offices and captive consumption assembling premises/workshops are considered as buildings (other than factory building). Accordingly, depreciation is charged uniformly.
- v. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.
- vi. Depreciation method, useful lives and residual values are reviewed at each reporting period end.

**i) Assets held for sale**

Non-current assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Assets classified as held for sale are stated at the lower of carrying amount and the net realisable value.

Assets classified as held for sale are presented separately in the balance sheet.

**j) Intangible assets**

**Recognition and measurement**

Intangible assets are recognised if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Indian Accounting Standard – 38 , 'Intangible Assets'.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the standalone financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (Previous GAAP) and use that carrying value as the deemed cost of such intangible assets.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation

- a) Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- b) The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.
- c) Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**1) License fee**

- i. Acquired licenses, including one time spectrum fee for telecom service operations, are initially recognised at cost.
- ii. The revenue-share fee on licenses and spectrum is computed as per the licensing agreement and is expensed as incurred.
- iii. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use.

Intangible assets such as entry license fee, one-time Spectrum fee for telecom service operations are amortised over the license period (i.e. 20 years) and standalone computer software applications are amortised over the license period (subject to maximum 10 years) using the straight line method.

**2) Computer software**

Costs associated with maintaining software programs are recognised as an expense as incurred.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**k) Inventories**

Inventory is valued at the lower of cost and net realizable value. Cost is determined on weighted average method. Inventory costs include purchase price, freight inward and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Company provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

**l) Impairment of non-financial assets**

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

**m) Employee benefits**

**i. Short-term obligations**

All employee benefits payable / available within twelve months of rendering the service such as salaries, wages and bonus etc., are classified as short-term employee benefits and are recognised in the statement of profit and loss in the period in which the employee renders the related service.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the periods during which the related services are rendered by employees. The Company makes specified contributions towards the following schemes:

**Pension Contribution (including gratuity)**

The employees of DoT who have opted for absorption / absorbed in the Company and the employees on deemed deputation from Government are eligible for pension, which is a defined contribution plan. The Company makes monthly contribution (including liability on account of gratuity) at the applicable rates as per Government Pension Rules, 1972

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

and Fundamental Rules and Supplementary Rules (FR & SR), to the Government who administers the same. These contributions are expensed in the statement of profit and loss as and when incurred.

**Employee's provident fund**

All directly recruited employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan. Both employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary and dearness allowance. These contributions to provident fund are administered by the provident fund commissioner. Employer's Contribution to provident fund is expensed in the statement of profit and loss as and when incurred.

**Contribution for leave salary**

For employees on deemed deputation from Government, leave salary contribution is paid by the Company to DoT/ Government for the deputation period in accordance with FR115 (b) of FR&SR Part I. Consequently, the liability for the leave salary payable for those on deputation/ deployment during the period of leave rests with the Government. Further, any leave encashment after quitting service is the responsibility of the Government. These contributions are expensed in the statement of profit and loss as and when incurred.

**Contribution for superannuation fund**

All regular employees of the Company except apprentices, absorbed employees of Department of Telecommunications (DOT)/ Department of Telecom Services (DTS)/ Department of Telecom Operations (DTO) who are already covered by Rule 37-A of Central Civil Services (Pension) Rules 1972, the employees who are not on the regular rolls of the company and employees posted on deputation in the company are entitled to receive benefits under the BSNL Employees Superannuation Pension Scheme, which is a defined contribution plan. The Company makes monthly contribution to the BSNL Employees Superannuation Pension Fund Trust at the applicable rates.

These contributions are expensed in the statement of profit and loss as and when incurred.

**iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

**Gratuity**

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment.

The calculation of defined benefit obligation is performed annually by a qualified actuary



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation for the defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/ (asset), taking into account any changes in the net defined benefit liability/ (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

**Other benefits including post-employment medical care**

Medical reimbursements and other personal claim bills of existing / retired employees are accounted for on actual basis in respect of bills received till the cut off period in the accounts at the concerned primary units as per the prescribed limits.

**iv. Other long term employment obligations**

The liabilities for compensated absences and half pay leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service.

They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, calculation for which is performed annually by a qualified actuary.

The liability is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the liability are based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related liabilities.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

**n) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Decommissioning liability**

The Company records a provision for decommissioning costs for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to that at the inception of lease.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset.

**o) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the standalone financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**p) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of discounts and other applicable taxes.

The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

**Service revenues**

Revenue from services includes amount invoiced for fixed monthly charges, usage charges, messaging services, internet services, bandwidth services, roaming charges, activation fees, processing fees, connection fees and fees for value added services (VAS). Service revenues also includes revenue associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls.

Revenue from services are recognised when services are rendered and are stated net of discounts and taxes. Prepaid revenue from Subscriber Identity Modules (SIMs) recharge coupons of mobile, prepaid calling cards and prepaid internet connection cards are treated as income of the year in which the payment is received since the extent of use of these cards within the financial year cannot be ascertained.

Processing fees, activation fees and connection fees are recognised as income in the year in which the payment is received.

Installation charges received from subscribers at the time of new connection are recognised as income in the first year of the billing.

Un-billed revenues from the billing date to the end of the year are recorded as accrued revenue during the period in which the services are provided.

In terms of the arrangement between Department of Telecommunications ('DoT') and the Company, the charges for telecommunication services and other infrastructural services provided by the Company to DoT are neither billed nor accounted for.

The claims receivable on account of provision of infrastructure, operation and maintenance of Village Public Telephones (VPTs) and Rural Household Connections (RDELs) etc. and operational sustainability of rural wire line network from Universal Service Obligation (USO) fund are accounted for as other operating income.

Wherever there is uncertainty in realisation of income, such as claims on Government departments and local authorities etc., these are recognised on realisation basis.

**Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred and centage that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in the statement of profit or loss.

**Equipment sales**

Revenues from equipment sales are recognised when the significant risks and rewards of ownership are transferred to the buyer.

**Multiple element arrangements**

In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met:

- a. the deliverable has value to the customer on a stand-alone basis; and
- b. there is evidence of the fair value of the item.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables).

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Other income by way of interest on loans to employees, security deposits with Government departments and local authorities, being not material, are accounted for on collection basis.

**Other income**

Sale proceeds of scrap arising from maintenance and project works are recognised as other non-operating income in the year of sale.

Liquidated damages received as compensation for loss of revenue arising as a consequence of contract delays are recognised in the statement of profit and loss on accrual basis wherever there is certainty of realisation. However, liquidated damages recovered in relation to efficiency and as a result of delays by the supplier are deducted from the relevant cost.





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

In case liquidated damages are related to efficiency and performance of the asset:

Liquidated damages are reduced from the cost of the related asset or relevant expense.

**In case liquidated damages linked to loss of revenue:**

Liquidated damages are recognised as income if the contract specifies that liquidated damages will be recoverable as compensation for loss of revenue arising from contract delays, and the basis of calculation is clearly related to income lost.

**q) Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in other liabilities as deferred income and are credited to the statement of profit and loss in proportion to the depreciation expense over the expected lives of the related property, plant and equipment and presented within other income.

**r) Leases**

**i. Determining whether an arrangement contains a lease**

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

**ii. Where the Company is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leased assets are depreciated on WDV method over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated on WDV method over the shorter of the estimated useful life of the asset or the lease term.

**iii. Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature.

**s) Borrowing costs**

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs (for general and specific borrowings) directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time (qualifying assets) to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**t) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability.

**u) Earnings per share**

The Company presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**v) Prior period items**

Items of income or expenditure exceeding INR 5,00,000 are considered for being treated as prior period items.

**w) Segment reporting**

Information reported to the Board of Directors who are considered as the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided. The Board of Directors of the Company have chosen to organise the Company around the different services being provided. Operating segments have been aggregated based on similar risks and rewards and on fulfilment of other aggregation criteria.

CODM has identified primary segments which comprise of 'Basic', 'Cellular', 'Broad Band' and 'Enterprise' services. The manufacturing activities have not been treated as a separate segment since such activities are essentially carried on as support services to other segments mainly for captive consumption.

**The following specific accounting policies have been followed for segment reporting:**

- i. Segment revenue includes service income and other income directly identifiable with/ allocable to the segment.
- ii. Income/expense, which relates to the Company, as a whole and not allocable to individual business segments is included in "Un-allocable income/expense respectively".
- iii. Expenses that are directly identifiable with/allocable to segments are considered for determining segment results.
- iv. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

liabilities that relate to the Company as a whole and not allocable to any segment.

**x) Recent accounting pronouncements**

**Ind AS 115, 'Revenue from contract with customers':**

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, 'Revenue from Contracts with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8. 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Company is currently assessing the impact of this amendment.

**Appendix B to Ind AS 21- Foreign currency transactions and advance consideration:**

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the standalone financial statements and the impact is not considered to be material.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***3. Property, plant and equipment****(i) Tangible assets**

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 <sup>st</sup> April 2017	Additions	Disposals/ adjustments	As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> April 2017	Additions	Disposals/ adjustments	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Free hold land	7,078,859	8,096	5,874	7,081,081	-	-	-	7,081,081	7,078,859
Lease hold land	17,104	4	-	17,108	4,202	198	-	12,708	12,902
Buildings	801,156	4,463	1,822	803,797	408,321	19,942	525	376,059	392,835
Apparatus and plants	6,676,172	296,071	200,632	6,771,611	5,393,112	289,396	176,276	1,265,379	1,283,060
Motor vehicles and launches	12,267	1,087	911	12,443	10,957	353	861	1,994	1,310
"Cables and lines and wires- telecom ducts, cables and optical fibre"	6,582,915	124,801	14,773	6,692,943	5,705,297	139,521	12,314	860,439	877,618
"General plant and machinery- other than continuous process plant"	499,443	8,207	11,068	496,582	450,505	6,724	10,700	50,053	48,938
Towers and satellites	677,123	19,128	9,872	686,379	475,104	33,723	4,962	182,514	202,019
Office machinery and equipment	18,338	1,030	507	18,861	17,106	440	470	1,785	1,232
Electrical fittings	531,356	22,350	7,815	545,891	450,632	23,342	7,922	79,839	80,724
Furniture and fixtures	23,819	277	313	23,783	21,979	362	302	1,744	1,840
Computer-end user devices	146,286	3,667	5,300	144,653	137,328	2,937	4,806	9,194	8,958
Computer-servers and networks	45,997	6,428	564	51,861	40,861	2,690	263	8,573	5,136
Decommissioned assets	88,572	-	88,572	-	-	-	-	-	88,572
<b>Total</b>	<b>23,199,407</b>	<b>495,609</b>	<b>348,023</b>	<b>23,346,993</b>	<b>13,115,404</b>	<b>519,628</b>	<b>219,401</b>	<b>9,931,362</b>	<b>10,084,003</b>
Less: Provision for decommissioned assets									
								68,307	10,015,696



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 <sup>st</sup> April 2016	Additions	Disposals/ adjustments	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	Additions	Disposals/ adjustments	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Free hold land	7,078,662	504	307	7,078,859	-	-	-	7,078,859	7,078,662
Lease hold land	17,151	162	209	17,104	4,023	2,134	1,955	12,902	13,128
Buildings	798,247	3,750	841	801,156	387,185	35,714	14,578	392,835	411,062
Apparatus and plants	6,459,167	375,201	158,196	6,676,172	5,196,058	308,723	111,669	1,283,060	1,263,109
Motor vehicles and launches	12,436	2,670	2,839	12,267	11,546	1,466	2,055	1,310	890
"Cables and lines and wires-telecom ducts, cables and optical fibre"	6,510,078	95,648	22,811	6,582,915	5,571,612	139,567	5,882	877,618	938,466
"General plant and machinery- other than continuous process plant"	512,621	8,225	21,403	499,443	463,130	13,463	26,088	48,938	49,491
Towers and satellites	637,364	43,076	3,317	677,123	436,811	34,784	(3,509)	202,019	200,553
Office machinery and equipment	18,395	373	430	18,338	17,251	2,772	2,917	1,232	1,144
Electrical fittings	518,066	19,230	5,940	531,356	427,826	25,886	3,080	80,724	90,240
Furniture and fixtures	23,801	217	199	23,819	21,664	452	137	1,840	2,137
Computer-end user devices	148,522	3,072	5,308	146,286	139,584	2,744	5,000	8,958	8,938
Computer-servers and networks	43,865	2,075	(57)	45,997	38,862	2,057	58	5,136	5,003
Decommissioned assets	95,501	-	6,929	88,572	-	-	-	88,572	95,501
<b>Total</b>	<b>22,873,876</b>	<b>554,203</b>	<b>228,672</b>	<b>23,199,407</b>	<b>12,715,552</b>	<b>569,762</b>	<b>169,910</b>	<b>10,084,003</b>	<b>10,158,324</b>
Less: Provision for decommissioned assets								68,307	76,582
								<b>10,015,696</b>	<b>10,081,742</b>

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***(ii) Capital work-in-progress**

Particulars	"As at 1 <sup>st</sup> April 2017"	Additions during the year	Disposals/ adjustments	"As at 31 <sup>st</sup> March 2018"
Capital work-in-progress	240,225	324,142	316,405	247,962
Capital work-in-progress in store	436,506	888,222	671,804	652,924
Less: Provision for capital work-in-progress	2,833	5,742	821	7,754
Provision for capital work-in-progress in store	24,663	8,346	10,261	22,748
<b>Total</b>	<b>649,235</b>	<b>1,198,276</b>	<b>977,127</b>	<b>870,384</b>

Particulars	"As at 1 <sup>st</sup> April 2016"	Additions during the year	Disposals/ adjustments	"As at 31 <sup>st</sup> March 2017"
Capital work-in-progress	310,090	-	69,865	240,225
Capital work-in-progress in store	389,571	46,935	-	436,506
Less: Provision for capital work-in-progress	3,417	-	584	2,833
Less: Provision for capital work-in-progress in store	29,197	-	4,534	24,663
<b>Total</b>	<b>667,047</b>	<b>46,935</b>	<b>64,747</b>	<b>649,235</b>

**Notes:**

- In some cases, the title deeds of land purchased/acquired on leasehold/freehold from various authorities, are in the process of being executed.
- Leasehold land disclosed is based on the identification by forty three circles (31 March 2017: thirty four circles).
- Additions to property, plant and equipment include assets identified and taken over/(written back) by the Company in the current year, pertaining to the assets being taken over from DoT as on 1 October 2000 INR Nil (31 March 2017: INR (159) lakh) [refer note 38].
- Additions in gross block include INR 92,481 lakh (31 March 2017: INR 63,914 lakh) of employee remuneration and directly attributable administrative expenses capitalised during the year.
- The current year depreciation charged to statement of profit and loss excludes INR 177 lakh (31 March 2017: INR 244 lakh) which has been capitalised into the cost of assets under construction.
- For details of assets pledged/ hypothecated as securities, refer note 23.
- Physical verification of capital work-in-progress in store has been conducted by the management [except six circles (31 March 2017: four circles)] during the year and is reconciled with the detailed records for capital work-in-progress in store. Wherever differences are found, the same are provided for. Further, in Nil circles





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

(31<sup>st</sup> March 2017: five circles) difference between the subsidiary ledger and the general ledger is identified and provided for in the current financial year.

- h) Refer to note 49 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- i) On transition to Ind AS, the Company has elected to measure certain items of its property, plant and equipment as at 1<sup>st</sup> April 2015 (date of transition to Ind AS) at its fair value and use that fair value as its cost at that date. Accordingly, the Company has elected to selectively fair value its freehold land. Hence, an increase of INR 6,986,449 lakh was recognised with a corresponding increase in retained earnings at the date of transition to Ind AS. All other remaining property, plant and equipment are carried at cost which is recomputed retrospectively as per principles of Indian Accounting Standard 16 (Property, plant and equipment)."
- j) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case 8.25% (31 March 2017: 8.40%). Accordingly, the Company has capitalised borrowing cost during the year ended 31 March 2018 amounting to INR 57,873 lakh ( 31<sup>st</sup> March 2017: INR 48,977 lakh).
- k) The Company has acquired certain leasehold lands under finance lease arrangements on lease terms for 30 to 99 years. The gross and net carrying amounts of leasehold land acquired under finance lease and included in above are as follows:

	<b>As at 31<sup>st</sup> March 2018</b>	<b>As at 31<sup>st</sup> March 2017</b>
Gross block	17,108	17,104
Accumulated depreciation	4,400	4,202
Net block	12,708	12,902

- l) During the current year, the Company has changed the presentation for decommissioned assets and accordingly has reclassified the net carrying value of decommissioned assets from 'Property, plant and equipment' to 'Assets held for sale'. Further, the Company has carried out an internal assessment due to which certain reusable assets have been reclassified from 'Assets held for sale' to 'Property, plant and equipment'. The impact of the depreciation for the future years is impracticable to ascertain on the assets reclassified as property, plant and equipment (refer note 20)."

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***4. Intangible assets**

Particulars	Gross block		Accumulated amortisation				Net block		
	As at 1 <sup>st</sup> April 2017	Additions	Disposals/adjustment	As at 31 <sup>st</sup> March 2018	As at 1 <sup>st</sup> April 2017	Additions	Disposals/adjustment	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Intangible assets</b>									
Entry license fees	846,261	-	-	846,261	118,078	59,062	-	669,121	728,183
Computer softwares	35,981	6,593	567	42,007	9,160	4,803	65	28,109	26,821
<b>Total</b>	<b>882,242</b>	<b>6,593</b>	<b>567</b>	<b>888,268</b>	<b>127,238</b>	<b>63,865</b>	<b>65</b>	<b>697,230</b>	<b>755,004</b>

Particulars	Gross block		Accumulated amortisation				Net block		
	As at 1 <sup>st</sup> April 2016	Additions	Disposals/adjustments	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	Additions	Disposals/adjustments	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>Intangible assets</b>									
Entry license fees	846,261	-	-	846,261	59,016	59,062	-	728,183	787,245
Computer softwares	24,343	12,453	815	35,981	4,942	4,218	-	26,821	19,401
<b>Total</b>	<b>870,604</b>	<b>12,453</b>	<b>815</b>	<b>882,242</b>	<b>63,958</b>	<b>63,280</b>	<b>-</b>	<b>755,004</b>	<b>806,646</b>

**Notes:**

- a) On transition to Ind AS, the Company has elected to continue with the carrying value for all of intangible assets as at 1<sup>st</sup> April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**5. Investment in subsidiary**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Investment in equity instruments of subsidiary at cost		
Unquoted equity instruments		
BSNL Tower Corporation Limited		
1,700 (31 March 2017: Nil) equity shares of face value of INR 10 each #	*	-
	-	-
Aggregate book value of unquoted investment	*	-

# Held by eight nominees on behalf of Bharat Sanchar Nigam Limited

\* The absolute value is INR 17,000 only.

**6. Non-current financial assets - Investment**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Investment at fair value through profit and loss (FVTPL)		
Unquoted investment		
1 (31 March 2017: 1) equity share of INR 10 each fully paid up of Bharat Broadband Nigam Limited	**	**
	-	-
Aggregate book value of unquoted investment	**	**

\*\* The absolute value is INR 10 only.

**7. Non-current financial assets - Loans**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Secured, considered good		
Loans to employees (refer note below)	578	844
Unsecured, considered good		
Loans to employees	5	26
	<b>583</b>	<b>870</b>

**Note :** Assets (eg- house, vehicle, etc) are hypothecated against the loans to employees.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***8. Other non-current financial assets**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Unsecured, considered good</b>		
Security deposits	22,718	27,805
Call detail record based claims recoverable	486	153
Earmarked deposits with banks (including bank guarantee, margin money, etc) (refer note below)	825	827
	<b>24,029</b>	<b>28,785</b>

**Note :** These earmarked deposits are for the purpose of securing various bank guarantees provided by the banks.

**9. Deferred tax assets (net)**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Deferred tax assets</b>		
Loss allowance for trade receivables	89,629	108,598
Loss allowance for other assets	60,194	62,047
Carry forward tax losses including unabsorbed depreciation	1,155,509	1,011,639
Provision for compensated absences	-	297
Provision for half pay leaves	1,631	1,551
Provision for gratuity	2,902	728
Provision for decommissioned assets	10,785	21,107
Provision for obsolete inventory and capital work-in-progress	6,496	8,856
Disallowances under Section 43B of Income Tax Act, 1961	7,741	11,687
	<b>1,334,887</b>	<b>1,226,510</b>
<b>Deferred tax liabilities</b>		
Difference in book written down value and tax written down value of property, plant and equipment	195,211	207,049
	<b>195,211</b>	<b>207,049</b>
<b>Net deferred tax assets</b>	<b>1,139,676</b>	<b>1,019,461</b>
<b>Net deferred tax assets recognised</b>	-	-

In the absence of reasonable certainty of future taxable profits, the Company has not recognised deferred tax assets (net) for the above periods (Refer note 51).



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**10. Other non-current assets**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Unsecured, considered good</b>		
Capital advances [Net of provisions INR 23,972 lakh (31 March 2017: INR 23,972 lakh)]	55,481	59,128
Advances to contractors	29,703	6,294
	85,184	65,422

**11. Inventories**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Building materials	6	3
Raw material and scrap (at factory)	9,709	9,152
Finished goods and work-in-progress (at factory)	11,061	10,780
Finished stock (at various circles)	436	450
Other stores	222	272
	21,434	20,657
Less: Provision for obsolete inventory/short inventory	193	184
Total inventories at the lower of cost and net realisable value*	21,241	20,473

\*For further details, refer note 3 (ii).

**12. Current financial assets - Investment**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Investment at fair value through profit and loss</b>		
<b>Unquoted investment</b>		
20,000,000 (31 March 2017: 20,000,000) 7% redeemable cumulative preference shares of INR 100 each fully paid in Indian Telephone Industries (ITI) Limited (A Government of India owned Company) [refer note below]	20,000	20,000
	<b>20,000</b>	<b>20,000</b>
Aggregate book value of unquoted investment	20,000	20,000

**Note :** All the five installments of INR 4,000 lakh each are overdue for redemption of 7% redeemable cumulative preference shares in respect of investment in ITI Limited at the end of the year and no dividend has been received till date. ITI Limited will redeem preference shares to the Company immediately on release of financial assistance by the Government of India to ITI Limited as a part of revival package. Accordingly, the Company believes that the fair value of the investment is equal to the book value.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***13. Current financial assets - Trade receivables**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Trade receivables	817,891	809,762
Less : Advance income booked but not collected	131,179	148,430
	<b>686,712</b>	<b>661,332</b>
Less : Loss allowance for trade receivables	294,174	351,451
	<b>392,538</b>	<b>309,881</b>

The Company's exposure to credit and currency risks are disclosed in Note 52.

**Note :**

- (a) In twenty circles (31 March 2017: seven circles), there are differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger. To the extent identified, the net differences between general ledger balances and subsidiary ledger balances are INR 9,783 lakh (31 March 2017: INR 1,678 lakh). The management is in the process of reconciling these differences.
- (b) The classification of the trade receivables as secured and unsecured/considered good, to the extent available as per subsidiary ledger is as follows:

Unsecured, considered good	522,474	457,685
Doubtful	285,634	350,399
	<b>808,108</b>	<b>808,084</b>

**14. Cash and cash equivalents**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Balances with banks</b>		
In current account including sweep-in-deposit	70,949	270,104
Deposits with original maturity of less than three months	-	63,300
Cheques on hand	2,428	2,182
Cash on hand	2,405	3,151
	<b>75,782</b>	<b>338,737</b>

For the purpose of statement of cash flows, Cash and cash equivalents comprise of the following:

Cash and cash equivalents as per balance sheet	75,782	338,737
Bank overdraft (refer note 27)	(30,910)	(59,613)
	<b>44,872</b>	<b>279,124</b>



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Note :

- (a) In thirty five circles (31 March 2017: eight circles), unlinked credit items and in thirty five circles (31 March 2017: six circles) unlinked debit items are appearing in the bank reconciliation statement as at 31 March 2018. Out of these thirty five circles have identified unlinked credit items amounting to INR 362 lakh (31 March 2017: INR 548 lakh) and thirty five circles have identified unlinked debit items amounting to INR 646 lakh (31 March 2017: INR 333 lakh). The management is in the process of reconciling all such items in due course.
- (b) Bank balances in thirteen circles (31 March 2017: one circle) includes cheques on hand pending to be deposited in bank as at 31 March 2018.

**15. Bank balances other than cash and cash equivalents**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
“Bank deposits with original maturity of more than three months but upto twelve months* (including bank guarantee, margin money, etc.)”	138	126
	138	126

\* These earmarked deposits are for the purpose of securing various bank guarantees provided by the banks.

**16. Current financial assets - Loans**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Secured, considered good</b>		
Loans to employees (refer note (b) below)	207	415
Unsecured but considered good		
Loans to employees	17	30
	224	445

**Note :**

- (a) In three circles (31 March 2017: one circle), it has been noticed that there are differences in the subsidiary ledger of loans with those appearing in general ledger. The management is in the process of reconciling these differences.
- (b) Assets (eg- house, vehicle, etc) are hypothecated against the loans to employees.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***17. Other current financial assets**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Unsecured, considered good</b>		
Security deposits	14,958	8,517
Amount due from customers for construction contracts, others	32,926	22,705
Accrued revenue	108,419	116,947
Amount recoverable from DoT		
For employees on deputation	1,812	1,891
For defense telecom network project (net)	-	31,017
Other recoverable (refer note 42)	243,013	220,052
Amount recoverable from Bharat Broadband Nigam Limited (net)	53,442	-
Amount recoverable from		
Government departments	3,350	3,352
Government companies (refer note (a) below)	242,484	171,081
Claims recoverable from others	85,231	31,498
Sales tax recoverable from customers	9	8
Service tax recoverable from customers	64,989	106,014
Goods and service tax (GST) recoverable from customers	45,292	-
<b>Interest accrued</b>		
- on bank deposits	335	406
- on loans	58	60
- other	6	10
Call detail record based claims recoverable	23,889	8,654
<b>Doubtful</b>		
Amount recoverable from		
Government companies	192,930	200,800
	<b>1,113,143</b>	<b>923,012</b>
Less: Loss allowance for assets	192,930	200,800
	<b>920,213</b>	<b>722,212</b>

**Note :**

(a) Includes claim recoverable from LIC amounting to INR 68,500 lakh (31 March 2017: INR Nil) on account of leave encashment directly paid by the Company to the employees during the year ended 31 March 2018.

**18. Current tax assets (net)**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Advance income-tax (refer note (a) below) [Net of provision for income tax INR 168,19 lakh (31 <sup>st</sup> March 2017: INR 717,196 lakh)]	119,650	32,771





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Advance fringe benefit tax	-	5,898
	<b>119,650</b>	<b>38,669</b>

Note :

- (a) Pursuant to the decisions of the Appellate Authorities and the interpretations of other relevant provisions, the Company has updated the provision for income tax. This has led to reduction of provision for income tax related to earlier years by INR 80,249 lakh. This change in estimation of uncertain tax positions may also have an impact on future current tax expense, the amount of which is impracticable to determine.

**19. Other current assets**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Unsecured, considered good</b>		
Prepaid expenses	4,238	1,781
Balances with excise and other tax authorities (refer note (b) below)	56,712	65,706
Advances to contractors	15,747	67,207
Advances to employees	2,091	3,577
Other advances	1	14
Intra/inter circle remittances	7,919	-
	<b>86,708</b>	<b>138,285</b>

**Note :**

- (a) Cenvat on account of service tax, excise duty and custom duty on capital goods and inputs is under reconciliation in some circles.
- (b) Includes INR 1,517 lakh deposited on account of service tax audit.
- (c) Refer note 46 for details of advances to related parties.

**20. Assets held for sale**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Property, plant and equipment held for sale	69,085	-
Less: Provision for dimunition in the value of assets held for sale	(34,568)	-
	<b>34,517</b>	<b>-</b>

**Note :** Assets held for sale includes various classes of property, plant and equipment which are retired from active use and are held for the purpose of immediate sale. The Company intends to sell these assets through Metals and Minerals Trading Corporation (MMTC), etc. as per defined procedures. The Company recognizes assets held for sale at the lower of carrying amount and net realisable value, accordingly the gain or loss on the assets held for sale is recorded in 'Excess liabilities written back no longer required' under 'Other income' (refer note 33) and 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 37) respectively. These assets are included under respective segments under note 45 (also refer note 3(l)).

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***21. Share capital**

	Number of shares	Amount
<b>Authorised</b>		
i. Equity shares of INR 10 each		
Outstanding as at 1 April 2016	10,000,000,000	1,000,000
Increase during the year	-	-
Outstanding as at 31 March 2017	10,000,000,000	1,000,000
Increase during the year	-	-
Outstanding as at 31 March 2018	<b>10,000,000,000</b>	<b>1,000,000</b>
ii. 9% non-cumulative preference shares of INR 10 each *		
Outstanding as at 1 April 2016	7,500,000,000	750,000
Increase during the year	-	-
Outstanding as at 31 March 2017	7,500,000,000	750,000
Increase during the year	-	-
Outstanding at the 31 March 2018	<b>7,500,000,000</b>	<b>750,000</b>

\* Refer note 23

	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	Number of shares	Amount	Number of shares	Amount
<b>Issued, subscribed and fully paid up</b>				
Equity shares of INR 10 each	5,000,000,000	500,000	5,000,000,000	500,000
	<b>5,000,000,000</b>	<b>500,000</b>	<b>5,000,000,000</b>	<b>500,000</b>

**a. Terms and rights attached to equity shares**

The Company has only one class of shares referred to as equity shares each having a par value of INR 10 per share.

Vote of members: Every member present on person and being a holder of equity share shall have one vote and every person either as a general proxy on behalf of a holder of equity share, shall have one vote or upon a poll, every member shall have one vote for every share held by him. On poll, the voting rights of holder of equity share shall be as specified in Section 47 of the Companies Act, 2013.

**b. Reconciliation of number of shares outstanding at the beginning and at the end of the year :**

	Number of shares	Amount
Outstanding at the 1 April 2016	5,000,000,000	500,000
Equity shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2017	5,000,000,000	500,000



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

	Number of shares	Amount
Equity shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2018	5,000,000,000	500,000

**c. Shareholders holding more than 5% shares in the company \***

	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	Number of shares	Percentage	Number of shares	Percentage
President of India	4,999,999,993	99.99%	4,999,999,993	99.99%

\* The above information is furnished as per the shareholder's register as at the year end.

**d.** No shares have been issued for consideration other than cash pursuant to contract or allotted as fully paid bonus shares in the current reporting year and in the last five years immediately preceding the current reporting year. Further, there are no buy backs of any class of shares during the current reporting year and in the last five years immediately preceding the current reporting year.

**e.** Division of profit : The profit of the Company, subject to any special rights relating thereto created or authorised to be created by the articles subject to the provisions of the articles and also subject to the provisions of Section 123 of the Companies Act, 2013 and, regarding transfer of the amount to reserve of the Company, shall be divisible among the members with the approval of the President of India, in the proportion of the amount of capital paid or credited as paid-up on the shares held by them respectively.

**22. Other equity**

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>a. Capital reserve</b>		
Balance at the beginning of the year	4,021,118	4,021,118
Add: Addition/ deletion during the year	-	-
Balance at the end of the year	<b>4,021,118</b>	<b>4,021,118</b>
<b>b. General reserve</b>		
Balance at the beginning of the year	490,075	290,075
Add: Contingency reserve transferred to general reserve	-	200,000
Balance at the end of the year	<b>490,075</b>	<b>490,075</b>
<b>c. Contingency reserve</b>		
Balance at the beginning of the year	-	200,000
Additions during the year	-	-
Less: Contingency reserve transferred to general reserve	-	(200,000)
Balance at the end of the year	-	-

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>d. Retained earnings</b>		
Balance at the beginning of the year	4,657,913	5,136,517
Add: Loss for the year	(799,285)	(479,321)
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	(897)	717
Balance at the end of the year	<b>3,857,731</b>	<b>4,657,913</b>
<b>e. Capital contribution from shareholder</b>		
Balance at the beginning of the year	<b>98,318</b>	<b>98,318</b>
Add: Addition/ deletion during the year	-	-
Balance at the end of the year	98,318	98,318
<b>Total other equity</b>	<b>8,467,242</b>	<b>9,267,424</b>

**Nature and purpose of reserve****i. Capital reserve**

The capital reserve is created out of the difference between the total value of the assets taken over and the long term identified liabilities and the capital structure, as on 1 October 2000 as communicated by DoT. For details, refer note 38.

**ii. General reserve**

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations.

**iii. Contingency reserve**

The contingency reserve was created in the financial year 2003-04 by appropriation of profits to meet various contingencies that may arise in future, based on the decision made by the board of directors.

**iv. Capital contribution from shareholder**

During the year ended 31 March 2015, the loan from the Government of India amounting to INR 98,318 lakhs was waived off vide letter no.1-43/2008-B, dated 11 April 2014 and the same was taken to the capital reserve created at the time of formation of the Company.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**23. Non-current financial liabilities - Borrowings**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Secured loans</b>		
Term loans from banks (refer note A below)	945,216	321,657
Less: Current maturities of non current borrowings	(40,868)	(9,000)
	<b>904,348</b>	<b>312,657</b>
7,500,000,000 (31 <sup>st</sup> March 2017: 7,500,000,000)	750,000	750,000
9% non-cumulative preference shares of INR 10 each (refer note B below)		
	<b>1,654,348</b>	<b>1,062,657</b>

Refer note 46 for details of loans from related parties

Information about Company's exposure to interest rate and liquidity risks is included in Note 52.

**A. Terms and repayment schedule of secured loans**

- (i) The term loans from the Union Bank of India, carry interest rate ranging from 8.00% p.a. to 8.50% p.a. with quarterly rests, are repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31<sup>st</sup> March 2017 and 30 September 2017 respectively. The aforementioned term loans are secured by pari-passu charge on all property, plant and equipment of the Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 27,011 lakh and INR 201,488 lakh respectively (31<sup>st</sup> March 2017: INR 35,600 lakh and INR Nil respectively).
- (ii) The term loan from the United Bank of India, carries interest rate ranging from 8.20% p.a. to 8.45% p.a. with quarterly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31<sup>st</sup> March 2017. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 63,968 lakh (31<sup>st</sup> March 2017: INR 69,984 lakh).
- (iii) The term loan from the State Bank of India, carries interest rate ranging from 8.25% p.a. to 8.40% p.a. with yearly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31<sup>st</sup> March 2017. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 245,611 lakh (31<sup>st</sup> March 2017: INR 33,095 lakh).
- (iv) The term loans from the Punjab National Bank, carry interest rate ranging from 8.00% p.a. to 8.45% p.a. with quarterly rests, are repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31<sup>st</sup> December 2015 and 31<sup>st</sup> March 2017 respectively. The aforementioned term loans are secured by pari-passu charge on all property, plant and equipment of the

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 93,990 lakh and INR 99,999 lakh respectively (31<sup>st</sup> March 2017: INR 99,995 lakh and INR 16,500 lakh respectively).

- (v) The term loans from the Jammu and Kashmir Bank, carry interest rate ranging from 8.05% p.a. to 8.50% p.a. with quarterly rests, are repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31<sup>st</sup> December 2015 and 31<sup>st</sup> March 2017 respectively. The aforementioned term loans are secured by pari-passu charge on all property, plant and equipment of the Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 46,990 lakh and INR 49,999 lakh respectively (31<sup>st</sup> March 2017: INR 49,983 lakh and INR 16,500 lakh respectively).
- (vi) The term loan from the Canara Bank, carries interest rate ranging from 8.10% p.a. to 8.35% p.a. with quarterly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 30 June 2017. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 99,996 lakh (31<sup>st</sup> March 2017: INR Nil).
- (vii) The term loan from the Bank of Baroda, carries interest rate of 8.30% p.a. with yearly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31<sup>st</sup> March 2018. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Company other than land and building (both present and future). Outstanding amount as at 31<sup>st</sup> March 2018 is INR 16,162 lakh (31<sup>st</sup> March 2017: INR Nil).

**B. 9% non-cumulative preference shares**

During the financial year 2000-01, 7,500,000,000 preference shares were issued to Central Government of India as fully paid with a par value of INR 10 per share. The preference shares are mandatorily redeemable at par after twenty years from the date of issue of such shares and the Company is obliged to pay holders of these shares dividends at the rate of 9% of the par amount per annum, subject to availability of distributable profits.

Vote of members: The holder of preference share have a right to vote on resolution placed before the Company which directly affects the rights attached to their preference shares and subject to aforesaid, the holders of preference shares shall in respect of such capital be entitled to vote on every resolution placed before the Company at a meeting if the dividend due on such capital or any part of such dividend remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and where the holders of any preference shares have a right to vote as aforesaid on any resolution every such member personally present shall have one vote and on a poll his voting right in respect of such preference share bears to the total paid up equity capital of the Company.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**24. Other non-current financial liabilities**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Deposits from customers and others		
Security deposits	181,781	138,770
	<b>181,781</b>	<b>138,770</b>

The Company's exposure to liquidity risks related to above financial liabilities is disclosed in Note 52.

**25. Non-current provisions**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Provision for employee benefits</b>		
Gratuity (refer note 40)	9,248	2,338
Compensated absences (refer note 40)	-	889
Half pay leaves (refer note 40)	4,435	4,624
Decommissioning liabilities	77,521	87,248
	<b>91,204</b>	<b>95,099</b>

**26. Other non-current liabilities**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Deferred government grant	65,097	102,842
	<b>65,097</b>	<b>102,842</b>

Note :

- (a) Since financial year 2005-06, an amount of INR 61,437 lakh (INR 17,000 lakh for wireline and INR 44,437 lakh for wireless services) has been received from Department of Information Technology (DIT) for providing wireline and wireless connectivity to 41,500 common service centres.
- (b) During the current and the previous financial years, the Company has received grants related to Left Wing Extremist (LWE) project for construction of property, plant and equipment.

**27. Current financial liabilities - Borrowings**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>Loan repayable on demand</b>		
<b>Unsecured loan</b>		
Bank overdraft	30,910	59,613
	<b>30,910</b>	<b>59,613</b>

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Information about Company's exposure to interest rate and liquidity risks is included in Note 52.

**28. Current financial liabilities - Trade payables**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Total outstanding dues of Micro, small and medium enterprises (refer note (a) below)	3,055	458
Total outstanding dues other than Micro, small and medium enterprises:		
Others	661,588	466,088
Claims payable to Mahanagar Telephone Nigam Limited (MTNL) (refer note (b) below)	110,990	111,872
Claims payable on interconnection usage charges (IUC)	7,356	14,575
	<b>782,989</b>	<b>592,993</b>

The Company's exposure to currency and liquidity risks related to trade payable is disclosed in Note 52.

Note:

- (a) Twenty nine circles (31 March 2017: forty eight circles) of the Company have identified Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The required information in terms of section 22 of MSMED Act to the extent available in respect of twenty nine circles (31 March 2017: thirty two circles) are given below :

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Principal amount remaining unpaid to any supplier as at the end of the accounting year	3,055	458
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
The amount of interest paid in terms of Section 16 of Micro, Small, Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
The amount of interest due and payable for the period of delay (which have been paid but beyond the appointed during the year) but without adding the interest specified under Micro, Small, Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small, Medium Enterprises Development Act, 2006	Nil	Nil

(b) The net claim receivable/payable as on 31 March 2018 from MTNL is subject to confirmation and reconciliation.

**29. Other current financial liabilities**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Current maturities of borrowings	40,868	9,000
After connection deposits	212,285	236,394
Deposits from customers and others	110,661	144,602
Claims payable to		
DoT	31,085	37,316
Other government departments	1,942	1,954
License fee, spectrum charges and transponder charges payable	64,704	143,363
Other payables towards		
Employees	11,399	15,580
Subscribers	28,674	24,623
Construction account	46,071	19,669
Services and others	150,787	158,887
	698,476	791,388

The Company's exposure to currency and liquidity risks related to above financial liabilities is disclosed in Note 52.

**30. Other current liabilities**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Deferred government grant (refer note 26)	30,071	95
Advances received from customers	377,918	191,856
Advances received for defense telecom network project (net)	162,065	-
Advances received for National Optical Fiber Network (NOFN) project (net)	-	105,379

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Income received in advance against services	147,797	120,957
Statutory dues		
Tax deducted at source	18,014	21,432
Service tax (net)	24,357	29,325
GST (net)	35,352	-
Employees provident fund	5,292	5,285
Employees state insurance	14	3
Professional tax	256	263
Work contract tax and building and other construction workers welfare cess	455	2,945
Leave encashment of retired employees	4,988	5,699
Intra/inter circle remittances	-	9,020
	<b>806,579</b>	<b>492,259</b>

**31. Short-term provisions**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Provision for employee benefits :		
Gratuity (refer note 40)	53	17
Compensated absences (refer note 40)	-	72
Half pay leaves (refer note 40)	792	394
<b>Provision for others :</b>		
Wealth tax	312	312
	<b>1,157</b>	<b>795</b>

**32. Revenue from operations**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>Revenue from sale of services</b>		
Telephones (other than Wireless in Local Loop (WLL))	330,760	422,931
Cellular	718,541	1,136,330
Wireless in local loop (WLL)	3,448	6,855
Broad band services	490,414	540,482
Leased lines	295,820	277,428
Lease income from passive infrastructure	80,390	49,621



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interconnection usage charges (IUC) from other service providers	224,388	238,626
	<b>2,143,761</b>	<b>2,672,273</b>
<b>Other operating revenue</b>		
Revenue from construction contracts	3,706	4,433
Sale to third party from telecom factories	10,392	28,822
Profit from manufacturing activities of factories (refer note (a) and (b) below note 37)	8,446	-
Other operating income (refer notes (a) and (b) below)	95,736	129,486
Other	4,737	5,359
	<b>123,017</b>	<b>168,100</b>
	<b>2,266,778</b>	<b>2,840,373</b>

Note :

- (a)(i) Other operating income represents subsidies from Universal Service Obligation Fund and DoT.
- (ii) During the current year, the Company has booked income of INR 16,593 lakh (31 March 2017: INR 61,889 lakh) on projects namely, LWE project, NOFN project and Defence Project.
- (b) Telephones disconnected due to non-payment are considered to be working for a period of 30 days from the date of disconnection of outgoing facility. During this period, the incoming facility is provided and fixed monthly charges are billed.

**33. Other income**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest income on Financial assets at amortised cost:		
Deposits with banks	707	9,713
Loans	2,139	2,457
Other	2,787	-
Income tax refund	1,864	38,180
	<b>7,497</b>	<b>50,350</b>
Other non-operating income		
Profit on sale of property, plant and equipment (net)	12,796	7,006
Income from liquidated damages	1,238	2,174
Excess liabilities written back no longer required	151,624	195,062
Rent on staff quarters	2,925	4,442

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Foreign exchange fluctuation loss (net)	35	755
Sale of scrap	28,821	3,260
Others including sale of publications, forms, waste paper, etc.	35,350	49,922
	<b>232,789</b>	<b>262,621</b>
	<b>240,286</b>	<b>312,971</b>

**34. Employee benefits expense**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Salaries, wages, allowances and other benefits	1,348,364	1,383,082
Expenses related to compensated absences (refer note (a) below)	19,324	60,045
Contribution towards pension	93,166	103,332
Contribution towards superannuation	9,831	4,968
Contribution towards employees provident fund	27,788	25,693
Contribution towards Employees State Insurance	45	13
Expense related to post-employment defined benefit plans (refer note 40)	8,404	3,074
Contribution towards leave salary	1,331	1,567
Half pay leaves	209	407
Medical expenses	56,718	45,075
Staff welfare expenses (refer note (b) below)	1,895	1,902
	<b>1,567,075</b>	<b>1,629,158</b>
Less : Allocated to capital work-in-progress and others	83,351	57,613
	<b>1,483,724</b>	<b>1,571,545</b>

Note :

- (a) During the current year, leave encashment amounting to INR 88,678 lakh (31 March 2017: INR 77,800 lakh) has been directly paid by the Company to the employees.
- (b) During the year, the Company has paid INR 162 lakh (31 March 2017: INR 1,010 lakh) to Staff Welfare Board and INR 32 lakh (31 March 2017: INR Nil) to Sports and Cultural Board for promoting welfare activities at various circles.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**35. Finance costs**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Interest expense on Financial liabilities at amortised cost:		
Subscriber deposits	1	3
Loan	436	5,294
Others	499	1,491
Unwinding of discount on decommissioning liabilities	3,895	7,891
	<b>4,831</b>	<b>14,679</b>

**36. Depreciation and amortisation expense**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Depreciation on property, plant and equipment	519,293	569,762
Amortisation on intangible assets	63,865	63,280
	<b>583,158</b>	<b>633,042</b>

**37. Other expenses**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Rent	39,947	39,144
Lease charges	8,590	4,297
Rates and taxes	6,774	6,239
Power and fuel	271,070	267,283
Insurance	425	269
Bank charges	357	260
Repairs and maintenance on:		
Buildings	21,371	24,658
Plant and machinery	105,983	89,197
Cables	30,444	38,396
Others	19,622	16,790
Professional and consultancy charges	3,722	4,755
Payment to auditors (refer note 47)	350	365
Printing and stationery	5,012	5,954
Commission on franchise services	23,687	69,668
Advertisement	987	1,034
Business promotion and marketing expenses	19,770	17,226

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Travelling expenses	7,370	7,098
Postage and courier charges	4,504	5,192
Security services	42,936	33,897
Vehicle running expenses (including hired vehicles)	30,007	27,439
Interconnection usage charges (IUC) to other service providers	126,570	164,245
Lease expense on passive infrastructure	93,131	87,739
Expenditure on services, goods and other expenses [refer note (c)]	180,072	150,995
Expenditure on LWE operation	25,733	11,437
Penalty for customer application form (CAF) verification	372	344
Write off and losses (other than bad debts)	24,904	21,511
Bad debt provision other than services	487	547
Bad debt written off	25,159	37,047
Loss allowance for trade receivables and disputed bills	19,642	28,462
Write off of unrecovered service tax/ GST	2,515	4,967
Loss from manufacturing activities of factories [refer note (a) and (b)]	-	17,442
Expenditure on construction contracts	2,056	4,158
Hiring charges of machinery lines	390	483
Payment of financial disincentive to Telecom Regulatory Authority of India	-	76
	<b>1,143,959</b>	<b>1,188,614</b>
Less : Allocated to capital project works and others	9,130	6,301
	<b>1,134,829</b>	<b>1,182,313</b>

**Note :**

(a) Telecom factories manufacturing account :

Cost of material consumed	45,789	52,311
Direct expenses	5,812	7,837
Change in inventory	(19,850)	(24,370)
<b>Total (A)</b>	<b>31,751</b>	<b>35,778</b>
Internal transfer (B)	40,197	18,336
<b>Profit/ (loss) from manufacturing activities</b>	<b>8,446</b>	<b>(17,442)</b>

(b) Prices for transfer of stock from telecom factories to circles for self- consumption are predetermined. The predetermined rates include direct costs including overhead allocation at a fixed rate. This practice has resulted in profit of INR 8,446 lakh (31 March 2017: loss of INR 17,442 lakh) for the year ended 31<sup>st</sup> March



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

2018 arising out of such transfer. The said amount has been netted off against the administrative expenses in the statement of profit and loss for the year since it is not possible to identify the individual items of stores, which have been capitalised or expensed off.

- (c) Consumption of stores and spare parts for the years ended 31<sup>st</sup> March 2018 is INR 14,371 lakh (31<sup>st</sup> March 2017: INR 11,368 lakh) included in expenditure on services and other expenses.

**38. Assets and liabilities taken over from DoT**

In pursuance of the Memorandum of Understanding (MOU), dated 30 September 2000 executed between Government of India and the Company, all assets and liabilities in respect of business carried on by Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) were transferred to the Company with effect from 1<sup>st</sup> October 2000 at a provisional value of INR 6,300,000 lakh and up to the current financial year the Company has identified net assets of INR 6,325,201 lakh (31<sup>st</sup> March 2017: INR 6,325,201 lakh) against it.

During the current financial year, based on physical verification of property, plant and equipment and inventory and reconciliation of various heads of assets and liabilities in the subsidiary and general ledgers, the management has found some facts which has resulted in increase/ decrease in the following assets and liabilities taken over as on 1 October 2000 amounting to net increase in the assets of INR Nil (31 March 2017: net increase by INR 160 lakh).

Particulars	Up to 31 <sup>st</sup> March 2017	Additions/(Deletions) during the year	Up to 31 <sup>st</sup> March 2018
<b>Assets</b>			
Property, plant and equipment	5,406,575	-	5,406,575
Capital work-in-progress	690,353	-	690,353
Trade receivables	683,196	-	683,196
Advance to contractors	39,448	-	39,448
Deposit with electricity boards /others	2,184	-	2,184
<b>Total- A</b>	<b>6,821,756</b>	<b>-</b>	<b>6,821,756</b>
<b>Liabilities</b>			
Customer deposits	395,418	-	395,418
Earnest money deposits	12,078	-	12,078
Security deposits from contractors /suppliers	28,994	-	28,994
Working expense liability as on 1 <sup>st</sup> October 2000	43,472	-	43,472
Contractors bills payable as on 1 <sup>st</sup> October 2000	16,593	-	16,593
<b>Total-B</b>	<b>496,555</b>	<b>-</b>	<b>496,555</b>
<b>Net assets taken over by the Company (A-B)</b>	<b>6,325,201</b>	<b>-</b>	<b>6,325,201</b>

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Up to 31 <sup>st</sup> March 2016	Additions/(Deletions) during the year	Up to 31 <sup>st</sup> March 2017
<b>Assets</b>			
Property, plant and equipment	5,406,416	159	5,406,575
Capital work-in-progress	690,353	-	690,353
Trade receivables	683,196	-	683,196
Advance to contractors	39,448	-	39,448
Deposit with electricity boards /others	2,184	-	2,184
<b>Total- A</b>	<b>6,821,597</b>	<b>159</b>	<b>6,821,756</b>
<b>Liabilities</b>			
Customer deposits	395,418	-	395,418
Earnest money deposits	12,078	-	12,078
Security deposits from contractors /suppliers	28,994	-	28,994
Working expense liability as on 1 <sup>st</sup> October 2000	43,473	(1)	43,472
Contractors bills payable as on 01 October 2000	16,593	-	16,593
<b>Total-B</b>	<b>496,556</b>	<b>(1)</b>	<b>496,555</b>
<b>Net assets taken over by the Company (A-B)</b>	<b>6,325,041</b>	<b>160</b>	<b>6,325,201</b>

**Note**

- 1 The net assets and the contingent liabilities transferred to the Company as on 1 October 2000 are subject to confirmation by DoT as regard to their value.
- 2 The capital structure for the Company concurred by the Ministry of Finance and conveyed by the Department of Telecommunications vide their U.O. No. 1-2/2000-B (Pt.) dated 13 December 2001 has been treated as consideration for transferring the above stated assets and liabilities and is as follows:

Particulars	As at 1 <sup>st</sup> October 2000 (as on 31 <sup>st</sup> March 2017)	Additions/ (Deletions) during the year ended 31 <sup>st</sup> March 2018	Total structure as at 1 <sup>st</sup> October 2000 (as on 31 <sup>st</sup> March 2018)
Equity	500,000	-	500,000
9% Non-cumulative preference shares	750,000	-	750,000
15 year Government loan (interest at prevalent Government lending rate)	750,000	-	750,000
Loan from MTNL [Note 1]	305,600	-	305,600
Capital reserves – DoT [Note 2]	4,021,118	-	4,021,118
Adjustment made to the statement of profit and loss	(1,517)	-	(1,517)
<b>Total</b>	<b>6,325,201</b>	<b>-</b>	<b>6,325,201</b>





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	As at 1 <sup>st</sup> October 2000 (as on 31 <sup>st</sup> March 2016)	Additions/ (Deletions) during the year ended 31 <sup>st</sup> March 2017	Total structure as at 1 <sup>st</sup> October 2000 (as on 31 <sup>st</sup> March 2017)
Equity	500,000	-	500,000
9% Non-cumulative preference shares	750,000	-	750,000
15 year Government loan (interest at prevalent Government lending rate)	750,000	-	750,000
Loan from MTNL [Note 1]	305,600	-	305,600
Capital reserves – DoT [Note 2]	4,021,118	-	4,021,118
Adjustment made to the statement of profit and loss	(1,677)	160	(1,517)
<b>Total</b>	<b>6,325,041</b>	<b>160</b>	<b>6,325,201</b>

**Note:**

- The entire amount has been repaid in the previous years.
- Represents the difference between the total value of the assets taken over and the long term identified liabilities and the capital structure, as on 1 October 2000 as communicated by DoT.
- In pursuance of clause 13 of agreement of transfer executed between the Government of India and the Company dated 30 September 2000, all costs, charges and expenses including stamp duties, registration charges, transfer duties, any other taxes, levies, duties or charges relating to or in connection with completion of transfer of assets and liabilities shall be borne by the Government of India.

**39. License and spectrum fee**

- License and spectrum fee for the year ended 31<sup>st</sup> March 2018 is INR 174,338 lakh (31<sup>st</sup> March 2017: INR 231,086 lakh).
- During the financial year ended 31 March 2016, the formula for distribution of the revenue between various components for CMTS Services has been changed. The formula adopted during financial year 2017-18 is as per the following percentage:

Service	Basic	CMTS	NLD	ILD	ISP
Leased circuits	30.00%	-	70.00%	-	-
Basic services	70.72%	-	17.58%	11.70%	-
CMTS services	-	64.08%	22.15%	1.25%	12.52%

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Previous Year**

Service	Basic	CMTS	NLD	ILD	ISP
Leased circuits	30.00%	-	70.00%	-	-
Basic services	70.72%	-	17.58%	11.70%	-
CMTS services	-	65.44%	21.33%	1.23%	12.00%

- 3 Other income consists of interest accrued on income tax refund. From the financial year 2000-01 to financial year 2010-11, the company has paid excess income tax on the demands raised by Income Tax department. Company has contested the demand with Income Tax authorities and has got refund order of income tax in the previous financial year. In the opinion of the management, license fee is not payable on interest accrued on income tax refund as this is not forming the part of investing activities of the Company.

**40. Employee benefits**

During the year, the Company has recognized following amounts in the statement of profit and loss :

**i) Defined contribution plans**

Contributions to defined contribution plans i.e. employer's contribution to provident fund, Employees State Insurance, pension contribution paid to the Government of India and superannuation contribution paid to Life Insurance Corporation Of India for the year is charged to the statement of profit and loss. These amounts are shown as under:

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Employer's contribution to provident fund	27,788	25,693
Pension contribution to the Government of India	93,166	103,332
Employer's contribution to Employees State Insurance	45	13
Superannuation contribution to Life Insurance Corporation of India	9,831	4,968
	<b>130,830</b>	<b>134,006</b>

**ii) Defined benefit plans**

The following table sets out the status of the assets and liabilities recognised in the Company's standalone financial statements as at balance sheet date relating to the defined employee benefit plans:



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Net defined benefit asset	-	-
Total employee benefit assets	-	-
Net defined benefit liability		
Liability for gratuity	9,301	2,355
Liability for leave encashment	-	961
Liability for half pay leaves	5,227	5,018
<b>Total employee benefit liabilities</b>	<b>14,528</b>	<b>8,334</b>
Non-current	13,683	7,851
Current	845	483
	<b>14,528</b>	<b>8,334</b>

**A. Gratuity**

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Company employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

**a) Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

*Reconciliation of present value of defined benefit obligation*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the year	63,895	57,304
Benefits paid	(768)	(590)
Current service cost	3,236	3,313
Past service cost	5,149	-
Interest cost	5,112	4,585
Remeasurements (gains)/ losses recognised in other comprehensive income		
Actuarial (gain)/ loss	897	(717)
<b>Balance at the end of the year</b>	<b>77,521</b>	<b>63,895</b>

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)**Reconciliation of the present value of plan assets*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the year	61,540	52,833
Contributions during the year	2,355	4,471
Expected return on plan assets	5,093	4,826
Benefits paid	(768)	(590)
<b>Balance at the end of the year</b>	<b>68,220</b>	<b>61,540</b>
<b>Net defined benefit liability (asset)</b>	<b>9,301</b>	<b>2,355</b>

**b) Defined benefits / expenses for gratuity recognised for the year**

Expense recognised in the statement of profit and loss

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Current service cost	3,236	3,313
Past service cost *	5,149	-
Interest cost	5,112	4,585
Expected return on plan assets	(5,093)	(4,826)
	<b>8,404</b>	<b>3,072</b>

\* During the current year, the Payment of Gratuity Act, 1972 has been amended and the ceiling has been increased to INR 20 lakh from the existing ceiling of INR 10 lakh. The expense on account of enhanced ceiling is recognised as past service cost.

*Remeasurements recognised in other comprehensive income*

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Actuarial (gain)/ loss on defined benefit obligation	897	(717)
	<b>897</b>	<b>(717)</b>

**c) Plan assets**

i. Gratuity fund investment details (Fund manager wise, to the extent funded) are as below:

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Life Insurance Corporation of India	68,220	61,540
	<b>68,220</b>	<b>61,540</b>

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 has not been provided by Life Insurance Corporation of India.

- ii. Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR 9,301 lakh (31<sup>st</sup> March 2017: INR 2,355 lakh).

**d) The expected maturity analysis of the obligation**

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Within the next 12 Months (next annual reporting period)	535	530
Between 1 and 2 years	822	335
Between 2 and 5 years	2,750	1,836
Beyond 5 years	73,414	61,194
<b>Total</b>	<b>77,521</b>	<b>63,895</b>

The weighted average duration of the defined benefit obligation is 10 years (31 March 2017: 10 years)

**e) Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Discount rate	8%	8%
Expected rate of increase in compensation levels	7%	7%
Expected average remaining working lives of employees (years)	21	21
Mortality table	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate

**f) Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	“For the year ended 31 <sup>st</sup> March 2018”		“For the year ended 31 <sup>st</sup> March 2017”	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(4,693)	5,039	(5,331)	6,150
Expected rate of increase in compensation levels (0.50% movement)	4,137	(6,342)	6,180	(5,609)
Withdrawal rate as per mortality table (10% movement)	8,013	(7,211)	5,843	(6,999)

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**B. Compensated absences**

Compensated absences is also a defined benefit plan. The liability towards compensated absences has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

**a) Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

*Reconciliation of present value of defined benefit obligation*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the year	908,715	852,428
Benefits paid	(88,678)	(77,800)
Current service cost	8,641	11,130
Interest cost	72,697	68,195
Remeasurement (gains)/losses recognised in other comprehensive income		
Actuarial (gain)/ loss	11,952	54,762
<b>Balance at the end of the year</b>	<b>913,327</b>	<b>908,715</b>

*Reconciliation of the present value of plan assets*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Balance at the beginning of the year	907,754	833,567
Contributions during the year	-	-
Expected return on plan assets	74,073	74,187
Benefits paid		-
Balance at the end of the year *	981,827	907,754
<b>Net defined benefit liability (asset)</b>	<b>(68,500)</b>	<b>961</b>

\* Includes claim recoverable from LIC amounting to INR 68,500 lakh (31<sup>st</sup> March 2017: INR Nil) on account of leave encashment directly paid by the Company to the employees during the year ended 31 March 2018. Accordingly, net defined benefit asset for compensated absences for the year ended 31<sup>st</sup> March 2018 is Nil (refer note 17).



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**b) Defined benefits / expenses for compensated absences recognised for the year**

**Expense recognised in the statement of profit and loss**

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Current service cost	8,641	11,130
Interest cost	72,697	68,195
Expected return on plan assets	(74,073)	(74,187)
Actuarial (gain)/ loss on defined benefit obligation	11,952	54,762
	<b>19,217</b>	<b>59,900</b>

**c) Plan assets**

i. Compensated absences fund investment details (Fund manager wise, to the extent funded) are as below:

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Life Insurance Corporation of India	981,827	907,754
	<b>981,827</b>	<b>907,754</b>

The plan assets of the Company are managed by Life Insurance Corporation of India with respect to its compensated absences plan. Information of plan assets as at 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 has not been provided by Life Insurance Corporation of India.

ii. Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR Nil (31 March 2017: INR 961 lakh).

**d) The expected maturity analysis of the obligation**

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Within the next 12 Months (next annual reporting period)	95,789	72,272
Between 1 and 2 years	97,044	83,629
Between 2 and 5 years	251,446	260,360
Beyond 5 years	469,048	492,454
<b>Total</b>	<b>913,327</b>	<b>908,715</b>

The weighted average duration of the defined benefit obligation is 24 years (31 March 2017: 26 years).

**e) Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Discount rate	8%	8%
Expected rate of increase in compensation levels	7%	7%
Expected average remaining working lives of employees (years)	9	9
Mortality table	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate

**f) Sensivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(27,323)	31,502	(2,725)	2,556
Expected rate of increase in compensation levels (0.50% movement)	1,982	(2,591)	2,229	(1,964)
Withdrawal rate as per mortality table (10% movement)	9,146	(8,838)	9,178	(8,633)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**C. Risk exposure**

“Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:”

**a) Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company intends to maintain the above investment mix in the continuing years.

**b) Changes in discount rate**

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**c) Inflation risks**

In the plans, the payments are not linked to the inflation so this is a less material risk.

**d) Life expectancy**

The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

"The Company ensures that the investment positions are managed within an asset- liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets."

**C. Half pay leaves**

Half pay leaves is also a defined benefit plan. The liability towards half pay leaves has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

**41. Property, plant and equipment / Intangible assets/ Depreciation and amortization/ Capital work-in-progress**

- 1 "Property, plant and equipment taken over from DoT as on 1<sup>st</sup> October 2000 are based on physical verification conducted by the management. The value of property, plant and equipment taken over including capital work-in- progress has been determined by the management using the original cost of the asset (wherever available) or alternatively the value arrived at by applying Strategic Business Plan ("SBP") rates, which is based on technical assessment, as reduced by the depreciation up to 30<sup>th</sup> September 2000 on straight line basis at the rates prescribed by DoT. Capital assets acquired by the Company after 1<sup>st</sup> October 2000 are valued at the cost including all direct charges incurred up to the time of installation or put to use. The transfer values, as indicated above, in respect of assets transferred from DoT on 1<sup>st</sup> October 2000 have been treated as its original cost and depreciation has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 till financial year 2013-14 without reassessing the remaining useful life of such assets as on that date. Depreciation has been provided at the rates as stated above for all the assets acquired after 1<sup>st</sup> October 2000 except in the case of Subscribers Installations which are depreciated over the useful life of 5 years on written down value method. However, with the enactment of Companies Act, 2013 the depreciation has been provided as per the provisions of schedule II of the Companies Act, 2013 for financial year 2014-15 onwards for all assets including Subscribers Installations. For 3G & BWA Spectrum the amount paid to Government of India for acquiring these assets is being amortized over a period of 20 years."

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- 2 The lease period of a few leasehold lands on which buildings are constructed, have not been renewed / or the renewals are under dispute. Since expected terms, conditions and rentals for renewal/ surrender are not ascertainable, no provision has been made for the surrender value / written down value of the buildings'.
- 3 Pending transfer of the immovable property in the name of the Company, documents in respect of certain land and buildings acquired during the period are under legal process/ execution. Further in respect of assets taken over from DoT, formalities for vesting the assets in favour of the Company, wherever necessary/ applicable are under process.
- 4 Capital work-in-progress, inter alia, includes balances pending capitalization for long periods of time owing to pending analysis of status, value and obtaining of commissioning certificates in respect of twenty once circles (31<sup>st</sup> March 2017: four circles). The amount ascertained in respect of sixteen circles (31<sup>st</sup> March 2017: two circles) is INR 24,152 lakh (31<sup>st</sup> March 2017: INR 13,056 lakh). Consequently, depreciation has also not been charged on the same.
- 5 Directly attributable establishment and administration expenses incurred in units where project work is also undertaken are allocated to capital and revenue mainly on actual man-month basis.

**42. DoT balances**

“Other recoverables from DoT, after netting off the claim payables to them, INR 211,928 lakh (31<sup>st</sup> March 2017: INR 182,736 lakh) are included in other current financial assets and other current financial liabilities. This balance is subject to confirmation, reconciliation and consequential adjustment. There is no practice of getting confirmation of such balances with Government department due to huge number of transactions. Further, there is no agreement between the Company and DoT for interest recoverable/ payable on outstanding amounts of DoT. Hence, no accrual for interest has been made on the amount payable to/ recoverable from DoT.”

**43. Inter/ intra circle remittance**

There are certain expenses (both capital and revenue) which are incurred by one circle on behalf of other. These expenses are parked in Inter/ Intra-Circle Remittances account. As on 31<sup>st</sup> March 2018, there was balance of INR 7,919 lakh (31<sup>st</sup> March 2017: INR (9,020) lakh) in Inter/Intra-Circle Remittances account. This amount pertains mainly to assets and liabilities, and marginally to expenditure and revenue. The depreciation is not claimed in case of assets and expenses are not taken to the statement of profit and loss pending reconciliation. The reconciliation is done on continuous basis throughout the year and proper effect is taken in the books of accounts for reconciled amounts.

**44. Earnings/ (loss) per share**

Basic and diluted earnings/(loss) per share

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Company by the weighted number of equity shares outstanding during the year.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Unit	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Profit/(Loss) after tax attributable to equity shareholders	(INR in lakh)	(799,285)	(479,321)
Weighted average number of equity shares outstanding during the year	(in number)	5,000,000,000	5,000,000,000
Nominal value per share	INR	10	10
Basic and diluted earnings/ (loss) per share	INR	(15.99)	(9.59)

**45. Segment information**

**A. Description of segments and principal activities**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Board of directors of the Company, which is defined as chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

For management purposes, the business is organized into business segments namely basic, cellular, broadband and enterprise based on its products and services identified.

**B. Information about reportable segments**

**Year ended 31<sup>st</sup> March 2018**

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
<b>Revenue</b>						
Revenue from operations	449,328	1,029,679	473,612	314,159	-	2,266,778
Other income	(111,350)	29,407	1,982	312,173	577	232,789
Net segment revenue	337,978	1,059,086	475,594	626,332	577	2,499,567
Segment results						
Operating profit/(loss) before interest, depreciation and taxes	(1,447,588)	378,966	408,547	414,508	(47,756)	(293,324)
Depreciation and amortisation	(205,507)	(291,041)	(19,604)	(66,547)	(458)	(583,158)
Interest income	6,503	636	14	179	166	7,497
Interest expenses	(1,470)	(3,200)	(47)	(8)	(106)	(4,831)
Profit/(loss) before tax	(1,648,063)	85,360	388,910	348,132	(48,155)	(873,816)
Tax expense		-	-	-	(74,531)	(74,531)

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
Profit/(loss) after tax	(1,648,063)	85,360	388,910	348,132	26,376	(799,285)
<b>Other information</b>						
Segment assets	7,326,045	3,120,064	181,953	1,367,221	1,284,500	13,279,783
Segment liabilities	2,136,957	352,138	4,090	396,104	1,423,251	4,312,541
Capital expenditure during the year	81,730	108,552	14,334	44,926	246,066	495,609
Non cash expense other than depreciation	43,428	11,169	939	5,006	-	60,541

**Year ended 31<sup>st</sup> March 2017**

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise*		
<b>Revenue</b>						
Revenue from operations	558,240	1,454,678	530,399	297,056	-	2,840,373
Other income	183,657	59,313	4,469	12,415	2,767	262,621
<b>Net segment revenue</b>	<b>741,897</b>	<b>1,513,991</b>	<b>534,868</b>	<b>309,471</b>	<b>2,767</b>	<b>3,102,994</b>
<b>Segment results</b>						
Operating profit/(loss) before interest, depreciation and taxes	(1,160,711)	741,222	480,491	109,398	(52,350)	118,050
Depreciation and amortisation	(226,969)	(320,064)	(21,530)	(63,972)	(507)	(633,042)
Interest income	41,642	316	18	185	8,189	50,350
Interest expenses	(1,923)	(7,383)	(67)	(12)	(5,294)	(14,679)
Profit/(loss) before tax	(1,347,961)	414,091	458,912	45,599	(49,962)	(479,321)
Tax expense	-	-	-	-	-	-
Profit/(loss) after tax	(1,347,961)	414,091	458,912	45,599	(49,962)	(479,321)
<b>Other information</b>						
Segment assets	7,667,552	3,098,180	164,185	1,052,114	1,121,809	13,103,840
Segment liabilities	1,639,640	322,488	9,808	230,667	1,133,813	3,336,416
Capital expenditure during the year	12,536	20,771	2,353	52,911	465,632	554,203
Non cash expense other than depreciation	56,729	28,805	2,203	12,783	2,007	102,527

\* During the year ended 31<sup>st</sup> March 2018, 'Enterprise' segment is identified as a reportable segment in accordance with the quantitative thresholds as per Ind AS 108, 'Operating Segments'. Accordingly, segment data for the year ended 31<sup>st</sup> March 2017 has been restated to reflect the 'Enterprise' segment as a separate segment.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**C. Reconciliations of information on reportable segments to Ind AS measures**

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>i) Revenues</b>		
Total revenue for reportable segments	2,498,990	3,100,227
Unallocable revenue	577	2,767
<b>Total revenue</b>	<b>2,499,567</b>	<b>3,102,994</b>

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>ii) Profit before tax</b>		
Total profit before tax for reportable segments	(825,661)	(429,359)
Profit before tax for unallocable	(48,155)	(49,962)
<b>Profit before tax as per statement of profit and loss</b>	<b>(873,816)</b>	<b>(479,321)</b>

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>iii) Assets</b>		
Total assets for reportable segments	11,995,283	11,982,031
Unallocable assets	1,284,500	1,121,809
<b>Total assets as per the balance sheet</b>	<b>13,279,783</b>	<b>13,103,840</b>

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>iv) Liabilities</b>		
Total liabilities for reportable segments	2,889,290	2,202,603
Unallocable liabilities	1,423,251	1,133,813
<b>Total liabilities as per the balance sheet</b>	<b>4,312,541</b>	<b>3,336,416</b>

**D. Geographic information**

The Company caters only to the Indian market representing a singular economic environment with similar risks and returns and further there are no reportable geographical segments.

**E. Information about major customers**

For the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017, revenue from any customer is not more than 10 percent of the Company's total revenue.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***46. Related party transactions****a) List of related parties****i. Key Management Personnel**

Designation	Name of incumbent	Remarks
Chairman and Managing Director ('CMD')	Shri Anupam Shrivastava	From 15 January 2015
Director (Finance)	Smt. Sujata Ray	From 21 October 2015
Director (Enterprise)	Shri Narender Kumar Mehta	From 1 August 2015
Director (Consumer Fixed Access)	Shri Naresh Kumar Gupta	From 01 June 2012 to 31 May 2017
	Shri Narender Kumar Mehta	From 01 June 2017
Director (Consumer Mobility)	Shri Rakesh Kumar Mittal	From 4 November 2015
Director (Human Resource)	Smt. Sujata Ray	From 8 July 2015
Government Director	Smt. Padma Iyer Kaul	From 18 September 2015
	Shri N. Sivasailam	From 21 October 2015 to 01 February 2018
	Shri Amit Yadav	From 01 February 2018
Non-official part-time Director	Smt. K. Sujatha Rao	From 30 January 2017
	Dr. Santhosh R. Dastane	From 30 January 2017
	Shri V. Venkateshwara Bhat	From 08 September 2017
	Prof. Jasbir Singh	From 08 September 2017
Company Secretary and Chief General Manager (Legal)	Shri Hem Chandra Pant	From 28 November 2000

**ii. Subsidiary**

BSNL Tower Corporation Limited (incorporated w.e.f. 4 January 2018)

**iii. Entities under the control of the same Government**

The Company is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the standalone financial statements. Such entities with which the Company has significant transactions include but not limited to Department of Telecom ('DoT'), Department of Posts, Mahanagar Telephone Nigam Limited, Indian Telephone Industries, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Union Bank of India, United Bank of India, State Bank of India, Bank of Maharashtra, Punjab National Bank, Canara Bank and Bank of Baroda.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**iv. Post employment benefit plans**

BSNL Employees Gratuity Fund Trust

BSNL Employees Superannuation Pension Fund Trust

**b) Transactions with the related parties are as follows:**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>A. Compensation to Key Management Personnel</b>		
<b>- Short term employee benefits</b>		
Payment of salaries and allowances		
Shri Anupam Shrivastava	37	30
Smt. Sujata Ray	32	29
Shri Naresh Kumar Gupta	25	34
Shri Narender Kumar Mehta	29	29
Shri Rakesh Kumar Mittal	36	29
Shri Hem Chandra Pant	28	23
	<b>187</b>	<b>174</b>
<b>Perquisites</b>		
Shri Anupam Shrivastava	1	1
Smt. Sujata Ray	1	1
Shri Naresh Kumar Gupta	-	1
Shri Rakesh Kumar Mittal	1	1
Shri Narender Kumar Mehta	1	1
	<b>4</b>	<b>5</b>
<b>Sitting fee</b>		
Prof. N Balakrishnan	-	0.1
Shri Ajai Vikram Singh	-	0.1
Smt. K. Sujatha Rao	1.2	-
Dr. Santhosh R. Dastane	1.2	-
Shri V. Venkateshwara Bhat	0.5	-
Prof. Jasbir Singh	0.5	-
	<b>3.4</b>	<b>0.2</b>
<b>- Post employment benefits</b>		
Shri Anupam Shrivastava	11	1
Smt. Sujata Ray	3	-
Shri Naresh Kumar Gupta	-	2
Shri Narender Kumar Mehta	11	1

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Shri Rakesh Kumar Mittal	1	1
Shri Hem Chandra Pant	9	1
	35	6
<b>- Other long term benefits</b>		
Shri Anupam Shrivastava	10	2
Smt. Sujata Ray	2	1
Shri Naresh Kumar Gupta	-	2
Shri Narender Kumar Mehta	4	1
Shri Rakesh Kumar Mittal	8	1
Shri Hem Chandra Pant	14	1
	38	8
<b>B. Advances given to Key Management Personnel *</b>		
Opening balance	3	6
Extended during the year	19	16
<b>Total</b>	22	22
Repayment of advance	15	19
<b>Closing balance</b>	7	3
<b>C. Transactions with subsidiary</b>		
Equity contributions made		
BSNL Tower Corporation Limited (refer note 5)	-	-
<b>D. Contribution made during the year to post employment benefit plans</b>		
- BSNL Employees Gratuity Fund Trust	2,355	4,471
- BSNL Employees Superannuation Pension Fund Trust	9,831	4,968
<b>E. Transactions with the related parties under the control of the same government</b>		
<b>i. Revenue from sale of services</b>		
DoT	20,164	34,966
Central government and central PSU's	160,064	341,754
	<b>180,228</b>	<b>376,720</b>
<b>ii. Employee benefits expense</b>		
DoT		
Contribution towards leave salary	1,331	1,567
Contribution towards pension	93,166	103,332
	<b>94,497</b>	<b>104,899</b>





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Central government and central PSU's Contribution towards employees provident fund	27,788	25,693
<b>iii. License and spectrum fee</b>		
DoT	174,338	231,086
<b>iv. Other expenses</b>		
Central government and central PSU's Expenditure on capital items	15,048	19,018
Power and fuel	39,395	49,371
Repairs and maintenance	8,007	76,313
Others	46,887	9,435
	<b>109,337</b>	<b>154,137</b>
* These advances are in the normal course of business.		
<b>c) Outstanding balances with related parties are as follows:</b>		
<b>A. Key Management Personnel</b>		
Shri Anupam Shrivastava	7	1
Shri Rakesh Kumar Mittal	-	2
Shri Rakesh Kumar Upadhyay	-	-
	7	3
<b>B. Amount recoverable from subsidiary</b>		
BSNL Tower Corporation Limited	275	-
<b>C. Post employment benefit plans</b>		
Amount recoverable from BSNL Employees Gratuity Fund Trust	977	767
<b>D. Related parties under the control of the same government</b>		
<b>i. Non-current borrowings (including current maturities)</b>		
Term loans from banks		
Union Bank of India	228,499	35,600
United Bank of India	63,968	69,984
State Bank of India	245,611	33,095
Punjab National bank	193,989	116,495
Canara Bank	99,996	-
Bank of Baroda	16,162	-
	<b>848,225</b>	<b>255,174</b>
9% non-cumulative preference shares of INR 10 each The Central Government of India	7,500,000	7,500,000

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
<b>ii. Other current financial assets</b>		
Amount recoverable from DoT		
For employees on deputation	1,812	1,891
For defense telecom network project (net)	-	31,017
Other recoverable	243,013	220,052
Amount recoverable from LIC	68,500	-
	<b>313,325</b>	<b>252,960</b>
<b>iii. Other current financial liabilities</b>		
Claims payable to DoT	31,085	37,316
<b>iv. Other current liabilities</b>		
DoT		
Advance received for Defense telecom network project (net)	162,065	-
<b>v. Amount receivable (net)</b>		
Central government and central PSU's	2,114	65,587

**d) Terms and conditions of transactions with the related parties**

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

**47. Auditor's remuneration (statutory/ branch auditors)**

Particulars	For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017	
	Statutory Auditor	Branch Auditor	Statutory Auditor	Branch Auditor
Statutory audit fee	15	273	15	299
Certification charges	2	26	2	24
Reimbursement of expenses	2	14	2	10
Others	18	-	13	-
<b>Total (A)</b>	<b>37</b>	<b>313</b>	<b>32</b>	<b>333</b>
Other services	-	-	-	-
Tax audit fee	1	27	-	27
<b>Total (B)</b>	<b>1</b>	<b>27</b>	<b>-</b>	<b>27</b>
<b>Total (A + B)</b>	<b>38</b>	<b>340</b>	<b>32</b>	<b>360</b>

**Note:** Fees are exclusive of applicable taxes wherever applicable.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**48. Provisions**

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
Balance as at 1 <sup>st</sup> April 2017	312	1,584	87,248	89,144
Provisions made during the year	-	90	4,727	4,817
Provisions used during the year	-	(113)	(189)	(302)
Provisions reversed during the year	-	(1,090)	(14,265)	(15,355)
Balance as at 31 <sup>st</sup> March 2018	312	471	77,521	78,304

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
Balance as at 1 <sup>st</sup> April 2016	312	1,568	75,518	77,398
Provisions made during the year	-	126	11,730	11,856
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	(110)	-	(110)
Balance as at 31 <sup>st</sup> March 2017	312	1,584	87,248	89,144

\* The Company records a provision for decommissioning costs for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to that at the inception of lease. The Company is committed to decommissioning the site as a result of the construction of the towers, buildings and other assets.

**49. Contingent liabilities and commitments**

**A. Contingent liabilities**

Claims against the company not acknowledged as debts are as follows:

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	No. of cases	Amount	No. of cases	Amount
TR billing	140	30	40	48
Enhanced sales tax in lieu of C/D forms	-	-	6	412
On account of service tax disputed	89	25,348	148	58,091
Sales tax disputed	67	15,220	105	9,582
Central excise claims	25	2,245	21	2,120
License fee and spectrum fee [note 1]	2	1,598,574	2	729,016
Others [note 2]	305	32,762	329	38,838
Total	628	1,674,179	651	838,107

Note 1: Demand raised by DoT amounting to:

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- i) Amount of INR 1,560,744 lakh (31 March 2017: INR 691,186 lakh) on account of one time spectrum charges for Global System for Mobile(GSM) spectrum held by the Company, the matter is sub-judice by other operators and the amount is not finally crystallized.
- ii) Amount of INR 37,830 lakh (31 March 2017: 37,830 lakh) on account of provisional assessment of License fee for the year 2012-13.

Note 2: The contingent liability in connection to 1901 cases (31 March 2017: Nil cases) included under the head 'Others' in the above table is not ascertainable. Certain claims of MTNL on various accounts like duct charges, space charges, service connections, revenue share for network usgae, etc. are under reconciliation and settlement process. Pending an ongoing reconciliation and settlement process, the estimate of these claims/outflows could not be ascertained.

- i) Claims pending in court related to Land acquisition, TR billing, Service tax, Central Excise and Sales tax, Arbitration cases and others.

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
No. of cases	7,946	9,444
Amount	851,052	878,643

- ii) Demands raised by the Income-tax departments not acknowledged as debt are as follows:

The Income-tax assessments u/s 143(3) of Income-tax Act 1961 have been completed up to Assessment Year 2015-16 i.e. Financial Year 2014-15 and the disputed demand outstanding up to Assessment Year 2015-16 is INR 16,819 lakh based on the decision of the Appellate Authority which is related with Assessment Year 2009-10. The demand is presently under litigation in High Court, New Delhi.

- iii) Liability on account of bank guarantees given by the Company.

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017	
	With cash margin	Without cash margin	With cash margin	Without cash margin
No. of cases	19	539	32	426
Amount	929	22,706	1,027	11,214

- iv) As per Office Memorandum (OM) dated 19 November 2009, pension contribution was payable on the actual pay drawn as on 1 January 2007 (being the date of implementation of second pay commission for IDA). Whereas the Company was paying pension contribution on maximum of the scale as advised by DoT, from 1<sup>st</sup> December 2011 the management had decided to change the method of payment of pension contribution from maximum pay scale to actual pay drawn as per



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

the office memorandum dated 19 November 2009. Although the matter is still under pursuance with DoT, meanwhile, the management has once again decided to pay the pension contribution on maximum of the pay scale from 1<sup>st</sup> October 2014 onwards. The actual difference between these two methods of pension contribution payment up to 31<sup>st</sup> March 2018 is INR 53,774 lakh (31<sup>st</sup> March 2017: INR 59,453 lakh).

**B. Commitments**

**a) Capital commitments**

- i. The estimated amounts of contracts remaining to be executed on capital account and not provided for in relation to execution of works and purchase of equipment are INR 200,354 lakh (as on 31 March 2017: INR 81,691 lakh).
- ii. In two circles (31<sup>st</sup> March 2017: two circles) the estimated amount of contracts remaining to be executed on capital account has not been ascertained.

**b) Other commitments**

The amount of other commitments amounting to INR 8,453 lakh (31<sup>st</sup> March 2017: INR 7,931 lakh) which was not ascertained in one circle (31<sup>st</sup> March 2017: two circles).

**50. Leases**

**A. Operating lease commitments — Company as lessee**

- a) The Company has taken vehicles for senior executives under operating leases, which expire between the period ranging from April 2018 to December 2022 (31<sup>st</sup> March 2017: April 2017 to March 2022).

Lease payments amounting to INR 4,744 lakh (31<sup>st</sup> March 2017: INR 2,600 lakh) are included in rent expense in the statement of profit and loss during the current year.

Future minimum lease payments

At 31<sup>st</sup> March the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Not later than one year (excluding applicable taxes)	945	1,000
Later than one year and not later than five years (excluding applicable taxes)	182	105
Later than five years (excluding applicable taxes)	-	29
<b>Total</b>	<b>1,127</b>	<b>1,134</b>

- b) The Company has entered into various agreements with other telecom operators wherein the Company acquires a right to use passive infrastructure of other operators. The escalation clause includes escalation

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements.

Lease payments amounting to INR 93,131 lakh (31<sup>st</sup> March 2017: INR 87,739 lakh) are included in lease expense on passive infrastructure in the statement of profit and loss during the current year.

**Future minimum lease payments**

At 31<sup>st</sup> March the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Not later than one year (excluding applicable taxes)	83,065	55,293
Later than one year and not later than five years (excluding applicable taxes)	172,875	182,013
Later than five years (excluding applicable taxes)	110,548	81,158
<b>Total</b>	<b>366,488</b>	<b>318,464</b>

**B. Operating lease commitments — Company as lessor**

The Company has entered into various agreements with other telecom operators wherein the Company agrees to shares its own passive infrastructure with other operators. The escalation clause includes escalation ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements.

Lease receipts amounting to INR 80,390 lakh (31<sup>st</sup> March 2017: INR 49,621 lakh) are included in Lease income on passive infrastructure in the statement of profit and loss during the current year.

**Future minimum lease payments**

At 31<sup>st</sup> March the future minimum lease payments under non-cancellable operating leases are receivable as follows:

	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Not later than one year (excluding applicable taxes)	54,442	21,457
Later than one year and not later than five years (excluding applicable taxes)	193,479	93,887
Later than five years (excluding applicable taxes)	121,280	52,480
<b>Total</b>	<b>369,201</b>	<b>167,824</b>



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**51. Income tax**

**A. Amounts recognised in statement of profit and loss**

The major components of income tax expense for the years ended 31<sup>st</sup> March 2018 and 31 March 2017 are:

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Current income tax		
- For the year*	-	-
- Adjustment for prior periods	(80,429)	
Fringe benefit tax	5,898	
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	<b>(74,531)</b>	-

\* The provision for income-tax for the current year has not been made since the Company is not having any taxable income either under normal provision of Income Tax Act, 1961 or special provision under section 115JB (Minimum Alternate Tax) of the Income Tax Act, 1961.

**B. Amounts recognised in other comprehensive Income/ (expense)**

The major components of income tax expense for the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017 are:

	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Income tax		
Remeasurement of post employment benefit obligation -	-	
Income tax charges to other comprehensive income	-	-

**C. Reconciliation of effective tax rate**

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017:

	For the year ended 31 <sup>st</sup> March 2018		For the year ended 31 <sup>st</sup> March 2017	
	Rate (%)	Amount	Rate (%)	Amount
<b>Profit/ (loss) before tax</b>	30.90%	(873,816)	30.90%	(479,321)
<b>Effective tax rate *</b>	0%	(270,009)	0%	(148,110)

\* In the absence of reasonable certainty of future taxable profits, the Company has not recognised deferred tax asset (net) for the above periods, hence the effective tax rate is 0%.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***D. Deferred tax assets/ liabilities**

Particulars	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets/ (liabilities)	
	As at	As at	As at	As at	As at	As at
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Loss allowance for trade receivables	89,629	108,598	-	-	89,629	108,598
Loss allowance for other assets	60,194	62,047	-	-	60,194	62,047
Carry forward tax losses including unabsorbed depreciation	1,155,509	1,011,639	-	-	1,155,509	1,011,639
Provision for compensated absences	-	297	-	-	-	297
Provision for half pay leaves	1,631	1,551	-	-	1,631	1,551
Provision for gratuity	2,902	728	-	-	2,902	728
Provision for decommissioned assets	10,785	21,107	-	-	10,785	21,107
Provision for obsolete inventory and capital work in progress	6,496	8,856	-	-	6,496	8,856
Disallowances under section 43B of Income Tax Act, 1961	7,741	11,687	-	-	7,741	11,687
Difference in book written down value and tax written down value of property, plant and equipment	-	-	195,211	207,049	(195,211)	(207,049)
	<b>1,334,887</b>	<b>1,226,510</b>	<b>195,211</b>	<b>207,049</b>	<b>1,139,676</b>	<b>1,019,461</b>
Net deferred tax assets					<b>1,139,676</b>	<b>1,019,461</b>
Net deferred tax assets recognised					-	-

Deferred tax assets are recognised to the extent of deferred tax liabilities. In the absence of reasonable certainty of future taxable profits, the Company has not recognised deferred tax asset (net) for the above periods.

**E. Movement of temporary differences**

Particulars	As at 31 <sup>st</sup> March 2017	Unrecognised temporary differences	Unrecognised tax losses	As at 31 <sup>st</sup> March 2018
Loss allowance for trade receivables	351,450	(64,177)	-	287,272
Loss allowance for other assets	200,799	(7,868)	-	192,931
Carry forward tax losses including unabsorbed depreciation	3,273,912	-	429,642	3,703,554
Provision for compensated absences	961	(961)	-	-
Provision for half pay leaves	5,019	209	-	5,228
Provision for gratuity	2,356	6,945	-	9,301
Provision for decommissioned assets	68,307	(33,740)	-	34,567





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2017	Unrecognised temporary differences	Unrecognised tax losses	As at 31 <sup>st</sup> March 2018
Provision for obsolete inventory and capital work in progress	28,660	(7,840)	-	20,821
Disallowances under section 43B of Income Tax Act, 1961	37,822	(13,011)	-	24,811
<b>A</b>	<b>3,969,286</b>	<b>(120,443)</b>	<b>429,642</b>	<b>4,278,485</b>
<b>Deferred tax liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment	670,061	(44,385)	-	625,676
<b>B</b>	<b>670,061</b>	<b>(44,385)</b>	<b>-</b>	<b>625,676</b>
<b>Net deferred tax (A)-(B)</b>	<b>3,299,225</b>	<b>(76,058)</b>	<b>429,642</b>	<b>3,652,809</b>

**F. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:**

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2017		Expiry year
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect	
<b>Business Loss</b>					
For Assessment year 2010-11	79,376	24,765	79,376	24,527	2019
For Assessment year 2011-12	428,690	133,751	428,690	132,465	2020
For Assessment year 2012-13	9,885	3,084	9,885	3,054	2021
For Assessment year 2013-14	5,590	1,744	5,590	1,727	2022
For Assessment year 2015-16	26,983	8,419	26,983	8,338	2024
Unabsorbed depreciation	3,153,032	983,746	2,723,389	841,527	Never expire
	<b>3,703,556</b>	<b>1,155,509</b>	<b>3,273,913</b>	<b>1,011,638</b>	

\* The Company has recognised tax effect on unabsorbed depreciation amounting to INR Nil (31 March 2017: INR Nil)

**52. Financial instruments – Fair values and risk management**

**A. Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***i. As on 31<sup>st</sup> March 2018**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-
Loans*	-	-	583	583	-	-	583
Other financial assets*	-	-	24,029	24,029	-	-	24,029
<b>Current</b>							
Investments*	20,000	-	-	20,000	-	-	-
Trade receivables*	-	-	392,538	392,538	-	-	-
Cash and cash equivalents*	-	-	75,782	75,782	-	-	-
Balances other than cash and cash equivalents*	-	-	138	138	-	-	-
Loans*	-	-	224	224	-	-	-
Other financial assets*	-	-	920,213	920,213	-	-	-
<b>Total</b>	<b>20,000</b>	<b>-</b>	<b>1,413,507</b>	<b>1,433,507</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings#	-	-	1,654,348	1,654,348	-	-	1,654,348
Other financial liabilities*	-	-	181,781	181,781	-	-	181,781
<b>Current</b>							
Borrowings#	-	-	30,910	30,910	-	-	-
Trade payables*	-	-	782,989	782,989	-	-	-
Other current financial liabilities*	-	-	698,476	698,476	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,348,504</b>	<b>3,348,504</b>			

**ii. As on 31<sup>st</sup> March 2017**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-
Loans*	-	-	870	870	-	-	870
Other financial assets*	-	-	28,785	28,785	-	-	28,785
<b>Current</b>							
Investments*	20,000	-	-	20,000	-	-	-
Trade receivables*	-	-	309,881	309,881	-	-	-
Cash and cash equivalents*	-	-	338,737	338,737	-	-	-



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Balances other than cash and cash equivalents*	-	-	126	<b>126</b>	-	-	-
Loans*	-	-	445	<b>445</b>	-	-	-
Other financial assets*	-	-	722,212	<b>722,212</b>	-	-	-
<b>Total</b>	<b>20,000</b>	-	<b>1,401,056</b>	<b>1,421,056</b>			
Financial liabilities							
<b>Non-current</b>							
Borrowings#	-	-	1,062,657	<b>1,062,657</b>	-	-	1,062,657
Other financial liabilities*	-	-	138,770	<b>138,770</b>	-	-	138,770
<b>Current</b>							
Borrowings#	-	-	59,613	<b>59,613</b>	-	-	-
Trade payables*	-	-	592,993	<b>592,993</b>	-	-	-
Other current financial liabilities*	-	-	791,388	<b>791,388</b>	-	-	-
<b>Total</b>	-	-	<b>2,645,421</b>	<b>2,645,421</b>			

# The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investment bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and security deposits given to various parties, and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2017.

**Valuation techniques used to determine fair value**

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.

**Valuation processes**

The Company has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

**B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- Market risk - Foreign exchange ; and
- Market risk - Interest rate

**Risk management framework**

“BSNL, by virtue of being the successor of erstwhile Central Government Departments of the Telecom Services (DTS) and Telecom Operations (DTO) already had a codified set up with inbuilt mechanism to foresee the potential risks and methods to arrest, control, ignore and/or respond to the risks. However, as mandated by the Department of Public Enterprises through Guidelines on Corporate Governance Norms for the Un-Listed CPSEs - further revised and made mandatory for the CPSEs vide No.18(8)/2005-GM, dated the 14<sup>th</sup> May 2010 – Company has laid down a Enterprise Risk Management (ERM) Policy.”

“The Company’s board of directors has overall responsibility for the establishment and oversight of the Company’s risk management framework.

As per ERM policy of the Company, the Company has constituted an ERM committee, with the overall objective of oversight, development and implementation of a risk identification and management process and the review and reporting of the same.

The board of directors has authorized Management Committee of the Board (MCB), the CMD and the Functional Directors and below Board functionaries, viz., the Executive Directors/ CGMs/ PGMs/ GMs/ TDMS/ DGMs etc., as the case be, to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

Considering the size and geographical spread of the organization vis-a-vis the delegation of powers made to the business heads and unit heads – who carry out the task of undertaking the risk management as a part of the normal business practice by integrating and aligning the same with corporate and operational objectives - the Business Heads in the Corporate Office; CGMs/ PGMs/ GMs and other unit heads of the field units were designated as the Risk Management Administrators (RMAs).

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the Functional Directors/ Business Heads periodically to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.”

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

**i. Credit risk**

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Investments	20,000	20,000
Trade receivables	392,538	309,881



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2018</b>	<b>As at 31<sup>st</sup> March 2017</b>
Loans	807	1,315
Cash and cash equivalents	75,782	338,737
Other financial assets	944,242	750,997

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

“The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivables more than 2 years past due. However the Company based upon historical experience determine an impairment allowance for loss on receivables.

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.”

**The Company’s exposure to credit risk for trade receivables is as follows:**

<b>Particulars</b>	<b>Gross carrying amount</b>	
	<b>As at 31<sup>st</sup> March 2018</b>	<b>As at 31<sup>st</sup> March 2017</b>
1-90 days past due *	253,728	116,428
91 to 180 days past due	52,133	207,792
180 days to 2 years past due	152,176	195,557
More than 2 years past due #	350,071	288,307
	<b>808,108</b>	<b>808,084</b>

\* The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

# The Company based upon past trends determines an impairment allowance for loss on receivables outstanding for more than two years past due.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- # Receivables more than two years past due primarily comprises receivables from government departments and PSU's, which are fully realisable on historical payment behaviour and hence no loss allowance has been recognised. Impairment allowance has already been recognised on specific credit risk factor.

**Movement in the loss allowance in respect of trade receivables**

Particulars	For the year ended 31 <sup>st</sup> March 2018	For the year ended 31 <sup>st</sup> March 2017
Balance at the beginning of the year	351,451	386,636
Impairment loss recognised during the year	46,075	35,539
Amount written off	(103,352)	(70,724)
<b>Balance at the end of the year</b>	<b>294,174</b>	<b>351,451</b>

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalents and bank balances other than cash and cash equivalents of INR 75,920 lakh as at 31 March 2018 (31 March 2017: INR 338,863 lakh), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements based on the value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**a. Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
From banks	338,226	448,304

**b. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 <sup>st</sup> March 2018	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	"More than 5 years"	
<b>Non-current borrowings</b>							
Term loans from banks *	904,348	-	-	119,634	477,380	307,334	904,348
9% non-cumulative redeemable preference shares	750,000	-	-	-	750,000	-	750,000
Other non current financial liabilities	181,781	-	-	127,743	44,630	9,408	181,781
Current borrowings - Loans from banks *	30,910	30,910	-	-	-	-	30,910
Trade payables	782,989	616,650	166,339	-	-	-	782,989
Other current financial liabilities	698,476	654,597	43,879	-	-	-	698,476
<b>Total</b>	<b>3,348,504</b>	<b>1,302,157</b>	<b>210,218</b>	<b>247,377</b>	<b>1,272,010</b>	<b>316,742</b>	<b>3,348,504</b>

As at 31 <sup>st</sup> March 2017	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	"More than 5 years"	
<b>Non-current borrowings</b>							
Term loans from banks *	312,657	-	-	75,062	177,995	59,600	312,657
9% non-cumulative redeemable preference shares	750,000	-	-	-	750,000	-	750,000
Other non current financial liabilities	138,770	-	-	96,293	32,713	9,764	138,770
Current borrowings - Loans from banks *	59,613	59,613	-	-	-	-	59,613
Trade payables	592,993	521,126	71,867	-	-	-	592,993
Other current financial liabilities	791,388	706,718	84,670	-	-	-	791,388
<b>Total</b>	<b>2,645,421</b>	<b>1,287,457</b>	<b>156,537</b>	<b>171,355</b>	<b>960,708</b>	<b>69,364</b>	<b>2,645,421</b>

\* Contractual maturities of these financial liabilities excludes interest payments.

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2018 and 31 March 2017 are as below:

Particulars	As at 31 <sup>st</sup> March 2018						
	USD	EURO	GBP	CHF	AUD	JPY	NPR
Financial assets							
Trade receivables	3,546	260	2	18	1	3	43
	<b>3,546</b>	<b>260</b>	<b>2</b>	<b>18</b>	<b>1</b>	<b>3</b>	<b>43</b>
Financial liabilities							
Trade payables	1,654	74	12	4	3	4	-
	<b>1,654</b>	<b>74</b>	<b>12</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>-</b>

Particulars	As at 31 March 2017						
	USD	EURO	GBP	CHF	AUD	JPY	NPR
Financial assets							
Trade receivables	2,086	137	2	11	2	2	652
	<b>2,086</b>	<b>137</b>	<b>2</b>	<b>11</b>	<b>2</b>	<b>2</b>	<b>652</b>
Financial liabilities							
Trade payables	4,026	46	35	-	4	-	297
	<b>4,026</b>	<b>46</b>	<b>35</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>297</b>

**Sensitivity analysis**

"A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant."

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
<b>For the year ended 31<sup>st</sup> March 2018</b>				





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
USD	(18.91)	18.91	(18.91)	18.91
EUR	(1.86)	1.86	(1.86)	1.86
GBP	0.10	(0.10)	0.10	(0.10)
CHF	(0.15)	0.15	(0.15)	0.15
AUD	0.02	(0.02)	0.02	(0.02)
JPY		0.01	(0.01)	0.01
NPR	(0.43)	0.43	(0.43)	0.43
<b>Total</b>	<b>(21.22)</b>	<b>21.22</b>	<b>(21.22)</b>	<b>21.22</b>
<b>For the year ended 31<sup>st</sup> March 2017</b>				
USD	19.40	(19.40)	19.40	(19.40)
EUR	(0.91)	0.91	(0.91)	0.91
GBP	0.32	(0.32)	0.32	(0.32)
CHF	(0.11)	0.11	(0.11)	0.11
AUD	0.02	(0.02)	0.02	(0.02)
JPY	(0.02)	0.02	(0.02)	0.02
NPR	(3.55)	3.55	(3.55)	3.55
<b>Total</b>	<b>15.15</b>	<b>(15.15)</b>	<b>15.15</b>	<b>(15.15)</b>

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, CHF: Swiss Franc, AUD: Australian Dollar, JPY: Japanese Yen, NPR: Nepalese Rupees

**iii. Market risk**

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowings to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Term loans from banks (Non current)	904,348	312,657
Term loans from banks (Current)	30,910	59,613
Current maturities of borrowings	40,868	9,000
<b>Total</b>	<b>976,126</b>	<b>381,270</b>

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended 31 <sup>st</sup> March 2018	4	(4)	4	(4)
For the year ended 31 <sup>st</sup> March 2017	53	(53)	53	(53)

**53. Capital Management**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
Borrowings	935,258	372,270
9% non-cumulative redeemable preference shares	750,000	750,000
Less : Cash and cash equivalents	(75,782)	(338,737)
<b>Adjusted net debt (A)</b>	<b>1,609,476</b>	<b>783,533</b>
<b>Total equity (B)</b>	<b>8,967,242</b>	<b>9,767,424</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>17.95%</b>	<b>8.02%</b>



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**54. Disclosure as per Ind AS 27 ‘Separate Financial Statements’**

**Investment in subsidiary\***

Company Name	Country of incorporation	Proportion of ownership interest	
		As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
BSNL Tower Corporation Limited	India	100	NA

\* Equity investment in subsidiary is measured at cost as per the provisions of Ind AS 27 ‘Separate Financial Statements’.

**55. Disclosure for government grant**

During the current year, the Company has recognised income from revenue grants amounting to INR 47,930 lakh (31 March 2017: INR 52,689 lakh).

For capital grant, the Company has recognised income during the current year amounting to INR 31,213 lakh (31 March 2017: INR 31,895 lakh).

During the current year, the Company has not received any other form of government assistance (31 March 2017: INR Nil).

There are no unfulfilled conditions and other contingencies attaching to the government grants which are recognized in the standalone financial statements.

**56. Mobile tower business**

“On 12 September 2017, the Union Cabinet decided to hive off mobile tower assets of the Company into a separate subsidiary company wholly owned by BSNL. In pursuance of this decision and directions from Ministry of Communications, Department of Telecommunications (DoT) dated 25 September 2017, the Board of Directors of BSNL has given its approval for incorporation of a new company as a wholly owned subsidiary of BSNL. Accordingly, the Company has formed BSNL Tower Corporation Limited (wholly owned subsidiary of the company) incorporated on 4 January 2018 with Authorised Share Capital of INR 1,000,000 lakh (Authorised Equity Share Capital of INR 750,000 lakh and Authorised Preference Share Capital of INR 250,000 lakh) and paid up capital of INR 0.17 Lakhs to take over the telecom tower infrastructure of BSNL. The Company has paid INR 275 lakh as registration charges on behalf of the subsidiary.”

The Company is under the process of transferring telecom tower business to BSNL Tower Corporation Limited. The information related to mobile tower services are included under ‘Cellular’ segment in Note 45.

**57. Subsequent events**

“On 1 August 2018, the Company has decided for closure of CDMA services (Wireless in local loop (WLL)) in all service areas due to techno-economic considerations. The revenue from CDMA services for year ended 31 March 2018 is INR 3,448 lakh (31 March 2017: 6,855 lakh). The information related to CDMA services are included under ‘Cellular’ segment in note 45. The Company is in the process of discontinuing CDMA services, the financial impact of which is currently impracticable to ascertain.”

**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the standalone financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

- 58. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years grouping and classification.**

In terms of our report attached

**For ANDROS & Co.**

Chartered Accountants

Firm Registration No. : 008976N

Sd/-

**Puneet Gupta**

Partner

Membership No. : 093714

Place : New Delhi

Date : 4 October 2018

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

Sd/-

**Anupam Shrivastava**

Chairman and Managing Director

DIN: 06590535

Sd/-

**Sujata Ray**

Director (Finance)

DIN: 07240022

Sd/-

**P.D. Chirania**

General Manager (Corporate Accounts)

Sd/-

**H.C. Pant**

Company Secretary and Chief General Manager (Legal)

M.No. F- 2584



## **Independent Auditor's Report 2018**

### **To the Members of Bharat Sanchar Nigam Limited**

#### **Report on the Standalone Ind AS Financial Statements**

1. We have audited the accompanying standalone Ind AS financial statements of **Bharat Sanchar Nigam Ltd ('BSNL' or 'the Company')**, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone Ind AS Financial Statements), in which are incorporated the returns for the year ended on that date audited by the branch (circle) auditors of the Company's circles at 48 circles, out of which 1 circle has been audited by us and remaining 47 circles are audited by respective circle auditors appointed under section 139 of the Companies Act, 2013 (the 'Act') by the Comptroller and Auditor General of India (C&AG).

#### **Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit, in which are incorporated the returns audited by 48 circle auditors.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance

about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the stand alone Ind AS financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by other circle auditors in terms of their reports referred to in paragraph 41 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone Ind AS financial statements.

### Basis for Qualified Opinion

#### Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT

8. As detailed in note 38 and 41.1 to the standalone Ind AS financial statements, assets and liabilities (including contingent liabilities) taken over from DoT on 1 October 2000 have been verified and valued by the management based on internal calculations. These are subject to reconciliations and confirmation from DoT as regards to value and classification. The consequential impact on the standalone Ind AS financial statements, if any, as a result of the same is presently not ascertainable. Our Audit Report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
9. As detailed in note 42 to the standalone Ind AS financial statements, amounts due from and to DoT, included in current assets and current liabilities aggregating to Rs. 2,43,013 lakhs (31st March 2017 Rs. 2,20,052 lakhs) and Rs. 31,085 lakhs (31st March 2017 Rs. 37,316 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

### Fair Valuation of Freehold Land

10. (i) In pursuance of Ind AS 101-"First Time Adoption of Indian Accounting Standards" the company had selectively fair valued only certain freehold lands as at 1st April 2015, resulting in upward valuation of freehold lands under Property, Plant & Equipment and the corresponding increase to Other Equity by a sum of Rs 69,86,449 lakhs. Fair valuation of only certain lands is non-compliance of Ind AS 101 First Time Adoption of Indian Accounting Standards.
- (ii) Non compliances had also been reported by the Circle Auditors in the procedure adopted



and non-application of uniform policies with regard to fair valuation of freehold lands.

The consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our Audit Report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

## **Revenue**

11. i) The company has not applied definition of “Default” and “Assessment of Credit Risk” consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on trade receivables from Other Government and/or PSU sector entities. We have also not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to change its perception in the current year 2017-2018 for considering trade receivables, from Other Government and/ or PSUs sector entities, as having low credit risk vis-à-vis the corresponding previous year that made the management to write back in the current year 2017-2018, the entire accumulated loss allowance provided in the earlier year(s).

We accordingly conclude that the credit risk on such financial instruments (i.e. trade receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition. Consequently, the write back of loss allowance in the current year relating to receivables from Government and/ or PSU sector entities, is not in consonance with the Ind AS 109 Financial Instruments. This is also not in consonance with the Accounting Policies as stated in Note No 2.2(p) of the Significant Accounting Policies of the company.

We were not supplied the financial information about the write back of loss allowance of trade receivables from other Government and/or PSU sector entities as at March 31, 2018 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.

- ii) Net amount receivable from Mahanagar Telephone Nigam Limited (MTNL) as per the Standalone Ind AS financial statements is Rs 3,47,024 lakhs (31 March 2017 Rs 2,55,188 lakhs), being amounts recoverable from MTNL Rs 3,62,140 lakhs, amount payable and provision for amounts payable to MTNL Rs 15,116 lakhs. MTNL however, claims a sum of Rs 3,38,726 lakhs as recoverable from the Company in the balance confirmation certificate.

The required financial information to verify such balances as at March 31, 2018 was not provided to us by the company and accordingly we are unable to comment upon the impact of adjustments in the financial statements that would be required pursuant to the eventual resolution of such balances inter-se the company and MTNL.

12. As reported by auditors of 2 circles, the income from recharge coupons, prepaid calling cards, internet connection cards, sancharnet cards and stock of recharge coupons and prepaid calling cards are subject to reconciliations. In the absence of specific details, the impact of adjustment, if any, on Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS

financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.

13. One circle auditor has reported non charging of expenditure amounting to Rs 615.20 lakhs to revenue and writing off the same from the provisions, thereby understating the Loss and Provisions by a sum of Rs 615.20 lakhs.
14. As stated in note 2.2-(p) to the significant accounting policies, certain items of revenue are accounted for on cash basis instead of the accrual basis of recognition of revenue which is not in accordance with the generally accepted accounting principles in India. The impact of the adjustment, if any, in respect thereof on revenue, license fee, trade receivables and loss for the year is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
15. One circle auditor has reported insufficient documentary evidence and non-providing the basis for booking of Income in respect of NFS and LWE projects amounting to Rs 10,474.50 lakhs. Consequential impact on the standalone Ind AS financial statements, if any, as a result of the same is presently not ascertainable.
16. 1 circle auditor has reported that Fixed Assets taken over from DoT which were not accounted for in the standalone financial statements of the circle have been sold and treated as Sale of Scrap. The consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable.

### Property, Plant and Equipment

17. As reported by auditors of 12 circles, Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
18. Circle Auditors have reported non-capitalisation of completed Capital Work in Progress in the books of accounts, though being physically used, due to non-availability of Capital Budget or due to closure of accounting periods. This has resulted in overstatement of Capital Work in Progress, and understatement of Property, Plant and Equipment, Depreciation and losses by an amount that is unascertainable due to insufficient information.
19. Company has capitalised an amount of Rs. 57,873 lakhs to Property Plant and Equipment, which is not in compliance with Ind AS 23-Borrowing Cost. The interest costs on borrowed funds in respect of the Property, Plant and Equipment which were capitalized in the earlier years have not been delimited to the extent of bringing them to their being put to use by the company. The capitalizing of such interest is also made in the current year without any basis. This has resulted in overstatement of Property, Plant and Equipment, Capital Work in Progress, and understatement of losses by an amount that is unascertainable due to insufficient information.

Further the auditors of 14 circles have reported that Borrowing Cost pursuant to applicable Ind AS has been capitalised based upon ATD/ communication/ excel sheet received from Head Office.





These auditors have expressed their inability to verify the correctness of these borrowing costs for want of calculations/ details. Our Audit Report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

20. Capital Work in Progress (Stores) amounting to Rs 6,52,924 lakhs (31 March 2017 4,36,505 lakhs) also includes Inventory items which are being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidences, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.
21. As reported by auditors of 8 circles, in the absence of information in respect of certain items of Property Plant and Equipment capitalized, particularly batteries, it could not be established whether assets capitalized were on account of replacement/ extension of an existing asset or additional acquisition of a new asset and hence the consequential impact of the same on the classification/ value of the respective asset, depreciation and amortization, expenses and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
22. The leasehold land as identified and valued by the respective circles have been incorporated in the books of accounts and amortised with effect from the date of formation of the Company. Hence, in respect of the lands still not identified and/ or duly incorporated in the books of accounts of the respective circles, the consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
23. As detailed in note 41.2 to the financial statements, auditors of 4 circles have reported on the expired/ non-renewal of leases on lands on which the Company had constructed buildings and the fact that management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
24. As stated in note 3(i) and 41.3 to the financial statements, Property Plant and Equipment, inter alia, includes land pertaining to 5 circles, purchased/ acquired on leasehold/ freehold basis through various authorities, the title deeds of which are yet to be executed in the name of the Company. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

3 Circle Auditors have reported that Title deeds are in the name of DoT and 2 Circle auditors have reported non-availability of title deeds.

25. The accounting policy of the Company as stated in note 2.1(c) to the financial statements with respect to the decommissioned assets—now considered as Asset held for sale—has not been uniformly applied across all circles. In 6 circles, the decommissioned assets are not recorded at lower of the cost or net realisable value.

While in 3 circles, the decommissioned assets have not been appropriately adjusted from the block of Property Plant and Equipment and depreciation and amortization is still being charged on such decommissioned assets. In the absence of sufficient details, we are unable to comment upon the impact of adjustment on the Property Plant and Equipment, current assets, depreciation and amortization and loss for the year, if any, arising out of the same. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

Certain Circle Auditors have reported that WIMAX and CDMA equipment, though not being used have not been considered as decommissioned assets. The consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.

26. (i) As reported by auditors of 19 circles, the Company has not consistently adhered to capitalizing the overhead expenses specifically attributable to the capital work-in-progress but has recorded the same on estimated/ fixed percentage/ payment basis:
- (ii) As reported by auditors of 3 circles, the company capitalizes the assets on periodic basis instead of at the ready to use date; and
- (iii) Accounting policies regarding capitalization, disposal, depreciation and amortization of Property Plants and Equipment are not uniformly applied in case of 9 circles.

1 circle auditor has reported that Overhead Costs have not been included in Capital Work in Progress and have instead been charged to Revenue. The management in its reply has stated that due to Budget constraints, the expenses could not be debited to CWIP. This has resulted in overstatement of Expenditure and losses by a sum of Rs. 3,984 lacs and understatement of Capital Work in Progress by the like amount.

The resultant impact of the above non compliances with the standards on the value of Property Plant and Equipments, Capital Work-in-Progress, Depreciation and amortization and loss for the year, if any, are presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

27. As detailed in Note 3, during the financial year 2017-18 the company has changed the classification for decommissioned assets from Property Plant and Equipment to Assets held for Sale. Prior to this change Decommissioned assets were disclosed at written down value and provision was made for diminution in the value of decommissioned assets. The company has during the year, based upon an internal assessment, the details whereof were not provided to us, classified assets held for sale and these have been valued at lower of carrying amount and net realisable value, and the corresponding gain or loss on the assets held for sale is recorded in 'Excess liabilities written back no longer required' under 'Other income' (refer note 33) and 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 37) respectively.

In terms of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations an entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) must be available for immediate sale in its present condition subject only



to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probabably indicated by existence of management's committed plan to sell the asset (or disposal group), and commencement of an active programme to locate a buyer and complete such plan. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Thus, an asset (or disposal group) cannot be classified as a non-current asset (or disposal group) held for sale, merely because the entity intends to sell it in a distant future. This classification is not in accordance with Ind AS 105. This has resulted in understatement of Provision for Diminution in the value of Asset held for sale, and understatement of losses by recognition of unrealised gains the amount of which is unascertainable due to insufficient information.

### Current Assets and Current Liabilities

28. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 48(A) of the Ind AS financial statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable. Due to non-availability of confirmation (except MTNL), and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

One circle auditor has reported receipt of debtor's payment of that circle by the other Circle, without issuing any ATC to this Circle.

29. (i) As reported by auditors of certain circles, there are unquantifiable differences between the general ledger/ trial and accounting records pertaining to loans and advances, current assets and current liabilities. The impact on the Ind AS financial statements, if any, owing to the aforementioned non-reconciliations is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

(ii) As detailed in Note No 13(a), the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs 9,783 lakhs (31 March 2017-1,678 lakhs). The difference of balances is incorrectly stated since only the net differences has been stated. The gross differences are amounting to Rs. 21,017.54 Lakhs (31 March 2017-Not Available). The impact on the Ind AS financial statements, if any, owing to aforementioned non-reconciliations is presently not ascertainable.

30. Circle Auditors have reported lack of suitable system for issue, recording, movement, physical verification of Inventories/ Capital Work in Progress (Stores). The consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable.

31. As reported by auditor of 4 circles, there are differences in the inventory records between stores ledger and general ledger/ trial balance, the impact of the same is currently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was

also qualified in respect of this matter.

32. As reported by auditor of 3 Circles, there has been non-adherence to the Company's policy of valuation of inventory on weighted average method as stated in note 2.2(i) to the standalone Ind AS financial statements. The impact of the adjustment, if any, on inventory, consumption and loss for the year is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.
33. 8 Circle auditors have reported non identification of Slow Moving, Non Moving, Obsolete and Damaged items of Inventory. The impact of the adjustment, if any, on inventory, consumption, Provisions and loss for the year is presently not ascertainable.

#### Inter/ Intra Circle Remittance Account

34. As detailed in note 43 to the Ind AS financial statements, the Inter-Circle/ Unit remittance balances amounting to Rs. 7,919 lakhs (Debit) (previous year Rs. 9,020 lakhs (Credit)) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

#### License Fee, Spectrum Charges, Inter Connect Usage Charges

35. (i) As stated in note 39.3 to the financial statements, the Company's license and spectrum, fees payable to DoT for the year ended 31 March 2018 amounts to Rs. 1,74,338 lacs (previous year Rs. 2,31,086 Lacs) and is calculated on the Adjusted Gross Revenue ('AGR') which is determined by the management by excluding the interest income on income-tax refund received during the year amounting to Rs 1,864 lacs (Previous Year 36,531 lakhs). In our opinion, the license fees is understated by Rs. 149.12 lakhs (Previous Year 3,054.50 lakhs) since such interest income has not been included in determination of AGR for computing the license fees. Had the aforesaid expenditure been accounted for, license and spectrum fees and loss for the year ended 31 March 2018 and current liabilities as at that date would have been higher by Rs. 149.12 lakhs (Previous Year 3,054.50 lakhs) and the reserve and surplus as at that date would have been lower by the same amount. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.
- (ii) As reported by auditor of 1 circle, interest received on security deposits is set off directly from the bills and the interest income is not ascertainable for recognizing liability of license fees, auditor of 4 circle has reported:
  - i) Income from NOFN project,
  - ii) Profit from Construction Contracts,
  - iii) Liquidated Damages recovered from contractors/ suppliers and reduced from relevant revenue expenditure, have not been included for the calculation of License and Spectrum Fees.

Further, auditors of 5 circles have reported that revenue from NLD/ ILD is not based on actual usage of pulse and the license fees is based upon estimated basis. Consequential



impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.

### **Provisions and contingent liabilities**

36. The provisions and the disclosures with regard to matters under litigations have been made based upon the management estimates. Based upon the report of auditors of 12 circles, sufficient and appropriate audit evidence for examining and verifying the quantum of contingent liabilities disclosed in note 50 to the standalone Ind AS financial statements has not been obtained. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the litigations, the impact of adjustments/ disclosure, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
37. As stated in Note No 49, certain claims of MTNL on various accounts are under reconciliation and settlement process. In the absence of sufficient details and audit evidences in respect of the amount of such claims, the impact of adjustments/ disclosure, if any, on the standalone Ind AS financial statements is presently not ascertainable.
38. As reported by 13 circles, the circles have not made provision for the disallowance of subsidy claimed from Universal Service Obligation Fund ('USOF'). The impact of the adjustment, if any, in respect thereof on current assets and loss for the year is presently not ascertainable. The consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

### **Miscellaneous**

39. As detailed in Note no 12, the company had pursuant to the Government of India, Ministry of Communications and IT, Department of Telecommunications order, made an investment of Rs. 20,000 lakhs [Rupees Twenty Thousand Lakhs] in the 7% Redeemable cumulative preference shares each of Rs. 100/- fully paid up, in the financial year 2002-2003 in ITI Limited. The company explains that ITI Limited will redeem preference shares immediately on release of the financial assistance by the Government of India to ITI Limited as a part of revival package. Such preference shares have a specified (contractual) term and considering the observable Level 2 inputs, in terms of Ind AS 113, Fair Value Measurement, including the condition of such investment and significant decrease in the volume or level of activity for in relation to normal market activity, for substantially the full term of such investment, we report that the company has not provided for the impairment loss on such investment as the transaction price does not represent its fair value. This accordingly has resulted in understatement of net loss by Rs. 20,000 lakhs and overstatement of corresponding investments by the same amount for the financial year 2017-2018.
40. The Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
  - i. As reported by auditors of 2 circles, the expenses, incomes, assets and liabilities are not properly disclosed under the reportable segments as per the Ind AS 108-"Operating

Segments". In our opinion, the same does not give true and fair disclosure of the segment-wise operations of the Company as required by the aforementioned Ind AS. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

- ii. The company has not carried out any techno-economic assessment during the year ended 31 March 2018 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the standalone Ind AS financial statements is currently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
- iii. The accounting for capital and revenue grant in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" is not followed consistently. In the absence of specific details, the consequential impact of adjustment, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
- iv. The accounting policy as referred to in note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized on actual basis in respect of bills received by the company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
- v. As reported by 5 circles, contract revenue and contract costs pertaining to construction contracts have not been accounted for in accordance with the notified Ind AS 11 "Construction Contracts". In the absence of specific details, the consequential impact of adjustment, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
- vi. As detailed in Note No. 41(2) the company has certain leasehold land, the lease tenure of which in earlier year(s) and is not renewed in current year. Pending renewal of such lease, period and non-availability of sufficient information about the timeline by which it would be renewed, the classification of such land made by the company as finance lease is not in conformity with Ind AS 17 "Leases". 4 circle auditors have reported that certain provisions including disclosure requirements as per Ind AS 17 "Leases", have not been complied with. In the absence of specific details, the consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.



41. (i) The company has not identified and restated the prior year financial statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. In the absence of specific details, the consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable.
- (ii) As stated in the note 2.2(v) of the financial statements, individual transactions of income/ expenditure exceeding Rs. 5 lacs, are considered for evaluation as prior-period items. The revenue and expenditure for the current year, inter alia, includes amount pertaining to prior period(s) as reported by auditors of 7 circles. This is not in accordance with the Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In the absence of specific details, the consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
42. As reported by 11 circles and detailed in note 28 to the standalone Ind AS financial statements, these circles have not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006) and hence disclosures as required under the MSMED Act, 2006 have not been given. The consequential impact of the same on the standalone Ind AS financial statement is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
43. The disclosure requirements of the Schedule III, Division II of the Act have not been properly adhered to in the presentation and disclosure of standalone Ind AS financial statements of the Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, whether applicable; categorization of assets/ liabilities into appropriate captions; changes in inventory; related party; capital and other commitments and expenditure and earnings in foreign currency. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
44. 36 Circle auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts, identification of creditors remaining beyond 180 days from the date of supply for reversal of Input Credit and availing of Transitional Credit on CENVAT. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these standalone Ind AS financial statements.
45. As reported by auditors of 13 circles, compliances with regard to deposition, deduction, reconciliation of service tax, tax deducted at source and value added tax are pending to be made. In the absence of specific details, we are unable to comment on its consequential impact, if any, on the standalone Ind AS financial statements. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
46. As detailed in notes (a) and (b) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

47. Certain subsequent events or circumstances may have occurred between the auditor's report date of the respective circles of the company and that of this audit report. Such events or circumstances could significantly affect the accompanying Ind AS financial statements or the related disclosures forming part of these standalone Ind AS financial statements of the company. In the absence of sufficient appropriate audit evidence in respect of the other circles, the impact of adjustments, if any, or disclosures to be included in these standalone Ind AS financial statements of the company cannot be ascertained. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.
48. The company has not complied with Ind AS 16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. Auditors of 4 circles have reported that value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Valuer, nor calculated in appropriate method and the same has been calculated on estimated basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.

### Qualified Opinion

49. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other circle auditors on the standalone Ind AS financial statements of the circles as noted below, except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the company as at 31st March 2018 and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Matter of Emphasis

50. Reference is invited to Note 56 of the Notes to Accounts, whereby in terms of the decision of the Union Cabinet, the Tower Business of the company is to be hived off into a separate Subsidiary company. The hiving off of tower business may have an adverse effect on the gross revenues and profitability of the company. During the financial year the company has direct revenues of Rs 80,390 lakhs (31 March 2017- 49,621 lakhs) from tower business.

Our report is not qualified on that matter.

### Other Matters

51. We did not audit the financial statements of 47 circles included in the standalone Ind AS financial statements of the company whose financial statements reflect total asset including intra/ inter circle remittances of Rs. 70,91,895 lakhs as at 31st March 2018 and total revenues of Rs. 24,81,356 lakhs for the year ended on that date. The Ind AS financial statements of these circles have been audited by the circle auditors whose reports, except the audited standalone Ind AS financial statements of 1 circle, have been provided to us by the management and our opinion in so far as





it relates to the amounts and disclosures included in respect of these circles is based solely on the report of such circle auditors and the management.

### **Report on Other Legal and Regulatory Requirements**

52. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order.
53. As required by section 143(5) of the Act, we give in "Annexure II" a statement based on the directions issued and matters specified by the Comptroller and Auditor General of India.
54. Further to our comments in Annexure I and II, as required by section 143 (3) of the Act, and based on the Auditors report of the circles, we report that:
  - a. We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and reports of other auditors;
  - c. The matters described in the Basis for Qualified Opinion para above, in our opinion may have an adverse effect on the functioning of the company.
  - d. The reports on the accounts of the circles of the company audited under section 143(8) of the Act by the Circle Auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - e. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the standalone Ind AS financial statements dealt with this report are in agreement with the books of accounts.
  - f. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - g. Since, the company is a Government Company, section 164(2) of the Companies Act, 2013 regarding obtaining written representations from the directors of the Company, is not applicable to the company in terms of notification no. GSR-463(E), issued by Ministry of Corporate Affairs;
  - h. The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.
  - i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-III"; and

- j. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. Except for the effects/ possible effects of the matters described in paragraph 37 of the Basis of Qualified Opinion above, as detailed in Note 49 to the standalone Ind AS Financial statements, the Company has disclosed the impact of pending litigations on its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company.

**For ANDROS & Co.**  
**Chartered Accountants**  
Firm's Registration No.:008976N

Sd/  
**(Puneet Gupta)**  
Partner  
Membership No.: 093714

Place : New Delhi  
Date : 4<sup>th</sup> October, 2018



**Annexure I to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Ltd on the Standalone Ind AS financial statements for the year ended 31 March 2018**

**Annexure I**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in auditor's reports of all the circles and to the best of our knowledge and belief, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (presently referred as Property, Plant and Equipment) except in case of 14 circles, where such records have either not been maintained or are not appropriately maintained.
- (b) In case of 22 circles, the fixed assets (presently referred as Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets (presently referred as Property, Plant and Equipment) is reasonable having regard to the size of the company and the nature of its assets.

Further, in case of 2 circles the fixed assets (presently referred as Property, Plant and Equipment) have been physically verified by the management during the year but in our opinion, the frequency of verification of the fixed assets (presently referred as Property, Plant and Equipment) is not reasonable having regard to the size of the company and the nature of its assets.

In case of 9 circles, the fixed assets (presently referred as Property, Plant and Equipment) have not been physically verified by the management during the year. In case of 15 circles though the management has conducted physical verification of fixed assets (presently referred as Property, Plant and Equipment) but no documentary evidence was provided. Hence, in respect of the aforementioned 24 circles, we are unable to comment on the discrepancies, if any, which could have arisen on such verification.

- (c) 5 circles does not hold any immovable property (in the nature of 'Property Plant and Equipment) and accordingly the provisions of clause 3(i)(c) of the Order are not applicable in respect of these circles.

In case of 5 circles, the title deeds of all the immovable properties (which are included under the head fixed assets presently referred as Property Plant and Equipment) are held in the name of the Company.

In case of 10 circles, the title deeds of all the immovable properties (which are included under the head fixed assets presently referred as Property Plant and Equipment) are held in the name of the Company except for certain properties which were acquired or taken over from Department of Telecommunication (DoT), Government of India, in which case the transfer of title deeds in the name of the Company are still pending, out of which, 3 circles have provided details of the immovable properties which are not held in the name of the

Company as detailed in Appendix I.

Further in case of 9 circles, the title deeds of all the immovable properties (which are included under the head fixed assets presently referred as Property Plant and Equipment) are held in the name of the Company except in case of certain properties.

In case of 8 circles, none of the title deeds of the immovable properties (which are included under the head fixed assets presently referred as Property Plant and Equipment) are held in the name of the Company. Further in case of 11 circles, in the absence of availability of proper details and title deeds, the auditors are unable to comment upon this clause of the order. One circle has not commented upon this clause of order.

We cannot comment upon the intangible fixed assets held by the company as no information was provided to us by the company.

- (ii) 7 circles do not have inventory. Accordingly, the provisions of clause 3(ii) of the order are not applicable in respect of these circles.

In case of 26 circles, in our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, out of which incase of 22 circles, no material discrepancies between physical verification and book records were noticed on physical verification. In 2 circles, material discrepancies noticed on physical verification have been properly dealt with in the books of accounts, and in 2 circles, material discrepancies noticed on such physical verification have not been properly dealt with in the books of accounts.

Further, in case of 3 circles, the inventory has not been physically verified by the management during the year and in case of 12 circles though the management has conducted physical verification of inventory but no documentary evidence was provided, therefore, we are unable to comment on the discrepancies which could have been arisen between physical inventory and book records. In our opinion, the frequency of verification of the inventory in respect of these circles is also not reasonable having regard to the size of the respective circles and nature of its assets.

- (iii) The company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transactions covered under Section 185 of the Act. However, in our opinion the Company has complied with the provision of Section 186 of the Act in respect of loans, investments, guarantees and security.
- (v) No circle has accepted any deposit within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable in respect of these circles.
- (vi) We have been explained by the management that company has not yet maintained cost records as prescribed under sub-section (1) of section 148 of the Act in respect of Company's services.



- (vii) (a) 1 circle is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities.
- Further, 42 circles have generally been regular in depositing such tax dues. In these circles no undisputed amounts payable in respect thereof were outstanding at the yearend for a period of more than six months from the date they became payable and undisputed amounts payable in respect thereof, which were outstanding at the yearend for a period of more than six months from the date they became payable, in respect of 5 circles details have been given in Appendix II.
- (b) Except for the possible effects of the matters described in Paragraph 37 under the Basis of Qualified Opinion paragraph, the impact of which is currently not ascertainable, in case of 14 circles, there are no dues in respect of income-tax, sales-tax, service-tax, duty of custom, duty of excise, value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute, further in case of 32 circles, the dues outstanding in respect of income-tax, sales-tax, duty of custom, duty of excise, value added tax and goods and services tax on account of any dispute, have been detailed in Appendix III. Further, in 2 circles, in the absence of adequate information, the respective auditor has not been able to comment upon this clause.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank. The Company has no loans or borrowings payable to a financial institutions or Government during the year. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise the moneys by the way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purpose for which the loans were raised.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit except in case of 2 circles amounting to Rs. 3.51 Lakhs. The details of the same are as below:

Circle Name	Name of the SSA	Nature of the fraud	Amount Involved (Rs. in lakhs )
AP	Warangal	Misappropriation of Cash by Divisional Cashier	1.12
AP	Hyderabad Telecom District	Misappropriation of Cash by Divisional Telecom Technician	0.13
Assam	Jorhat SSA	Misappropriation of Cash by cashier	2.26
<b>Total</b>			<b>3.51</b>

- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the Company since the Company is a government company as defined under section 2(45) of the Act, accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company, accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with it covered under section 192 of the Act. Hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For ANDROS & Co.**  
**Chartered Accountants**  
Firm's Registration No.:008976N

Sd/-  
**(Puneet Gupta)**  
Partner  
Membership No.: 093714

Place : New Delhi  
Date : 4<sup>th</sup> October, 2018



Appendix I – Details of land which are not held in name of BSNL

Circle Name: 1016      **GUJARAT**

Particulars	No. of Cases Reported	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)
Freehold Land	500	80,936.92	80,936.92
Leasehold Land	94	3,349.26	3,349.26
<b>Total</b>	<b>594</b>	<b>84,286.18</b>	<b>84,286.18</b>

Circle Name: 1029      **RAJASTHAN**

Particulars	No. of Cases Reported	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)
Freehold Land	38	51,419.90	51,419.90
Leasehold Land	35	448.28	300.92
<b>Total</b>	<b>73</b>	<b>51,868.18</b>	<b>51,720.82</b>

Circle Name: 1062      **NTP**

Particulars	No. of Cases Reported	Gross Block (Rs. in Lakhs)	Net Block (Rs. in Lakhs)
Freehold Land	4	1.93	1.93
<b>Total</b>	<b>4</b>	<b>1.93</b>	<b>1.93</b>

Appendix II-Details of undisputed statutory dues due for over six months

Circle	Nature of Statutory due	Amount (Rs. in Lakhs)
Haryana (1017)	EPF	0.24
	works Contract Tax	2.15
	Building & Construction Workers Welfare Cess	0.41
Maharashtra (1024)	MVAT	4.75
	Works Contract Tax	12.17
Rajasthan (1029)	VAT	3.38
	Service Tax	1.42
Kolkata Telephones (1035)	Service Tax	54.98
	Provident Fund	71.00
<b>Total</b>		<b>150.00</b>

Appendix III to Annexure I to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the Standalone Ind AS financial Statements for the year ended 31 March 2018

Circle Name : 1018 Himachal Pradesh

Statutory Dues under Dispute in r/o BSNL H.P.

Name of the Statute	Nature of the Due	Amount (Fig In lacs)	Period to which the amount relates	Forum where dispute is pending	Remarks
HP VALUE TAX ACT 2005	Entry Tax	3.36	FOR THE F.Y. 2010-11	Excise & Taxation Commissioner Cum Appellate Authority, North Zone Palampur (H.P)	N.A
HP VALUE TAX ACT 2005	Entry Tax	11.49	FOR THE F.Y. 2015-16	Excise & Taxation Commissioner Cum Appellate Authority, North Zone Palampur (H.P)	N.A
ATA NO. 142/2017	EPF DUES(kullu SSA)	9.6	07/2003 TO 09/2010	EPFAT Delhi	The case is under process
ATA No. 143/2017	EPF DUES (MANDI SSA)	18.21	02/2003 TO 09/2010	EPFAT Delhi	The case is under process
ITA NO. 600 & 602/ CHD/2009	STD PCO TDS DUES(KULLU)	20.45	2006-07 & 2007-08	Hon,ble High Court Shimla	The case is under process
ITA NO. 601 & 603/ CHD/2009	STD PCO TDS DUES(MANDI)	16.91	2006-07 & 2007-08	Hon,ble High Court Shimla	The case is under process
HP Excise & TAXATION DEPT	Entry tax	10.96	2010-11	HP TAX TRIBUNAL SHIMLA	N.A
HP Excise & TAXATION DEPT	Entry tax	32.79	2011-12	HP TAX TRIBUNAL SHIMLA	N.A
HP Excise & TAXATION DEPT	Entry tax	16.81	2012-13	HP TAX TRIBUNAL SHIMLA	N.A
HP Excise & TAXATION DEPT	Entry tax	10.25	2013-14	HP TAX TRIBUNAL SHIMLA	N.A
HP Excise & TAXATION DEPT	Entry tax	23.13	2014-15	HP TAX TRIBUNAL SHIMLA	N.A
<b>TOTAL AMOUNT</b>		<b>173.96</b>			





Circle Name : 1026 NE II

SSA	Period	Forum	Amount (Rs in lakhs)
Nagaland	Not available	CESTAT	68.12
Manipur	Not available	CESTAT	121.87

CIRCLE NAME : JHARKHAND

According to the information and explanations given to us, there disputed statutory dues, which have not been deposited as at 31st March 2018, as given herein below:

Name of Unit	Period to which relates	Nature of Dues	Forum	Amount ( in Lakhs)
Jamshedpur SSA	April, 2004 to March 2006.	Service Tax	CESTAT-Kolkata.	206.04
		Service Tax Penalty		206.04
	October 2008 to March 2013	Service Tax	Commissioner (Appeal dismissed by Commissioner Appeal)	42.79
		Service Tax Penalty		42.79
	October 2003 to December 2003	Service Tax	Commissioner(Appeal), Ranchi	1463.78
	2005-06	Service Tax Penalty		1463.78
		Service Tax	CESTAT Kolkata	163.13
		Service Tax Penalty		163.13
		Service Tax	CESTAT Kolkata	19.63
		Service Tax Penalty		19.63
Ranchi SSA	April 2005- Nov 2006	Service Tax	CESTAT Kolkata	325.56
		Service Tax Penalty		325.56
	December,2005 to August,2009	Service Tax	CESTAT Kolkata.	119.07
		Service Tax Penalty		119.07
		Service Tax Interest		2.58
		Service Tax	CESTAT, Kolkata	131.31
Hazaribagh SSA		Service Tax Penalty		131.31
Dumka SSA(Business Area Dhanbad)		Service Tax		

Name of Unit	Period to which relates	Nature of Dues	Forum	Amount ( in Lakhs)
Daltonganj SSA (Business Area Ranchi)	2001-06	Service Tax	CESTAT, Kolkata	257.66
		Service Tax Penalty		145.03
	Oct., 2003 to Sep., 2008	Service Tax	CESTAT Kolkata	1673.97
	October, 2008 to March, 2010	Service Tax	Commissioner, Ranchi	55.39
Dhanbad SSA		Service Tax Penalty		8.13
		Service Tax Penalty		131.31
Ranchi SSA	June 2002 to December 2011	EPF Liability	Jharkhand High Court, Ranchi	347.44

CIRCLE NAME : 1013

ASSAM

Bus Area Name	Financial Year	Amount	Status as on 31.03.2018
Circle Office	2014-15	2,65,57,508.00	Pending at CESTAT
Bongaigaon	2015-16	1,46,72,000.00	Pending at CESTAT
Jorhat	2013-14	48,56,050.00	Pending at CESTAT
	2013-14	19,17,289.00	Pending at CESTAT
Kamrup	2015-16	6,16,00,000.00	Pending at CESTAT
	2012-13	1,72,00,000.00	Pending at CESTAT
	2015-16	38,54,00,000.00	Pending at CESTAT
Nagaon	2007-08	49,51,228.00	Pending at CESTAT
Silchar	2009-10	1,49,611.00	Pending at CESTAT
Tezpur	2011-12	3,06,928.00	Pending at CESTAT
	2009-10	35,14,445.00	Pending at CESTAT
	2009-10	2,37,817.00	Pending at CESTAT
<b>Total</b>		<b>52,13,62,876.00</b>	



Circle Name : 1012 **ANDHRA PRADESH**

**Statement of Arrears of Statutory Dues**

Name of the Statute	Nature of the Dues	Amount(Rs. in Lakhs)	Period to which the amount relates
Mines and Minerals Act	Seigniorage Fee payable	5.35	Information not provided to us
State/Local Laws	Municipal & Property Taxes	970.25	Information not provided to us
Finance Act, 1994 GST Act, 2017	Service Tax/ GST on Liquidated Damages	Not ascertainable	Information not provided to us

(Rs. in Lakhs)

Name of the Statute	Name of the Dues	Demand + Interest + Penalty	Period to which the amount relates	Forum where the dispute is pending
APGST Act, 1957	Sales Tax	931.31	1997-98	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	1345.96	1998-99	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	1,879.46	1999-00	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	3,633.74	2000-01	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	4,286.81	2001-02	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	4,420.89	2002-03	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	4,381.08	2003-04	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	4,271.22	2004-05	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	5,746.71	2005-06	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	5,046.98	2006-07	The H'nble Supreme Court
APGST Act, 1957	Sales Tax	4,550.27	2007-08	The H'nble Supreme Court
Income Tax Act, 1961	TDS not recovered on the discount allowed to franchisee.	399	2008-09	High Court of AP
Income Tax Act, 1961	TDS not recovered on the discount allowed to franchisee.	386.62	2009-10	High Court of AP

Name of the Statute	Name of the Dues	Demand + Interest + Penalty	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	TDS not recovered on the discount allowed to franchisee.	396.87	2010-11	High Court of AP
Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	35.39	2003-08	CESTAT Hyderabad
Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	94.92	2008-10	CESTAT Hyderabad
Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	586.89	2010-11 & 2011-12	CESTAT Hyderabad
Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	75.66	2012-13	CESTAT Hyderabad
Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	127.35	2013-14	CESTAT Hyderabad
Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	44.63	2014-15	CESTAT Hyderabad
Finance Act-1994 Service Tax	Irregular availment of Cenvat Credit on Capital goods(Chittoor)	1,373.57	2005-10	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Levy on Service Tax on exempted Services/PCOs(Eluru)	94.23	2005-06	CESTAT Hyderabad
Finance Act-1994 Service Tax	Levy on Service Tax on exempted Services/PCOs(Eluru)	263.16	2005-06	CESTAT Hyderabad
Finance Act-1994 Service Tax	Cenvat Credit on Structural Towers (karimnagar)	11.71	2006-08	High Court at Hyderabad
Finance Act-1994 Service Tax	Levy on Service Tax on exempted Services/PCOs(Guntur)	303.07	2005-06	CESTAT Hyderabad



Name of the Statute	Name of the Dues	Demand + Interest + Penalty	Period to which the amount relates	Forum where the dispute is pending
Finance Act-1994 Service Tax	Levy on Service Tax on exempted categories of PTs (Kurnool)	33.77	2011-12	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Short/delayed payment of Service Tax (Kurnool)	58.97	2007-08	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Wrong filing of ST-3 Return (Kurnool)	1.39	2011-12	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Availment of Cenvat Credit on Tower material (MBN)	25.59	2008-09 to 2011-12	High Court at Hyderabad
Finance Act-1994 Service Tax	Irregular availment of ST (NLR)	31.79	2006-07	CESTAT Hyderabad
Finance Act-1994 Service Tax	VPT Revenue shown under revenue realization columns in return (Ongole)	52.73	Oct -04 to sep-05	Comm. CCE&ST Guntur
Finance Act-1994 Service Tax	Short/Non payment of Service tax on slab rates, circuits, VPTs, Telegrams (RJMY)	77.42	2001-17	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Non payment of Service tax VPTs (RJMY)	2.87	2006-07	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Irregular Availment of Cenvat Credit (RJMY)	34.07	2001-17	High Court at Hyderabad
Finance Act-1994 Service Tax	Irregular Availment of Cenvat Credit 100% on Capital Goods (RJMY)	302.18	2001-17	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Irregular Availment of Cenvat Credit (RJMY)	4.33	2001-17	Commissioner vizag
Finance Act-1994 Service Tax	Regarding refund of Service tax paid in excess (Vzg)	1.19	2013-14	Commissioner vizag

Name of the Statute	Name of the Dues	Demand + Interest + Penalty	Period to which the amount relates	Forum where the dispute is pending
Finance Act-1994 Service Tax	Irregular Availment of Cenvat Credit (SKLM)	40.05	2012-13	Superintendent of Central Excise, Vizag
Finance Act-1994 Service Tax	Applicability of Service tax on Ports (VZM)	6.08	2011-12	CESTAT Hyderabad
Finance Act-1994 Service Tax	Irregular Availment of Cenvat Credit (WGL)	36.94	2007-08 to 2011-12	High Court at Hyderabad
Finance Act-1994 Service Tax	Non payment of Service Tax on Telephone Services through CCB (VJW)	194.66	2005-06	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Irregular availment of CENVAT credit (VJW)	242.84	2004-05 to 2008-09	Asst Commissioner Guntur
Finance Act-1994 Service Tax	Irregular utilization of CENVAT credit (VJW)	6.02	Oct-08 to Sep-09	Asst Commissioner Guntur
Finance Act-1994 Service Tax	Irregular availment of CENVAT credit (VJW)	40.44	Oct-08 to Sep-09	CESTAT, Hyderabad
Finance Act-1994 Service Tax	Irregular availment of CENVAT credit (VJW)	1.09	Oct-09 to Sep-10	Asst Commissioner Vijayawada
Finance Act-1994 Service Tax	Irregular availment of CENVAT credit (VJW)	0.94	Oct-10 to Mar-11	Asst. Comm. CCEST Vijayawada
Finance Act-1994 Service Tax	Irregular availment of CENVAT credit (VJW)	0.74	2011-12	Asst. Comm. CCEST Vijayawada
Finance Act-1994 Service Tax	Non-payment of Interest for Irregular availment of CENVAT credit on Capital Goods (VJW)	63.91	2010-11	CESTAT Hyderabad
Finance Act-1994 Service Tax	Wrong availment of Service on Rent a cab service (VJW)	8.61	2012-13	Commissioner of Central Excise Guntur



In addition to the above, there are 9 cases relating to Sales Tax where the Circle had won at the High Court Level and the Sales Tax Department had preferred appeals with the Hon'ble Supreme Court. No information had been provided for our verification in this regard. Hence, the amount of dues is not ascertainable.

Penalties and interest have been reported wherever information is available.

In respect of Sales Tax cases reported vide 1 to 11 above, an amount of Rs. 3928.62 lakhs has been deposited for grant of stay. In respect of TDS cases reported vide 12 to 14 above, an amount of Rs. 1182.50 lakhs has been deposited under protest. In respect of Service Tax case reported vide 36 above, an amount of Rs. 0.37 lakhs and in respect of Service Tax case reported vide 39 above an amount of Rs. 1 lakh have been paid under protest.

Circle Name : 1016

**GUJARAT**

Name of the Unit	Name of Statute	Nature of the dues	Period	Amount under dispute not yet deposited	Forum where dispute is pending
Amreli	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	6,64,462	Commissioner of Income Tax (Appeal)
Bhavnagar	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	8,95,654	Commissioner of Income Tax (Appeal)-XXI
CMTS	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	8,53,989	Commissioner of Income Tax (Appeal)-XXI, Ahmedabad
Jamnagar	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	9,81,893	Commissioner of Income Tax (Appeal)
Junagadh	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	10,18,338	Commissioner of Income Tax (Appeal)
Mehsana	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	4,54,491	Commissioner of Income Tax (Appeal)
Mehsana	Income Tax Act 1961	Penalty on TDS on discount given to prepaid distributors FY 2008-09 U/s 271C	AY 2009-10	2,43,772	Commissioner of Income Tax (Appeal)
Palanpur	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	17,22,120	Commissioner of Income Tax (Appeal)
Palanpur	Income Tax Act 1961	Penalty on TDS on discount given to prepaid distributors FY 2008-09 U/s 271C	AY 2009-10	9,23,683	Commissioner of Income Tax (Appeal)

Name of the Unit	Name of Statute	Nature of the dues	Period	Amount under dispute not yet deposited	Forum where dispute is pending
Rajkot	Income Tax Act 1961	TDS on discount given to prepaid distributors FY 2008-09 U/s 201(1)/201(1A)	AY 2009-10	15,97,479	Commissioner of Income Tax (Appeal)
Rajkot	Income Tax Act 1961	Short Deduction of TDS u/s 194J	AY 2009-10	14,71,770	Gujarat High Court
Rajkot	Income Tax Act 1961	Short Deduction of TDS u/s 194J	AY 2008-09	24,40,878	Gujarat High Court
Ahmedabad	Finance Act, 1994 (Service Tax) and CENVAT Credit Rules 2004	Violation of Rule 4(2)(a) of CENVAT Credit Rules, 2004 by Utilisation of 100% CENVAT Credit on Capital Goods	2009-10 to 2011-12	3,14,39,503	CESTAT Ahmedabad
Circle Taxation	Finance Act, 1994 (Service Tax)	Availment of CENVAT on tower material	2014-15	21,92,338	CESTAT Ahmedabad
CMTS	Bombay Stamp Act, 1958	Stamp duty and penalty on application forms	2007	3,53,74,000	Gujarat High Court, amount deposited with court Rs. 117.91 lacs against the demand of Rs. 471.65 lacs.
CMTS	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	(April 2010 to Dec. 2010)	3,52,10,567	Gujarat High Court
CMTS	Finance Act, 1994 (Service Tax)	CENVAT Disallowed under CENVAT Credit Rules, 2004 and Interest and penalty on the same	(Jan. 2012 to Dec. 2012)	2,02,66,133	CESTAT Ahmedabad
CMTS	Finance Act, 1994 (Service Tax)	CENVAT Disallowed under CENVAT Credit Rules, 2004 and Interest and penalty on the same	(Jan. 2011 to Dec. 2011)	5,43,60,156	CESTAT Ahmedabad
CMTS	Finance Act, 1994 (Service Tax)	CENVAT Disallowed under CENVAT Credit Rules, 2004 and Interest and penalty on the same	F.Y. 2009-10 to 2011-12	1,35,47,084	CESTAT Ahmedabad
CMTS	Finance Act, 1994 (Service Tax)	Voluntary Compliance Encouragement Scheme	F.Y. 2010-11 to 2011-12	15,52,281	CESTAT Ahmedabad
Jamnagar	Finance Act, 1994 (Service Tax)	Interest and penalty	F.Y. 1997-98 to 2000-01	1,29,87,000	Gujarat High Court
Jamnagar	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	F.Y. April 2011 to June 2012	7,71,050	Commissioner (Appeals) Central Excise, Rajkot
Jamnagar	Finance Act, 1994 (Service Tax) and CENVAT Credit Rules 2004	Nonpayment of service tax on legal fees on RCM basis, Interest and Penalty	2013-14 to 2014-15	83878	Commissioner (Appeals) Central Excise





Name of the Unit	Name of Statute	Nature of the dues	Period	Amount under dispute not yet deposited	Forum where dispute is pending
Junagadh	Finance Act, 1994 (Service Tax) and CENVAT Credit Rules 2004	CENVAT credit utilised on rent a cab services	F.Y. 2012-13 to 2013-14	8,76,904	Commissioner Central Excise (Appeals)
Palanpur	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	FY 2006-07 to 2012-13	1,15,04,147	Supreme Court of India
Rajkot	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	FY 2013-14 to 2014-15	7,90,332	CESTAT Ahmedabad
Surat	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	F.Y. 2009-10 to 2013-14	2,47,94,761	CESTAT Ahmedabad
Surat	Finance Act, 1994 (Service Tax)	Short Payment of Service Tax, Interest and Penalty	April 2009 to September 2009	3,30,34,807	CESTAT Ahmedabad
Surat	Finance Act, 1994 (Service Tax)	Reverse Charge on Security Services	F.Y. 2012-13 to 2013-14	14,15,536	CESTAT
Surat	Finance Act, 1994 (Service Tax)	Free calls to BSNL Employees.	F.Y. 2009-10 to 2013-14	56,00,658	CESTAT
Surat	Finance Act, 1994 (Service Tax)	Sale of scrap material	F.Y. 2009-10 to 2013-14	23,44,516	CESTAT
Vadodara	Finance Act, 1994 (Service Tax)	Short Payment of Service Tax, Interest and Penalty	F.Y. 2001-02 to 2003-04	6,07,48,565	CESTAT Ahmedabad
Valsad	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	F.Y. 2006-07 to 2010-11	1,33,37,048	CESTAT Ahmedabad

Circle Name : 1028 **PUNJAB**

Unit Name	Name of the Statute	Nature of Dues	Amount of dispute	Period	Forum where dispute is pending
Amritsar	Pb. Municipal Act, 1911	House Tax	333910	1988-99 to 2003-04	Pb & Haryana High Court
Bathinda	Service Tax Act	Service Tax	5213251	2007-08	CESTAT, Chandigarh
Circle	EPF ACT 1952	EPF	1883247	2004-05 to 2010-11	EPF Appellate Tribunal/Labour Court

Unit Name	Name of the Statute	Nature of Dues	Amount of dispute	Period	Forum where dispute is pending
Circle	EPF ACT 1952	EPF	696902	2012 TO 2015	EPF Appliate Tribunal//Labour Court
Circle	EPF ACT 1952	EPF	25297066	2012 TO 2015	EPF Appliate Tribunal//Labour Court
Circle	EPF ACT 1952	EPF	15596074	2012 TO 2015	EPF Appliate Tribunal//Labour Court
Circle	EPF ACT 1952	EPF	1007184	2012 TO 2015	EPF Appliate Tribunal//Labour Court
Circle	EPF ACT 1952	EPF	564974	2012 TO 2015	EPF Appliate Tribunal//Labour Court
Circle	EPF ACT 1952	EPF	415058	2012 TO 2015	EPF Appliate Tribunal//Labour Court
NOFN & MM	SALE TAX	CST	8172260	2009-10	DETC
NOFN & MM	SALE TAX	VAT	55138890	2009-10	DETC
NOFN & MM	SALE TAX	VAT	12706718	2010-11	DETC
CMTS	Service Tax Act & CE	Service Tax	8703671	2004-05 to 2007-08	CESTAT- Chandigarh
Ferozepur	Service Tax Act	Service Tax	2083400	2007-08	CSTAT
Hoshiarpur	Service Tax Act	Service Tax	1560215	2014-15	Excise Commissioner (Appeals)
Jalandhar	Service Tax Act	Service Tax	5723839	1995-96, 2000-2001	Pb & Haryana High Court
Jalandhar	Service Tax Act	Service Tax	9870682	2001 to 2010	Pb & Haryana High Court
Jalandhar	Service Tax Act	Service Tax	822346	2013-14	Pb & Haryana High Court
Jalandhar	Service Tax Act	Service Tax	858699	1995-96, 2000-2001	Pb & Haryana High Court
Jalandhar	Service Tax Act	Service Tax	145613	1995-96, 2000-2001	Distt.Court.JL
Jalandhar	Service Tax Act	Service Tax	3364225	2003-04 to 19.01.2006	Distt.Court.JL
Jalandhar	Service Tax Act	Service Tax	613120	2012-13, 2013-14	A.C.S.Tax LD
Ludhiana	SALES TAX	VAT	14942250	2007-08	Pb & Haryana High Court
Ludhiana	SERVICE TAX	Service Tax	1473782	2006-2010	Commissioner CE Appeals
Ludhiana	SERVICE TAX	Service Tax	932361	2006-2008	Commissioner CE Appeals
Patiala	Service Tax Act	Service Tax	2636054	APR 2006 to SEP 2006	CESTAT Chandigarh
Patiala	EPF ACT 1952	EPF	3297194	FEB 2002 to JUN 2004	Pb & Haryana High Court
Patiala	EPF ACT 1952	EPF	1366306	MAY 2004 to OCT 2010	EPFAT Delhi
Ropar	EPF	EPF	1386000	2002-2004	Pb & Haryana High Court
Sangrur	Service Tax Act	Service Tax	3073946	2005-06 to 2007-08	CESTAT Chandighr.



Circle Name : 1034 West Bengal

Name of the Statute	Nature of dues	Amount (Rs. In Lakh)
Chapter V of the Finance Act, 1994 (Sections 64 to 96I) also referred to as Service Tax Act	Service Tax	0.69
-do-	Service Tax	1655.66
-do-	Service Tax	615.1
-do-	Service Tax	3.64
-do-	Interest on Service Tax	6.73
-do-	Service Tax	0.3
-do-	Penalty under Service Tax	3.15
-do-	Service Tax and Penalty	296.33
-do-	Service Tax and Penalty	38.63
-do-	Service Tax and Penalty	1.33
-do-	Interest & Penalty on Service Tax	1.65
West Bengal Tax on Entry of Goods into Local Areas Act, 2012	Entry Tax	39.11
-do-	Entry Tax	39.65
-do-	Entry Tax	250.36
-do-	Entry Tax	50.74
-do-	Entry Tax	20.35
West Bengal Value Added Tax Act, 2003	VAT	21.92
-do-	Interest & Penalty on VAT	13.17
Income Tax Act, 1961	Income Tax (TDS) & Interest thereon	343.02
Chapter V of the Finance Act, 1994 (Sections 64 to 96I) also referred to as Service Tax Act	Service Tax,	96
-do-	Service Tax,	5.33
The Central Excise Act, 1944	Central Excise	98.22

Circle Name : 1050	ETR
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Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates
W.B. Sales Tax Department	Sales Tax	31.20	2006-07
W.B. Sales Tax Department	Sales Tax	11.27	2007-08

Circle Name : 1070	TF MUMBAI
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### Pending cases as on 31.03.2018

#### A. Sales Tax Cases

Period to which the amounts relates	Name of the Statute	Nature of the disputed dues	Amount (In Rs.)	Forum where dispute is pending
1989-1990	Department of Sales Tax	Matters other than F-Form	3,674,354	Deputy Commissioner of Sales Tax
2004-2005	Department of Sales Tax	F-Form including Interest & Penalty	67,515,936	Deputy Commissioner of Sales Tax (Appeal)
2004-2005	Department of Sales Tax	Matters other than F-Form	8,374,120	Deputy Commissioner of Sales Tax (Appeal)
2005-2006	Department of Sales Tax	F-Form including Interest & Penalty	30,911,426	Deputy Commissioner of Sales Tax (Appeal)
2005-2006	Department of Sales Tax	Matters other than F-Form	1,251,079	Deputy Commissioner of Sales Tax
2006-2007	CST Dues are due to want of 'F' Forms	F-Form including Interest & Penalty	98,257,852	Joint Commissioner Appeal II
2006-2007	Department of Sales Tax	Matters other than F-Form	2,853,472	Joint Commissioner Appeal II
2007-2008	Department of Sales Tax	F-Form including Interest & Penalty	204,739,971	Joint Commissioner Appeal II
2007-2008	Department of Sales Tax	Matters other than F-Form	2,831,525	Joint Commissioner Appeal II
2009-2010	Department of Sales Tax	F-Form including Interest & Penalty	51,160,972	Joint Commissioner Appeal II
2010-2011	Department of Sales Tax	F-Form including Interest & Penalty	22,207,154	Deputy Commissioner of Sales Tax (Appeal)
	<b>Total</b>		<b>493,777,861</b>	



**B. Excise cases \***

Feb-2008 to July-2008	Central Board of Excise and Customs	Tax, Penalty & Interest	7,524,821	Commissioner (Central Excise, Mumbai)
Aug-2008 to Mar-2009	Central Board of Excise and Customs	Tax, Penalty & Interest	9,827,592	Commissioner (Central Excise, Mumbai)
Apr-2009 to Dec-2009	Central Board of Excise and Customs	Tax, Penalty & Interest	6,282,299	Commissioner (Central Excise, Mumbai)
Jan-2010 to Sep-2010	Central Board of Excise and Customs	Tax, Penalty & Interest	6,344,451	Commissioner (Central Excise, Mumbai)
Oct-2010 to Jul-2011	Central Board of Excise and Customs	Tax, Penalty & Interest	4,960,085	Addl. Commissioner (Central Excise, Mumbai)
Aug-2011 to Mar-2012	Central Board of Excise and Customs	Tax, Penalty & Interest	3,943,604	Joint Comissioner (Central Excise, Mumbai)
Apr-2006 to Sep-2010	Central Board of Excise and Customs	Tax, Penalty & Interest	60,075,362	Commissioner (Central Excise, Mumbai)
Oct-2010 to Aug-2011	Central Board of Excise and Customs	Tax, Penalty & Interest	8,556,939	Commissioner (Central Excise, Mumbai)
Sep-2011 to Mar-2012	Central Board of Excise and Customs	Tax, Penalty & Interest	4,275,583	Joint Comissioner (Central Excise, Mumbai)
2013-2014	Central Board of Excise and Customs	Tax, Penalty & Interest	4,656,029	CESTAT - Mumbai
Apr-2007 to Jan-2008	Central Board of Excise and Customs	Tax, Penalty & Interest	13,286,489	CESTAT - Mumbai (Appealed by Commissioner)
Apr-2012 to Jan-2013	Central Board of Excise and Customs	Tax, Penalty & Interest	14,986,893	Joint Comissioner (Central Excise, Mumbai)
Feb-2013 to Dec-2013	Central Board of Excise and Customs	Tax, Penalty & Interest	13,487,243	Commissioner (Central Excise, Mumbai)
Oct-2012 to Sep-2013	Central Board of Excise and Customs	Tax, Penalty & Interest	28,329	Addl. Commissioner (Central Excise, Mumbai)
Jan-2014 o Sep-2014	Central Board of Excise and Customs	Tax, Penalty & Interest	10,624,600	Commissioner (Central Excise, Mumbai)
22th September 2014	Central Board of Excise and Customs	Tax, Penalty & Interest	40,737	CESTAT - Mumbai
July-14 to Mar-15	Central Board of Excise and Customs	Tax, Penalty & Interest	243,058	CESTAT - Mumbai
Nov-14 to Aug-15	Central Board of Excise and Customs	Tax, Penalty & Interest	229,967	CESTAT - Mumbai
Oct-14 to Mar-15	Central Board of Excise and Customs	Tax, Penalty & Interest	9,769,392	Principal Comm. (C Ex Mumbai-II)
Apr-15 to Dec-15	Central Board of Excise and Customs	Tax, Penalty & Interest	20,240,990	Principal Comm. (C Ex Mumbai-II)
Jan-16 to Dec-16	Central Board of Excise and Customs	Tax, Penalty & Interest	17,399,282	Joint Comissioner (Central Excise, Mumbai)
<b>Total</b>			<b>216,783,745</b>	

**C. Service Tax**

2013-14	Service Tax on Receipt of Liquidated Damages from Vendors	Service Tax and Interest	1,341,530	Deputy Commissioner Central Excise, Mumbai
<b>Grand Total</b>				<b>711,903,136</b>

\*Towards excise duty demanded on 10% profit margin(MRP) and correction resulting from return of goods not yet granted by authorities.

Circle Name : 1095

**TS KOLKATA**

Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
CBEC	Sales Tax	315840	1989-90 to 1993-94	High Court Kolkata
CBEC	Excise Duty	1897423	1995-96 to 2000-01	High Court Kolkata
Others	Interest Claimed	14869187	2010-2011	Supreme Court New Delhi
Others	Freight Charges	246572.5	1999-2000	High Court Kolkata
Others	Substandard Material	10000	1999-2000	High Court Kolkata
Others	Disputed Rate	278780	1999-2000	High Court Kolkata
Others	L.D > & Denial Clause	566267	2000-2001	High Court Kolkata
Others	Appeal against Arbitration	490514	2006-2007	High Court Kolkata
Others	Short Supply	3272888.9	2004-2005	High Court Kolkata
Others	Property Tax	22290714	2005-2006	High Court Kolkata
Others	Price Variation	1007816	2005-2006	City Civil Court
Others	Accident Claim	229922	2006-2007	Alipore Judges Court
Others	Difference of Overtime	5873296	2006-2007	High Court Kolkata
Others	Difference of Overtime	1601808	2008-2009	Small Cause Court, Kolkata
Others	Difference of Overtime	3131656	2005-2006	High Court Kolkata
Others	Difference of Overtime	854088	2008-2009	Small Cause Court, Kolkata



Name of the statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Others	Difference of Overtime	420414	2011-2012	High Court Kolkata
Others	Difference of Overtime	3277241	2006-2007	Labour Tribunal
Others	Difference of Overtime	3523553	2006-2007	Labour Tribunal
Others	Price Variation & L.D.	30153337	2012-2013	High Court Kolkata
Arbitration	Price Variation & L.D.	294117	2006-2007	Arbitration
Arbitration	Dipute on Price of Material	24771369	2006-2007	Arbitration
Arbitration	MODVAT Cases	140025	2008-2009	Arbitration
Arbitration	Supply of Faulty Power Point	1083483.83	2002-2003	Arbitration
Arbitration	Supply of Faulty Power Point	2238287.49	2005-2006	Arbitration
Others	Accident Claim	25000	2013-2014	High Court Kolkata
Others	Accident Claim	145078	2013-2014	High Court Kolkata
Others	OT Matters	317313	2009-2010	High Court Kolkata
Others	OT Matters	190707	2009-2010	High Court Kolkata
Others	OT Matters	2624776	2009-2010	High Court Kolkata

Circle Name : 1015 **CHHATISGARH**

SSA	Name of Statute	Nature of Dues	Amount (in Lakhs)	Period	Forum where Dispute is pending
GMTD, Raipur	Finance Act, 1994	Service Tax	62500	1994-2000	CESTAT, Delhi
			2950	2000-2004	
			4618	2004-2005	
			6712	2009-2010	
GMTD, Bilaspur	Finance Act, 1994	Service Tax	1407	2004-2007	CESTAT, Delhi

Circle Name : 1027 **ORISSA**

Name of the Statute	Nature of Dues	Amount disputed (Rs. In Lacs.)	Period
Pending court cases on account of land acquisition	Land Dues	17.45	Up to 2018
Pending court cases on account of TR billing	TR Bill	9.377	2008-2018
Service Taxes	Service Tax	2,394.33	1993-2018
Arbitration Case		11.7	2013-2018
Pending Court Cases	Others	238.74	Up to 2018

Circle Name : 1033 **UTTRAKHAND**

Name of Statute	Nature of dues	Amount
Uttarakhand Trade Tax Act, 1948	Trade Tax	5,37,220/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	14,32,500/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	28,27,500/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	12,27,00,000/-
Finance Act, 1994	Service Tax	79,99,828/-
Finance Act, 1994	Service Tax	66,97,971/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	11,97,360/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	37,50,000/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	25,00,000/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	25,00,000/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	34,305/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	13,50,000/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	87,523/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	1,47,200/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	1,41,755/-
Uttarakhand Trade Tax Act, 1948	Trade Tax	1,92,426/-





Circle Name : 1052 **NTR**

Name of the statute	Nature of dues	Amount (in Rs.)	Period to which amount relates
Central Excise Act, 1944	State Excise duty	37,28,049	2015-16
Service Tax	Service Tax	7,29,11,582	2009-10

Circle Name : 1053 STR **STR**

Name of the statute	Nature of the dues	Amount (Rs. In lakhs)	Period to which the amount relates
Service Tax Act and Rules	Service tax	"409 (100% Penalty is levied on above amount)"	June 2007 to September 2009
Service Tax Act and Rules; Cenvat Credit Rules, 2004	Service tax	"3229.29 (100% penalty is levied on above amount)"	June 2007 to October 2009

Circle Name : 1072 **T F Kolkata**

Name of the statute	Nature of dues	Amount (In Lakhs)	Period to which the amount relates	Forum the dispute is pending
Central Excise Act, 1944	Excise Duty	418.56	2007-2008 To 2010-2011	Appellate Authority, alipore TF
Central Excise Act, 1944	Excise Duty	263.13	2012-2013 To 2014-2015	Comm. Central excise, alipore TF
Central excise Act, 1944	Excise Duty	2.84	2015-2016	Comm. of appeals, Alipore TF
Central excise Act, 1944	Excise Duty	255.32	2008-2009 To 2016-17	Appellate Authority, Gopalpur TF
West Bengal VAT Act	VAT	13.82	2012-2013 to 2013-2014	Comm. Of Sales tax, KGP, TF
Cetral Sales tax act	CST	120.78	2013-2014	Comm. Of Sales tax, KGP, TF

Circle Name : 1023 **MP TELECOM**

Particular	Period	Amount (Rs in Crores)	Deposit (Rs in Crores)
Pending Court Cases on Account of Service Tax, Central Excise, Sales Tax, Entry Tax Provident Fund	2006 to 2018	40.34	15.54

Circle Name : 1062 NTP

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which it relates
Delhi Sales Tax Act	Demand Against the Company	0.5	2001-02
Central Sales Tax Act	Demand Against the Company	22.67	2001-02
U P Sales Tax	Demand Against the Company	26.39	2012-13
<b>Total</b>		<b>49.56</b>	

According to the information and explanations given to us, there are no disputed statutory dues pending in respect of income tax and sales tax. We are informed that the provisions of Wealth Tax, Customs Duty, and Excise Duty are not applicable to the NTP Circle Office.

Circle Name : 1011 Andaman

S.No	Name of the Statute	Nature of the due	Amount	Period to which amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Service Tax	6,98,75,468/-	2003-2007	CESTAT
2	Central Excise Act, 1944	Service Tax	1,38,46,422/-	2007-2011	CESTAT
<b>Total</b>			<b>8,37,21,890/-</b>		

Circle Name : 1014 Bihar

Name of Statute	Nature of Dues	Amount (Rs. in lacs)	Amount paid (Rs. In Lacs)	Period to which the amount relates	Forum where disputes are pending
Bihar VAT Act 2005	VAT	83.25	10.08	2005-06	Tribunal
		26.86	3.75	2006-07	Tribunal
		489.69	350.37	2007-08	High Court
	43.39	8.00	2011-12	Commissioner, Appeal	
Bihar Tax on Entry of Goods into local areas for Consumption, Use or Sale therein Act, 1993	VAT	14.11	8.00	2012-13	Commissioner, Appeal
		115.53	6.00	2013-14	Commissioner, Appeal
Bihar Tax on Entry of Goods into local areas for Consumption, Use or Sale therein Act, 1993	Entry Tax	137.09	3.00	2014-15	Commissioner, Appeal
		2.03	2.03	2010-11	JCCT Appeal



Name of Statute	Nature of Dues	Amount (Rs.in lacs)	Amount paid (Rs. In Lacs)	Period to which the amount relates	Forum where disputes are pending	
Central Sales Tax Act 1956	CST	4.17	1.25	2007-08	DCCT	
		47.95	33.42	2008-09	DCCT	
		59.65	50.35	2009-10	JCCT Appeal	
		22.29	8.92	2011-12	JCCT Appeal	
		253.20	205.26	2008-09	High Court	
		45.00	39.66	2004-05	DCCT	
		9.45	8.62	2015-16	CTO	
		5.00	1.71	2007-08	JCCT Appeal	
		27.34	27.34	2008-09	JCCT Appeal	
		15.45	6.99	2013-14	JCCT Appeal	
		1,401.46	774.74			
		2.69	-	Mar 2002 to Jan 2005	Tribunal	
		18.93	17.34	1996 to 2002	APFC	
		12.01	12.01	5/2002 to 2/2004	APFC	
3.36	4.95	2002 to 2013	APFC			
17.24	-	1-4-1996 to 31-3-2010	APFC			
24.23	20.59	1-4-1996 to 31-3-2010	High Court			
106.69	106.69	1/10/2000 to 12/3/2010	High Court			
0.78	0.71	May 2010 to July 2013	APFC			
26.57	25.74	1-4-1996 to 31-3-2010	High Court			
2.69	-	Mar 2002 to Jan 2005	Tribunal			
0.21	-	1-4-2010 to 28-2-2014	APFC			
0.05	-	1-4-2010 to 28-2-2014	APFC			
8.21	8.21	2013 to 2014	APFC			
12.89	12.89	2008 to 2009	APFC			
236.55	209.13					
Income Tax Act, 1961	TDS	3.96	3.96	2011 to 2013	ACIT	
		1.89	1.89	2015 to 2016	ACIT	
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	EPF					

Name of Statute	Nature of Dues	Amount (Rs.in lacs)	Amount paid (Rs. In Lacs)	Period to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	TDS	1.84	1.84	2016 to 2017	ACIT
		0.78	0.78	2016 to 2017	ACIT
		1.38	1.38	2015 to 2016	ACIT
		9.85	9.85		
		129.52	4.86	2007-08 to 2008-09	CESTAT
		363.05	75.56	2001-02 to 2005-06	CESTAT
		133.70	5.01	2008-09 to 2010-11	CESTAT
		262.62	31.91	2002-06	CESTAT
		66.65	12.89	2006-07	CESTAT
		1.53	1.53	2013-14	Commissioner, Appeal
Finance Act 2004	Service Tax	1,010.00	200.00	2003-04 to 2006-07	CESTAT
		2,593.16	173.96	2007-08 to 2009-10	CESTAT
		60.53	-	2001-02 to 2005-06	CESTAT
		171.39	3.73	2006-07 to 2010-11	CESTAT
		110.07	5.00	2006-07, 2007-08 and 2008-09	CESTAT
		3.09	3.09	2013-14	CESTAT
		4.22	4.22	2002-06	CESTAT
		14.92	0.34	2002-2007	Commissioner, Appeal
		464.22	200.00	Oct 2000 to Sept 2004	High Court
		1,255.52	300.00	2005-06 to 2007-08	CESTAT
		243.00	20.00	2006-07	CESTAT
		1,241.00	150.00	ST No.01/ST/COM/2008	CESTAT
		63.00	15.00	2002 to 2006	Commissioner, Appeal
		1.96	1.96	2010-11	Commissioner, Appeal
		787.00	100.00	2001-02 to 2005-06	CESTAT
		26.51	-	2004 to 2005	CESTAT
		56.88	-	2006-2007	CESTAT



Name of Statute	Nature of Dues	Amount (Rs.in lacs)	Amount paid (Rs. In Lacs)	Period to which the amount relates	Forum where disputes are pending
Finance Act 2004	Service Tax	588.00	-	2002 to 2006	CESTAT
		390.53	-	2002 to 2006	Commissioner, Appeal
		697.00	-	2006 to 2007	Commissioner, Appeal
		14.36	-	2007 to 2009	Commissioner, Appeal
		25.61	-	2006 to 2008	Commissioner, Appeal
		19.33	-	2007-08 & 2008-09	CESTAT
		5.34	-	2006-07 & 2007-08	CESTAT
		26.96	-	2005-06	CESTAT
		22.76	-	2002-03 to 2006-07	CESTAT
		46.84	-	2005 to 2007	Commissioner, Appeal
		201.96	-	2002-03 to 2005-06	Commissioner, Appeal
		354.16	-	2002-2007	Commissioner, Appeal
		111.68	-	2000 to 2006	CESTAT
		32.03	-	2008 to 2009	Commissioner, Appeal
250.30	-	Oct 2000 to March 2003	High Court		
596.00	-	2008 to 2009	Commissioner, Appeal		
170.21	-	2002 to 2007	CESTAT		
<b>12,616.61</b>		<b>1,309.06</b>			

Circle Name : 1017 Haryana

Name of the Statute	Nature of Dues	Period to which the amount relates	From where dispute is pending	amount demanded in Lakhs	Amount paid under protest
Finance Act, 1994	Service tax	2010-11 to 2014-15	Commissioner (Appeal)	22.59	1.98
Finance Act, 1994	Service tax	2014-15	Commissioner (Tax Division)	114.52	-
Finance Act, 1994	Service tax	2009-10 to 2013-14	Commissioner (Tax Division)	679.25	-
Finance Act, 1994	Service tax	April, 2012 to January, 2013	CESTAT	303.33	22.75

Name of the Statute	Nature of Dues	Period to which the amount relates	From where dispute is pending	amount demanded in Lakhs	Amount paid under protest
Finance Act, 1994	Service tax	2002-06	CESTAT	93.99	-
Finance Act, 1994	Service tax	2208-09 to 2011-12	CESTAT	364.16	-
Finance Act, 1994	Service tax	2007-08 to 2011-12	Commissioner (Appeal)	42.36	3.17
Finance Act, 1994	Service tax	2009-10 to 2012-13	Commissioner (Appeal)	3.80	-
Finance Act, 1994	Service tax	2005-06	CESTAT	21.72	-
Finance Act, 1994	Service tax 2	007-08	CESTAT	141.29	-
Finance Act, 1994	Service tax 2	004-5 to 2005-06	CESTAT	45.38	-
Finance Act, 1994	Service tax 2	004-5 to 2005-06	CESTAT	37.81	-
Finance Act, 1994	Service tax 2	004-05	Deputy Commissioner	38.79	-

Circle Name : 1024 **MAHARASHTRA**

#### Details of Disputed Cases - SERVICE TAX as on 31st March-18

Name of the SSA	Name of Statutes	Period to which amount relates	Nature of Dues	Forum where dispute is pending	Amount (Rs.)
Aurangabad	Finance Act 1994, Service Tax	2005-2006	Interest on Short Payment	CESTAT, Mumbai	22,17,818
Chandrapur	Finance Act 1994, Service Tax	2005	Interest on delay in payment of Tax	CESTAT, Mumbai	1,78,153
Goa	Finance Act 1994, Service Tax	2008-2009	Service Tax Claim	The High Court Mumbai, Panjim Bench	54,18,769
Kolhapur	Finance Act 1994, Service Tax	1998-99 to 2001	Short payment of S.Tax Sec.73	CESTAT, Mumbai	2,19,46,018
	Finance Act 1994, Service Tax	2002-2003	Interest on Short Payment Sec.75	CESTAT, Mumbai	61,289
	Finance Act 1994, Service Tax	1998-1999	Interest on Short Payment Sec.75	CESTAT, Mumbai	7,96,557
Nanded	Finance Act 1994, Service Tax	2009-2010	Interest & Penalty	CESTAT, Mumbai	25,36,074
Raigad	Finance Act 1994, Service Tax	2004-2005	Short payment of Service Tax	CESTAT, Mumbai	47,13,186
Ratnagiri	Finance Act 1994, Service Tax	2002	Interest on delay in payment of Tax	Commissioner of Excise & Service Tax, Ratnagiri.	38,37,281



Name of the SSA	Name of Statutes	Period to which amount relates	Nature of Dues	Forum where dispute is pending	Amount (Rs.)
Sangli	Finance Act 1994, Service Tax	2002	Interest on delay in payment of Tax	CBEC, New Delhi	9,26,048
	Finance Act 1994, Service Tax	1999-2006	Non levy of Service Tax on CCB/PCO	CBEC, New Delhi	3,46,36,029
Circle Office	Finance Act 1994, Service Tax	Dec.2005 to Mar-2010	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	1,27,42,394
Circle Office	Finance Act 1994, Service Tax	2010 to 2011	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	47,19,989
Circle Office	Finance Act 1994, Service Tax	2011 to 2012	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	75,59,119
Circle Office	Finance Act 1994, Service Tax	2012 to 2013	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	1,60,73,576
Pune	Finance Act 1994, Service Tax	2009-2010	Service Tax on Tatkal Deposits	Apeal against O-i-O with Commissioner(Appeals-II), Mumbai-12	6,91,072
	Finance Act 1994, Service Tax	2009-2010	Wrong availment of CENVAT	Apeal against O-i-O with Commissioner(Appeals-II), Mumbai-12	30,87,679
Aurangabad	Finance Act 1994, Service Tax	2004 to 2009	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	42,51,981
Gadchiroli	Finance Act 1994, Service Tax	2004 to 2009	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	33,60,756
Chandrapur	Finance Act 1994, Service Tax	2004 to 2009	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	86,70,359
Circle Office	Finance Act 1994, Service Tax	2013 to 2014	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	6,74,17,395
Raigad	Finance Act 1994, Service Tax	2007-2010	Wrong availment of CENVAT	Under Appeal with CESTAT, Mumbai	29,56,216
Nagpur	Finance Act 1994, Service Tax	2004-2009	Wrong availment of CENVAT on EPBT	Under Appeal with CESTAT, Mumbai	1,29,71,392

Name of the SSA	Name of Statues	Period to which amount relates	Nature of Dues	Forum where dispute is pending	Amount (Rs.)
Amravati	Finance Act 1994, Service Tax	2006-2009	Wrong availment of CENVAT on EPBT	Under Appeal with CESTAT, Mumbai	56,43,202
Osmanabad	Finance Act 1994, Service Tax		Wrong availment of CENVAT on EPBT		48974

#### Details of Disputed Cases- INCOME TAX as on 31st March 2018

Name of the SSA	Name of Statue	Period to which amount relates	Nature of dues	Forum where dispute is pending	Amount (Rs.)
Raigad	Income Tax Act 1961	2002-2007	Non-deduction of TDS	The Commissioner of Income Tax (Appeals)	3,93,75,000
Mumbai Civil Division	Income Tax Act 1961	2006-07 to 2008-09	Short deduction of TDS	ITAT, Mumbai	50,17,407

Circle Name : 1035

KOLKATA TELEPHONE LINE

Statute	Nature of Dues	Forum	Rs. in Lakhs	Period
Service Tax under Finance Act, 1994	Service Tax	CESTAT / Commissioner of Central Excise – I	3103	July, 1994 to September, 1998
Service Tax under Finance Act, 1994	Service Tax	CESTAT	149.99	October, 2000 to September, 2003
Service Tax under Finance Act, 1994	Service Tax	CESTAT	1326.06	2003-04 to 2004-05
Service Tax under Finance Act, 1994	Service Tax	CESTAT	758.92	2005-06 and 2007-08
Service Tax under Finance Act, 1994	Service Tax	CESTAT	357.87	2009-10 to 2012-13
Service Tax under Finance Act, 1994	Service Tax	CESTAT	521.16	April, 2010 to July, 2014
Service Tax under Finance Act, 1994	Service Tax	Asst. Comm., Service Tax	8.78	2013-14
Service Tax under Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeal)	2.1	2014-15





Circle Name : 1051 **WTR**

Particular	Place	Amount (in Rs)	Period
Service Tax Penalty	Bhopal	Rs.64748169	01.06.2007 to 30.09.2008

Circle Name : 1061 **WTP**

Particular	Place	Amount (in Rs)
Entry Fee	Jablapur	Rs.24967480

Circle Name : 1025 **NE I**

Name of Statute	Nature of dues	Amount (in Rs)	Period to which the amount relates	Forum where dispute is pending
Service Tax	Service Tax and Penalty	31.71 lakhs	F. Y. 2012-13	CESTAT, Kolkata
Service Tax	Service Tax and Penalty	41.54 lakhs	N.A.	CESTAT, Kolkata
Service Tax	Service Tax and Penalty	26.49 lakhs	N.A.	NE-1, East Khasi Hills, CESTAT Shillong

Circle Name : 1029 **RAJASTHAN**

Name of Bus-ness Area	Nature of Statutory dues	Forum where case is pending	"Amount under litigation As on 31-03-2017"	"Addition/ Deletion during 2017-18"	Amount under Litigation As on 31-03-2018	Amount deposited under protest	Amount not deposited in disputed cases	Nature of Dues	Period to which amount relates	Deposit GL	Amount not deposited	Liability provided in the books	Disputed amount shown as contingent liability	Comparison
Alwar	Service Tax	Supdt. Service tax division Alwar	6,262	0	6,262	0	6,262.00	Non payment of service tax under RCM on legal service	April 15 to sept.15	2610311	6,262	0	6,262	Same as 31.03.2017
Udaipur	Service Tax	Central excise, Audit Commissioner Jaipur	7,970	0	7,970	0	7,970.00	Non payment of service tax on a/c of legal & consultancy service	JAN, 14 To FEB, 15	2610311	7,970	0	7,970	Same as 31.03.2017
Alwar	Service Tax	Asstt Commissioner Service Tax Division Alwar	13,094	0	13,094	0	13,094.00	Non payment of service tax under RCM on legal service	Oct.14 to Mar.15	2610311	13,094	0	13,094	Same as 31.03.2017
Udaipur	Service Tax	Commissioner, Central excise, Jaipur	36,292	0	36,292	0	36,292.00	wrongly availed cenvat credit on tower material	APR.08 To MAR, 09	2610311	36,292	0	36,292	Same as 31.03.2017
CGMT, Jaipur	Service Tax	Commissioner Appeal Jaipur	63,000	63,000	63,000	4,725	58,275	S.T. on Payment to Advocate Rs.509480/-	JULY 2012 TO MARCH 2015	2610311	0	0	63,000	New Case

Name of Business Area	Nature of Statutory dues	Forum where case is pending	"Amount under litigation As on 31-03-2017"	"Addition/ Deletion during 2017-18"	Amount under Litigation As on 31-03-2018	Amount deposited under protest	Amount not deposited in disputed cases	Nature of Dues	Period to which amount relates	Deposit GL	Amount not deposited	Liability provided in the books	Disputed amount shown as contingent liability	Comparison
CGMT, Jaipur	Service Tax	Commissioner Appeal Jaipur	62,972	0	62,972	0	62,972.00	Demand of Service Tax in respect of legal services received from the advocates, Rs.62,972.00/- and 7.5% of it deposited as advance deposit of Service Tax in May-2017 before filing of appeal before commissioner (Appeal)	July-2012 to March-2015	2610311	62,972	0	62,972	Same as 31.03.2017
Alwar	Service Tax	Asstt Commissioner Service Tax Division Alwar	65,583	0	65,583	0	65,583.00	Non payment of service tax under RCM on legal service	July 12 to sept.14	2610311	65,583	0	65,583	Same as 31.03.2017
Jodhpur	Service Tax	Commissioner (Appeal) Service Tax Division Jaipur	80,436	0	80,436	6,100	74,336.00	The assessee was availing Cenvate credit of service tax paid on repair, maintenance and operation services provided at various telephone Exchanges situated out side the jurisdiction of the assessee i.e the Nagaur, Barmer & Jaisalmer Districts. As such the cenvate credit of service tax paid amounting 742926/- paid on taxable services over the period from 10-09-2004 to 06-08-2008 which were not used by assessee as input service in relation to output services provided by the assessee, hence the the cenvat of service tax paid on taxable service not used as input services for providing output service appears to be inadmissible to the assessee.	10-09-2004 to 06-08-2008	2610311	74,336	0	80,436	Same as 31.03.2017
Jodhpur	Service Tax	Commissioner (Appeal) Service Tax Division Jaipur	101,600	0	101,600	7,620	93,980.00	Appeal for Rs. 101600 against April 2014 to Sept 2015 2013 Non Payment of RCM On legal Services	01-04-2014 to 30-09-2015	2610311	93,980	0	101,600	Same as 31.03.2017
Jodhpur	Service Tax	Commissioner (Appeal) Service Tax Division Jaipur	104,537	0	104,537	8,000	96,537.00	Appeal for Rs. 104537 against 46 ST/2015 Assistant Commissioner Service Tax Division Jodhpur July 2012 to March 2014 Wrongly availment of Cenvate credit for payment of RCM as Rent a Cab	01-07-2012 to 30-09-2013	2610311	96,537	0	104,537	Same as 31.03.2017
Jodhpur	Service Tax	CCE II JAIPUR	118,826	0	118,826	0	118,826.00	Appeal for Rs. 118826/- Refund of Excess deposit Service tax against OIO/18/2013-R/ST dated 28-11-2013	Audist-2012 to November-2012	2610311	118,826	0	118,826	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	165,240	0	165,240	0	165,240.00	Excise department alleged for Non payment of Service tax on ventry number charges on Sale Sim cards	01-10-2001 TO 31-12-2006	2610311	165,240	0	165,240	Same as 31.03.2017
Jodhpur	Service Tax	Commissioner (Appeal) Service Tax Division Jaipur	222,427	0	222,427	16,700	205,727.00	Appeal for Rs. 222427 against April 2014 to sept. 2015 Wrongly availment of Cenvate credit for payment of RCM as Rent a Cab	01-04-2014 to 30-09-2015	2610311	205,727	0	222,427	Same as 31.03.2017
Bhilwara	Service Tax	Commissioner of Service Tax, Jaipur/ Udaipur	257,278	0	257,278	19,296	237,982.00	(i) Amtt equal to cenvate availed on capital goods sale of scrap. Rs. 240839 (ii) Sr.Tax not paid on payment of legal fee to Advocate Rs. 16439	01.04.2014 TO 31.03.2015	2610311	237,982	0	257,278	Same as 31.03.2017
Alwar	Service Tax	Commissioner Appeal Jaipur	263,322	263,322	263,322	16,876	246,446	Cenvat input utilization on rent-a-cab	May 2013 to Sept-2015	2610311	246,446	0	263,322	New case



Name of Business Area	Nature of Statutory dues	Forum where case is pending	"Amount under litigation As on 31-03-2017"	"Addition/ Deletion during 2017-18"	Amount under Litigation As on 31-03-2018	Amount deposited under protest	Amount not deposited in disputed cases	Nature of Dues	Period to which amount relates	Deposit GL	Amount not deposited	Liability provided in the books	Disputed amount shown as contingent liability	Comparison
Ajmer	Service Tax	Joint Comm. Central Excise Commissionerate, Ajmer		400,992	400,992	0	400,992	WRONGLY AVAILED CENVAT CREDIT DURING THE PERIOD OCTOBER-2010 TO SEPTEMBER-2015 ON RENT A CAB SERVICE AND MAINTENANCE & REPAIR SERVICE	OCTOBER-2010 TO SEPTEMBER-2015	2610311	400,992	0	400,992	New case
Jodhpur	Service Tax	CESTAT New Delhi	742,926	0	742,926	300,000	442,926	The assessee was availing Cenvate credit of service tax paid on repair, maintenance and operation services provided at various telephone Exchanges situated out side the jurisdiction of the assessee i.e the Nagaur, Barmer & Jaisalmer Districts. As such the cenvate credit of service tax paid amounting 742926/- paid on taxable services over the period from 10-09-2004 to 06-08-2008 which were not used by assessee as input service in relation to output services provided by the assessee, hence the cenvat of service tax paid on taxable service not used as input services for providing output service appears to be inadmissible to the assessee.	10-09-2004 to 06-08-2008	2610311	442,926	0	742,926	Same as 31.03.2017
CGMT, Jaipur	Service Tax	Commissioner Central Excise (Appeal-II), Jaipur	484,005	0	484,005	0	484,005.00	Wrong availment of Service tax credit as alleged by Excise Department	Jul-2010 to Oct-2012	2610311	484,005	0	484,005	Same as 31.03.2017
Udaipur	Service Tax	Central excise, Audit Commissioner Jaipur	491,390	0	491,390	0	491,390.00	Availed and utilized in admissible input service in r/o service tax paid by post office	NOV. 11 To SEP. 15	2610311	491,390	0	491,390	Same as 31.03.2017
Jodhpur	Service Tax	Superintendent , Service Tax , Range-V, B.P. Tank ke samne, Jaisalmer	624,548	0	624,548	0	624,548.00	Short payment of Service Tax	10.09.2004 to 31.03.2008	2610311	624,548	0	624,548	Same as 31.03.2017
Ajmer	Service Tax	Asst. Comm. Central Excise Commissionerate, Ajmer	694,871	0	694,871	52,115	642,756.00	WRONGLY AVAILED CENVAT CREDIT DURING THE PERIOD MARCH-2012 TO JUNE-2013 ON IMPROPER DOCUMENTS AND ON IN ELIGIBLE SERVICES	MARCH-2012 TO JUNE-2013	2610311	642,756	0	694,871	Same as 31.03.2017
Bhilwara	Service Tax	Commissioner of Service Tax, Jaipur/ Udaipur	683,028	0	683,028	0	683,028.00	1. WRONG AVAILMENT CENVAT ON RENT A CAB, POST OFFICE COMMISSION AND CUMMODEM SOLD 2. NOT PAID SERVICE TAX ON ADVOCATE BILL AND FREE LU/BB SERVICE PROVIDED TO EMPLOYEE	APRIL 2011 TO SEPT 2015	2610311	683,028	0	683,028	Same as 31.03.2017
Sriganganagar	Service Tax	Addl Commissioner Central Excise Bikaner	732,242	0	732,242	0	732,242.00	Regarding wrongly taken & utilization of CENVAT credit	2010-11 to 2014-15	2610311	732,242	0	732,242	Same as 31.03.2017

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Ajmer	Service Tax	Joint Comm. Central Excise Commissionerate, Ajmer	756,266	0	756,266	0	756,266.00	SERVICE TAX PAID BY BSNL DURING THE PERIOD 01-04-2008 TO 28-02-2009 ON THE BASIS OF RATE OF SERVICE TAX APPLICABLE ON THE DATE OF ISSUE OF THE BILLS WHERE AS EXCISE DEPT DEMANDED SERVICE TAX ON THE RATE APPLICABLE DURING THE PERIOD OF DISPUTE	01-04-2008 TO 28-02-2009	2610311	756,266	0	756,266	Same as 31.03.2017
Udaipur	Service Tax	Commissioner, Central excise, Jaipur	808,917	808,917	808,917	0	808,917	Short payment of Service Tax	01.03.2010 to 07.04.2011	2610311	808,917	0	808,917	New case
Udaipur	Service Tax	Central excise, Audit Commissioner Jaipur	907,620	0	907,620	0	907,620.00	Short payment of ST for concessional BB & mobile to employee	OCT, 11 To SEP, 15	2610311	907,620	0	907,620	Same as 31.03.2017
Srigangangar	Entry Tax	Rajasthan High Court	1,843,978	1,843,978	1,843,978	921,989.00	921,989	Entry Tax Matter		2610401		0	1,843,978	New Case
Jodhpur	Service Tax	Hon'ble Commissioner (Appeals-II) Customs and Central Excise, Jaipur	968,410	0	968,410	0	968,410.00	Cenvat credit against Capital goods transferred to other SSA of 9,68,410/- u/r 15 of CCR, 2004 read with section 78 of the Finance Act, 1994	10.09.2004 to 31.03.2008	2610311	968,410	0	968,410	Same as 31.03.2017
Jodhpur	Service Tax	Additional Commissioner, Central Excise & Service Tax, Central Excise Commissionerate, NCR Building, Jaipur-II	985,797	0	985,797	0	985,797.00	Short payment of Service Tax	April 2009 to Feb 2011	2610311	985,797	0	985,797	Same as 31.03.2017
Jhunjhunu	Service Tax	Commissioner Appeal	1,151,320	0	1,151,320	52,378	1,098,942.00	I None payment of duty on sale of scrap of capital goods (used batteries) which cenvat credit Availled II Cenvat credit not reversed on sale of Modem sold to their customers during the period 2012-13 to 2013-14 iii none payment of legal consultancy service during the period 2012-13 to 2013-14 IV None payment of interest on delayed payment of service tax during the period May 2012	Aug.2012 to Sept 2015	2610311	1,098,942	0	1,151,320	Same as 31.03.2017
Sriganganagar	Service Tax	Addl Commissioner Central Excise Jodhpur	1,139,129	0	1,139,129	0	1,139,129.00	*Regarding wrongly taken & utilization of CENVAT credit	April 2008 to March 2009	2610311	1,139,129	0	1,139,129	Same as 31.03.2017
Kota	EPF	PF TRIBUNAL N.D	1,244,756	0	1,244,756	0	1,244,756.00	The belated remittance of PF dues of 15 employees recruited under compassionate ground attracted interest under Section 7Q of 376940/- and damages under section 14 B of Rs.- 867816/- (Total of Rs. 1244756) of the EPF and MP Act, 1952.	2006-2001 to 2006-2007	2611100	1,244,756	0	1,244,756	Same as 31.03.2017



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Udaipur	Service Tax	CESTAT New Delhi	2,283,201	0	2,283,201	1,000,000	1,283,201.00	Disallowance of cenvat credit prior to registration	APR, 05 To NOV, 06	2610311	1,283,201	0	0	Decided in f/o BSNL after March, 18
Jodhpur	Service Tax	Hon'ble High Court, Jodhpur (Rajasthan)	1,314,508	0	1,314,508	0	1,314,508.00	Cenvat Credit on Tower and Parts thereof in respect of Capital Goods in the month of November-2008 and utilized the credit in the month of Feb-2009	01.10.2008 to 31.03.2009	2610311	1,314,508	0	1,314,508	Same as 31.03.2017
Udaipur	Service Tax	Commissioner, Central excise (Appeal), Jaipur	1,670,355	0	1,670,355	0	1,670,355.00	wrongly availed Cenvat credit	1.3.2010 to 31.3.2012	2610311	1,670,355	0	1,670,355	Same as 31.03.2017
Alwar	Service Tax	CESTAT New Delhi	1,857,083	0	1,857,083	135,710	1,721,373.00	Disallow the cenvat credit availed on parts of tower	Dec-2007	2610311	1,721,373	0	1,857,083	Same as 31.03.2017
Kota	EPF	PF TRIBUNAL N.D	1,725,197	0	1,725,197	0	1,725,197.00	Amount of Rs. 1725197 appropriated by the Assistant Provident Fund Commissioner Kota Rajasthan vide impugned order dated 20.04.2012	5 years	2611100	1,725,197	0	1,725,197	Same as 31.03.2017
Sriganganagar	Service Tax	Addl Commissioner Central Excise Jodhpur	1,771,107	0	1,771,107	0	1,771,107.00	Regarding wrongly taken & utilization of CENVAT credit	April 2009 to Sep 2009	2610311	1,771,107	0	1,771,107	Same as 31.03.2017
Alwar	Entry Tax	Rajasthan High Court, Bench-Jaipur	3,600,829	0	3,600,829	1,800,414	1,800,415.00	Entry Tax Matter	Jan 10 to Dec.14	2610401	1,800,415	0	3,600,829	Same as 31.03.2017
CGMT, Jaipur	Service Tax	Commissioner Appeal Jaipur	2,080,133	2,080,133	2,080,133	156,010	1,924,123	S.T. on LD deducted Rs.16829446/-	JULY 2012 TO MARCH 2015	2610311	0	0	2,080,133	New Case
CGMT, Jaipur	Service Tax	Commissioner Appeal Jaipur	2,080,120	0	2,080,120	0	2,080,120.00	Demand of Service Tax on Liquidated Damages Rs. 20,80,120.00/- and 7.5% of it deposited as advance deposit of Service Tax in May-2017 before filing of appeal before commissioner (Appeal)	July-2012 to March-2015	2610311	2,080,120	0	2,080,120	Same as 31.03.2017
Jodhpur	Service Tax	Commissioner Service Tax Jodhpur	2,322,165	2,322,165	2,322,165	0	2,322,165	Short payment of Service Tax wrong credit availed and utilised CENVAT Credit	01.04.2012 to 31.03.2015	2610311	2,322,165	0	2,322,165	New case
Jodhpur	Service Tax	CESTAT New Delhi	2,396,431	0	2,396,431	0	2,396,431.00	Cenvat Credit against Tower Material as Capital Goods of Rs. 23,75,327/- + Rs. 21,104/- plus Interest	10.09.2004 to 22.04.2008	2610311	2,396,431	0	2,396,431	Same as 31.03.2017
Udaipur	EPF	EPFO, Double Bench, Jodhpur	2,600,078	2,600,078	2,600,078	0	2,600,078	SECURITY GUARD WAGES MATTER	2004	2611100	2,600,078	0	2,600,078	New case
CGMT, Jaipur	Service Tax	Joint Comm., Central Excise Commissionerate, Jaipur	3,160,121	0	3,160,121	237,009	2,923,112.00	Service Tax not paid on the income booked in their books of accounts in respect of issuance of monthly Advice Debit Notes up on M/s CWTS Jaipur.	2013-14 (Oct.-13 ,Nov.-13)	2610311	2,923,112	0	3,160,121	Same as 31.03.2017
Sriganganagar	Service Tax	Addl Commissioner Central Excise Commissioner JP	3,197,436	0	3,197,436	0	3,197,436.00	Regarding wrongly taken & utilization of CENVAT credit	Oct 2010 to Sep 2011	2610311	3,197,436	0	3,197,436	Same as 31.03.2017

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Bikaner	Service Tax	Commissioner of Central Excise, Jaipur		3,589,882	3,589,882	0	3,589,882.00	na		2610311	3,589,882	0	0	Decided in f/o BSNL after March, 18
Jodhpur	Service Tax	CESTAT New Delhi	3,864,642	0	3,864,642	0	3,864,642.00	Regarding CENVAT Credit of Tower material	10.09.2004 to 31.03.2008	2610311	3,864,642	0	3,864,642	Same as 31.03.2017
Udaipur	Service Tax	Commissioner, Central excise, Jaipur	5,250,516	0	5,250,516	911,000	4,339,516.00	Wrongly availed cenvat credit on goods received on ATD	OCT,06 To MAR,07	2610311	4,339,516	0	5,250,516	Same as 31.03.2017
Sriganganagar	Service Tax	Addl Commissioner Central Excise Jodhpur	6,256,061	0	6,256,061	688,000	5,568,061.00	*Regarding wrongly taken & utilization of CENVAT credit	Oct-2006 to March 2008	2610311	5,568,061	0	6,256,061	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	6,464,779	0	6,464,779	484,859	5,979,920.00	Excise department alleged for wrong availment of CENVAT Credit of Tower material	Period from March-2005 to Oct-2005	2610311	5,979,920	0	6,464,779	Same as 31.03.2017
Udaipur	Service Tax	Commissioner, Central excise, Jaipur	6,722,178	0	6,722,178	470,594	6,251,584.00	wrongly availed cenvat credit on tower material	APR,08 To MAR, 09	2610311	6,251,584	0	6,722,178	Same as 31.03.2017
Udaipur	Service Tax	Commissioner, Central excise, Jaipur	6,887,187	0	6,887,187	0	6,887,187.00	Wrongly availed cenvat credit on goods received on ATD	APR,07 To SEP,07	2610311	6,887,187	0	6,887,187	Same as 31.03.2017
Jodhpur	Entry Tax	Hon'ble High Court, Jodhpur (Rajasthan)	15,331,204	15,331,204	15,331,204	7,665,602	7,665,602	Entry Tax Matter	01.04.2009- 31.03.2015	2610401	7,665,602	0	15,331,204	New case
CGMT, Jaipur	Service Tax	Joint Commissioner of Service Tax	10,746,516	0	10,746,516	805,600	9,940,916.00	Demand of Service Tax of Rs. 1,07,46,516.00/- on Service mobile connection to BSNL executives during Oct-11 to Dec-15	2011-2015	2610311	9,940,916	0	10,746,516	Same as 31.03.2017: Deposit in CY
P G M T D , Jaipur	VAT	Rajasthan High Court, Bench-Jaipur	11,145,670	11,145,670	11,145,670	0	11,145,670	Contempt case against the Commercial Deptt., Govt. of Raj	2005-06 to 2009-10	2610401	11,145,670	0	11,145,670	New case
CGMT, Jaipur	Entry Tax	Rajasthan High Court, Bench-Jaipur	98,651,202	98,651,202	98,651,202	87,314,005.00	11,337,197	Entry Tax Matter	2009 to FEB. 2015	2610401	11,337,197	0	98,651,202	New Case
P G M T D , Jaipur	Entry Tax	Rajasthan High Court, Bench-Jaipur	12,720,192	12,720,192	12,720,192	1,033,838	11,686,354	Regarding entry tax defended by various SSA /BA's and CSTD Jaipur	2005-2012	2610401	11,686,354	0	12,720,192	New case
P G M T D , Jaipur	Service Tax	CESTAT New Delhi	12,318,965		12,318,965	0	12,318,965.00	Wrong availment of CENVAT credit as alleged by Excise Department	04/01/2009	2610311	12,318,965	0	12,318,965	Same as 31.03.2017
P G M T D , Jaipur	Service Tax	CESTAT New Delhi	16,903,324	14,178	16,917,502	0	16,917,502.00	Interest on wrong availment of Cenvat	March 2011 to Sept-2011	2610311	16,917,502	0	16,917,502	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	21,941,394	0	21,941,394	1,645,605	20,295,789.00	Excise department alleged for wrong availment of CENVAT Credit of whole amount in same financial year of capital goods	Period from Jul-2009 to Sept-2009	2610311	20,295,789	0	21,941,394	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	28,466,430	0	28,466,430	2,134,983	26,331,447.00	Wrong availment of CENVAT credit as alleged by Excise Department	Period from Oct-2008 to Sept-2009	2610311	26,331,447	0	28,466,430	Same as 31.03.2017



Name of Business Area	Nature of Statutory dues	Forum where case is pending	"Amount under litigation As on 31-03-2017"	"Addition/ Deletion during 2017-18"	Amount under Litigation As on 31-03-2018	Amount deposited under protest	Amount not deposited in disputed cases	Nature of Dues	Period to which amount relates	Deposit GL	Amount not deposited	Liability provided in the books	Disputed amount shown as contingent liability	Comparison
CGMT, Jaipur	Service Tax	CESTAT New Delhi	34,550,644	0	34,550,644	2,591,298	31,959,346.00	Excise department alleged for wrong availment of CENVAT Credit of whole amount in same financial year of capital goods	Period from April-2009 to Sept-2009	2610311	31,959,346	0	34,550,644	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	80,182,808	0	80,182,808	6,013,710	74,169,098.00	Excise department alleged for wrong availment of CENVAT Credit amount.	2008-2009	2610311	74,169,098	0	80,182,808	Same as 31.03.2017
P G M T D , Jaipur	Service Tax	CESTAT New Delhi	98,774,781	0	98,774,781	7,408,109	91,366,672.00	Cenvat disallowed of ATD's of CTSD	Oct-2005 to Sept-2006	2610311	91,366,672	0	98,774,781	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	130,729,505	0	130,729,505	9,804,677	120,924,828.00	The assessee has not paid Service Tax on the income booked in their books of accounts in respect of issuance of monthly Advice Debit Notes up on M/s CMIS Jaipur.	2009-10, 2010-11, 2011-12, 2012-13 & 2013-14 (Up to Sept-2014)	2610311	120,924,828	0	130,729,505	Same as 31.03.2017
CGMT, Jaipur	Service Tax	CESTAT New Delhi	129,932,128	0	129,932,128	0	129,932,128.00	CENVAT amounting Rs.129932128 availed by Circle CMIS wing for whole Rajasthan, but Excise Department has alleged wrong availment beyond the Registered premises	From Oct-2006 to March-2008	2610311	129,932,128	0	129,932,128	Same as 31.03.2017
CGMT, Jaipur	VAT	Assistant Commissioner, Commercial Taxes, Jaipur	150,000,000	0	150,000,000	0	150,000,000.00	Demands of VAT on deemed rental of Rs. 15.00 Crores for FY 2011-12	2011-12	2610401	150,000,000	0	150,000,000	Same as 31.03.2017
		<b>Total</b>	<b>787,897,071</b>	<b>151,834,913</b>	<b>939,731,984</b>	<b>133,706,822</b>	<b>806,025,162.33</b>				<b>791,783,578</b>	<b>0</b>	<b>933,858,901</b>	

Circle Name : 1031 UP (EAST)

Name of the SSA	Name of the Statute	Nature of Dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks	Amount Deposited
Orai	Income Tax	TDS on Discount	1948254	2009-10 & 2011-12	Income Tax Appellate Tribunal Lucknow	Decision in similar type of case of other circles came in favor of BSNL	1948254
Kanpur	Income Tax	TDS on Discount	2756714	2009-10 & 2011-12	Income Tax Appellate Tribunal Lucknow	Decision in similar type of case of other circles came in favor of BSNL	2756714
Banda	Income Tax	TDS on Discount	992363	2009-10 & 2011-12	Income Tax Appellate Tribunal Lucknow	Decision in similar type of case of other circles came in favor of BSNL	992363
Hamirpur	Income Tax	TDS on Discount	2673176	2009-10 & 2011-12	Income Tax Appellate Tribunal Lucknow	Decision in similar type of case of other circles came in favor of BSNL	2673176
Jhansi	Income Tax	TDS on Discount	2617870	2009-10 & 2011-12	Commissioner of Income Tax (Appeal-II) Agra	Decision in similar type of case of other circles came in favor of BSNL	523568

Farrukhabd	Income Tax	TDS on Discount	1855412	2009-10 & 2011-12	ITO (TDS) Aligarh	Decision in similar type of case of other circles came in favor of BSNL	0
TDM, Banda	Finance Act 1994	Service Tax	2229000	2003-06	CESTAT, Allahabad	Appeal filed, hearing in process	
GMTD, Gorakhpur	Finance Act 1994	Service Tax	7950282	2005-09	CESTAT, Allahabad	Appeal filed at CESTAT	
PGMTD, Lucknow	Finance Act 1994	Service Tax	66174062	2005-08	CESTAT, Allahabad	Stay on Demand	
TDM, Shahjahanpur	Finance Act 1994	Service Tax	4357207	2002-03	CESTAT, Allahabad	Stay on Demand	
RTTC, Lucknow	Finance Act 1994	Service Tax	880000000	2008-2009 to 2012-13	CESTAT, Allahabad	Appeal filed at CESTAT	61437801
Mobile Service	Finance Act 1994	Service Tax	48724823	2009-10 to 2011-12	CESTAT, Allahabad	Appeal filed, hearing in process	3287104
GMTD, Azamgarh	Finance Act 1994	Service Tax	41648428	2007-08 to 2010-11	CESTAT, Allahabad	Appeal filed, hearing in process	3123662
GMTD, KANPUR	Finance Act 1994	Service Tax	15242199	Oct-2000 to Sep-2003	CESTAT, ALLAHABAD	Appeal filed, hearing in process	1143165
TDM, FATEHPUR	Finance Act 1994	Service Tax	3008660	2011-12	CESTAT ALLAHABAD	Appeal filed, hearing in process	300867
TDM, HAMIRPUR	UP Trade Tax 1948	UP VAT	2099081	2003-05	Dy Commissioner / Asst. Commissioner Sales Tax Hamirpur	Final Stage Hearing Complete, Judgement awaited	
TDM, Sitapur	UP Trade Tax 1948	UP VAT	2709550	1987-2004	High Court, Lucknow	Appeal at High Court is pending	
GMTD, Basti	UP Trade Tax 1948	UP VAT	79078.4	1996-2005	Dy. Commissioner, Trade Tax Basti	Appeal Pending	
GMTD, Jhansi	UP Trade Tax 1948	UP VAT	2359163	2003-05	High Court Allahabad	Pending in High Court	
TDM, Azamgarh	UP Trade Tax 1948	UP VAT	5252050	1987-2005	High Court Allahabad	Pending in High Court	
TDM, Barabanki	UP Trade Tax 1948	UP VAT	2787000	2001-04	Joint Commissioner, Lucknow	Appeal Pending	
GMTD, Faizabad	UP Trade Tax 1948	UP VAT	2097323	1987-1996	Assitant Commissioner. Trade Tax. Faizabad	Appeal Pending	
TDM, Shahjahanpur	UP Trade Tax 1948	UP VAT	1013034	2003-05	Joint Commissioner (Appeals), Bareilly	Appeal Pending	
GMTD, Kanpur	UP Trade Tax 1948	UP VAT	7479335	2007-08	Tribunal (Trade Tax)	Appeal Pending at Tribunal Trade Tax, Kanpur	
GMTD, Deoria	UP Trade Tax 1948	UP VAT	690000	2000-05	Assitant Commissioner. Trade Tax. Deoria	Appeal Pending	
TED, Allahabad	UP Trade Tax 1948	UP VAT	4616300	1987-1996	High Court Allahabad	Appeal Pending	
TCD, Allahabad	UP Trade Tax 1948	UP VAT	1541700	1987-1996	High Court Allahabad	Appeal Pending	
GMTD, Varanasi	UP Trade Tax 1948	UP VAT	8286084	1986-2005	Joint Commissioner, Appeal Varanasi	Appeal has been heard, Judgement is reserved	





GMTD, Mirzapur	UP Trade Tax 1948	UP VAT	657706	2000-01	High Court Allahabad	Appeal Pending	
TDM,Banda	UP Trade Tax 1948	UP VAT	398.9	2003-04	Trade Tax Department	Local Pursuance	
Circle Office, Lucknow	UP Trade Tax 1948 2008	UP VAT	6033950	2002-2005	High Court Allahabad	High Court	
Circle Office, Lucknow	UP VAT Act 2008	UP VAT	1022734	2005-06	Ist Appeal pending	u/s 41(8)	
Circle Office, Lucknow	UP VAT Act 2008	UP VAT	582938	2012-13	Ist Appeal pending	u/s 28(2)(i)	
Circle Office, Lucknow	UP VAT Act 2008	UP VAT	583317	2013-14	Ist Appeal pending	28(2)	
Circle Office, Lucknow	UP VAT Act 2008	UP VAT	252618	2006-07	Ist Appeal pending	28(2)	
Circle Office, Lucknow	UP VAT Act 2008	UP VAT	470352	2007-08 part-I	Ist Appeal pending	28(2)	
GMTD,Gorakhpur	UP Trade Tax 1948	UP VAT	29710286	1987-2004	Assitt.Commissioner, Trade Tax, Gorakhpur.	Local Pursuance	
TDM,Hardoi	UP Trade Tax 1948	UP VAT	2685650	1998-99 to 2004-05	Commissioner (Appeals), Lucknow	Local Pursuance	
TDM,Shahjahanpur	UP Trade Tax 1948	UP VAT	4035550	2003-05	Joint Commissioner (Appeals) , Bareilly	Appeal Pending	1013034
TDM,Mau	UP VAT Act 2008	UP VAT	659945	2003-2004 and 2011-2012	High Court Allahabad	Appeal Pending	
TDM ,Azamgarh	UP Trade Tax 1948	Entry Tax	4611598	2001-2002 TO 2004-2005	SUPREME COURT	PENDING IN HON'BLE SUPREME COURT, DELHI	
TDM, Ghazipur	Entry of Goods into Local Areas Act 2007	Entry Tax	2271500	2007-08	50% stay granted by High Court	High Court	
TDM,Mau	Entry of Goods into Local Areas Act 2007	Entry Tax	659945	1996-2005	Appeal in Supreme Court	Appeal Pending	
GMTD KANPUR	Entry of Goods into Local Areas Act 2007	Entry Tax	3218920	2004-05	Tribunal (Trade Tax) Kanpur	Appeal Pending at Tribunal Trade Tax , Kanpur	
GMTD KANPUR	Entry of Goods into Local Areas Act 2007	Entry Tax	2990140	2003-04	Tribunal (Trade Tax) Kanpur	Appeal Pending at Tribunal Trade Tax , Kanpur	
GMTD,Varanasi	Municipal Tax	House tax	662556	2012-13,2013-14	Cantonment Board	Appeal filed	
			1184298252				

Circle Name : 1032 UP (W)

Name of the SSA	Name of the Statute	Nature of the dues	Gross Amount	Amount paid (till date)	Balance amount not paid	Prior to which it relates	Forum where dispute is pending in F.Y. 2017-18
CGMT-Meerut	Entry Tax ACT	Entry Tax	5496000	0	5496000	2005-06 & 2006-07	High Court Allahabad
CGMT-Meerut	Entry Tax ACT	Entry Tax	13881924	2776385	11105539	2007-08	Joint Commissioner Appeal (Trade Tax)
CGMT-Meerut	Entry Tax ACT	Entry Tax	73681893	14020518	59661375	2005-06 & 2006-07	High Court Allahabad
CGMT-Meerut	Entry Tax ACT	Entry Tax	27624893	5524978	22099915	2007-08	Joint Commissioner Appeal (Trade Tax)
CGMT-Meerut	VAT ACT	VAT	9382978	0	9382978	2013-14	Commissioner Appeals Meerut
CGMT-Meerut	Entry Tax	Entry Tax	32500000	0	32500000	2013-14	Commissioner Appeals Meerut
CGMT-Meerut	VAT Act	VAT	1481802	0	1481802	2007-08	Commissioner Appeals Meerut
CGMT-Meerut	Entry Tax	Entry Tax	17950000	0	17950000	2010-11	Commissioner Appeals Meerut
CGMT-Meerut	Entry Tax ACT	Entry Tax	15323059	0	15323059	2010-11	Commissioner Appeals Meerut
CGMT-Meerut	Sales Tax Act	VAT	520979	0	520979	2012-13	Commissioner Appeals Meerut
CGMT-Meerut	Sales Tax Act	VAT	993599	0	993599	2011-12	Commissioner Appeals Meerut
CGMT-Meerut	Sales Tax Act	VAT	6156665	0	6156665	2014-15	Commissioner Appeals Meerut
CGMT-Meerut	Sales Tax Act	Central Sales Tax	1371337	0	1371337	2014-15	Commissioner Appeals Meerut
CGMT-Meerut	Sales Tax Act	VAT	69000	0	69000	2014-15	Commissioner Appeals Meerut
CGMT-CMTS-Section	Service Tax	Cenvat Credit	4469631	0	4469631	2010 to 2015	Commissioner Appeals. Hearing done, Order not received.
CGMT-CMTS-Section	Service Tax	Cenvat Credit	44946723	0	44946723	2009 to 2012	CESTAT Allahabad
CGMT-IOBAS-Section	Service Tax	Cenvat Credit	135661153	0	135661153	2012 to 2014	CESTAT Allahabad
GMTD AGRA	Income Tax Act 1961	TDS to PCO Comm	3057881	0	3057881	2005-06	ITAT
GMTD AGRA	Income Tax Act 1961	TDS to PCO Comm	1619317	0	1619317	2006-07	ITAT
GMTD AGRA	Sales Tax Act	Service Tax	75004548	0	75004548	2009-2014	CESTAT
GMTD AGRA	Sales Tax Act	Sales Tax	6106700	0	6106700	2016	Sale Tax Deptt. Agra
GMTD AGRA	Sales Tax Act	Sales Tax	13871507	0	13871507	2016	Sale Tax Deptt. Agra



Name of the SSA	Name of the Statute	Nature of the dues	Gross Amount	Amount paid (till date)	Balance amount not paid	Prior to which it relates	Forum where dispute is pending in F.Y. 2017-18
GMTD AGRA	Sales Tax Act	Sales Tax	1238301	0	1238301	2016	Sale Tax Deptt. Agra
GMTD AGRA	Sales Tax Act	Sales Tax	4000000	0	4000000	2011	Sale Tax Deptt. Agra
GMTD AGRA	Sales Tax Act	Sales Tax	1258888	0	1258888	2011	Sale Tax Deptt. Agra
GMTD AGRA	Sales Tax Act	Sales Tax	1928336	0	1928336	2011	High Court Allahabad
GMTD AGRA	Sales Tax Act	Sales Tax	1307561	0	1307561	2011	High Court Allahabad
GMTD AGRA	Service Tax	Cenvat Credit	36717711	0		2009-2012	CESTAT Allahabad
GMTD Aligarh	FINANCE ACT 1994	TR BILLING	4201130	0	4201130	1994-2014	District Court, Aligarh
GMTD Aligarh	FINANCE ACT 1994	SALES TAX	1250000	0	1250000	2000	District Court, Aligarh
GMTD Aligarh	FINANCE ACT 1994	SERVICE TAX	447187	0	447187	2016	District Court, Aligarh
GMTD Bareilly	SALES TAX ACT	SALES TAX	12388507	0	12388507	1977-78 TO 2004-05	High Court Allahabad & TRADE TAX TRIBUNAL BAREILLY
GMTD Bulandshahar	Service Tax	CENVAT Credit	844961			2009-2013	Commissioner Appeals
GMTD Bulandshahar	Income Tax	TDS	9194104		3227124	2016	IT Meerut
GMTD Ghaziabad	Contract Act	Contractual Obligation	20500000	5000000	15500000	1997-98	High Court Allahabad
GMTD Ghaziabad	Finance Act 1994	Service Tax	120000000	0	120000000	2005-06, 2006-07	CESTAT Allahabad
GMTD Ghaziabad	Service Tax	CENVAT Credit	8405251	0		2007 to 2009	CESTAT Allahabad
GMTD Mathura	Sales Tax	Sales Tax	4801934	1969628	2832311	FY 2003-04	Appeal pending at Commissioner Agra
GMTD Mathura	Service Tax	Service Tax	312053	0	312053	FY2009-10	Appeal pending at Asst Commissioner mathura after the decision of CESTAT Allid
GMTD Meerut	Sales Tax	Sales Tax	5031004	20 Lacs	3031004	99-00,01-02,03-04	Allahabad HC
GMTD Meerut	CE & STAT	Appeal by excise Deptt.	4066300	0	4066300	2011-12	Allahabad HC
GMTD Moradabad	EPF	EPF	1000000	0	1000000	2013-14	EPF Comm.
GMTD Moradabad	Sales Tax	Sales Tax	4773971	0	4773971	Prior to 2010	Sales Tax Comm.

Name of the SSA	Name of the Statute	Nature of the dues	Gross Amount	Amount paid (till date)	Balance amount not paid	Prior to which it relates	Forum where dispute is pending in F.Y. 2017-18
GMTD Muzaiffarnagar	Income Tax ACT 1961	TDS ON STD PCO COMMISSION	6013941	4200000	1813941	2002-03	COMMISSIONER OF IT APPEAL
GMTD Muzaiffarnagar	ENTRY TAX ACT	ENTRY TAX	3478307	1755826	1722481	2000-2005	HIGH COURT ALLAHABAD
GMTD Muzaiffarnagar	Service Tax	Short Payment of Service Tax	1606161	0		2008 to 2013	Commissioner Appeals. Hearing done . Order not received.
GMTD Noida	Recovery of dues	Recovery of dues	18977030	0	18977030	2004-05	High Court Allahabad
GMTD Noida	Recovery of dues	Recovery of dues	41136	0	41136	2014-15	District consumer GB Nagar Court
GMTD Noida	Recovery of dues	Recovery of dues	196795	0	196795	1999-00	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	3164	0	3164	2003-04	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	5180064	0	5180064	2004-05	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	486814	0	486814	2006-07	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	61238	0	61238	2007-08	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	581253	0	581253	2008-09	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	1180144	0	1180144	2009-10	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	160462	0	160462	2010-11	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	866833	0	866833	2011-12	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	7340878	0	7340878	2012-13	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	1017043	0	1017043	2015-16	District Court Civil, GB Nagar
GMTD Noida	Recovery of dues	Recovery of dues	3920669	0	3920669	2017-18	District Court Civil, GB Nagar



Name of the SSA	Name of the Statute	Nature of the dues	Gross Amount	Amount paid (till date)	Balance amount not paid	Prior to which it relates	Forum where dispute is pending in F.Y. 2017-18
GMTD Noida	Income tax Act.	Short deduction of TDS	522214	0	522214	2015-16	ITAT New Delhi
GMTD Noida	Income tax Act.	TDS penalty	10650871	0	10650871	2008-09	ITAT New Delhi
GMTD Noida	Commercial Tax Noida	Entry Tax	820764	0	820764	2003-04	Addl. Commissioner
GMTD Noida	Arbitration Act	Arbitration matter	3727753	0	3727753	2017-18	Arbitrator, Noida
GMTD Noida	Excess Billing	Excess Billing	6291909	0	6291909	2015-16	District Court Ghaziabad
GMTD Saharanpur	ENTRY TAX ACT	ENTRY TAX	2452455	0	2452455	2000-01	TRADE TAX AUTHORITY SAHARANPUR
GMTD Saharanpur	FINANCE ACT 1994	SERVICE TAX	12463780	0	12463780	AUG 2002 TO JAN 2003	CESTAT
TCD Bareilly	ARBITRATION ACT	CIVIL WORKS	2252763	0	2252763	2005-06	CE(C) BSNL NEW DELHI
TCD Bareilly	ARBITRATION ACT	CIVIL WORKS	185500	0	185500	2008	DISTRICT JUDGE RUDRAPUR
TCD Bareilly	ARBITRATION ACT	CIVIL WORKS	3816753	0	3816753	2008	DISTRICT JUDGE MORADABAD
TCD Bareilly	ARBITRATION ACT	CIVIL WORKS	510000	0	510000	2011	HIGH COURT ALLAHABAD
TDM Budaun	EPF DEPARTMENT	EPF AGAINST CONTRACT WORKS	4675876	0	4675876	2001-2012	Tribunal at New Delhi
TDM Budaun	Trade Tax	Sales Tax for 13 Cases	13228725	13228725	0	2003-2008	AssttComm/ High Court Allahabad
TDM Etah	Income Tax Act, 1961	TDS DEMAND RELATED TO FRENCHISEE COMM.	1056132	0	1056132	2008-2009	Income Tax Office Aligarh
TDM Etah	Income Tax Act, 1961	TDS DEMAND RELATED TO STAFF SALARY TDS	141380	0	141380	2015-16	
TDM Etawah	UP ACT 2007	ENTRY TAX	469760	0	469760	2000-01/2001-02/2002-03	ALLAHABAD HIGH COURT

Name of the SSA	Name of the Statute	Nature of the dues	Gross Amount	Amount paid (till date)	Balance amount not paid	Prior to which it relates	Forum where dispute is pending in F.Y. 2017-18
TDM Etawah	UP ACT 2007	ENTRY TAX	544468	0	544468	2007-2008	ASSTT. COMMISSIONER TRADE TAX ETAWAH
TDM Etawah	INCOME TAX ACT 1961	TDS ON RECHARGE COUPONS	2217207	0	2217207	A/y 2008-2009	ITAT OF INCOME TAX AGRA
TDM Etawah	INCOME TAX ACT 1961	PENALTY ON TDS	1695044	0	1695044	A/y 2008-2009	ITAT OF INCOME TAX AGRA
TDM Mainpuri	Sales Tax Act	Sales tax	60000	0	60000	A/y 2004-05	Member Tribunal Trade Agra
TDM Mainpuri	Sales Tax Act	Sales tax	30000	0	30000	A/y 2003-04	Member Tribunal Trade Agra
TDM Mainpuri	Income Tax Act 1961	TDS	108258	0	108258	appeal u/s 221/1 of income tax act 1961 dated 29.10.11 year 2006-07	ITO(TDS & Survey) Aligarh
TDM Mainpuri	Income Tax Act 1961	TDS on discount allowed on cmts products	857857	0	857857	appeal no-76/2013 A/y 2009-10	ITAT,Agra
TDM RAMPUR	SECTION 2(1) FA 1994	SERVICE TAX	552272	0	552272	2015-16	ASSIT COMM CENTRAL EXCISE, RAMPUR
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	8297	0	8297	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	8735	0	8735	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	9172	0	9172	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	9630	0	9630	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	12300	0	12300	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	13435	0	13435	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	23590	0	23590	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	26067	0	26067	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD



Name of the SSA	Name of the Statute	Nature of the dues	Gross Amount	Amount paid (till date)	Balance amount not paid	Prior to which it relates	Forum where dispute is pending in F.Y. 2017-18
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	36432	0	36432	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	23705	0	23705	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	39677	0	39677	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	45237	0	45237	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	47450	0	47450	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	54407	0	54407	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	75495	0	75495	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	RIGHT TO USE 10(b)	SALES TAX	219250	0	219250	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	ENTRY TAX ACT	SALES TAX	109184	0	109184	JAN 2003 TO NOV 2003	TRIBUNAL COURT TRADE TAX MORADABAD
TDM RAMPUR	ENTRY TAX ACT	SALES TAX	661517	0	661517	JAN 2003 TO NOV 2003	COMMISSIONER OF EXCISE & SERVICE TAX
TDM RAMPUR	SERVICE TAX	SERVICE TAX	37114	0	37114	2015-16	COMMISSIONER OF EXCISE & SERVICE TAX MEERUT
TDM RAMPUR	SERVICE TAX	SERVICE TAX	480189	0	480189	2011-12 TO 2014-15	COMMISSIONER OF EXCISE & SERVICE TAX MEERUT
			<b>857223343</b>				

**Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the Ind AS financial statements for the year ended 31 March 2018**

**DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA TO THE STATUTORY/ CIRCLE AUDITORS OF BHARAT SANCHAR NIGAM LIMITED FOR CONDUCTING AUDIT OF ACCOUNTS FOR THE YEAR 2017-18**

Sl. No.	Questions	Auditor's Comment
(1)	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	<p>As reported by the auditors of the following circles, the Company has clear title, lease deeds for freehold and leasehold respectively:</p> <ol style="list-style-type: none"> <li>1. Eastern Telecom Project (ETP)</li> <li>2. Southern Telecom Project (STP)</li> <li>3. Telecom Factory, Mumbai (TF-Mumbai)</li> <li>4. NATFM</li> </ol> <p>The following circle has reported that the Company does not have clear title/lease deeds and they are unable to comment on the area of freehold and leasehold land for which the aforementioned deeds are not available:</p> <ol style="list-style-type: none"> <li>1. <b>BRBRAITT</b></li> <li>2. <b>Chhattisgarh</b></li> </ol> <p>The following circles have annexed details of freehold and leasehold land for which title/lease deeds are not available or for which mutation is in process: (Refer Appendix-A)</p> <ol style="list-style-type: none"> <li>1. Andhra Pradesh</li> <li>2. Haryana</li> <li>3. Himachal Pradesh</li> <li>4. Karnataka</li> <li>5. Kerala</li> <li>6. Uttarakhand</li> <li>7. Chennai Telephones</li> <li>8. Northern Telecom Project (NTP)</li> <li>9. Punjab</li> </ol> <p>The auditors of the following circles have reported that the Company does not have any leasehold/ freehold land and hence the question is not applicable to the following circles:</p>





		<ol style="list-style-type: none"><li>1. NFS</li><li>2. Broadband Network</li><li>3. North East Task Force</li><li>4. NCNGN</li><li>5. Information Technology Project Circle</li><li>6. Receipt &amp; Payment and Budget Banking Finance Unit ('R&amp;P and BBF unit')</li></ol> <p>The auditor of Telecom Factory Mumbai circle has stated that this direction is not applicable to the Company for the current year as the Company has not been selected for disinvestment.</p> <p>The auditors of the following circles were unable to comment on the title of freehold and leasehold land in the absence of requisite documents:</p> <ol style="list-style-type: none"><li>1. Assam</li><li>2. Gujarat</li><li>3. Jharkhand</li><li>4. Eastern Telecom Region</li><li>5. Western Telecom Region</li><li>6. Northern Telecom Region</li></ol> <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p><b>ANDAMAN &amp; NICOBAR</b></p> <p>The Title Deed of Freehold lands held by BSNL are being processed for Mutation form DOT to BSNL. There is a Mismatch between total area of land as per land register and land documents and the same is not duly reconciled.</p> <p><b>ALTTC</b></p> <p>The Land on which the ALTTC building is situated along with the building itself is not in the name of BSNL, although the consideration for acquiring the land from Department of Telecom was paid to them but the Title was not transferred in the name of BSNL because the title is still in the name of CPWD (which has sold the land to Department of Telecom). Total Area of land which was acquired from DOT was 81 acers as at 01.10.2000.</p>
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		<p>The said land was then in the name of CPWD (erstwhile owner, who had transferred the land to DOT) and is still as it is, in the records of Ghaziabad revenue records/Tehsil.</p> <p>The entire area of land measuring 81 acres is still in the name of CPWD in the records of Ghaziabad revenue records/ Tehsil. For the purpose of Ind AS, this area of land had been revalued at Rs. 536.92 crores in FY 2016-17.</p> <p><b>BIHAR</b></p> <p>The maximum parcels of land were transferred to BSNL by DoT at time of incorporation which is under possession of BSNL. The acquisition of title deeds of these lands is under process. For Lands purchased and taken on lease by BSNL the title deeds is available. Sale deeds of 21 land parcels are available with units.</p> <p><b>JAMMU &amp; KASHMIR</b></p> <p>Title deeds/ letters of allotment of various lands reflected under Property, plant and equipment have not been produced to us. We are unable to verify correctness of classification between freehold and leasehold land in absence of such records. As informed to us, title of some of these lands is yet to be transferred in the name of the Company. It has been reported to us that at Leh BA, all documents pertaining to land have been lost in the flash floods in 2010.</p> <p><b>JAMMU &amp; KASHMIR</b></p> <p>i) Freehold Building has been constructed on the Lease hold Land acquired from KOPT. Tax on the above is paid to KOPT along with the Lease Rental since there is no separate Mutation of the property in the name of the Circle.</p> <p>ii) Lease hold Land has been acquired from Kolkata Port Trust (KOPT) on which Lease Rental is paid to KOPT. The Lease was for 30 years ending in 1995 and renewed subsequently by KOPT vide letter no. Lnd 4423/1/V/11/5109 dated 28<sup>th</sup> March, 2011. However, Lease Deed of such property is not available for verification.</p>
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#### **MADHYA PRADESH**

On the basis of our examination books and records and according the information and explanation given to us, the BSNL Madhya Pradesh is in the process of transferring the title deeds in respect of Lands. Mutation for 391 no. of lands have been carried out till date out of 566 lands in the name of BSNL and the balance 175 nos. of lands are balance to be mutated.

#### **MAHARASHTRA**

We have been informed that the circle has been showing land under two categories i.e. under leasehold and freehold and total approximate area is 54,96,406.59 sq. metres comprising of 1729 plots. Out of such plots, mutation in the name of BSNL is still pending for approximately 36,25,537.34 sq. metres (830 plots). Likewise, in the case of freehold land from above 830 plots of total area 30,36,465.09 sq. mtrs (728 plots), the mutation in the name of BSNL is pending for 360 plots. We have also been informed that there are approximately 17 plots having 63,836.51 sq. metres which are under dispute. There are 251 vacant plots of approx. area 4,86,108.9 sq. mtrs., for which mutation, has not been done in the name of BSNL as reported to us, we have been informed that there is no practice of physical verification of the fixed assets, however, in the year 2013, a joint verification was done with the DOT and on the basis, they have noted that there is encroachment on 3812.95 sq. metres.

#### **ODISHA**

The Circle has clear title / lease deeds for 70 (seventy) numbers of freehold land and 199 (one hundred ninety nine) numbers of leasehold land. There is 1 (one) freehold land at Sambalpur area measuring Ac. 01.27 and 19 (nineteen) numbers of leasehold land throughout the state of Odisha measuring 77956.00 Sq. meters in respect of which the title / lease deeds have expired/ not executed.

#### **RAJASTHAN**

Based on the review of asset register and according to information and explanations given to us, the title deeds of 73 lands are not held in the name of the Company. The details of the same are given in 'Appendix A' of our Audit report.

		<p><b>SOUTHERN TELECOM REGION</b></p> <p>On the basis of our examination/ test check of books and records and according to the information and explanation given to us , the BSNL-STR are in the process of transferring the tittle deeds in respect of 42 lands. The list of lands in respect of which the mutation has not been completed is given in 'Appendix A'</p> <p><b>TELECOM FACTORY JABALPUR</b></p> <p>During the year under review it has been observed that Telecom Factory Jabalpur having three units, one at Bhilai another at Ricchai and Wright Town. Bhilai and Ricchai land are taken on lease and Lease Deed of both the units are proper. As far as Wright town is concern the land taken over from DOT as on 1st October, 2000. Total area as per the management informed was 73.73 acre transferred from DOT out of which 48.85 acre of land has been transferred to the name of BSNL and 24.88 acre of land remains with DOT.</p> <p><b>TELECOM FACTORY KOLKATA</b></p> <p>(a) The title deeds of freehold land of at Alipur Telecom Factory (780 kathas) and at Gopalpur Telecom factory (17.5 acres) were not available for our verification. In respect of Kharagpur Telecom Factory photocopy of lease deed is available for an area of 14.189 acre(lease expiring on 17.04.2079) and an area of 1.15 acre (lease expired on 17.04.2005) only. The expired lease deed has not been renewed by the telecom factory. In respect of the balance factory area of 0.50 acre and 1.52 acre no signed lease deed is available. The management has not made any provision for any contingency arising out of the renewal of lease and effort should be made for renewal/regularisation of leases of land held with or without lease.</p> <p>In respect of an area of 1.97 acre and 0.1494 acre comprising residential plots of Kharagpur Telecom Factory Housing Complex, possession certificate and allotment letter received from WBIIDC is available.</p> <p>(b) We have been informed that no mutation of the above lands has been done or at any of the telecom factories.</p>
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		<p><b>TAMIL NADU</b></p> <p>i) The circle is holding 4048 square metre of Leasehold property (Net Value of Rs. 1,698) at Salem for which proper and valid Lease agreement is in existence.</p> <p>ii) The title to various immovable properties (Freehold land) taken over from Department of Telecommunication (DoT) is yet to be registered in the name of BSNL. The area of the Freehold land for which title deeds is not available has been listed out in 'Appendix A' attached.</p> <p><b>WESTERN TELECOM PROJECT</b></p> <p>Title deed relating to land were not produced for verification and in the absence of relevant documents, the tenure of land as freehold/ leasehold could not be verified by us. Except following WTP, Nagpur has changed and handed over its' office premises located at 2<sup>nd</sup> and 3<sup>rd</sup> floor, microwave building, CTO compound, Nagpur to O/o Principal General manager, Telecom "0" miles, Nagpur wide letter no. DGM/TP/EMA/NP/W-18/ASSETS/93 dated 23/12/2011 in favour of Department of Telecommunication but the same building still exist in Balance Sheet of BSNL WTP.</p> <p><b>KOLKATA TELEPHONES</b></p> <p>In respect of title/ lease deeds of Immovable properties, it is observed that all the immovable properties are in the possession of the Company.</p> <p>However in respect of certain immovable properties acquired or taken over from Department of Telecommunication (DOT), Government of India, transfer of title deeds of the said properties in the name of the Company are still pending as same are under legal process/ execution.</p> <p><b>NE-II</b></p> <p>As per the information provided to us, pending transfer of the immovable property in the name of the Company, documents in respect of some land &amp; buildings acquired during the period are under legal process/execution. Further in respect of assets taken over from DoT, formalities for vesting the assets in favour of the Company wherever necessary / applicable are under process. Further some of</p>
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		<p>the assets acquired by the Company are yet to be registered in the name of the Company. Lease hold lands bifurcated and incorporated in the financial year 2008-09, received by Nagaland SSA from DoT having aggregate value of Rs. 79.14 lakhs (PY Rs. 79.14 lakhs) have not yet been verified from original lease records. Details of lands are given in 'Appendix A'</p> <p><b>QUALITY ASSURANCE</b></p> <p>Lands and Buildings transferred by DOT to the company, at the time of formation of BSNL, like staff quarters and vacant Lease Land in respect of which the deed for transfer from DOT to the BSNL is pending execution. Details are provided in annexure attached.</p> <p><b>UTTAR PRADESH (UP) EAST</b></p> <p>The Circle UP (East) holds title deeds for a number of free hold/ lease hold lands but since the title deeds for free hold and lease hold land are not matched with financial records hence we are unable to comment whether the Company has clear title/ lease deeds for all free hold and lease hold land respectively and if not for which assets Circle do not hold clear title deeds.</p> <p><b>UTTAR PRADESH (UP) WEST</b></p> <p>As per the information made available to us, Title deeds/ lease agreement with respect to 36 parcels of leasehold land &amp; 194 parcels of freehold land were not shown/made available to us for verification. Also for properties pending transfer &amp; those taken over from DOT, formalities for vesting the assets in favor of BSNL were not made available for ascertaining its completion. Further, in respect of Mathura unit, on the basis of examination of documents, it was found that one title deed of land situated at plot No. 60 Transport nagar, Mathura registration date 31-07-2002 of Rs. 3,74,800/-has not been capitalized in books of accounts.</p> <p><b>WEST BENGAL</b></p> <p>The clear title/ lease deeds were not available for verification. Attention is drawn to Para B (1&amp;2) of Note "2" to the standalone financial statements of the Circle, which indicates that the conveyance deeds for transfer/ vesting title of Land, Buildings and Other Assets from DoT</p>
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		<p>to company has not yet been executed. Also attention is drawn to Para 1(c) of Annexure-“A” to the Independent Auditors’ Report, where it is stated that “Asset Master” in the SAP ERP system does not have the separate record of each land parcel. In case of Free Hold land there are 81 records in SAP against 169 land parcels and in case of Lease Hold Land there are 3 records in SAP against 38 land parcels. However, the full particulars of such land parcels including quantitative details and situation thereof are available with the Circle. Business Area wise summary of freehold land as provided by the Management has been furnished in the enclosed ‘Appendix A’ of this report.</p> <p><b>NORTH EAST-I</b></p> <p>As informed to us, the Circle has no clear title deeds in the name of the Company for freehold lands and leasehold lands, except for one freehold land and few leasehold lands. However, copies of original title/lease deeds of above said freehold and few leasehold lands were not made available to us for our verification; hence we are unable to comment on clarity of even such title/lease deeds of lands. List of freehold/leasehold lands provided by the Circle is attached herewith as ‘Appendix A’. In absence of full details, the same has not been verified by us.</p>
(2)	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons therefore and the amount involved.	<p>As reported by the auditors of the following circles, there were no cases of waiver/write off of debts/loans/interest etc.:</p> <ol style="list-style-type: none"><li>1. Jammu &amp; Kashmir</li><li>2. Maharashtra</li><li>3. Eastern Telecom Region</li><li>4. Western Telecom Region</li><li>5. Northern Telecom Region</li><li>6. Southern Telecom Region</li><li>7. Eastern Telecom Project</li><li>8. Northern Telecom Project</li><li>9. NFS</li><li>10. Telecom Factory Mumbai</li><li>11. Andaman &amp; Nicobar</li><li>12. Telecom Factory Jabalpur</li><li>13. BRBRAITT</li><li>14. Broadband Network</li><li>15. NCES Telecom Circle/ NCNGN</li></ol>

16. Q&A and Inspection Circle
17. North East Task Force
18. ALTTC
19. Southern Telecom Project
20. Western Telecom Project
21. Telecom Factory Kolkata
22. NATFM Training Institute
23. Telecom Stores Kolkata
24. Information Technology Project Centre
25. Receipt & Payment and Budget Banking Finance Unit ('R&P and BBF unit')
26. Chhattisgarh

In the undermentioned circles, there have been certain write offs of debts/loans/interest etc., details of which are furnished below:

#### **ANDHRA PRADESH**

The Circle has written off Rs. 1,270.42 Lakhs (Previous year - Rs. 2,227.25 Lakhs) as bad and doubtful debts during the current financial year on account of non-recoverability as per the findings of High Power Committees (HPC) and Liquidation Board (LBM) constituted at Business Area level by the Circle for this purpose. The entire amount was already provided for and the amount equal to the amount of write off is written back from such provision created in earlier years.

#### **ASSAM**

Rs. 1,434.80 Lakhs has been written off from debtors being untraceable and hence unrecoverable.

#### **BIHAR**

For the financial year 2017-18, total amount of written off bad debt for service provided is Rs. 3,910.78 Lakhs

#### **CHENNAI TELEPHONES**

There are cases amounting to Rs. 527.09 Lakhs towards Write off of Debt with Competent Authorities approval during the year 2017-18 Business Area wise (CDR, GSM, WLL, BB etc.) details with regards to write off of Debtors, Late fees, Service Tax etc.





	<p><b>GUJARAT</b></p> <p>As per record and information provided to us debtors amounting to Rs. 760.13 Lakhs were written off during the year, as management is of the view that the amount is no longer realizable.</p> <p><b>HARYANA</b></p> <p>As informed by the management and based on the records examined, we have not observed any case of waiver/ write off of debts/ loans/ interest etc. from banks or financial institution during the year under audit.</p> <p>However, a sum of Rs. 1,031.92 Lakhs has been written off on account of bad debts by the Circle during the year under audit.</p> <p><b>HIMACHAL PRADESH</b></p> <p>As informed to us, the Circle has written off debtors of Rs. 357.54 Lacs.</p> <p><b>JHARKHAND</b></p> <p>Debts of Rs. 1,019.58 Lakhs are written off during the year. As informed write off of subscriber debt is done through either Lok Adalat, Liquidation Board Meeting or High Power committee or through technical write off.</p> <p><b>KARNATAKA</b></p> <p>During the financial year 2017-18 a sum of Rs.703.75 Lakhs has been written off as bad debts. The management of the KTK Circle is of the view that the possibility of recovery of these amounts was considered remote.</p> <p><b>KERALA</b></p> <p>During the year the Circle has written off Sundry Debtors (GL Code 5022009) for an amount of Rs. 484.74 Lakhs based on the decisions taken by the Committees constituted for the same at different dates during the year. In addition, the Telephone Revenue Accounting (TRA) Department has cancelled individual telephone bills during the year, which as explained to us, were on account of mistake in billing.</p>
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		<p>As per the information and explanation given to us, the decisions were taken after exhausting all chance of recovery from the customers.</p> <p>Based on the information and explanation given to us and based on the Audit procedures performed by us, we have not come across any instances of waiver of loans or interest.</p> <p><b>MADHYA PRADESH</b></p> <p>The Circle has written off Rs. 962.54 Lakhs during the FY 2017-18 based on procedures / guidelines defined by BSNL HQ.(Above amt is total of GLs , 5022009 (Bad debt (debts for service provided) written off) and Rs 9,05,28,545.04 and GL- 5022010 Service Tax paid for post paid service but not collected Rs. 57,25,580.99)</p> <p><b>NORTH EAST I</b></p> <p>As informed to us, and as disclosed in Notes to Accounts, the Circle has written off debts, considered no longer recoverable, amounting to Rs. 244.02 Lakhs in the Statement of Profit and Loss as these amounts are long pending and disputed by the parties as not payable.</p> <p><b>NORTH EAST II</b></p> <p>As per the information provided by the Circle and as per our examination, write off of debts amounting to Rs. 6,419.03 Lakhs and Decommissioned Assets and Others amounting to Rs. 133.40 Lakhs have been made on account of Normal Write Off and Technical Write Off as per the instructions of the Corporate Office.</p> <p><b>ODISHA</b></p> <p>There are multiple cases of write off of debtors amounting to Rs. 430.26 Lakhs and there are no case of write off of loans and interest during the year. The reason for such write off, as explained to us, is that these are old balances lying unadjusted / unrealized for a long time and chances of recovery /adjustment are remote.</p> <p><b>PUNJAB</b></p> <p>As per information given to us, the circle has written off debtors Rs. 532 Lakhs due to non recoverability.</p>
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	<p><b>RAJASTHAN</b></p> <p>As per information and explanations given to us, during the year under consideration the circle has written off the debts of Rs. 531.35 Lakhs. These debts are written off as per the delegation of authority and procedures set by BSNL Corporate office.</p> <p><b>TAMIL NADU</b></p> <p>The write off is in line with the policy of the company and Rs. 707.87 Lakhs has been written off as bad debts and Rs. 61.09 Lakhs has been written off as unrecovered service tax during the year.</p> <p><b>UP (WEST)</b></p> <p>Following cases of old outstanding entries were written off as was considered not recoverable:</p> <ol style="list-style-type: none"><li>1) W/off loses other than bad debts: Rs. 24.34 Lakhs</li><li>2) Bad debts w/off: Rs. 882.46 Lakhs</li></ol> <p><b>UP (EAST)</b></p> <p>We have not been informed of any such case. However, in case of Debtors the circle has accounted for total Bad Debts of Rs. 2,651 Lakhs.</p> <p><b>UTTARAKHAND</b></p> <p>The Circle has written off Rs. 123.14 Lakhs during the FY 2017-18 based on procedures defined by BSNL HQ. During the year company has also technically write off debtors due for more than 10 years.</p> <p><b>WEST BENGAL</b></p> <p>On examination of the related records and as per the information and explanation provided to us the Circle has written off Rs. 1,121.27 Lakhs being trade receivables remaining unrecovered for a period of over 5 Years in accordance with the Order of Corporate Office ref. the ADG(TR) BSNL Corp office no. 2-32/2002-BSNL/TR dated 19.09.2006.</p> <p><b>KOLKATA TELEPHONES</b></p> <p>Calcutta Telephone District has written off bad debts throughout the financial year as follows:</p>
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		<p>a. Write-off in Land Line Service 1,614.43 Lakhs  b. Write -off in Broad band Services 152.49 Lakhs  c. Write -off in unpaid Surcharge 40.76 Lakhs  d. Write -off in Cellular Mobile Tele Services 134.72 Lakhs  e. Write -off in Lease Circuit 0.63 Lakhs</p> <p><b>TOTAL – Rs. 1,943.03 Lakhs</b></p> <p>The Circle has also written-off an amount of Rs. 260.76 Lakhs for not being able to collect Service Taxes paid by it in respect of the above.</p> <p>Beside the above, the Circle has also Written Back Liability on account of Security Deposit, Earnest Money and Other Liabilities amounting to Rs. 3,094.83 Lakhs</p>
(3)	Whether the proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities	<p>As reported by circle auditors, the circles have not received any assets as gift/grant(s) from the Government or other authorities except as stated for the circles below:</p> <p><b>1. ANDHRA PRADESH</b></p> <p>In respect of lands received as gift or donation, proper records are not being maintained and the number, value, ownership thereof are subject to reconciliation.</p> <p>The Circle has been maintaining proper records in respect of assets created (under Left Wing Extremists project) out of grants received from Government.</p> <p><b>2. CHHATTISGARH</b></p> <p>In absence of records and documents at the Circle we are not in a position to comment on assets received as gift from Govt. or other authorities are properly maintained or not.</p> <p><b>3. KARNATAKA</b></p> <p>The KTK Circle has received 33 land parcels as a gift from various village panchayats situated in the State of Karnataka. These land parcels covers a aggregate area of 28,001 Sqmts. Out of the 33 Land parcels the title deeds are not available in respect of 3 land parcels measuring a total area of 2,184 Sqmts.</p> <p><b>4. ODISHA</b></p> <p>The Circle has received government grants amounting to Rs.43,40,80,939/- towards LWE Capital Grant during the Financial Year 2017-18.</p>



		<p><b>5. UP (WEST)</b></p> <p>Proper records are maintained with respect to Grant received from USOF of Rs. 20,92,709/-</p> <p><b>6. WEST BENGAL</b></p> <p>a) As per the information and explanation provided to us by the management, the Circle has not received any assets as gifts/ grants from Government or other authorities during the year. Out of grant received by the Circle in earlier years Rs. 934.94 Lakhs has been recognized as income for the current year and the balance Rs. 3797.71 Lakhs is carried over to the next year as Deferred Income in respect of the Grant in Aid for LWE Project.</p> <p>b) As informed by the Management, the Circle is the custodian of the inventories in respect of the National Optic Fiber Network (NOFN) Project. The details of such inventory are maintained by the NOFN Department within the Circle but no record of such inventories is maintained in the SAP ERP system as these inventories do not belong to the Company.</p> <p>As reported by the auditors of following circles, proper records are maintained for inventory lying with the third parties.</p> <ol style="list-style-type: none"><li>1. Jammu and Kashmir</li><li>2. Punjab</li></ol> <p>As reported by the auditors of following circles, proper records are not maintained for inventory lying with the third parties.</p> <p><b>1. Northern Telecom Project</b></p> <p>As reported by the circle auditors of the undermentioned circles, no inventory is lying with the third parties:</p> <ol style="list-style-type: none"><li>1. Assam</li><li>2. Bihar</li><li>3. Haryana Telecom</li><li>4. Himachal Pradesh</li><li>5. Jharkhand Telecom</li><li>6. Kerala Telecom</li></ol>
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	<ol style="list-style-type: none"> <li>7. Madhya Pradesh Telecom</li> <li>8. Maharashtra Telecom</li> <li>9. Rajasthan Telecom</li> <li>10. Telecom Factory Jabalpur</li> <li>11. Tamil Nadu Telecom Circle</li> <li>12. Uttarakhand Telecom</li> <li>13. Western Telecom Projects</li> <li>14. Kolkata Telephones</li> <li>15. Eastern Telecom Region</li> <li>16. Western Telecom Region</li> <li>17. Southern Telecom Region</li> <li>18. Eastern Telecom Project</li> <li>19. NFS</li> <li>20. NATFM</li> <li>21. Broadband Network</li> <li>22. NCNGN Telecom Circle</li> <li>23. Telecom Store</li> <li>24. Information Technology Project Circle (ITPC)</li> <li>25. North East- 1 Telecom</li> <li>26. ALTTC</li> <li>27. BRBRAITT</li> <li>28. NE-II</li> <li>29. Andaman &amp; Nicobar</li> <li>30. Receipt &amp; Payment and Budget Banking Finance Unit ('R&amp;P and BBF unit')</li> <li>31. Chennai Telephone</li> <li>32. Karnataka Circle</li> <li>33. NETF</li> <li>34. Odisha</li> <li>35. UP (West)</li> <li>36. West Bengal</li> </ol> <p>Following circles' auditors have reported that the respective circles do not have any inventory and hence the question is not applicable to them:</p> <ol style="list-style-type: none"> <li>1. Telecom Factory Kolkata</li> <li>2. Telecom Factory Mumbai</li> <li>3. Q&amp;A and Inspection Circle</li> </ol>
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		<p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p><b>1. NTR</b></p> <p>As informed by the management, no inventory is lying with third parties belonging to circle. The inventory issued to the contractors is accounted under the head “Work in Progress”.</p> <p><b>2. ANDHRA PRADESH</b></p> <p>i. As per the information and explanations given by the management and as stated vide Note No. 40.2 of the Ind AS financial statements the inventories aggregating to Rs. 4,703 lakhs pertaining to Phase VIII.4 project of CMTS are lying with the third parties. The Circle has been maintaining proper records in respect of inventories lying with the third parties.</p> <p>ii. In respect of lands received as gift or donation, proper records are not being maintained and the number, value, ownership thereof are subject to reconciliation as stated in paragraphs 16 &amp; 17 above.</p> <p>iii. The Circle has been maintaining proper records in respect of assets created (under Left Wing Extremists project) out of grants received from Government.</p> <p><b>3. GUJARAT</b></p> <p>Proper records are maintained for inventories lying with third parties. However, in case of material issued to contractors against execution of projects is directly charged to CWIP a/c. and no entry recorded in the a/c code “Material/Equipment with contractor”. The same remain in CWIP a/c code and no physical verification reports are made available to us. It is explained to us that in such cases appropriate bank guarantee is obtained as per the terms of the contract. As per the information and explanations given to us, no items are received as gifts from Government and other authorities during the year.</p> <p><b>4. UP (EAST)</b></p> <p>System of accounting and management of inventories in most of the Bas/ SSAs is not in commensurate with the size and nature of the inventory due to non-maintenance of Bin cards, non-maintenance of Price Store Ledger on</p>
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		<p>perpetual basis which are generally compiled at the quarter or year end, non adherence with procedure for return of stores issued to the contractors/ suppliers and lying at sites, lack of proper system for identification of Obsolete/ discarded/ non-moving/ unserviceable inventory, lack of periodical reconciliation of inventory in price store ledgers with financial records etc.</p> <p>However, entire amount of inventory has been classified, as it is, as Capital Work in Progress in Stores.</p> <p><b>5. CHHATTISGARH</b></p> <p>It is observed in the Circle that Inventory/ Capital Goods are issued to the Contractors for maintenance/ assets for installation purpose at various project sites. No site wise list has been provided to us for our verification. So we are unable to comment whether records are maintained for inventories lying with third parties.</p> <p>In absence of records and documents at the Circle we are not in a position to comment on assets received as gift from Govt. or other authorities are properly maintained or not.</p> <p><b>6. STP</b></p> <p>It has been observed that the management is maintaining records of inventory with the third party only in physical format, however no records of stock as on particular day is available in SAP.</p>
(4)	Amount of revenue share (license fees and spectrum usage charges) appearing in the financial statements should be thoroughly checked.	<p>As reported by the auditor of following circles provisions for license fee are not applicable to the respective circles:</p> <p><b>1. Kolkata Telecom Stores</b></p> <p>Following circles have not reported in respect of the matter:</p> <ol style="list-style-type: none"> <li>1. Bihar</li> <li>2. Uttar Pradesh (UP) West</li> <li>3. NFS</li> <li>4. Broadband Network</li> <li>5. Q&amp;A and Inspection Circle</li> <li>6. Southern Telecom Project</li> </ol>





		<p>Following circles have reported that the revenue share is correctly calculated as per the norms and guidelines in license agreement and are appropriately appearing in the Ind AS financial statements:</p> <ol style="list-style-type: none"><li>1. Andaman and Nicobar</li><li>2. Andhra Pradesh</li><li>3. Assam</li><li>4. Chhattisgarh</li><li>5. Easter Telecom Project</li><li>6. Eastern Telecom Region</li><li>7. Gujarat</li><li>8. Himachal Pradesh</li><li>9. Information Technology Project Circle</li><li>10. Jammu &amp; Kashmir</li><li>11. Karnataka</li><li>12. Maharashtra</li><li>13. NATFM</li><li>14. North East Task Force</li><li>15. Punjab</li><li>16. Uttarakhand</li><li>17. Telephone Factory Jabalpur</li><li>18. Telecom Factory Kolkata</li><li>19. Tamil Nadu</li><li>20. UP (East)</li><li>21. West Bengal</li><li>22. Western Telecom Region</li><li>23. Western Telecom Project</li><li>24. Receipts &amp; Payments and Budget Banking Finance Unit ('R&amp;P and BBF unit')</li></ol> <p>Separate details as per Appendix-B is attached in respect of the following circles:</p> <ol style="list-style-type: none"><li>1. Chennai Telephones</li><li>2. Madhya Pradesh</li><li>3. NCNGN</li><li>4. North East-II</li><li>5. Odisha</li><li>6. Rajasthan</li><li>7. Kolkata Telephones</li></ol> <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p>
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		<p><b>1. BRBRAIT</b></p> <p>Circle has wrongly paid License fee of Rs. 49.10 Lakhs in 2nd Quarter of F.Y. 2017-2018 instead of actual liability for such quarter of Rs. 11.15 Lakhs. Such excess amount of Rs. 23.86 Lakhs, after adjusting 3rd and 4<sup>th</sup> quarter liability towards license fee has been debited in GL 2610699 "PREPAID EXPENSES-OTHERS".</p> <p><b>2. ALTTC</b></p> <p>The Figures for License fee and spectrum usage charges as appearing in the financial statements the ALTTC circle of BSNL, have been checked and one discrepancy was noticed. As per the management, some rectification entries were missed out during the year. At the time of preparation of provisional figures (for AGCR) for 4<sup>th</sup> quarter, there was a calculation mistake which was as follows:</p> <p>In Basic LF/USO levy: Rs. 2166.80 In NLD/ILD services: Rs. 896.00</p> <p>There were manually rectified at the time of submission of final AGCR but the rectification entries pertaining to these were not passed in the books of accounts.</p> <p><b>3. HARYANA</b></p> <p>Revenue share (License fee and Spectrum Usage Charges) appearing in the financial statements have been correctly stated except for</p> <p>a) The Circle segregates revenue from NLD (National long distance)/ ILD (International long distance) on an estimated basis instead of actual usage of pulse which consequently results in recognition of the Spectrum Charges on an estimated basis. The impact of adjustment, if any, on the Spectrum Charges is presently not ascertainable for the year.</p> <p>b) Liquidated Damages recovered from the contractors/suppliers, which have been reduced from the relevant asset cost and relevant revenue expenditure. In our opinion, the same should be booked as revenue income.</p> <p>c) As per the information and explanation given to us, the Circle has not booked USO Fund subsidy amounting to Rs. 131.30 Lakhs. Due to this there is under-estimation of license fee, as the same has not been considered as revenue for calculation of 'Adjusted Gross Revenue'.</p>
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#### 4. KERALA

As per the accounting policy of the Company, Income from recharge coupon of mobile and prepaid calling cards is treated as income of the year in which payment is received. In our opinion, value of cards sold but not activated and unused talk time in activated cards should not be treated as income but should be shown under "Income received in advance". This has resulted in overstatement of net profit and understatement of other current liabilities by Rs. 38.07 Lakhs.

This has also resulted in the advance payment of License Fee, USOF Levy, Spectrum charges and Microwave access charges to the extent of unexpired portion of these cards. As per details furnished by Circle, it is estimated that Rs. 99.91 Lakhs is the excess license fee paid, Rs. 166.52 Lakhs is the excess USO levy paid and Rs. 185.17 Lakhs is the excess Spectrum charges paid on account of this for this year. Hence, net profit is understated by Rs. 451.61 Lakhs.

For the purpose of calculating License Fee, USOF Levy and Spectrum Charges payable to DoT, since copy of the license agreement with DoT has not been made available to us for verification, we have relied on Corporate Office instructions dated 11/04/2011 and 03/03/2016 followed by the Circle.

Circle has wrongly paid License fee of Rs. 49.10 Lakhs in 2nd Quarter of F.Y. 2017-2018 instead of actual liability for such quarter of Rs. 11.15 Lakhs. Such excess amount of Rs. 23.86 Lakhs, after adjusting 3rd and 4th quarter liability towards license fee has been debited in GL 2610699 "PREPAID EXPENSES-OTHERS".

#### 5. NORTH EAST I

As detailed in Notes to the financial statements, the Circle does not have a system of identifying NLD/ ILD revenue separately based on the actual usage of pulse. In the absence of such a system, the circle is recognizing the license fee as per program provided by corporate office and the consequential impact of adjustment, if any, upon computing the license fee on actual basis is currently not ascertainable.

#### 6. NTP

In respect of license fee payable for the current financial year, NTP Circle has provided for the following amounts

		<p>on the basis of computation carried out by software provided by the Corporate Office, BSNL. The calculations in respect thereof cannot be verified at the NTP Circle Office level.</p> <p>a) License Fee on Basic, NLD, ILD &amp; Internet services Re. 1.09 Lakhs</p> <p>b) USOF Levy on Basic, NLD,ILD &amp; Internet services 1.83 Lakhs</p> <p><b>7. STR</b></p> <p>1) We have verified the statement of revenue and loss for four quarters and the cumulative total for the year 2017-18 of M/s BSNL, STR Chennai with relevant figure from the trial balance as on 31st march 2018 and the reconciliation statement for the financial year 2017-18 generated from software. We have been further informed that adjusted gross revenue reflecting in the statement of revenue and license fee is system generated.</p> <p>2) In our view the company has an adequate internal control system in relation to revenues which commensurate with its size an business. The system in our opinion provides reasonable assurance that there is no unrecorded revenue.</p> <p>3) No amt. payable in respect of sales tax, service tax, goods and service tax or PSTN/ toll/ roaming charges were outstanding at the last date of year ending 31.03.2018 for a period of more than two months from the date they become payable as per the certificate received from M/s BSNL,STR Chennai.</p> <p>4) In our opinion and to best of our knowledge and belief and according to the explanation given to us, the statement has been prepared in accordance with norms/ guidelines contained in said license/ permission in this behalf and gives a fair and true view of revenue and license fees payable for the period computed on the basis of aforesaid guidelines.</p> <p><b>8. TELEPHONE FACTORY MUMBAI</b></p> <p>We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.</p>
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		<p>In our view, the circle has an adequate internal control system in relation to revenues which is commensurate with its size and nature of its business. The system, in our opinion, provides reasonable assurance that there is no unrecorded revenue and that all revenue is recorded in the proper account and in the proper period.</p> <p>We have informed that no undisputed amounts payable in respect of Sales Tax or PSTN/Roaming charges were outstanding at the last day of the year for a period of more than two months from the date they become payable.</p> <p>As per the information and explanation given to us, the statement has been prepared in accordance with the circulars and internal communication for the License Agreement in this behalf and gives a true and fair view of the revenue and license fee payable for the period computed on the basis of aforesaid guidelines, subject to non-provision of interest income on advances to employees and rebate receivable for speed post services from the Indian Post and Telegraph Department which are accounted on 'Cash Basis'.</p> <p><b>9. JHARKHAND</b></p> <p>The AGR is calculated by separate software provided by HO. In which the data is captured from SAP. The data captured has been checked by us but the calculation of AGR has been done by the software.</p> <p><b>10. NTR</b></p> <p>The Statement of Revenue and License Fee has been prepared based on the computation carried out by Excel Software Programme given by Corporate Office, BSNL. As explained to us, they said software is prepared in accordance with the license agreement entered in this behalf.</p>
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**For ANDROS & Co.**  
**Chartered Accountants**  
Firm's Registration No.:008976N

Sd/-  
**(Puneet Gupta)**  
Partner  
Membership No.: 093714

Place : New Delhi  
Dated : 4<sup>th</sup> October, 2018

**“Annexure II to the Independent Auditor’s Report of even date to the members of Bharat Sanchar Nigam Limited on the Standalone Ind AS financial Statements for the year ended 31 March 2018”**

## APPENDIX A

1012

Andhra Pradesh

- a. As per the information and explanations provided to us by the management and as stated vide Note No. 38.6 of the Ind AS financial statements, the Circle has lands admeasuring 32,36,563 sqm (for 1668 lands) (Previous year – 32,34,674 sqm – 1667 lands) of which lands admeasuring 31,71,635 sqm (for 1649 lands) (Previous year – 31,69,747 sqm – 1648 lands) are freehold lands and lands admeasuring 64,927 sqm (for 19 lands) (Previous year – 64,927 sqm – 19 lands) are leasehold lands.

Regarding Freehold Lands admeasuring to 31,71,635 sqm (for 1649 lands), lands inherited from DOT are admeasuring to 28,37,377 sqm (for 1135 lands) (Previous year – 28,35,489 sqm, 1134 lands) and lands acquired are admeasuring to 3,34,258 sqm (for 514 lands) (Previous year – 3,34,258 sqm, 514 lands).

Out of the total DOT lands admeasuring 28,37,377 sqm (for 1135 lands) (Previous year - 28,35,489 sqm, 1134 lands), DOT has given approval for mutation of lands admeasuring 19,39,166 sqm (for 682 lands) (Previous year -19,38,795 sqm, 682 lands) and the Circle has got the mutation process completed to the extent of 12,55,158 sqm of land area (for 521 lands) (Previous year - 12,36,456 sqm, 511 lands) and title deeds are available for these 521 lands (Previous year – 511 lands). Mutation process is not completed for the remaining area of 6,84,008 sqm (for 161 lands) (Previous year - 7,02,339 sqm, 171 lands).

Out of 682 lands permitted for mutation, 11 lands (previous year – 11 lands) are under joint occupation with the Department of Posts. In respect of these 11 lands, 4 lands (previous year – 4 lands) are bifurcated and mutated in the name of BSNL and 7 lands (previous year – 7 lands) are not yet bifurcated. Pending the identification process by Joint survey to confirm the larger area of occupancy between Department of Telecommunications and Department of Post and consequent acquiring of immovable property and its title deeds by one of the parties holding larger occupancy, no title deeds are held by the circle in respect of these 7 lands under joint occupancy.

Out of the total lands admeasuring 3,34,258 sqm (for 514 lands) acquired by the Circle, title deeds are available for lands admeasuring 2,37,470 sqm of lands (for 333 lands) (previous year - 2,37,470 sqm, 333 lands) and title deeds are not available for lands admeasuring 96,788 sqm (for 181 lands) (previous year - 96,788 sqm, 181 lands).

Regarding Leasehold lands, the Circle has taken lands admeasuring 64,927 sqm (for 19 lands) on lease of which lands admeasuring 58,251 sqm (for 15 lands) (previous year - 58,251 sqm, 15 lands) are under the lease hold rights of DOT and lands admeasuring 6,676 sqm (for 4 lands) (previous year - 6,676 sqm, 4 lands) are under the lease hold rights of the Circle.

For lands under the lease hold rights of DOT, lease deeds in the name of DOT are available for lands admeasuring 41,978 sqm (for 9 lands) (previous year - 41,978 sqm 9 lands) and not available for lands admeasuring 16,273.5 sqm (for 6 lands) (16,273.5 sqm, 6 lands).

For lands under the lease hold rights of the Circle, lease deeds are available for all the 4 lands (previous year - 4 lands) admeasuring 6676 sqm.



## 1017-Haryana

Details of freehold land and leasehold land not in the name of the Circle/ the Company:

## Freehold Land

Sr. No.	Business Area	Location	Area (in Sq. metre)	Rs. (in lakhs)
1	Ambala	Arya Chowk, Part-I, Ambala City	7300	2,566.65
2	Ambala	Arya Chowk, Part-II, Ambala City	1533	1,100.07
3	Ambala	T.E. Compound, Yamuna Nagar	543.33	137.08
4	Ambala	Staff Quarter Compound, Kalka	3344.87	568.63
5	Ambala	Staff Quarter Compound, Yamuna Nagar	2010.52	108.6
6	Ambala	M/W Compound, Anaj Madi, Kalka	3486	87
7	Ambala	Gulab Nagar, Yamuna nagar	1594.29	223.19
8	Faridabad	TE Compound Sector 23	12138	4,624.81
9	Faridabad	P & T Colony - NH 2	4825	2,626.31
10	Faridabad	Te1ecome/ BSNL Plot F•49 & 49A	441.9	312.69
11	Faridabad	BSNL Plot F-21A & 22A	478.79	338.79
12	Faridabad	Telecome/ BSNL Plot F-27	187.2	132.46
13	Faridabad	TE Compound Nehru Ground	1883	1,844.84
14	Faridabad	TE compound - Palwal	2541	821.11
15	Faridabad	Telecom/ BSNL Plot L-39A	187.2	132.46
16	Faridabad	E-10 B Compound Ser-15 A	6069	4,624.81
17	Faridabad	Sector 36	9504	10,346.19
18	Faridabad	TE Compound, Ballabhgarh	4236	1,383.42
19	Gurgaon	DLF, Phaae - II	3586	4,684.73
20	Gurgaon	Sector I8	11975.6	9125.86
21	Gurgaon	DTO, BLDG Compound - Gurgaon	442	2,889.05
22	Gurgaon	E 10B, Gurgaon	3470.59	4722.85
23	Gurgaon	Sec-7, Gurgaon	561	366.43
24	Gurgaon	South City Gurgaon	1380	1,201.84
25	Hisar	T.E. Compound, Ratia	3035	971.2
26	Hisar	T.E. Compound, Abubsahar	758	2.1
27	Hisar	T.E. Compound, Hindanwala	2782	1.38
28	Hisar	T.E. Compound, Siswal	2159	43.18
29	Hisar	T.E. Compound, Uklana	4749	379.92
30	Hisar	Adin. Compound, Urban Estate, Hisar	2249	2017.5
31	Hisar	Coaxial Staff Quarter, Dabwali	4145.6	580.38

Sr. No.	Buusiness Area	Location	Area (in Sq. metre)	Rs. (in lakhs)
32	Hisar	T.E. Compound, Sikanderpur	2023	0.77
33	Hisar	T.E. Compound, Sirsa road, Dabwali	4057	566.44
34	Jind	TE compound - Julana	4552.56	6.03
35	Jind	HUDA Complex Jind	2520	831.6
36	Jind	Main Exchange Building Jind	2789.23	4
37	Jind	Tele Bhawan Coaxial Building, Jind	3344.4	133.76
38	Jind	TE Compound, Eharakramji	67	0
39	Jind	TE Compound, Kinana	2431	534.82
40	Jind	M/W Compound, Narwana	2431	534.82
41	Jind	TE Compound, Narwana	4174.65	667.94
42	Jind	Old TE Compound, Safidon	152	1.52
43	Karnal	DTO, BLDG compound - Panipat	1200	0
44	Karnal	Sanchar Kunj Model Town - Panipat	10455	2,509.20
45	Karnal	Sukhdev Nagar, Panipat	3921	2823.12
46	Karnal	Compound, Ismailabad	4047	262.99
47	Karnal	Telecom Store, Karnal	3802	9.94
48	Karnal	TE Compound, Nilokheri	1925	596.75
49	Rewari	M/w, Naichana	2076.96	13.66
50	Rewari	Jhajjar Chownk, Rewari	10000	264.27
51	Rewari	Sec- 4, Rewari	6000	3,276.80
52	Rohtak	TE Compound - Charkhidadri	4046	1,063.69
53	Rohtak	Sanchar Kunj - Bhiwani	1900	294.5
54	Rohtak	TE Compound - Tosham	2508	100.32
55	Rohtak	TE Compound, Bhawanikheri	3692	147,68
56	Rohtak	TE Compound, Bhadra	4046	242.76
57	Rohtak	TE Compound, Bhiwani	5226	2,811.05
58	Rohtak	TE Compound, Bond	4237	211.85
59	Rohtak	Old TE Compound, Charkidadri	280	501.2
60	Rohtak	TE Compound, Tigrana	4046.00	9.68
61	Rohtak	Main TE Compound, Bhadurgarh	9027.00	4062.15
62	Rohtak	DTO Compound, Rohtak	1383.00	1,901.47
63	Rohtak	Main TE Compound, Rohtak	4340.00	4,669.84
64	Rohtak	Sainipur	1781.00	425.86
65	Rohtak	Sec 2,3,4 Rohtak	2000.00	358.67
66	Rohtak	Store Compound 2,3,4 Rohtak	11661.50	1,673.04





Sr. No.	Business Area	Location	Area (in Sq. metre)	Rs. (in lakhs)
67	Sonepat	Sec-23, Sonepat	1900.00	228
68	Sonepat	TE Compound, Ahulana	2800.00	1.77
69	Sonepat	TE Compound Akbarpur, Barota	2023.00	182.07
70	Sonepat	TE compound, Bhainswal	3390.00	1.37
71	Sonepat	TE Copmound, Datauli	2023.00	0.83
72	Sonepat	TE Compound, Farmana	2023.00	1
73	Sonepat	TE t2ompound, Jantikalan	2023.00	161.84
74	Sonepat	TE Compound d Joshi, Chauhan	3306.00	235.2
75	Sonepat	TE Compound, Moi	1517.00	0.45
76	Sonepat	Exchange Compound, Nahra	4319.00	0.91
77	Sonepat	Exchange Compound, Palri	2023.00	0.43
78	Sonepat	TE Compound, S.P Majra	1340.00	0.53
79	Sonepat	TE Compound, aanwali	2023.00	0.8
<b>Total</b>			<b>266420.19</b>	<b>90292.89</b>

**LeaseHold Land**

Sr. No.	Business area	Location	Area (in S. Metre)	₹
1	Ambala	CGM office compound	10731.70	1
2	Ambala	GPO complex	1000.00	1
3	Ambala	P & T Colony	4880.25	1
4	Ambala	CTO Compound Ambala Cantt	6671.00	1
5	Ambala	GMTS Office Compound	10220.00	1
6	Ambala	Napier Road Compound	6489.00	1
			<b>39991.95</b>	<b>6</b>

**Table B: Mutation of land of DoT in favour of BSNL**

Sr. No	Particulars	No. of Lands
1	Number of Lands permitted for mutation	605
2	Number of Lands mutated as at 31st March 2018	281

**1062-NTP**

Sr. No.	Address	Amount	Nature of land
1	Jodhpur	1,11,000/-	Freehold
2	Jodhpur	27,770/-	Freehold

Sr. No.	Address	Amount	Nature of land
3	Jodhpur	53,800/-	Freehold
4	Allahabad	1/-	Freehold
5	Gajraula, Agra	2,59,422/-	Leasehold

**1028-Punjab**

**FOR FREEHOLD LANDS**

S.No.	Business Area Code	Business Area	Total No of Land Parcels	Area(Sq.Meters)
1	2802	Amritsar	34	73086
2	2803	Bathinda	13	54157
3	2804	Chandigarh	10	37035
4	2805	Ferozepur	47	160649
5	2806	Hoshiarpur	13	54916
6	2807	Jalandhar	14	40166
7	2808	Ludhiana	37	158284
8	2809	Pathankot	19	62054
9	2810	Patiala	27	85275
10	2811	Ropar	3	13587
11	2812	Sangrur	12	32475

**FOR LEASEHOLD LANDS**

S.No.	Business Area Code	Business Area	Total No of Land Parcels	Area(Sq.Meters)
1	2801	Circle Office/CMTS	1	11533
2	2804	Chandigarh	13	105344
3	2806	Hoshiarpur	1	929
4	2808	Ludhiana	2	12680
5	2809	Pathankot	1	4182

**1029- Rajasthan**

Based on the review of asset register and according to the information and explanations given to us, the title deeds of 73 Pcs. of Lands are not held in the name of the company (Refer Note. 2(b) of Schedule 35). The details are as under

S. No.	No. of Cases	Particulars	Gross Block as on 31-03-2018	"Net Block as on 31-03-2018"
1	38	Free Hold	51,419.90	51,419.90
2	35	Lease Hold	448.28	300.92
<b>Total</b>	<b>73</b>		<b>51,868.18</b>	<b>51,720.82</b>



**1030-Tamil Nadu**

Business Area	Total No. of Land parcels	Area (in Sq. Meters)
Circle Office	1	21282
Coimbatore	12	17866.02
Cuddalore	5	20744.56
Dharmapuri	14	74475.86
Erode	6	15781
Karaikudi	7	25682.79
Kumbakonam	8	18080.75
Madurai	10	23669.22
Nilgiris	10	16872.87
Pondichery	6	2667.13
Salem	8	23448.21
Thanjore	16	22802
Tirunelveli	5	6556.36
Trichy	12	22136.71
Tuticorin	1	1000
Vellore	6	66755.83
Virudhunagar	3	7690.36
<b>Total</b>	<b>130</b>	<b>387511.67</b>

**1034-West Bengal**

**Summary of Free Hold Property**

	Free Hold Land Parcels		
	No.	Area (sq. mtr.)	Cost (Rs. Lakhs)
Kolkata	37	511726.62	68046.46
Circle Office Exhibit	0	0	0
Kharagpur	15	59704	2493.54
Asansole	34	107496.33	10209.79
EZBC	0	0	0
Gangtok	14	37160.26	3078.91
Siliguri	64	211505.19	22863.21
Bankura	5	9257	313.87
<b>Total</b>	<b>169</b>	<b>936849.4</b>	<b>107005.78</b>

## HIMACHAL PRADESH

S. No	Name of BA	Name of Plot to be Mutated Annexure-1	Freehold/ Leasehold	Cost of Land(Gross)	Cost of Land(Net)	Cost of Building (Gross)	Cost of Building(Net)	Dep. For F.Y 2017-18	Remarks (if any)
1	Dharamsala	T.E., TEL.XGE CHAMBA	Leasehold	30000.00	30000.00	2193111.00	965435.51	49068.79	
2	Dharamsala	ADMN. COMPLEX, DTO/CSC DHARAMSHALA	Feehold	26027.00	26027.00	15895476.00	6425920.19	360349.62	
3	Dharamsala	BSNL COMPLEX, TE (RSU) DHARAMSHALA	Feehold	142007.00	142007.00	3579609.00	1621155.84	82510.18	
4	Dharamsala	ADMN. COMPLEX, DTO/CSC PALAMPUR	Feehold	15973.00	15973.00	7911207.00	395560.00	0.00	
5	Dharamsala	T.E., TEL.XGE, DALHOUSIE	Feehold	386513.00	386513.00	16584798.00	10841323.31	553937.17	
6	Dharamsala	BSNL COMPLEX, TEL.XGE NAGROTA	Leasehold	784040.00	784040.00	13095172.00	5040626.14	359043.16	
7	Dharamsala	TE, MW STATION DEOGA	Feehold	1.00	1.00	0.00	0.00	0.00	Building exists but not in asset register. The same will be updated in assets register during 2018-19.
8	Dharamsala	MW, MW STATION KANGRA	Feehold	1.00	1.00	0.00	0.00	0.00	Building exists but not in asset register. The same will be updated in assets register during 2018-19.
9	Hamirpur	BSNL Complex Ghumanwin	Freehold	1.00	1.00	10183813.00	4330009.00	244293.81	
10	Hamirpur	TE BLDG Hamirpur	Freehold	10725000.00	10725000.00	10152758.00	4138140.07	299787.65	
11	Hamirpur	BSNL Complex UNA	Freehold	4800000.00	4800000.00	10042633.00	4167232.45	304564.38	
12	MANDI	BSNL COMPLEX-Udaipur	Freehold	31850	31850	9686975	4622078	237237	Forest Land
13	MANDI	TE COMPLEX-Seri Bazar Mandi	Freehold	1	1	3824711	1852759	97092	P&T
14	MANDI	TE COMPLEX-The Mall Manali	Freehold	1	1	8802877	3881139	213945	Municiple Committee
15	Shimla	NICHAR T.E. BLDG. COMPLEX KHASRA NO.1007/1	Free Hold	1.00	1.00	534000.00	207102.64	-14641.59	
16	Shimla	CHOPAL T.E. BLDG. COMPLEX KHASRA NO.1499/1485	Free Hold	1.00	1.00	6217587.00	2553996.63	-129226.12	
17	Shimla	DOWNDALD BSNL COMPLEX KHASRA NO.667 TO 675	Free Hold	1.00	1.00	1792914.00	691009.30	-56151.64	



S. No	Name of BA	Name of Plot to be Mutated Annexure-1	Freehold/ Leasehold	Cost of Land(Gross)	Cost of Land(Net)	Cost of Building (Gross)	Cost of Building(Net)	Dep. For F.Y 2017-18	Remarks (if any)
18	Shimla	JATOG CANT SURVEY NO.68&68-A	Free Hold	1.00	1.00	0.00	0.00	0.00	Building not constructed
19	Shimla	KHARA PATHAR T.E. BLDG. COMPLEX KHASRA NO.565/532	Free Hold	1.00	1.00	0.00	0.00	0.00	Building not constructed
20	Shimla	MAHASUPEAK M/W COMPLEX KHASRA NO.1/1	Free Hold	1.00	1.00	505625.00	280072.67	-14279.93	
21	Shimla	MASHOBRA T.E. BLDG. COMPLEX KHASRA NO.419/266	Free Hold	1.00	1.00	0.00	0.00	0.00	Building not constructed
22	Solan	Kasauli	freehold	0	0	466,368.00	260,738.60	7,796.84	
23	Solan	Kasauli	freehold	0	0	1,052,720.00	420403.49	15,129.27	
24	Solan	Patta Mehlog	freehold	0	0	4,015,808.00	1888432.19	93,038.74	
25	Solan	Solan(P & T)Colony	freehold	0	0	816,931.00	383200.77	19,495.19	
26	Solan	TE SECTOR-1, SEC-1 PARWANOO	freehold	0	0	160,812.00	73462.39	3736.03	
27	Solan	H.B.COLONY, PARWANOO	freehold	0	0	337,264.00	147,527.38	7497.78	
28	Solan	S.Q., SAPROON SOLAN	freehold	0	0	560,410.00	348120.92	17,773.43	
29	Solan	TE, VILL- SANGRAH	freehold	0	0	3,003,670.00	1,308,967.48	66,523.19	
<b>Total</b>				<b>16941422</b>	<b>16941422</b>	<b>131417249</b>	<b>56844413.24</b>	<b>2818519.19</b>	

1053-STR

SI No	Unique CODE	Revenue District	Station	Name of Compound	Location of the Property as per Revenue Records	date of acquisition	Cost at the time of Acquisition in Lakhs	Total Area of Land in sqmts
1	472830130	CHENNAI	ANNA NAGAR	ANNA NAGAR STR STAFF QTRS	TS NO. 2 BLOCK-3 OF MULLAM VILLAGE AND NEW S. N. 8/9 BLOCK NO. 12 OF AYANAVARAM	1970	1.40625	6362

Sl No	Unique CODE	Revenue District	Station	Name of Compound	Location of the Property as per Revenue Records	date of acquisition	Cost at the time of Acquisition in Lakhs	Total Area of Land in sqmts
2	472830129	CHENNAI	GUINDY	CGM(O)	S.F.NO 32/17 18 19 & 32/14 15	1993	36.78735	1604
3	472830298	CTD-CHENNAI	MENAMPEDU CHENNAI CXL	MEENAMBEDU CXL CHENNAI MW STN	S.F. NO 216 & 222/2	00-00-1972	0.47655	98136
4	472830451	ERNAKULAM	ERNAKULAM	DTS COMPOUND	NIIL	24-03-1969	0.00001	2600
5	472830453	ERNAKULAM	ERNAKULAM	DTS SQ COMPOUND	47/22-1&47/22-2	24-03-1969	1.42099	1601
6	472830162	ERNAKULAM	KALOOR	KALOOR MW STN	2205/4 587/10 11	13-03-1974	4.63822	9049.6
7	472830165	ERNAKULAM	MUVATTUPUZHA -MEENAKKUNNAM	M U V A T T U P U Z H A MEENAKKUNNAM SAT E/S	124/6A1 6B2	28865	0.85	8903
8	472830202	GUNTUR	NARASARAOPET	NARASARAOPET-OFC	TS NO 249 AND 300	28859	2.72577	4271
9	472830258	HYDERABAD	BANJARA HILLS	BANJARA HILLS MW STN	S NO 403 OF SHEIKPET AND 102 OF HAKEEMPET	29224	0.9025	8060
10	472830444	IDUKKI	PAINAVU	IDUKKI MW/DTS	S.NO. 161/1	31-03-1986	0.99	1335.5
11	472830082	KANCHIPURAM	CHUNAMPEDU	CHUNAMPEDU REPTR STN 30	CHUNAMPEDU VILLAGE R S NO 284/3B	24-6-1981	0.00001	121.41
12	472830083	KANCHIPURAM	KANTHADU	KANTHADU REPTR STN 33	KANTHADU VILLAGE R S NO 239/4	27489	0.003	81.08
13	472830491	KANCHIPURAM	MUPPANIHALMALAI	MUPPANIHALMALAI MW	R S NO 99/2	14-09-1977	0.00001	2500
14	472830087	KANCHIPURAM	PERYAKALAKADI REPTR	PERYAKALAKADI REPTR STN 28	PERYAKALAKADI VILLAGE R S NO 37/7	30-11-1974	0.0015	81.08
15	472830213	KRISHNA	BHIMAVARAM	BHIMAVARAM-MW	OPP NH-9 BHIMAVARAM	33034	0.5	2400
16	472830212	KRISHNA	VIJAYAWADA	VIJAYAWADA MW	0/0 NO RECRD	15-08-1947	2.18383	1987.2
17	472830281	MEDAK	KALAKKAL	KALAKKAL MW STN	S NO 180/2	31781	0.8423	1618.9
18	472830353	MYSORE	MYSORE	SIDDHARTHANAGAR SQ	0/0	00-00-1974	0.46667	1858
19	472830073	NAGERCOIL	MUPPANDAL (VLO-NGC RS 15)	MUPPANDAL REPEATER STN	S.F. NO 41/1 THOVALAI VILLAGE-THOVALAI TALUK-KANYA	1974	0.006	80.97
20	472830271	NALGONDA	SURYAPET	SURYAPET SQ	S NO 216	30682	1.6097	1661.5
21	472830274	NIZAMABAD	KAMAREDDY	KAMAREDDY OFC STN	S NO 749	30320	3	3339
22	472830277	NIZAMABAD	NIZAMABAD	NIZAMABAD SQ	SIRNAPALLY	15-08-1947	0.58994	1292.53
23	472830279	NIZAMABAD	VIJAYANAGAR	VIJAYANAGAR MW STN	S NO 249/1	29590	0.047	1517



Sl No	Unique CODE	Revenue District	Station	Name of Compound	Location of the Property as per Revenue Records	date of acquisition	Cost at the time of Acquisition in Lakhs	Total Area of Land in sqmts
24	472830288	PRAKASHAM	ONGOLE	ONGOLE CXL	ONGOLE	26302	2	841.5
25	472830100	SALEM	VALAYAMADEV	VALAYAMADEV MW	SF NO 348	30926	0.01008	2307.55
26	472830115	TIRUNELVELI	MUTHUSAMIPURAM	MUTHUSAMIPURAM REPEATER	S.F. NO 1206	1974	0.005	80.97
27	472830117	TIRUNELVELI	SOUTHVALLYOOR	SOUTHVALLYOOR REPEATER	S.F. NO 1190/2	1974	0.005	80.97
28	472830118	TIRUNELVELI	TENKASI	TENKASI OFC	S.F. NO 274/1 TENKASI VLG TENKASI TK	21.02.1983	0.8856	2914.56
29	472830120	TIRUNELVELI	VAGAIKULAM	VAGAIKULAM MW STN	S NO 390/B1B RAJAKKALMANGALAM VLG NANGUNERI TK	22.11.1996	0.11639	2550
30	472830124	TRICHY	THUVAKUDI	THUVAKUDI REPEATER 10	S.F. NO 653 AND 700	1977	0.5356	98
31	472830445	UT OF LAKSHADWEEP	AGATTI	AGATHI SAT E/S APPROACH ROAD	1302	31-03-2007	0.44859	80
32	472830166	UT OF LAKSHADWEEP	KAVARATHY	KAVARATHY SAT E/S	891/5A2 6A2	15-11-1980	0.00001	4900
33	472830135	VELLORE	PARAMASATHU	PARAMASATHU MW COMPOUND-APPROACH ROAD	S.F. NO. 169/3	10.11.74	0	18575.8
34	472830134	VELLORE	VELLORE-BANGALORE NRS	POIGAI CXL STN	S.F. NO 244/1	1978	0.11045	53
35	472830095	VILLUPURAM	TINDIVANAM	TINDIVANAM MW	TS NO 33/2 TINDIVANAM TK	18-10-1990	0.00001	2266.3
36	472830011	VILLUPURAM	VILLUPURAM	VILLUPURAM MW	R S NO 15/1	32730	9.4997	2672.06
37	472830144	VIRUDHUNAGAR	VGR-KVT RS	VGR-KVT RS 8	S.NO. 345 METTUPATTI VILLAGE SATTUR TALUK	10.07.1974	0.001	80.86
38	472830443	VIRUDHUNAGAR	VGR-MA (USILAMPATTI)	VGR-MA RS-11	485/1 CHATRAREDDIAPATTI	27095	0.01	80.86
39	472830229	VISAKHAPATNAM	BHIMILL	BHIMILL MW RR	BHIMILL	30320	0.1	2500
40	472830233	VISAKHAPATNAM	MVP -VM	MVP COL QRS-VM	S NO 23 PLOT 1 TO 4 AND 14 TO 18 SECTOR 12 CHINA WALTAIR VILLAGE	30773	1.07497	1995
41	472830238	VIZIANAGARAM	KOLHAVALAS	KOLHAVALAS OFC	DRO VZM	34338	0.17	404.7
42	472830243	WEST GODAVARI	TADEPALLIGUDEM	TADEPALLIGUDEM OFC	ELURU RS 154	25-07-1969	0.63555	2911.7

## 1033- UTTARAKHAND

S.No.	Particulars	Gross Block			Accumulated depreciation			Net Block		
		Opening balance as per Ind AS as at 1 April 2017	Additions for the FY 2017-18	Deletions for the FY 2017-18	Closing balance as per Ind AS as at 31 March 2018	Opening balance as per Ind AS as at 1 April 2017	Charge for the FY 2017-18		Deductions/ Adjustments for the FY 2017-18	Closing balance as per Ind AS as at 31 March 2018
1	Lands (Free Hold)	3691785982	0	0	3691785982	1201891.02	18443.01	0	1220334.03	3690565648
2	Lands ( Lease Hold)	7200034	0	0	7200034	474357666.7	28901943.78	0	503259610.5	-496059576.5

## 1022-Kerala

S.N.	Particulars	Gross Block			Accumulated depreciation			Net Block		
		Opening balance as per Ind AS as at April 1, 2017	Additions for the FY 2017-18	Deletions for the FY 2017-18	Closing balance as per Ind AS as at March 31, 2018	Opening balance as per Ind AS as at April 1, 2017	Charge for the FY 2017-18		Deductions/ Adjustments for the FY 2017-18	Closing balance as per Ind AS as at March 31, 2018
1	Lands ( Free Hold)	30729998381	1282878.62	46647500	30684633760	0	0	0	0	30684633760
2	Lands ( Lease Hold)	128614	0	0	128614	128614	0	0	128614	0

## 1036 - Chennai Telephones

Sl. No.	Company Name	District	Station	Compound	Address	Year of acquisition of land	Area of Land (in Sq. Meter)	Location as per Revenue Records
1	BSNL	Kanchipuram	Pallavaram Zameen	Chromepet	179, GST Road	20911	850	179 GST Road
2	BSNL	Kanchipuram	Padalam	MW	Radalam Microwave Station, Boodur, Near to Madurantakam, Kanchipuram distt.	17258	3000	Microwave Bldg
3	BSNL	Chennai	Royapuram	Kalmandapam	No.21-A, G.A. Road, Kalmandapam, chennai	20546	3111	RS No 2093/9
4	BSNL	Chennai	Mambalam	DTO	12, Giri Road, T. Nagar, chennai	17258	443	25, Giri Road, T Nagar
5	BSNL	Chennai	Reriyar Nagar	DTO	No.68, Kandasamy Road, Periyar Nagar, Chennai	32234	322	Pariyar Nagar
6	BSNL	Chennai	CIT Nagar	Mambalam	No.652, Anna Salai, Nandanam, Chennai	21276	4595	Plot No.57, 59, 60 CIT Nagar Scheme
7	BSNL	Chennai	Mylapore	Mylapore	No.58/166, Luz Church road, Mylapore, Chennai	17258	1469	RS No.4230/77 and 4230/78 Mylapore





8	BSNL	Chennai	Purasavakkam	Millars Road	89, Millers Road, Chennai	38719	1376	3101/3
9	BSNL	Tiruvallur	Suravarkanda Ndigai	MW	Suravarkandigai Microwave Tower, Gummidipoondi Taluk, Tamil Nadu	17258	2023	Suravarkandi Gai MW
10	BSNL	Tiruvallur	Thirutani	MW	Pattabirama-puram, Thirutani Microwave Building, Chennai, Thirutani Road, Thirutani	17258	2023	Thirutani MW
11	BSNL	Chennai	CTO	DTO	2nd Line Beach Road, Chennai	24929	2500	2nd Lane Beach road
12	BSNL	Chennai	Triplicane Village	Anna Road	11, Dams Road, Chennai	16528	5666	10 Dams Road

**1021-Karnataka**

**Table A: Availability of Title Deeds**

Sl. No	Particulars	Title Deeds (Nos)		Title Deeds (Sqm)			
		Total	Available	Not Available	Total	Available	Not Available
1	Freehold Land	1,232	962	270	22,20,189	19,07,439	4,83,655
2	Leasehold Land	58	54	4	4,06,514	1,99,135	10,900
	<b>Total</b>	<b>1,290</b>	<b>1,016</b>	<b>274</b>	<b>26,26,703</b>	<b>21,06,754</b>	<b>4,94,555</b>

**10251-NEI**

S.No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
<b>A. MEGHALAYA</b>							
1	BANASHREE (LOWER)	Meghalaya	Free hold	Nongrim Nonthymmai	5378 Sq.m.	yes	DOT
2	WILLIAM NAGAR—(S/Q COMP.)	Meghalaya	Free hold	Plot No. 58-794111	2676 Sq.m.	No	DOT
3	WILLIAM NAGAR—(T.E. COMP.)	Meghalaya	Free hold	Plot No.16-794111	1338 Sq.m.	No	DOT
4	WILLIAM NAGAR—(MW COMP.)	Meghalaya	Free hold	Williamnagar-794111	7417 Sq.m.		DOT
5	MAWKLOT(T.E.)	Meghalaya	Free hold	Mawklot village-793009	3254 Sq.m.	yes	DOT
6	LAITLEWLONG (UHF)	Meghalaya	Free hold	Laitlewleng Village	4010 Sq.m.	No	DOT
7	NONGPIUR ESS	Meghalaya	Free hold	Forest Land Compart	12348 Sq.m.	yes	DOT

S.No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
8	DADENGIRI(T.E.)	Meghalaya	Free hold	Dadengiri-794104	523.00 Sq.m.	No	DOT
9	BAGMARA (Satellite Compound)	Meghalaya	Free hold	Plot NO. -794102	1200 Sq.m.	yes	DOT
10	BARAKUL(M/W)	Meghalaya	Free hold	Plot No.8,Barakul ,BPO	780 Sq.m.	No	DOT
11	MAHENDRAGANJ (Satellite compound)	Meghalaya	Free hold	Plot A 130, Mahendraganj	2676 Sq.m.	yes	DOT
12	NONGPOH(M/W)	Meghalaya	Free hold	Nongpoh Hill-793102	2500 Sq.m.	No	DOT
13	SHELLA	Meghalaya	Free hold	Shella Satellite Compound	1395 Sq.m.		DOT
14	MENDIPATHAR (T.E.)	Meghalaya	Free hold	Mwendipathar village-794112	1454 Sq.m.	No	DOT
15	MAWMLUH (UHF)	Meghalaya	Free hold	Village Mawmluh Sohra	1600 Sq.m.	No	DOT
16	MAWSYNRAM (T.E.)	Meghalaya	Free hold	Mawsynram Donshiliang-793113	2500 Sq.m.	yes	DOT
17	KHARKUTTA(T.E.)	Meghalaya	Free hold	Kharkutta-783134	185.90 Sq.m.	No	DOT
18	MAWPAT	Meghalaya	Free hold	Mawpat,Shillong-793012	2500.00 Sq.m.	No	DOT
19	MAWKYRWAT(T.E.)	Meghalaya	Free hold	Mawten village Mawkyrwat-793114	2500 Sq.m.	yes	DOT
20	LADRYMBAI	Meghalaya	Free hold	Ladrymbai mookhep	1654 Sq.m.	yes	DOT
21	DAWKI (Satellite Compound)	Meghalaya	Free hold	DARRANG-DAWKI-793109	1591 Sq.m.	yes	DOT
22	PHULBARI	Meghalaya	Free hold	Rongsaigiri phulbari	1096 Sq.m.	yes	DOT
23	BANASHREE (UPPER)	Meghalaya	Free hold	Nongrim Nonthymmai	2902 Sq.m.	yes	DOT
24	NONGSTOIN(T.E.)	Meghalaya	Free hold	CAD Complex Nongstoin	2280 Sq.m.	No	DOT
25	BARAPANI, UMIA (T.E.)	Meghalaya	Lease	Part of plot no. 22 MESEB	683.6 Sq.m.	yes	DOT
26	NONGPOH(T.E.)	Meghalaya	Free hold	Nongpoh-793102	3872 Sq.m.	No	DOT
27	DAINADUBI(T.E.)	Meghalaya	Free hold	Chimabangshi Reserve Forest-794110	3000 Sq.m.	No	DOT
28	JOWAI BAZAR	Meghalaya	Free hold	Jowai Bazar-793150	938 Sq.m.	No	DOT
29	JOWAI THADLABOH	Meghalaya	Free hold	Jowai Thadlaboh-793150	2080 Sq.m.	No	DOT
30	GPO, SHILLONG	Meghalaya	Freehold	GPO,Shillong-793001	1316 Sq.m.	No	DOT



S.No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
31	MAIRANG (T.E.)	Meghalaya	Free hold	Mairang-793120	2000 Sq.m.	yes	DOT
32	SHKENTALANG (T.E.)	Meghalaya	Free hold	Shkentalang Elakaamwi-793150.	1200 Sq.m.	yes	DOT
33	NONGPOH BAZAR (M/W)	Meghalaya	Free hold	Nongpoh Bazar-793102	276.6 Sq.m.		DOT
34	RALIANG	Meghalaya	Free hold	Village Raliang -793150	700 Sq.m.	No	DOT
35	RIANGDOH(T.E.)	Meghalaya	Free hold	Mawthengkut Riangdoh	2400 Sq.m.	yes	DOT
36	AVANDALE COMP.	Meghalaya	Free hold	Avandale compound Barik	2775 Sq.m.	yes	DOT
37	CTO COMP.	Meghalaya	Free hold	Telecom Qtr. CTO, Shillong	5400 Sq.m.	No	DOT
38	FOREST COLONY	Meghalaya	Free hold	Mawpun,Shillong-793001	3741 Sq.m.	yes	DOT
39	LAITKOR	Meghalaya	Free hold	Laitkor,Shillong-793010	2158 Sq.m.	No	DOT
40	TURA (ADMIN.)	Meghalaya	Free hold	TURA-794001	511 Sq.m.	No	DOT
41	TURA(S/Q.)	Meghalaya	Free hold	Tura-794001	639 Sq.m.	No	DOT
42	TURA(UHF)	Meghalaya	Free hold	Tura-794001	2700 Sq.m.	No	DOT
43	TURAT(E.)	Meghalaya	Free hold	Tura-794001	1027 Sq.m.	No	DOT
44	UMKIANG(T.E.)	Meghalaya	Free hold	Village Umkiang-793200	1301 Sq.m.	No	DOT
45	MAWLAINGUT(T.E.)	Meghalaya	Free hold	Mawlainguth village BPO, SOHIONG	1450.00 Sq.m.	yes	DOT
46	NONGSTOIN(M/W)	Meghalaya	Free hold	Nongstoin hill-793119	2500.00 Sq.m.	No	DOT
47	BAJENGDOBA (T.E.)	Meghalaya	Free hold	VILL Bajengdo-794002	4014 Sq.m.	yes	DOT
48	OAKLAND	Meghalaya	Free	Oakland, Shillong-793001	16600 Sq.m.	No	DOT
49	R.N. COMP.	Meghalaya	Free hold	R.N.	12510 Sq.m.	No	DOT
50	RYNIAH (UMPLING)	Meghalaya	Free	Umpling, Shillong-793006	28943 Sq.m.	No	DOT
51	LACHUMIE	Meghalaya	Free hold	Lachumiere, Shillong	625.00 Sq.m.	No	DOT
52	SONAPUR	Meghalaya	Free hold	Village Sonapur-793200	1171 Sq.m.	No	DOT
53	TUBER JOWAI(T.E.)	Meghalaya	Free hold	Tuber Jowai-793160	166 Sq.m.	No	DOT
54	LAITRENGEW (T.E.)	Meghalaya	Lease hold	Laitrengew-793111	13011 Sq.m.	Yes	DOT

S.No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
55	AMLAREM (T.E.)	Meghalaya	Lease hold	Plot -B,Civil subdivisional complex	900 Sq.m.	yes	DOT
56	LUMDIENGIRI,GARIKHANA	Meghalaya	Lease hold	Lumdiengiri, Garikhana,Shiilong-793001	225.00 Sq.m.	yes	DOT
57	AMPATI (T.E.)	Meghalaya	Lease hold	VII Ampati-794115	2025 Sq.m.	NO	DOT
58	BARENGAPARA(T.E.)	Meghalaya	Lease hold	DAG No. A532&A593 AT Ist Dalugaon Under Mouza IX I-794103	249 Sq.m.	yes	P&T
59	BYNIHAT(T.E.)	Meghalaya	Lease hold	Byrnihat-793101	309 Sq.m.	No	DOT
60	LUMSHONG (T.E.)	Meghalaya	Lease hold	Lumshong-village	669.1 Sq.m.	No	DOT
61	RATACHERRA	Meghalaya	Lease hold	Village Ratacherra-793200	1301 Sq.m.	No	DOT
62	MAWKYNROH	Meghalaya	Lease hold	Mawkynroh-793022	1417 Sq.m.	No	DOT
63	TURA(DAKOPGRE)	Meghalaya	Lease hold	Plot No.39III,Tura-7894001	4014 Sq.m.	No	DOT
64	CHERRAPUNJEE	Meghalaya	Lease hold	Sohra-793108	1810 Sq.m.	No	DOT
65	DHARAPUR (NEW CTSD COMP.)	Meghalaya	Lease hold	Dharapur, Guwahati	31078.00 Sq.m.	No	DOT
66	DHARAPUR (OLD CTSD COMP.)	Meghalaya	Lease hold	Dharapur,Guwahati	9088.00 Sq.m.	No	DOT
67	KHLIEHRIA(T.E.)	Meghalaya	Lease hold	KHLIEHRIA793200 block	1200 Sq.m.	No	DOT
<b>B. TRIPURA</b>							
1	BAGMA	Tripura	Free hold	Bagma-799119	1087 Sq.m.	yes	BSNL
2	GANDACHARRA-II	Tripura	Lease hold	Gandacharra-II-799289	343 Sq.m.	No	DOT
3	GONDACHERRA	Tripura	Lease hold	Gondacherra-799289	148 Sq.m.	No	DOT
4	HALAHALI	Tripura	Lease hold	Halahali-799286	1509 Sq.m.	No	DOT
5	KALYANALPUR	Tripura	Lease hold	Kalyanpur-799203	2236 Sq.m.	yes	DOT
6	KAMALPUR	Tripura	Lease hold	Kamalpur-799285	915 Sq.m.	No	DOT
7	KAMALPUR-II	Tripura	Lease hold	Kamalpur-II-799285	4394 Sq.m.	No	DOT
8	SALEMA	Tripura	Lease hold	Salema-799278	1300 Sq.m.	No	DOT
9	SHIKARIBARI	Tripura	Lease hold	Shikaribari-799289	2861 Sq.m.	No	DOT
10	BIRASHI MILE	Tripura	Lease hold	Birasimile-799264	1338 Sq.m.	No	DOT



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11	ABHIMONBARI	Tripura	Lease hold	Abhimohanbari-799289	1565 Sq.m.	No	DOT
12	CHAILENGTA	Tripura	Lease hold	Chailengta-799273	207 Sq.m.	No	DOT
13	CHURAIBARI	Tripura	Lease hold	Churaibari-799262	760 Sq.m.	No	DOT
14	DHARAMNAGAR-II	Tripura	Lease hold	Dharamnagar-II-799250	3729 Sq.m.	No	DOT
15	DHARAMNAGAR-I	Tripura	Lease hold	Dharamnagar-I-799250	741 Sq.m.	No	DOT
16	KADAMTALA	Tripura	Lease hold	Kadamlata-799261	770 Sq.m.	No	DOT
17	KAILASHAHAR-I	Tripura	Lease hold	Kailashahar-I-799277	4672 Sq.m.	yes	DOT
18	KAILASHAHAR-II	Tripura	Lease hold	Kailashahar-II-799277	3712.00Sq.m.	No	P&T
19	TELIAMURA	Tripura	Lease hold	Teliamura-799205	2089 Sq.m.	No	DOT
20	KANCHANPUR	Tripura	Lease hold	Kanchanpur-799270	1454 Sq.m.	No	DOT
21	KATHALIA	Tripura	Lease hold	Kathalia-799132	139 Sq.m.	No	DOT
22	KUMARGHAT	Tripura	Lease hold	Kumarghat-799264	4758 Sq.m.	yes	DOT
23	MANUGHAT	Tripura	Lease hold	Manughat-799275	1233 Sq.m.	No	DOT
24	PANISAGAR	Tripura	Lease hold	Panisagar-799260	2401 Sq.m.	No	DOT
25	PACHARTHAL	Tripura	Lease hold	Pacharthar-799263	312 Sq.m.	No	BSNL
26	PHULDENSHAI	Tripura	Lease hold	Phuldenshai-799269	1338 Sq.m.	No	DOT
27	SARMONTILLA	Tripura	Lease hold	Sarmontilla-799263	2361 Sq.m.	No	DOT
28	VANGMUN	Tripura	Lease hold	Vangmun-799270	123 Sq.m.	No	DOT
29	AMARPUR	Tripura	Lease hold	Amarpur-799101	1586 Sq.m.	No	DOT
30	AMBASSA (DOLUBARI)	Tripura	Lease hold	Ambassa-799289	1884 Sq.m.	No	DOT
31	BELONIA	Tripura	Lease hold	Belonia-799155	595 Sq.m.	No	DOT
32	CHATTAKHOLA	Tripura	Lease hold	Chattakhola-799155	1226 Sq.m.	No	DOT
33	HRISHYAMUKH	Tripura	Lease hold	Hrishyamukh-799156	1395 Sq.m.	No	BSNL
34	JATANBARI	Tripura	Lease hold	Jatanbari-799155	879 Sq.m.	No	DOT
35	KILLA	Tripura	Lease hold	Killa-799120	3729 Sq.m.	No	DOT
36	MAHARANI	Tripura	Lease hold	Maharani-799121	2170 Sq.m.	No	DOT
37	RADHANAGAR	Tripura	Lease hold	Radhanagar-799153	1780 Sq.m.	No	DOT
38	RANIBAZAR	Tripura	Lease hold	Ranibazar-799035	2091.85 Sq.m.	yes	DOT

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39	R.K.PUR-I	Tripura	Lease hold	R.K.PUR-I-799120	4729 Sq.m.	yes	DOT
40	R.K.PUR-II	Tripura	Lease hold	R.K.PUR-II-799120	984 Sq.m.	No	DOT
41	RUPAICHARI	Tripura	Lease hold	Rupaichari-799145	1293 Sq.m.	No	DOT
42	SABROOM-I	Tripura	Lease hold	Sabroom-I-799145	1842 Sq.m.	No	DOT
43	SABROOM-II	Tripura	Lease hold	Sabroom-II-799145	1386 Sq.m.	No	DOT
44	SANTIBAZAR	Tripura	Lease hold	Santibazar-799144	2115 Sq.m.	No	DOT
45	A.D. NAGAR (S/QRT.)	Tripura	Lease hold	ADNagar-799003	8339.00 Sq.m.	No	P & T
46	KUNJABAN	Tripura	Lease hold	Kunjaban-799006	4254 Sq.m.	No	BSNL
47	LICHUBAGAN	Tripura	Leased	Lichubagan-799012	21681.00 Sq.m.	yes	DOT
48	NORTH-GATE	Tripura	Lease hold	North-Gate-799001	4046.00 Sq.m.	No	DOT
49	BOXNAGAR	Tripura	Lease hold	Boxnagar-799106	2196 Sq.m.	No	DOT
50	JAMPUJALA	Tripura	Lease hold	Jampujala-799102	940.00 Sq.m.	No	DOT
51	KHANTYBARI	Tripura	Lease hold	Khantiybari-799205	1256.00 Sq.m.	No	DOT
52	KHOWAI-I	Tripura	Lease hold	Khowai-I-799201	1180 Sq.m.	No	DOT
53	KHOWAI-II	Tripura	Lease hold	Khowai-II-799202	1763.00 Sq.m.	No	DOT
54	MELARMATH	Tripura	Lease hold	Melarmath-799001	274 Sq.m.	No	DOT
55	SONAMURA	Tripura	Lease hold	Sonamura-799131	686 Sq.m.	No	DOT
56	DALUGAON	Tripura	Lease hold	Dalugaon-799280	1892 Sq.m.	yes	BSNL
57	KANCHANBARI	Tripura	Lease hold	Kanchanbari-799288	850 Sq.m.	YES	DOT
58	MATAI	Tripura	Lease hold	Matai-799159	1619 Sq.m.	yes	DOT
59	BARPATHARI	Tripura	Lease hold	Barpathari-799155	1619 Sq.m.	yes	DOT
60	BELONIA (NEW)	Tripura	Lease hold	Belonia(New)-799155	862 Sq.m.	No	DOT
61	JOLAIBARI	Tripura	Lease hold	Joliabari-799141	1571.00 Sq.m.	No	DOT
62	KAKRABAN	Tripura	Lease hold	Kakraban-799105	1476 Sq.m.	yes	BSNL
63	MANUBAZAR	Tripura	Lease hold	Manubazar-799143	1035 Sq.m.	No	DOT
64	MIRZA	Tripura	Lease hold	Mirza-799120	1257.00 Sq.m.	yes	BSNL
65	SALGARAH	Tripura	Lease hold	Salgarah-799125	1591 Sq.m.	yes	BSNL
66	SILACHARI	Tripura	Lease hold	Silachari-799120	1360 Sq.m.	No	DOT



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67	SRINAGAR	Tripura	Lease hold	Srinagar-799145	1288 Sq.m.	No	DOT
68	A.D. NAGAR (T.E.)	Tripura	Lease hold	AD Nagar-799003	7675 Sq.m.	No	DOT
69	CAPITAL COMPLEX	Tripura	Lease hold	Capital Complex-799012	4046 Sq.m.	No	DOT
70	KAMAN CHOWMUHANI	Tripura	Lease hold	Kaman Chowmuhani-799001	1775 Sq.m.	yes	BSNL
71	RAJNAGAR	Tripura	Lease hold	Rajnagar-799158	2118 Sq.m.	No	DOT
72	SINGHER BILL(AIRPORT)	Tripura	Lease hold	Airport (Singher Bill)-799009	544 Sq.m.	yes	BSNL
73	BARKATHAL	Tripura	Lease hold	Barkathal-799211	1416 Sq.m.	yes	DOT
74	BIRENDRANAGAR (JIRANIA)	Tripura	Lease hold	Birendranagar (Jirania)	817 Sq.m.	yes	BSNL
75	BISHALGARH	Tripura	Lease hold	Bishalgarh-799102	1795 Sq.m.	yes	BSNL
76	BISHRAMGANJ	Tripura	Lease hold	Bishramganj-799103	1876 Sq.m.	yes	BSNL
77	FATIKCHARA (KAMALGHAT)	Tripura	Lease hold	Fatikchara (Kamalghat)	1290 Sq.m.	No	BSNL
78	GANDHIGRAM	Tripura	Lease hold	Gandhigram-799012	842 Sq.m.	Yes	BSNL
79	INDRANAGAR(G B BAZAR)	Tripura	Lease hold	Indranagar (G B BAZAR)-799006	800.00Sq.m.	yes	BSNL
80	KATLAMARA	Tripura	Lease hold	Katlampara-799211	1877 Sq.m.	No	BSNL
81	MELAGHAR	Tripura	Lease hold	Melaghar-799115	1138 Sq.m.	No	DOT
82	MOHANPUR	Tripura	Lease hold	Mohanpur-799211	1800 Sq.m.	yes	BSNL
83	BIRCHANDRAMANU	Tripura	Lease hold	Birchandramanu-799045	1271 Sq.m.	No	DOT
<b>C.. MIZORAM</b>							
1	SANGAU (BSNL)	Mizoram	Free hold	Sangau-	2640 Sq.m.	YES	BSNL
2	MAMPUI(BSNL)	Mizoram	Free hold	Mumoui-796891	720 Sq.m.	yes	BSNL
3	ZUANGTAI (STORE &S/QTR.)(BSNL)	Mizoram	Free hold	Zuangtui-796017	3380.44 Sq.m.	yes	BSNL
4	AIZAWL(BSNL) (ADMN.)	Mizoram	Free hold	Khatla-796001	800.1 Sq.m.	yes	BSNL
5	REIEK(T.E.) (BSNL)	Mizoram	Free hold	Reiek-796501	1512 Sq.m.	yes	BSNL

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6	BAIRABI (BSNL)	Mizoram	Free hold	Bairabi-796081	1485.55 Sq.m.	yes	BSNL
7	BUNGTANG (GSM/BTS) (BSNL)	Mizoram	Free hold	Bungtlang	875 Sq.m.	yes	BSNL
8	DILTLANG(T.E.)(BSNL)	Mizoram	Free hold	Diltlang-796891	1347.5 Sq.m.	yes	BSNL
9	ZERO POINT-I (GSM BTS)(BSNL)	Mizoram	Free hold	Zero point-796901	712.8 Sq.m.	yes	BSNL
10	BUALPUI NG(T.E.)	Mizoram	Free hold	Builpui ng-	1540 Sq.m.	No	DOT
11	MELBUK (BSNL)	Mizoram	Free hold	Melbuk-	2000 Sq.m.	yes	BSNL
12	BUARPUJ-WEST(T.E.) (BSNL)	Mizoram	Free hold	Buarpui-796441	1236.13 Sq.m.	yes	BSNL
13	DARLAWN(T.E.) (BSNL)	Mizoram	Free hold	BDO TLANG-796111	2906 Sq.m.	yes	BSNL
14	LUANGMUJAL (T.E.)	Mizoram	Free hold	Luangmual-796001	11124 Sq.m.	yes	DOT
15	SAIHA-I (M/W)/(BSNL)	Mizoram	Free hold	New colony-796901	992.25 Sq.m.	yes	BSNL
16	SAIHA-II (T.E.)(BSNL)	Mizoram	Free hold	Pukzing-796431	4034 Sq.m.	yes	BSNL
17	SERCHHIP-II-(New comp.) (BSNL)	Mizoram	Free hold	Serchhip Entlang	9716 Sq.m.	yes	BSNL
18	SAIRANG (T.E./UHF) (BSNL)	Mizoram	Free hold	Sairang-796410	2710.87 Sq.m.	yes	BSNL
19	KAMALNAGAR-II-(T.E.)(BSNL)	Mizoram	Free hold	Kamalnagar-II-796770	204 Sq.m.	yes	BSNL
20	ZAWLNUAM(T.E.)(BSNL)	Mizoram	Lease hold	Vengpui-796471	1798.75 Sq.m.	yes	BSNL
21	CHAMPAL (SATELLITE)	Mizoram	Lease hold	Champai-796321	4052.37 Sq.m.	yes	BSNL
22	LUNGLEI (M/W) (BSNL)	Mizoram	Lease hold	Ramzotlang-796701	2500 Sq.m.	yes	BSNL
23	THINGFAL (M/W) (BSNL)	Mizoram	Lease hold	Thingfal-796701	2767.04 Sq.m.	yes	BSNL
24	SERCHHIP (M/W) (BSNL)	Mizoram	Lease hold	Serchhip Entlang-796181	2019.62 Sq.m.	yes	BSNL
25	BUALPUI'N (M/W)	Mizoram	Lease hold	Builpui N-796070	1600 Sq.m.	yes	BSNL
26	THINGSULTIAH (T.E.)	Mizoram	Lease hold	Thingsultiah-796161	1775.2 Sq.m.	yes	BSNL
27	CHAMPAL (T.E.)	Mizoram	Lease hold	Vengsang-796321	5382.87 Sq.m.	yes	BSNL
28	LUNGLEI	Mizoram (S/Q r t. Complex)	Lease hold	Bazar veng-796701	464.12 Sq.m.	yes	BSNL
29	DURTLANG (T.E.) (BSNL)	Mizoram	Lease hold	Vengthar-796014	2140.87 Sq.m.	yes	BSNL
30	CHAMPAL (GSM-BTSCOMPLEX)	Mizoram	Lease hold	Vengsang-i-796321	302.02 Sq.m.	yes	BSNL





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31	VAIRENGTE (CUW COMPLEX)	Mizoram	Lease hold	Chhimgveng-796101	663 Sq.m.	yes	BSNL
32	PUKZING (BTS)	Mizoram	Lease hold	Pukzing-796431	639.36 Sq.m.	yes	BSNL
33	HAULAWANG (T.E.)	Mizoram	Lease hold	Lalveng-796691	1595.86 Sq.m.	yes	BSNL
34	THUAMPUI (T.E./ST. QRT..)	Mizoram	Lease hold	Thuampui-796017	314.00 Sq.m.	yes	DOT
35	VAIRENGTE (M/W)	Mizoram	Lease hold	Vairengte-796101	1759.54 Sq.m.	yes	BSNL
36	VAIRENGTE (S/QTR. )	Mizoram	Lease hold	Vairengte-796101	412.09 Sq.m.	yes	BSNL
37	SAITUAL(T.E.) (BSNL)	Mizoram	Lease hold	Saitual-796261	714.45 Sq.m.	yes	BSNL
38	KAWLKULH (T.E./COMPLEX) (BSNL)	Mizoram	Lease hold	Kaw/kulh-796310	542.21 Sq.m.	yes	BSNL
39	AIZAWL (ELECTRONIC COMPLEX) (BSNL)	Mizoram	Lease hold	Khatla-796001	762.82 Sq.m.	yes	BSNL
40	BAITE(T.E.)	Mizoram	Lease hold	Biate-796370	2069 Sq.m.	yes	BSNL
41	MUALTHUM'N (T.E.) (BSNL)	Mizoram	Lease hold	Mualthum-N-796701	1136 Sq.m.	yes	BSNL
42	ZOBAWK (T.E.) (BSNL)	Mizoram	Lease hold	Zobawk-	667.5 Sq.m.	yes	BSNL
43	BUNGTLANG 'WLL/ BTS)	Mizoram	Lease hold	Bungtlan-S-796181	1062.41 Sq.m.	yes	BSNL
44	CHHINGCHHIP (T.E.)(BSNL)	Mizoram	Lease hold	Chhingchhip-796181	789.39 Sq.m.	yes	BSNL
45	AIZAWL (M/W)	Mizoram	Lease hold	M.C. Hill	1610 Sq.m.	No	DOT
46	TLUNGVEL(T.E.) (BSNL)	Mizoram	Lease hold	Vengthar-796161	1071.09 Sq.m.	yes	BSNL
47	KHAWZAWL (T.E.) (BSNL)	Mizoram	Lease hold	Zaingen-796310	1328.42 Sq.m.	yes	BSNL
48	KAW'NPUJ(BSNL)	Mizoram	Lease hold	Venglai-796070	945.77 Sq.m.	yes	BSNL
49	THINGDAWL (BSNL)	Mizoram	Lease hold	Vengthar-796081	1729.74 Sq.m.	yes	BSNL
50	TUIPANG(BSNL)	Mizoram	Lease hold	Tuipang-	1120 Sq.m.	yes	BSNL
51	NGOPAT(E.) (BSNL)	Mizoram	Lease hold	Ngopa-796290	1638.55 Sq.m.	yes	BSNL
52	LUNGLEI (STORE COMPLEX) (BSNL)	Mizoram	Lease hold	Lunglei-796701	600 Sq.m.	yes	BSNL
53	AIZAWL (VENGLHUJ) (S/QRT.)	Mizoram	Lease hold	Venghlui-796001	223.48 Sq.m	yes	BSNL
54	HNAHTHIAL (T.E.) (BSNL)	Mizoram	Lease hold	Tarhoveng-796701	689.55Sq.m.	yes	BSNL
55	LUNGLEI(T.E.)	Mizoram	Lease hold	Venglai-796701	802.38 Sq.m.	yes	BSNL

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56	EAST-LUNGDAK (BSNL)	Mizoram	Lease hold	Salem veng-796370	1548.75 Sq.m.	yes	BSNL
57	LUNGDAI(T.E.)	Mizoram	Lease hold	Venglai-796014	797.53 Sq.m.	yes	BSNL
58	SIHPHIR(T.E.)	Mizoram	Lease hold	Sihphir-796014	489 Sq.m.	yes	BSNL
59	LUNGSEN(BSNL)	Mizoram	Lease hold	Hmarveng-796701	1098.11 Sq.m.	yes	BSNL
60	KHAWBUNG-S(T.E.)	Mizoram	Lease hold	Khawbung-S-796320	1008.37 Sq.m.	yes	BSNL
61	BILKAWTHLIR (T.E.) (BSNL)	Mizoram	Lease hold	Kualmawi-796091	1380.37 Sq.m.	yes	BSNL
62	TLABUNG(BSNL)	Mizoram	Lease hold	Zodinveng-796751	2217.3 Sq.m.	yes	BSNL
63	AIBAWK(T.E.) (BSNL)	Mizoram	Lease hold	Hermonveng-796190	923.27 Sq.m.	yes	BSNL
64	RAWPUICHHIP (T.E.) (BSNL)	Mizoram	Lease hold	Rawpuichhip-796441	120.32 Sq.m.	yes	BSNL
65	WEST- PHALENG(BSNL)	Mizoram	Lease hold	Vengchung-796431	2896.82 Sq.m.	yes	BSNL
66	LAWNGTLAI-(T.E.)	Mizoram	Lease hold	Vengpui-796891	1002 Sq.m.	yes	BSNL
67	MAMIT(BSNL)	Mizoram	Lease hold	Lungsirveng-796441	1142.37 Sq.m.	yes	BSNL
68	AIZAW (SATELLITE)	Mizoram	Lease hold	Khatla-796001	5132 Sq.m.	No	DOT
69	BUALPUI-KAWNUI (T.E.) (BSNL)	Mizoram	Lease hold	Builpui-Kawnpui-796070	1148 Sq.m.	yes	BSNL
70	BUKPII	Mizoram (T.E.) (BSNL)	Lease hold	Bukpui-796081	3208.12 Sq.m.	yes	BSNL
71	KOLASIB (GSM/BTS)	Mizoram	Lease hold	Kolasib-	400 Sq.m.	No	DOT
72	CHAWNGTE (T.E.)	Mizoram	Lease hold	Chawngte-	2640 Sq.m.	No	DOT
73	CHHIATLANG (T.E.)	Mizoram	Lease hold	Chhiatlang-796181	2410 Sq.m.	yes	BSNL
74	BUNGHMUNW (T.E.)	Mizoram	Lease hold	Bunghmunw-796701	839.43 Sq.m.	yes	BSNL
75	HLIAPUI(T.E.)	Mizoram	Lease hold	Hliappui-	2772.39 Sq.m.	yes	DOT
76	KAWKULH-2	Mizoram	Lease hold	Kaw/kulh-2	3377.45 Sq.m.	No	DOT
77	HLIAPUI (WLL)	Mizoram	Lease hold	BTS-796321	839.43 Sq.m.	yes	BSNL
78	KAWRTHAH	Mizoram	Lease hold	Kawrthah-796441	661.5 Sq.m.	yes	BSNL
79	BAKTAWNG (MOBILE BTS)	Mizoram	Lease hold	Baktawng-796181	1391.3 Sq.m.	yes	BSNL
81	KOLASIB(T.E.)	Mizoram	Lease hold	Project	2646 Sq.m.	No	DOT



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82	LAITE(T.E.)	Mizoram	Lease hold	Lait-796570	400 Sq.m.	No	DOT
83	LAWNGTLAI	Mizoram	Lease hold	Karkawn-796891	1893.98 Sq.m.	No	BSNL
84	AIZAWL (ZONUAM) (S/QRT.)	Mizoram	Lease hold	Zonam-796001	599.68 Sq.m.	yes	P & T
85	LUNGLEI (S/QTR. PASTAL BIFRACTED)	Mizoram	Lease hold	Venglai-796701	692.64 Sq.m.	yes	BSNL
86	PHULLEN(T.E.)	Mizoram	Lease hold	Phullen-796261	574.43 Sq.m.	yes	BSNL
87	LENGPUJ(T.E.)	Mizoram	Lease hold	Lengpui-796410	1032 Sq.m.	No	DOT
88	SAILSUK(BSNL)	Mizoram	Lease hold	Sailsuk-769190	574.75 Sq.m.	yes	BSNL
89	THENZAWL (BSNL)	Mizoram	Lease hold	Fieldveng-796186	1052.94 Sq.m.	yes	BSNL
90	NORTH-VANLAIPHAI(T.E.)	Mizoram	Lease hold	North-Vanlaiphai-796180	620.4 Sq.m.	No	BSNL
91	PAITHER (GSM BTS)	Mizoram	Lease hold	Paither-	600 Sq.m.	No	BSNL
92	PANGZAWL	Mizoram	Lease hold	Pangzawl-796501	1495.52 Sq.m.	No	BSNL
93	SIATLAI(T.E.)	Mizoram	Lease hold	Siatlai	600 Sq.m.	No	BSNL
94	THERIAT(BTS)	Mizoram	Lease hold	Theriat	400 Sq.m.	No	BSNL
95	TUIPUJ-S(BTS)	Mizoram	Lease hold	Tuipui-s-796700	400 Sq.m.	No	BSNL
96	Uttar Devendra Chandra Nagar	Tripura	Lease hold	Taranagar- 799211	809.37 Sq.m	No	BSNL
97	Uttar Padmabil	Tripura	Lease hold	Khowai- 799201	404.68 Sq.m	No	BSNL

## 1026-NE II

## LAND ASSET AT NAGALAND SSA

Sl. No.	Name of SSAs	Assest Code	Assets Location	Land in the name of BSNL/ DoT	Remarks
1	Nagaland	990100081	Nagarjan AR	DoT	
2	Nagaland	990100082	Chikitong	DoT	
3	Nagaland	990100083	Jaluki	DoT	
4	Nagaland	990100084	Niuland	BSNL	MUTATED
5	Nagaland	990100085	Sataka	DoT	
6	Nagaland	990100086	Sanis	DoT	
7	Nagaland	990100087	Aboi	DoT	
8	Nagaland	990100088	Tizit	DoT	
9	Nagaland	990100089	Kuhoboto	BSNL	MUTATED
10	Nagaland	990100090	Longkhim	DoT	
11	Nagaland	990100091	Aghunoto	DoT	
12	Nagaland	990100092	Dhansiripar	BSNL	MUTATED
13	Nagaland	990100093	Tobu	DoT	
14	Nagaland	990100094	Tenning	DoT	
15	Nagaland	990100095	Impur	DoT	
16	Nagaland	990100096	Pfuzero	DoT	
17	Nagaland	990100097	Noklak	DoT	
18	Nagaland	990100098	Longleng	DoT	
19	Nagaland	990100099	Phugoboto	DoT	
20	Nagaland	990100100	Chazuba	DoT	
21	Nagaland	990100101	Sanis	DoT	
22	Nagaland	990100102	Tseminyu	BSNL	MUTATED
23	Nagaland	990100103	Sechuzubzha	BSNL	MUTATED
24	Nagaland	990100104	Nagnimora	DoT	
25	Nagaland	990100105	Mongkolemba	DoT	
26	Nagaland	990100106	Chizami	DoT	
27	Nagaland	990100107	Viswema	BSNL	MUTATED
28	Nagaland	990100108	Khonoma	BSNL	MUTATED
29	Nagaland	990100109	Chakabama	BSNL	MUTATED
30	Nagaland	990100110	Chiphobozou	BSNL	MUTATED



Sl. No.	Name of SSAs	Assest Code	Assets Location	Land in the name of BSNL/ DoT	Remarks
31	Nagaland	990100111	Tuensang	DoT	
32	Nagaland	990100112	Chare	DoT	
33	Nagaland	990100113	Kohima(High School)	BSNL	MUTATED
34	Nagaland	990100114	Mokokchung	DoT	
35	Nagaland	990100115	TuliTown	DoT	
36	Nagaland	990100116	Dimapur Pura Bazar	BSNL	MUTATED
37	Nagaland	990100117	Suru Hoto	DoT	
38	Nagaland	990100118	Dimapur Walford	BSNL	MUTATED
39	Nagaland	990100119	Pephema	BSNL	MUTATED
40	Nagaland	990100120	Zunheboto	DoT	
41	Nagaland	990100121	Signal Bosti	DoT	
42	Nagaland	990100122	Dimapur (PRX)	DoT	
43	Nagaland	990100123	Wakching	DoT	
44	Nagaland	990100124	Kohima	BSNL	MUTATED
45	Nagaland	991600000	Changtongya	DoT	
46	Nagaland	991600001	Chumukedima	BSNL	MUTATED
47	Nagaland	991600002	Kohima TE	BSNL	MUTATED
48	Nagaland	991600003	Wokha	DoT	

“Annexure II to the Independent Auditor’s Report of even date to the members of Bharat Sanchar Nigam Limited on the Standalone Ind AS financial Statements for the year ended 31 March 2018”

## APPENDIX B

## 1027-Odisha

	License Fees & USO Levy (Rs.)	Spectrum Usage Charges	Total
Paid / Adjusted	35,68,66,211.00	22,51,64,510.00	58,20,30,721.00
Booked to Expenses	39,27,11,081.91	17,75,07,693.82	57,02,18,775.73
Excess / (Short) paid	(3,58,44,870.92)	4,76,56,816.17	1,18,11,939.25

## 1026-NE II

## CONSOLIDATED LICENSE FEE &amp; SPECTRUM CHARGES FOR THE YEAR- 2017-18

Sl. No.	Particulars	License Fee	Figure in Rupees	
			USO Levy	Spectrum Charges
1	BASIC	3,236,000	5,393,334	33,641
2	CMTS	14,181,168	23,635,280	37,298,817
3	NLD	8,009,944	13,349,906	-
4	ILD	574,549	957,581	-
5	V-SAT	-	-	-
6	INTERNET	6,086	10,144	-
7	WIMAX	-	-	1,678
	Grand Total	26,007,747	43,346,245	37,334,136

## Annexure-2

Figure in Rupees

## SUMMARY FOR CALCULATION OF LICENSE FEE &amp; SPECTRUM CHARGES ON REVENUES FOR THE YEAR 2017-18 (CMTS)

Sl No	Details	MSR	NLD	ILD	SPECTRUM CHGS(3G + 2G)	SPECTRUM CHGS(CDMA)	SPECTRUM CHGS(DATA)
1	Gross Revenue	472,705,681	149,984,014	8,464,109	471,287,083	1,418,523	84,776,517
	Less: Deduction Claimed	75					
2	Net Revenue(AGR)	472,705,606	149,984,014	8,464,109	471,287,083	1,418,523	84,776,517
	License Fee	14,181,168	4,499,520	253,923	-	-	-
	USO Levy	23,635,280	7,499,201	423,205	-	-	-
3	Spectrum Charges	-	-	-	31,576,235	42,556	5,680,027
	Total License Fee & Spec Charges	37,816,448	11,998,721	677,129	31,576,235	42,556	5,680,027



SUMMARY FOR CALCULATION OF LICENSE FEE & SPECTRUM CHARGES ON REVENUES FOR THE YEAR 2017-18 (BASIC)								
Sl No	Details	BSR	NLD	ILD	V-SAT	INTERNET	SPECTRUM CHGS(DSPT)	SPECTRUM CHGS(WIMAX)
1	Gross Revenue	107,866,675	117,014,109	10,687,509	-	226,626,613	841,030	167,768
	Less: Deduction (Pure Internet Service)	-	-	-	-	226,423,741	-	-
2	Net Revenue (AGR)	107,866,675	117,014,109	10,687,509	-	202,872	841,030	167,768
	License Fee	3,236,000	3,510,423	320,625	-	6,086	-	-
	USO Levy	5,393,334	5,850,705	534,375	-	10,144	-	-
3	Spectrum Charges	-	-	-	-	-	33,641	1,678
	<b>Total License Fee &amp; Spec Charges</b>	<b>8,629,334</b>	<b>9,361,129</b>	<b>855,001</b>	<b>-</b>	<b>16,230</b>	<b>33,641</b>	<b>1,678</b>

### Kolkata Telephones

License fees payable to DOT are stated to have been recognised by the Circle in terms of the License Agreement between the Company and DOT as amended as per the instructions issued by the Corporate Office from time to time regarding the matter. However, we have not verified the said agreement, since we were informed that no copy of the same is available in the Circle Office.

b) The Circle does not have the system of identifying actual usage of NLO and ILO calls. As such, license fees payable to DOT on the revenue arising out of such services have been accounted for at predetermined rates as stated in paragraph no.9. ~ of Note-38 to the financial statement.

Accordingly, the cumulative effects of the above matters could not be ascertained on the Loss of the Circle for the year.

### Rajasthan circles

Revenues in respect of interest income from private telecom operators for delayed payment of various charges are accounted for on cash basis as per accounting' policy of the company and hence are not considered on accrual basis for the purpose of calculation of License fees payable

The exchange-wise reconciliation of outgoing metered calls and billed calls have not been done in most of the units of the circle .Consequently the completeness of the bills raised vis- a- vis metered calls is not verifiable.

Income relating to Post paid subscribers, CDMA services, Basic services, IUC, Broadband/ internet and Circuits have been taken on the basis of sub ledger/ reports generated through centralized software at Chandigarh. We have not verified the completeness and correctness of the income booked on the basis of above sub ledgers/ reports and has relied on these sub ledgers/ reports for the purpose of verification for the abovd revenue. Any consequential impact of the same of the license fees and spectrum charges cannot be commented upon

No billings are made for reciprocal services provided between BSNL, MTNL, DOP and DOT. Hence the same could not be included in Revenue for the purpose of calculation of License fees payable.

As explained to us, interest on outstanding Balances of DOT is not accounted for on accrual basis and hence the same could not be included in Revenue for the purpose of calculation of License fees payable.

#### NCNGN Circle

We observed that Advice Transfer debit (ATD) amounting to Rs.37.68 crore and Advice Transfer Credit amounting to Rs.1.26 lakhs were raised to different circles which were unresponded. The impact of the same on AGR could not be ascertained.

#### MP Circle

Interest received on security deposits from MEMKVV company limited is set off directly from bills thus interest amount cannot be ascertained. Since the interest income is not ascertainable and recognized separately the liability of license fee is understated to that extent.

#### BSNL CHTD ANNEXURE II B

GL CODE	DETAILS	AMOUNT
5022008	Bad Debts Written Off (Other than services)	32,257.45
5022009	Bad Debts Written Off Services	49,570,285.37
5022010	Service tax for post paid but not collected	3,090,363.59
5022013	SBC paid for post paid but not collected	11,054.21
5022015	KKC paid for post paid but not collected	3,310.50
5022016	GST paid but not collected hence W/off	2,665.49
<b>Total</b>		<b>52,709,936.61</b>

Sl No.	Billing ID	Customer Name	Bill Date	ABF
1	10801043	I C NET	27/05/1996	67062
2	10300035	APPOLLO TUBES	02/06/1997	77333
3	10100870	S.K.RANGANATHAN & CO	10/04/2000	13319
4	10600450	DISHNET WIRELESS	01/06/2000	64090
5	10402723	MRS M.S.SHARANYA	01/06/2000	2208
6	10810473	LARSEN & TOUBRO LTD	30/05/2001	7254
7	10802021	G. TIBARAWALA & CO,	30/05/2001	909
8	10801233	ZENECA ICI AGRO CHEMICALS LTD	25/07/2001	1929
9	10801233	ZENECA ICI AGRO CHEMICALS LTD	25/09/2001	4310
10	10600315	NISSHO IWAI CORPORATION	28/11/2003	2981
11	10103849	HAYSTACK SOFTWARE SYSTEMS INDIA (P) LTD.,	11/03/2004	38129
12	10202072	PACE AUTOMATION LIMITED	11/03/2004	35100
13	10103747	PERTINENT CYBER SOLUTIONS (P) LTD.,	11/03/2004	13426
14	10103340	HCL TECHNOLOGIES LTD.,	11/03/2004	13137
15	10103699	PRADEEP COMMUNICATIONS	11/03/2004	10998
16	10101462	EQUIFAX VENTURE LTD	11/03/2004	10741
17	10103147	ANTARIX E APPLICATIONS LTD	11/03/2004	9885
18	10402860	HCL PERIPHERALS	11/03/2004	8856





Sl No.	Billing ID	Customer Name	Bill Date	ABF
19	10103508	TODI TELECOM	11/03/2004	6375
20	10103191	MIND SPRING INFOTECH PVT LTD	11/03/2004	5852
21	10801218	EQUIFAX VENTURE INFOTEX LTD	25/03/2004	13303
22	10104281	M/S. SRI SATHYA SAI INFOTECH PVT. LTD.,	01/04/2004	1648
23	10103894	G.SURESH BABU	15/04/2004	1847
24	10103894	G.SURESH BABU	01/05/2004	6477
25	10103951	PRODAPT SOLUTIONS PVT. LTD.,	11/06/2004	64840
26	10103524	ICICI INFOTECH SERVICES LTD.,	04/10/2004	297901
27	10600315	NISSHO IWAI CORPORATION	25/11/2004	684
28	10103750	M/S. DATA ACCESS (INDIA) LIMITED	01/03/2005	29379
29	10102944	SERVION GLOBAL SOLUTIONS LTD	01/03/2005	23123
30	10104722	VECTONE (I) LTD	01/03/2005	22017
31	10103343	L.G.ELECTRONICS INDIA LTD.,	01/03/2005	21989
32	10103951	PRODAPT SOLUTIONS PVT. LTD.,	01/03/2005	19199
33	10104971	SECOVA ESERVICES LTD	01/03/2005	18752
34	10102979	GE COUNTRY CONSUMER	01/03/2005	15589
35	10103885	BETHAL NETWORKD,	01/03/2005	11979
36	10103398	DR. M.G.R. ENGG. COLLEGE	01/03/2005	11387
37	10103699	PRADEEP COMMUNICATIONS	01/03/2005	10779
38	10402860	HCL PERIPHERALS	01/03/2005	10689
39	10104024	REUTERS (I) PVT. LTD.,	01/03/2005	10333
40	10102180	SUTHERLAND TECHNOLOGIES INDIA P LTD	01/03/2005	9858
41	10103196	BHARAT EARTH MOVERS LTD	01/03/2005	9525
42	10104584	ATLAS LOGISTICS PVT LTD	01/03/2005	9397
43	10102943	EASWARI ENGINEERING COLLEGE	01/03/2005	8722
44	10101462	EQUIFAX VENTURE LTD	01/03/2005	7043
45	10104911	ALTOSYS SOFTWARE TECHNOLOGIES LTD	01/03/2005	6509
46	10103894	G.SURESH BABU	01/03/2005	6348
47	10103508	TODI TELECOM	01/03/2005	6248
48	10104626	K.SATISH	01/03/2005	6173
49	10103849	HAYSTACK SOFTWARE SYSTEMS INDIA (P) LTD.,	01/03/2005	5049
50	10104364	GLOBAL CONNECT,	01/03/2005	3785
51	10104333	NEXT DIMENSIONS,	01/03/2005	1715
52	10104463	WARTSILA INDIA LTD	01/03/2005	1388
53	10103524	ICICI INFOTECH SERVICES LTD.,	04/03/2005	11457
54	10104131	INNOVATIVE MARKETING	08/03/2005	24175
55	10103345	CHOLAMANDALAM DBS FINANCE LTD	08/03/2005	21325
56	10103747	PERTINENT CYBER SOLUTIONS (P) LTD.,	08/03/2005	13158
57	10108568	MEDOPHARM	02/05/2005	19657
58	10108570	GGG INFORMATION SERVICES INDIA PVT LTD	02/05/2005	16237
59	10108566	EXPERTUS INFOTECH PVT LTD	02/05/2005	13453

Sl No.	Billing ID	Customer Name	Bill Date	ABF
60	10108401	M/S. BIJA TECHNOLOGIES P LTD	02/05/2005	7629
61	10104984	KONE ELEVATORS INDIA PVT LTD	07/06/2005	24393
62	10108393	TATA CONSULTANCY SERVICES	01/07/2005	25667
63	10202566	M/S. DATA ACCESS (I) LTD.,	01/07/2005	20893
64	10104872	AFL PRIVATE LTD	01/07/2005	19684
65	10104856	MEDIPRO MANAGEMENT SERVICE	01/07/2005	15946
66	10108949	INSTITUTE FOR DEVELOPMENT & RESEARCH IN BANKING T	01/07/2005	15689
67	10104851	SUNDARAM ASSET MANAGEMENT LTD	01/07/2005	10113
68	10104976	FINANCIAL SOFT WARE K SYSTEMS PVT LTD	18/07/2005	13301
69	10108343	MEGASOFT LIMITED	18/07/2005	11050
70	10101802	ROXER COM [P] LTD	01/09/2005	6742
71	10101906	INDIAN HOTELS LTD	01/09/2005	4033
72	10108109	TATA CONSULTANCY SERVICES LTD	07/11/2005	6647
73	10104928	M.MAHALINGAM	07/11/2005	5279
74	10108275	HCL TECHNOLOGIES LTD	07/11/2005	4485
75	10108092	SUNDARAM FASTENERS LIMITED	14/11/2005	12966
76	10801266	INDIA SWITCH COMPANY [P] LTD	25/11/2005	14642
77	10104991	GMAC FINALCAL SERVICE INDIA LTD	01/12/2005	9074
78	10101802	ROXER COM [P] LTD	01/12/2005	6742
79	10102754	L.G INFOSOFT	01/12/2005	4420
80	10101906	INDIAN HOTELS LTD	01/12/2005	4033
81	10108116	GREAT LAKES INSTITUTE OF MANAGEMENT LTD	02/12/2005	6211
82	10108135	S.MALATHI	02/12/2005	4019
83	10103838	CONTAINER CORPORATION OF INDIA LTD.,	05/01/2006	2262
84	10108360	SKYWAY-THE DISHNET HUB	01/02/2006	15632
85	10103334	OLAM EXPORTS INDIA LTD	07/02/2006	1565
86	10104996	TAMIL NADU AIR TRAVELS PVT LTD	07/02/2006	1285
87	10108566	EXPERTUS INFOTECH PVT LTD	04/03/2006	8328
88	10108568	MEDOPHARM	04/03/2006	8328
89	10108360	SKYWAY-THE DISHNET HUB	04/03/2006	8328
90	10104430	STRINGINFO KNOWLEDGE SERVICES PVT LTD	04/03/2006	8328
91	10102123	THOMAS COOK [I] PVT LTD	04/03/2006	8328
92	10104131	INNOVATIVE MARKETING	04/03/2006	6627
93	10104474	BLUESHIFT INDIA PVT LTD	04/03/2006	4164
94	10104991	GMAC FINALCAL SERVICE INDIA LTD	04/03/2006	4164
95	10108116	GREAT LAKES INSTITUTE OF MANAGEMENT LTD	04/03/2006	4164
96	10103949	KVP SOFTWARE (P) LTD.,	04/03/2006	4164
97	10103753	SUN MICROSYSTEMS INDIA PVT. LTD.,	04/03/2006	4164
98	10103130	CRAZY PLANET	04/03/2006	862
99	10103712	GATI LIMITED	07/03/2006	35227



SI No.	Billing ID	Customer Name	Bill Date	ABF
100	10104399	INTUITIVE OBJECTS SOFTWARE PVT., LTD.,	07/03/2006	34847
101	10108116	GREAT LAKES INSTITUTE OF MANAGEMENT LTD	07/03/2006	33232
102	10108568	MEDOPHARM	07/03/2006	31924
103	10104430	STRINGINFO KNOWLEDGE SERVICES PVT LTD	07/03/2006	28960
104	10108360	SKYWAY-THE DISHNET HUB	07/03/2006	27479
105	10102123	THOMAS COOK [I] PVT LTD	07/03/2006	27479
106	10102123	THOMAS COOK [I] PVT LTD	07/03/2006	27479
107	10103291	TATA ACOMMUNICATIONS INTERNET SERVICES LTD.,	07/03/2006	27387
108	10103291	TATA INTERNET SERVICES LTD.,	07/03/2006	27387
109	10104991	GMAC FINANCIAL SERVICE INDIA LTD	07/03/2006	25905
110	10104905	MEGASOFT LTD	07/03/2006	24423
111	10104181	SMALL INDUSTRIES SERVICE INSTITUTE,	07/03/2006	23859
112	10103983	COGNIZANT TECHNOLOGY SOLUTIONS INDIA PVT LTD	07/03/2006	22942
113	10108012	LARSEN & TOUBRO LTD	07/03/2006	22942
114	10108153	MEDICAL RESEARCH FOUNDATION.,	07/03/2006	22942
115	10104976	FINANCIAL SOFTWARE SYSTEMS PVT LTD	07/03/2006	22686
116	10101234	SIP TECHNOLOGIES AND EXPORTS LTD	07/03/2006	22686
117	10108142	BHARATI CELLULAR LIMITED	07/03/2006	20819
118	10104928	M.MAHALINGAM	07/03/2006	20226
119	10104427	SAI COMMUNICATIONS	07/03/2006	19978
120	10103189	TATA ACOMMUNICATIONS INTERNET SERVICES LTD.,	07/03/2006	19978
121	10102410	INDIAN SHAVING PRODUCTS LTD	07/03/2006	19964
122	10104570	S. MOHAMMED RAMEES	07/03/2006	19964
123	10104240	MR. M.A. MOHAMMED AFSAR	07/03/2006	18603
124	10104178	MR. A. SEKAR,	07/03/2006	17328
125	10102409	INDIAN SHAVING PRODUCTS LTD	07/03/2006	17241
126	10103885	BETHAL NETWORK,	07/03/2006	16083
127	10102032	BANYAN NETWORK PVT LTD	07/03/2006	15880
128	10103838	CONTAINER CORPORATION OF INDIA LTD.,	07/03/2006	15880
129	10103984	ITC LIMITED	07/03/2006	15880
130	10104595	S.SAMUEL RAJ	07/03/2006	14519
131	10104123	UNIWORLD LOGISTICS (P) LTD.,	07/03/2006	14398
132	10108397	MARUTI UDYOG LIMITED	07/03/2006	13158
133	10103747	PERTINENT CYBER SOLUTIONS (P) LTD.,	07/03/2006	13158
134	10101429	NET ACCESS INDIA PVT LTD	07/03/2006	11797
135	10402860	HCL PERIPHERALS	07/03/2006	9736
136	10402860	HCL PERIPHERALS	07/03/2006	9736
137	10103157	AMBAL TECHNOLOGIES (P) LTD	07/03/2006	7726

SI No.	Billing ID	Customer Name	Bill Date	ABF
138	10103193	OLAM EXPORT 9(INDIA) LTD	07/03/2006	7009
139	10104626	K.SATISH	07/03/2006	6173
140	10104559	DECCAN AVIATION (P) LTD	07/03/2006	6016
141	10104463	WARTSILA INDIA LTD	07/03/2006	4927
142	10102264	AIR INDIA LTD	07/03/2006	4117
143	10103191	MIND SPRING INFOTECH PVT LTD	07/03/2006	4024
144	10104364	GLOBAL CONNECT,	07/03/2006	3785
145	10104299	PRANTTA SINHA,	07/03/2006	2967
146	10103265	FENNER [INDIA] LTD	07/03/2006	2246
147	10104333	NEXT DIMENSIONS,	07/03/2006	1715
148	10108092	SUNDARAM FASTENERS LIMITED	10/03/2006	63224
149	10108259	RANE BRAKE LININGS LIMITED	10/03/2006	34703
150	10103879	SIP TECHNOLOGIES & EXPORTS LIMITED	10/03/2006	31740
151	10104827	ERNET	10/03/2006	25813
152	10104828	ERNET	10/03/2006	25813
153	10103750	M/S. DATA ACCESS (INDIA) LIMITED	10/03/2006	24331
154	10108343	MEGASOFT LIMITED	10/03/2006	24331
155	10104856	MEDIPRO MANAGEMENT SERVICE	10/03/2006	23005
156	10104335	P. RAJASEKHAR	10/03/2006	22849
157	10108044	HCL TECHNOLOGIES LIMITED	10/03/2006	19886
158	10108109	TATA CONSULTANCY SERVICES LTD	10/03/2006	19886
159	10104722	VECTONE (I) LTD	10/03/2006	18405
160	10103343	L.G.ELECTRONICS INDIA LTD.,	10/03/2006	14786
161	10108771	INTERNATIONAL CLEARING & SHIPPING AGENCY	10/03/2006	13451
162	10108158	VSNL	10/03/2006	5939
163	10102933	ATHROS INDIA LLC.	10/03/2006	4743
164	10103849	HAYSTACK SOFTWARE SYSTEMS INDIA (P) LTD.,	10/03/2006	2155
165	10103524	ICICI INFOTECH SERVICES LTD.,	21/03/2006	10210
166	10103340	HCL TECHNOLOGIES LTD.,	21/03/2006	10032
167	10108401	M/S. BIJA TECHNOLOGIES P LTD	21/03/2006	9736
168	10102839	FINANCIAL SOFTWARE & SYSTEM PVT LTD	21/03/2006	9676
169	10101205	SOFTWARE SOLUTIONS INTEGRETED LTD	21/03/2006	9499
170	10103678	HCL INFOSYSTEMS LTD.,	21/03/2006	9440
171	10102179	SUTHERLAND TECHNOLOGIES INDIA P LTD	21/03/2006	9440
172	10102180	SUTHERLAND TECHNOLOGIES INDIA P LTD	21/03/2006	9440
173	10103196	BHARAT EARTH MOVERS LTD	21/03/2006	9321
174	10108258	RANE TRW STEERING SYSTEMS LIMITED	21/03/2006	9321
175	10104762	DR.AGARWALS EYE HOSPITAL LTD	21/03/2006	7713
176	10104911	ALTOSYS SOFTWARE TECHNOLOGIES LTD	21/03/2006	6509
177	10103112	HCL INFOSYSTEMS LTD	21/03/2006	5898



Sl No.	Billing ID	Customer Name	Bill Date	ABF
178	10101462	EQUIFAX VENTURE LTD	21/03/2006	5861
179	10108774	GRT GRAND	21/03/2006	5637
180	10103998	CHENNAI CONTAINER TERMINAL PVT. LTD.,	22/03/2006	15054
181	10103699	PRADEEP COMMUNICATIONS	22/03/2006	10779
182	10104323	SUNLAY FASHIONS (FAR EAST) LTD.	22/03/2006	10436
183	10402097	SOMAYAJULU & CO	01/06/2000	7379
184	10402064	STERLING HOLIDAY RESORTS INDIA LTD	01/06/2000	5365
185	10401952	SOMAYAJULU & CO	01/06/2000	3144
186	10402273	SOMAYAJULU & CO	01/06/2000	3090
187	10402363	PATTERSON & CO	01/06/2000	2396
188	10600332	USHODAYA PUBLICATION	01/06/2000	1357
189	10401385	PATTERSON & CO	02/06/2000	23385
190	10200663	BPL WIRELESS TELECOMMUNICATION SERVICES LTD	01/03/2001	4843
191	10200614	BPL WIRELESS TELECOMMUNICATION SERVICES LTD	01/03/2001	4801
192	10103948	MADURA COATS LTD.,	01/11/2003	1604
193	10103138	BRAKES INDIA LTD	28/11/2003	9237
194	10201688	ORCHIN CHEMICAL & PHARMACEUTICALS LTD	01/12/2003	33996
195	10201791	TATA INFOTECH LTD.,	07/01/2004	70587
196	10104107	TATA ACOMMUNICATIONS INTERNET SERVICES LTD.,	01/02/2004	1053
197	10102762	CITICROP OVERSEAS SOFTWARE LTD	11/03/2004	86279
198	10102607	AMRUTANJAN INFOTECH	11/03/2004	76298
199	10600314	NISSHO IWAI CORPORATION	11/03/2004	57592
200	10103675	E CARE.COM	11/03/2004	56964
201	10103665	Z AXIS INNOVATIONS PVT. LTD.,	11/03/2004	31667
202	10102825	CMS (INDIA) OPERATIONS & MAINTENANCE CO. PVT. LTD.	11/03/2004	20714
203	10101845	SITA	11/03/2004	15373
204	10104134	S. RAMESH	11/03/2004	14045
205	10104112	DELTA SOLUTIONS	11/03/2004	13270
206	10104092	RAJESH MALIK	11/03/2004	12766
207	10102835	BUSH BOAKE ALLEN INDIA LTD	11/03/2004	11162
208	10103751	WILLOW SOLUTIONS PVT. LTD.,	11/03/2004	9472
209	10102836	BUSH BOAKE ALLEN [I] LTD	11/03/2004	9064
210	10103740	MR. ANAND . M.V	11/03/2004	7529
211	10104034	B. ANANDHY	11/03/2004	3685
212	10101683	MANMAR TECHNOLOGIES LTD	11/03/2004	3251
213	10300629	FUNSKOOL (INDIA) LTD	11/03/2004	1516
214	10103785	PACE AUTOMATION LIMITED	11/03/2004	754

Sl No.	Billing ID	Customer Name	Bill Date	ABF
215	10402931	MEDOPHARM	11/03/2004	394
216	10103947	ANBU SELVI,	11/03/2004	181
217	10104272	PENTAMEDIA GRAPHICS LIMITED	07/04/2004	32697
218	10104346	BRAKES INDIA LTD.,	01/05/2004	20079
219	10104026	DATA ACCESS (I) LTD.,	05/06/2004	7346
220	10103240	HUTCHISON ESSAR SOUTH LTD.,	08/06/2004	12965
221	10000125	WIPRO NET LTD	12/08/2004	255853
222	10000124	WIPRO NET LTD	12/08/2004	111442
223	10000110	BPL NET DOT COM P LTD	12/08/2004	19546
224	10104431	HARI PRIYA P	01/09/2004	1686
225	10104629	HCL TECHNOLOGIES LTD	13/01/2005	47476
226	10102838	CHENNEI CONTAINER TERMINAL LTD.	01/03/2005	40500
227	10104496	HDFC ASSETS MANAGEMENT CO LTD	01/03/2005	34902
228	10104915	VINAYAKA IT PARKX PVT LTD	01/03/2005	32786
229	10104629	HCL TECHNOLOGIES LTD	01/03/2005	25699
230	10104381	HEWLETT-PACKARD INDIA SALES PVT LTD,	01/03/2005	24421
231	10102750	RELIANCE INDUSTRIES LTD	01/03/2005	22017
232	10104484	HCLTECHNOLIGIES LTD	01/03/2005	19778
233	10108012	LARSEN & TOUBRO LTD	01/03/2005	18838
234	10103808	HCL TECHNOLOGIES LTD.,	01/03/2005	18537
235	10103998	CHENNAI CONTAINER TERMINAL PVT. LTD.,	01/03/2005	15054
236	10103340	HCL TECHNOLOGIES LTD.,	01/03/2005	11247
237	10102179	SUTHERLAND TECHNOLOGIES INDIA P LTD	01/03/2005	9858
238	10102511	HINDUSTAN INKS AND RESINS LTD.,	01/03/2005	9749
239	10102825	CMS (INDIA) OPERATIONS & MAINTENANCE CO. PVT. LTD.	01/03/2005	8788
240	10402922	SWASTIK FOREX	01/03/2005	5287
241	10108045	HCL TECHNOLOGIES LTD	21/03/2005	23379
242	10109021	BORGIA SOOSAI	15/04/2005	19081
243	10108372	M/S.HCL TECHNOLOGIES LIMITED	02/05/2005	32420
244	10108453	APOLLO HOSPITAL ENTERPRISES	02/05/2005	13623
245	10109055	S.I.T.A	17/05/2005	10358
246	10104028	SWIFTMAIL COMMUNICATIONS LTD.,	01/06/2005	13709
247	10108680	NATIONAL INSURANCE COMPANY LTD	02/06/2005	12332
248	10202330	DATA ACCESS (INDIA) LTD.,	03/06/2005	20440
249	10109059	TATA CONSULTANCY SERVICES LTD IDM GROUP	01/07/2005	25211
250	10109061	TATA CONSULTANCY SERVICES LTD IDM GROUP	01/07/2005	13157
251	10108358	CHEIF ENGINEER SOUTH ZONE	11/07/2005	12726
252	10108825	MRF LIMITED	11/07/2005	8121
253	10102449	DATA ACCESS INDIA LTD	01/09/2005	9321
254	10103426	VERTEX SYSTEMS LTD	01/09/2005	4420



SI No.	Billing ID	Customer Name	Bill Date	ABF
255	10104117	NUMERIC POWER SYSTEMS LTD.,	01/09/2005	3792
256	10102462	N-LOGUE COMMUNICATIONS PVT LTD.,	01/09/2005	2450
257	10108155	DHL DANZAS LEMUIR P LTD	02/09/2005	14371
258	10108160	GE COUNTRY WIDE CONSUMER FINANCIAL SERVICE	02/09/2005	11488
259	10108153	MEDICAL RESEARCH FOUNDATION.,	02/09/2005	8320
260	10104880	TUTORS WORLDWIDE [I] PVT LTD	02/09/2005	5705
261	10108257	RANE ENGINE VALUES LTD	02/09/2005	970
262	10108170	SCANWELL LOGISTICS INDIA PVT LTD	05/10/2005	6152
263	17000025	LAPIZ DIGITAL SERVICE	21/10/2005	80301
264	10103723	M/S. ELLAAR INFOTEK SOLUTIONS (P) LTD.,	24/10/2005	3089
265	10104932	HCL TECHNOLOGIES LTD	03/11/2005	7449
266	17000016	THANGAVELU GROUP OF COLLEGES	16/11/2005	9699
267	10104117	NUMERIC POWER SYSTEMS LTD.,	01/12/2005	3792
268	10108274	VSNL	06/02/2006	5013
269	10108272	THE STOCK EXCHANGE MUMBAI	07/02/2006	528
270	10109073	OASIS INTERNATIONAL	10/02/2006	1258
271	10101697	VSNL	03/03/2006	8328
272	10104893	PROPART SOLUTIONS INDIA PVT LTD	04/03/2006	8328
273	10104205	SWIFT MAIL COMMUNICATIONS LTD.,	04/03/2006	3030
274	10104971	SECOVA ESERVICES LTD	04/03/2006	2517
275	17000016	THANGAVELU GROUP OF COLLEGES	06/03/2006	70962
276	10202214	M/S UNITED INDIA INSURANCE CO. LTD.,	07/03/2006	52905
277	10202215	M/S UNITED INDIA INSURANCE CO. LTD.,	07/03/2006	40561
278	10104893	PROPART SOLUTIONS INDIA PVT LTD	07/03/2006	28960
279	10108359	HCL TECHNOLOGIES LTD	07/03/2006	24515
280	10109041	SECOVA ESERVICES LIMITED	07/03/2006	24423
281	10104971	SECOVA ESERVICES LTD	07/03/2006	22776
282	10103799	HCL TECHNOLOGIES LTD.,	07/03/2006	21460
283	10103753	SUN MICROSYSTEMS INDIA PVT. LTD.,	07/03/2006	21460
284	10108680	NATIONAL INSURANCE COMPANY LTD	07/03/2006	20760
285	10109069	SPEED BIRDS PVT LTD	07/03/2006	19964
286	10103782	HINDUSTAN THOMPSON ASSOCIATES LIMITED	07/03/2006	8721
287	10104765	LIFESTYLE INTERNATIONAL P LTD	07/03/2006	4183
288	10103252	I-FLEX SOLUTION LTD	07/03/2006	3865
289	10402929	C. MOHANASUNDARAM	07/03/2006	3191
290	10402929	C. MOHANASUNDARAM	07/03/2006	3191
291	10102456	GREAVES LTD	07/03/2006	2449
292	10108372	M/S.HCL TECHNOLOGIES LIMITED	10/03/2006	42112
293	10109075	VIRTUSA INDIA PVT LTD	10/03/2006	33221
294	10104496	HDFC ASSETS MANAGEMENT CO LTD	10/03/2006	28776

Sl No.	Billing ID	Customer Name	Bill Date	ABF
295	10104774	TVS FINANCE AND SERVICES LTD	10/03/2006	25248
296	10104385	GTL LIMITED,	10/03/2006	24515
297	10102618	VOLTAS LTD.,	10/03/2006	19886
298	10104381	HEWLETT-PACKARD INDIA SALES PVT LTD,	10/03/2006	18405
299	10102750	RELIANCE INDUSTRIES LTD	10/03/2006	18405
300	10101697	VSNL	10/03/2006	9887
301	10108159	VSNL	10/03/2006	7368
302	10108081	VSNL	10/03/2006	5435
303	10108064	VSNL	10/03/2006	2964
304	18000001	NATARAJAN . R	11/03/2006	24501
305	17000053	VECTONE ENTERTAINMENT INDIA PVT LTD	15/03/2006	13599
306	10102511	HINDUSTAN INKS AND RESINS LTD.,	21/03/2006	9321
307	10102825	CMS (INDIA) OPERATIONS & MAINTENANCE CO. PVT. LTD.	21/03/2006	8691
308	10103398	DR. M.G.R. ENGG. COLLEGE	21/03/2006	7981
309	10104031	ZYLOG SYSTEMS LIMITED	22/03/2006	18276
<b>TOTAL</b>				<b>5443838</b>

G/L Account	5022013	BSC paid for post paid service but not collected
G/L Account	5022009	BAD DEBT (DEBTS FOR SERVICE PROVIDED ) WRITTEN OFF
G/L Account	5022010	Service Tax paid for post paid service but not co
G/L Account	5022016	GST Paid but not collected hence written off
G/L Account	5022008	BAD DEBT(OTHER THAN SERVICES) WRITTEN OFF

AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
CDRTB	5022009	2017	2200000002	01/05/2017	R2	174537.22	3601	CDR APR-17 TB
CDRTB	5022009	2017	2200000023	31/05/2017	R2	53868.38	3601	CDR MAY-17 TB
CDRTB	5022009	2017	2200000039	30/06/2017	R2	617800.84	3601	CDR JUN-17 TB
CDRTB	5022009	2017	2200000048	31/07/2017	R2	756238.24	3601	CDR TB JUL-17
CDRTB	5022009	2017	2200000055	31/08/2017	R2	3101318.49	3601	CDR AUG-17 Upload
CDRTB	5022009	2017	2200000062	30/09/2017	R2	2564108.99	3601	CDR SEP-17 TB
CDRTB	5022009	2017	2200000081	31/10/2017	R2	3786466.64	3601	CDR OCT-17 TB
CDRTB	5022009	2017	2200000087	30/11/2017	R2	2243087.67	3601	CDR NOV-2017 TB
CDRTB	5022009	2017	2200000130	31/12/2017	R2	807312.49	3601	CDR DEC-17 TB
CDRTB	5022009	2017	2200000128	01/01/2018	R2	807312.49	3601	CDR DEC-17 TB
CDRTB	5022009	2017	2200000129	01/01/2018	R2	-807312.49	3601	CDR DEC-17 TB
CDRTB	5022009	2017	2200000169	01/02/2018	R2	2854115.21	3601	CDR JAN-18 TB
CDRTB	5022009	2017	2200000201	28/02/2018	R2	4895858.75	3601	CDR FEB-18 TB
CDRTB	5022009	2017	2200000264	31/03/2018	R2	8139483.61	3601	CDR MAR-18 TB
CDRTB	5022009	2017	2200000268	31/03/2018	R2	8139483.61	3601	CDR MAR-18 TB
CDRTB	5022009	2017	2200000269	31/03/2018	R2	-8139483.61	3601	CDR MAR-18 TB
	<b>5022009</b>	<b>Total</b>				<b>29994196.53</b>		
CDRTB	5022010	2017	2200000002	01/05/2017	R2	9306.38	3601	CDR APR-17 TB





AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
CDRTB	5022010	2017	2200000023	31/05/2017	R2	5706.94	3601	CDR MAY-17 TB
CDRTB	5022010	2017	2200000039	30/06/2017	R2	62619.04	3601	CDR JUN-17 TB
CDRTB	5022010	2017	2200000048	31/07/2017	R2	70981.89	3601	CDR TB JUL-17
CDRTB	5022010	2017	2200000055	31/08/2017	R2	345590.4	3601	CDR AUG-17 Upload
CDRTB	5022010	2017	2200000062	30/09/2017	R2	273803.19	3601	CDR SEP-17 TB
CDRTB	5022010	2017	2200000081	31/10/2017	R2	398032.76	3601	CDR OCT-17 TB
CDRTB	5022010	2017	2200000087	30/11/2017	R2	238224.47	3601	CDR NOV-2017 TB
CDRTB	5022010	2017	2200000130	31/12/2017	R2	54141.09	3601	CDR DEC-17 TB
CDRTB	5022010	2017	2200000128	01/01/2018	R2	54141.09	3601	CDR DEC-17 TB
CDRTB	5022010	2017	2200000129	01/01/2018	R2	-54141.09	3601	CDR DEC-17 TB
CDRTB	5022010	2017	2200000169	01/02/2018	R2	311337.45	3601	CDR JAN-18 TB
CDRTB	5022010	2017	2200000201	28/02/2018	R2	539546.09	3601	CDR FEB-18 TB
CDRTB	5022010	2017	2200000264	31/03/2018	R2	396659.95	3601	CDR MAR-18 TB
CDRTB	5022010	2017	2200000268	31/03/2018	R2	396659.95	3601	CDR MAR-18 TB
CDRTB	5022010	2017	2200000269	31/03/2018	R2	-396659.95	3601	CDR MAR-18 TB
	<b>5022010</b>	<b>Total</b>				<b>2705949.65</b>		
CDRTB	5022013	2017	2200000002	01/05/2017	R2	22.56	3601	CDR APR-17 TB
CDRTB	5022013	2017	2200000023	31/05/2017	R2	17.28	3601	CDR MAY-17 TB
CDRTB	5022013	2017	2200000039	30/06/2017	R2	91.16	3601	CDR JUN-17 TB
CDRTB	5022013	2017	2200000048	31/07/2017	R2	203.82	3601	CDR TB JUL-17
CDRTB	5022013	2017	2200000055	31/08/2017	R2	309.35	3601	CDR AUG-17 Upload
CDRTB	5022013	2017	2200000062	30/09/2017	R2	250.1	3601	CDR SEP-17 TB
CDRTB	5022013	2017	2200000081	31/10/2017	R2	656.01	3601	CDR OCT-17 TB
CDRTB	5022013	2017	2200000087	30/11/2017	R2	386.16	3601	CDR NOV-2017 TB
CDRTB	5022013	2017	2200000130	31/12/2017	R2	125.82	3601	CDR DEC-17 TB
CDRTB	5022013	2017	2200000128	01/01/2018	R2	125.82	3601	CDR DEC-17 TB
CDRTB	5022013	2017	2200000129	01/01/2018	R2	-125.82	3601	CDR DEC-17 TB
CDRTB	5022013	2017	2200000169	01/02/2018	R2	4164.79	3601	CDR JAN-18 TB
CDRTB	5022013	2017	2200000201	28/02/2018	R2	2672.12	3601	CDR FEB-18 TB
CDRTB	5022013	2017	2200000264	31/03/2018	R2	979.79	3601	CDR MAR-18 TB
CDRTB	5022013	2017	2200000268	31/03/2018	R2	979.79	3601	CDR MAR-18 TB
CDRTB	5022013	2017	2200000269	31/03/2018	R2	-979.79	3601	CDR MAR-18 TB
	<b>5022013</b>	<b>Total</b>				<b>9878.96</b>		
CDRTB	5022015	2017	2200000264	31/03/2018	R2	549.66	3601	CDR MAR-18 TB
CDRTB	5022015	2017	2200000268	31/03/2018	R2	549.66	3601	CDR MAR-18 TB
CDRTB	5022015	2017	2200000269	31/03/2018	R2	-549.66	3601	CDR MAR-18 TB
CDRTB	5022015	2017	2200000201	28/02/2018	R2	578.3	3601	CDR FEB-18 TB
CDRTB	5022015	2017	2200000169	01/02/2018	R2	294.68	3601	CDR JAN-18 TB
CDRTB	5022015	2017	2200000128	01/01/2018	R2	89.27	3601	CDR DEC-17 TB
CDRTB	5022015	2017	2200000129	01/01/2018	R2	-89.27	3601	CDR DEC-17 TB
CDRTB	5022015	2017	2200000130	31/12/2017	R2	89.27	3601	CDR DEC-17 TB
CDRTB	5022015	2017	2200000087	30/11/2017	R2	112.62	3601	CDR NOV-2017 TB
CDRTB	5022015	2017	2200000081	31/10/2017	R2	180.67	3601	CDR OCT-17 TB
CDRTB	5022015	2017	2200000062	30/09/2017	R2	88.14	3601	CDR SEP-17 TB
CDRTB	5022015	2017	2200000055	31/08/2017	R2	111.51	3601	CDR AUG-17 Upload

AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
CDRTB	5022015	2017	2200000048	31/07/2017	R2	74.56	3601	CDR TB JUL-17
CDRTB	5022015	2017	2200000039	30/06/2017	R2	42.02	3601	CDR JUN-17 TB
CDRTB	5022015	2017	2200000023	31/05/2017	R2	12.08	3601	CDR MAY-17 TB
CDRTB	5022015	2017	2200000002	01/05/2017	R2	3.33	3601	CDR APR-17 TB
	<b>5022015</b>	<b>Total</b>				<b>2136.84</b>		
GSM	5022008	2017	1000104729	31/03/2018	SA	32257.45	3601	MRJS-367 CDMA LF WRITTEN OFF MAR18
	<b>5022008</b>	<b>Total</b>				<b>32257.45</b>		
GSM	5022009	2017	2200000009	30/04/2017	R2	130522	3601	MRJS-4 GSM ABF WRITTEN OFF APR 2017
GSM	5022009	2017	1000074371	31/01/2018	SA	163799	3601	MRJS-236 GSM ABF WRITTEN OFF JAN 2018
GSM	5022009	2017	1000085496	28/02/2018	SA	114858	3601	MRJS-278 CDMA ABF WRITTEN OFF FEB 2018
GSM	5022009	2017	1000095649	31/03/2018	SA	8304110.25	3601	MRJS-325 CDMA ABF WRITTEN OFF MAR18
GSM	5022009	2017	1000104716	31/03/2018	AB	-8304110.25	3601	MRJS-325 CDMA ABF WRITTEN OFF MAR18
GSM	5022009	2017	1000104729	31/03/2018	SA	8271852.8	3601	MRJS-367 CDMA ABF WRITTEN OFF MAR18
GSM	5022009	2017	2200000229	31/03/2018	R2	2916559.08	3601	MRJS-324 GSM ABF WRITTEN OFF MAR18
	<b>5022009</b>	<b>Total</b>				<b>11597590.88</b>		
GSM	5022010	2017	2200000161	31/01/2018	R2	16804	3601	MRJS-250 Addl JS for GSM woff new bills
GSM	5022010	2017	1000095665	31/03/2018	SA	89079.86	3601	MRJS-335 Addl JS for CDMA woff new bill
GSM	5022010	2017	2200000232	31/03/2018	R2	247776.52	3601	MRJS-328 Addl JS for GSM woff new bills
	<b>5022010</b>	<b>Total</b>				<b>353660.38</b>		
GSM	5022013	2017	2200000161	31/01/2018	R2	52	3601	MRJS-250 Addl JS for GSM woff new bills
GSM	5022013	2017	1000095665	31/03/2018	SA	243.06	3601	MRJS-335 Addl JS for CDMA woff new bill
GSM	5022013	2017	2200000232	31/03/2018	R2	663.62	3601	MRJS-328 Addl JS for GSM woff new bills
	<b>5022013</b>	<b>Total</b>				<b>958.68</b>		
GSM	5022015	2017	1000095665	31/03/2018	SA	241.13	3601	MRJS-335 Addl JS for CDMA woff new bill
GSM	5022015	2017	2200000232	31/03/2018	R2	663.96	3601	MRJS-328 Addl JS for GSM woff new bills
GSM	5022015	2017	2200000161	31/01/2018	R2	52	3601	MRJS-250 Addl JS for GSM woff new bills
	<b>5022015</b>	<b>Total</b>				<b>957.09</b>		
GSM	5022016	2017	1000100330	31/03/2018	SA	1360.84	3601	MRJS-330 GSM GST WRITTEN OFF MAR18
GSM	5022016	2017	1000100331	31/03/2018	SA	544.06	3601	MRJS-332 CDMA GST WRITTEN OFF MAR18
GSM	5022016	2017	1000105653	31/03/2018	SA	167.19	3601	MRJS-370 GSM GST WRITTEN OFF MAR18
	<b>5022016</b>	<b>Total</b>				<b>2072.09</b>		



AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
NONMIG	5022009	2017	2200000282	31/03/2018	R2	2481231.42	3601	NON-MIGRATION WRITE OFF 2017-18
	<b>5022009</b>	<b>Total</b>				<b>2481231.42</b>		
NONMIG	5022010	2017	2200000282	31/03/2018	R2	24689.6	3601	NON-MIGRATION WRITE OFF 2017-18
	<b>5022010</b>	<b>Total</b>				<b>24689.6</b>		
SAP/LCCDRTB	5022009	2017	2200000221	01/03/2018	R2	7260.79	3602	CDR-TB-FEB-18
SAP/LCCDRTB	5022009	2017	2200000241	31/03/2018	R2	46609.64	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022009	2017	2200000243	31/03/2018	R2	-46609.64	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022009	2017	2200000244	31/03/2018	R2	46609.64	3602	CDR-TB-MAR-18
	<b>5022009</b>	<b>Total</b>				<b>53870.43</b>		
SAP/LCCDRTB	5022010	2017	2200000241	31/03/2018	R2	59763.91	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000241	31/03/2018	R2	-53699.95	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000243	31/03/2018	R2	-59763.91	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000243	31/03/2018	R2	53699.95	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000244	31/03/2018	R2	59763.91	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000244	31/03/2018	R2	-53699.95	3602	CDR-TB-MAR-18
	<b>5022010</b>	<b>Total</b>				<b>6063.96</b>		
SAP/LCCDRTB	5022013	2017	2200000241	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022013	2017	2200000243	31/03/2018	R2	-216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022013	2017	2200000244	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
	<b>5022013</b>	<b>Total</b>				<b>216.57</b>		
SAP/LCCDRTB	5022015	2017	2200000241	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022015	2017	2200000243	31/03/2018	R2	-216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022015	2017	2200000244	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
	<b>5022015</b>	<b>Total</b>				<b>216.57</b>		
SAP/LCCDRTB	5022016	2017	2200000221	01/03/2018	R2	0.18	3602	CDR-TB-FEB-18
SAP/LCCDRTB	5022016	2017	2200000241	31/03/2018	R2	593.22	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022016	2017	2200000243	31/03/2018	R2	-593.22	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022016	2017	2200000244	31/03/2018	R2	593.22	3602	CDR-TB-MAR-18
	<b>5022016</b>	<b>Total</b>				<b>593.4</b>		
	<b>Grand</b>	<b>Total</b>				<b>47266540.5</b>		

## NON MIGRATED WRITE OFF

Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	TOTAL
Land Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	926087.00	0.00	1444988.79	2371075.79
Broadband	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FTTH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LF WOFF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1952.00	0.00	0.00	1952.00
Total Services Written Off ( 2-6 Total)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	928039.00	0.00	1444988.79	2373027.79
Stax POT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24409.18	0.00	280.42	24689.60
Service Tax Payable - Telephones / Stax PrePOT / GL 1320202	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	171254.63	0.00	203117.79	374372.42
CGST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SGST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Service Tax Written Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	195663.81	0.00	203398.21	399062.02
<b>Total Write off Services + Tax SLR</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1123702.81</b>	<b>0.00</b>	<b>1648387.00</b>	<b>2772089.81</b>

Schedule of Write off For Year 2017-18  
DETAILS OF WOFF SANCTIONS FROM ZONES 2017-18

Zone	Case Written off	Woff Amt Including Stax	APR to DEC	DEC to MAR	Total Sanctions
CE	11105	8833564.06	2893152.00	5942044.00	8835196.00
NE	7537	2209922.41	1440068.00	769854.41	2209922.41
NP	3600	3796133.37	606524.00	3189609.00	3796133.00
NW	7623	2039095.65	2039095.00		2039095.00
SE	7197	4280324.95	4280234.00	0.00	4280234.00
SW	9405	6016721.53	3079704.00	2937017.00	6016721.00
WE	11724	5949030.72	4186721.00	1761826.24	5948547.24
<b>Total</b>	<b>58191</b>	<b>33124792.69</b>	<b>18525498</b>	<b>14600350.65</b>	<b>33125848.65</b>



Schedule of Write off For Year 2017- 18

CFA													
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	TOTAL
Land Line	109991.00	19960.00	225148.00	241967.00	104584.00	887002	1673218	867074	496457.00	1484066	2045605	5645494.00	14741822.00
Broadband	62768.00	30555.00	363767.00	496065.00	1970297	1636266	1994106	1290270.00	294421.00	1216012	2590564	2390079.00	14335170.00
FTTH	0.00	0.00	11865.00	1234.00	3.00	1376.00	0.00	23455.00	0.00	64613	117984	1496.00	222026.00
IN				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LF WOFF	1778.00	3353.00	17021.00	16972	85178	39465	119142	62289.00	16434.00	89514	141732	102414.00	695292.00
Total Services Written Off (2-6 Total) As Per CDRSLR	174537.00	53868.00	617801.00	756238.00	3101318.00	2564109.00	3786466.00	2243088.00	807312.00	2854205.00	4895885.00	8139483.00	29994310.00
Stax POT	9332	5736.00	62752.00	71260.00	346011.00	274141	398870.00	238723.00	54356.00	315798	542542	398190.00	2717711.00
Service Tax Payable - Telephones /Stax PrePOT / GL 13.20202	9542	144.00	5374.00	10852.00	11852.00	21352	15330.00	9228.00	23455.00	22058	28830	254755.00	412772.00
<b>Total Service Tax Written Off</b>	<b>18874.00</b>	<b>5880.00</b>	<b>68126.00</b>	<b>82112.00</b>	<b>357863.00</b>	<b>295493.00</b>	<b>414200.00</b>	<b>247951.00</b>	<b>77811.00</b>	<b>337856.00</b>	<b>571372.00</b>	<b>652945.00</b>	<b>3130483.00</b>
<b>Total Write off Services + Tax SLR</b>	<b>193411.00</b>	<b>59748.00</b>	<b>685927.00</b>	<b>838350.00</b>	<b>3459181.00</b>	<b>2859602.00</b>	<b>4200666.00</b>	<b>2491039.00</b>	<b>885123.00</b>	<b>3192061.00</b>	<b>5467257.00</b>	<b>8792428.00</b>	<b>33124793.00</b>
CDRTB HOA 1742006	174537.22	53868.38	617800.84	756238.24	3101318.49	2564108.99	3786466.64	2243087.67	807312.49	2854115.21	4895858.75	8139483.61	29994196.53
"Ser Tax paid but not coll HOA 1742007 / 5022010"	9306.00	5706.94	62619.04	70981.89	345590.40	273803.19	398032.76	238224.47	54141.09	311337.45	539546.09	396659.95	2705949.27
"SBC not collected hence w - HOA 1742008 / 5022013"	22.56	17.28	91.16	203.82	309.35	250.10	656.01	386.16	125.82	4164.79	2672.12	979.79	9878.96
" KKC not collected hence w HOA 1742009 / 5022015"	3.33	12.08	42.02	74.56	111.51	88.14	180.67	112.62	89.27	294.68	578.30	549.66	2136.84
HOA 1192301 + 1192306 + 1192309	9,542.29	162.17	5373.56	10851.90	14651.10	21354.05	15330.09	9228.04	24151.74	22072.66	28867.79	262414.02	423999.41
<b>Total Write off Services + Tax TB</b>	<b>193411.40</b>	<b>59766.85</b>	<b>685926.62</b>	<b>838350.41</b>	<b>3461980.85</b>	<b>2859604.47</b>	<b>4200666.17</b>	<b>2491038.96</b>	<b>885820.41</b>	<b>3191984.79</b>	<b>5467523.05</b>	<b>8800087.03</b>	<b>33136161.01</b>

GSM/CDMA													
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
GSM 5022009	130522.00									163799.00		2916559.08	3210880.08
CDMA 5022009											114858.00	8271852.80	8386710.80
Late fees 5022008												32257.45	32257.45
<b>Total Services Written Off (2-6 Total)</b>	<b>130522.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>163799.00</b>	<b>114858.00</b>	<b>11220669.33</b>	<b>11629848.33</b>
Stax POT	0	0	0	0	0	0	0	0	0	16907.77	0	338668.15	355575.92
Service Tax Payable Cellular Mobile /GL 1320213 Stax PrePOT	13109.99	0	0	0	0	0	0	0	0	2664.26	12896.26	855053.63	883724.14
CGST	0	0	0	0	0	0	0.00	0.00	0.00	0	0	1036.04	1036.04
SGSST	0	0	0	0	0	0	0.00	0.00	0.00	0	0	1036.04	1036.04
Total Service Tax Written Off	13109.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19572.03	12896.26	1195793.86	1241372.14
Total	143631.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	183371.03	127754.26	12416463.19	12871220.47
Leased Circuits													
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
CCCT	0.00									0.00	7260.69	46609.54	53870.23
CDMA											0.00	0.00	0.00
<b>Total Services Written Off (2-6 Total)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7260.69</b>	<b>46609.54</b>	<b>53870.23</b>
Stax POT	0	0	0	0	0	0	0	0	0	0	0	6497.1	6497.10
Service Tax Payable Cellular Mobile /GL 1320213 Stax PrePOT	0	0	0	0	0	0	0	0	0	0	731.18	0	731.18
CGST	0	0	0	0	0	0	0	0	0	0	0	296.61	296.61
SGSST	0	0	0	0	0	0	0	0	0	0	0	296.61	296.61
<b>Total Service Tax Written Off</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>731.18</b>	<b>6497.10</b>	<b>7228.28</b>



**“Annexure III” to the Independent Auditor’s Report of even date to the members of Bharat Sanchar Nigam Ltd on Standalone Ind AS financial statements for the year ended March 31, 2018**

**Independent Auditor’s Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

- 1) In conjunction with our audit of Ind AS financial statements of **Bharat Sanchar Nigam Ltd (the Company)**, comprising of 48 circles as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of 1 circle and IFCoFR of remaining 47 circles have been audited by the respective circle auditors appointed under section 139 of the Act.

**Management’s Responsibility for Internal Financial Controls**

- 2) The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (“Guidance Note”) issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

- 3) Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting (IFCoFR) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
- 4) Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
- 5) We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in the ‘Other Matters’ paragraph below, are sufficient and appropriate to provide a basis for our qualified audit opinion on the Company’s IFCoFR.

### Meaning of Internal Financial Controls over Financial Reporting

- 6) A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with Ind AS. A Company's IFCoFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with Ind AS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Board of Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

- 7) Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

- 8) According to the information and explanations provided to us and based on the consideration of the reports of circle auditors, following material weaknesses have been identified during the course of audit as at March 31, 2018:

### Revenue

- (i) As reported by auditors of 8 circles, in respect of income from Subscriber Identity Module (SIM's), prepaid recharge coupon of mobile and prepaid calling cards, the process around recognition of revenue there from needs to be strengthened as presently the circles have treated all receipts received during the year as income of current financial year. The treatment is not in line with the Ind AS issued by ICAI which could potentially result in materially misstating the revenue by Company.
- (ii) As reported by auditors of 11 circles, there is inadequate control over booking of revenue and billing. System of monthly reconciliation of revenue as per monthly sub ledger generated through Call Detailed Records ('CDR') system with books of accounts is not in place which could potentially result in the Company materially misstating its revenue and trade receivables.
- (iii) As reported by auditors of 3 circles, invoices are generated in excess, individually or in the aggregate, of customer credit limits, which may give rise to situations where the ultimate collection is doubtful and revenue recognized not being in line with the revenue recognition criteria. This internal control issue could potentially result in the Company materially misstating the revenue and trade receivables.
- (iv) As reported by auditors of 4 circles, Company did not have an appropriate internal control for





recognition of revenue of passive infrastructure, NLD, ILD and cash receipts which are not in accordance with Ind AS. All these could potentially result in the Company materially misstating its revenue and trade receivables.

- (v) As reported by auditors of 4 circles, the income in respect of basic telephony services and in respect of post-paid accounts at Cellular Mobile Telephone Services ('CMTS') is accounted for on the basis of Amount Billed For ('ABF') received from the centralized system at the zonal billing centre based at Chandigarh, and the various balances of debtors including security deposits from customers are matched with the balances reported by the Chandigarh centre. We have not been provided with any system or technical audit report verifying the authenticity of the data generated by the system which could potentially result in the Company materially misstating its revenue and trade receivables.
- (vi) As reported by auditors of 3 circles, there is no defined process to recognize revenue arising out of construction contracts based on stage of completion. All these could potentially result in the Company materially misstating its revenue and trade receivables.
- (vii) As reported by auditors of 3 circles, controls with respect to recognition and adjustment of advance income need to be strengthened. This could potentially result in materially misstating its revenue and trade receivables.

#### **Employee Benefits**

- (viii) As reported by auditors of 11 circles, the internal control system in the circle in respect of control over recovery/ adjustment of advances given to the employees, namely medical advances, travelling and transfer advances appears to be inadequate. This could potentially result in the Company materially misstating the employee benefits expenses and advances.
- (ix) As reported by 6 circle auditors, the circles needs to strengthen its internal control system over payroll processing with respect to calculation of compensation and tax deducted at source; leave data which may not be accurately and completely considered for payroll processing; recovery form employee advances may not be recorded in the correct period; where the employee is being transferred from another circle, the general ledger and actual data may differ and payroll might be reflected in the erstwhile circle salary schedule. In the absence of such controls, the Company may potentially materially misstate its employee benefit expenses in its financial statements

#### **Cash and Bank Transactions**

- (x) As reported by auditors of 3 circles, the circle does not have an appropriate internal control system over cash accepted at cash counters and customer service centers from the customer with regard to non/ short recordings or delay in recording of receipt by the cashier, which could potentially result in misappropriation of assets of the Company.
- (xi) As reported by auditors of 9 circles, the monitoring controls in respect of bank reconciliation statements needs to be strengthened which could potentially result in the Company materially misstating its cash and bank balances.
- (xii) As reported by auditors of 5 circles, internal control around bank payments through bank file generation is prone to error/ fraud due to human intervention. This could potentially result in financial loss to the Company.

## Fixed Assets

- (xiii) As reported by auditors of 20 circles, there is no regular programme for physical verification of fixed assets which could potentially result in the Company materially misstating its fixed assets in the financial statements of the Company.
- (xiv) As reported by auditors of 24 circles, the internal control system in respect of capitalization of capital work-in-progress which, inter-alia, include balances pending for long-periods of time with regard to status, value and non-availability of commissioning certificates could potentially result in the Company work-in-progress, fixed assets and depreciation in its books.
- (xv) As reported by auditors of 9 circles, an effective internal financial control may be evolved to ensure that there should not be any mismatch between fixed asset register and physical assets with respect to the make of the asset, serial number and location which could potentially result in the Company materially misstating the fixed assets.
- (xvi) As reported by auditors of 11 circles, the circles do not have a process of identification of obsolete/damaged assets together with the timely detection of pilferage of moveable assets, if any, and this could be potentially result in the Company materially misstating the fixed assets.
- (xvii) As reported by auditor of 2 circles, in the absence of a policy for identification of 'Insurance Spares' (spares specific for fixes assets), such spares have been kept in the stores without segregation from general store items. Since adequate internal financial control is not in existence at the circle, a possibility of pilferage of stores and spares items, especially small movable items, cannot be overruled and this could potentially result in the Company materially misstating its fixed assets and inventory for stores and spares in the financial statements.
- (xviii) As reported by auditors of 10 circles, there is no process to match the manual land records/ deeds with the land capitalized in the financial records which could potentially result in the Company materially misstating the fixed assets in the financial statements of the Company.
- (xix) As reported by auditors of 12 circles, the company does not have appropriate internal controls for providing provisions in respect of decommissioned assets on fair value basis which could potentially result in the Company materially misstating the fixed assets in the financial statements of Company.
- (xx) As reported by auditors of 8 circles, the internal control system for obtaining documents for immovable assets of the Company needs to be strengthened. This could potentially result in the company materially misstating the fixed assets in the financial statements.
- (xxi) As reported by auditor of 6 circles, the internal control system for impairment of assets needs to be strengthened. This could potentially result in material misstatement of fixed assets in the financial statements.
- (xxii) As reported by auditors of 4 circles, the internal control system for issuance for purchase orders and purchases of stores and capital items needs to be further strengthened. This could potentially result in the Company materially misstating the fixes assets and inventory.
- (xxiii) As reported by auditors of 7 circles, there are inadequate controls with respect to capitalisation of overheads, borrowing costs and closure of CWIP. This could potentially result in misstating the capital commitments, assets and expenses in the financials of the Company.



- (xxiv) As reported by auditors of 4 circles, internal control system for ensuring accuracy in providing depreciation on fixed assets, method of depreciation, useful life, residual value, were not operating effectively and this may result in depreciation being computed incorrectly, not computed or computed on ineligible assets and may materially misstate value of assets and depreciation thereon.
- (xxv) Auditors of 3 circles have reported about inadequacy of insurance coverage available for fixed assets and inventories which may materially impact the financials in case of mis-happening.

### **Inventory**

- (xxvi) As reported by auditors of 13 circles, the internal control system need to be strengthened in respect of acquisition and maintenance of inventories and conducting physical verification thereof. This could potentially result in the Company materially misstating the inventory value in financial statements.
- (xxvii) As reported by auditors of 10 circles, the absence of perpetual inventory count system and policy for categorisation of inventory at the circles, process of timely detection of slow moving, non-moving and obsolete stock is not being appropriately done. This could potentially result in the Company materially misstating the inventory.
- (xxviii) As reported by auditors of 7 circles, the process of accounting and issue of inventory relating to National Optical Fibre Network (NOFN) project needs to be strengthened. This could potentially result in the Company materially misstating the inventory in books.
- (xxix) As reported by auditors of 10 circles, receipt and issue of materials may not be recorded promptly and in the appropriate period which could potentially result in material misstatement of inventory in financial statements of the Company.
- (xxx) As reported by auditors of 3 circles, sale of scrap includes items of asset also but such assets are not identified and taken out from the respective assets which could potentially result in Company materially misstating the inventory and fixed assets.
- (xxxi) As reported by auditors of 5 circles, there is no process to physically verify and post necessary transactions to match the same as per financials which may potentially result in materially misstating the inventory.

### **Statutory Dues**

- (xxxii) As reported by auditors of 19 circles, the circle needs to improve the internal control system for reconciliation, timely payment and correct deduction of service tax, TDS, GST and other statutory dues recoverable/ payable. This could potentially result in material misstatement of statutory dues.
- (xxxiii) As reported by auditors of 3 circles, compliances with regard to deposition, adjustment, deduction and reconciliation of service tax, tax deducted at source and reconciliation of GST turnover, input tax credit and amount claimed in Trans 1 for service tax and CENVAT credit needs to be strengthened. This could potentially result in materially misstatement of statutory dues.

### Enterprise Resource Planning (ERP)

- (xxxiv) As reported by auditor of 1 circle, monitoring controls over programme change controls on transition from legacy system to Systems, Applications, Products (SAP) is not adequate. This could potentially result in material misstatement of various captions of the financial statements.
- (xxxv) Auditor of 1 circles has reported that manual intervention in ERP is possible and there is no control with respect to detection of such exceptional transactions. This could potentially result in material misstatement of various captions of the financial statements.

### Current Assets and Liabilities

- (xxxvi) As reported by auditors of 17 circles, the Company did not have appropriate internal controls for reconciling and obtaining balance confirmation from sundry debtors, sundry creditors and other parties. This could potentially result in Company materially misstating the debtors and creditors in the financial statements.
- (xxxvii) As reported by auditors of 19 circles, the Company does not have adequate internal control over adjusting, timely and proper booking of liabilities. In various cases, the liabilities have escaped booking even in case of recurring expenditures and various expenses have been booked without adjusting the existing liability already booked against such expenses which could potentially result in Company materially misstating the current liabilities.
- (xxxviii) As reported by auditors of 7 circles, controls over process of reconciling unidentified vendors with various clearing accounts needs to be strengthened and control should be established to record expense only through vendor accounts. This could potentially result in material misstatement of current liabilities in the financial statements.
- (xxxix) As reported by auditors of 8 circles, the circle is required to strengthen internal control system for maintenance of subsidiary records in relation to the deposit from customers (pre and post paid connections) as this could potentially materially misstate the current assets and liabilities of the company.
- (xl) As reported by auditors of 5 Circles, process for classification of assets/ liabilities as current or non-current is weak. This could potentially result in Company materially misstating its assets and liabilities in the financial statements.
- (xli) As reported by auditor of 10 circles, the company needs to strengthen the process of obtaining balance confirmations/ reconciliations in respect of claims payable to and/ or receivable from Mahanagar Telephone Nigam Limited and Department of Telecommunication. This could potentially result in the Company materially misstating its current assets and liabilities.

### Financial Reporting/ Closure Process

- (xlii) As reported by auditors of 7 circles, the maker checker concept for voucher posting and authenticating in SAP needs to be strengthened which could potentially result in posting the entries in wrong heads/ wrong amounts/ duplicates posting/ posting of purchase orders without manual approval/ non-posting of manual credits/ debit notes etc and this could potentially materially misstate various captions in the financial statements



### **Reconciliation and Inter circle Remittance**

- (xliii) As reported by auditors of 7 circles, the Company did not have appropriate internal controls for reconciliations and confirmation of earnest money deposit, security deposit, sundry creditors and other deposits which could potentially result in the Company materially misstating current assets and liabilities.
- (xliv) As reported by auditors of 8 circles, there is inappropriate control system for timely reconciliation of unreconciled inter-circle/ unit remittances. The unreconciled amounts largely pertain to lack of appropriate supporting documentation and requisite approvals. The unreconciled remittances could have a potential material impact on various captions of the financial statements of the circle.
- (xlv) As reported by auditors of 12 circles, the Company did not have appropriate internal controls for reconciliations between subsidiary and general ledger in respect of revenue items, debtors and deposits which could potentially result in the Company materially misstating the aforementioned captions in the financial statements.

### **Miscellaneous**

- (xlvi) As reported by auditors of 7 circles, the Company has not defined any risk control matrix identifying the key risk areas of particular SSA. This could result in weak checks and balances and ineffectiveness in operations as well.
  - (xlvii) As reported by auditors of 7 circles, there are inadequate controls for arriving at value for provision or showing contingent liability which could materially misstate the financials of the Company.
  - (xlviii) Auditors of 4 circles have reported that internal controls for information technology system are weak with respect to computer hardware, software, sharing of passwords and EDP audits which may impact the balances and financials of the Company.
  - (xlix) Auditors of 2 circles have reported that monitoring controls around creation and management of new business area needs improvement as discrepancies were noted in transfer of balances from one area to another which may materially misstate the balances and financials of the Company.
- 9) A 'material weakness' is deficiency or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of company's annual or interim financial statements will not be prevented or detected on timely basis.
  - 10) In our opinion and based on the consideration of the reports of the circle auditors and read together with paragraph 12 below, except for the effects/ possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls financial reporting and such IFCoFR were operating effectively as at 31<sup>st</sup> March 2018, based on the IFCoFR criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.
  - 11) The circle auditors have considered material weaknesses identified and reported above in determining nature, timing and extent of audit tests applied in the audit of the Standalone Ind AS financial statements of respective circles of the Company as at and for the year ended

31<sup>st</sup> March 2018 and these weakness have affected the opinion on the Standalone Ind AS financial statements of the Company and we have issued qualified opinion on the Standalone Ind AS financial statements.

### Disclaimer

- 12) As reported by auditor of 1 circle, the system of internal financial controls over financial reporting with regard to the Company were not made available to them to enable them to determine if the Company/Circle has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2018. The respective circle auditors have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in the audit of the Standalone Ind AS financial statements of respective circles of the Company as at and for the year ended 31<sup>st</sup> March 2018 and the disclaimer did not affect their opinion on Standalone Ind AS financial statements of the circles.

### Other Matters

- 13) We did not audit the Ind AS financial statements of 47 circles whose Ind AS financial statements reflect total assets (including intra/inter circle remittances) of Rs. 70,91,895 Lakhs as at 31<sup>st</sup> March 2018 and total revenues of Rs. 26,59,351 Lakhs for the year ended on that date. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Standalone Ind AS financial statements in so far as it amounts and disclosures included in respect of these 48 circles is based solely on the reports of other auditors.

**For ANDROS & CO**  
**Chartered Accountants**  
Firm's Registration No.: 008976N

Sd/-  
**(Puneet Gupta)**  
Partner  
Membership No.: 093714

Place: New Delhi  
Date: 4<sup>th</sup> October, 2018



**ANDROS & CO**  
**Chartered Accountants**

To,  
The Members of,  
Bharat Sanchar Nigam Limited,

Corrigendum To The Audit Report Dated 04/10/2018  
For The Year Ended 31/03/2018

Due to typographical error in point no 13 of annexure-III to independent Audit Report dated 04/10/2018, the figure regarding total revenues has been mentioned as Rs 26,59,351 lakhs which should be read as Rs 24,81,356 lakhs. This Corrigendum has been issued in terms of HM No.8 dated 11/10/2018 issued by Sr.Audit Officer, RAO. BSNL. Independent Auditor's report dated 04/10/2018, issued by us, may be read along with this corrigendum.

**For ANDROS & CO**  
**Chartered Accountants**  
Firm's Registration No.: 008976N

Sd/-  
**(Puneet Gupta)**  
Partner  
Membership No.:093714

Place: New Delhi  
Date: 26<sup>th</sup> November, 2018

**The Management replies to Independent Auditor's Report on  
Standalone Financial statement for the Financial Year 2017-18 are given below:**

Audit Para	Management Reply
Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT	
8	<p>As detailed in note 38 and 41.1 to the standalone Ind AS financial statements, assets and liabilities (including contingent liabilities) taken over from DoT on 1 October 2000 have been verified and valued by the management based on internal calculations. These are subject to reconciliations and confirmation from DoT as regards to value and classification. The consequential impact on the standalone Ind AS financial statements, if any, as a result of the same is presently not ascertainable. Our Audit Report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>
	<p>The Company has recorded all identified assets and liabilities taken over from DoT as on 01 October 2000. The value and classification of the assets has been recorded as per the relevant accounting standards and the available guidelines.</p> <p>During the current financial year, there is no change in the assets and liabilities taken over from DoT as on 1 October 2000. Further, the value of net additional assets identified during the previous year was immaterial.</p> <p>Accordingly, management estimates that there will not be any material identification of assets/ liabilities in the subsequent years.</p>
9	<p>As detailed in note 42 to the standalone Ind AS financial statements, amounts due from and to DoT, included in current assets and current liabilities aggregating to Rs. 2,43,013 lakhs (31st March 2017 Rs. 2,20,052 lakhs) and Rs. 31,085 lakhs (31st March 2017 Rs. 37,316 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter</p>
	<p>BSNL Circles have been asked to provide the details of balances under account head related to claim recoverable from DOT to the Office of concerned CCAs for confirmation.</p> <p>Current liabilities include running balances payable to DoT like amounts related to general provident fund (GPF), pension contribution, etc. These amounts are generally settled within next month of the subsequent financial year.</p>
Fair Valuation of Freehold Land	
10	<p>(i) In pursuance of Ind AS 101-"First Time Adoption of Indian Accounting Standards" the company had selectively fair valued only certain freehold lands as at 1st April 2015, resulting in upward valuation of freehold lands under Property, Plant &amp; Equipment and the corresponding increase to Other Equity by a sum of Rs 69,86,449 lakhs. Fair valuation of only certain lands is non-compliance of Ind AS 101 First Time Adoption of Indian Accounting Standards.</p>
	<p>Para D5 of Ind AS 101 which provides the option to fair value the property, plant and equipment on the transition date states that an entity may elect to measure an item of property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.</p> <p>This para clearly states that the option to fair value items of property, plant and equipment is available for application to each individual item of property, plant and equipment.</p>





	<p>(ii) Non compliances had also been reported by the Circle Auditors in the procedure adopted and non-application of uniform policies with regard to fair valuation of freehold lands.</p> <p>The consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our Audit Report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>Use of fair valuation of selected individual items of property, plant and equipment as deemed cost is permissible under Ind AS as on transition date in accordance with Para D5 of Ind AS 101. Since this option is exercised, other items of property, plant and equipment have been carried at cost as per Ind AS 16.</p> <p>Accordingly, the fair value of selected parcels of freehold land on transition date is in compliance with Ind AS 101.</p> <p>Further, the selective fair valuation of the land was examined by Comptroller &amp; Auditor General of India during certification audit of the financial statements for the year ended 31 March 2017 and the management view has been agreed by C&amp;AG.</p> <p>The fair valuation techniques are given in Appendix B to the Ind AS 113.</p> <p>Accordingly, the Certified valuers have used different techniques / approaches, appropriate to value such freehold land on case to case basis and are in accordance with Ind AS.</p> <p>Since, the fair valuation exercise was a one-time activity carried on transition date, the impact of fair valuation was taken to retained earnings and this does not have any impact on the standalone Ind AS financial statements for the year ended 31 March 2018.</p>
<p><b>Revenue</b></p>		
<p>11</p>	<p>i) The company has not applied definition of “Default” and “Assessment of Credit Risk” consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on trade receivables from Other Government and/ or PSU sector entities. We have also not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to change its perception in the</p>	<p>The Company has disclosed its credit risk policy in note 53(B)(i). The relevant extracts of the policy is as below:</p> <p><i>‘The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets.....!’</i></p> <p>The Company has followed the above credit risk policy from the date of transition to Ind AS (1 April 2015) for all the financial instruments as per Ind AS 109 and have recognized appropriate loss allowance based on assessment of specific credit risk.</p> <p>As per the above credit risk policy,</p>

<p>current year 2017-2018 for considering trade receivables, from Other Government and/ or PSUs sector entities, as having low credit risk vis-à-vis the corresponding previous year that made the management to write back in the current year 2017-2018, the entire accumulated loss allowance provided in the earlier year(s).</p> <p>We accordingly conclude that the credit risk on such financial instruments (i.e. trade receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition. Consequently, the write back of loss allowance in the current year relating to receivables from Government and/ or PSU sector entities, is not in consonance with the Ind AS 109 Financial Instruments. This is also not in consonance with the Accounting Policies as stated in Note No 2.2(p) of the Significant Accounting Policies of the company.</p> <p>We were not supplied the financial information about the write back of loss allowance of trade receivables from other Government and/ or PSU sector entities as at March 31, 2018 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.</p> <p>ii) Net amount receivable from Mahanagar Telephone Nigam Limited (MTNL) as per the Standalone Ind AS financial statements is Rs 3,47,024 lakhs (31 March 2017 Rs 2,55,188 lakhs), being amounts recoverable from MTNL Rs 3,62,140 lakhs, amount payable and provision for amounts payable to MTNL Rs 15,116 lakhs. MTNL however, claims a sum of Rs 3,38,726 lakhs as recoverable from the Company in the balance confirmation certificate.</p> <p>The required financial information to verify such balances as at March 31, 2018 was not provided to us by the company and accordingly we are unable to comment upon</p>	<p><i>'Receivables more than two years past due primarily comprises receivables from government departments and PSU's, which are fully realisable on historical payment behavior and hence no loss allowance has been recognised. Impairment allowance has already been recognised on specific credit risk factor'.</i></p> <p>Generally, the Company makes provision for government departments and PSU's, the balances of which are outstanding for more than two years based on specific credit risk.</p> <p>Similar approach was followed by the circles in evaluating the adequacy of provisions for dues from government departments and PSU's and reversals were only made where found suitable by the circles based on estimation of the specific credit risks.</p> <p>Accordingly, the Company is in compliance with Ind AS 109 requirements for trade receivables from Government and/ PSU sector entities.</p> <p>Since the provision are recognised at circle level, the detail of which are available at circle level.</p> <p>It may be noted that the net amount receivable from Mahanagar Telephone Nigam Limited (MTNL) as per the Standalone Ind AS financial statements is INR 2,40,711 lakh, being amounts recoverable from MTNL INR 3,62,140 lakh, amount payable and provision for amounts payable to MTNL INR 1,21,429 lakh.</p> <p>A high Level Committee has been formed by DOT vide Letter No. 10-14/2013-SU-1 dated 25/06/2013 consisting representatives of DOT, MTNL to sort out the issues with MTNL.</p> <p>Management has taken up the matter of reconciliation of receivables from and payables to MTNL through a standing committee constituted by DoT.</p>
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	<p>the impact of adjustments in the financial statements that would be required pursuant to the eventual resolution of such balances inter-se the company and MTNL.</p>	<p>The issue is under settlement and both being PSUs under DoT, there would be reconciliation and settlement at the earliest.</p>
12	<p>As reported by auditors of 2 circles, the income from recharge coupons, prepaid calling cards, internet connection cards, sancharnet cards and stock of recharge coupons and prepaid calling cards are subject to reconciliations. In the absence of specific details, the impact of adjustment, if any, on Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.</p>	<p>The concerned circles are being instructed to take necessary action in the matter.</p>
13	<p>One circle auditor has reported non charging of expenditure amounting to Rs 615.20 lakhs to revenue and writing off the same from the provisions, thereby understating the Loss and Provisions by a sum of Rs 615.20 lakhs.</p>	<p>Noted</p>
14	<p>As stated in note 2.2-(p) to the significant accounting policies, certain items of revenue are accounted for on cash basis instead of the accrual basis of recognition of revenue which is not in accordance with the generally accepted accounting principles in India. The impact of the adjustment, if any, in respect thereof on revenue, license fee, trade receivables and loss for the year is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>Adequate disclosures are already given in the books of accounts of BSNL.</p>
15	<p>One circle auditor has reported insufficient documentary evidence and non-providing the basis for booking of Income in respect of NFS and LWE projects amounting to Rs 10,474.50 lakhs. Consequential impact on the standalone Ind AS financial statements, if any, as a result of the same is presently not ascertainable.</p>	<p>The necessary documentary evidence has been provided to the auditors prior to the authorization for issue of the financial statements by the Board of Directors.</p>
16	<p>1 circle auditor has reported that Fixed Assets taken over from DoT which were not accounted for in the standalone financial statements of the circle have been sold and treated as Sale of Scrap. The consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable.</p>	<p>Noted</p>

Property, Plant and Equipment		
17	<p>As reported by auditors of 12 circles, Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>CWIP includes turnkey project also, completion of which takes several years. As per company policy, capitalization is done on the basis of A/T /Completion Certificate issued by the concerned executing agencies.</p> <p>Based on Management estimate provision for impairment has been created for delayed projects pending capitalization wherever there were indicators of impairment.</p> <p>The Circles are being instructed to capitalize the works as and when completed and put to use and depreciation provided from that date.</p>
18	<p>Circle Auditors have reported non-capitalisation of completed Capital Work in Progress in the books of accounts, though being physically used, due to non-availability of Capital Budget or due to closure of accounting periods. This has resulted in overstatement of Capital Work in Progress, and understatement of Property, Plant and Equipment, Depreciation and losses by an amount that is unascertainable due to insufficient information.</p>	<p>The Circles are being instructed to capitalize the works as and when completed and put to use and depreciation provided from that date.</p>
19	<p>Company has capitalised an amount of Rs. 57,873 lakhs to Property Plant and Equipment, which is not in compliance with Ind AS 23-Borrowing Cost. The interest costs on borrowed funds in respect of the Property, Plant and Equipment which were capitalized in the earlier years have not been delimited to the extent of bringing them to their being put to use by the company. The capitalizing of such interest is also made in the current year without any basis. This has resulted in overstatement of Property, Plant and Equipment, Capital Work in Progress, and understatement of losses by an amount that is unascertainable due to insufficient information.</p> <p>Further the auditors of 14 circles have reported that Borrowing Cost pursuant to applicable Ind AS has been capitalised based upon ATD/ communication/ excel sheet received from Head Office. These auditors have expressed their inability to verify the correctness of these borrowing costs for want of calculations/ details.</p>	<p>BSNL is capitalizing interest on the general borrowings to the cost of Property, Plant &amp; Equipment in accordance with Ind AS-23.</p> <p>Since the interest on general borrowings is in the nature of avoidable interest cost, it has to be capitalized year on year on the qualifying assets as these borrowings could have been repaid had the expenditure on these qualifying assets was not made.</p> <p>All the borrowings are taken by the Corporate Office centrally and the payment of interest thereon is also settled centrally. The borrowing cost is allocated to the circles in proportion to CAPEX fund transferred to the circles.</p>



	<p>Our Audit Report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	
20	<p>Capital Work in Progress (Stores) amounting to Rs 6,52,924 lakhs (31 March 2017 4,36,505 lakhs) also includes Inventory items which are being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidences, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.</p>	<p>The Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.</p> <p>The nature of materials are such that the same material is utilized for both, the projects and repair and maintenance and there is no physical bifurcation of the items intended to be used for projects or for repair and maintenance.</p> <p>As per the management, these are to be materially utilized for the project purposes. Accordingly, the same are presented as 'Capital work-in-progress in store' in the financial statements.</p>
21	<p>As reported by auditors of 8 circles, in the absence of information in respect of certain items of Property Plant and Equipment capitalized, particularly batteries, it could not be established whether assets capitalized were on account of replacement/ extension of an existing asset or additional acquisition of a new asset and hence the consequential impact of the same on the classification/ value of the respective asset, depreciation and amortization, expenses and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>The concerned circles are being instructed to account for such types of transactions strictly as per accounting circulars/ instructions issued in this regard.</p>
22	<p>The leasehold land as identified and valued by the respective circles have been incorporated in the books of accounts and amortised with effect from the date of formation of the Company. Hence, in respect of the lands still not identified and/ or duly incorporated in the books of accounts of the respective circles, the consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>Most of the land transferred to the Company was acquired by DOT prior to 01/10/2000.</p> <p>All leasehold/ freehold land which are known/ identified have been accounted for.</p>

23	<p>As detailed in note 41.2 to the financial statements, auditors of 4 circles have reported on the expired/ non-renewal of leases on lands on which the Company had constructed buildings and the fact that management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>The concerned circles are being instructed to expedite the process of getting the lease of lands renewed.</p>
24	<p>As stated in note 3(i) and 41.3 to the financial statements, Property Plant and Equipment, inter alia, includes land pertaining to 5 circles, purchased/ acquired on leasehold/ freehold basis through various authorities, the title deeds of which are yet to be executed in the name of the Company. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p> <p>3 Circle Auditors have reported that Title deeds are in the name of DoT and 2 Circle auditors have reported non-availability of title deeds.</p>	<p><i>The company is in the process of executing the title deeds of the lands purchased / acquired, wherever required.</i></p>
25	<p>The accounting policy of the Company as stated in note 2.1(c) to the financial statements with respect to the decommissioned assets—now considered as Asset held for sale—has not been uniformly applied across all circles. In 6 circles, the decommissioned assets are not recorded at lower of the cost or net realisable value.</p> <p>While in 3 circles, the decommissioned assets have not been appropriately adjusted from the block of Property Plant and Equipment and depreciation and amortization is still being charged on such decommissioned assets. In the absence of sufficient details, we are unable to comment upon the impact of adjustment on the Property Plant and Equipment, current assets, depreciation and amortization and loss for the</p>	<p><i>The circles are being instructed to strictly adhere to the accounting instructions issued on the subject matter.</i></p>



	<p>year, if any, arising out of the same. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p> <p>Certain Circle Auditors have reported that WIMAX and CDMA equipment, though not being used have not been considered as decommissioned assets. The consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.</p>	<p>The Management estimates that such WIMAX and CDMA equipment are reusable and held for the purpose of obtaining future economic benefits from its use. Accordingly, the Company have not decommissioned such assets.</p>
26	<p>(i) As reported by auditors of 19 circles, the Company has not consistently adhered to capitalizing the overhead expenses specifically attributable to the capital work-in-progress but has recorded the same on estimated/ fixed percentage/ payment basis:</p> <p>(ii) As reported by auditors of 3 circles, the company capitalizes the assets on periodic basis instead of at the ready to use date; and</p> <p>(iii) Accounting policies regarding capitalization, disposal, depreciation and amortization of Property Plants and Equipment are not uniformly applied in case of 9 circles.</p> <p>1 circle auditor has reported that Overhead Costs have not been included in Capital Work in Progress and have instead been charged to Revenue. The management in its reply has stated that due to Budget constraints, the expenses could not be debited to CWIP. This has resulted in overstatement of Expenditure and losses by a</p>	<p>Accounting policy of BSNL in this regard states that the cost includes directly related establishment and other expenses including employee remuneration and benefits, directly identifiable to the construction or creation of assets.</p> <p>The administrative and establishment expenses incurred in units where project work is also undertaken are allocated to capital and revenue mainly on actual basis and on “actual man-month spent” basis respectively.</p> <p>The concerned circles are being instructed to capitalize the works as and when completed and from the date of ready to use.</p> <p>All BSNL Circles has gone live under ERP during F.Y. 2015-16 and since then depreciation is charged on monthly basis under ERP.</p> <p>However, the concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p> <p>The concerned circle is being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p>

	<p>sum of Rs. 3,984 lacs and understatement of Capital Work in Progress by the like amount.</p> <p>The resultant impact of the above non compliances with the standards on the value of Property Plant and Equipments, Capital Work-in-Progress, Depreciation and amortization and loss for the year, if any, are presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	
27	<p>As detailed in Note 3, during the financial year 2017-18 the company has changed the classification for decommissioned assets from Property Plant and Equipment to Assets held for Sale. Prior to this change Decommissioned assets were disclosed at written down value and provision was made for diminution in the value of decommissioned assets. The company has during the year, based upon an internal assessment, the details whereof were not provided to us, classified assets held for sale and these have been valued at lower of carrying amount and net realisable value, and the corresponding gain or loss on the assets held for sale is recorded in 'Excess liabilities written back no longer required' under 'Other income' (refer note 33) and 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 37) respectively.</p> <p>In terms of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations an entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable duly indicated by existence of management's committed plan to sell the asset (or disposal group), and commencement of an active programme to locate a buyer and complete such plan. Further, the asset (or disposal group) must be actively marketed for sale at a price</p>	<p>Necessary accounting instructions have been issued to all the circles for classification, presentation and measurement of items of property, plant and equipment which are held for the purpose of immediate sale. Accordingly, circles have classified items of property, plant and equipment as assets held for sale which meets the recognition criteria as per Ind AS 105.</p> <p>During the current year, the Company has only changed the presentation of decommissioned assets from property, plant and equipment to assets held for sale as mentioned in the footnote under property, plant and equipment.</p> <p>It shall be noted that the accounting policy in both the years, i.e. FY 2016-17 and FY 2017-18, is consistent as:</p> <ul style="list-style-type: none"> <li>- These assets are carried at lower of net carrying cost and net realisable value (in both the financial years), and</li> <li>- No depreciation is charged on these assets once the asset is decommissioned (irrespective of their classification as 'Property, plant and equipment' or as 'Assets held for sale')</li> </ul> <p>Therefore, there is no understatement of provisions or losses.</p> <p>In accordance with Para 38 of Ind AS 105, Assets held for sale are to be presented separately from other assets in the balance sheet. Further, the presentation done by the Company is also supported by the 'Guidance Note on Division II – Ind AS Schedule III to the Companies Act 2013'.</p>





	<p>that is reasonable in relation to its current fair value. Thus, an asset (or disposal group) cannot be classified as a non-current asset (or disposal group) held for sale, merely because the entity intends to sell it in a distant future. This classification is not in accordance with Ind AS 105. This has resulted in understatement of Provision for Diminution in the value of Asset held for sale, and understatement of losses by recognition of unrealised gains the amount of which is unascertainable due to insufficient information.</p>	
<p><b>Current Assets and Current Liabilities</b></p>		
<p>28</p>	<p>The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 48(A) of the Ind AS financial statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable. Due to non-availability of confirmation (except MTNL), and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p> <p>One circle auditor has reported receipt of debtor's payment of that circle by the other Circle, without issuing any ATC to this Circle.</p>	<p>As per Industry practice, taking confirmation for trade receivables and subscribers deposits from huge subscribers' base is neither practical nor possible.</p> <p>For balances due to or due from other parties i.e. DOT, DOP, other Govt. departments/ companies etc., circles are instructed again to carry out reconciliation at regular intervals.</p> <p>The concerned circles are being instructed to carry out the reconciliation and take necessary action.</p>
<p>29</p>	<p>(i) As reported by auditors of certain circles, there are unquantifiable differences between the general ledger/ trial and accounting records pertaining to loans and advances, current assets and current liabilities. The impact on the Ind AS financial statements if any, owing to the aforementioned non-reconciliations is presently not ascertainable. Our audit report</p>	<p>The concerned circles are being instructed to carry out the reconciliation and take necessary action to sort out the difference between the two sets of records.</p>

	<p>on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p> <p>(ii) As detailed in Note No 13(a), the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs 9,783 lakhs (31 March 2017-1,678 lakhs). The difference of balances is incorrectly stated since only the net differences has been stated. The gross differences are amounting to Rs. 21,017.54 Lakhs (31 March 2017-Not Available). The impact on the Ind AS financial statements, if any, owing to aforementioned non-reconciliations is presently not ascertainable</p>	<p>The Company has qualitatively disclosed differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger amounting to INR 9,783 lakh in note 13(a) on a net basis as there is no specific requirement to disclose such amounts on a gross basis.</p> <p>The circles are being instructed to carry out the reconciliation and take necessary action to sort out the difference between two sets of records.</p>
30	<p>Circle Auditors have reported lack of suitable system for issue, recording, movement, physical verification of Inventories/ Capital Work in Progress (Stores). The consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable.</p>	<p>The concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p>
31	<p>As reported by auditor of 4 circles, there are differences in the inventory records between stores ledger and general ledger/ trial balance, the impact of the same is currently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>Circles are being instructed to take appropriate action immediately.</p>
32	<p>As reported by auditor of 4 circles, there are differences in the inventory records between stores ledger and general ledger/ trial balance, the impact of the same is currently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>Upon Implementation of ERP in all BSNL Circle, Inventories at the time of issue and closing balance are valued at weighted average method only.</p> <p>Perhaps Branch Auditors of concerned circles were not explained properly regarding above aspect.</p>
33	<p>8 Circle auditors have reported non identification of Slow Moving, Non Moving, Obsolete and Damaged items of Inventory. The impact of the adjustment, if any, on inventory, consumption, Provisions and loss for the year is presently not ascertainable.</p>	<p>The concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p>
<b>Inter / Intra Circle Remittance Account</b>		
34	<p>As detailed in note 43 to the Ind AS financial statements, the Inter-Circle/ Unit remittance balances amounting to Rs. 7,919 lakhs (Debit) (previous year Rs. 9,020 lakhs (Credit)) are yet to</p>	<p>Continuous effort to reconcile the remittance items and accounting of the same under relevant head are being done by the circles which has resulted in minimize the remittance items at Rs. 79.19 crore (Debit) at year ended</p>



	<p>be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>on 31/03/2018. Circles are being further instructed to settle the pending remittance items immediately and to minimize it in current year.</p>
<p><b>License Fee, Spectrum Charges, Inter Connect Usage Charges</b></p>		
<p>35</p>	<p>(i) As stated in note 39.3 to the financial statements, the Company's license and spectrum, fees payable to DoT for the year ended 31 March 2018 amounts to Rs. 1,74,338 lacs (previous year Rs. 2,31,086 Lacs) and is calculated on the Adjusted Gross Revenue ("AGR") which is determined by the management by excluding the interest income on income-tax refund received during the year amounting to Rs 1,864 lacs (Previous Year 36,531 lakhs). In our opinion, the license fees is understated by Rs. 149.12 lakhs (Previous Year 3,054.50 lakhs) since such interest income has not been included in determination of AGR for computing the license fees. Had the aforesaid expenditure been accounted for, license and spectrum fees and loss for the year ended 31 March 2018 and current liabilities as at that date would have been higher by Rs. 149.12 lakhs (Previous Year 3,054.50 lakhs) and the reserve and surplus as at that date would have been lower by the same amount. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.</p> <p>(ii) As reported by auditor of 1 circle, interest received on security deposits is set off directly from the bills and the interest income is not ascertainable for recognizing liability of license fees, auditor of 4 circle has reported:</p> <ul style="list-style-type: none"> <li>i) Income from NOFN project,</li> <li>ii) Profit from Construction Contracts,</li> <li>iii) Liquidated Damages recovered from contractors/ suppliers and reduced from relevant revenue expenditure, have not been included for the calculation of License and Spectrum Fees.</li> </ul>	<p>BSNL is of the view that license fees are not payable on interest on income tax refund since it is not in the nature of interest on investment and demand raised by Income Tax Department was paid due to statutory obligation and to avoid hefty penalty.</p> <p>The matter regarding exemption from payment of license fee on interest on income tax refund has been taken up with DOT.</p> <p>On verification, it has been noticed that Income from NOFN project / Profit from Construction Contracts / Liquidated Damages to the extent booked under the Head "Revenue" has been considered for calculation and payment of license and spectrum fees.</p>

	Further, auditors of 5 circles have reported that revenue from NLD/ ILD is not based on actual usage of pulse and the license fees is based upon estimated basis. Consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect to this matter.	The license fees are paid on revenue share basis. The value of pulse is not constant and may also be NIL for certain tariff plans. Special tariff/validity vouchers introduce another variable due to which pulse does not remain right factor for measuring revenue for purpose of calculating license fee. The license fee is now uniform across various services; hence the effect is not material.
<b>Provisions and contingent liabilities</b>		
36	The provisions and the disclosures with regard to matters under litigations have been made based upon the management estimates. Based upon the report of auditors of 12 circles, sufficient and appropriate audit evidence for examining and verifying the quantum of contingent liabilities disclosed in note 50 to the standalone Ind AS financial statements has not been obtained. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the litigations, the impact of adjustments/ disclosure, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.	Most of the circles had provided the details of litigation / claims lodged or defended and contacts of the Company's counsels to the auditors. At Corporate level also, the abovementioned details were given to auditors. The auditors had written letters to the Company's counsels. It appears that due to professional reasons some counsels did not respond. It may also be noted that many of the legal cases are on either outstanding dues or on service/ personnel matters involving issues of employee's career progression, inter-se seniority etc. For the cases having major implications known up to finalization of accounts, the details and contingent liabilities have already been shown in note to accounts. Moreover, the concerned circles are further advised to provide the adequate details to auditors.
37	As stated in Note No 49, certain claims of MTNL on various accounts are under reconciliation and settlement process. In the absence of sufficient details and audit evidences in respect of the amount of such claims, the impact of adjustments/ disclosure, if any, on the standalone Ind AS financial statements is presently not ascertainable.	BSNL and MTNL, both being PSU, are under the same Ministry. The reconciliation and settlement of claims between them is under process.
38	As reported by 13 circles, the circles have not made provision for the disallowance of subsidy claimed from Universal Service Obligation Fund ('USOF'). The impact of the adjustment, if any, in respect thereof on current assets and loss for the year is presently not ascertainable. The consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.	In most of the cases, claim of the BSNL has not been rejected but withheld by USO Fund Administrator for want of some technical aspects such as installation of solar power system/kiosks etc. Circles are taking up the matter with concerned CCA regularly and based on the best estimate, no provision has been considered necessary.  Management estimate has been reassessed at every reporting date and necessary adjustment done.



<b>Miscellaneous</b>		
39	<p>As detailed in Note no 12, the company had pursuant to the Government of India, Ministry of Communications and IT, Department of Telecommunications order, made an investment of Rs. 20,000lakhs[Rupees Twenty Thousand Lakhs] in the 7% Redeemable cumulative preference shares each of Rs. 100/- fully paid up, in the financial year 2002-2003 in ITI Limited. The company explains that ITI Limited will redeem preference shares immediately on release of the financial assistance by the Government of India to ITI Limited as a part of revival package. Such preference shares have a specified (contractual) term and considering the observable Level 2 inputs, in terms of Ind AS 113, Fair Value Measurement, including the condition of such investment and significant decrease in the volume or level of activity for in relation to normal market activity, for substantially the full term of such investment, we report that the company has not provided for the impairment loss on such investment as the transaction price does not represent its fair value. This accordingly has resulted in understatement of net loss by Rs. 20,000 lakhs and overstatement of corresponding investments by the same amount for the financial year 2017-2018.</p>	<p>Due to substantive evidence regarding recovery of the amount, the management has not considered necessary to record the diminution in value of investment in preference shares of M/s ITI Ltd.</p>
40	<p>The Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).</p> <p>i. As reported by auditors of 2 circles, the expenses, incomes, assets and liabilities are not properly disclosed under the reportable segments as per the Ind AS 108-“Operating Segments”. In our opinion, the same does not give true and fair disclosure of the segment-wise operations of the Company as required by the aforementioned Ind AS. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>Adequate disclosure has been made at Corporate office level.</p>

<p>ii. The company has not carried out any techno-economic assessment during the year ended 31 March 2018 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the standalone Ind AS financial statements is currently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter</p>	<p>The operations of BSNL are of such a nature where assets are in use 24x7. As and when any asset is found non-repairable or non-functional or obsolete, the same is decommissioned and necessary provision is being created in books of accounts. This process is continuously followed throughout the year in each circle of BSNL.</p>
<p>iii. The accounting for capital and revenue grant in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" is not followed consistently. In the absence of specific details, the consequential impact of adjustment, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>The Circles are being instructed to strictly adhere to the accounting policies and instructions issued in this regard.</p>
<p>iv. The accounting policy as referred to in note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized on actual basis in respect of bills received by the company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter</p>	<p>As per the accounting policy as disclosed, claims for medical facility received from the employees of BSNL(including retirees) up to the cutoff date of finalization of annual accounts, are treated as liability of the Company for the said financial year.</p> <p>The post employment medical care extended to its retired employees as per the present policy of BSNL is more like facilities ,which may be revised by the Management any time , depending upon the relevant factors prevailing at that time.</p> <p>Further vide Letter No. BSNL/Admn.I/14-15/09(pt.) dated 02/04/2014 option to choose CGHS facilities has been extended to retired employees of BSNL, who are in receipt of Central Civil Pension.</p>



	<p>v. As reported by 5 circles, contract revenue and contract costs pertaining to construction contracts have not been accounted for in accordance with the notified Ind AS 11 "Construction Contracts". In the absence of specific details, the consequential impact of adjustment, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p> <p>vi. As detailed in Note No. 41(2) the company has certain leasehold land, the lease tenure of which in earlier year(s) and is not renewed in current year. Pending renewal of such lease, period and non-availability of sufficient information about the timeline by which it would be renewed, the classification of such land made by the company as finance lease is not in conformity with Ind AS 17 "Leases". 4 circle auditors have reported that certain provisions including disclosure requirements as per Ind AS 17 "Leases", have not been complied with. In the absence of specific details, the consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>The Circles are being instructed to strictly adhere to the accounting instructions issued in this regard.</p> <p>The Circles are being instructed to strictly adhere to the disclosure requirements in this regard.</p>
41	<p>(i) The company has not identified and restated the prior year financial statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. In the absence of specific details, the consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable.</p> <p>(ii) As stated in the note 2.2(v) of the financial statements, individual transactions of income/ expenditure exceeding Rs. 5 lacs, are considered</p>	<p>Ind AS 8 requires that material prior period errors shall be corrected retrospectively.</p> <p>In view of the management, the prior period errors during the current financial year are not material, hence no restatement has been carried out.</p> <p>Adequate disclosures are already given in the books of accounts of BSNL. The accounting policy of the company is made keeping in view the size of organization and volume of high denomination transactions. It may also</p>

	<p>for evaluation as prior-period items. The revenue and expenditure for the current year, inter alia, includes amount pertaining to prior period(s) as reported by auditors of 7 circles. This is not in accordance with the Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In the absence of specific details, the consequential impact of adjustments, if any, on the standalone Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>be noted that many organization of such size in infrastructure industry are following similar policies.</p>
42	<p>As reported by 11 circles and detailed in note 28 to the standalone Ind AS financial statements, these circles have not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006) and hence disclosures as required under the MSMED Act, 2006 have not been given. The consequential impact of the same on the standalone Ind AS financial statement is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>The concerned circles are being instructed to take necessary action.</p>
43	<p>The disclosure requirements of the Schedule III, Division II of the Act have not been properly adhered to in the presentation and disclosure of standalone Ind AS financial statements of the Company in respect of classification of assets/liabilities into current and non-current and secured and unsecured, whether applicable; categorization of assets/liabilities into appropriate captions; changes in inventory; related party; capital and other commitments and expenditure and earnings in foreign currency. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.</p>	<p>The circles are being instructed to strictly adhere to the accounting instructions issued on the subject matter.</p>
44	<p>36 Circle auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts, identification of creditors remaining beyond 180 days from the date of supply for</p>	





	reversal of Input Credit and availing of Transitional Credit on CENVAT. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these standalone Ind AS financial statements.	The concerned circles are being instructed to make necessary compliances with regard to deposition, deduction, and reconciliation of GST and other statutory dues.
45	As reported by auditors of 13 circles, compliances with regard to deposition, deduction, reconciliation of service tax, tax deducted at source and value added tax are pending to be made. In the absence of specific details, we are unable to comment on its consequential impact, if any, on the standalone Ind AS financial statements. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.	The concerned circles are being instructed to make necessary compliances with regard to deposition, deduction, and reconciliation of service tax and other statutory dues.
46	As detailed in notes (a) and (b) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.	Noted.
48	The company has not complied with Ind AS 16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. Auditors of 4 circles have reported that value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Valuer, nor calculated in appropriate method and the same has been calculated on estimated basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31 March 2017 was also qualified in respect of this matter.	Asset Retirement Obligation (ARO) is required to be discharged at the end of lease period by dismantling the complete Asset and not every part or component separately. Hence ARO has been created for complete Asset.  ARO is based on the technical evaluation carried out by civil/electrical wing and is not required to be certified from external agencies /valuers.

<b>Matter of Emphasis</b>		
50	<p>Reference is invited to Note 56 of the Notes to Accounts, whereby in terms of the decision of the Union Cabinet, the Tower Business of the company is to be hived off into a separate Subsidiary company. The hiving off of tower business may have an adverse effect on the gross revenues and profitability of the company. During the financial year the company has direct revenues of Rs 80,390 lakhs (31 March 2017-49,621 lakhs) from tower business.</p> <p>Our report is not quantified on that matter.</p>	<p>The Company has made adequate disclosures related to mobile tower business in note 56 of the financial statements for the year ended 31 March 2018.</p> <p>The transfer of telecom tower business to BSNL Tower Corporation Limited (wholly owned subsidiary of BSNL) is still under process.</p>

**For and on behalf of the Board of Directors**

**Sd/-**

**(Anupam Shrivastava)**

Chairman & Managing Director

BHARAT SANCHAR NIGAM LIMITED

Date: 13/12/2018



रिप-पीएसयू-लेखा/एफ-181/बीएसएनएल-वॉल-IV/2017-18/

**OFFICE OF THE  
DIRECTOR GENERAL OF AUDIT, POST & TELECOMMUNICATIONS,  
SHAM NATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054**

**Dated 26.12.2018**

सेवा मे

अध्यक्ष एवं प्रबंध निदेशक  
भारत संचार निगम लिमिटेड  
न्यू दिल्ली

**विषय:** भारत संचार निगम लिमिटेड (BSNL) के 31 मार्च 2018 को समाप्त लेखों पर कंपनी अधिनियम, 2013 की धारा 143(6)(बी) के तहत भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणिया।

महोदय,

उपरोक्त विज्ञय से सम्बंधित कंपनी अधिनियम, 2013 की धारा 143(6)(बी) के अंतर्गत भारत संचार निगम लिमिटेड (BSNL) के 31 मार्च 2018 को समाप्त लेखों पर “**COMMENTS**” इस पत्र के साथ संलग्न है।

संलग्नक: यथोपरी

भवदीय,

ह/-  
(राजेश रंजन)  
निदेशक (एएमजी-1)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT SANCHAR NIGAM LIMITED (BSNL) FOR THE YEAR ENDED 31 MARCH 2018**

The preparation of financial statements of Bharat Sanchar Nigam Limited (BSNL) for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The Statutory Auditor/Auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04th October 2018

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of BSNL for the year ended 31 March 2018 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, the following significant matters under section 143(6)(b) of the Act are highlighted which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**COMMENT ON PROFITABILITY**

**Revenue from Operations Rs.2266778 lakh (Note-32)**

**Other Operating Income Rs.95736 lakh**

- a) The above includes Rs. 23,263.88 lakh on account of Capital Grant received from Departments of Telecommunications on Left Wing Extremist Project which is not equivalent/proportionate to the depreciation charged, of Rs. 21,186.12 lakh resulting in overstatement of income and understatement of loss to the extent of Rs 2,077.76 lakh. This is not in conformity with the Company's Accounting Policy pertaining to Government Grants and the requirements of IND AS 20.
- b) The Company has misclassified Rs. 2,327.94 lakh received as Capital Grant as Revenue Grants, resulting in overstatement of Revenue Grant and understatement of Capital Grant on account of Left Wing Extremist Project. This has resulted in overstatement of Income and understatement of deferred liability to the same extent.

**For and on behalf of the  
Comptroller & Auditor General of India**

Sd/-  
(Sangita Choure)  
**Director General of Audit  
(Post & Telecommunication)**

Place: Delhi  
Date: 26-12-2018



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143 (6) (B) OF THE COMPANIES ACT, 2013 ON THE  
ACCOUNTS OF**

**M/s. BHARAT SANCHAR NIGAM LIMITED, NEW DELHI  
FOR THE YEAR ENDED 31 MARCH 2018 AND  
REPLY THEREON BY BSNL MANAGEMENT**

Para No.	Comments by C&AG of India	Reply of the Management
	<p><b>COMMENT ON PROFITABILITY</b></p> <p><b>Revenue from Operations Rs.2266778 lakh (Note-32)</b></p> <p><b>Other Operating Income Rs.95736 lakh</b></p>	
a)	<p>The above includes Rs.23,263.88 lakh on account of Capital Grant received from Departments of Telecommunications on Left Wing Extremist Project which is not equivalent/proportionate to the depreciation charged, of Rs.21,186.12 lakh resulting in overstatement of Income and understatement of loss to the extent of Rs.2,077.76 lakh.</p> <p>This is not in conformity with the Company's Accounting Policy pertaining to Government Grants and requirements of IND AS 20.</p>	<p>The accounting policy of the company related to grant states that the income related to capital grant is recognised in proportion to the depreciation expense.</p> <p>Further, it may be noted that in case of property, plant and equipment, depreciation on the value of asset is charged only on the depreciable amount (cost of the asset less residual value), but the Company has to recognize the full amount of capital grant received in the statement of profit and loss over the expected useful life of the related asset in proportion to the depreciation expense.</p> <p>Accordingly, the amount of capital grant income would be greater than the amount of depreciation on the related assets during any period. As such there is no over statement of income and understatement of loss.</p> <p>Therefore, it is in conformity with the requirements of IND AS 20.</p>

b)	The Company has misclassified Rs.2,327.94 lakh received as Capital Grant as Revenue Grant, resulting in overstatement of Revenue Grant and understatement of Capital Grant on account of Left Wing Extremist Project. This has resulted in overstatement of income	Necessary rectification will be done in the current Financial Year 2018-19.
	<p>and understatement of Deferred liability to the same extent.</p> <p style="text-align: center;"><b>For and on behalf of the Comptroller &amp; Auditor General of India</b></p> <p style="text-align: center;">Sd/ (Sangita Choure) <b>Director General of Audit (Post &amp; Telecommunication)</b></p> <p>Date: 26-12-2018</p>	<p style="text-align: center;">Sd/ <b>(ANUPAM SHRIVASTAVA) CMD, BSNL</b></p> <p>Date: 31-12-2018</p>



**BHARAT SANCHAR NIGAM LIMITED**  
**Consolidated Balance Sheet as at 31 March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Note	As at 31 March 2018
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3(i)	9,931,362
Capital work-in-progress	3(ii)	870,384
Intangible assets	4	697,230
Financial assets		
(i) Investments	5	-
(ii) Loans	6	583
(iii) Other financial assets	7	24,029
Deferred tax assets (net)	8	-
Other non-current assets	9	85,184
<b>Total non-current assets</b>		<b>11,608,772</b>
<b>Current assets</b>		
Inventories	10	21,241
Financial assets		
(i) Investments	11	20,000
(ii) Trade receivables	12	392,538
(iii) Cash and cash equivalents	13	75,782
(iv) Bank balances other than (iii) above	14	138
(v) Loans	15	224
(vi) Other financial assets	16	919,938
Current tax assets (net)	17	119,650
Other current assets	18	86,708
Assets held for sale	19	34,517
<b>Total current assets</b>		<b>1,636,219</b>
<b>Total assets</b>		<b>13,279,508</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	20	500,000
Other equity	21	8,466,967
<b>Equity attributable to owners of the Company</b>		<b>8,966,967</b>
Non-controlling interest		-
<b>Total equity</b>		<b>8,966,967</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
(i) Borrowings	22	1,654,348

**BHARAT SANCHAR NIGAM LIMITED**  
**Consolidated Balance Sheet as at 31 March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	Note	As at 31 March 2018
(ii) Other financial liabilities	23	181,781
Provisions	24	91,204
Other non-current liabilities	25	65,097
<b>Total non-current liabilities</b>		<b>1,992,430</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Borrowings	26	30,910
(ii) Trade payables	27	782,989
(iii) Other financial liabilities	28	698,476
Other current liabilities	29	806,579
Provisions	30	1,157
<b>Total current liabilities</b>		<b>2,320,111</b>
<b>Total liabilities</b>		<b>4,312,541</b>
<b>Total equity and liabilities</b>		<b>13,279,508</b>

This is the balance sheet referred to in our report of even date.

The accompanying notes are an integral part of these consolidated financial statements 1 to 57

In terms of our report attached

For **Andros & Co.**  
Chartered Accountants  
Firm Registration No. : 008976N

Sd-  
**Puneet Gupta**  
Partner  
Membership No. : 093714

Place: New Delhi  
Date: 04.10.2018

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

Sd-  
**Anupam Shrivastava**  
Chairman and Managing Director  
DIN: 06590535

Sd-  
**Sujata Ray**  
Director (Finance)  
DIN: 07240022

Sd-  
**P.D. Chirania**  
General Manager (Corporate Accounts)

Sd-  
**H.C. Pant**  
Company Secretary and Chief General Manager (Legal)  
M.No. F- 2584





**BHARAT SANCHAR NIGAM LIMITED**

**Consolidated Statement of Profit and Loss for the year ended 31 March 2018**

(All amounts in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2018
<b>Revenue</b>		
Revenue from operations	31	2,266,778
Other income	32	240,286
<b>Total revenue (I)</b>		<b>2,507,064</b>
<b>Expenses</b>		
License and spectrum fee	38	174,338
Employee benefits expense	33	1,483,724
Finance costs	34	4,831
Depreciation and amortisation expense	35	583,158
Other expenses	36	1,135,104
<b>Total expenses (II)</b>		<b>3,381,155</b>
<b>Loss before tax (I - II = III)</b>		<b>(874,091)</b>
<b>Tax expense: (IV)</b>		
Current tax	50	(80,429)
Fringe benefit tax		5,898
<b>Loss for the year (III - IV = V)</b>		<b>(799,560)</b>
<b>Other comprehensive income (VI)</b>		
<b>Items that will not be reclassified to the statement of profit and loss</b>		
Remeasurement of post employment benefit obligation (net of tax)		(897)
<b>Total other comprehensive income/ (expense) for the year, net of taxes (VI)</b>		<b>(897)</b>
<b>Total comprehensive income/ (expense) for the year (V + VI = VII)</b>		<b>(800,457)</b>
<b>Loss for the year attributable to</b>		
- Owners of the Company		(799,560)
- Non-controlling interest		-
<b>Other comprehensive income for the year attributable to</b>		
- Owners of the Company		(897)

**BHARAT SANCHAR NIGAM LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated )*

Particulars	Note	As at 31 March 2018
- Non-controlling interest		-
<b>Total comprehensive income/(expense) for the year attributable to</b>		
- Owners of the Company		(800,457)
- Non-controlling interest		-
<b>Loss per equity share (INR)</b>	43	<b>(15.99)</b>

Basic and diluted (nominal value of shares INR 10 each)

This is the statement of profit and loss referred to in our report of even date. The accompanying notes are an integral part of these consolidated financial statements 1 to 57

In terms of our report attached

For **Andros & Co.**  
Chartered Accountants  
Firm Registration No. : 008976N

Sd-  
**Puneet Gupta**  
Partner  
Membership No. : 093714

Place: New Delhi  
Date: 04.10.2018

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

Sd-  
**Anupam Shrivastava**  
Chairman and Managing Director  
DIN: 06590535

Sd-  
**Sujata Ray**  
Director (Finance)  
DIN: 07240022

Sd-  
**P.D. Chirania**  
General Manager (Corporate Accounts)

Sd-  
**H.C. Pant**  
Company Secretary and Chief General Manager (Legal)  
M.No. F- 2584



**BHARAT SANCHAR NIGAM LIMITED**  
**Consolidated Cash Flow Statement for the year ended 31 March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 March 2018
<b>A. Cash flows from operating activities</b>	
Profit/ (loss) before tax	(874,091)
<b>Adjustments for:</b>	
Depreciation and amortisation expense	583,158
Finance costs	936
Unwinding of discount on decommissioning liabilities	3,895
Interest income	(7,497)
Profit on sale of property, plant and equipment (net)	(12,796)
Capitalisation of overheads	(92,481)
Write off and losses other than bad debts	24,904
Bad-debt provision other than services	487
Write off of unrecovered service tax/ GST	2,515
Bad-debt written off	25,159
Provision for doubtful debts and disputed bills	19,642
Excess liabilities written back no longer required	(151,624)
Grant in aid (net)	(37,745)
<b>Operating cash flows before working capital changes</b>	<b>(515,538)</b>
(Increase)/ Decrease in loans (current and non-current)	507
(Increase)/ Decrease in trade receivables	(127,458)
(Increase)/ Decrease in inventories	(768)
(Increase) / Decrease in other financial assets	(193,049)
(Increase) / Decrease in other assets	28,168
Increase/ (Decrease) in trade payables	189,996
Increase / (Decrease) in other financial liabilities	162,767
Increase/ (Decrease) in provisions	5,297
Increase / (Decrease) in other liabilities	286,414
<b>Cash from operating activities</b>	<b>(163,664)</b>
Net income tax refund (paid)	(6,450)
<b>Net cash generated from operating activities (A)</b>	<b>(170,114)</b>
<b>B. Cash flows from investing activities</b>	
Acquisition of property, plant and equipment	(675,025)
Proceeds from sale of property, plant and equipment	141,920
Interest received	7,574
Proceeds from / (investment in) deposits with banks	(10)
<b>Net cash generated used in investing activities (B)</b>	<b>(525,541)</b>
<b>C. Cash flows from financing activities</b>	
Interest paid	(936)
Repayment of short term borrowings (net)	-
Proceeds from/ (repayment) of long term loans (net)	623,559
<b>Net cash generated from/ (used in) financing activities (C)</b>	<b>622,623</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(73,032)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>117,904</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>44,872</b>
<b>Components of cash and cash equivalents:</b>	
Balances with banks in current account including sweep-in-deposit	70,949

**BHARAT SANCHAR NIGAM LIMITED**  
**Consolidated Cash Flow Statement for the year ended 31 March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 March 2018
Deposits with original maturity of less than three months	-
Cheques on hand	2,428
Cash on hand	2,405
Bank overdraft	(30,910)
<b>Total cash and cash equivalents (Note 14)</b>	<b>44,872</b>

**Notes:**

- a) In the absence of adequate data regarding assets appearing in the disposals/adjustments column of note no. 3 of property, plant and equipment, all deletions (except amount transferred as assets held for sale) have been assumed to be cash sales.
- b) In the absence of adequate details regarding unreconciled inter circle remittances with the subsidiary records, all the 'intra/ inter circle remittances' have been treated as part of working capital changes.
- c) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings*
Opening balance as at 1 April 2017	321,657
Cash flows during the year	623,559
Interest expense	54,914
Interest paid	(54,914)
Closing balance as at 31 March 2018	945,216

\* Includes current maturities of non-current borrowings, refer Note 28.

The accompanying notes are an integral part of these consolidated financial statements 1 to 57

In terms of our report attached

For **Andros & Co.**  
Chartered Accountants  
Firm Registration No. : 008976N

Sd-  
**Puneet Gupta**  
Partner  
Membership No. : 093714

Place: New Delhi  
Date: 04.10.2018

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

Sd-  
**Anupam Shrivastava**  
Chairman and Managing Director  
DIN: 06590535

Sd-  
**Sujata Ray**  
Director (Finance)  
DIN: 07240022

Sd-  
**P.D. Chirania**  
General Manager (Corporate Accounts)

Sd-  
**H.C. Pant**  
Company Secretary and Chief General Manager (Legal)  
M.No. F- 2584



**BHARAT SANCHAR NIGAM LIMITED**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

**a. Equity share capital**

Particulars	Note	Amount
Balance as at 1 April 2017		500,000
Changes in equity share capital during the year ended 31 March 2018	20	-
Balance as at 31 March 2018		500,000

**b. Other equity**

Particulars	Reserves and surplus					Total equity attributable to owners of the Company
	Capital reserve	General reserve	Contingency reserve	Retained earnings	Capital contribution from shareholder (Refer note 21)	
<b>Balance as at 1 April 2017</b>	<b>4,021,118</b>	<b>490,075</b>	-	<b>4,657,913</b>	<b>98,318</b>	<b>9,267,424</b>
Loss for the year	-	-	-	(799,560)	-	(799,560)
Contingency reserve transferred to general reserve	-	-	-	-	-	-
Other comprehensive income/ (expense) for the year	-	-	-	(897)	-	(897)
<b>Balance as at 31 March 2018</b>	<b>4,021,118</b>	<b>490,075</b>	-	<b>3,857,456</b>	<b>98,318</b>	<b>8,466,967</b>

The accompanying notes are an integral part of these consolidated financial statements 1 to 57

In terms of our report attached

For **Andros & Co.**  
 Chartered Accountants  
 Firm Registration No. : 008976N

Sd-  
**Puneet Gupta**  
 Partner  
 Membership No. : 093714

Place: New Delhi  
 Date: 04.10.2018

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

Sd-  
**Anupam Shrivastava**  
 Chairman and Managing Director  
 DIN: 06590535

Sd-  
**Sujata Ray**  
 Director (Finance)  
 DIN: 07240022

Sd-  
**P.D. Chirania**  
 General Manager (Corporate Accounts)

Sd-  
**H.C. Pant**  
 Company Secretary and Chief General Manager (Legal)  
 M.No. F- 2584

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***1. Corporate information**

Bharat Sanchar Nigam Limited (the 'Company' or 'BSNL') is a Public Sector Company fully owned by the Government of India and was formed on 15 September 2000 in pursuance to the Telecom Policy 1999, to take over the ongoing business of the Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) from 1 October 2000 (CIN: U74899DL2000GOI107739). The Company has been incorporated under the erstwhile Companies Act, 1956 with its registered corporate office in New Delhi.

The subsidiary of the Company, i.e. BSNL Tower Corporation Limited has been incorporated on 4 January 2018 and the operations of the subsidiary Company has not yet commenced.

BSNL together with its subsidiary is hereinafter referred to as the "Group".

**2.1. Basis of preparation****a) Statement of compliance**

These consolidated financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under The Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, under Section 133 of The Companies Act, 2013 (to the extent notified and applicable), and applicable provisions of the Companies Act, 1956.

On 4 January 2018, BSNL Tower Corporation Limited was incorporated as a wholly owned subsidiary of the Company for the purpose of carrying out passive infrastructure services which includes setting-up, operating and maintaining wireless communication towers, etc. With the incorporation of the subsidiary, the Company is required to prepare consolidated financial statements for the first time for the year ended 31 March 2018. Accordingly, no comparative figures for consolidated financial statements are required to be presented.

The Consolidated Financial Statements for the year ended 31 March 2018 are the first Consolidated Financial Statements of the Group prepared under Ind AS.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 4 October 2018.

**b) Functional and presentation currency**

The consolidated financial statements are presented in Indian Rupees (INR) which is the Group's functional and presentational currency.

**c) Basis of measurement**

The consolidated financial statements have been prepared on going concern basis under the historical cost convention except for the following items:



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligation
Assets held for sale	Lower of net carrying cost and net realisable value

**d) Critical accounting estimates and judgements**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note 2.2 (o) - whether the Group acts as a principal rather than as an agent in a transaction

Note 2.2 (q) - leases: whether an arrangement contains a lease

Note 2.2 (q) - lease classification

Note 2.2 (d) and 51- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March, 2019 is included in the following notes:

Note 2.2 (l) and 39- measurement of defined benefit obligations and plan assets: key actuarial assumptions

Note 2.2 (g) - measurement of useful lives and residual values to property, plant and equipment

Note 2.2 (i) - measurement of useful lives of intangible assets

Note 2.2 (m), 2.2 (n) and 47 and 48 - recognition and measurement of provisions and

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 2.2 (c) and 51 - fair value measurement of investment in preference shares

Note 2.2 (s) - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used

**e) Basis of consolidation**

The Company consolidates entity which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary as disclosed in Note 53. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

**2.2 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

**a) Current and non-current classification**

All assets and liabilities are classified as current or non-current on the following basis:

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of financial liabilities some part of which may be non-current. All other liabilities are classified as non-current.

Deferred tax assets are classified as non-current assets.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle being a period of 12 months for the purpose of classification of assets and liabilities as current and non-current.

**b) Foreign currency transactions and translations**

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the dates of the transactions or at average rates if the average rate approximates the actual rate at the date of the transaction.

Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on the reporting date. Gains/ (losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the statement of profit and loss.

**c) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

The principal or the most advantageous market must be accessible to/ by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair values of financial instruments at each reporting date are disclosed in Notes 51.

**d) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**i. Financial assets**Recognition and initial measurement

All financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classification and subsequent measurementClassification

For the purpose of subsequent measurement, the Group classifies financial assets in following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

A financial asset being a 'debt instrument' is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset being an equity instrument is measured at FVTPL.

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI (Fair value through Other Comprehensive Income) or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Subsequent measurement**

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment are recognised in the statement of profit and loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the statement of profit and loss.

**Derecognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in the statement of profit and loss.

**Impairment**

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition, in which case those financial assets are measured at lifetime ECL. The changes (incremental or reversal) in loss allowance

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

computed using ECL model, are recognised as an impairment gain or loss in the statement of profit and loss.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**ii. Financial liabilities****Recognition and initial measurement**

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

**Classification and subsequent measurement**

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

**Derecognition**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

**iii. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**e) Equity share capital**

Proceeds from issuance of ordinary shares are recognised as equity share capital in equity. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

**f) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**g) Property, plant and equipment**

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

- i. Assets are capitalised to the extent completion certificates have been obtained, wherever applicable.
- ii. Apparatus and plants principally consisting of telephone exchanges, transmission equipment and air conditioning plants etc. are capitalised as and when an exchange is commissioned.
- iii. Cables are capitalised as and when ready for connection to the main system.
- iv. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains/(losses).
- v. Spares parts costing above INR 200,000 per unit and which meet the definition

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

of property, plant and equipment are capitalised.

Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.

**Transition to Ind AS**

On transition to Ind AS, the Group has elected to selectively fair value its freehold land. The Group has considered the fair value as deemed cost at the transition date, viz., 1 April 2015.

All other remaining property, plant and equipment are carried at cost which is recomputed retrospectively as per Indian Accounting Standard 16. 'Property, plant and equipment'.

**Subsequent expenditure**

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

- i. Depreciation on property, plant and equipment has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on written down value (WDV) method except in respect of the assets mentioned in (ii) and (iii) below.
- ii. Assets costing up to INR 5,000 are depreciated fully in the year of purchase. Similarly, partition works and paintings costing up to INR 200,000 are depreciated fully in the year of construction/ acquisition.
- iii. The depreciation on machinery and tools used both for project and maintenance work is charged to the statement of profit and loss instead of capitalization.
- iv. All telephone exchange buildings, administrative offices and captive consumption assembling premises/workshops are considered as buildings (other than factory building). Accordingly, depreciation is charged uniformly.
- v. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.
- vi. Depreciation method, useful lives and residual values are reviewed at each reporting period end.



**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**h) Assets held for sale**

Non-current assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Assets classified as held for sale are stated at the lower of carrying amount and the net realisable value.

Assets classified as held for sale are presented separately in the balance sheet.

**i) Intangible assets**

**Recognition and measurement**

Intangible assets are recognised if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Indian Accounting Standard – 38, 'Intangible Assets'.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

**Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the consolidated financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (Previous GAAP) and use that carrying value as the deemed cost of such intangible assets.

**Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**Amortisation**

- a) Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
- b) The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.
- c) Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***1) License fee**

- i. Acquired licenses, including one time spectrum fee for telecom service operations, are initially recognised at cost.
- ii. The revenue-share fee on licenses and spectrum is computed as per the licensing agreement and is expensed as incurred.
- iii. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use.

Intangible assets such as entry license fee, one-time Spectrum fee for telecom service operations are amortised over the license period (i.e. 20 years) and standalone computer software applications are amortised over the license period (subject to maximum 10 years) using the straight line method.

**2) Computer software**

Costs associated with maintaining software programs are recognised as an expense as incurred.

**j) Inventories**

Inventory is valued at the lower of cost and net realizable value. Cost is determined on weighted average method.

Inventory costs include purchase price, freight inward and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The Group provides for obsolete and slow-moving inventory based on management estimates of the usability of inventory.

**k) Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.





**BHARAT SANCHAR NIGAM LIMITED**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

**l) Employee benefits**

**i. Short-term obligations**

All employee benefits payable / available within twelve months of rendering the service such as salaries, wages and bonus etc., are classified as short-term employee benefits and are recognised in the statement of profit and loss in the period in which the employee renders the related service.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the periods during which the related services are rendered by employees. The Group makes specified contributions towards the following schemes:

**Pension Contribution (including gratuity)**

The employees of DoT who have opted for absorption / absorbed in the Group and the employees on deemed deputation from Government are eligible for pension, which is a defined contribution plan. The Group makes monthly contribution (including liability on account of gratuity) at the applicable rates as per Government Pension Rules, 1972 and Fundamental Rules and Supplementary Rules (FR & SR), to the Government who administers the same. These contributions are expensed in the statement of profit and loss as and when incurred.

**Employees' provident fund**

All directly recruited employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan. Both employee and employer make monthly contribution to the plan at a predetermined rate of employee's basic salary and dearness allowance. These contributions to provident fund are administered by the provident fund commissioner. Employer's Contribution to provident fund is expensed in the statement of profit and loss as and when incurred.

**Contribution for leave salary**

For employees on deemed deputation from Government, leave salary contribution is paid by the Group to DoT/ Government for the deputation period in accordance with FR115 (b) of FR&SR Part I. Consequently, the liability for the leave salary payable for those on deputation/ deployment during the period of leave rests with the Government. Further, any leave encashment after quitting service is the responsibility of the Government. These contributions are expensed in the statement of profit and loss as and when incurred.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Contribution for superannuation fund**

All regular employees of the Group except apprentices, absorbed employees of Department of Telecommunications (DOT)/ Department of Telecom Services (DTS)/ Department of Telecom Operations (DTO) who are already covered by Rule 37-A of Central Civil Services (Pension) Rules 1972, the employees who are not on the regular rolls of the Group and employees posted on deputation in the Group are entitled to receive benefits under the BSNL Employees Superannuation Pension Scheme, which is a defined contribution plan. The Group makes monthly contribution to the BSNL Employees Superannuation Pension Fund Trust at the applicable rates.

These contributions are expensed in the statement of profit and loss as and when incurred.

**iii. Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

**Gratuity**

The Group provides for gratuity, a defined benefit plan (the Gratuity Plan) covering all directly recruited eligible employees. In accordance with the payment of Gratuity Act, 1972, the Gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment.

The calculation of defined benefit obligation is performed annually by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation for the defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Remeasurements are not reclassified to the statement of profit and loss in subsequent periods.

The Group determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate used to measure the



**Bharat Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/ (asset), taking into account any changes in the net defined benefit liability/ (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

**Other benefits including post-employment medical care**

Medical reimbursements and other personal claim bills of existing / retired employees are accounted for on actual basis in respect of bills received till the cut off period in the accounts at the concerned primary units as per the prescribed limits.

**iv. Other long term employment obligations**

The liabilities for compensated absences and half pay leaves are not expected to be settled wholly within twelve months after the end of the period in which the employees render the related service.

They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method, calculation for which is performed annually by a qualified actuary.

The liability is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of the liability are based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related liabilities.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the statement of profit and loss.

**m) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period., If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Decommissioning liability**

The Group records a provision for decommissioning costs for those operating lease arrangements where the Group has a binding obligation at the end of the lease period

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹. lacs, unless otherwise stated)*

to restore the leased premises in a condition similar to that at the inception of lease.

Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is recognised in the income statement as a finance cost.

The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs are added to or deducted from the cost of the asset.

**n) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Information on contingent liabilities is disclosed in the notes to the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**o) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of discounts and other applicable taxes.

The Group assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent.

**Service revenues**

Revenue from services includes amount invoiced for fixed monthly charges, usage charges, messaging services, internet services, bandwidth services, roaming charges, activation fees, processing fees, connection fees and fees for value added services (VAS). Service revenues also includes revenue associated with access and interconnection for usage of the telephone network of other operators for local, domestic long distance and international calls.

Revenue from services are recognised when services are rendered and are stated net of discounts and taxes. Prepaid revenue from Subscriber Identity Modules (SIMs) recharge coupons of mobile, prepaid calling cards and prepaid internet connection



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

cards are treated as income of the year in which the payment is received since the extent of use of these cards within the financial year cannot be ascertained.

Processing fees, activation fees and connection fees are recognised as income in the year in which the payment is received.

Installation charges received from subscribers at the time of new connection are recognised as income in the first year of the billing.

Un-billed revenues from the billing date to the end of the year are recorded as accrued revenue during the period in which the services are provided.

In terms of the arrangement between Department of Telecommunications ('DoT') and the Group, the charges for telecommunication services and other infrastructural services provided by the Group to DoT are neither billed nor accounted for.

The claims receivable on account of provision of infrastructure, operation and maintenance of Village Public Telephones (VPTs) and Rural Household Connections (RDELs) etc. and operational sustainability of rural wire line network from Universal Service Obligation (USO) fund are accounted for as other operating income.

Wherever there is uncertainty in realisation of income, such as claims on Government departments and local authorities etc., these are recognised on realisation basis.

**Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred and centage that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in the statement of profit or loss.

**Equipment sales**

Revenues from equipment sales are recognised when the significant risks and rewards of ownership are transferred to the buyer.

**Multiple element arrangements**

In revenue arrangements including more than one deliverable, the arrangements are divided into separate units of accounting. Deliverables are considered separate units of accounting if the following two conditions are met:

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹. lacs, unless otherwise stated)*

- a. the deliverable has value to the customer on a stand-alone basis; and
- b. there is evidence of the fair value of the item.

Total consideration related to the multiple element arrangements is allocated among the different components based on their relative fair values (i.e., ratio of the fair value of each element to the aggregated fair value of the bundled deliverables).

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

Other income by way of interest on loans to employees, security deposits with Government departments and local authorities, being not material, are accounted for on collection basis.

**Other income**

Sale proceeds of scrap arising from maintenance and project works are recognised as other non-operating income in the year of sale.

Liquidated damages received as compensation for loss of revenue arising as a consequence of contract delays are recognised in the statement of profit and loss on accrual basis wherever there is certainty of realisation. However, liquidated damages recovered in relation to efficiency and as a result of delays by the supplier are deducted from the relevant cost.

**In case liquidated damages are related to efficiency and performance of the asset:**

Liquidated damages are reduced from the cost of the related asset or relevant expense.

In case liquidated damages linked to loss of revenue:

Liquidated damages are recognised as income if the contract specifies that liquidated damages will be recoverable as compensation for loss of revenue arising from contract delays, and the basis of calculation is clearly related to income lost.

**p) Government grants**

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

included in other liabilities as deferred income and are credited to the statement of profit and loss in proportion to the depreciation expense over the expected lives of the related property, plant and equipment and presented within other income.

**q) Leases**

**i. Determining whether an arrangement contains a lease**

The determination of whether an arrangement is, or contains, a lease is based on the substance of an arrangement at inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

**ii. Where the Group is the lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leased assets are depreciated on WDV method over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated on WDV method over the shorter of the estimated useful life of the asset or the lease term.

**iii. Where the Group is the lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹. lacs, unless otherwise stated)*

increases. The respective leased assets are included in the Balance Sheet based on their nature.

**r) Borrowing costs**

Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs (for general and specific borrowings) directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time (qualifying assets) to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**s) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable





**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

profits will be available against which they can be used. Future taxable profits are determined based on reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Group and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Group becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability.

**t) Earnings per share**

The Group presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹. lacs, unless otherwise stated)***u) Prior period items**

Items of income or expenditure exceeding INR 5,00,000 are considered for being treated as prior period items.

**v) Segment reporting**

Information reported to the Board of Directors who are considered as the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of services provided. The Board of Directors of the Company have chosen to organise the Group around the different services being provided. Operating segments have been aggregated based on similar risks and rewards and on fulfilment of other aggregation criteria.

CODM has identified primary segments which comprise of 'Basic', 'Cellular', 'Broad Band' and 'Enterprise' services. The manufacturing activities have not been treated as a separate segment since such activities are essentially carried on as support services to other segments mainly for captive consumption.

**The following specific accounting policies have been followed for segment reporting:**

- i. Segment revenue includes service income and other income directly identifiable with/ allocable to the segment.
- ii. Income/ expense, which relates to the Group, as a whole and not allocable to individual business segments is included in "Un-allocable income/expense respectively".
- iii. Expenses that are directly identifiable with/allocable to segments are considered for determining segment results.
- iv. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

**w) Recent accounting pronouncements****Ind AS 115, 'Revenue from contract with customers':**

On 28<sup>th</sup> March 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, 'Revenue from Contracts with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹ lacs, unless otherwise stated)*

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8. 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1<sup>st</sup> April 2018.

The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The Group is currently assessing the impact of this amendment.

**Appendix B to Ind AS 21- Foreign currency transactions and advance consideration:**

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Group has evaluated the effect of this on the consolidated financial statements and the impact is not considered to be material.

### Bhart Sanchar Nigam United

#### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018

(All amounts in ₹ lacs, unless otherwise stated)

### 3. Property, plant and equipment

#### (i) Tangible assets

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2017	Additions	Disposals/ adjustments	As at 31 March 2018	As at 1 April 2017	Additions	Disposals/ adjustments	As at 31 March 2018	As at 1 April 2017
Free hold land	7,078,859	8,096	5,874	7,081,081	-	-	-	7,081,081	7,078,859
Lease hold land	17,104	4	-	17,108	4,202	198	-	12,708	12,902
Buildings	801,156	4,463	1,822	803,797	408,321	19,942	525	376,059	392,835
Apparatus and plants	6,676,172	296,071	200,632	6,771,611	5,393,112	289,396	176,276	1,265,379	1,283,060
Motor vehicles and launches	12,267	1,087	911	12,443	10,957	353	861	1,994	1,310
Cables and lines and wires-telecom ducts, cables and optical fibre	6,582,915	124,801	14,773	6,692,943	5,705,297	139,521	12,314	860,439	877,618
General plant and machinery- other than continuous process plant	499,443	8,207	11,068	496,582	450,505	6,724	10,700	50,053	48,938
Towers and satellites	677,123	19,128	9,872	686,379	475,104	33,723	4,962	182,514	202,019
Office machinery and equipment	18,338	1,030	507	18,861	17,106	440	470	1,785	1,232
Electrical fittings	531,356	22,350	7,815	545,891	450,632	23,342	7,922	79,839	80,724
Furniture and fixtures	23,819	277	313	23,783	21,979	362	302	1,744	1,840
Computer-end user devices	146,286	3,667	5,300	144,653	137,328	2,937	4,806	9,194	8,958
Computer-servers and networks	45,997	6,428	564	51,861	40,861	2,690	263	8,573	5,136
Decommissioned assets	88,572	-	88,572	-	-	-	-	-	88,572
<b>Total</b>	<b>23,199,407</b>	<b>495,609</b>	<b>348,023</b>	<b>23,346,993</b>	<b>13,115,404</b>	<b>519,628</b>	<b>219,401</b>	<b>9,931,362</b>	<b>10,084,003</b>
Less: Provision for decommissioned assets									68,307
								<b>9,931,362</b>	<b>10,015,696</b>



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

(All amounts in ₹. lacs, unless otherwise stated)

(ii) **Capital work-in-progress**

Particulars	As at 1 April 2017	Additions during the year	Disposals/ adjustments	As at 31 March 2018
Capital work-in-progress	240,225	324,142	316,405	247,962
Capital work-in-progress in store	436,506	888,222	671,804	652,924
Less: Provision for capital work-in-progress	2,833	5,742	821	7,754
Less: Provision for capital work-in-progress in store	24,663	8,346	10,261	22,748
<b>Total</b>	<b>649,235</b>	<b>1,198,276</b>	<b>977,127</b>	<b>870,384</b>

**Notes:**

- In some cases, the title deeds of land purchased/acquired on leasehold/freehold from various authorities, are in the process of being executed.
- Leasehold land disclosed is based on the identification by forty three circles.
- Additions to property, plant and equipment include assets identified and taken over/(written back) by the Group in the current year, pertaining to the assets being taken over from DoT as on 1 October 2000 INR Nil [refer note 37].
- Additions in gross block include INR 92,481 lakh of employee remuneration and directly attributable administrative expenses capitalised during the year.
- The current year depreciation charged to statement of profit and loss excludes INR 177 lakh which has been capitalised into the cost of assets under construction.
- For details of assets pledged/ hypothecated as securities, refer note 22.
- Physical verification of capital work-in-progress in store has been conducted by the management (except six circles) during the year and is reconciled with the detailed records for capital work-in-progress in store. Wherever differences are found, the same are provided for. Further, in Nil circles difference between the subsidiary ledger and the general ledger is identified and provided for in the current financial year.
- Refer to note 48 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- On transition to Ind AS, the Group has elected to measure certain items of its property, plant and equipment as at 1 April 2015 (date of transition to Ind AS) at its fair value and use that fair value as its cost at that date. Accordingly, the Group has elected to selectively fair value its freehold land. Hence, an increase of INR 6,986,449 lakh was recognised with a corresponding increase in retained earnings at the date of transition to Ind AS. All other remaining property, plant and equipment are carried at cost which is recomputed retrospectively as per principles of Indian Accounting Standard 16 (Property, plant and equipment).

### Bhart Sanchar Nigam United

#### Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018

(All amounts in ₹. lacs, unless otherwise stated)

- j) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 8.25%. Accordingly, the Group has capitalised borrowing cost during the year ended 31 March 2018 amounting to INR 57,873 lakh.
- k) The Group has acquired certain leasehold lands under finance lease arrangements on lease terms for 30 to 99 years. The gross and net carrying amounts of leasehold land acquired under finance lease and included in above are as follows:

	As at 31 March 2018
Gross block	17,108
Accumulated depreciation	4,400
<b>Net block</b>	<b>12,708</b>

j) During the current year, the Company has changed the presentation for decommissioned assets and accordingly has reclassified the net carrying value of decommissioned assets from 'Property, plant and equipment' to 'Assets held for sale'.

Further, the Company has carried out an internal assessment due to which certain reusable assets have been reclassified from 'Assets held for sale' to 'Property, plant and equipment'. The impact of the depreciation for the future years is impracticable to ascertain on the assets reclassified as property, plant and equipment (refer note 19).

#### 4. Intangible assets

Particulars	As at 1 April 2017		Gross block		As at 31 March 2018		As at 1 April 2017		Accumulated depreciation		Net block	
	846,261	35,981	As at 31 March 2018	Disposals/ adjustments	As at 31 March 2018	Disposals/ adjustments	As at 1 April 2017	As at 31 March 2018	As at 1 April 2017	As at 31 March 2018	As at 1 April 2017	As at 31 March 2018
<b>Intangible assets</b>												
Entry license fees	846,261	-	846,261	-	177,140	-	118,078	59,062	669,121	728,183		
Computer softwares	35,981	6,593	42,007	567	13,898	65	9,160	4,803	28,109	26,821		
<b>Total</b>	<b>882,242</b>	<b>6,593</b>	<b>888,268</b>	<b>567</b>	<b>191,038</b>	<b>65</b>	<b>127,238</b>	<b>63,865</b>	<b>697,230</b>	<b>755,004</b>		

#### Notes:

- a) On transition to Ind AS, the Group has elected to continue with the carrying value for all of intangible assets as at 1 April 2015 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.



**Bhart Sanchar Nigam United**  
**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹ lacs, unless otherwise stated)*

**5. Non-current financial assets - Investment**

Particulars	As at 31 March 2018
<b>Investment at fair value through profit and loss (FVTPL)</b>	
<b>Unquoted investment</b>	
1 equity share of INR 10 each fully paid up of Bharat Broadband Nigam Limited	**
	-
Aggregate book value of unquoted investment	**

\*\* The absolute value is INR 10 only.

**6. Non-current financial assets - Loans**

Particulars	As at 31 March 2018
Secured, considered good Loans to employees (refer note below)	578
Unsecured, considered good Loans to employees	5
	<b>583</b>

**Note:** Assets (eg- house, vehicle, etc) are hypothecated against the loans to employees.

**7. Other non-current financial assets**

Particulars	As at 31 March 2018
Unsecured, considered good Security deposits	22,718
Call detail record based claims recoverable	486
Earmarked deposits with banks (including bank guarantee, margin money, etc) (refer note below)	825
	<b>24,029</b>

**Note:** These earmarked deposits are for the purpose of securing various bank guarantees provided by the banks.

**8. Deferred tax assets (net)**

Particulars	As at 31 March 2018
<b>Deferred tax assets</b>	
Loss allowance for trade receivables	89,629
Loss allowance for other assets	60,194
Carry forward tax losses including unabsorbed depreciation	1,155,509
Provision for compensated absences	-
Provision for half pay leaves	1,631

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

<b>Particulars</b>	<b>As at 31 March 2018</b>
Provision for gratuity	2,902
Provision for decommissioned assets	10,785
Provision for obsolete inventory and capital work-in-progress	6,496
Preliminary expenses	6,865
Disallowances under Section 43B of Income Tax Act, 1961	7,741
	<b>1,341,752</b>
<b>Deferred tax liabilities</b>	
Difference in book written down value and tax written down value of property, plant and equipment	195,211
	<b>195,211</b>
<b>Net deferred tax assets</b>	<b>1,146,541</b>
<b>Net deferred tax assets recognised</b>	-

In the absence of reasonable certainty of future taxable profits, the Group has not recognised deferred tax assets (net) for the above periods (Refer note 50).

**9. Other non-current assets**

<b>Particulars</b>	<b>As at 31 March 2018</b>
Unsecured, considered good	
Capital advances [Net of provisions INR 23,972 lakh]	55,481
Advances to contractors	29,703
	<b>85,184</b>

**10. Inventories**

<b>Particulars</b>	<b>As at 31 March 2018</b>
Building materials	6
Raw material and scrap (at factory)	9,709
Finished goods and work-in-progress (at factory)	11,061
Finished stock (at various circles)	436
Other stores	222
	<b>21,434</b>
Less: Provision for obsolete inventory/short inventory	193
Total inventories at the lower of cost and net realisable value*	<b>21,241</b>

\*For further details, refer note 3 (ii).





**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**11. Current financial assets - Investment**

Particulars	As at 31 March 2018
<b>Investment at fair value through profit and loss</b>	
<b>Unquoted investment</b>	
20000000 7% redeemable cumulative preference shares of INR 100 each fully paid in Indian Telephone Industries (ITI) Limited (A Government of India owned Company) [refer note below]	20,000
	<b>20,000</b>
Aggregate book value of unquoted investment	20,000

**Note:**

All the five installments of INR 4,000 lakh each are overdue for redemption of 7% redeemable cumulative preference shares in respect of investment in ITI Limited at the end of the year and no dividend has been received till date. ITI Limited will redeem preference shares to the Group immediately on release of financial assistance by the Government of India to ITI Limited as a part of revival package. Accordingly, the Group believes that the fair value of the investment is equal to the book value.

**12. Current financial assets - Trade receivables**

Particulars	As at 31 March 2018
Trade receivables	817,891
Less : Advance income booked but not collected	131,179
	<b>686,712</b>
Less : Loss allowance for trade receivables	294,174
	<b>392,538</b>

The Group's exposure to credit and currency risks are disclosed in Note 51.

**Note:**

- (a) In twenty circles, there are differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger. To the extent identified, the net differences between general ledger balances and subsidiary ledger balances are INR 9,783 lakh. The management is in the process of reconciling these differences.
- (b) The classification of the trade receivables as secured and unsecured/considered good, to the extent available as per subsidiary ledger is as follows:

Unsecured, considered good	522,474
Doubtful	285,634
	<b>808,108</b>

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***13. Cash and cash equivalents**

Particulars	As at 31 March 2018
<b>Balances with banks</b>	
In current account including sweep-in-deposit	70,949
Deposits with original maturity of less than three months	-
Cheques on hand	2,428
Cash on hand	2,405
	<b>75,782</b>
For the purpose of statement of cash flows, Cash and cash equivalents comprise of the following:	
Cash and cash equivalents as per balance sheet	75,782
Bank overdraft (refer note 26)	(30,910)
	<b>44,872</b>

**Note:**

- (a) In thirty five circles, unlinked credit items and in thirty five circles unlinked debit items are appearing in the bank reconciliation statement as at 31 March 2018. Out of these thirty five circles have identified unlinked credit items amounting to INR 362 lakh and thirty five circles have identified unlinked debit items amounting to INR 646 lakh. The management is in the process of reconciling all such items in due course.
- (b) Bank balances in thirteen circles includes cheques on hand pending to be deposited in bank as at 31 March 2018.

**14. Bank balances other than cash and cash equivalents**

Bank deposits with original maturity of more than three months but upto twelve months* (including bank guarantee, margin money, etc.)	138
	<b>138</b>

\* These earmarked deposits are for the purpose of securing various bank guarantees provided by the banks.

**15. Current financial assets - Loans**

Particulars	As at 31 March 2018
Secured, considered good	
Loans to employees (refer note (b) below)	207
Unsecured but considered good	
Loans to employees	17
	<b>224</b>

**Note:**

- (a) In three circles, it has been noticed that there are differences in the subsidiary ledger of loans with those appearing in general ledger. The management is in the process of reconciling these differences.
- (b) Assets (eg- house, vehicle, etc) are hypothecated against the loans to employees.



**Bhart Sanchar Nigam United**  
**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹. lacs, unless otherwise stated)*

**16. Other current financial assets**

<b>Particulars</b>	<b>As at 31 March 2018</b>
Unsecured, considered good	
Security deposits	14,958
Amount due from customers for construction contracts, others	32,926
Accrued revenue	108,419
Amount recoverable from DoT	
For employees on deputation	1,812
For defense telecom network project (net)	-
Other recoverable (refer note 41)	243,013
Amount recoverable from Bharat Broadband Nigam Limited (net)	53,442
Amount recoverable from	
Government departments	3,350
Government companies (refer note (a) below)	242,484
Claims recoverable from others	84,956
Sales tax recoverable from customers	9
Service tax recoverable from customers	64,989
Goods and service tax (GST) recoverable from customers	45,292
Interest accrued	
- on bank deposits	335
- on loans	58
- other	6
Call detail record based claims recoverable	23,889
<b>Doubtful</b>	
Amount recoverable from	
Government companies	192,930
	<b>1,112,868</b>
Less: Loss allowance for assets	192,930
	<b>919,938</b>

**Note:**

- (a) Includes claim recoverable from LIC amounting to INR 68,500 lakh on account of leave encashment directly paid by the Group to the employees during the year ended 31 March 2018.

**17. Current tax assets (net)**

<b>Particulars</b>	<b>As at 31 March 2018</b>
Advance income-tax (refer note (a) below)	119,650
(Net of provision for income tax INR 168,19 lakh)	
Advance fringe benefit tax	-
	<b>119,650</b>

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Note:**

- (a) Pursuant to the decisions of the Appellate Authorities and the interpretations of other relevant provisions, the Company has updated the provision for income tax. This has led to reduction of provision for income tax related to earlier years by INR 80,249 lakh. This change in estimation of uncertain tax positions may also have an impact on future current tax expense, the amount of which is impracticable to determine.

**18. Other current assets**

Particulars	As at 31 March 2018
Unsecured, considered good	
Prepaid expenses	4,238
Balances with excise and other tax authorities (refer note (b) below)	56,712
Advances to contractors	15,747
Advances to employees	2,091
Other advances	1
Intra/inter circle remittances	7,919
	<b>86,708</b>

**Note:**

- (a) Cenvat on account of service tax, excise duty and custom duty on capital goods and inputs is under reconciliation in some circles.
- (b) Includes INR 1,517 lakh deposited on account of service tax audit.
- (c) Refer note 45 for details of advances to related parties.

**19. Assets held for sale**

Particulars	As at 31 March 2018
Property, plant and equipment held for sale	69,085
Less: Provision for dimunition in the value of assets held for sale	(34,568)
	<b>34,517</b>

**Note:**

Assets held for sale includes various classes of property, plant and equipment which are retired from active use and are held for the purpose of immediate sale. The Group intends to sell these assets through Metals and Minerals Trading Corporation (MMTC), etc. as per defined procedures. The Group recognizes assets held for sale at the lower of carrying amount and net realisable value, accordingly the gain or loss on the assets held for sale is recorded in 'Excess liabilities written back no longer required' under 'Other income' (refer note 32) and 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 36) respectively. These assets are included under respective segments under note 44 (also refer note 3(l)).



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**20. Share capital**

<b>Authorised</b>	<b>Number of shares</b>	<b>Amount</b>
<b>i. Equity shares of INR 10 each</b>		
Outstanding as at 1 April 2017	10,000,000,000	1,000,000
Increase during the year	-	-
Outstanding as at 31 March 2018	<u>10,000,000,000</u>	<u>1,000,000</u>
<b>ii. 9% non-cumulative preference shares of INR 10 each*</b>		
Outstanding as at 1 April 2017	7,500,000,000	750,000
Increase during the year	-	-
Outstanding at the 31 March 2018	<u>7,500,000,000</u>	<u>750,000</u>

\* Refer note 22

	<b>As at 31 March 2018</b>	
<b>Issued, subscribed and fully paid up</b>	<b>Number of shares</b>	<b>Amount</b>
Equity shares of INR 10 each	5,000,000,000	500,000
	<b><u>5,000,000,000</u></b>	<b><u>500,000</u></b>

**a. Terms and rights attached to equity shares**

The Company has only one class of shares referred to as equity shares each having a par value of INR 10 per share.

Vote of members: Every member present on person and being a holder of equity share shall have one vote and every person either as a general proxy on behalf of a holder of equity share, shall have one vote or upon a poll, every member shall have one vote for every share held by him. On poll, the voting rights of holder of equity share shall be as specified in Section 47 of the Companies Act, 2013.

**b. Reconciliation of number of shares outstanding at the beginning and at the end of the year :**

	<b>Number of shares</b>	<b>Amount</b>
Outstanding as at 1 April 2017	5,000,000,000	500,000
Equity shares issued during the year in consideration for cash	-	-
Outstanding at the 31 March 2018	<u>5,000,000,000</u>	<u>500,000</u>

**c. Shareholders holding more than 5% shares in the company\***

	<b>As at 31 March 2018</b>	
	<b>Number of shares</b>	<b>Percentage</b>
President of India	4,999,999,993	99.99%

\* The above information is furnished as per the shareholder's register as at the year end.

d. No shares have been issued for consideration other than cash pursuant to contract or allotted as fully paid bonus shares in the current reporting year and in the last five years immediately preceding the current reporting year. Further, there are no buy backs of any class of shares during the current reporting year and in the last five years immediately preceding the current reporting year.

e. Division of profit : The profit of the Company, subject to any special rights relating thereto created or authorised to be created by the articles subject to the provisions of the articles and also subject to the provisions of Section 123 of the Companies Act, 2013 and, regarding transfer of the amount to reserve of the Company, shall be divisible among the members with the approval of the President of India, in the proportion of the amount of capital paid or credited as paid-up on the shares held by them respectively.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***21. Other equity**

Particulars	As at 31 March 2018
<b>a. Capital reserve</b>	
Balance at the beginning of the year	4,021,118
Add: Addition/ deletion during the year	-
Balance at the end of the year	<b>4,021,118</b>
<b>b. General reserve</b>	
Balance at the beginning of the year	490,075
Add: Contingency reserve transferred to general reserve	-
Balance at the end of the year	<b>490,075</b>
<b>c. Contingency reserve</b>	
Balance at the beginning of the year	-
Additions during the year	-
Less: Contingency reserve transferred to general reserve	-
Balance at the end of the year	-
<b>d. Retained earnings</b>	
Balance at the beginning of the year	4,657,913
Add: Loss for the year	(799,560)
Items of other comprehensive income/ (expense) recognised directly in retained earnings	
Remeasurement of post employment benefit obligation, net of tax	(897)
Balance at the end of the year	<b>3,857,456</b>
<b>e. Capital contribution from shareholder</b>	
Balance at the beginning of the year	98,318
Add: Addition/ deletion during the year	-
Balance at the end of the year	<b>98,318</b>
<b>Total other equity</b>	<b>8,466,967</b>

**Nature and purpose of reserve****i. Capital reserve**

The capital reserve is created out of the difference between the total value of the assets taken over and the long term identified liabilities and the capital structure, as on 1 October 2000 as communicated by DoT. For details, refer note 37.

**ii. General reserve**

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations.

**iii. Contingency reserve**

The contingency reserve was created in the financial year 2003-04 by appropriation of profits to meet various contingencies that may arise in future, based on the decision made by the board of directors.

**iv. Capital contribution from shareholder**

During the year ended 31 March 2015, the loan from the Government of India amounting to INR 98,318 lakhs was waived off vide letter no.1-43/2008-B, dated 11 April 2014 and the same was taken to the capital reserve created at the time of formation of the Group.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**22. Non-current financial liabilities - Borrowings**

Particulars	As at 31 March 2018
<b>Secured loans</b>	
Term loans from banks (refer note A below)	945,216
Less: Current maturities of non current borrowings	(40,868)
	<b>904,348</b>
7,500,000,000	
9% non-cumulative preference shares of INR 10 each (refer note B below)	750,000
	<b>1,654,348</b>

Refer note 45 for details of loans from related parties.

Information about Group's exposure to interest rate and liquidity risks is included in Note 51.

**A. Terms and repayment schedule of secured loans**

- (i) The term loans from the Union Bank of India, carry interest rate ranging from 8.00% p.a. to 8.50% p.a. with quarterly rests, are repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31 March 2017 and 30 September 2017 respectively. The aforementioned term loans are secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 27,011 lakh and INR 201,488 lakh respectively.
- (ii) The term loan from the United Bank of India, carries interest rate ranging from 8.20% p.a. to 8.45% p.a. with quarterly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31 March 2017. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 63,968 lakh.
- (iii) The term loan from the State Bank of India, carries interest rate ranging from 8.25% p.a. to 8.40% p.a. with yearly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31 March 2017. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 245,611 lakh.
- (iv) The term loans from the Punjab National Bank, carry interest rate ranging from 8.00% p.a. to 8.45% p.a. with quarterly rests, are repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31 December 2015 and 31 March 2017 respectively. The aforementioned term loans are secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 93,990 lakh and INR 99,999 lakh respectively.
- (v) The term loans from the Jammu and Kashmir Bank, carry interest rate ranging from 8.05% p.a. to 8.50% p.a. with quarterly rests, are repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31 December 2015 and 31 March 2017 respectively. The aforementioned term loans are secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 46,990 lakh and INR 49,999 lakh respectively.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- (vi) The term loan from the Canara Bank, carries interest rate ranging from 8.10% p.a. to 8.35% p.a. with quarterly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 30 June 2017. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 99,996 lakh.
- (vii) The term loan from the Bank of Baroda, carries interest rate of 8.30% p.a. with yearly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e. 31 March 2018. The aforementioned term loan is secured by pari-passu charge on all property, plant and equipment of the Group other than land and building (both present and future). Outstanding amount as at 31 March 2018 is INR 16,162 lakh.

**B. 9% non-cumulative preference shares**

During the financial year 2000-01, 7,500,000,000 preference shares were issued to Central Government of India as fully paid with a par value of INR 10 per share. The preference shares are mandatorily redeemable at par after twenty years from the date of issue of such shares and the Group is obliged to pay holders of these shares dividends at the rate of 9% of the par amount per annum, subject to availability of distributable profits.

Vote of members: The holder of preference share have a right to vote on resolution placed before the Company which directly affects the rights attached to their preference shares and subject to aforesaid, the holders of preference shares shall in respect of such capital be entitled to vote on every resolution placed before the Company at a meeting if the dividend due on such capital or any part of such dividend remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and where the holders of any preference shares have a right to vote as aforesaid on any resolution every such member personally present shall have one vote and on a poll his voting right in respect of such preference share bears to the total paid up equity capital of the Company.

**23. Other non-current financial liabilities**

Particulars	As at 31 March 2018
<b>Deposits from customers and others</b>	
Security deposits	181,781
	<b>181,781</b>

The Group's exposure to liquidity risks related to above financial liabilities is disclosed in Note 51.

**24. Non-current provisions**

Particulars	As at 31 March 2018
<b>Provision for employee benefits</b>	
Gratuity (refer note 39)	9,248
Compensated absences (refer note 39)	-
Half pay leaves (refer note 39)	4,435
Decommissioning liabilities	77,521
	<b>91,204</b>





**Bhart Sanchar Nigam United**  
**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹. lacs, unless otherwise stated)*

**25. Other non-current liabilities**

Particulars	As at 31 March 2018
Deferred government grant	65,097
	<b>65,097</b>

**Note :**

- (a) Since financial year 2005-06, an amount of INR 61,437 lakh (INR 17,000 lakh for wireline and INR 44,437 lakh for wireless services) has been received from Department of Information Technology (DIT) for providing wireline and wireless connectivity to 41,500 common service centres.
- (b) During the current, the Group has received grants related to Left Wing Extremist (LWE) project for construction of property, plant and equipment.

**26. Current financial liabilities - Borrowings**

Particulars	As at 31 March 2018
<b>Loan repayable on demand</b>	
<b>Unsecured loan</b>	
Bank overdraft	30,910
	<b>30,910</b>

Information about Group's exposure to interest rate and liquidity risks is included in Note 51.

**27. Current financial liabilities - Trade payables**

Particulars	As at 31 March 2018
Total outstanding dues of Micro, small and medium enterprises (refer note (a) below)	3,055
Total outstanding dues other than Micro, small and medium enterprises:	
Others	661,588
Claims payable to Mahanagar Telephone Nigam Limited (MTNL) (refer note (b) below)	110,990
Claims payable on interconnection usage charges (IUC)	7,356
	<b>782,989</b>

The Group's exposure to currency and liquidity risks related to trade payable is disclosed in Note 51.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***Note:**

- (a) Twenty nine circles of the Company have identified Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The required information in terms of section 22 of MSMED Act to the extent available in respect of twenty nine circles are given below :
- |   |       |
|---|-------|
| Principal amount remaining unpaid to any supplier as at the end of the accounting year  | 3,055 |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | Nil   |
| The amount of interest paid in terms of Section 16 of Micro, Small, Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day  | Nil   |
| The amount of interest due and payable for the period of delay (which have been paid but beyond the appointed during the year) but without adding the interest specified under Micro, Small, Medium Enterprises Development Act, 2006   | Nil   |
| The amount of interest accrued and remaining unpaid at the end of the accounting year   | Nil   |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small, Medium Enterprises Development Act, 2006 | Nil   |
- (b) The net claim receivable/payable as on 31 March 2018 from MTNL is subject to confirmation and reconciliation.

**28. Other current financial liabilities**

<b>Particulars</b>	<b>As at 31 March 2018</b>
Current maturities of borrowings	40,868
After connection deposits	212,285
Deposits from customers and others	110,661
Claims payable to	
DoT	31,085
Other government departments	1,942
License fee, spectrum charges and transponder charges payable	64,704
Other payables towards	
Employees	11,399
Subscribers	28,674
Construction account	46,071
Services and others	150,787
	<b>698,476</b>

The Group's exposure to currency and liquidity risks related to above financial liabilities is disclosed in Note 51.



**Bhart Sanchar Nigam United**  
**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹. lacs, unless otherwise stated)*

**29. Other current liabilities**

Particulars	As at 31 March 2018
Deferred government grant (refer note 25)	30,071
Advances received from customers	377,918
Advances received for defense telecom network project (net)	162,065
Advances received for National Optical Fiber Network (NOFN) project (net)	-
Income received in advance against services	147,797
Statutory dues	
Tax deducted at source	18,014
Service tax (net)	24,357
GST (net)	35,352
Employees provident fund	5,292
Employees state insurance	14
Professional tax	256
Work contract tax and building and other construction workers welfare cess	455
Leave encashment of retired employees	4,988
Intra/inter circle remittances	-
	<b>806,579</b>

**30. Short-term provisions**

Particulars	As at 31 March 2018
<b>Provision for employee benefits :</b>	
Gratuity (refer note 39)	53
Compensated absences (refer note 39)	-
Half pay leaves (refer note 39)	792
<b>Provision for others :</b>	
Wealth tax	312
	<b>1,157</b>

**31. Revenue from operations**

Particulars	For the year ended 31 March 2018
<b>Revenue from sale of services</b>	
Telephones (other than Wireless in Local Loop (WLL))	330,760
Cellular	718,541

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 March 2018
Wireless in local loop (WLL)	3,448
Broad band services	490,414
Leased lines	295,820
Lease income from passive infrastructure	80,390
Interconnection usage charges (IUC) from other service providers	224,388
	<b>2,143,761</b>
<b>Other operating revenue</b>	
Revenue from construction contracts	3,706
Sale to third party from telecom factories	10,392
Profit from manufacturing activities of factories (refer note (a) and (b) below note 36)	8,446
Other operating income (refer notes (a) and (b) below)	95,736
Other	4,737
	<b>123,017</b>
	<b>2,266,778</b>

**Note :**

- (a)(i) Other operating income represents subsidies from Universal Service Obligation Fund and DoT.
- (ii) During the current year, the Group has booked income of INR 16,593 lakh on projects namely, LWE project, NOFN project and Defence Project.
- (b) Telephones disconnected due to non-payment are considered to be working for a period of 30 days from the date of disconnection of outgoing facility. During this period, the incoming facility is provided and fixed monthly charges are billed.

**32. Other income**

Particulars	For the year ended 31 March 2018
<b>Interest income on</b>	
Financial assets at amortised cost:	
Deposits with banks	707
Loans	2,139
Other	2,787
Income tax refund	1,864
	<b>7,497</b>
<b>Other non-operating income</b>	
Profit on sale of property, plant and equipment (net)	12,796
Income from liquidated damages	1,238
Excess liabilities written back no longer required	151,624
Rent on staff quarters	2,925



**Bharat Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
Foreign exchange fluctuation loss (net)	35
Sale of scrap	28,821
Others including sale of publications, forms, waste paper, etc.	35,350
	<b>232,789</b>
	<b>240,286</b>

**33. Employee benefits expense**

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
Salaries, wages, allowances and other benefits	1,348,364
Expenses related to compensated absences (refer note (a) below)	19,324
Contribution towards pension	93,166
Contribution towards superannuation	9,831
Contribution towards employees provident fund	27,788
Contribution towards Employees State Insurance	45
Expense related to post-employment defined benefit plans (refer note 39)	8,404
Contribution towards leave salary	1,331
Half pay leaves	209
Medical expenses	56,718
Staff welfare expenses (refer note (b) below)	1,895
	<b>1,567,075</b>
Less : Allocated to capital work-in-progress and others	83,351
	<b>1,483,724</b>

**Note :**

- (a) During the current year, leave encashment amounting to INR 88,678 lakh has been directly paid by the Group to the employees.
- (b) During the year, the Group has paid INR 162 lakh to Staff Welfare Board and INR 32 lakh to Sports and Cultural Board for promoting welfare activities at various circles.

**34. Finance costs**

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
<b>Interest expense on</b>	
Financial liabilities at amortised cost:	
Subscriber deposits	1

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
Loan	436
Others	499
Unwinding of discount on decommissioning liabilities	3,895
	<b>4,831</b>

**35. Depreciation and amortisation expense**

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
Depreciation on property, plant and equipment	519,293
Amortisation on intangible assets	63,865
	<b>583,158</b>

**36. Other expenses**

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
Rent	39,947
Lease charges	8,590
Rates and taxes	6,774
Preliminary expenses	275
Power and fuel	271,070
Insurance	425
Bank charges	357
Repairs and maintenance on:	
Buildings	21,371
Plant and machinery	105,983
Cables	30,444
Others	19,622
Professional and consultancy charges	3,722
Payment to auditors (refer note 46)	350
Printing and stationery	5,012
Commission on franchise services	23,687
Advertisement	987
Business promotion and marketing expenses	19,770
Travelling expenses	7,370
Postage and courier charges	4,504



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
Security services	42,936
Vehicle running expenses (including hired vehicles)	30,007
Interconnection usage charges (IUC) to other service providers	126,570
Lease expense on passive infrastructure	93,131
Expenditure on services, goods and other expenses [refer note (c)]	180,072
Expenditure on LWE operation	25,733
Penalty for customer application form (CAF) verification	372
Write off and losses (other than bad debts)	24,904
Bad debt provision other than services	487
Bad debt written off	25,159
Loss allowance for trade receivables and disputed bills	19,642
Write off of unrecovered service tax/ GST	2,515
Expenditure on construction contracts	2,056
Hiring charges of machinery lines	390
	<b>1,144,234</b>
Less : Allocated to capital project works and others	9,130
	<b>1,135,104</b>

**Note :**

<b>Particulars</b>	<b>For the year ended 31 March 2018</b>
(a) Telecom factories manufacturing account :	
Cost of material consumed	45,789
Direct expenses	5,812
Change in inventory	(19,850)
Total (A)	<b>31,751</b>
Internal transfer (B)	40,197
Profit/ (loss) from manufacturing activities	<b>8,446</b>
(b) Prices for transfer of stock from telecom factories to circles for self- consumption are predetermined. The predetermined rates include direct costs including overhead allocation at a fixed rate. This practice has resulted in profit of INR 8,446 lakh for the year ended 31 March 2018 arising out of such transfer. The said amount has been netted off against the administrative expenses in the statement of profit and loss for the year since it is not possible to identify the individual items of stores, which have been capitalised or expensed off.	
(c) Consumption of stores and spare parts for the years ended 31 March 2018 is INR 14,371 lakh included in expenditure on services and other expenses.	

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***37. Assets and liabilities taken over from DoT**

In pursuance of the Memorandum of Understanding (MOU), dated 30 September 2000 executed between Government of India and the Company, all assets and liabilities in respect of business carried on by Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) were transferred to the Company with effect from 1 October 2000 at a provisional value of INR 6,300,000 lakh and up to the current financial year the Company has identified net assets of INR 6,325,201 lakh against it.

During the current financial year, based on physical verification of property, plant and equipment and inventory and reconciliation of various heads of assets and liabilities in the subsidiary and general ledgers, the management has found some facts which has resulted in increase/ decrease in the following assets and liabilities taken over as on 1 October 2000 amounting to net increase in the assets of INR Nil.

Particulars	Up to 1 April 2017	Additions/ (Deletions) during the year	Up to 31 March 2018
<b>Assets</b>			
Property, plant and equipment	5,406,575	-	5,406,575
Capital work-in-progress	690,353	-	690,353
Trade receivables	683,196	-	683,196
Advance to contractors	39,448	-	39,448
Deposit with electricity boards /others	2,184	-	2,184
<b>Total- A</b>	<b>6,821,756</b>	-	<b>6,821,756</b>
<b>Liabilities</b>			
Customer deposits	395,418	-	395,418
Earnest money deposits	12,078	-	12,078
Security deposits from contractors /suppliers	28,994	-	28,994
Working expense liability as on 01 October 2000	43,472	-	43,472
Contractors bills payable as on 01 October 2000	16,593	-	16,593
<b>Total-B</b>	<b>496,555</b>	-	<b>496,555</b>
<b>Net assets taken over by the Company (A-B)</b>	<b>6,325,201</b>	-	<b>6,325,201</b>

**Note:**

- 1 The net assets and the contingent liabilities transferred to the Company as on 1 October 2000 are subject to confirmation by DoT as regard to their value.
- 2 The capital structure for the Company concurred by the Ministry of Finance and conveyed by the Department of Telecommunications vide their U.O. No. 1-2/2000-B (Pt.) dated 13 December 2001 has been treated as consideration for transferring the above stated assets and liabilities and is as follows:





**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Particulars	As at 1 October 2000 (as on 1 April 2017)	Additions/ (Deletions) during the year ended 31 March 2018	Total structure as at 1 October 2000 (as on 31 March 2018)
Equity	500,000	-	500,000
9% Non-cumulative preference shares	750,000	-	750,000
15 year Government loan (interest at prevalent Government lending rate)	750,000	-	750,000
Loan from MTNL [Note 1]	305,600	-	305,600
Capital reserves – DoT [Note 2]	4,021,118	-	4,021,118
Adjustment made to the statement of profit and loss	(1,517)	-	(1,517)
<b>Total</b>	<b>6,325,201</b>	<b>-</b>	<b>6,325,201</b>

**Note:**

- The entire amount has been repaid in the previous years.
- Represents the difference between the total value of the assets taken over and the long term identified liabilities and the capital structure, as on 1 October 2000 as communicated by DoT.
- In pursuance of clause 13 of agreement of transfer executed between the Government of India and the Company dated 30 September 2000, all costs, charges and expenses including stamp duties, registration charges, transfer duties, any other taxes, levies, duties or charges relating to or in connection with completion of transfer of assets and liabilities shall be borne by the Government of India.

**38. License and spectrum fee**

- License and spectrum fee for the year ended 31 March 2018 is INR 174,338 lakh.
- During the financial year ended 31 March 2016, the formula for distribution of the revenue between various components for CMTS Services has been changed. The formula adopted during financial year 2017-18 is as per the following percentage:

Service	Basic	CMTS	NLD	ILD	ISP
Leased circuits	30.00%	-	70.00%	-	-
Basic services	70.72%	-	17.58%	11.70%	-
CMTS services	-	64.08%	22.15%	1.25%	12.52%

- Other income consists of interest accrued on income tax refund. From the financial year 2000-01 to financial year 2010-11, the Group has paid excess income tax on the demands raised by Income Tax department. Group has contested the demand with Income Tax authorities and has got refund order of income tax in the previous financial year. In the opinion of the management, license fee is not payable on interest accrued on income tax refund as this is not forming the part of investing activities of the Group.

**39. Employee benefits**

During the year, the Group has recognized following amounts in the statement of profit and loss :

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***i) Defined contribution plans**

Contributions to defined contribution plans i.e. employer's contribution to provident fund, Employees State Insurance, pension contribution paid to the Government of India and superannuation contribution paid to Life Insurance Corporation Of India for the year is charged to the statement of profit and loss. These amounts are shown as under:

	<b>For the year ended 31 March 2018</b>
Employer's contribution to provident fund	27,788
Pension contribution to the Government of India	93,166
Employer's contribution to Employees State Insurance	45
Superannuation contribution to Life Insurance Corporation of India	9,831
	<b>130,830</b>

**ii) Defined benefit plans**

The following table sets out the status of the assets and liabilities recognised in the Group's consolidated financial statements as at balance sheet date relating to the defined employee benefit plans:

	<b>As at 31 March 2018</b>
Net defined benefit asset	-
Total employee benefit assets	-
Net defined benefit liability	
Liability for gratuity	9,301
Liability for leave encashment	-
Liability for half pay leaves	5,227
<b>Total employee benefit liabilities</b>	<b>14,528</b>
Non-current	13,683
Current	845
	<b>14,528</b>

**A. Gratuity**

The Group provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Group employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**a) Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

	<b>As at 31 March 2018</b>
Balance at the beginning of the year	63,895
Benefits paid	(768)
Current service cost	3,236
Past service cost	5,149
Interest cost	5,112
Remeasurements (gains)/ losses recognised in other comprehensive income	
Actuarial (gain)/ loss	897
<b>Balance at the end of the year</b>	<b>77,521</b>
Reconciliation of the present value of plan assets	
Balance at the beginning of the year	61,540
Contributions during the year	2,355
Expected return on plan assets	5,093
Benefits paid	(768)
<b>Balance at the end of the year</b>	<b>68,220</b>
<b>Net defined benefit liability (asset)</b>	<b>9,301</b>

**b) Defined benefits / expenses for gratuity recognised for the year**

Expense recognised in the statement of profit and loss

	<b>For the year ended 31 March 2018</b>
Current service cost	3,236
Past service cost *	5,149
Interest cost	5,112
Expected return on plan assets	(5,093)
	<b>8,404</b>

\* During the current year, the Payment of Gratuity Act, 1972 has been amended and the ceiling has been increased to INR 20 lakh from the existing ceiling of INR 10 lakh. The expense on account of enhanced ceiling is recognised as past service cost.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Remeasurements recognised in other comprehensive income

	<b>For the year ended 31 March 2018</b>
Actuarial (gain)/ loss on defined benefit obligation	897
	<b>897</b>

**c) Plan assets**

i. Gratuity fund investment details (Fund manager wise, to the extent funded) are as below:

	<b>As at 31 March 2018</b>
Life Insurance Corporation of India	68,220
	<b>68,220</b>

The plan assets of the Group are managed by Life Insurance Corporation of India through a trust managed by the Group in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31 March 2018 has not been provided by Life Insurance Corporation of India.

ii. Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR 9,301 lakh.

**d) The expected maturity analysis of the obligation**

	<b>As at 31 March 2018</b>
Within the next 12 Months (next annual reporting period)	535
Between 1 and 2 years	822
Between 2 and 5 years	2,750
Beyond 5 years	73,414
<b>Total</b>	<b>77,521</b>

The weighted average duration of the defined benefit obligation is 10 years.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**e) Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>As at 31 March 2018</b>
Discount rate	8%
Expected rate of increase in compensation levels	7%
Expected average remaining working lives of employees (years)	21
Mortality table	LIC (2006-08) Ultimate

**f) Sensitivity Analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>For the year ended 31 March 2018</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate (0.50% movement)	(4,693)	5,039
Expected rate of increase in compensation levels (0.50% movement)	4,137	(6,342)
Withdrawal rate as per mortality table (10% movement)	8,013	(7,211)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**B. Compensated absences**

Compensated absences is also a defined benefit plan. The liability towards compensated absences has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.

**a) Reconciliation of the net defined benefit (asset) liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

	<b>As at 31 March 2018</b>
Balance at the beginning of the year	908,715
Benefits paid	(88,678)
Current service cost	8,641

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Interest cost	72,697
Remeasurement (gains)/ losses recognised in other comprehensive income	
Actuarial (gain)/ loss	11,952
<b>Balance at the end of the year</b>	<b>913,327</b>

## Reconciliation of the present value of plan assets

	<b>As at 31 March 2018</b>
Balance at the beginning of the year	907,754
Contributions during the year	-
Expected return on plan assets	74,073
Benefits paid	-
	<b>As at 31 March 2018</b>
<b>Balance at the end of the year *</b>	<b>981,827</b>
<b>Net defined benefit liability (asset)</b>	<b>(68,500)</b>

\* Includes claim recoverable from LIC amounting to INR 68,500 lakh on account of leave encashment directly paid by the Group to the employees during the year ended 31 March 2018. Accordingly, net defined benefit asset for compensated absences for the year ended 31 March 2018 is Nil (refer note 16).

**b) Defined benefits / expenses for compensated absences recognised for the year****Expense recognised in the statement of profit and loss**

	<b>For the year ended 31 March 2018</b>
Current service cost	8,641
Interest cost	72,697
Expected return on plan assets	(74,073)
Actuarial (gain)/ loss on defined benefit obligation	11,952
	<b>19,217</b>

**c) Plan assets**

i. Compensated absences fund investment details (Fund manager wise, to the extent funded) are as below:

	<b>As at 31 March 2018</b>
Life Insurance Corporation of India	981,827
	<b>981,827</b>

The plan assets of the Group are managed by Life Insurance Corporation of India with respect to its



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

compensated absences plan. Information of plan assets as at 31 March 2018 has not been provided by Life Insurance Corporation of India.

ii. Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR Nil.

**d) The expected maturity analysis of the obligation**

	<b>As at 31 March 2018</b>
Within the next 12 Months (next annual reporting period)	95,789
Between 1 and 2 years	97,044
Between 2 and 5 years	251,446
Beyond 5 years	469,048
<b>Total</b>	<b>913,327</b>

The weighted average duration of the defined benefit obligation is 24 years.

**e) Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<b>As at 31 March 2018</b>
Discount rate	8%
Expected rate of increase in compensation levels	7%
Expected average remaining working lives of employees (years)	9
Mortality table	LIC (2006-08) Ultimate

**f) Sensivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>For the year ended 31 March 2018</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate (0.50% movement)	(27,323)	31,502
Expected rate of increase in compensation levels (0.50% movement)	1,982	(2,591)
Withdrawal rate as per mortality table (10% movement)	9,146	(8,838)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***C. Risk exposure**

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

**a) Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Group intends to maintain the above investment mix in the continuing years.

**b) Changes in discount rate**

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

**c) Inflation risks**

In the plans, the payments are not linked to the inflation so this is a less material risk.

**d) Life expectancy**

The plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

**C. Half pay leaves**

Half pay leaves is also a defined benefit plan. The liability towards half pay leaves has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done by LIC using projected unit credit method to arrive the final obligation.





**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**40. Property, plant and equipment / Intangible assets/ Depreciation and amortization/ Capital work-in-progress**

- 1 Property, plant and equipment taken over from DoT as on 01 October 2000 are based on physical verification conducted by the management. The value of property, plant and equipment taken over including capital work-in-progress has been determined by the management using the original cost of the asset (wherever available) or alternatively the value arrived at by applying Strategic Business Plan ("SBP") rates, which is based on technical assessment, as reduced by the depreciation up to 30 September 2000 on straight line basis at the rates prescribed by DoT. Capital assets acquired by the Company after 1 October 2000 are valued at the cost including all direct charges incurred up to the time of installation or put to use. The transfer values, as indicated above, in respect of assets transferred from DoT on 1 October 2000 have been treated as its original cost and depreciation has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 till financial year 2013-14 without reassessing the remaining useful life of such assets as on that date. Depreciation has been provided at the rates as stated above for all the assets acquired after 1 October 2000 except in the case of Subscribers Installations which are depreciated over the useful life of 5 years on written down value method. However, with the enactment of Companies Act, 2013 the depreciation has been provided as per the provisions of schedule II of the Companies Act, 2013 for financial year 2014-15 onwards for all assets including Subscribers Installations. For 3G & BWA Spectrum the amount paid to Government of India for acquiring these assets is being amortized over a period of 20 years.
- 2 The lease period of a few leasehold lands on which buildings are constructed, have not been renewed / or the renewals are under dispute. Since expected terms, conditions and rentals for renewal/ surrender are not ascertainable, no provision has been made for the surrender value / written down value of the buildings'.
- 3 Pending transfer of the immovable property in the name of the Group, documents in respect of certain land and buildings acquired during the period are under legal process/ execution. Further in respect of assets taken over from DoT, formalities for vesting the assets in favour of the Group, wherever necessary/ applicable are under process.
- 4 Capital work-in-progress, inter alia, includes balances pending capitalization for long periods of time owing to pending analysis of status, value and obtaining of commissioning certificates in respect of twenty one circles. The amount ascertained in respect of sixteen circles is INR 24,152 lakh. Consequently, depreciation has also not been charged on the same.
- 5 Directly attributable establishment and administration expenses incurred in units where project work is also undertaken are allocated to capital and revenue mainly on actual man-month basis.

**41. DoT balances**

Other recoverables from DoT, after netting off the claim payables to them, INR 211,928 lakh are included in other current financial assets and other current financial liabilities. This balance is subject to confirmation, reconciliation and consequential adjustment. There is no practice of getting confirmation of such balances with Government department due to huge number of transactions. Further, there is no agreement between the Group and DoT for interest recoverable/ payable on outstanding amounts of DoT. Hence, no accrual for interest has been made on the amount payable to/recoverable from DoT.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***42. Inter/ intra circle remittance**

There are certain expenses (both capital and revenue) which are incurred by one circle on behalf of other. These expenses are parked in Inter/ Intra-Circle Remittances account. As on 31 March 2018, there was balance of INR 7,919 lakh in Inter/Intra-Circle Remittances account. This amount pertains mainly to assets and liabilities, and marginally to expenditure and revenue. The depreciation is not claimed in case of assets and expenses are not taken to the statement of profit and loss pending reconciliation. The reconciliation is done on continuous basis throughout the year and proper effect is taken in the books of accounts for reconciled amounts.

**43. Earnings/ (loss) per share****Basic and diluted earnings/ (loss) per share**

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Group by the weighted number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31 March 2018
Profit/ (loss) after tax attributable to equity shareholders	(INR in lakh)	(799,560)
Weighted average number of equity shares outstanding during the year	(in number)	5,000,000,000
Nominal value per share	INR	10
Basic and diluted earnings/ (loss) per share	INR	(15.99)

**44. Segment information****A. Description of segments and principal activities**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Board of directors of the Company, which is defined as chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

For management purposes, the business is organized into business segments namely basic, cellular, broadband and enterprise based on its products and services identified.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**B. Information about reportable segments**

**Year ended 31 March 2018**

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
<b>Revenue</b>						
Revenue from operations	449,328	1,029,679	473,612	314,159	-	2,266,778
Other income	(111,350)	29,407	1,982	312,173	577	232,789
<b>Net segment revenue</b>	<b>337,978</b>	<b>1,059,086</b>	<b>475,594</b>	<b>626,332</b>	<b>577</b>	<b>2,499,567</b>
<b>Segment results</b>						
Operating profit/(loss) before interest, depreciation and taxes	(1,447,588)	378,966	408,547	414,508	(48,031)	(293,599)
Depreciation and amortisation	(205,507)	(291,041)	(19,604)	(66,547)	(458)	(583,158)
Interest income	6,503	636	14	179	166	7,497
Interest expenses	(1,470)	(3,200)	(47)	(8)	(106)	(4,831)
<b>Profit/(loss) before tax</b>	<b>(1,648,063)</b>	<b>85,360</b>	<b>388,910</b>	<b>348,132</b>	<b>(48,430)</b>	<b>(874,091)</b>
Tax expense	-	-	-	-	(74,531)	(74,531)
<b>Profit/(loss) after tax</b>	<b>(1,648,063)</b>	<b>85,360</b>	<b>388,910</b>	<b>348,132</b>	<b>26,101</b>	<b>(799,560)</b>
<b>Other information</b>						
Segment assets	7,326,045	3,120,064	181,953	1,367,221	1,284,225	13,279,508
Segment liabilities	2,136,957	352,138	4,090	396,104	1,423,251	4,312,541
Capital expenditure during the year	81,730	108,552	14,334	44,926	246,066	495,609
Non cash expense other than depreciation	43,428	11,169	939	5,006	-	60,541

**C. Reconciliations of information on reportable segments to Ind AS measures**

<b>i) Revenues</b>	<b>For the year ended 31 March 2018</b>
Total revenue for reportable segments	2,498,990
Unallocable revenue	577
<b>Total revenue</b>	<b>2,499,567</b>
<b>ii) Profit before tax</b>	<b>For the year ended 31 March 2018</b>
Total profit before tax for reportable segments	(825,661)
Profit before tax for unallocable	(48,430)
<b>Profit before tax as per statement of profit and loss</b>	<b>(874,091)</b>

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

iii) Assets	As at 31 March 2018
Total assets for reportable segments	11,995,283
Unallocable assets	1,284,225
<b>Total assets as per the balance sheet</b>	<b>13,279,508</b>

iv) Liabilities	As at 31 March 2018
Total liabilities for reportable segments	2,889,290
Unallocable liabilities	1,423,251
<b>Total liabilities as per the balance sheet</b>	<b>4,312,541</b>

**D. Geographic information**

The Group caters only to the Indian market representing a singular economic environment with similar risks and returns and further there are no reportable geographical segments.

**E. Information about major customers**

For the year ended 31 March 2018, revenue from any customer is not more than 10 percent of the Group's total revenue.

**45. Related party transactions****a) List of related parties****i. Key Management Personnel**

Designation	Name of incumbent	Remarks
Chairman and Managing Director ('CMD')	Shri Anupam Shrivastava	From 15 January 2015
Director (Finance)	Smt. Sujata Ray	From 21 October 2015
Director (Enterprise)	Shri Narendra Kumar Mehta	From 1 August 2015
Director (Consumer Fixed Access)	Shri Naresh Kumar Gupta	From 01 June 2012 to 31 May 2017
	Shri Narendra Kumar Mehta	From 01 June 2017
Director (Consumer Mobility)	Shri Rakesh Kumar Mittal	From 4 November 2015
Director (Human Resource)	Smt. Sujata Ray	From 8 July 2015
Government Director	Smt. Padma Iyer Kaul	From 18 September 2015
	Shri N. Sivasailam	From 21 October 2015 to 01 February 2018
	Shri Amit Yadav	From 01 February 2018



**Bharat Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Non-official part-time Director	Smt. K. Sujatha Rao	From 30 January 2017
	Dr. Santhosh R. Dastane	From 30 January 2017
	Shri V. Venkateshwara Bhat	From 08 September 2017
	Prof. Jasbir Singh	From 08 September 2017
Company Secretary and Chief General Manager (Legal)	Shri Hem Chandra Pant	From 28 November 2000

**ii. Subsidiary**

BSNL Tower Corporation Limited (incorporated w.e.f. 4 January 2018)

**iii. Entities under the control of the same Government**

The Company is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Group has applied the exemption available for government related entities and have made limited disclosures in the consolidated financial statements. Such entities with which the Group has significant transactions include but not limited to Department of Telecom ('DoT'), Department of Posts, Mahanagar Telephone Nigam Limited, Indian Telephone Industries, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Union Bank of India, United Bank of India, State Bank of India, Bank of Maharashtra, Punjab National Bank, Canara Bank and Bank of Baroda.

**iv. Post employment benefit plans**

**BSNL Employees Gratuity Fund Trust**

**BSNL Employees Superannuation Pension Fund Trust**

**b) Transactions with the related parties are as follows:**

Particulars	For the year ended 31 March 2018
<b>A. Compensation to Key Management Personnel</b>	
<b>- Short term employee benefits</b>	
Payment of salaries and allowances	
Shri Anupam Shrivastava	37
Smt. Sujata Ray	32
Shri Naresh Kumar Gupta	25
Shri Narender Kumar Mehta	29
Shri Rakesh Kumar Mittal	36
Shri Hem Chandra Pant	28
	<b>187</b>

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	For the year ended 31 March 2018
Perquisites	
Shri Anupam Shrivastava	1
Smt. Sujata Ray	1
Shri Rakesh Kumar Mittal	1
Shri Narender Kumar Mehta	1
	<b>4</b>
Sitting fee	
Smt. K. Sujatha Rao	1.2
Dr. Santhosh R. Dastane	1.2
Shri V. Venkateshwara Bhat	0.5
Prof. Jasbir Singh	0.5
	<b>3.4</b>
<b>- Post employment benefits</b>	
Shri Anupam Shrivastava	11
Smt. Sujata Ray	3
Shri Narender Kumar Mehta	11
Shri Rakesh Kumar Mittal	1
Shri Hem Chandra Pant	9
	<b>35</b>
<b>- Other long term benefits</b>	
Shri Anupam Shrivastava	10
Smt. Sujata Ray	2
Shri Narender Kumar Mehta	4
Shri Rakesh Kumar Mittal	8
Shri Hem Chandra Pant	14
	<b>38</b>
<b>B. Advances given to Key Management Personnel *</b>	
Opening balance	3
Extended during the year	19
<b>Total</b>	<b>22</b>
Repayment of advance	15
Closing balance	7
<b>C. Contribution made during the year to post employment benefit plans</b>	
- BSNL Employees Gratuity Fund Trust	2,355



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Particulars	For the year ended 31 March 2018
- BSNL Employees Superannuation Pension Fund Trust	9,831
<b>D. Transactions with the related parties under the control of the same government</b>	
<b>i. Revenue from sale of services</b>	
DoT	20,164
Central government and central PSU's	160,064
	<b>180,228</b>
<b>ii. Employee benefits expense</b>	
DoT	
Contribution towards leave salary	1,331
Contribution towards pension	93,166
	<b>94,497</b>
<b>Central government and central PSU's</b>	
Contribution towards employees provident fund	27,788
<b>iii. License and spectrum fee</b>	
DoT	174,338
<b>iv. Other expenses</b>	
<b>Central government and central PSU's</b>	
Expenditure on capital items	15,048
Power and fuel	39,395
Repairs and maintenance	8,007
Others	46,887
	<b>109,337</b>

\* These advances are in the normal course of business.

**c) Outstanding balances with related parties are as follows:**

Particulars	As at 31 March 2018
<b>A. Key Management Personnel</b>	
Shri Anupam Shrivastava	7
	<b>7</b>
<b>B. Post employment benefit plans</b>	
Amount recoverable from BSNL Employees Gratuity Fund Trust	977
<b>C. Related parties under the control of the same government</b>	

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)***i. Non-current borrowings (including current maturities)****Term loans from banks**

Union Bank of India	228,499
United Bank of India	63,968
State Bank of India	245,611
Punjab National bank	193,989
Canara Bank	99,996
Bank of Baroda	16,162

848,225

**9% non-cumulative preference shares of INR 10 each**

The Central Government of India	7,500,000
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**ii. Other current financial assets**

Amount recoverable from DoT	
For employees on deputation	1,812
Other recoverable	243,013
Amount recoverable from LIC	68,500

313,325

**iii. Other current financial liabilities**

Claims payable to DoT	31,085
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**iv. Other current liabilities**

DoT	
Advance received for Defense telecom network project (net)	162,065

**v. Amount receivable (net)**

Central government and central PSU's	2,114
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**d) Terms and conditions of transactions with the related parties**

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

**46. Auditor's remuneration (statutory/ branch auditors)**

Particulars	For the year ended 31 March 2018	
	Statutory Auditor	Branch Auditor
Statutory audit fee	15	273
Certification charges	2	26
Reimbursement of expenses	2	14
Others	18	-
<b>Total (A)</b>	<b>37</b>	<b>313</b>
Other services	-	-





**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Tax audit fee	1	27
<b>Total (B)</b>	<b>1</b>	<b>27</b>
<b>Total (A + B)</b>	<b>38</b>	<b>340</b>

**Note:** Fees are exclusive of applicable taxes wherever applicable.

**47. Provisions**

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
<b>Balance as at 1 April 2017</b>	<b>312</b>	<b>1,584</b>	<b>87,248</b>	<b>89,144</b>
Provisions made during the year	-	90	4,727	4,817
Provisions used during the year	-	(113)	(189)	(302)
Provisions reversed during the year	-	(1,090)	(14,265)	(15,355)
<b>Balance as at 31 March 2018</b>	<b>312</b>	<b>471</b>	<b>77,521</b>	<b>78,304</b>

\* The Group records a provision for decommissioning costs for those operating lease arrangements where the Group has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to that at the inception of lease. The Group is committed to decommissioning the site as a result of the construction of the towers, buildings and other assets.

**48. Contingent liabilities and commitments**

**A. Contingent liabilities**

Claims against the Group not acknowledged as debts are as follows:

Particulars	As at 31 March 2018	
	No. of cases	Amount
TR billing	140	30
Enhanced sales tax in lieu of C/D forms	-	-
On account of service tax disputed	89	25,348
Sales tax disputed	67	15,220
Central excise claims	25	2,245
License fee and spectrum fee [note 1]	2	1,598,574
Others [note 2]	305	32,762
<b>Total</b>	<b>628</b>	<b>1,674,179</b>

**Note 1:** Demand raised by DoT amounting to:

- i) Amount of INR 1,560,744 lakh on account of one time spectrum charges for Global System for Mobile(GSM) spectrum held by the Group, the matter is sub-judice by other operators and the amount is not finally crystallized.
- ii) Amount of INR 37,830 lakh on account of provisional assessment of License fee for the year 2012-13.

**Note 2:** The contingent liability in connection to 1901 cases (31 March 2017: Nil cases) included under the head 'Others' in the above table is not ascertainable. Certain claims of MTNL on various accounts like duct charges, space charges, service connections, revenue share for network usgae, etc. are under reconciliation and settlement process. Pending an ongoing reconciliation and settlement process, the estimate of these claims/outflows could not be ascertained.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- i) Claims pending in court related to Land acquisition, TR billing, Service tax, Central Excise and Sales tax, Arbitration cases and others.

Particulars	As at 31 March 2018
No. of cases	7,946
Amount	851,052

- ii) Demands raised by the Income-tax departments not acknowledged as debt are as follows:

The Income-tax assessments u/s 143(3) of Income-tax Act 1961 have been completed up to Assessment Year 2015-16 i.e. Financial Year 2014-15 and the disputed demand outstanding up to Assessment Year 2015-16 is INR 16,819 lakh based on the decision of the Appellate Authority which is related with Assessment Year 2009-10. The demand is presently under litigation in High Court, New Delhi.

- iii) Liability on account of bank guarantees given by the Group.

Particulars	As at 31 March 2018	
	With cash margin	Without cash margin
No. of cases	19	539
Amount	929	22,706

- iv) As per Office Memorandum (OM) dated 19 November 2009, pension contribution was payable on the actual pay drawn as on 1 January 2007 (being the date of implementation of second pay commission for IDA). Whereas the Group was paying pension contribution on maximum of the scale as advised by DoT, from 1 December 2011 the management had decided to change the method of payment of pension contribution from maximum pay scale to actual pay drawn as per the office memorandum dated 19 November 2009. Although the matter is still under pursuance with DoT, meanwhile, the management has once again decided to pay the pension contribution on maximum of the pay scale from 1 October 2014 onwards. The actual difference between these two methods of pension contribution payment up to 31 March 2018 is INR 53,774 lakh.

**B. Commitments****a) Capital commitments**

- i. The estimated amounts of contracts remaining to be executed on capital account and not provided for in relation to execution of works and purchase of equipment are INR 200,354 lakh.
- ii. In two circles the estimated amount of contracts remaining to be executed on capital account has not been ascertained.

**b) Other commitments**

The amount of other commitments amounting to INR 8,453 lakh which was not ascertained in one circle.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**49. Leases**

**A. Operating lease commitments – Group as lessee**

- a) The Group has taken vehicles for senior executives under operating leases, which expire between the period ranging from April 2018 to December 2022.

Lease payments amounting to INR 4,744 lakh are included in rent expense in the statement of profit and loss during the current year.

**Future minimum lease payments**

At 31 March the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	<b>As at 31 March 2018</b>
Not later than one year (excluding applicable taxes)	945
Later than one year and not later than five years (excluding applicable taxes)	182
Later than five years (excluding applicable taxes)	-
<b>Total</b>	<b>1,127</b>

- b) The Group has entered into various agreements with other telecom operators wherein the Group acquires a right to use passive infrastructure of other operators. The escalation clause includes escalation ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements.

Lease payments amounting to INR 93,131 lakh are included in lease expense on passive infrastructure in the statement of profit and loss during the current year.

**Future minimum lease payments**

At 31 March the future minimum lease payments to be made under non-cancellable operating leases are as follows:

	<b>As at 31 March 2018</b>
Not later than one year (excluding applicable taxes)	83,065
Later than one year and not later than five years (excluding applicable taxes)	172,875
Later than five years (excluding applicable taxes)	110,548
<b>Total</b>	<b>366,488</b>

**B. Operating lease commitments – Group as lessor**

The Group has entered into various agreements with other telecom operators wherein the Group agrees to shares its own passive infrastructure with other operators. The escalation clause includes escalation ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Lease receipts amounting to INR 80,390 lakh are included in Lease income on passive infrastructure in the statement of profit and loss during the current year.

**Future minimum lease payments**

At 31 March the future minimum lease payments under non-cancellable operating leases are receivable as follows:

	As at 31 March 2018
Not later than one year (excluding applicable taxes)	54,442
Later than one year and not later than five years (excluding applicable taxes)	193,479
Later than five years (excluding applicable taxes)	121,280
<b>Total</b>	<b>369,201</b>

**50. Income tax****A. Amounts recognised in statement of profit and loss**

The major components of income tax expense for the years ended 31 March 2018 are:

	For the year ended 31 March 2018
<b>Current income tax</b>	
- For the year*	-
- Adjustment for prior periods	(80,429)
<b>Fringe benefit tax</b>	5,898
<b>Deferred tax</b>	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(74,531)</b>

\*The provision for income-tax for the current year has not been made since the Group is not having any taxable income either under normal provision of Income Tax Act, 1961 or special provision under section 115JB (Minimum Alternate Tax) of the Income Tax Act, 1961.

**B. Amounts recognised in other comprehensive Income/ (expense)**

The major components of income tax expense for the years ended 31 March 2018 are:

	For the year ended 31 March 2018
<b>Income tax</b>	
Remeasurement of post employment benefit obligation	-
Income tax charges to other comprehensive income	-



**Bharat Sanchar Nigam United**  
**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹. lacs, unless otherwise stated)*

**C. Reconciliation of effective tax rate**

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2018:

	For the year ended 31 March 2018	
	Rate (%)	Amount
<b>Profit/ (loss) before tax</b>	30.90%	(874,091)
<b>Effective tax rate *</b>	0%	(270,094)

\* In the absence of reasonable certainty of future taxable profits, the Group has not recognised deferred tax asset (net) for the above periods, hence the effective tax rate is 0%.

**D. Deferred tax assets/ liabilities**

Particulars	Deferred tax assets	(Deferred tax liabilities)	Net deferred tax assets/ (liabilities)
	As at 31 March 2018	As at 31 March 2018	As at 31 March 2018
Loss allowance for trade receivables	89,629	-	89,629
Loss allowance for other assets	60,194	-	60,194
Carry forward tax losses including unabsorbed depreciation	1,155,509	-	1,155,509
Provision for compensated absences	-	-	-
Provision for half pay leaves	1,631	-	1,631
Provision for gratuity	2,902	-	2,902
Provision for decommissioned assets	10,785	-	10,785
Provision for obsolete inventory and capital work in progress	6,496	-	6,496
Preliminary expenses	6,865	-	6,865
Disallowances under section 43B of Income Tax Act, 1961	7,741	-	7,741
Difference in book written down value and tax written down value of property, plant and equipment	-	195,211	(195,211)
	1,341,752	195,211	1,146,541
Net deferred tax assets			1,146,541
Net deferred tax assets recognised			-

Deferred tax assets are recognised to the extent of deferred tax liabilities. In the absence of reasonable certainty of future taxable profits, the Group has not recognised deferred tax asset (net) for the above periods.

**E. Movement of temporary differences**

Particulars	As at 1 April 2017	Unrecognised temporary differences	Unrecognised tax losses	As at 31 March 2018
Loss allowance for trade receivables	351,450	(64,177)	-	287,272

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

Particulars	As at 1 April 2017	Unrecognised temporary differences	Unrecognised tax losses	As at 31 March 2018
Loss allowance for other assets	200,799	(7,868)	-	192,931
Carry forward tax losses including unabsorbed depreciation	3,273,912	-	429,642	3,703,554
Provision for compensated absences	961	(961)	-	-
Provision for half pay leaves	5,019	209	-	5,228
Provision for gratuity	2,356	6,945	-	9,301
Provision for decommissioned assets	68,307	(33,740)	-	34,567
Provision for obsolete inventory and capital work in progress	28,660	(7,840)	-	20,821
Preliminary expenses	-	22,002	-	22,002
Disallowances under section 43B of Income Tax Act, 1961	37,822	(13,011)	-	24,811
<b>A</b>	<b>3,969,286</b>	<b>(98,441)</b>	<b>429,642</b>	<b>4,300,487</b>
<b>Deferred tax liabilities</b>				
Difference in book written down value and tax written down value of property, plant and equipment	670,061	(44,385)	-	625,676
<b>B</b>	<b>670,061</b>	<b>(44,385)</b>	<b>-</b>	<b>625,676</b>
<b>Net deferred tax</b>	<b>(A)-(B) 3,299,225</b>	<b>(54,056)</b>	<b>429,642</b>	<b>3,674,811</b>

**F. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:**

Particulars	As at 31 March 2018		
	Gross amount	Unrecognised tax effect	Expiry year
<b>Business Loss</b>			
For Assessment year 2010-11	79,376	24,765	2019
For Assessment year 2011-12	428,690	133,751	2020
For Assessment year 2012-13	9,885	3,084	2021
For Assessment year 2013-14	5,590	1,744	2022
For Assessment year 2015-16	26,983	8,419	2024
<b>Unabsorbed depreciation</b>	<b>3,153,032</b>	<b>983,746</b>	<b>Never expire</b>
	<b>3,703,556</b>	<b>1,155,509</b>	

\* The Group has recognised tax effect on unabsorbed depreciation amounting to INR Nil.

**51. Financial instruments – Fair values and risk management****A. Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.



**Bhart Sanchar Nigam United**  
**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**  
*(All amounts in ₹. lacs, unless otherwise stated)*

**As on 31 March 2018**

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>Financial assets</b>							
<b>Non-current</b>							
Investments	-	-	-	-	-	-	-
Loans*	-	-	583	583	-	-	583
Other financial assets*			24,029	24,029	-	-	24,029
<b>Current</b>							
Investments*	20,000	-	-	20,000	-	-	-
Trade receivables*	-	-	392,538	392,538	-	-	-
Cash and cash equivalents*	-	-	75,782	75,782	-	-	-
Balances other than cash and cash equivalents*	-	-	138	138	-	-	-
Loans*	-	-	224	224	-	-	-
Other financial assets*	-	-	919,938	919,938	-	-	-
<b>Total</b>	<b>20,000</b>	<b>-</b>	<b>1,413,232</b>	<b>1,433,232</b>			
<b>Financial liabilities</b>							
<b>Non-current</b>							
Borrowings#	-	-	1,654,348	1,654,348	-	-	1,654,348
Other financial liabilities*	-	-	181,781	181,781	-	-	181,781
<b>Current</b>							
Borrowings#	-	-	30,910	30,910	-	-	-
Trade payables*	-	-	782,989	782,989	-	-	-
Other current financial liabilities*	-	-	698,476	698,476	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,348,504</b>	<b>3,348,504</b>			

# The Group's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

\* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, investment bank balances other than cash and cash equivalents and other financial assets and liabilities, approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and security deposits given to various parties, and other non-current financial liabilities, the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2018.

**Valuation techniques used to determine fair value**

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Group at each balance sheet date.

**Valuation processes**

The Group has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

and valuation adjustments.

**B. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk - Foreign exchange ; and
- Market risk - Interest rate

**Risk management framework**

BSNL, by virtue of being the successor of erstwhile Central Government Departments of the Telecom Services (DTS) and Telecom Operations (DTO) already had a codified set up with inbuilt mechanism to foresee the potential risks and methods to arrest, control, ignore and/or respond to the risks. However, as mandated by the Department of Public Enterprises through Guidelines on Corporate Governance Norms for the Un-Listed CPSEs - further revised and made mandatory for the CPSEs vide No.18(8)/2005-GM, dated the 14 May 2010 – Group has laid down a Enterprise Risk Management (ERM) Policy.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

As per ERM policy of the Group, the Group has constituted an ERM committee, with the overall objective of oversight, development and implementation of a risk identification and management process and the review and reporting of the same.

The board of directors has authorized Management Committee of the Board (MCB), the CMD and the Functional Directors and below Board functionaries, viz., the Executive Directors/ CGMs/ PGMs/ GMs/ TDMs/ DGMs etc., as the case be, to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

Considering the size and geographical spread of the organization vis-a-vis the delegation of powers made to the business heads and unit heads – who carry out the task of undertaking the risk management as a part of the normal business practice by integrating and aligning the same with corporate and operational objectives - the Business Heads in the Corporate Office; CGMs/ PGMs/ GMs and other unit heads of the field units were designated as the Risk Management Administrators (RMAs).

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the Functional Directors/ Business Heads periodically to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**i. Credit risk**

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:





**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Particulars	As at 31 March 2018
Investments	20,000
Trade receivables	392,538
Loans	807
Cash and cash equivalents	75,782
Other financial assets	943,967

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The Group does monitor the economic environment in which it operates. The Group manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Group grants credit terms in the normal course of business.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the Group estimates amounts based on the business environment in which the Group operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivables more than 2 years past due. However the Group based upon historical experience determine an impairment allowance for loss on receivables.

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

**The Group's exposure to credit risk for trade receivables is as follows:**

Particulars	Gross carrying amount As at 31 March 2018
1-90 days past due *	253,728
91 to 180 days past due	52,133
180 days to 2 years past due	152,176
More than 2 years past due #	350,071
	808,108

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

- \* The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.
- # The Group based upon past trends determines an impairment allowance for loss on receivables outstanding for more than two years past due.
- # Receivables more than two years past due primarily comprises receivables from government departments and PSU's, which are fully realisable on historical payment behaviour and hence no loss allowance has been recognised. Impairment allowance has already been recognised on specific credit risk factor.

**Movement in the loss allowance in respect of trade receivables**

Particulars	For the year ended 31 March 2018
Balance at the beginning of the year	351,451
Impairment loss recognised during the year	46,075
Amount written off	(103,352)
<b>Balance at the end of the year</b>	<b>294,174</b>

**ii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that its liquidity position, including total cash and cash equivalents and bank balances other than cash and cash equivalents of INR 75,920 lakh as at 31 March 2018, anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Group believes it has access to financing arrangements based on the value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**a. Financing arrangements**

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2018
From banks	338,226



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

**b. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2018	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non-current borrowings</b>							
Term loans from banks *	904,348	-	-	119,634	477,380	307,334	904,348
9% non-cumulative redeemable preference shares	750,000	-	-	-	750,000	-	750,000
Other non current financial liabilities	181,781	-	-	127,743	44,630	9,408	181,781
Current borrowings - Loans from banks *	30,910	30,910	-	-	-	-	30,910
Trade payables	782,989	616,650	166,339	-	-	-	782,989
Other current financial liabilities	698,476	654,597	43,879	-	-	-	698,476
<b>Total</b>	<b>3,348,504</b>	<b>1,302,157</b>	<b>210,218</b>	<b>247,377</b>	<b>1,272,010</b>	<b>316,742</b>	<b>3,348,504</b>

\* Contractual maturities of these financial liabilities excludes interest payments.

**iii. Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

**Exposure to currency risk**

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2018 is as below:

Particulars	As at 31 March 2018						
	USD	EURO	GBP	CHF	AUD	JPY	NPR
Financial assets							
Trade receivables	3,546	260	2	18	1	3	43
	<b>3,546</b>	<b>260</b>	<b>2</b>	<b>18</b>	<b>1</b>	<b>3</b>	<b>43</b>
Financial liabilities							
Trade payables	1,654	74	12	4	3	4	-
	1,654	74	12	4	3	4	-

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹ lacs, unless otherwise stated)*

March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies: <b>For the year ended 31 March 2018</b>				
USD	(18.91)	18.91	(18.91)	18.91
EUR	(1.86)	1.86	(1.86)	1.86
GBP	0.10	(0.10)	0.10	(0.10)
CHF	(0.15)	0.15	(0.15)	0.15
AUD	0.02	(0.02)	0.02	(0.02)
JPY	0.01	(0.01)	0.01	(0.01)
NPR	(0.43)	0.43	(0.43)	0.43
<b>Total</b>	<b>(21.22)</b>	<b>21.22</b>	<b>(21.22)</b>	<b>21.22</b>

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, CHF: Swiss Franc, AUD: Australian Dollar, JPY: Japanese Yen, NPR: Nepalese Rupees

**iii. Market risk****Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Exposure to interest rate risk**

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Group's borrowings to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2018
Term loans from banks (Non current)	904,348
Term loans from banks (Current)	30,910
Current maturities of borrowings	40,868
<b>Total</b>	<b>976,126</b>

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
<b>Interest on term loans from banks</b>				
For the year ended 31 March 2018	4	(4)	4	(4)

**52. Capital Management**

For the purpose of the Group’s capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Group.

Management assesses the Group’s capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at 31 March 2018
Borrowings	935,258
9% non-cumulative redeemable preference shares	750,000
Less : Cash and cash equivalents	(75,782)
<b>Adjusted net debt (A)</b>	<b>1,609,476</b>
<b>Total equity (B)</b>	<b>8,966,967</b>
<b>Adjusted net debt to adjusted equity ratio (A/B)</b>	<b>17.95%</b>

**53. Disclosure as per Ind AS 112 ‘Disclosure of Interest in Other Entities’**

**Subsidiary**

The group’s subsidiary at 31 March 2018 is set out below. The share capital constitutes solely of share capital that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

**Bhart Sanchar Nigam United****Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018***(All amounts in ₹. lacs, unless otherwise stated)*

Name of Entity	Place of Business / Country of Incorporation	Ownership Interest held by the Group	Ownership Interest held by non-controlling interest	Principal activity
		31-Mar-18	31-Mar-18	
BSNL Tower Corporation Limited	India	100%	0%	Passive infrastructure services which includes setting-up, operating and maintaining wireless communication towers, etc.

**54. Disclosure as per Schedule III to the Companies Act, 2013**

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
Bharat Sanchar Nigam Limited								
31 March 2018	100.00%	8,966,967	99.97%	(799,285)	100.00%	(897)	99.97%	(800,182)
Subsidiary								
BSNL Tower Corporation Limited								
31 March 2018	0.00%	-	0.03%	(275.00)	0.00%	-	0.03%	(275)
Total								
31 March 2018	100.00%	8,966,967	100.00%	(799,560)	100.00%	(897)	100.00%	(800,457)

**55. Disclosure for government grant**

During the current year, the Group has recognised income from revenue grants amounting to INR 47,930 lakh.

For capital grant, the Group has recognised income during the current year amounting to INR 31,213 lakh.

During the current year, the Group has not received any other form of government assistance.

There are no unfulfilled conditions and other contingencies attaching to the government grants which are recognized in the consolidated financial statements.

**56. Mobile tower business**

On 12 September 2017, the Union Cabinet decided to hive off mobile tower assets of the Company into a separate subsidiary company wholly owned by BSNL. In pursuance of this decision and directions from



**Bhart Sanchar Nigam United**

**Notes to the consolidated financial statements for the year ended 31<sup>st</sup> March 2018**

*(All amounts in ₹. lacs, unless otherwise stated)*

Ministry of Communications, Department of Telecommunications (DoT) dated 25 September 2017, the Board of Directors of BSNL has given its approval for incorporation of a new company as a wholly owned subsidiary of BSNL.

Accordingly, the Company has formed BSNL Tower Corporation Limited (wholly owned subsidiary of the company) incorporated on 4 January 2018 with Authorised Share Capital of INR 1,000,000 lakh (Authorised Equity Share Capital of INR 750,000 lakh and Authorised Preference Share Capital of INR 250,000 lakh) and paid up capital of INR 0.17 Lakhs to take over the telecom tower infrastructure of BSNL. The Company has paid INR 275 lakh as registration charges on behalf of the subsidiary.

The Company is under the process of transferring telecom tower business to BSNL Tower Corporation Limited. The information related to mobile tower services are included under 'Cellular' segment in Note 44.

**57. Subsequent events**

On 1 August 2018, the Group has decided for closure of CDMA services (Wireless in local loop (WLL)) in all service areas due to techno-economic considerations. The revenue from CDMA services for year ended 31 March 2018 is INR 3,448 lakh. The information related to CDMA services are included under 'Cellular' segment in note 44.

The Group is in the process of discontinuing CDMA services, the financial impact of which is currently impracticable to ascertain.

In terms of our report attached

For **Andros & Co.**  
Chartered Accountants  
Firm Registration No. : 008976N

Sd-  
**Puneet Gupta**  
Partner  
Membership No. : 093714

Place: New Delhi  
Date: 04.10.2018

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

Sd-  
**Anupam Shrivastava**  
Chairman and Managing Director  
DIN: 06590535

Sd-  
**Sujata Ray**  
Director (Finance)  
DIN: 07240022

Sd-  
**P.D. Chirania**  
General Manager (Corporate Accounts)

Sd-  
**H.C. Pant**  
Company Secretary and Chief General Manager (Legal)  
M.No. F- 2584

## FORM NO.AOC.1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

## Part "A" : Subsidiaries

(Amount in INR lakh)

1.	Sl. No.	1
2.	Name of the Subsidiary	BSNL Tower Corporation Limited
3.	The date since when subsidiary was acquired	04 January 2018
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Since BSNL Tower Corporation Limited has been incorporated during the current year, the first reporting period of the Company will be from 04 January 2018 - 31 March 2019
5.	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
6.	Share capital	0.17
7.	Reserves & surplus	(275)
8.	Total assets	0.17
9.	Total liabilities	275
10.	Investments	-
11.	Turnover	-
12.	Profit before taxation	(275)
13.	Provision for taxation	-
14.	Profit after taxation	(275)
15.	Proposed dividend	-
16.	% of Shareholding	100.00%

## Notes:

1.	Subsidiaries which are yet to commence operations.	BSNL Tower Corporation Limited
2.	Subsidiaries which have been liquidated or sold during the year.	Nil



## Independent Auditor's Report Consolidated

### To the Members of Bharat Sanchar Nigam Limited

#### Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of **Bharat Sanchar Nigam Ltd (the Holding Company) and its one Subsidiary (the Holding company and its Subsidiary)** together referred to as the group), which comprise the consolidated Balance Sheet as at March 31<sup>st</sup>, 2018, and the consolidated Statement of Profit and Loss (including their Comprehensive Income), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Consolidated Ind AS Financial Statements).

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Company's Act, 2013 (here in after referred to as the "Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the group in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act. The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility (to be appropriately amended vis-à-vis consolidated report)

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the

disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements

### Basis for Qualified Opinion

Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT

8. As detailed in note 38 and 41.1 to the consolidated Ind AS financial statements, assets and liabilities (including contingent liabilities) taken over from DoT on 1 October 2000 have been verified and valued by the management based on internal calculations. These are subject to reconciliations and confirmation from DoT as regards to value and classification. The consequential impact on the consolidated Ind AS financial statements, if any, as a result of the same is presently not ascertainable.
9. As detailed in note 42 to the consolidated Ind AS financial statements, amounts due from and to DoT, included in current assets and current liabilities aggregating to Rs. 2,43,013 lakhs and Rs. 31,085 lakhs, are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the consolidated Ind AS financial statements is presently not ascertainable.

### Fair Valuation of Freehold Land

10. (i) In pursuance of Ind AS 101-"First Time Adoption of Indian Accounting Standards" the company had selectively fair valued only certain freehold lands as at 1st April 2015, resulting in upward valuation of freehold lands under Property, Plant & Equipment and the corresponding increase to Other Equity by a sum of Rs 69,86,449 lakhs. Fair valuation of only certain lands is non-compliance of Ind AS 101 First Time Adoption of Indian Accounting Standards.
- (ii) Non compliances had also been reported by the Circle Auditors in the procedure adopted and non-application of uniform policies with regard to fair valuation of freehold lands.

The consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.

### Revenue

11. i) The company has not applied definition of "Default" and "Assessment of Credit Risk" consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on trade



receivables from Other Government and/or PSU sector entities. We have also not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to change its perception in the current year 2017-2018 for considering trade receivables, from Other Government and/ or PSUs sector entities, as having low credit risk vis-à-vis the corresponding previous year that made the management to write back in the current year 2017-2018, the entire accumulated loss allowance provided in the earlier year(s).

We accordingly conclude that the credit risk on such financial instruments (i.e. trade receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition. Consequently, the write back of loss allowance in the current year relating to receivables from Government and/ or PSU sector entities, is not in consonance with the Ind AS 109 Financial Instruments. This is also not in consonance with the Accounting Policies as stated in Note No 2.2(p) of the Significant Accounting Policies of the company.

We were not supplied the financial information about the write back of loss allowance of trade receivables from other Government and/ or PSU sector entities as at March 31, 2018 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.

- ii) Net amount receivable from Mahanagar Telephone Nigam Limited (MTNL) as per the Consolidated Ind AS financial statements is Rs 347,024 lakhs, being amounts recoverable from MTNL Rs 362,140 lakhs, amount payable and provision for amounts payable to MTNL Rs 15,116 lakhs. MTNL however, claims a sum of Rs 338,726 lakhs as recoverable from the Company in the balance confirmation certificate.

The required financial information to verify such balances as at March 31, 2018 was not provided to us by the company and accordingly we are unable to comment upon the impact of adjustments in the financial statements that would be required pursuant to the eventual resolution of such balances inter-se the company and MTNL.

- 12. As reported by auditors of 2 circles, the income from recharge coupons, prepaid calling cards, internet connection cards, sancharnet cards and stock of recharge coupons and prepaid calling cards are subject to reconciliations. In the absence of specific details, the impact of adjustment, if any, on Ind AS financial statements is presently not ascertainable. Our audit report on the Ind AS financial statements for the previous year ended 31<sup>st</sup> March 2017 was also qualified in respect to this matter.
- 13. One circle auditor has reported non charging of expenditure amounting to Rs 615.20 lakhs to revenue and writing off the same from the provisions, thereby understating the Loss and Provisions by a sum of Rs 615.20 lakhs.
- 14. As stated in note 2.2-(p) to the significant accounting policies, certain items of revenue are accounted for on cash basis instead of the accrual basis of recognition of revenue which is not in accordance with the generally accepted accounting principles in India. The impact of the adjustment, if any, in respect thereof on revenue, license fee, trade receivables and loss for the year is presently not ascertainable.

15. One circle auditor has reported insufficient documentary evidence and non-providing the basis for booking of Income in respect of NFS and LWE projects amounting to Rs 10,474.50 lakhs. Consequential impact on the Consolidated Ind AS financial statements, if any, as a result of the same is presently not ascertainable.
16. 1 circle auditor has reported that Fixed Assets taken over from DoT which were not accounted for in the consolidated financial statements of the circle have been sold and treated as Sale of Scrap. The consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.

### Property, Plant and Equipment

17. As reported by auditors of 12 circles, Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.
18. Circle Auditors have reported non-capitalisation of completed Capital Work in Progress in the books of accounts, though being physically used, due to non-availability of Capital Budget or due to closure of accounting periods. This has resulted in overstatement of Capital Work in Progress, and understatement of Property, Plant and Equipment, Depreciation and losses by an amount that is unascertainable due to insufficient information.
19. Company has capitalised an amount of Rs. 57,873 lakhs to Property Plant and Equipment, which is not in compliance with Ind AS 23-Borrowing Cost. The interest costs on borrowed funds in respect of the Property, Plant and Equipment which were capitalized in the earlier years have not been delimited to the extent of bringing them to their being put to use by the company. The capitalizing of such interest is also made in the current year without any basis. This has resulted in overstatement of Property, Plant and Equipment, Capital Work in Progress, and understatement of losses by an amount that is unascertainable due to insufficient information.

Further the auditors of 14 circles have reported that Borrowing Cost pursuant to applicable Ind AS has been capitalised based upon ATD/ communication/ excel sheet received from Head Office. These auditors have expressed their inability to verify the correctness of these borrowing costs for want of calculations/ details.

Capital Work in Progress (Stores) amounting to Rs 652,924 lakhs also includes Inventory items which are being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidences, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.

20. As reported by auditors of 8 circles, in the absence of information in respect of certain items of Property Plant and Equipment capitalized, particularly batteries, it could not be established whether assets capitalized were on account of replacement/ extension of an existing asset or additional acquisition of a new asset and hence the consequential impact of the same on the classification/ value of the respective asset, depreciation and amortization, expenses and loss for the year, if any, is presently not ascertainable.
21. The leasehold land as identified and valued by the respective circles have been incorporated



in the books of accounts and amortised with effect from the date of formation of the Company. Hence, in respect of the lands still not identified and/ or duly incorporated in the books of accounts of the respective circles, the consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.

22. As detailed in note 41.2 to the financial statements, auditors of 4 circles have reported on the expired/ non-renewal of leases on lands on which the Company had constructed buildings and the fact that management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.
23. As stated in note 3(i) and 41.3 to the financial statements, Property Plant and Equipment, inter alia, includes land pertaining to 5 circles, purchased/ acquired on leasehold/ freehold basis through various authorities, the title deeds of which are yet to be executed in the name of the Company.  
3 Circle Auditors have reported that Title deeds are in the name of DoT and 2 Circle auditors have reported non-availability of title deeds.
24. The accounting policy of the Company as stated in note 2.1(c) to the financial statements with respect to the decommissioned assets—now considered as Asset held for sale—has not been uniformly applied across all circles. In 6 circles, the decommissioned assets are not recorded at lower of the cost or net realisable value.

While in 3 circles, the decommissioned assets have not been appropriately adjusted from the block of Property Plant and Equipment and depreciation and amortization is still being charged on such decommissioned assets. In the absence of sufficient details, we are unable to comment upon the impact of adjustment on the Property Plant and Equipment, current assets, depreciation and amortization and loss for the year, if any, arising out of the same.

Certain Circle Auditors have reported that WIMAX and CDMA equipment, though not being used have not been considered as decommissioned assets. The consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.

25. (i) As reported by auditors of 19 circles, the Company has not consistently adhered to capitalizing the overhead expenses specifically attributable to the capital work-in-progress but has recorded the same on estimated/ fixed percentage/ payment basis:
- (ii) As reported by auditors of 3 circles, the company capitalizes the assets on periodic basis instead of at the ready to use date; and
- (iii) Accounting policies regarding capitalization, disposal, depreciation and amortization of Property Plants and Equipment are not uniformly applied in case of 9 circles.

1 circle auditor has reported that Overhead Costs have not been included in Capital Work in Progress and have instead been charged to Revenue. The management in its reply has stated that due to Budget constraints, the expenses could not be debited to CWIP. This has resulted in overstatement of Expenditure and losses by a sum of Rs. 3,984 lacs and understatement of Capital Work in Progress by the like amount.

The resultant impact of the above non compliances with the standards on the value of

Property Plant and Equipments, Capital Work-in-Progress, Depreciation and amortization and loss for the year, if any, are presently not ascertainable.

26. As detailed in Note 3, during the financial year 2017-18 the company has changed the classification for decommissioned assets from Property Plant and Equipment to Assets held for Sale. Prior to this change Decommissioned assets were disclosed at written down value and provision was made for diminution in the value of decommissioned assets. The company has during the year, based upon an internal assessment, the details whereof were not provided to us, classified assets held for sale and these have been valued at lower of carrying amount and net realisable value, and the corresponding gain or loss on the assets held for sale is recorded in 'Excess liabilities written back no longer required' under 'Other income' (refer note 33) and 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 37) respectively.

In terms of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations an entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probabably indicated by existence of management's committed plan to sell the asset (or disposal group), and commencement of an active programme to locate a buyer and complete such plan. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Thus, an asset (or disposal group) cannot be classified as a non-current asset (or disposal group) held for sale, merely because the entity intends to sell it in a distant future. This classification is not in accordance with Ind AS 105. This has resulted in understatement of Provision for Diminution in the value of Asset held for sale, and understatement of losses by recognition of unrealised gains the amount of which is unascertainable due to insufficient information.

### Current Assets and Current Liabilities

27. The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 48(A) of the Ind AS financial statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable. Due to non-availability of confirmation(except MTNL), and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.

One circle auditor has reported receipt of debtor's payment of that circle by the other Circle, without issuing any ATC to this Circle.

28. (i) As reported by auditors of certain circles, there are unquantifiable differences between the general ledger/ trial and accounting records pertaining to loans and advances, current assets and current liabilities. The impact on the Ind AS financial statements, if any, owing to the aforementioned non-reconciliations is presently not ascertainable.
- (ii) As detailed in Note No 13(a), the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs 9,783 lakhs. The difference of balances is incorrectly stated



since only the net differences has been stated. The gross differences are amounting to Rs. 21,017.54 Lakhs. The impact on the Ind AS financial statements, if any, owing to aforementioned non-reconciliations is presently not ascertainable.

29. Circle Auditors have reported lack of suitable system for issue, recording, movement, physical verification of Inventories/ Capital Work in Progress (Stores). The consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable.
30. As reported by auditor of 4 circles, there are differences in the inventory records between stores ledger and general ledger/ trial balance, the impact of the same is currently not ascertainable.
31. As reported by auditor of 3 Circles, there has been non-adherence to the Company's policy of valuation of inventory on weighted average method as stated in note 2.2(i) to the Consolidated Ind AS financial statements. The impact of the adjustment, if any, on inventory, consumption and loss for the year is presently not ascertainable.
32. 8 Circle auditors have reported non identification of Slow Moving, Non Moving, Obsolete and Damaged items of Inventory. The impact of the adjustment, if any, on inventory, consumption, Provisions and loss for the year is presently not ascertainable.

#### **Inter/ Intra Circle Remittance Account**

33. As detailed in note 43 to the Ind AS financial statements, the Inter-Circle/ Unit remittance balances amounting to Rs. 7,919 lakhs (Debit) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable.

#### **License Fee, Spectrum Charges, Inter Connect Usage Charges**

34. (i) As stated in note 39.3 to the financial statements, the Company's license and spectrum, fees payable to DoT for the year ended 31 March 2018 amounts to Rs. 174,338 lacs and is calculated on the Adjusted Gross Revenue ('AGR') which is determined by the management by excluding the interest income on income-tax refund received during the year amounting to Rs 1,864 lacs. In our opinion, the license fees is understated by Rs. 149.12 lakhs since such interest income has not been included in determination of AGR for computing the license fees. Had the aforesaid expenditure been accounted for, license and spectrum fees and loss for the year ended 31 March 2018 and current liabilities as at that date would have been higher by Rs. 149.12 lakhs and the reserve and surplus as at that date would have been lower by the same amount.
- (ii) As reported by auditor of 1 circle, interest received on security deposits is set off directly from the bills and the interest income is not ascertainable for recognizing liability of license fees, auditor of 4 circle has reported:
  - i) Income from NOFN project,
  - ii) Profit from Construction Contracts,
  - iii) Liquidated Damages recovered from contractors/ suppliers and reduced from relevant revenue expenditure, have not been included for the calculation of License and Spectrum Fees.

Further, auditors of 5 circles have reported that revenue from NLD/ILD is not based on actual usage of pulse and the license fees is based upon estimated basis. Consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable.

### Provisions and contingent liabilities

35. The provisions and the disclosures with regard to matters under litigations have been made based upon the management estimates. Based upon the report of auditors of 12 circles, sufficient and appropriate audit evidence for examining and verifying the quantum of contingent liabilities disclosed in note 50 to the Consolidated Ind AS financial statements has not been obtained. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the litigations, the impact of adjustments/ disclosure, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.
36. As stated in Note No 49, certain claims of MTNL on various accounts are under reconciliation and settlement process. In the absence of sufficient details and audit evidences in respect of the amount of such claims, the impact of adjustments/ disclosure, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.
37. As reported by 13 circles, the circles have not made provision for the disallowance of subsidy claimed from Universal Service Obligation Fund ('USOF'). The impact of the adjustment, if any, in respect thereof on current assets and loss for the year is presently not ascertainable. The consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.

### Miscellaneous

38. As detailed in Note no 12, the company had pursuant to the Government of India, Ministry of Communications and IT, Department of Telecommunications order, made an investment of Rs. 20,000 lakhs [Rupees Twenty Thousand Lakhs] in the 7% Redeemable cumulative preference shares each of Rs. 100/- fully paid up, in the financial year 2002-2003 in ITI Limited. The company explains that ITI Limited will redeem preference shares immediately on release of the financial assistance by the Government of India to ITI Limited as a part of revival package. Such preference shares have a specified (contractual) term and considering the observable Level 2 inputs, in terms of Ind AS 113, Fair Value Measurement, including the condition of such investment and significant decrease in the volume or level of activity for in relation to normal market activity, for substantially the full term of such investment, we report that the company has not provided for the impairment loss on such investment as the transaction price does not represent its fair value. This accordingly has resulted in understatement of net loss by Rs. 20,000 lakhs and overstatement of corresponding investments by the same amount for the financial year 2017-2018.
39. The Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).
  - i. As reported by auditors of 2 circles, the expenses, incomes, assets and liabilities are not properly disclosed under the reportable segments as per the Ind AS 108-"Operating Segments". In our opinion, the same does not give true and fair disclosure of the segment-wise operations of the Company as required by the aforementioned Ind AS.





- ii. The company has not carried out any techno-economic assessment during the year ended 31 March 2018 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Consolidated Ind AS financial statements is currently not ascertainable.
  - iii. The accounting for capital and revenue grant in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" is not followed consistently. In the absence of specific details, the consequential impact of adjustment, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.
  - iv. The accounting policy as referred to in note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized on actual basis in respect of bills received by the company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the Consolidated Ind AS financial statements is presently not ascertainable.
  - v. As reported by 5 circles, contract revenue and contract costs pertaining to construction contracts have not been accounted for in accordance with the notified Ind AS 11 "Construction Contracts". In the absence of specific details, the consequential impact of adjustment, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.
  - vi. As detailed in Note No. 41(2) the company has certain leasehold land, the lease tenure of which in earlier year(s) and is not renewed in current year. Pending renewal of such lease, period and non-availability of sufficient information about the timeline by which it would be renewed, the classification of such land made by the company as finance lease is not in conformity with Ind AS 17 "Leases". 4 circle auditors have reported that certain provisions including disclosure requirements as per Ind AS 17 "Leases", have not been complied with. In the absence of specific details, the consequential impact of adjustments, if any, on the consolidated Ind AS financial statements is presently not ascertainable.
40. (i) The company has not identified and restated the prior year financial statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. In the absence of specific details, the consequential impact of adjustments, if any, on the consolidated Ind AS financial statements is presently not ascertainable.
- (ii) As stated in the note 2.2(v) of the financial statements, individual transactions of income/ expenditure exceeding Rs. 5 lacs, are considered for evaluation as prior-period items. The revenue and expenditure for the current year, inter alia, includes amount pertaining to prior period(s) as reported by auditors of 7 circles. This is not in accordance with the Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In the absence of specific details, the consequential impact of adjustments, if any, on the consolidated Ind AS financial statements is presently not ascertainable.
41. As reported by 11 circles and detailed in note 28 to the Consolidated Ind AS financial statements,

these circles have not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006) and hence disclosures as required under the MSMED Act, 2006 have not been given. The consequential impact of the same on the consolidated Ind AS financial statement is presently not ascertainable.

42. The disclosure requirements of the Schedule III, Division II of the Act have not been properly adhered to in the presentation and disclosure of Consolidated Ind AS financial statements of the Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, whether applicable; categorization of assets/ liabilities into appropriate captions; changes in inventory; related party; capital and other commitments and expenditure and earnings in foreign currency.
43. 36 Circle auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts, identification of creditors remaining beyond 180 days from the date of supply for reversal of Input Credit and availing of Transitional Credit on CENVAT. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these consolidated Ind AS financial statements.
44. As reported by auditors of 13 circles, compliances with regard to deposition, deduction, reconciliation of service tax, tax deducted at source and value added tax are pending to be made. In the absence of specific details, we are unable to comment on its consequential impact, if any, on the Consolidated Ind AS financial statements.
45. As detailed in notes (a) and (b) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement.
46. Certain subsequent events or circumstances may have occurred between the auditor's report date of the respective circles of the company and that of this audit report. Such events or circumstances could significantly affect the accompanying Ind AS financial statements or the related disclosures forming part of these Consolidated Ind AS financial statements of the company. In the absence of sufficient appropriate audit evidence in respect of the other circles, the impact of adjustments, if any, or disclosures to be included in these Consolidated Ind AS financial statements of the company cannot be ascertained
47. The company has not complied with Ind AS 16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. Auditors of 4 circles have reported that value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Valuer, nor calculated in appropriate method and the same has been calculated on estimated basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable.

### Qualified Opinion

48. In our opinion and to the best of our information and according to the explanations given to us, except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid consolidated Ind AS financial statements give the information



required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the company as at 31st March 2018 and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

49. We did not audit the financial statements of 47 circles of the Holding company included in the consolidated Ind AS financial statements of the company whose financial statements reflect total asset including intra/ inter circle remittances of Rs. 70,91,895 lakhs as at 31st March 2018 and total revenues of Rs. 24,81,356 lakhs for the year ended on that date. The Ind AS financial statements of these circles have been audited by the circle auditors whose reports, except the audited standalone Ind AS financial statements of 1 circle, have been provided to us by the management and our opinion in so far as it relates to the amounts and disclosures included in respect of these circles is based solely on the report of such circle auditors and the management.
50. We did not audit the financial statement of 1 subsidiary, whose financial statements reflect total assets of Rs 17 thousands as at 31st March, 2018, total revenues of Rs Nil and net cash outflows amounting to Rs 27,503 thousands for the period ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements (Refer 'Annexure-I' attached). In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

### **Report on Other Legal and Regulatory Requirements**

51. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act is not applicable for the consolidated Ind AS financial statements in view of paragraph 2 of the said order..
52. As required by section 143(5) of the Act, we give in "Annexure II" a statement based on the directions issued and matters specified by the Comptroller and Auditor General of India.
53. Further to our comments in Annexure I and II, as required by section 143 (3) of the Act, and based on the Auditors report of the circles, we report that:
  - a. We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books;
  - c. The matters described in the Basis for Qualified Opinion para above, in our opinion may have an adverse effect on the functioning of the group.

- d. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated Ind AS financial statements dealt with this report are in agreement with the books of accounts maintained for the purpose of preparation of Consolidated Ind AS financial statements.
- e. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- f. Since, the company is a Government Company, section 164(2) of the Companies Act, 2013 regarding obtaining written representations from the directors of the Company, is not applicable to the company in terms of notification no. GSR-463(E), issued by Ministry of Corporate Affairs;
- g. The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-III"; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. Except for the effects/ possible effects of the matters described in paragraph 37 of the Basis of Qualified Opinion above, as detailed in Note 49 to the consolidated Ind AS Financial statements, the Company has disclosed the impact of pending litigations on its financial position.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company.

**For ANDROS & CO**  
**Chartered Accountants**  
Firm's Registration No.:008976N

Sd/-  
**(Puneet Gupta)**  
Partner  
Membership No.: 093714

Place: New Delhi  
Date: 4<sup>th</sup> October, 2018



**Annexure-1 to the Independent Auditors Report of even date to the members of Bharat Sanchar Nigam Limited on the Consolidated Ind AS financial statements for the year ended 31<sup>st</sup> March 2018.**

Summary of the financial information of Subsidiary as at/ for the year ended 31<sup>st</sup> March 2018

<b>Name of Subsidiary Company</b>	<b>Total Assets as at 31<sup>st</sup> March 2018 (Rs. in thousands)</b>	<b>Total Liabilities as at 31<sup>st</sup> March 2018 (Rs. in thousands)</b>	<b>Total Revenue for the year ended 31<sup>st</sup> March 2018 (Rs. in thousands)</b>	<b>Total Profit/ (Loss) for the year ended 31<sup>st</sup> March 2018 (Rs. in thousands)</b>	<b>Name of Auditors and date of Audit Report</b>
BSNL Tower Corporation Limited	17	17	0	(27503)	Unaudited

**Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the Consolidated Ind AS financial statements for the year ended 31 March 2018**

**REPORT ON DIRECTIONS/ SUB DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 ISSUED BY THE COMPTROLLER AND AUDITOR GENERAL OF INDIA TO THE STATUTORY/ CIRCLE AUDITORS OF BHARAT SANCHAR NIGAM LIMITED FOR CONDUCTING AUDIT OF ACCOUNTS FOR THE YEAR 2017-18**

**Holding Company:**

Sl. No.	Questions	Auditor's Comment
(1)	Whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	<p>As reported by the auditors of the following circles, the Company has clear title, lease deeds for freehold and leasehold respectively:</p> <ol style="list-style-type: none"> <li>1. Eastern Telecom Project (ETP)</li> <li>2. Southern Telecom Project (STP)</li> <li>3. Telecom Factory, Mumbai (TF-Mumbai)</li> <li>4. NATFM</li> </ol> <p>The following circle has reported that the Company does not have clear title/lease deeds and they are unable to comment on the area of freehold and leasehold land for which the aforementioned deeds are not available:</p> <ol style="list-style-type: none"> <li>1. BRBRAITT</li> <li>2. Chhattisgarh</li> </ol> <p>The following circles have annexed details of freehold and leasehold land for which title/lease deeds are not available or for which mutation is in process: (Refer Appendix-A)</p> <ol style="list-style-type: none"> <li>1. Andhra Pradesh</li> <li>2. Haryana</li> <li>3. Himachal Pradesh</li> <li>4. Karnataka</li> <li>5. Kerala</li> <li>6. Uttarakhand</li> <li>7. Chennai Telephones</li> <li>8. Northern Telecom Project (NTP)</li> <li>9. Punjab</li> </ol> <p>The auditors of the following circles have reported that the Company does not have any leasehold/ freehold land and hence the question is not applicable to the following circles:</p>



Sl. No.	Questions	Auditor's Comment
		<ol style="list-style-type: none"><li>1. NFS</li><li>2. Broadband Network</li><li>3. North East Task Force</li><li>4. NCNGN</li><li>5. Information Technology Project Circle</li><li>6. Receipt &amp; Payment and Budget Banking Finance Unit ('R&amp;P and BBF unit')</li></ol> <p>The auditor of Telecom Factory Mumbai circle has stated that this direction is not applicable to the Company for the current year as the Company has not been selected for disinvestment.</p> <p>The auditors of the following circles were unable to comment on the title of freehold and leasehold land in the absence of requisite documents:</p> <ol style="list-style-type: none"><li>1. Assam</li><li>2. Gujarat</li><li>3. Jharkhand</li><li>4. Eastern Telecom Region</li><li>5. Western Telecom Region</li><li>6. Northern Telecom Region</li></ol> <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p><b>ANDAMAN &amp; NICOBAR</b></p> <p>The Title Deed of Freehold lands held by BSNL are being processed for Mutation form DOT to BSNL. There is a Mismatch between total area of land as per land register and land documents and the same is not duly reconciled.</p> <p><b>ALTTC</b></p> <p>The Land on which the ALTTC building is situated along with the building itself is not in the name of BSNL, although the consideration for acquiring the land from Department of Telecom was paid to them but the Title was not transferred in the name of BSNL because the title is still in the name of CPWD (which has sold the land to Department of Telecom). Total Area of land which was acquired from DOT was 81 acers as at 01.10.2000.</p>

Sl. No.	Questions	Auditor's Comment
		<p>The said land was then in the name of CPWD (erstwhile owner, who had transferred the land to DOT) and is still as it is, in the records of Ghaziabad revenue records/ Tehsil.</p> <p>The entire area of land measuring 81 acres is still in the name of CPWD in the records of Ghaziabad revenue records/ Tehsil. For the purpose of Ind AS, this area of land had been revalued at Rs. 536.92 crores in FY 2016-17.</p> <p><b>BIHAR</b></p> <p>The maximum parcels of land were transferred to BSNL by DoT at time of incorporation which is under possession of BSNL. The acquisition of title deeds of these lands is under process. For Lands purchased and taken on lease by BSNL the title deeds is available. Sale deeds of 21 land parcels are available with units</p> <p><b>JAMMU &amp; KASHMIR</b></p> <p>Title deeds/ letters of allotment of various lands reflected under Property, plant and equipment have not been produced to us. We are unable to verify correctness of classification between freehold and leasehold land in absence of such records. As informed to us, title of some of these lands is yet to be transferred in the name of the Company. It has been reported to us that at Leh BA, all documents pertaining to land have been lost in the flash floods in 2010.</p> <p><b>JAMMU &amp; KASHMIR</b></p> <p>i) Freehold Building has been constructed on the Lease hold Land acquired from KOPT. Tax on the above is paid to KOPT along with the Lease Rental since there is no separate Mutation of the property in the name of the Circle.</p> <p>ii) Lease hold Land has been acquired from Kolkata Port Trust (KOPT) on which Lease Rental is paid to KOPT. The Lease was for 30 years ending in 1995 and renewed subsequently by KOPT vide letter no. Lnd 4423/1/V/11/5109 dated 28<sup>th</sup> March, 2011. However, Lease Deed of such property is not available for verification.</p>





Sl. No.	Questions	Auditor's Comment
		<p><b>MADHYA PRADESH</b></p> <p>On the basis of our examination books and records and according to the information and explanation given to us, the BSNL Madhya Pradesh is in the process of transferring the title deeds in respect of Lands. Mutation for 391 no. of lands have been carried out till date out of 566 lands in the name of BSNL and the balance 175 nos. of lands are balance to be mutated.</p> <p><b>MAHARASHTRA</b></p> <p>We have been informed that the circle has been showing land under two categories i.e. under leasehold and freehold and total approximate area is 54,96,406.59 sq. metres comprising of 1729 plots. Out of such plots, mutation in the name of BSNL is still pending for approximately 36,25,537.34 sq. metres (830 plots). Likewise, in the case of freehold land from above 830 plots of total area 30,36,465.09 sq. mtrs (728 plots), the mutation in the name of BSNL is pending for 360 plots. We have also been informed that there are approximately 17 plots having 63,836.51 sq. metres which are under dispute. There are 251 vacant plots of approx. area 4,86,108.9 sq. mtrs., for which mutation, has not been done in the name of BSNL as reported to us, we have been informed that there is no practice of physical verification of the fixed assets, however, in the year 2013, a joint verification was done with the DOT and on the basis, they have noted that there is encroachment on 3812.95 sq. metres.</p> <p><b>ODISHA</b></p> <p>The Circle has clear title / lease deeds for 70 (seventy) numbers of freehold land and 199 (one hundred ninety nine) numbers of leasehold land. There is 1 (one) freehold land at Sambalpur area measuring Ac. 01.27 and 19 (nineteen) numbers of leasehold land throughout the state of Odisha measuring 77956.00 Sq. meters in respect of which the title / lease deeds have expired/ not executed.</p> <p><b>RAJASTHAN</b></p> <p>Based on the review of asset register and according to information and explanations given to us, the title deeds of 73 lands are not held in the name of the Company. The details of the same are given in 'Appendix A' of our Audit report.</p>

Sl. No.	Questions	Auditor's Comment
		<p><b>SOUTHERN TELECOM REGION</b></p> <p>On the basis of our examination/ test check of books and records and according to the information and explanation given to us , the BSNL-STR are in the process of transferring the title deeds in respect of 42 lands. The list of lands in respect of which the mutation has not been completed is given in 'Appendix A'</p> <p><b>TELECOM FACTORY JABALPUR</b></p> <p>During the year under review it has been observed that Telecom Factory Jabalpur having three units, one at Bhilai another at Ricchai and Wright Town. Bhilai and Ricchai land are taken on lease and Lease Deed of both the units are proper. As far as Wright town is concern the land taken over from DOT as on 1st October, 2000. Total area as per the management informed was 73.73 acre transferred from DOT out of which 48.85 acre of land has been transferred to the name of BSNL and 24.88 acre of land remains with DOT.</p> <p><b>TELECOM FACTORY KOLKATA</b></p> <p>(a) The title deeds of freehold land of at Alipur Telecom Factory (780 kathas) and at Gopalpur Telecom factory (17.5 acres) were not available for our verification. In respect of Kharagpur Telecom Factory photocopy of lease deed is available for an area of 14.189 acre(lease expiring on 17.04.2079) and an area of 1.15 acre (lease expired on 17.04.2005) only. The expired lease deed has not been renewed by the telecom factory. In respect of the balance factory area of 0.50 acre and 1.52 acre no signed lease deed is available. The management has not made any provision for any contingency arising out of the renewal of lease and effort should be made for renewal/ regularisation of leases of land held with or without lease.</p> <p>In respect of an area of 1.97 acre and 0.1494 acre comprising residential plots of Kharagpur Telecom Factory Housing Complex, possession certificate and allotment letter received from WBIIDC is available.</p> <p>(b) We have been informed that no mutation of the above lands has been done or at any of the telecom factories.</p>



Sl. No.	Questions	Auditor's Comment
		<p><b>TAMIL NADU</b></p> <p>i) The circle is holding 4048 square metre of Leasehold property (Net Value of Rs. 1,698) at Salem for which proper and valid Lease agreement is in existence.</p> <p>ii) The title to various immovable properties (Freehold land) taken over from Department of Telecommunication (DoT) is yet to be registered in the name of BSNL. The area of the Freehold land for which title deeds is not available has been listed out in '<b>Appendix A</b>' attached.</p> <p><b>WESTERN TELECOM PROJECT</b></p> <p>Title deed relating to land were not produced for verification and in the absence of relevant documents, the tenure of land as freehold/ leasehold could not be verified by us. Except following WTP, Nagpur has changed and handed over its'office premises located at 2nd and 3rd floor, microwave building, CTO compound, Nagpur to O/o Principal General manager, Telecom "0" miles, Nagpur wide letter no. DGM/ TP/EMA/NP/W-18/ASSETS/93 dated 23/12/2011 in favour of Department of Telecommunication but the same building still exist in Balance Sheet of BSNL WTP.</p> <p><b>KOLKATA TELEPHONES</b></p> <p>In respect of title/ lease deeds of Immovableproperties, it is observed that all the immovable properties are in the possession of the Company.</p> <p>Howeverinrespectofcertain immovableproperties acquired or taken over from Department of Telecommunication (DOT), Government of India, transfer of title deeds of the said properties in thenameof theCompany are still pending as same are under legal process/ execution.</p> <p><b>NE-II</b></p> <p>As per the information provided to us, pending transfer of the immovable property in the name of the Company, documents in respect of some land &amp; buildings acquired during the period are under legal process/execution. Further in respect of assets taken over from DoT, formalities for vesting the assets in favour of the Company wherever necessary/applicable are under process. Further some of the assets acquired by the Company are yet to be registered in the name of the</p>

Sl. No.	Questions	Auditor's Comment
		<p>Company. Lease hold lands bifurcated and incorporated in the financial year 2008-09, received by Nagaland SSA from DoT having aggregate value of Rs. 79.14 lakhs (PY Rs. 79.14 lakhs) have not yet been verified from original lease records. Details of lands are given in 'Appendix A'.</p> <p><b>QUALITY ASSURANCE</b></p> <p>Lands and Buildings transferred by DOT to the company, at the time of formation of BSNL, like staff quarters and vacant Lease Land in respect of which the deed for transfer from DOT to the BSNL is pending execution. Details are provided in annexure attached.</p> <p><b>UTTAR PRADESH (UP) EAST</b></p> <p>The Circle UP (East) holds title deeds for a number of free hold/ lease hold lands but since the title deeds for free hold and lease hold land are not matched with financial records hence we are unable to comment whether the Company has clear title/ lease deeds for all free hold and lease hold land respectively and if not for which assets Circle do not hold clear title deeds.</p> <p><b>UTTAR PRADESH (UP) WEST</b></p> <p>As per the information made available to us, Title deeds/ lease agreement with respect to 36 parcels of leasehold land &amp; 194 parcels of freehold land were not shown/made available to us for verification. Also for properties pending transfer &amp; those taken over from DOT, formalities for vesting the assets in favor of BSNL were not made available for ascertaining its completion. Further, in respect of Mathura unit, on the basis of examination of documents, it was found that one title deed of land situated at plot No. 60 Transport nagar, Mathura registration date 31-07-2002 of Rs. 3,74,800/-has not been capitalized in books of accounts.</p> <p><b>WEST BENGAL</b></p> <p>The clear title/ lease deeds were not available for verification. Attention is drawn to Para B (1&amp;2) of Note "2" to the standalone financial statements of the Circle, which indicates that the conveyance deeds for transfer/vesting title of Land, Buildings and Other Assets from DoT to company has not yet been executed. Also attention is drawn to Para 1(c) of Annexure-"A" to the Independent Auditors' Report, where it</p>



Sl. No.	Questions	Auditor's Comment
		<p>is stated that "Asset Master" in the SAP ERP system does not have the separate record of each land parcel. In case of Free Hold land there are 81 records in SAP against 169 land parcels and in case of Lease Hold Land there are 3 records in SAP against 38 land parcels. However, the full particulars of such land parcels including quantitative details and situation thereof are available with the Circle. Business Area wise summary of freehold land as provided by the Management has been furnished in the enclosed '<b>Appendix A</b>' of this report.</p> <p><b>NORTH EAST-I</b></p> <p>As informed to us, the Circle has no clear title deeds in the name of the Company for freehold lands and leasehold lands, except for one freehold land and few leasehold lands. However, copies of original title/lease deeds of above said freehold and few leasehold lands were not made available to us for our verification; hence we are unable to comment on clarity of even such title/lease deeds of lands. List of freehold/ leasehold lands provided by the Circle is attached herewith as '<b>Appendix A</b>'. In absence of full details, the same has not been verified by us.</p>
(2)	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc., if yes, the reasons therefore and the amount involved.	<p>As reported by the auditors of the following circles, there were no cases of waiver/write off of debts/loans/interest etc.:</p> <ol style="list-style-type: none"><li>1. Jammu &amp; Kashmir</li><li>2. Maharashtra</li><li>3. Eastern Telecom Region</li><li>4. Western Telecom Region</li><li>5. Northern Telecom Region</li><li>6. Southern Telecom Region</li><li>7. Eastern Telecom Project</li><li>8. Northern Telecom Project</li><li>9. NFS</li><li>10. Telecom Factory Mumbai</li><li>11. Andaman &amp; Nicobar</li><li>12. Telecom Factory Jabalpur</li><li>13. BRBRAITT</li><li>14. Broadband Network</li><li>15. NCES Telecom Circle/ NCNGN</li></ol>

Sl. No.	Questions	Auditor's Comment
		<p>16. Q&amp;A and Inspection Circle  17. North East Task Force  18. ALTTC  19. Southern Telecom Project  20. Western Telecom Project  21. Telecom Factory Kolkata  22. NATFM Training Institute  23. Telecom Stores Kolkata  24. Information Technology Project Centre  25. Receipt &amp; Payment and Budget Banking Finance Unit ('R&amp;P and BBF unit')  26. Chhattisgarh</p> <p>In the undermentioned circles, there have been certain write offs of debts/loans/interest etc., details of which are furnished below:</p> <p><b>ANDHRA PRADESH</b></p> <p>The Circle has written off Rs. 1,270.42 Lakhs (Previous year - Rs. 2,227.25 Lakhs) as bad and doubtful debts during the current financial year on account of non-recoverability as per the findings of High Power Committees (HPC) and Liquidation Board (LBM) constituted at Business Area level by the Circle for this purpose. The entire amount was already provided for and the amount equal to the amount of write off is written back from such provision created in earlier years.</p> <p><b>ASSAM</b></p> <p>Rs. 1,434.80 Lakhs has been written off from debtors being untraceable and hence unrecoverable.</p> <p><b>BIHAR</b></p> <p>For the financial year 2017-18, total amount of written off bad debt for service provided is Rs. 3,910.78 Lakhs</p> <p><b>CHENNAI TELEPHONES</b></p> <p>There are cases amounting to Rs. 527.09 Lakhs towards Write off of Debt with Competent Authorities approval during the year 2017-18 Business Area wise (CDR, GSM, WLL, BB etc.) details with regards to write off of Debtors, Late fees, Service Tax etc.</p>



Sl. No.	Questions	Auditor's Comment
		<p><b>GUJARAT</b></p> <p>As per record and information provided to us debtors amounting to Rs. 760.13 Lakhs were written off during the year, as management is of the view that the amount is no longer realizable.</p> <p><b>HARYANA</b></p> <p>As informed by the management and based on the records examined, we have not observed any case of waiver/ write off of debts/ loans/ interest etc. from banks or financial institution during the year under audit.</p> <p>However, a sum of Rs. 1,031.92 Lakhs has been written off on account of bad debts by the Circle during the year under audit.</p> <p><b>HIMACHAL PRADESH</b></p> <p>As informed to us, the Circle has written off debtors of Rs. 357.54 Lacs.</p> <p><b>JHARKHAND</b></p> <p>Debts of Rs. 1,019.58 Lakhs are written off during the year. As informed write off of subscriber debt is done through either Lok Adalat, Liquidation Board Meeting or High Power committee or through technical write off.</p> <p><b>KARNATAKA</b></p> <p>During the financial year 2017-18 a sum of Rs.703.75Lakhs has been written off as bad debts. The management of the KTK Circle is of the view that the possibility of recovery of these amounts was considered remote.</p> <p><b>KERALA</b></p> <p>During the year the Circle has written off Sundry Debtors (GL Code 5022009) for an amount of Rs. 484.74 Lakhs based on the decisions taken by the Committees constituted for the same at different dates during the year. In addition, the Telephone Revenue Accounting (TRA) Department has cancelled individual telephone bills during the year, which as explained to us, were on account of mistake in billing.</p> <p>As per the information and explanation given to us, the decisions were taken after exhausting all chance of recovery from the customers.</p>

Sl. No.	Questions	Auditor's Comment
		<p>Based on the information and explanation given to us and based on the Audit procedures performed by us, we have not come across any instances of waiver of loans or interest.</p> <p><b>MADHYA PRADESH</b></p> <p>The Circle has written off Rs. 962.54 Lakhs during the FY 2017-18 based on procedures / guidelines defined by BSNL HQ.(Above amt is total of GLs , 5022009 (Bad debt (debts for service provided) written off) and Rs 9,05,28,545.04 and GL- 5022010 Service Tax paid for post paid service but not collected Rs. 57,25,580.99)</p> <p><b>NORTH EAST I</b></p> <p>As informed to us, and as disclosed in Notes to Accounts, the Circle has written off debts, considered no longer recoverable, amounting to Rs. 244.02 Lakhs in the Statement of Profit and Loss as these amounts are long pending and disputed by the parties as not payable.</p> <p><b>NORTH EAST II</b></p> <p>As per the information provided by the Circle and as per our examination, write off of debts amounting to Rs. 6,419.03 Lakhs and Decommissioned Assets and Others amounting to Rs. 133.40 Lakhs have been made on account of Normal Write Off and Technical Write Off as per the instructions of the Corporate Office.</p> <p><b>ODISHA</b></p> <p>There are multiple cases of write off of debtors amounting to Rs. 430.26 Lakhs and there are no case of write off of loans and interest during the year. The reason for such write off, as explained to us, is that these are old balances lying unadjusted / unrealized for a long time and chances of recovery /adjustment are remote.</p> <p><b>PUNJAB</b></p> <p>As per information given to us, the circle has written off debtors Rs. 532 Lakhs due to non recoverability.</p> <p><b>RAJASTHAN</b></p> <p>As per information and explanations given to us, during the year under consideration the circle has written off the debts of Rs. 531.35 Lakhs. These debts are written off as per the delegation of authority and procedures set by BSNL Corporate office.</p>





Sl. No.	Questions	Auditor's Comment
		<p><b>TAMIL NADU</b></p> <p>The write off is in line with the policy of the company and Rs. 707.87 Lakhs has been written off as bad debts and Rs. 61.09 Lakhs has been written off as unrecovered service tax during the year.</p> <p><b>UP (WEST)</b></p> <p>Following cases of old outstanding entries were written off as was considered not recoverable:</p> <ol style="list-style-type: none"> <li>1) W/off loses other than bad debts: Rs. 24.34 Lakhs</li> <li>2) Bad debts w/off: Rs. 882.46 Lakhs</li> </ol> <p><b>UP (EAST)</b></p> <p>We have not been informed of any such case. However, in case of Debtors the circle has accounted for total Bad Debts of Rs. 2,651 Lakhs.</p> <p><b>UTTARAKHAND</b></p> <p>The Circle has written off Rs. 123.14 Lakhs during the FY 2017-18 based on procedures defined by BSNL HQ. During the year company has also technically write off debtors due for more than 10 years.</p> <p><b>WEST BENGAL</b></p> <p>On examination of the related records and as per the information and explanation provided to us the Circle has written off Rs. 1,121.27 Lakhs being trade receivables remaining unrecovered for a period of over 5 Years in accordance with the Order of Corporate Office ref. the ADG(TR) BSNL Corp office no. 2-32/2002-BSNL/TR dated 19.09.2006.</p> <p><b>KOLKATA TELEPHONES</b></p> <p>Calcutta Telephone District has written off bad debts throughout the financial year as follows:</p> <ol style="list-style-type: none"> <li>a. Write-off in Land Line Service 1,614.43 Lakhs</li> <li>b. Write -off in Broad band Services 152.49 Lakhs</li> <li>c. Write -off in unpaid Surcharge 40.76 Lakhs</li> <li>d. Write -off in Cellular Mobile Tele Services 134.72 Lakhs</li> <li>e. Write -off in Lease Circuit 0.63 Lakhs</li> </ol>

Sl. No.	Questions	Auditor's Comment
		<p><b>TOTAL – Rs. 1,943.03 Lakhs</b></p> <p>The Circle has also written-off an amount of Rs. 260.76 Lakhs for not being able to collect Service Taxes paid by it in respect of the above.</p> <p>Beside the above, the Circle has also Written Back Liability on account of Security Deposit, Earnest Money and Other Liabilities amounting to Rs. 3,094.83 Lakhs</p>
(3)	Whether the proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities	<p>As reported by circle auditors, the circles have not received any assets as gift/grant(s) from the Government or other authorities except as stated for the circles below:</p> <p><b>1. ANDHRA PRADESH</b></p> <p>In respect of lands received as gift or donation, proper records are not being maintained and the number, value, ownership thereof are subject to reconciliation.</p> <p>The Circle has been maintaining proper records in respect of assets created (under Left Wing Extremists project) out of grants received from Government.</p> <p><b>2. CHHATTISGARH</b></p> <p>In absence of records and documents at the Circle we are not in a position to comment on assets received as gift from Govt. or other authorities are properly maintained or not.</p> <p><b>3. KARNATAKA</b></p> <p>The KTK Circle has received 33 land parcels as a gift from various village panchayats situated in the State of Karnataka. These land parcels covers a aggregate area of 28,001 Sqmts. Out of the 33 Land parcels the title deeds are not available in respect of 3 land parcels measuring a total area of 2,184 Sqmts.</p> <p><b>4. ODISHA</b></p> <p>The Circle has received government grants amounting to Rs.43,40,80,939/- towards LWE Capital Grant during the Financial Year 2017-18.</p> <p><b>5. UP (WEST)</b></p> <p>Proper records are maintained with respect to Grant received from USOF of Rs. 20,92,709/-</p>



Sl. No.	Questions	Auditor's Comment
		<p><b>6. WEST BENGAL</b></p> <p>a) As per the information and explanation provided to us by the management, the Circle has not received any assets as gifts/ grants from Government or other authorities during the year. Out of grant received by the Circle in earlier years Rs. 934.94 Lakhs has been recognized as income for the current year and the balance Rs. 3797.71 Lakhs is carried over to the next year as Deferred Income in respect of the Grant in Aid for LWE Project.</p> <p>b) As informed by the Management, the Circle is the custodian of the inventories in respect of the National Optic Fiber Network (NOFN) Project. The details of such inventory are maintained by the NOFN Department within the Circle but no record of such inventories is maintained in the SAP ERP system as these inventories do not belong to the Company.</p> <p>As reported by the auditors of following circles, proper records are maintained for inventory lying with the third parties.</p> <ol style="list-style-type: none"><li>1. Jammu and Kashmir</li><li>2. Punjab</li></ol> <p>As reported by the auditors of following circles, proper records are not maintained for inventory lying with the third parties.</p> <p><b>1. Northern Telecom Project</b></p> <p>As reported by the circle auditors of the undermentioned circles, no inventory is lying with the third parties:</p> <ol style="list-style-type: none"><li>1. Assam</li><li>2. Bihar</li><li>3. Haryana Telecom</li><li>4. Himachal Pradesh</li><li>5. Jharkhand Telecom</li><li>6. Kerala Telecom</li><li>7. Madhya Pradesh Telecom</li><li>8. Maharashtra Telecom</li><li>9. Rajasthan Telecom</li><li>10. Telecom Factory Jabalpur</li></ol>

Sl. No.	Questions	Auditor's Comment
		<p>11. Tamil Nadu Telecom Circle</p> <p>12. Uttarakhand Telecom</p> <p>13. Western Telecom Projects</p> <p>14. Kolkata Telephones</p> <p>15. Eastern Telecom Region</p> <p>16. Western Telecom Region</p> <p>17. Southern Telecom Region</p> <p>18. Eastern Telecom Project</p> <p>19. NFS</p> <p>20. NATFM</p> <p>21. Broadband Network</p> <p>22. NCNGN Telecom Circle</p> <p>23. Telecom Store</p> <p>24. Information Technology Project Circle (ITPC)</p> <p>25. North East- 1 Telecom</p> <p>26. ALTTC</p> <p>27. BRBRAITT</p> <p>28. NE-II</p> <p>29. Andaman &amp; Nicobar</p> <p>30. Receipt &amp; Payment and Budget Banking Finance Unit ('R&amp;P and BBF unit')</p> <p>31. Chennai Telephone</p> <p>32. Karnataka Circle</p> <p>33. NETF</p> <p>34. Odisha</p> <p>35. UP (West)</p> <p>36. West Bengal</p> <p>Following circles' auditors have reported that the respective circles do not have any inventory and hence the question is not applicable to them:</p> <p>1. Telecom Factory Kolkata</p> <p>2. Telecom Factory Mumbai</p> <p>3. Q&amp;A and Inspection Circle</p> <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p><b>1. NTR</b></p> <p>As informed by the management, no inventory is lying with third parties belonging to circle. The inventory issued to the contractors is accounted under the head "Work in Progress".</p>



Sl. No.	Questions	Auditor's Comment
		<p><b>2. ANDHRA PRADESH</b></p> <p>i. As per the information and explanations given by the management and as stated vide Note No. 40.2 of the Ind AS financial statements the inventories aggregating to Rs. 4,703 lakhs pertaining to Phase VIII.4 project of CMTS are lying with the third parties. The Circle has been maintaining proper records in respect of inventories lying with the third parties.</p> <p>ii. ii. In respect of lands received as gift or donation, proper records are not being maintained and the number, value, ownership thereof are subject to reconciliation as stated in paragraphs 16 &amp; 17 above.</p> <p>iii. The Circle has been maintaining proper records in respect of assets created (under Left Wing Extremists project) out of grants received from Government.</p> <p><b>3. GUJARAT</b></p> <p>Proper records are maintained for inventories lying with third parties. However, in case of material issued to contractors against execution of projects is directly charged to CWIP a/c. and no entry recorded in the a/c code "Material/Equipment with contractor". The same remain in CWIP a/c code and no physical verification reports are made available to us. It is explained to us that in such cases appropriate bank guarantee is obtained as per the terms of the contract. As per the information and explanations given to us, no items are received as gifts from Government and other authorities during the year.</p> <p><b>4. UP (EAST)</b></p> <p>System of accounting and management of inventories in most of the Bas/ SSAs is not in commensurate with the size and nature of the inventory due to non-maintenance of Bin cards, non-maintenance of Price Store Ledger on perpetual basis which are generally compiled at the quarter or year end, non adherence with procedure for return of stores issued to the contractors/ suppliers and lying at sites, lack of proper system for identification of Obsolete/ discarded/ non-moving/ unserviceable inventory, lack of periodical reconciliation of inventory in price store ledgers with financial records etc.</p> <p>However, entire amount of inventory has been classified, as it is, as Capital Work in Progress in Stores.</p>

Sl. No.	Questions	Auditor's Comment
		<p><b>5. CHHATTISGARH</b></p> <p>It is observed in the Circle that Inventory/ Capital Goods are issued to the Contractors for maintenance/ assets for installation purpose at various project sites. No site wise list has been provided to us for our verification. So we are unable to comment whether records are maintained for inventories lying with third parties.</p> <p>In absence of records and documents at the Circle we are not in a position to comment on assets received as gift from Govt. or other authorities are properly maintained or not.</p> <p><b>6. STP</b></p> <p>It has been observed that the management is maintaining records of inventory with the third party only in physical format, however no records of stock as on particular day is available in SAP.</p>
(4)	Amount of revenue share (license fees and spectrum usage charges) appearing in the financial statements should be thoroughly checked.	<p>As reported by the auditor of following circles provisions for license fee are not applicable to the respective circles:</p> <p><b>1. Kolkata Telecom Stores</b></p> <p>Following circles have not reported in respect of the matter:</p> <ol style="list-style-type: none"> <li>1. Bihar</li> <li>2. Uttar Pradesh (UP) West</li> <li>3. NFS</li> <li>4. Broadband Network</li> <li>5. Q&amp;A and Inspection Circle</li> <li>6. Southern Telecom Project</li> </ol> <p>Following circles have reported that the revenue share is correctly calculated as per the norms and guidelines in license agreement and are appropriately appearing in the Ind AS financial statements:</p> <ol style="list-style-type: none"> <li>1. Andaman and Nicobar</li> <li>2. Andhra Pradesh</li> <li>3. Assam</li> <li>4. Chhattisgarh</li> <li>5. Easter Telecom Project</li> <li>6. Eastern Telecom Region</li> <li>7. Gujarat</li> <li>8. Himachal Pradesh</li> </ol>



Sl. No.	Questions	Auditor's Comment
		<p>9. Information Technology Project Circle 10. Jammu &amp; Kashmir 11. Karnataka 12. Maharashtra 13. NATFM 14. North East Task Force 15. Punjab 16. Uttarakhand 17. Telephone Factory Jabalpur 18. Telecom Factory Kolkata 19. Tamil Nadu 20. UP (East) 21. West Bengal 22. Western Telecom Region 23. Western Telecom Project 24. Receipts &amp; Payments and Budget Banking Finance Unit ('R&amp;P and BBF unit')</p> <p>Separate details as per Appendix-B is attached in respect of the following circles:</p> <ol style="list-style-type: none"><li>Chennai Telephones</li><li>Madhya Pradesh</li><li>NCNGN</li><li>North East-II</li><li>Odisha</li><li>Rajasthan</li><li>Kolkata Telephones</li></ol> <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p><b>1. BRBRAIT</b></p> <p>Circle has wrongly paid License fee of Rs. 49.10 Lakhs in 2<sup>nd</sup> Quarter of F.Y. 2017-2018 instead of actual liability for such quarter of Rs. 11.15 Lakhs. Such excess amount of Rs. 23.86 Lakhs, after adjusting 3<sup>rd</sup> and 4<sup>th</sup> quarter liability towards license fee has been debited in GL 2610699 "PREPAID EXPENSES-OTHERS".</p> <p><b>2. ALTTC</b></p> <p>The Figures for License fee and spectrum usage charges as appearing in the financial statements the ALTTC circle of BSNL, have been checked and one discrepancy was noticed. As per the management, some rectification entries were missed</p>

Sl. No.	Questions	Auditor's Comment
		<p>out during the year. At the time of preparation of provisional figures (for AGCR) for 4th quarter, there was a calculation mistake which was as follows:</p> <p>In Basic LF/USO levy: Rs. 2166.80 In NLD/ILD services: Rs. 896.00</p> <p>There were manually rectified at the time of submission of final AGCR but the rectification entries pertaining to these were not passed in the books of accounts.</p> <p><b>3. HARYANA</b></p> <p>Revenue share (License fee and Spectrum Usage Charges) appearing in the financial statements have been correctly stated except for</p> <p>a) The Circle segregates revenue from NLD (National long distance)/ ILD (International long distance) on an estimated basis instead of actual usage of pulse which consequently results in recognition of the Spectrum Charges on an estimated basis. The impact of adjustment, if any, on the Spectrum Charges is presently not ascertainable for the year.</p> <p>b) Liquidated Damages recovered from the contractors/suppliers, which have been reduced from the relevant asset cost and relevant revenue expenditure. In our opinion, the same should be booked as revenue income.</p> <p>c) As per the information and explanation given to us, the Circle has not booked USO Fund subsidy amounting to Rs. 131.30 Lakhs. Due to this there is under-estimation of license fee, as the same has not been considered as revenue for calculation of 'Adjusted Gross Revenue'.</p> <p><b>4. KERALA</b></p> <p>As per the accounting policy of the Company, Income from recharge coupon of mobile and prepaid calling cards is treated as income of the year in which payment is received. In our opinion, value of cards sold but not activated and unused talk time in activated cards should not be treated as income but should be shown under "Income received in advance". This has resulted in overstatement of net profit and understatement of other current liabilities by Rs. 38.07 Lakhs.</p>





Sl. No.	Questions	Auditor's Comment
		<p>This has also resulted in the advance payment of License Fee, USOF Levy, Spectrum charges and Microwave access charges to the extent of unexpired portion of these cards. As per details furnished by Circle, it is estimated that Rs. 99.91 Lakhs is the excess license fee paid, Rs. 166.52 Lakhs is the excess USO levy paid and Rs. 185.17 Lakhs is the excess Spectrum charges paid on account of this for this year. Hence, net profit is understated by Rs. 451.61 Lakhs.</p> <p>For the purpose of calculating License Fee, USOF Levy and Spectrum Charges payable to DoT, since copy of the license agreement with DoT has not been made available to us for verification, we have relied on Corporate Office instructions dated 11/04/2011 and 03/03/2016 followed by the Circle.</p> <p>Circle has wrongly paid License fee of Rs. 49.10 Lakhs in 2nd Quarter of F.Y. 2017-2018 instead of actual liability for such quarter of Rs. 11.15 Lakhs. Such excess amount of Rs. 23.86 Lakhs, after adjusting 3rd and 4th quarter liability towards license fee has been debited in GL 2610699 "PREPAID EXPENSES-OTHERS".</p> <p><b>5. NORTH EAST I</b></p> <p>As detailed in Notes to the financial statements, the Circle does not have a system of identifying NLD/ ILD revenue separately based on the actual usage of pulse. In the absence of such a system, the circle is recognizing the license fee as per program provided by corporate office and the consequential impact of adjustment, if any, upon computing the license fee on actual basis is currently not ascertainable</p> <p><b>6. NTP</b></p> <p>In respect of license fee payable for the current financial year, NTP Circle has provided for the following amounts on the basis of computation carried out by software provided by the Corporate Office, BSNL. The calculations in respect thereof cannot be verified at the NTP Circle Office level.</p> <p>a) License Fee on Basic, NLD, ILD &amp; Internet services Re. 1.09 Lakhs</p> <p>b) USOF Levy on Basic, NLD,ILD &amp; Internet services 1.83 Lakhs</p>

Sl. No.	Questions	Auditor's Comment
		<p><b>7. STR</b></p> <p>1) We have verified the statement of revenue and loss for four quarters and the cumulative total for the year 2017-18 of M/s BSNL, STR Chennai with relevant figure from the trial balance as on 31st march 2018 and the reconciliation statement for the financial year 2017-18 generated from software. We have been further informed that adjusted gross revenue reflecting in the statement of revenue and license fee is system generated.</p> <p>2) In our view the company has an adequate internal control system in relation to revenues which commensurate with its size an business. The system in our opinion provides reasonable assurance that there is no unrecorded revenue.</p> <p>3) No amt. payable in respect of sales tax, service tax, goods and service tax or PSTN/ toll/ roaming charges were outstanding at the last date of year ending 31.03.2018 for a period of more than two months from the date they become payable as per the certificate received from M/s BSNL,STR Chennai.</p> <p>4) In our opinion and to best of our knowledge and belief and according to the explanation given to us, the statement has been prepared in accordance with norms/ guidelines contained in said license/ permission in this behalf and gives a fair and true view of revenue and license fees payable for the period computed on the basis of aforesaid guidelines.</p> <p><b>8. TELEPHONE FACTORY MUMBAI</b></p> <p>We have obtained all the information and explanations which to the best of our knowledge and and belief were necessary for the purposes of our audit.</p> <p>In our view, the circle has an adequate internal control system in relation to revenues which is commensurate with it size and nature of its business. The system, in our opinion provides reasonable assurance that there is no unrecorded revenue and that all revenue is recorded in the proper account and in the proper period</p>



Sl. No.	Questions	Auditor's Comment
		<p>We have informed that no undisputed amounts payable in respect of Sales Tax or PSTN/Roaming charges were outstanding at the last day of the year for a period of more than two months from the date they become payable.</p> <p>As per the information and explanation given to us, the statement has been prepared in accordance with the circulars and internal communication for the License Agreement in this behalf and gives a true and fair view of the revenue and license fee payable for the period computed on the basis of aforesaid guidelines, subject to non provision of interest income on advances to employees and rebate receivable for speed post services from the Indian Post and Telegraph Department which are accounted on 'Cash Basis'.</p> <p><b>9. JHARKHAND</b></p> <p>The AGR is calculated by separate software provided by HO. In which the data is captured from SAP. The data captured has been checked by us but the calculation of AGR has been done by the software.</p> <p><b>10. NTR</b></p> <p>The Statement of Revenue and License Fee has been prepared based on the computation carried out by Excel Software Programme given by Corporate Office, BSNL. As explained to us, they said software is prepared in accordance</p>

**Subsidiary Company:**

The subsidiary company, BSNL Tower Corporation Limited, was incorporated on 4th January 2018 and its accounts have not been audited. The unaudited accounts for the period ended 31st March 2018 have been considered for consolidation. Hence, no information is available in respect of directions/ sub directions issued by the Comptroller and Auditor General of India in terms of section 143(5) of the Act.

**For ANDROS & Co.**  
**Chartered Accountants**  
 Firm's Registration No.:008976N

Sd/-  
**(Puneet Gupta)**  
 Partner  
 Membership No.: 093714

Place: New Delhi  
 Dated: 4<sup>th</sup> October, 2018

**“Annexure II to the Independent Auditor’s Report of even date to the members of Bharat Sanchar Nigam Limited on the Consolidated Ind AS financial Statements for the year ended 31 March 2018”**

## APPENDIX A

**1012-Andhra Pradesh**

- a. As per the information and explanations provided to us by the management and as stated vide Note No. 38.6 of the Ind AS financial statements, the Circle has lands admeasuring 32,36,563 sqm (for 1668 lands) (Previous year – 32,34,674 sqm – 1667 lands) of which lands admeasuring 31,71,635 sqm (for 1649 lands) (Previous year – 31,69,747 sqm – 1648 lands) are freehold lands and lands admeasuring 64,927 sqm (for 19 lands) (Previous year – 64,927 sqm – 19 lands) are leasehold lands.

Regarding Freehold Lands admeasuring to 31,71,635 sqm (for 1649 lands), lands inherited from DOT are admeasuring to 28,37,377 sqm (for 1135 lands) (Previous year – 28,35,489 sqm, 1134 lands) and lands acquired are admeasuring to 3,34,258 sqm (for 514 lands) (Previous year – 3,34,258 sqm, 514 lands).

Out of the total DOT lands admeasuring 28,37,377 sqm (for 1135 lands) (Previous year - 28,35,489 sqm, 1134 lands), DOT has given approval for mutation of lands admeasuring 19,39,166 sqm (for 682 lands) (Previous year -19,38,795 sqm, 682 lands) and the Circle has got the mutation process completed to the extent of 12,55,158 sqm of land area (for 521 lands) (Previous year - 12,36,456 sqm, 511 lands) and title deeds are available for these 521 lands (Previous year – 511 lands). Mutation process is not completed for the remaining area of 6,84,008 sqm (for 161 lands) (Previous year - 7,02,339 sqm, 171 lands).

Out of 682 lands permitted for mutation, 11 lands (previous year – 11 lands) are under joint occupation with the Department of Posts. In respect of these 11 lands, 4 lands (previous year – 4 lands) are bifurcated and mutated in the name of BSNL and 7 lands (previous year – 7 lands) are not yet bifurcated. Pending the identification process by Joint survey to confirm the larger area of occupancy between Department of Telecommunications and Department of Post and consequent acquiring of immovable property and its title deeds by one of the parties holding larger occupancy, no title deeds are held by the circle in respect of these 7 lands under joint occupancy.

Out of the total lands admeasuring 3,34,258 sqm (for 514 lands) acquired by the Circle, title deeds are available for lands admeasuring 2,37,470 sqm of lands (for 333 lands) (previous year - 2,37,470 sqm, 333 lands) and title deeds are not available for lands admeasuring 96,788 sqm (for 181 lands) (previous year - 96,788 sqm, 181 lands).

Regarding Leasehold lands, the Circle has taken lands admeasuring 64,927 sqm (for 19 lands) on lease of which lands admeasuring 58,251 sqm (for 15 lands) (previous year - 58,251 sqm, 15 lands) are under the lease hold rights of DOT and lands admeasuring 6,676 sqm (for 4 lands) (previous year - 6,676 sqm, 4 lands) are under the lease hold rights of the Circle.

For lands under the lease hold rights of DOT, lease deeds in the name of DOT are available for lands admeasuring 41,978 sqm (for 9 lands) (previous year - 41,978 sqm 9 lands) and not available for lands admeasuring 16,273.5 sqm (for 6 lands) (16,273.5 sqm, 6 lands).

For lands under the lease hold rights of the Circle, lease deeds are available for all the 4 lands (previous year - 4 lands) admeasuring 6676 sqm.

**1017-Haryana**

Details of freehold land and leasehold land not in the name of the Circle/ the Company:



Freehold Land

Sr. No.	Business Area	Location	Area (in Sq. metre)	Rs. (in lakhs)
1	Ambala	Arya Chowk, Part-I, Ambala City	7300	2,566.65
2	Ambala	Arya Chowk, Part-II, Ambala City	1533	1,100.07
3	Ambala	T.E. Compound, Yamuna Nagar	543.33	137.08
4	Ambala	Staff Quarter Compound, Kalka	3344.87	568.63
5	Ambala	Staff Quarter Compound, Yamuna Nagar	2010.52	108.6
6	Ambala	M/W Compound, Anaj Madi, Kalka	3486	87
7	Ambala	Gulab Nagar, Yamuna nagar	1594.29	223.19
8	Faridabad	TE Compound Sector 23	12138	4,624.81
9	Faridabad	P & T Colony - NH 2	4825	2,626.31
10	Faridabad	Te1ecome/ BSNL Plot F•49 & 49A	441.9	312.69
11	Faridabad	BSNL Plot F-21A & 22A	478.79	338.79
12	Faridabad	Telecome/ BSNL Plot F-27	187.2	132.46
13	Faridabad	TE Compound Nehru Ground	1883	1,844.84
14	Faridabad	TE compound - Palwal	2541	821.11
15	Faridabad	Telecom/ BSNL Plot L-39A	187.2	132.46
16	Faridabad	E-10 B Compound Ser-15 A	6069	4,624.81
17	Faridabad	Sector 36	9504	10,346.19
18	Faridabad	TE Compound, Ballabhgarh	4236	1,383.42
19	Gurgaon	DLF, Phaae - II	3586	4,684.73
20	Gurgaon	Sector I8	11975.6	9125.86
21	Gurgaon	DTO, BLDG Compound - Gurgaon	442	2,889.05
22	Gurgaon	E 10B, Gurgaon	3470.59	4722.85
23	Gurgaon	Sec-7, Gurgaon	561	366.43
24	Gurgaon	South City Gurgaon	1380	1,201.84
25	Hisar	T.E. Compound, Ratia	3035	971.2
26	Hisar	T.E. Compound, Abubsahar	758	2.1
27	Hisar	T.E. Compound, Hindanwala	2782	1.38
28	Hisar	T.E. Compound, Siswal	2159	43.18
29	Hisar	T.E. Compound, Uklana	4749	379.92
30	Hisar	Adin. Compound, Urban Estate, Hisar	2249	2017.5
31	Hisar	Coaxial Staff Quarter, Dabwali	4145.6	580.38
32	Hisar	T.E. Compound, Sikanderpur	2023	0.77
33	Hisar	T.E. Compound, Sirsa road, Dabwali	4057	566.44
34	Jind	TE compound - Julana	4552.56	6.03
35	Jind	HUDA Complex Jind	2520	831.6
36	Jind	Main Exchange Building Jind	2789.23	4
37	Jind	Tele Bhawan Coaxial Building, Jind	3344.4	133.76
38	Jind	TE Compound, Eharakramji	67	0
39	Jind	TE Compound, Kinana	2431	534.82
40	Jind	M/W Compound, Narwana	2431	534.82
41	Jind	TE Compound, Narwana	4174.65	667.94

Sr. No.	Business Area	Location	Area (in Sq. metre)	Rs. (in lakhs)
42	Jind	Old TE Compound, Safidon	152	1.52
43	Karnal	DTO, BLDG compound - Panipat	1200	0
44	Karnal	Sanchar Kunj Model Town - Panipat	10455	2,509.20
45	Karnal	Sukhdev Nagar, Panipat	3921	2823.12
46	Karnal	Compound, Ismailabad	4047	262.99
47	Karnal	Telecom Store, Karnal	3802	9.94
48	Karnal	TE Compound, Nilokheri	1925	596.75
49	Rewari	M/w, Naichana	2076.96	13.66
50	Rewari	Jhajjar Chowk, Rewari	10000	264.27
51	Rewari	Sec- 4, Rewari	6000	3,276.80
52	Rohtak	TE Compound - Charkhidadri	4046	1,063.69
53	Rohtak	Sanchar Kunj - Bhiwani	1900	294.5
54	Rohtak	TE Compound - Tosham	2508	100.32
55	Rohtak	TE Compound, Bhawanikheri	3692	147.68
56	Rohtak	TE Compound, Bhadra	4046	242.76
57	Rohtak	TE Compound, Bhiwani	5226	2,811.05
58	Rohtak	TE Compound, Bond	4237	211.85
59	Rohtak	Old TE Compound, Charkhidadri	280	501.2
60	Rohtak	TE Compound, Tigrana	4046.00	9.68
61	Rohtak	Main TE Compound, Bhadurgarh	9027.00	4062.15
62	Rohtak	DTO Compound, Rohtak	1383.00	1,901.47
63	Rohtak	Main TE Compound, Rohtak	4340.00	4,669.84
64	Rohtak	Sainipur	1781.00	425.86
65	Rohtak	Sec 2,3,4 Rohtak	2000.00	358.67
66	Rohtak	Store Compound 2,3,4 Rohtak	11661.50	1,673.04
67	Sonepat	Sec-23, Sonepat	1900.00	228
68	Sonepat	TE Compound, Ahulana	2800.00	1.77
69	Sonepat	TE Compound Akbarpur, Barota	2023.00	182.07
70	Sonepat	TE compound, Bhainswal	3390.00	1.37
71	Sonepat	TE Compound, Datauli	2023.00	0.83
72	Sonepat	TE Compound, Farmana	2023.00	1
73	Sonepat	TE Compound, Jantikalan	2023.00	161.84
74	Sonepat	TE Compound d Joshi, Chauhan	3306.00	235.2
75	Sonepat	TE Compound, Moi	1517.00	0.45
76	Sonepat	Exchange Compound, Nahra	4319.00	0.91
77	Sonepat	Exchange Compound, Palri	2023.00	0.43
78	Sonepat	TE Compound, S.P Majra	1340.00	0.53
79	Sonepat	TE Compound, aanwali	2023.00	0.8
<b>Total</b>			<b>266420.19</b>	<b>90292.89</b>

**LeaseHold Land**

SI No.	Business area	Location	Area (in S. Metre)	₹
1	Ambala	CGM office compound	10731. 70	1



2	Ambala	GPO complex	1000.00	1
3	Ambala	P & T Colony	4880.25	1
4	Ambala	CTO Compound Ambala Cantt	6671.00	1
5	Ambala	GMTS Office Compound	10220.00	1
6	Ambala	Napier Road Compound	6489.00	1
			<b>39991.95</b>	<b>6</b>

**Table B: Mutation of land of DoT in favour of BSNL**

Sl. No.	Particulars	No. of Lands
1	Number of Lands permitted for mutation	605
2	Number of Lands mutated as at 31st March 2018	281

**1062-NTP**

Sl. No.	Address	Amount	Nature of land
1	Jodhpur	1,11,000/-	Freehold
2	Jodhpur	27,770/-	Freehold
3	Jodhpur	53,800/-	Freehold
4	Allahabad	1/-	Freehold
5	Gajraula, Agra	2,59,422/-	Leasehold

**1028-Punjab**

**FOR FREEHOLD LANDS**

Sl.No.	Business Area Code	Business Area	Total No of Land Parcels	Area (Sq. Meters)
1	2802	Amritsar	34	73086
2	2803	Bathinda	13	54157
3	2804	Chandigarh	10	37035
4	2805	Ferozepur	47	160649
5	2806	Hoshiarpur	13	54916
6	2807	Jalandhar	14	40166
7	2808	Ludhiana	37	158284
8	2809	Pathankot	19	62054
9	2810	Patiala	27	85275
10	2811	Ropar	3	13587
11	2812	Sangrur	12	32475

**FOR LEASEHOLD LANDS**

Sl. No.	Business Area Code	Business Area	Total No of Land Parcels	Area (Sq. Meters)
1	2801	Circle Office/CMTS	1	11533
2	2804	Chandigarh	13	105344
3	2806	Hoshiarpur	1	929
4	2808	Ludhiana	2	12680
5	2809	Pathankot	1	4182

## 1029- Rajasthan

Based on the review of asset register and according to the information and explanations given to us, the title deeds of 73 Pcs. of Lands are not held in the name of the company (Refer Note. 2(b) of Schedule 35). The details are as under

Sl. No.	No. of Cases	Particulars	Gross Block as on 31-03-2018	"Net Block as on 31-03-2018"
1	38	Free Hold	51,419.90	51,419.90
2	35	Lease Hold	448.28	300.92
<b>Total</b>	<b>73</b>		<b>51,868.18</b>	<b>51,720.82</b>

## 1030- Tamil Nadu

Business Area	Total No. of Land parcels	Area (in Sq. Meters)
Circle Office	1	21282
Coimbatore	12	17866.02
Cuddalore	5	20744.56
Dharmapuri	14	74475.86
Erode	6	15781
Karaikudi	7	25682.79
Kumbakonam	8	18080.75
Madurai	10	23669.22
Nilgiris	10	16872.87
Pondichery	6	2667.13
Salem	8	23448.21
Thanjore	16	22802
Tirunelveli	5	6556.36
Trichy	12	22136.71
Tuticorin	1	1000
Vellore	6	66755.83
Virudhunagar	3	7690.36
<b>Total</b>	<b>130</b>	<b>387511.67</b>

## 1034-West Bengal

## Summary of Free Hold Property

	Free Hold Land Parcels		
	No.	Area (sq. mtr.)	Cost (Rs. Lakhs)
Kolkata	37	511726.62	68046.46
Circle Office Exhibit	0	0	0
Kharagpur	15	59704	2493.54
Asansole	34	107496.33	10209.79
EZBC	0	0	0
Gangtok	14	37160.26	3078.91
Siliguri	64	211505.19	22863.21
Bankura	5	9257	313.87
<b>Total</b>	<b>169</b>	<b>936849.4</b>	<b>107005.78</b>





HIMACHAL PRADESH

Sl. No	Name of BA	Name of Plot to be Mutated Annexure-1	Freehold/ Leasehold	Cost of Land(Gross)	Cost of Land(Net)	Cost of Building (Gross)	Cost of Building (Net)	Dep. For F.Y 2017-18	Remarks (if any)
1	Dharamsala	T.E., TEL.XGE CHAMBA	Leasehold	30000.00	30000.00	219311.00	965435.51	49068.79	
2	Dharamsala	ADMN. COMPLEX, DTO/CSC DHARAMSHALA	Feehold	26027.00	26027.00	15895476.00	6425920.19	360349.62	
3	Dharamsala	BSNL COMPLEX, TE (RSU) DHARAMSHALA	Feehold	142007.00	142007.00	3579609.00	1621155.84	82510.18	
4	Dharamsala	ADMN. COMPLEX, DTO/CSC PALAMPUR	Feehold	15973.00	15973.00	7911207.00	395560.00	0.00	
5	Dharamsala	T.E., TEL.XGE, DALHOUSIE	Feehold	386513.00	386513.00	16584798.00	10841323.31	553937.17	
6	Dharamsala	BSNL COMPLEX, TEL.XGE NAGROTA	Leasehold	784040.00	784040.00	13095172.00	5040626.14	359043.16	
7	Dharamsala	TE, MW STATION DEOGA	Feehold	1.00	1.00	0.00	0.00	0.00	Building exists but not in asset register. The same will be updated in assets register during 2018-19
8	Dharamsala	MW, MW STATION KANGRA	Feehold	1.00	1.00	0.00	0.00	0.00	Building exists but not in asset register. The same will be updated in assets register during 2018-19
9	Hamirpur	BSNL Complex Ghumanwin	Freehold	1.00	1.00	10183813.00	4330009.00	244293.81	
10	Hamirpur	TE BLDG Hamirpur	Freehold	10725000.00	10725000.00	10152758.00	4138140.07	299787.65	
11	Hamirpur	BSNL Complex UNA	Freehold	4800000.00	4800000.00	10042633.00	4167232.45	304564.38	
12	MANDI	BSNL COMPLEX-Udaipur	Freehold	31850	31850	9686975	4622078	237237	Forest Land
13	MANDI	TE COMPLEX-Seri Bazar Mandi	Freehold	1	1	3824711	1852759	97092	P&T
14	MANDI	TE COMPLEX-The Mall Manali	Freehold	1	1	8802877	3881139	213945	Municiple Committee
15	Shimla	NICHAR T.E. BLDG. COMPLEX KHASRA NO.1007/1	Free Hold	1.00	1.00	534000.00	207102.64	-14641.59	
16	Shimla	CHOPAL T.E. BLDG. COMPLEX KHASRA NO.1499/1485	Free Hold	1.00	1.00	6217587.00	2553996.63	-129226.12	
17	Shimla	DOWNDAL BSNL COMPLEX KHASRA NO.667 TO 675	Free Hold	1.00	1.00	1792914.00	691009.30	-56151.64	
18	Shimla	JATOG CANT SURVEY NO.68&68-A	Free Hold	1.00	1.00	0.00	0.00	0.00	Building not constructed
19	Shimla	KHARA PATHAR T.E. BLDG. COMPLEX KHASRA NO.565/532	Free Hold	1.00	1.00	0.00	0.00	0.00	Building not constructed
20	Shimla	MAHASUPEAK MW COMPLEX KHASRA NO.1/1	Free Hold	1.00	1.00	505625.00	280072.67	-14279.93	

Sl. No	Name of BA	Name of Plot to be Mutated Annexure-1	Freehold/ Leasehold	Cost of Land(Gross)	Cost of Land(Net)	Cost of Building (Gross)	Cost of Building (Net)	Dep. For F.Y 2017-18	Remarks (if any)
21	Shimla	MASHOBRA T.E. BLDG. COMPLEX KHASRA NO.419/266	Free Hold	1.00	1.00	0.00	0.00	0.00	Building not constructed
22	Solan	Kasauli	freehold	0	0	466,368.00	260,738.60	7,796.84	
23	Solan	Kasauli	freehold	0	0	1,052,720.00	420403.49	15,129.27	
24	Solan	Patta Mehlog	freehold	0	0	4,015,808.00	1888432.19	93,038.74	
25	Solan	Solan(P & T)Colony	freehold	0	0	816,931.00	383200.77	19,495.19	
26	Solan	TE SECTOR-1, SEC-1 PARWANOO	freehold	0	0	160,812.00	73462.39	3736.03	
27	Solan	H.B.COLONY, PARWANOO	freehold	0	0	337,264.00	147,527.38	7497.78	
28	Solan	S.Q., SAPROON SOLAN	freehold	0	0	560,410.00	348120.92	17,773.43	
29	Solan	TE, VILL- SANGRAH	freehold	0	0	3,003,670.00	1,308,967.48	66,523.19	
Total				16941422	16941422	131417249	56844413.24	2818519.19	

## 1053-STR

Sl No	Unique CODE	Revenue District	Station	Name of Compound	Location of the Property as per Revenue Records	date of acquisition	Cost at the time of Acquisition in Lakhs	Total Area of Land in sqmts
1	472830130	CHENNAI	ANNA NAGAR	ANNA NAGAR STR STAFF QTRS	TS NO. 2 BLOCK-3 OF MULLAM VILLAGE AND NEW S. N. 8/9 BLOCK NO. 12 OF AYANAVARAM	1970	1.40625	6362
2	472830129	CHENNAI	GUINDY	CGM(O)	S.F.NO 32/17 18 19 & 32/14 15	1993	36.78735	1604
3	472830298	CTD-CHENNAI	MENAMPEDU CHENNAI CXL	MEENAMBEDU CXL CHENNAI MW STN	S.F. NO 216 & 222/2	00-00-1972	0.47655	98136
4	472830451	ERNAKULAM	ERNAKULAM	DTS COMPOUND	NIIL	24-03-1969	0.00001	2600
5	472830453	ERNAKULAM	ERNAKULAM	DTS SQ COMPOUND	47/22-1&47/22-2	24-03-1969	1.42099	1601
6	472830162	ERNAKULAM	KALOOR	KALOOR MW STN	2205/4 587/10 11	13-03-1974	4.63822	9049.6
7	472830165	ERNAKULAM	MUVATTUPUZHA -MEENAKKUNNAM	MUVATTUPUZHA MEENAKKUNNAM SAT E/S	124/6A1 6B2	28865	0.85	8903
8	472830202	GUNTUR	NARASARAOPET	NARASARAOPET-OFC	TS NO 249 AND 300	28859	2.72577	4271
9	472830258	HYDERABAD	BANJARA HILLS	BANJARA HILLS MW STN	S NO 403 OF SHEIKPET AND 102 OF HAKEEMPET	29224	0.9025	8060
10	472830444	IDUKKI	PAINAVU	IDUKKI MW/DTS	S.NO. 161/1	31-03-1986	0.99	1335.5



Sl No	Unique CODE	Revenue District	Station	Name of Compound	Location of the Property as per Revenue Records	date of acquisition	Cost at the time of Acquisition in Lakhs	Total Area of Land in sqmts
11	472830082	KANCHIPURAM	CHUNAMPEDU	CHUNAMPEDU REPTR STN 30	CHUNAMPEDU VILLAGE R S NO 284/3B	24-6-1981	0.00001	121.41
12	472830083	KANCHIPURAM	KANTHADU	KANTHADU REPTR STN 33	KANTHADU VILLAGE R S NO 239/4	27489	0.003	81.08
13	472830491	KANCHIPURAM	MUPPANIHALMALAI	MUPPANIHALMALAI MW	R S NO 99/2	14-09-1977	0.00001	2500
14	472830087	KANCHIPURAM	PERIYAKALAKADI REPTR	PERIYAKALAKADI REPTR STN 28	PERIYAKALAKADI VILLAGE R S NO 37/7	30-11-1974	0.0015	81.08
15	472830213	KRISHNA	BHIMAVARAM	BHIMAVARAM-MW	OPP NH-9 BHIMAVARAM	33034	0.5	2400
16	472830212	KRISHNA	VIJAYAWADA	VIJAYAWADA MW	0/0 NO RECRD	15-08-1947	2.18383	1987.2
17	472830281	MEDAK	KALAKKAL	KALAKKAL MW STN	S NO 180/2	31781	0.8423	1618.9
18	472830353	MYSORE	MYSORE	SIDDHARTHANAGAR SQ	0/0	00-00-1974	0.46667	1858
19	472830073	NAGERCOIL	MUPPANDAL (VLO-NGC RS 15)	MUPPANDAL REPEATER STN	S.F. NO 41/1 THOVALAI VILLAGE-THOVALAI TALUK-KANYA	1974	0.006	80.97
20	472830271	NALGONDA	SURYAPET	SURYAPET SQ	S NO 216	30682	1.6097	1661.5
21	472830274	NIZAMABAD	KAMAREDDY	KAMAREDDY OFC STN	S NO 749	30320	3	3339
22	472830277	NIZAMABAD	NIZAMABAD	NIZAMABAD SQ	SIRNAPALLY	15-08-1947	0.58994	1292.53
23	472830279	NIZAMABAD	VIJAYANAGAR	VIJAYANAGAR MW STN	S NO 249/1	29590	0.047	1517
24	472830288	PRAKASHAM	ONGOLE	ONGOLE CXL	ONGOLE	26302	2	841.5
25	472830100	SALEM	VALAYAMADEVU	VALAYAMADEVU MW	SF NO 348	30926	0.01008	2307.55
26	472830115	TIRUNELVELI	MUTHUSAMIPURAM	MUTHUSAMIPURAM REPEATER	S.F. NO 1206	1974	0.005	80.97
27	472830117	TIRUNELVELI	SOUTHVALLYOOR	SOUTHVALLYOOR REPEATER	S.F. NO 1190/2	1974	0.005	80.97
28	472830118	TIRUNELVELI	TENKASI	TENKASI OFC	S.F. NO 274/1 TENKASI VLG TENKASI TK	21.02.1983	0.8856	2914.56
29	472830120	TIRUNELVELI	VAGAIKULAM	VAGAIKULAM MW STN	S NO 390/BTB RAJAKKALMANGALAM VLG NANGUNERI TK	22.11.1996	0.11639	2550
30	472830124	TRICHY	THUVAKUDI	THUVAKUDI REPEATER 10	S.F. NO 653 AND 700	1977	0.5356	98
31	472830445	UT LAKSHADWEEP	AGATTI	AGATHI SAT E/S APPROACH ROAD	1302	31-03-2007	0.44859	80
32	472830166	UT LAKSHADWEEP	KAVARATHY	KAVARATHY SAT E/S	891/5A2 6A2	15-11-1980	0.00001	4900
33	472830135	VELLORE	PARAMASATHU	PARAMASATHU MW COMPOUND-APPROACH ROAD	S.F. NO. 169/3	10.11.74	0	18575.8

Sl No	Unique CODE	Revenue District	Station	Name of Compound	Location of the Property as per Revenue Records	date of acquisition	Cost at the time of Acquisition in Lakhs	Total Area of Land in sqmts
34	472830134	VELLORE	VELLORE-BANGALORE NRS	POIGAI CXL STN	S.F. NO 244/1	1978	0.11045	53
35	472830095	VILLUPURAM	TINDIVANAM	TINDIVANAM MW	TS NO 33/2 TINDIVANAM TK	18-10-1990	0.00001	2266.3
36	472830011	VILLUPURAM	VILLUPURAM	VILLUPURAM MW	R S NO 15/1	32730	9.4997	2672.06
37	472830144	VIRUDHUNAGAR	VGR-KVT RS	VGR-KVT RS 8	S.NO. 345 METTUPATTI VILLAGE SATTUR TALUK	10.07.1974	0.001	80.86
38	472830443	VIRUDHUNAGAR	VGR-MA (USILAMPATTI)	VGR-MA RS-11	485/1 CHATRAREDDIAPATTI	27095	0.01	80.86
39	472830229	VISAKHAPATNAM	BHIMILL	BHIMILL MW RR	BHIMILL	30320	0.1	2500
40	472830233	VISAKHAPATNAM	MVP -VM	MVP COL QRS-VM	S NO 23 PLOT 1 TO 4 AND 14 TO 18 SECTOR 12 CHINA WALTAR VILLAGE	30773	1.07497	1995
41	472830238	VIZIANAGARAM	KOLHAVALAS	KOLHAVALAS OFC	DRO VZM	34338	0.17	404.7
42	472830243	WEST GODAVARI	TADEPALLIGUDEM	TADEPALLIGUDEM OFC	ELURU RS 154	25-07-1969	0.63555	2911.7

## 1033-UTTARAKHAND

Sl. No.	Particulars	Gross Block			Accumulated depreciation			Net Block	
		Opening balance as per Ind AS as at 1 April 2017	Additions for the FY 2017-18	Deletions for the FY 2017-18	Closing balance as per Ind AS as at 31 March 2018	Charge for the FY 2017-18	Deductions/ Adjustments for the FY 2017-18		Closing net block as per Ind AS as at 31 March 2018
1	Lands (Free Hold)	3691785982	0	0	3691785982	18443.01	0	1220334.03	3690565648
2	Lands ( Lease Hold )	7200034	0	0	7200034	28901943.78	0	503259610.5	-496059576.5

## 1022-Kerala

Sl. No.	Particulars	Gross Block			Accumulated depreciation			Net Block	
		Opening balance as per Ind AS as at April 1, 2017	Additions for the FY 2017-18	Deletions for the FY 2017-18	Closing balance as per Ind AS as at March 31, 2018	Charge for the FY 2017-18	Deductions/ Adjustments for the FY 2017-18		Closing net block as per Ind AS as at March 31, 2018
1	Lands ( Free Hold )	30729998381	1282878.62	46647500	30684633760	0	0	0	30684633760



2	Lands (Lease Hold)	128614	0	0	128614	128614	0	0	128614	0
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**1036-Chennai Telephones**

Sl. No.	Company Name	District	Station	Compound	Address	Year of acquisition of land	Area of Land (in Sq. Meter)	Location as per Revenue Records
1	BSNL	Kanchipuram	Pallavararam Zameen	Chromepet	179, GST Road	20911	850	179 GST Road
2	BSNL	Kanchipuram	Padalam	MW	Radalam Microwave Station, Boodur, Near to Madurantakam, Kanchipuram distt.	17258	3000	Microwave Bldg
3	BSNL	Chennai	Royapuram	Kalmandapam	No.21-A, G.A. Road, Kalmandapam, Chennai	20546	3111	RS No 2093/9
4	BSNL	Chennai	Mambalam	DTO	12, Giri Road, T. Nagar, Chennai	17258	443	25, Giri Road, T Nagar
5	BSNL	Chennai	Reriyar Nagar	DTO	No.68, Kandasamy Road, Periyar Nagar, Chennai	32234	322	Pariyar Nagar
6	BSNL	Chennai	CIT Nagar	Mambalam	No.652, Anna Salai, Nandanam, Chennai	21276	4595	Plot No.57, 59, 60 CIT Nagar Scheme
7	BSNL	Chennai	Mylapore	Mylapore	No.58/166, Luz Church road, Mylapore, Chennai	17258	1469	RS No.4230/77 and 4230/78 Mylapore
8	BSNL	Chennai	Purasavakkam	Millars Road	89, Millers Road, Chennai	38719	1376	3101/3
9	BSNL	Tiruvallur	Suravarika Ndigai	MW	Suravarikandigai Microwave Tower, Gummidiipoondi Taluk, Tamil Nadu	17258	2023	Suravarikandi Gai MW
10	BSNL	Tiruvallur	Thirutani	MW	Pattabirama-puram, Thirutani Microwave Building, Chennai, Thirutani Road, Thirutani	17258	2023	Thirutani MW
11	BSNL	Chennai	CTO	DTO	2nd Line Beach Road, Chennai	24929	2500	2nd Lane Beach road
12	BSNL	Chennai	Triplicane Village	Anna Road	11, Dams Road, Chennai	16528	5666	10 Dams Road

**1021-Karnataka**

Table A: Availability of Title Deeds

Sl. No	Particulars	Title Deeds (Nos)			Title Deeds (Sqm)		
		Total	Available	Not Available	Total	Available	Not Available
1	Freehold Land	1,232	962	270	22,20,189	19,07,439	4,83,655
2	Leasehold Land	58	54	4	4,06,514	1,99,135	10,900
Total		1,290	1,016	274	26,26,703	21,06,754	4,94,555

## 1025-NE I

Sl. No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
<b>A. MEGHALAYA</b>							
1	BANASHREE (LOWER)	Meghalaya	Free hold	Nongrim Nonthymmai	5378 Sq.m.	yes	DOT
2	WILLIAM NAGAR—(S/Q COMP.)	Meghalaya	Free hold	Plot No. 58-794111	2676 Sq.m.	No	DOT
3	WILLIAM NAGAR—(T.E. COMP.)	Meghalaya	Free hold	Plot No.16-794111	1338 Sq.m.	No	DOT
4	WILLIAM NAGAR—(MW COMP.)	Meghalaya	Free hold	Williamnagar-794111	7417		DOT
5	MAWKLOT(T.E.)	Meghalaya	Free hold	Mawklot village-793009	3254 Sq.m	yes	DOT
6	LAITLEWLONG (UHF)	Meghalaya	Free hold	Laitlewleng Village	4010 Sq.m.	No	DOT
7	NONGPIUR ESS	Meghalaya	Free hold	Forest Land Compart	12348 Sq.m.	yes	DOT
8	DADENGIRI(T.E.)	Meghalaya	Free hold	Dadengiri-794104	523.00Sq.m.	No	DOT
9	BAGMARA (Satellite Compound)	Meghalaya	Free hold	Plot NO. -794102	1200 Sq.m.	yes	DOT
10	BARAKUL(M/W)	Meghalaya	Free hold	Plot No.8,Barakul ,BPO	780 Sq.m.	No	DOT
11	MAHENDRAGANJ (Satellite compound)	Meghalaya	Free hold	Plot A130, Mahendraganj	2676 Sq.m.	yes	DOT
12	NONGPOH(M/W)	Meghalaya	Free hold	Nongpoh Hill-793102	2500 Sq.m.	No	DOT
13	SHELLA	Meghalaya	Free hold	Shella Satellite Compound	1395 Sq.m.		DOT
14	MENDIPATHAR (T.E.)	Meghalaya	Free hold	Mwendipathar village-794112	1454 Sq.m.	No	DOT
15	MAWMLUH (UHF)	Meghalaya	Free hold	Village Mawmluh Sohra	1600 Sq.m.	No	DOT
16	MAWSYNRAM (T.E.)	Meghalaya	Free hold	Mawsynram Donsiliang-793113	2500 Sq.m.	yes	DOT
17	KHARKUTTA(T.E.)	Meghalaya	Free hold	Kharkutta-783134	185.90 Sq.m.	No	DOT
18	MAWPAT	Meghalaya	Free hold	Mawpat,Shillong-793012	2500.00 Sq.m.	No	DOT
19	MAWKYRWAT(T.E.)	Meghalaya	Free hold	Mawten village Mawkyrwat-793114	2500 Sq.m.	yes	DOT
20	LADRYMBAI	Meghalaya	Free hold	Ladrymbai mookhep	1654 Sq.m.	yes	DOT
21	DAWKI (Satellite Compound)	Meghalaya	Free hold	DARRANG-DAWKI-793109	1591 Sq.m.	yes	DOT
22	PHULBARI	Meghalaya	Free hold	Rongsaigiri phulbari	1096 Sq.m.	yes	DOT
23	BANASHREE (UPPER)	Meghalaya	Free hold	Nongrim Nonthymmai	2902 Sq.m.	yes	DOT
24	NONGSTOIN(T.E.)	Meghalaya	Free hold	CAD Complex Nongstoin	2280 Sq.m.	No	DOT
25	BARAPANI,UMIA (T.E.)	Meghalaya	Lease hold	Part of plot no. 22 MESEB	683.6 Sq.m.	yes	DOT
26	NONGPOH(T.E.)	Meghalaya	Free hold	Nongpoh-793102	3872 Sq.m.	No	DOT



Sl. No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
27	DAINADUBI(T.E.)	Meghalaya	Free hold	Chimabangshi Reserve Forest-794110	3000 Sq.m.	No	DOT
28	JOWAI BAZAR	Meghalaya	Free hold	Jowai Bazar-793150	938 Sq.m.	No	DOT
29	JOWAI THADLABOH	Meghalaya	Free hold	Jowai Thadlaboh-793150	2080	No	DOT
30	GPO, SHILLONG	Meghalaya	Freehold	GPO,Shillong-793001	1316 Sq.m.	No	DOT
31	MAIRANG (T.E.)	Meghalaya	Free hold	Mairang-793120	2000 Sq.m	yes	DOT
32	SHKENTALANG (T.E.)	Meghalaya	Free hold	Shkentalang Elakaamwi-793150.	1200 Sq.m.	yes	DOT
33	NONGPOH BAZAR	Meghalaya	Free hold	Nongpoh Bazar-793102	276.6 Sq.m.	DOT	DOT
34	RALIANG (M/W)	Meghalaya	Free hold	Village Raliang -793150	700 Sq.m.	No	DOT
35	RIANGDOH(T.E.)	Meghalaya	Free hold	Mawthengkut Riangdoh	2400 Sq.m.	yes	DOT
36	AVANDALE COMP.	Meghalaya	Free hold	Avandale compound Barik	2775 Sq.m.	yes	DOT
37	CTO COMP.	Meghalaya	Free hold	Telecom Qtr. CTO, Shillong	5400 Sq.m.	No	DOT
38	FOREST COLONY	Meghalaya	Free hold	Mawpun,Shillong-793001	3741 Sq.m.	yes	DOT
39	LAIKTOR	Meghalaya	Free hold	Laitkor,Shillong-793010	2158 Sq.m.	No	DOT
40	TURA (ADMIN.)	Meghalaya	Free hold	TURA-794001	511 Sq.m.	No	DOT
41	TURA (S/Q.)	Meghalaya	Free hold	Tura-794001	639 Sq.m.	No	DOT
42	TURA(UHF)	Meghalaya	Free hold	Tura-794001	2700 Sq.m.	No	DOT
43	TURA(T.E.)	Meghalaya	Free hold	Tura-794001	1027 Sq.m.	No	DOT
44	UMKIANG(T.E.)	Meghalaya	Free hold	Village Umkiang-793200	1301 Sq.m.	No	DOT
45	MAWLAINGUT(T.E.)	Meghalaya	Free hold	Mawlaingutn village BPO, SOHIONG	1450.00 Sq.m.	yes	DOT
46	NONGSTOIN(M/W)	Meghalaya	Free hold	Nongstoin hill-793119	2500.00Sq.m.	No	DOT
47	BAJENGDOBA (T.E.)	Meghalaya	Free hold	VILL Bajengdo-794002	4014 Sq.m.	yes	DOT
48	OAKLAND	Meghalaya	Free hold	Oakland, Shillong-793001	16600 Sq.m.	No	DOT
49	R.N. COMP.	Meghalaya	Free hold	R.N. Compound	12510 Sq.m.	No	DOT
50	RYNJAH (UMPLING)	Meghalaya	Free hold	Umpling, Shillong-793006	28943 Sq.m.	No	DOT
51	LACHUMIE	Meghalaya	Free hold	Lachumiere, Shillong	625.00 Sq.m.	No	DOT
52	SONAPUR	Meghalaya	Free hold	Village Sonapur-793200	1171 Sq.m.	No	DOT
53	TUBER JOWAI(T.E.)	Meghalaya	Free hold	Tuber Jowai-793160	166 Sq.m.	No	DOT
54	LAIITRENGEW (T.E.)	Meghalaya	Lease hold	Laitrengew-793111	13011 Sq.m.	Yes	DOT
55	AMLAREM (T.E.)	Meghalaya	Lease hold	Plot -B,Civil subdivisional complex	900 Sq.m.	yes	DOT

Sl. No.	Location	SSA/Unit Where Located	Free hold/ Lease hold	Address of the Land	Measurement of the Free hold/ Lease hold lands not having Title/lease deeds	Whether Title deeds or lease deeds available or not	Remarks (Name to whom Title deeds or lease deeds available)
56	LUMDIENGIRI,GARIKHANA	Meghalaya	Lease hold	Lumdiengiri, Garikhana, Shiilong-793001	225.00Sq.m.	yes	DOT
57	AMPATI (T.E.)	Meghalaya	Lease hold	VII Ampati-794115	2025 Sq.m.		DOT
58	BARENGAPARA(T.E.)	Meghalaya	Lease hold	DAG No. A532&A593 AT 1st Dalugaon Under Mouza IX I-794103	249 Sq.m.	yes	P&T
59	BYNIHAT(T.E.)	Meghalaya	Lease hold	Byrnihat-793101	309 Sq.m.	No	DOT
60	LUMSHNONG (T.E.)	Meghalaya	Lease hold	Lumshnong-village	669.1 Sq.m.	No	DOT
61	RATACHERRA	Meghalaya	Lease hold	Village Ratacherra-793200	1301 Sq.m.	No	DOT
62	MAWKYNROH	Meghalaya	Lease hold	Mawkynroh-793022	1417 Sq.m.	No	DOT
63	TURA(DAKOPGRE)	Meghalaya	Lease hold	Plot No.39III, Tura-7894001	4014 Sq.m.	No	DOT
64	CHERRAPUNJEE	Meghalaya	Lease hold	Sohra-793108	1810 Sq.m.	No	DOT
65	DHARAPUR (NEW CTSD COMP.)	Meghalaya	Lease hold	Dharapur, Guwahati	31078.00Sq.m.	No	DOT
66	DHARAPUR (OLD CTSD COMP.)	Meghalaya	Lease hold	Dharapur, Guwahati	9088.00Sq.m.	No	DOT
67	KHUIEHRIA(T.E.)	Meghalaya	Lease hold	KHUIEHRIA793200 block	1200 Sq.m.	No	DOT
<b>B TRIPURA</b>							
1	BAGMA	Tripura	Free hold	Bagma-799119	1087 Sq.m.	yes	BSNL
2	GANDACHARRA-II	Tripura	Lease hold	Gandacharra-II-799289	343 Sq.m.	No	DOT
3	GONDACHERRA	Tripura	Lease hold	Gondacherra-799289	148 Sq.m.	No	DOT
4	HALAHALI	Tripura	Lease hold	Halalahali-799286	1509 Sq.m.	No	DOT
5	KALYANALPUR	Tripura	Lease hold	Kalyanpur-799203	2236 Sq.m.	yes	DOT
6	KAMALPUR	Tripura	Lease hold	Kamalpur-799285	915 Sq.m.	No	DOT
7	KAMALPUR-II	Tripura	Lease hold	Kamalpur-II-799285	4394 Sq.m.	No	DOT
8	SALEMA	Tripura	Lease hold	Salema-799278	1300 Sq.m.	No	DOT
9	SHIKARIBARI	Tripura	Lease hold	Shikaribari-799289	2861 Sq.m.	No	DOT
10	BIRASHI MILE	Tripura	Lease hold	Birasimile-799264	1338 Sq.m.	No	DOT
11	ABHIMONBARI	Tripura	Lease hold	Abhimohanbari-799289	1565 Sq.m.	No	DOT
12	CHAILENGTA	Tripura	Lease hold	Chailengta-799273	207 Sq.m.	No	DOT
13	CHURAIBARI	Tripura	Lease hold	Churaibari-799262	760 Sq.m.	No	DOT
14	DHARAMNAGAR-II	Tripura	Lease hold	Dharamnagar-II-799250	3729 Sq.m.	No	DOT
15	DHARAMNAGAR-I	Tripura	Lease hold	Dharamnagar-I-799250	741 Sq.m.	No	DOT
16	KADAMTALA	Tripura	Lease hold	Kadamlata-799261	770 Sq.m.	No	DOT





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17	KAILASHAHAR-I	Tripura	Lease hold	Kailashahar-I-799277	4672 Sq.m.	yes	DOT
18	KAILASHAHAR-II	Tripura	Lease hold	Kailashahar-II-799277	3712.00Sq.m.	No	P&T
19	TELIAMURA	Tripura	Lease hold	Teliamura-799205	2089 Sq.m.	No	DOT
20	KANCHANPUR	Tripura	Lease hold	Kanchanpur-799270	1454 Sq.m.	No	DOT
21	KATHALIA	Tripura	Lease hold	Kathalia-799132	139 Sq.m.	No	DOT
22	KUMARGHAT	Tripura	Lease hold	Kumarghat-799264	4758 Sq.m.	yes	DOT
23	MANUGHAT	Tripura	Lease hold	Manughat-799275	1233 Sq.m.	No	DOT
24	PANISAGAR	Tripura	Lease hold	Panisagar-799260	2401 Sq.m.	No	DOT
25	PACHARTHAL	Tripura	Lease hold	Pacharthal-799263	312 Sq.m.	No	BSNL
26	PHULDENSHAI	Tripura	Lease hold	Phuldenshai-799269	1338 Sq.m.	No	DOT
27	SARFONTILLA	Tripura	Lease hold	Sarfontilla-799263	2361 Sq.m.	No	DOT
28	VANGMUN	Tripura	Lease hold	Vangmun-799270	123 Sq.m.	No	DOT
29	AMARPUR	Tripura	Lease hold	Amarpur-799101	1586 Sq.m.	No	DOT
30	AMBASSA (DOLLUBARI)	Tripura	Lease hold	Ambassa-799289	1884 Sq.m.	No	DOT
31	BELONIA	Tripura	Lease hold	Belonia-799155	595 Sq.m.	No	DOT
32	CHATTAKHOLA	Tripura	Lease hold	Chattakhola-799155	1226 Sq.m.	No	DOT
33	HRISHYAMUKH	Tripura	Lease hold	Hrishyamukh-799156	1395 Sq.m.	No	BSNL
34	JATANBARI	Tripura	Lease hold	Jatanbari-799155	879 Sq.m.	No	DOT
35	KILLA	Tripura	Lease hold	Killa-799120	3729 Sq.m.	No	DOT
36	MAHARANI	Tripura	Lease hold	Maharani-799121	2170 Sq.m.	No	DOT
37	RADHANAGAR	Tripura	Lease hold	Radhanagar-799153	1780 Sq.m.	No	DOT
38	RANIBAZAR	Tripura	Lease hold	Ranibazar-799035	2091.85 Sq.m.	yes	DOT
39	R.K.PUR-I	Tripura	Lease hold	R.K.PUR-I-799120	4729 Sq.m.	yes	DOT
40	R.K.PUR-II	Tripura	Lease hold	R.K.PUR-II-799120	984 Sq.m.	No	DOT
41	RUPAICHARI	Tripura	Lease hold	Rupaichari-799145	1293 Sq.m.	No	DOT
42	SABROOM-I	Tripura	Lease hold	Sabroom-I-799145	1842 Sq.m.	No	DOT
43	SABROOM-II	Tripura	Lease hold	Sabroom-II-799145	1386 Sq.m.	No	DOT
44	SANTIBAZAR	Tripura	Lease hold	Santibazar-799144	2115 Sq.m.	No	DOT
45	A.D. NAGAR (SQRT.)	Tripura	Lease hold	ADNagar-799003	8339.00Sq.m.	No	P & T
46	KUNJABAN	Tripura	Lease hold	Kunjaban-799006	4254 Sq.m.	No	BSNL
47	LICHUBAGAN	Tripura	Leased	Lichubagan-799012	21681.00 Sq.m.	yes	DOT

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48	NORTH-GATE	Tripura	Lease hold	North-Gate-799001	4046.00 Sq.m.	No	DOT
49	BOXNAGAR	Tripura	Lease hold	Boxnagar-799106	2196 Sq.m.	No	DOT
50	JAMPUJALA	Tripura	Lease hold	Jampujala-799102	940.00 Sq.m.	No	DOT
51	KHANTYBARI	Tripura	Lease hold	Khantiybari-799205	1256.00 Sq.m.	No	DOT
52	KHOWAH	Tripura	Lease hold	Khowai-I-799201	1180 Sq.m.	No	DOT
53	KHOWAH-II	Tripura	Lease hold	Khowai-II-799202	1763.00 Sq.m.	No	DOT
54	MELARMATH	Tripura	Lease hold	Melarmath-799001	274 Sq.m.	No	DOT
55	SONAMURA	Tripura	Lease hold	Sonamura-799131	686 Sq.m.	No	DOT
56	DALUGAON	Tripura	Lease hold	Dalugaon-799280	1892 Sq.m.	yes	BSNL
57	KANCHANBARI	Tripura	Lease hold	Kanchanbari-799288	850 Sq.m.	YES	DOT
58	MATAI	Tripura	Lease hold	Matai-799159	1619 Sq.m.	yes	DOT
59	BARPATHARI	Tripura	Lease hold	Barpathari-799155	1619 Sq.m.	yes	DOT
60	BELONIA (NEW)	Tripura	Lease hold	Belonia(New)-799155	862 Sq.m.	No	DOT
61	JOLAIBARI	Tripura	Lease hold	Jolaibari-799141	1571.00 Sq.m.	No	DOT
62	KAKRABAN	Tripura	Lease hold	Kakraban-799105	1476 Sq.m.	yes	BSNL
63	MANUBAZAR	Tripura	Lease hold	Manubazar-799143	1035 Sq.m.	No	DOT
64	MIRZA	Tripura	Lease hold	Mirza-799120	1257.00 Sq.m.	yes	BSNL
65	SALGARAH	Tripura	Lease hold	Salgarah-799125	1591 Sq.m.	yes	BSNL
66	SILACHARI	Tripura	Lease hold	Silachari-799120	1360 Sq.m.	No	DOT
67	SRINAGAR	Tripura	Lease hold	Srinagar-799145	1288 Sq.m.	No	DOT
68	A.D. NAGAR (T.E.)	Tripura	Lease hold	AD Nagar-799003	7675 Sq.m.	No	DOT
69	CAPITAL COMPLEX	Tripura	Lease hold	Capital Complex-799012	4046 Sq.m.	No	DOT
70	KAMAN CHOWMUHANI	Tripura	Lease hold	Kaman Chowmuhani-799001	1775 Sq.m.	yes	BSNL
71	RAJNAGAR	Tripura	Lease hold	Rajnagar-799158	2118 Sq.m.	No	DOT
72	SINGER BILL (AIRPORT)	Tripura	Lease hold	Airport Singher Bill-799009	544 Sq.m.	yes	BSNL
73	BARKATHAL	Tripura	Lease hold	Barkathal-799211	1416 Sq.m.	yes	DOT
74	BIRENDRANAGAR(JIRANIA)	Tripura	Lease hold	Birendranagar(Jirania)	817 Sq.m.	yes	BSNL
75	BISHALGARH	Tripura	Lease hold	Bishalgarh-799102	1795 Sq.m.	yes	BSNL
76	BISHRAMGANJ	Tripura	Lease hold	Bishramganj-799103	1876 Sq.m.	yes	BSNL
77	FATIKCHARA (KAMALGHAT)	Tripura	Lease hold	Fatikchara (Kamalghat)	1290 Sq.m.	No	BSNL
78	GANDHIGRAM	Tripura	Lease hold	Gandhigram-799012	842 Sq.m.	Yes	BSNL



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79	INDRANAGAR(G B BAZAR)	Tripura	Lease hold	Indranagar (G B BAZAR)-799006	800.00 Sq.m.	yes	BSNL
80	KATLAMARA	Tripura	Lease hold	Katlampara-799211	1877 Sq.m.	No	BSNL
81	MELAGHAR	Tripura	Lease hold	Melaghar-799115	1138 Sq.m.	No	DOT
82	MOHANPUR	Tripura	Lease hold	Mohanpur-799211	1800 Sq.m.	yes	BSNL
83	BIRCHANDRAMANU	Tripura	Lease hold	Birchandramanu-799045	1271 Sq.m.	No	DOT

**C. MIZORAM**

1	SANGAU(BSNL)	Mizoram	Free hold	Sangau-	2640 Sq.m.	YES	BSNL
2	MAMPUI(BSNL)	Mizoram	Free hold	Mumoui-796891	720 Sq.m.	yes	BSNL
3	ZUANGTAI (STORE &S(QTR.) (BSNL)	Mizoram	Free hold	Zuangtui-796017	3380.44 Sq.m.	yes	BSNL
4	AIZAWL(BSNL) (ADMN.)	Mizoram	Free hold	Khatla-796001	800.1 Sq.m.	yes	BSNL
5	REIEK(T.E.) (BSNL)	Mizoram	Free hold	Reiek-796501	1512 Sq.m.	yes	BSNL
6	BAIRABI(BSNL)	Mizoram	Free hold	Bairabi-796081	1485.55 Sq.m.	yes	BSNL
7	BUNGLANG (GSM /BTS) (BSNL)	Mizoram	Free hold	Bunglang	875 Sq.m.	yes	BSNL
8	DILTILANG(T.E.)(BSNL)	Mizoram	Free hold	Diltlang-796891	1347.5 Sq.m.	yes	BSNL
9	ZERO POINT-I (GSM BTS)(BSNL)	Mizoram	Free hold	Zero point-796901	712.8	yes	BSNL
10	BUALPUI NG(T.E.)	Mizoram	Free hold	Builpui ng-	1540 Sq.m.	No	DOT
11	MELBUK (BSNL)	Mizoram	Free hold	Melbuk-	2000 Sq.m.	yes	BSNL
12	BUARPUI-WEST(T.E.) (BSNL)	Mizoram	Free hold	Buarpu-796441	1236.13 Sq.m.	yes	BSNL
13	DARLAWN(T.E.) (BSNL)	Mizoram	Free hold	BDO TLANG-796111	2906 Sq.m.	yes	BSNL
14	LUANGMUAL (T.E.)	Mizoram	Free hold	Luangmual-796001	11124 Sq.m.	yes	DOT
15	SAIHA-I	Mizoram (M/W/)(BSNL)	Free hold	New colony-796901	992.25 Sq.m.	yes	BSNL
16	SAIHA-II (T.E.)(BSNL)	Mizoram	Free hold	Pukzing-796431	4034 Sq.m.	yes	BSNL
17	SERCHHIP-II-(New comp.)(BSNL)	Mizoram	Free hold	Serchhip Entlang	9716 Sq.m.	yes	BSNL
18	SAIRANG (T.E./UHF) (BSNL)	Mizoram	Free hold	Sairang-796410	2710.87 Sq.m.	yes	BSNL
19	KAMALNAGAR-II-(T.E.)(BSNL)	Mizoram	Free hold	Kamalnagar-II-796770	204 Sq.m.	yes	BSNL
20	ZAWINUAM(T.E.)(BSNL)	Mizoram	Lease hold	Vengpui-796471	1798.75 Sq.m.	yes	BSNL
21	CHAMPAI (SATELLITE)	Mizoram	Lease hold	Champai-796321	4052.37 Sq.m.	yes	BSNL
22	LUNGLEI (M/W) (BSNL)	Mizoram	Lease hold	Ramzotlang-796701	2500 Sq.m.	yes	BSNL

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23	THINGFAL (MW) (BSNL)	Mizoram	Lease hold	Thingfal-796701	2767.04 Sq.m.	yes	BSNL
24	SERCHHIP (MW) (BSNL)	Mizoram	Lease hold	Serchhip Entlang-796181	2019.62 Sq.m.	yes	BSNL
25	BUALPUI'N (MW)	Mizoram	Lease hold	Builpui N-796070	1600 Sq.m.	yes	BSNL
26	THINGSULTHIAH (T.E.)	Mizoram	Lease hold	Thingsulthiah-796161	1775.2 Sq.m.	yes	BSNL
27	CHAMPAL (T.E.)	Mizoram	Lease hold	Vengsang-796321	5382.87 Sq.m.	yes	BSNL
28	LUNGLEI (S/Qt.Complex)	Mizoram	Lease hold	Bazar veng-796701	464.12 Sq.m.	yes	BSNL
29	DURLANG	Mizoram (T.E.) (BSNL)	Lease hold	Vengthar-796014	2140.87 Sq.m.	yes	BSNL
30	CHAMPAL (GSM-BTSCOMPLEX)	Mizoram	Lease hold	Vengsang-i-796321	302.02 Sq.m.	yes	BSNL
31	VAIRENGTE (CUW COMPLEX)	Mizoram	Lease hold	Chhimveng-796101	663 Sq.m.	yes	BSNL
32	PUKZING (BTS)	Mizoram	Lease hold	Pukzing-796431	639.36 Sq.m.	yes	BSNL
33	HAULAWNG (T.E.)	Mizoram	Lease hold	Lalveng-796691	1595.86 Sq.m.	yes	BSNL
34	THUAMPUI (T.E./ST. QRT..)	Mizoram	Lease hold	Thuampui-796017	314.00Sq.m.	yes	DOT
35	VAIRENGTE (MW)	Mizoram	Lease hold	Vairengte-796101	1759.54 Sq.m.	yes	BSNL
36	VAIRENGTE (S/QTR. )	Mizoram	Lease hold	Vairengte-796101	412.09 Sq.m.	yes	BSNL
37	SAITUAL(T.E.) (BSNL)	Mizoram	Lease hold	Saitual-796261	714.45 Sq.m.	yes	BSNL
38	KAWLIKULH (T.E.COMPLEX) (BSNL)	Mizoram	Lease hold	Kawlikulh-796310	542.21 Sq.m.	yes	BSNL
39	AIZAWL (ELECTRONIC COMPLEX) (BSNL)	Mizoram	Lease hold	Khatla-796001	762.82 Sq.m.	yes	BSNL
40	BAITE(T.E.)	Mizoram	Lease hold	Biate-796370	2069 Sq.m.	yes	BSNL
41	MUALTHUM'N(T.E.) (BSNL)	Mizoram	Lease hold	Mualthuam-N-796701	1136 Sq.m.	yes	BSNL
42	ZOBAWK(T.E.) (BSNL)	Mizoram	Lease hold	Zobawk-	667.5 Sq.m.	yes	BSNL
43	BUNGTLANG (WLL/ BTS)	Mizoram	Lease hold	Bungtlan-S-796181	1062.41 Sq.m.	yes	BSNL
44	CHHINGCHHIP (T.E.) (BSNL)	Mizoram	Lease hold	Chhingchhip-796181	789.39 Sq.m.	yes	BSNL
45	AIZAWL (MW)	Mizoram	Lease hold	M.C. Hill	1610 Sq.m.	No	DOT
46	TLUNGVEL(T.E.) (BSNL)	Mizoram	Lease hold	Vengthar-796161	1071.09 Sq.m.	yes	BSNL
47	KHAWZAWL (T.E.) (BSNL)	Mizoram	Lease hold	Zaingen-796310	1328.42 Sq.m.	yes	BSNL
48	KAWNPUJ(BSNL)	Mizoram	Lease hold	Venglai-796070	945.77 Sq.m.	yes	BSNL
49	THINGDAWL (BSNL)	Mizoram	Lease hold	Vengthar-796081	1729.74 Sq.m.	yes	BSNL
50	TUIPANG(BSNL)	Mizoram	Lease hold	Tuipang-	1120 Sq.m.	yes	BSNL
51	NGOPAT(T.E.) (BSNL)	Mizoram	Lease hold	Ngopa-796290	1638.55 Sq.m.	yes	BSNL



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52	LUNGLEI (STORE COMPLEX) (BSNL)	Mizoram	Lease hold	Lunglei-796701	600 Sq.m.	yes	BSNL
53	AIZAWL (VENGLHUI) (S/QRT.)	Mizoram	Lease hold	Venghloi-796001	223.48 Sq.m.	yes	BSNL
54	HNAHTHIAL (T.E.) (BSNL)	Mizoram	Lease hold	Tarphoveng-796701	689.55Sq.m.	yes	BSNL
55	LUNGLEI(T.E.)	Mizoram	Lease hold	Venglai-796701	802.38 Sq.m.	yes	BSNL
56	EAST-LUNGDAAR (BSNL)	Mizoram	Lease hold	Salem veng-796370	1548.75 Sq.m.	yes	BSNL
57	LUNGDAI(T.E.)	Mizoram	Lease hold	Venglai-796014	797.53 Sq.m.	yes	BSNL
58	SIHPHIR(T.E.)	Mizoram	Lease hold	Sihphir-796014	489 Sq.m.	yes	BSNL
59	LUNGSEN(BSNL)	Mizoram	Lease hold	Hmarveng-796701	1098.11 Sq.m.	yes	BSNL
60	KHAWBUNG-S(T.E.)	Mizoram	Lease hold	Khawbung-S-796320	1008.37 Sq.m.	yes	BSNL
61	BILKHAWTHUR (T.E.) (BSNL)	Mizoram	Lease hold	Kualmawi-796091	1380.37 Sq.m.	yes	BSNL
62	TLABUNG(BSNL)	Mizoram	Lease hold	Zodinveng-796751	2217.3 Sq.m.	yes	BSNL
63	AIBAWKT(E.) (BSNL)	Mizoram	Lease hold	Hermonveng-796190	923.27 Sq.m.	yes	BSNL
64	RAWPUICHHIP (T.E.) (BSNL)	Mizoram	Lease hold	Rawpuichhip-796441	120.32 Sq.m.	yes	BSNL
65	WEST- PHAILENG(BSNL)	Mizoram	Lease hold	Vengchung-796431	2896.82 Sq.m.	yes	BSNL
66	LAWNGTLAH(T.E.)	Mizoram	Lease hold	Vengpui-796891	1002 Sq.m.	yes	BSNL
67	MAMIT(BSNL)	Mizoram	Lease hold	Lungsirveng-796441	1142.37 Sq.m.	yes	BSNL
68	AIZAW (SATELLITE)	Mizoram	Lease hold	Khatla-796001	5132 Sq.m.	No	DOT
69	BUALPUH-KAWNPUI(T.E.) (BSNL)	Mizoram	Lease hold	Builpui-Kawnpui-796070	1148 Sq.m.	yes	BSNL
70	BUKPUI (T.E.) (BSNL)	Mizoram	Lease hold	Bukpui-796081	3208.12 Sq.m.	yes	BSNL
71	KOLASIB (GSM/BTS)	Mizoram	Lease hold	Kolasib-	400 Sq.m.	No	DOT
72	CHAWNGTE (T.E.)	Mizoram	Lease hold	Chawngte-	2640 Sq.m.	No	DOT
73	CHHIATLANG (T.E.)	Mizoram	Lease hold	Chhiatlang-796181	2410 Sq.m.	yes	BSNL
74	BUNGHMUNW (T.E.)	Mizoram	Lease hold	Bunghmunw-796701	839.43 Sq.m.	yes	BSNL
75	HLIAPPU(T.E.)	Mizoram	Lease hold	Hliappui-	2772.39 Sq.m.	yes	DOT
76	KAWKULH-2	Mizoram	Lease hold	Kawkulh-2	3377.45 Sq.m.	No	DOT
77	HLIAPPU (WLL)	Mizoram	Lease hold	BTS-796321	839.43 Sq.m.	yes	BSNL
78	KAWRTHAH	Mizoram	Lease hold	Kawrthah-796441	661.5 Sq.m.	yes	BSNL
79	BAKTAWNG (MOBILE BTS)	Mizoram	Lease hold	Baktawng-796181	1391.3 Sq.m.	yes	BSNL
81	KOLASIB(T.E.)	Mizoram	Lease hold	Project	2646 Sq.m.	No	DOT
82	LAITE(T.E.)	Mizoram	Lease hold	Laite-796570	400 Sq.m.	No	DOT

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83	LAWNGTLAI	Mizoram	Lease hold	Karkawn-796891	1893.98 Sq.m.	No	BSNL
84	AIZAWL (ZONUAM) (S/QRT)	Mizoram	Lease hold	Zonuam-796001	599.68 Sq.m.	yes	P & T
85	LUNGLEI (S/QTR. PASTAL BIFRACTED)	Mizoram	Lease hold	Venglai-796701	692.64 Sq.m.	yes	BSNL
86	PHULLEN(T.E.)	Mizoram	Lease hold	Phullen-796261	574.43 Sq.m.	yes	BSNL
87	LENGPUI(T.E.)	Mizoram	Lease hold	Lengpui-796410	1032 Sq.m.	No	DOT
88	SAILSUK(BSNL)	Mizoram	Lease hold	Sailsuk-769190	574.75 Sq.m.	yes	BSNL
89	THENZAWL	Mizoram (BSNL)	Lease hold	Fieldveng-796186	1052.94 Sq.m.	yes	BSNL
90	NORTH-VANLAIPHA(T.E.)	Mizoram	Lease hold	North-Vanlaiphai-796180	620.4 Sq.m.	No	BSNL
91	PAITHER (GSM BTS)	Mizoram	Lease hold	Paither-	600 Sq.m.	No	BSNL
92	PANGZAWL	Mizoram	Lease hold	Pangzawl-796501	1495.52 Sq.m.	No	BSNL
93	SIATLAI(T.E.)	Mizoram	Lease hold	Siatlai	600 Sq.m.	No	BSNL
94	THERIAT(BTS)	Mizoram	Lease hold	Theriat	400 Sq.m.	No	BSNL
95	TUIPUIS(BTS)	Mizoram	Lease hold	Tuipui-s-796700	400 Sq.m.	No	BSNL
96	Uttar Devendra Chandra Nagar	Tripura	Lease hold	Taranagar- 799211	809.37 Sq.m	No	BSNL
97	Uttar Padmabil	Tripura	Lease hold	Khowai- 799201	404.68 Sq.m	No	BSNL

## 1026-NE II

## LAND ASSET AT NAGALAND SSA

Sl. No.	Name of SSAs	Assesst Code	Assets Location	Land in the name of BSNL/ DoT	Remarks
1	Nagaland	990100081	Nagarjan AR	DoT	
2	Nagaland	990100082	Chikitong	DoT	
3	Nagaland	990100083	Jaluki	DoT	
4	Nagaland	990100084	Niuland	BSNL	MUTATED
5	Nagaland	990100085	Sataka	DoT	
6	Nagaland	990100086	Sanis	DoT	
7	Nagaland	990100087	Aboi	DoT	
8	Nagaland	990100088	Tizit	DoT	



Sl. No.	Name of SSAs	Assest Code	Assets Location	Land in the name of BSNL/ DoT	Remarks
9	Nagaland	990100089	Kuhoboto	BSNLMUTATED	
10	Nagaland	990100090	Longkhim	DoT	
11	Nagaland	990100091	Aghunoto	DoT	
12	Nagaland	990100092	Dhansiripar	BSNL	MUTATED
13	Nagaland	990100093	Tobu	DoT	
14	Nagaland	990100094	Tenning	DoT	
15	Nagaland	990100095	Impur	DoT	
16	Nagaland	990100096	Pfutzero	DoT	
17	Nagaland	990100097	Noklak	DoT	
18	Nagaland	990100098	Longleng	DoT	
19	Nagaland	990100099	Phugoboto	DoT	
20	Nagaland	990100100	Chazuba	DoT	
21	Nagaland	990100101	Sanis	DoT	
22	Nagaland	990100102	Tseminyü	BSNL	MUTATED
23	Nagaland	990100103	Sechuzubzha	BSNL	MUTATED
24	Nagaland	990100104	Nagnimora	DoT	
25	Nagaland	990100105	Mongkolemba	DoT	
26	Nagaland	990100106	Chizami	DoT	
27	Nagaland	990100107	Viswema	BSNL	MUTATED
28	Nagaland	990100108	Khonoma	BSNL	MUTATED
29	Nagaland	990100109	Chakabama	BSNL	MUTATED
30	Nagaland	990100110	Chiphobozou	BSNL	MUTATED
31	Nagaland	990100111	Tuensang	DoT	
32	Nagaland	990100112	Chare	DoT	
33	Nagaland	990100113	Kohima(High School)	BSNL	MUTATED
34	Nagaland	990100114	Mokokchung	DoT	
35	Nagaland	990100115	TuliTown	DoT	
36	Nagaland	990100116	Dimepur Pura Bazar	BSNL	MUTATED
37	Nagaland	990100117	Suru Hoto	DoT	
38	Nagaland	990100118	D i m a p u r Walford	BSNL	MUTATED

Sl. No.	Name of SSAs	Assest Code	Assets Location	Land in the name of BSNL/ DoT	Remarks
39	Nagaland	990100119	Pephema	BSNL	MUTATED
40	Nagaland	990100120	Zunheboto	DoT	
41	Nagaland	990100121	Signal Bosti	DoT	
42	Nagaland	990100122	Dimapur (PRX)	DoT	
43	Nagaland	990100123	Wakching	DoT	
44	Nagaland	990100124	Kohima	BSNL	MUTATED
45	Nagaland	991600000	Changtongya	DoT	
46	Nagaland	991600001	Chumukedima	BSNL	MUTATED
47	Nagaland	991600002	Kohima TE	BSNL	MUTATED
48	Nagaland	991600003	Wokha	DoT	

“Annexure II to the Independent Auditor’s Report of even date to the members of Bharat Sanchar Nigam Limited on the Consolidated Ind AS financial Statements for the year ended 31 March 2018”

APPENDIX B

1027-Odisha

	License Fees & USO Levy (Rs.)	Spectrum Usage Charges	Total
Paid / Adjusted	35,68,66,211.00	22,51,64,510.00	58,20,30,721.00
Booked to Expenses	39,27,11,081.91	17,75,07,693.82	57,02,18,775.73
Excess / (Short) paid	(3,58,44,870.92)	4,76,56,816.17	1,18,11,939.25

1026-NE II

Sl. No.	Particulars	License Fee	Figure in Rupees	
			USO Levy	Spectrum Charges
<b>CONSOLIDATED LICENSE FEE &amp; SPECTRUM CHARGES FOR THE YEAR- 2017-18</b>				
1	BASIC	3,236,000	5,393,334	33,641
2	CMTS	14,181,168	23,635,280	37,298,817
3	NLD	8,009,944	13,349,906	-
4	ILD	574,549	957,581	-
5	V-SAT	-	-	-





Sl. No.	Particulars	License Fee	Figure in Rupees	
			USO Levy	Spectrum Charges
6	INTERNET	6,086	10,144	-
7	WIMAX	-	-	1,678
	<b>Grand Total</b>	<b>26,007,747</b>	<b>43,346,245</b>	<b>37,334,136</b>

**Annexure-2**

Figure in Rupees

SUMMARY FOR CALCULATION OF LICENSE FEE & SPECTRUM CHARGES ON REVENUES FOR THE YEAR 2017-18 (CMTS)										
Sl No	Details	MSR	NLD	ILD	SPECTRUM CHGS(3G + 2G)	SPECTRUM CHGS(CDMA)	SPECTRUM CHGS(DATA)			
1	Gross Revenue	472,705,681	149,984,014	8,464,109	471,287,083	1,418,523	84,776,517			
	Less: Deduction Claimed	75								
2	Net Revenue(AGR)	472,705,606	149,984,014	8,464,109	471,287,083	1,418,523	84,776,517			
	License Fee	14,181,168	4,499,520	253,923	-	-	-			
	USO Levy	23,635,280	7,499,201	423,205	-	-	-			
3	Spectrum Charges	-	-	-	31,576,235	42,556	5,680,027			
	<b>Total License Fee &amp; Spec Charges</b>	<b>37,816,448</b>	<b>11,998,721</b>	<b>677,129</b>	<b>31,576,235</b>	<b>42,556</b>	<b>5,680,027</b>			

**Annexure-2**

Figure in Rupees

SUMMARY FOR CALCULATION OF LICENSE FEE & SPECTRUM CHARGES ON REVENUES FOR THE YEAR 2017-18 (BASIC)										
Sl No	Details	BSR	NLD	ILD	V-SAT	INTERNET	SPECTRUM CHGS (DSPT)	SPECTRUM CHGS (WIMAX)		
1	Gross Revenue	107,866,675	117,014,109	10,687,509	-	226,626,613	841,030	167,768		
	Less: Deduction (Pure Internet Service)	-	-	-	-	226,423,741	-	-		
2	Net Revenue (AGR)	107,866,675	117,014,109	10,687,509	-	202,872	841,030	167,768		
	License Fee	3,236,000	3,510,423	320,625	-	6,086	-	-		
	USO Levy	5,393,334	5,850,705	534,375	-	10,144	-	-		
3	Spectrum Charges	-	-	-	-	-	33,641	1,678		
	<b>Total License Fee &amp; Spec Charges</b>	<b>8,629,334</b>	<b>9,361,129</b>	<b>855,001</b>	<b>-</b>	<b>16,230</b>	<b>33,641</b>	<b>1,678</b>		

**Kolkata Telephones**

License fees payable to DOT are stated to have been recognised by the Circle in terms of the License Agreement between the Company and DOT as amended as per the instructions issued by the Corporate Office from time to time regarding the matter. However, we have not verified the said agreement, since we were informed that no copy of the same is available in the Circle Office.

b) The Circle does not have the system of identifying actual usage of NLO and ILO calls. As such, license fees payable to DOT on the revenue arising out of such services have been accounted for at predetermined rates as stated in paragraph no.9. ~ of Note-38 to the financial statement.

Accordingly, the cumulative effects of the above matters could not be ascertained on the Loss of the Circle for the year.

**Rajasthan circle**

Revenues in respect of interest income from private telecom operators for delayed payment of various charges are accounted for on cash basis as per accounting' policy of the company and hence are not considered on accrual basis for the purpose of calculation of License fees payable

The exchange-wise reconciliation of outgoing metered calls and billed calls have not been done in most of the units of the circle .Consequently the completeness of the bills raised vis- a- vis metered calls is not verifiable.

Income relating to Post paid subscribers, CDMA services, Basic services, IUC, Broadband/ internet and Circuits have been taken on the basis of sub ledger/ reports generated through centralized software at Chandigarh. We have not verified the completeness and correctness of the income booked on the basis of above sub ledgers/ reports and has relied on these sub ledgers/ reports for the purpose of verification for the abovd revenue. Any consequential impact of the same of the license fees and spectrum charges cannot be commented upon

No billings are made for reciprocal services provided between BSNL, MTNL, DOP and DOT. Hence the same could not be included in Revenue for the purpose of calculation of License fees payable.

As explained to us, interest on outstanding Balances of DOT is not accounted for on accrual basis and hence the same could not be included in Revenue for the purpose of calculaaiion of License fees payable.

**NCNGN Circle**

We observed that Advice Transfer debit (ATD) amounting to Rs.37.68 crore and Advice Transfer Credit aounting to Rs.1.26 lakhs were raised to different circles which were unresponded. The impact of the same on AGR couldnot be ascertained.

**MP Circle**

Interest received on security deposits from MEMKVV company limited is set off directly from bills thus interest amount cannot be ascertained. Since the interest income is not ascertainable and recognized separately the liability of license fee is understated to that extent.



**BSNL CHTD ANNEXURE II B**

GL CODE	DETAILS	AMOUNT
5022008	Bad Debts Written Off (Other than services)	32,257.45
5022009	Bad Debts Written Off Services	49,570,285.37
5022010	Service tax for post paid but not collected	3,090,363.59
5022013	SBC paid for post paid but not collected	11,054.21
5022015	KKC paid for post paid but not collected	3,310.50
5022016	GST paid but not collected hence W/off	2,665.49
<b>Total</b>		<b>52,709,936.61</b>

Sl. No.	Billing ID	Customer Name	Bill Date	ABF
1	10801043	I C NET	27/05/1996	67062
2	10300035	APPOLLO TUBES	02/06/1997	77333
3	10100870	S.K.RANGANATHAN & CO	10/04/2000	13319
4	10600450	DISHNET WIRELESS	01/06/2000	64090
5	10402723	MRS M.S.SHARANYA	01/06/2000	2208
6	10810473	LARSEN & TOUBRO LTD	30/05/2001	7254
7	10802021	G. TIBARAWALA & CO,	30/05/2001	909
8	10801233	ZENECA ICI AGRO CHEMICALS LTD	25/07/2001	1929
9	10801233	ZENECA ICI AGRO CHEMICALS LTD	25/09/2001	4310
10	10600315	NISSHO IWAI CORPORATION	28/11/2003	2981
11	10103849	HAYSTACK SOFTWARE SYSTEMS INDIA (P) LTD.,	11/03/2004	38129
12	10202072	PACE AUTOMATION LIMITED	11/03/2004	35100
13	10103747	PERTINENT CYBER SOLUTIONS (P) LTD.,	11/03/2004	13426
14	10103340	HCL TECHNOLOGIES LTD.,	11/03/2004	13137
15	10103699	PRADEEP COMMUNICATIONS	11/03/2004	10998
16	10101462	EQUIFAX VENTURE LTD	11/03/2004	10741
17	10103147	ANTARIX E APPLICATIONS LTD	11/03/2004	9885
18	10402860	HCL PERIPHERALS	11/03/2004	8856
19	10103508	TODI TELECOM	11/03/2004	6375
20	10103191	MIND SPRING INFOTECH PVT LTD	11/03/2004	5852
21	10801218	EQUIFAX VENTURE INFOTEX LTD	25/03/2004	13303
22	10104281	M/S. SRI SATHYA SAI INFOTECH PVT. LTD.,	01/04/2004	1648
23	10103894	G.SURESH BABU	15/04/2004	1847
24	10103894	G.SURESH BABU	01/05/2004	6477
25	10103951	PRODAPT SOLUTIONS PVT. LTD.,	11/06/2004	64840
26	10103524	ICICI INFOTECH SERVICES LTD.,	04/10/2004	297901
27	10600315	NISSHO IWAI CORPORATION	25/11/2004	684
28	10103750	M/S. DATA ACCESS (INDIA) LIMITED	01/03/2005	29379
29	10102944	SERVION GLOBAL SOLUTIONS LTD	01/03/2005	23123
30	10104722	VECTONE (I) LTD	01/03/2005	22017
31	10103343	L.G.ELECTRONICS INDIA LTD.,	01/03/2005	21989

Sl. No.	Billing ID	Customer Name	Bill Date	ABF
32	10103951	PRODAPT SOLUTIONS PVT. LTD.,	01/03/2005	19199
33	10104971	SECOVA ESERVICES LTD	01/03/2005	18752
34	10102979	GE COUNTRY CONSUMER	01/03/2005	15589
35	10103885	BETHAL NETWORKLD,	01/03/2005	11979
36	10103398	DR. M.G.R. ENGG. COLLEGE	01/03/2005	11387
37	10103699	PRADEEP COMMUNICATIONS	01/03/2005	10779
38	10402860	HCL PERIPHERALS	01/03/2005	10689
39	10104024	REUTERS (I) PVT. LTD.,	01/03/2005	10333
40	10102180	SUTHERLAND TECHNOLOGIES INDIA P LTD	01/03/2005	9858
41	10103196	BHARAT EARTH MOVERS LTD	01/03/2005	9525
42	10104584	ATLAS LOGISTICS PVT LTD	01/03/2005	9397
43	10102943	EASWARI ENGINEERING COLLEGE	01/03/2005	8722
44	10101462	EQUIFAX VENTURE LTD	01/03/2005	7043
45	10104911	ALTOSYS SOFTWARE TECHNOLOGIES LTD	01/03/2005	6509
46	10103894	G.SURESH BABU	01/03/2005	6348
47	10103508	TODI TELECOM	01/03/2005	6248
48	10104626	K.SATISH	01/03/2005	6173
49	10103849	HAYSTACK SOFTWARE SYSTEMS INDIA (P) LTD.,	01/03/2005	5049
50	10104364	GLOBAL CONNECT,	01/03/2005	3785
51	10104333	NEXT DIMENSIONS,	01/03/2005	1715
52	10104463	WARTSILA INDIA LTD	01/03/2005	1388
53	10103524	ICICI INFOTECH SERVICES LTD.,	04/03/2005	11457
54	10104131	INNOVATIVE MARKETING	08/03/2005	24175
55	10103345	CHOLAMANDALAM DBS FINANCE LTD	08/03/2005	21325
56	10103747	PERTINENT CYBER SOLUTIONS (P) LTD.,	08/03/2005	13158
57	10108568	MEDOPHARM	02/05/2005	19657
58	10108570	GGG INFORMATION SERVICES INDIA PVT LTD	02/05/2005	16237
59	10108566	EXPERTUS INFOTECH PVT LTD	02/05/2005	13453
60	10108401	M/S. BIJA TECHNOLOGIES P LTD	02/05/2005	7629
61	10104984	KONE ELEVATORS INDIA PVT LTD	07/06/2005	24393
62	10108393	TATA CONSULTANCY SERVICES	01/07/2005	25667
63	10202566	M/S. DATA ACCESS (I) LTD.,	01/07/2005	20893
64	10104872	AFL PRIVATE LTD	01/07/2005	19684
65	10104856	MEDIPRO MANAGEMENT SERVICE	01/07/2005	15946
66	10108949	INSTITUTE FOR DEVELOPMENT & RESEARCH IN BANKING T	01/07/2005	15689
67	10104851	SUNDARAM ASSET MANAGEMENT LTD	01/07/2005	10113
68	10104976	FINANCIAL SOFT WARE K SYSTEMS PVT LTD	18/07/2005	13301
69	10108343	MEGASOFT LIMITED	18/07/2005	11050
70	10101802	ROXER COM [P] LTD	01/09/2005	6742
71	10101906	INDIAN HOTELS LTD	01/09/2005	4033



Sl. No.	Billing ID	Customer Name	Bill Date	ABF
72	10108109	TATA CONSULTANCY SERVICES LTD	07/11/2005	6647
73	10104928	M.MAHALINGAM	07/11/2005	5279
74	10108275	HCL TECHNOLOGIES LTD	07/11/2005	4485
75	10108092	SUNDARAM FASTENERS LIMITED	14/11/2005	12966
76	10801266	INDIA SWITCH COMPANY [P] LTD	25/11/2005	14642
77	10104991	GMAC FINALCAL SERVICE INDIA LTD	01/12/2005	9074
78	10101802	ROXER COM [P] LTD	01/12/2005	6742
79	10102754	L.G INFOSOFT	01/12/2005	4420
80	10101906	INDIAN HOTELS LTD	01/12/2005	4033
81	10108116	GREAT LAKES INSTITUTE OF MANAGEMENT LTD	02/12/2005	6211
82	10108135	S.MALATHI	02/12/2005	4019
83	10103838	CONTAINER CORPORATION OF INDIA LTD.,	05/01/2006	2262
84	10108360	SKYWAY-THE DISHNET HUB	01/02/2006	15632
85	10103334	OLAM EXPORTS INDIA LTD	07/02/2006	1565
86	10104996	TAMIL NADU AIR TRAVELS PVT LTD	07/02/2006	1285
87	10108566	EXPERTUS INFOTECH PVT LTD	04/03/2006	8328
88	10108568	MEDOPHARM	04/03/2006	8328
89	10108360	SKYWAY-THE DISHNET HUB	04/03/2006	8328
90	10104430	STRINGINFO KNOWLEDGE SERVICES PVT LTD	04/03/2006	8328
91	10102123	THOMAS COOK [I] PVT LTD	04/03/2006	8328
92	10104131	INNOVATIVE MARKETING	04/03/2006	6627
93	10104474	BLUESHIFT INDIA PVT LTD	04/03/2006	4164
94	10104991	GMAC FINALCAL SERVICE INDIA LTD	04/03/2006	4164
95	10108116	GREAT LAKES INSTITUTE OF MANAGEMENT LTD	04/03/2006	4164
96	10103949	KVP SOFTWARE (P) LTD.,	04/03/2006	4164
97	10103753	SUN MICROSYSTEMS INDIA PVT. LTD.,	04/03/2006	4164
98	10103130	CRAZY PLANET	04/03/2006	862
99	10103712	GATI LIMITED	07/03/2006	35227
100	10104399	INTUITIVE OBJECTS SOFTWARE PVT., LTD.,	07/03/2006	34847
101	10108116	GREAT LAKES INSTITUTE OF MANAGEMENT LTD	07/03/2006	33232
102	10108568	MEDOPHARM	07/03/2006	31924
103	10104430	STRINGINFO KNOWLEDGE SERVICES PVT LTD	07/03/2006	28960
104	10108360	SKYWAY-THE DISHNET HUB	07/03/2006	27479
105	10102123	THOMAS COOK [I] PVT LTD	07/03/2006	27479
106	10102123	THOMAS COOK [I] PVT LTD	07/03/2006	27479
107	10103291	TATA ACOMMUNICATIONS INTERNET SERVICES LTD.,	07/03/2006	27387
108	10103291	TATA INTERNET SERVICES LTD.,	07/03/2006	27387
109	10104991	GMAC FINALCAL SERVICE INDIA LTD	07/03/2006	25905
110	10104905	MEGASOFT LTD	07/03/2006	24423
111	10104181	SMALL INDUSTRIES SERVICE INSTITUTE,	07/03/2006	23859

Sl. No.	Billing ID	Customer Name	Bill Date	ABF
112	10103983	COGNIZANT TECHNOLOGY SOLUTIONS INDIA PVT LTD	07/03/2006	22942
113	10108012	LARSEN & TOUBRO LTD	07/03/2006	22942
114	10108153	MEDICAL RESEARCH FOUNDATION.,	07/03/2006	22942
115	10104976	FINANCIAL SOFT WARE K SYSTEMS PVT LTD	07/03/2006	22686
116	10101234	SIP TECHNOLOGIES AND EXPORTS LTD	07/03/2006	22686
117	10108142	BHARATI CELLULAR LIMITED	07/03/2006	20819
118	10104928	M.MAHALINGAM	07/03/2006	20226
119	10104427	SAI COMMUNICATIONS	07/03/2006	19978
120	10103189	TATA ACOMMUNI8CATIONS INTERNET SERVICES LTD.,	07/03/2006	19978
121	10102410	INDIAN SHAVING PRODUCTS LTD	07/03/2006	19964
122	10104570	S. MOHAMAED RAMEES	07/03/2006	19964
123	10104240	MR. M.A. MOHAMMED AFSAR	07/03/2006	18603
124	10104178	MR. A. SEKAR,	07/03/2006	17328
125	10102409	INDIAN SHAVING PRODUCTS LTD	07/03/2006	17241
126	10103885	BETHAL NETWORKD,	07/03/2006	16083
127	10102032	BANYAN NETWORK PVT LTD	07/03/2006	15880
128	10103838	CONTAINER CORPORATION OF INDIA LTD.,	07/03/2006	15880
129	10103984	ITC LIMITED	07/03/2006	15880
130	10104595	S.SAMUEL RAJ	07/03/2006	14519
131	10104123	UNIWORLD LOGISTICS (P) LTD.,	07/03/2006	14398
132	10108397	MARUTI UDYOG LIMITED	07/03/2006	13158
133	10103747	PERTINENT CYBER SOLUTIONS (P) LTD.,	07/03/2006	13158
134	10101429	NET ACCESS INDIA PVT LTD	07/03/2006	11797
135	10402860	HCL PERIPHERALS	07/03/2006	9736
136	10402860	HCL PERIPHERALS	07/03/2006	9736
137	10103157	AMBAL TECHNOLOGIES (P) LTD	07/03/2006	7726
138	10103193	OLAM EXPORT 9INDIA) LTD	07/03/2006	7009
139	10104626	K.SATISH	07/03/2006	6173
140	10104559	DECCAN AVIATION (P) LTD	07/03/2006	6016
141	10104463	WARTSILA INDIA LTD	07/03/2006	4927
142	10102264	AIR INDIA LTD	07/03/2006	4117
143	10103191	MIND SPRING INFOTECH PVT LTD	07/03/2006	4024
144	10104364	GLOBAL CONNECT,	07/03/2006	3785
145	10104299	PRANTTA SINHA,	07/03/2006	2967
146	10103265	FENNER [INDIA] LTD	07/03/2006	2246
147	10104333	NEXT DIMENSIONS,	07/03/2006	1715
148	10108092	SUNDARAM FASTENERS LIMITED	10/03/2006	63224
149	10108259	RANE BRAKE LININGS LIMITED	10/03/2006	34703
150	10103879	SIP TECHNOLOGIES & EXPORTS LIMITED	10/03/2006	31740
151	10104827	ERNET	10/03/2006	25813



Sl. No.	Billing ID	Customer Name	Bill Date	ABF
152	10104828	ERNET	10/03/2006	25813
153	10103750	M/S. DATA ACCESS (INDIA) LIMITED	10/03/2006	24331
154	10108343	MEGASOFT LIMITED	10/03/2006	24331
155	10104856	MEDIPRO MANAGEMENT SERVICE	10/03/2006	23005
156	10104335	P. RAJASEKHAR	10/03/2006	22849
157	10108044	HCL TECHNOLOGIES LIMITED	10/03/2006	19886
158	10108109	TATA CONSULTANCY SERVICES LTD	10/03/2006	19886
159	10104722	VECTONE (I) LTD	10/03/2006	18405
160	10103343	L.G.ELECTRONICS INDIA LTD.,	10/03/2006	14786
161	10108771	INTERNATIONAL CLEARING & SHIPPING AGENCY	10/03/2006	13451
162	10108158	VSNL	10/03/2006	5939
163	10102933	ATHROS INDIA LLC.	10/03/2006	4743
164	10103849	HAYSTACK SOFTWARE SYSTEMS INDIA (P) LTD.,	10/03/2006	2155
165	10103524	ICICI INFOTECH SERVICES LTD.,	21/03/2006	10210
166	10103340	HCL TECHNOLOGIES LTD.,	21/03/2006	10032
167	10108401	M/S. BIJA TECHNOLOGIES P LTD	21/03/2006	9736
168	10102839	FINANCIAL SOFTWARE & SYSTEM PVT LTD	21/03/2006	9676
169	10101205	SOFTWARE SOLUTIONS INTEGRETED LTD	21/03/2006	9499
170	10103678	HCL INFOSYSTEMS LTD.,	21/03/2006	9440
171	10102179	SUTHERLAND TECHNOLOGIES INDIA P LTD	21/03/2006	9440
172	10102180	SUTHERLAND TECHNOLOGIES INDIA P LTD	21/03/2006	9440
173	10103196	BHARAT EARTH MOVERS LTD	21/03/2006	9321
174	10108258	RANE TRW STEERING SYSTEMS LIMITED	21/03/2006	9321
175	10104762	DR.AGARWALS EYE HOSPITAL LTD	21/03/2006	7713
176	10104911	ALTOSYS SOFTWARE TECHNOLOGIES LTD	21/03/2006	6509
177	10103112	HCL INFOSYSTEMS LTD	21/03/2006	5898
178	10101462	EQUIFAX VENTURE LTD	21/03/2006	5861
179	10108774	GRT GRAND	21/03/2006	5637
180	10103998	CHENNAI CONTAINER TERMINAL PVT. LTD.,	22/03/2006	15054
181	10103699	PRADEEP COMMUNICATIONS	22/03/2006	10779
182	10104323	SUNLAY FASHIONS (FAR EAST) LTD.	22/03/2006	10436
183	10402097	SOMAYAJULU & CO	01/06/2000	7379
184	10402064	STERLING HOLIDAY RESORTS INDIA LTD	01/06/2000	5365
185	10401952	SOMAYAJULU & CO	01/06/2000	3144
186	10402273	SOMAYAJULU & CO	01/06/2000	3090
187	10402363	PATTERSON & CO	01/06/2000	2396
188	10600332	USHODAYA PUBLICATION	01/06/2000	1357
189	10401385	PATTERSON & CO	02/06/2000	23385
190	10200663	BPL WIRELESS TELECOMMUNICATION SERVICES LTD	01/03/2001	4843
191	10200614	BPL WIRELESS TELECOMMUNICATION SERVICES LTD	01/03/2001	4801

Sl. No.	Billing ID	Customer Name	Bill Date	ABF
192	10103948	MADURA COATS LTD.,	01/11/2003	1604
193	10103138	BRAKES INDIA LTD	28/11/2003	9237
194	10201688	ORCHIN CHEMICAL & PHARMACEUTICALS LTD	01/12/2003	33996
195	10201791	TATA INFOTECH LTD.,	07/01/2004	70587
196	10104107	TATA ACOMMUNI8CATIONS INTERNET SERVICES LTD.,	01/02/2004	1053
197	10102762	CITICROP OVERSEAS SOFTWARE LTD	11/03/2004	86279
198	10102607	AMRUTANJAN INFOTECH	11/03/2004	76298
199	10600314	NISSHO IWAI CORPORATION	11/03/2004	57592
200	10103675	E CARE.COM	11/03/2004	56964
201	10103665	Z AXIS INNOVATIONS PVT. LTD.,	11/03/2004	31667
202	10102825	CMS (INDIA) OPERATIONS & MAINTENANCE CO. PVT. LTD.	11/03/2004	20714
203	10101845	SITA	11/03/2004	15373
204	10104134	S. RAMESH	11/03/2004	14045
205	10104112	DELTA SOLUTIONS	11/03/2004	13270
206	10104092	RAJESH MALIK	11/03/2004	12766
207	10102835	BUSH BOAKE ALLEN INDIA LTD	11/03/2004	11162
208	10103751	WILLOW SOLUTIONS PVT. LTD.,	11/03/2004	9472
209	10102836	BUSH BOAKE ALLEN [I] LTD	11/03/2004	9064
210	10103740	MR. ANAND . M.V	11/03/2004	7529
211	10104034	B. ANANDHY	11/03/2004	3685
212	10101683	MANMAR TECHNOLOGIES LTD	11/03/2004	3251
213	10300629	FUNSKOOL (INDIA) LTD	11/03/2004	1516
214	10103785	PACE AUTOMATION LIMITED	11/03/2004	754
215	10402931	MEDOPHARM	11/03/2004	394
216	10103947	ANBU SELVI,	11/03/2004	181
217	10104272	PENTAMEDIA GRAPHICS LIMITED	07/04/2004	32697
218	10104346	BRAKES INDIA LTD.,	01/05/2004	20079
219	10104026	DATA ACCESS (I) LTD.,	05/06/2004	7346
220	10103240	HUTCHISON ESSAR SOUTH LTD.,	08/06/2004	12965
221	10000125	WIPRO NET LTD	12/08/2004	255853
222	10000124	WIPRO NET LTD	12/08/2004	111442
223	10000110	BPL NET DOT COM P LTD	12/08/2004	19546
224	10104431	HARI PRIYA P	01/09/2004	1686
225	10104629	HCL TECHNOLOGIES LTD	13/01/2005	47476
226	10102838	CHENNEI CONTAINER TERMINAL LTD.	01/03/2005	40500
227	10104496	HDFC ASSETS MANAGEMENT CO LTD	01/03/2005	34902
228	10104915	VINAYAKA IT PARKX PVT LTD	01/03/2005	32786
229	10104629	HCL TECHNOLOGIES LTD	01/03/2005	25699
230	10104381	HEWLETT-PACKARD INDIA SALES PVT LTD,	01/03/2005	24421
231	10102750	RELIANCE INDUSTRIES LTD	01/03/2005	22017





Sl. No.	Billing ID	Customer Name	Bill Date	ABF
232	10104484	HCLTECHNOLIGIES LTD	01/03/2005	19778
233	10108012	LARSEN & TOUBRO LTD	01/03/2005	18838
234	10103808	HCL TECHNOLOGIES LTD.,	01/03/2005	18537
235	10103998	CHENNAI CONTAINER TERMINAL PVT. LTD.,	01/03/2005	15054
236	10103340	HCL TECHNOLOGIES LTD.,	01/03/2005	11247
237	10102179	SUTHERLAND TECHNOLOGIES INDIA P LTD	01/03/2005	9858
238	10102511	HINDUSTAN INKS AND RESINS LTD.,	01/03/2005	9749
239	10102825	CMS (INDIA) OPERATIONS & MAINTENANCE CO. PVT. LTD.	01/03/2005	8788
240	10402922	SWASTIK FOREX	01/03/2005	5287
241	10108045	HCL TECHNOLOGIES LTD	21/03/2005	23379
242	10109021	BORGIA SOOSAI	15/04/2005	19081
243	10108372	M/S.HCL TECHNOLOGIES LIMITED	02/05/2005	32420
244	10108453	APOLLO HOSPITAL ENTERPRISES	02/05/2005	13623
245	10109055	S.I.T.A	17/05/2005	10358
246	10104028	SWIFTMAIL COMMUNICATIONS LTD.,	01/06/2005	13709
247	10108680	NATIONAL INSURANCE COMPANY LTD	02/06/2005	12332
248	10202330	DATA ACCESS (INDIA) LTD.,	03/06/2005	20440
249	10109059	TATA CONSULTANCY SERVICES LTD IDM GROUP	01/07/2005	25211
250	10109061	TATA CONSULTANCY SERVICES LTD IDM GROUP	01/07/2005	13157
251	10108358	CHEIF ENGINEER SOUTH ZONE	11/07/2005	12726
252	10108825	MRF LIMITED	11/07/2005	8121
253	10102449	DATA ACCESS INDIA LTD	01/09/2005	9321
254	10103426	VERTEX SYSTEMS LTD	01/09/2005	4420
255	10104117	NUMERIC POWER SYSTEMS LTD.,	01/09/2005	3792
256	10102462	N-LOGUE COMMUNICATIONS PVT LTD.,	01/09/2005	2450
257	10108155	DHL DANZAS LEMUIR P LTD	02/09/2005	14371
258	10108160	GE COUNTRY WIDE CONSUMER FINANCIAL SERVICE	02/09/2005	11488
259	10108153	MEDICAL RESEARCH FOUNDATION.,	02/09/2005	8320
260	10104880	TUTORS WORLDWIDE [I] PVT LTD	02/09/2005	5705
261	10108257	RANE ENGINE VALUES LTD	02/09/2005	970
262	10108170	SCANWELL LOGISTICS INDIA PVT LTD	05/10/2005	6152
263	17000025	LAPIZ DIGITAL SERVICE	21/10/2005	80301
264	10103723	M/S. ELLAAR INFOTEK SOLUTIONS (P) LTD.,	24/10/2005	3089
265	10104932	HCL TECHNOLOGIES LTD	03/11/2005	7449
266	17000016	THANGAVELU GROUP OF COLLEGES	16/11/2005	9699
267	10104117	NUMERIC POWER SYSTEMS LTD.,	01/12/2005	3792
268	10108274	VSNL	06/02/2006	5013
269	10108272	THE STOCK EXCHANGE MUMBAI	07/02/2006	528
270	10109073	OASIS INTERNATIONAL	10/02/2006	1258
271	10101697	VSNL	03/03/2006	8328

Sl. No.	Billing ID	Customer Name	Bill Date	ABF
272	10104893	PROPART SOLUTIONS INDIA PVT LTD	04/03/2006	8328
273	10104205	SWIFT MAIL COMMUNICATIONS LTD.,	04/03/2006	3030
274	10104971	SECOVA ESERVICES LTD	04/03/2006	2517
275	17000016	THANGAVELU GROUP OF COLLEGES	06/03/2006	70962
276	10202214	M/S UNITED INDIA INSURANCE CO. LTD.,	07/03/2006	52905
277	10202215	M/S UNITED INDIA INSURANCE CO. LTD.,	07/03/2006	40561
278	10104893	PROPART SOLUTIONS INDIA PVT LTD	07/03/2006	28960
279	10108359	HCL TECHNOLOGIES LTD	07/03/2006	24515
280	10109041	SECOVA ESERVICES LIMITED	07/03/2006	24423
281	10104971	SECOVA ESERVICES LTD	07/03/2006	22776
282	10103799	HCL TECHNOLOGIES LTD.,	07/03/2006	21460
283	10103753	SUN MICROSYSTEMS INDIA PVT. LTD.,	07/03/2006	21460
284	10108680	NATIONAL INSURANCE COMPANY LTD	07/03/2006	20760
285	10109069	SPEED BIRDS PVT LTD	07/03/2006	19964
286	10103782	HINDUSTAN THOMPSON ASSOCIATES LIMITED	07/03/2006	8721
287	10104765	LIFESTYLE INTERNATIONAL P LTD	07/03/2006	4183
288	10103252	I-FLEX SOLUTION LTD	07/03/2006	3865
289	10402929	C. MOHANASUNDARAM	07/03/2006	3191
290	10402929	C. MOHANASUNDARAM	07/03/2006	3191
291	10102456	GREAVES LTD	07/03/2006	2449
292	10108372	M/S.HCL TECHNOLOGIES LIMITED	10/03/2006	42112
293	10109075	VIRTUSA INDIA PVT LTD	10/03/2006	33221
294	10104496	HDFC ASSETS MANAGEMENT CO LTD	10/03/2006	28776
295	10104774	TVS FINANCE AND SERVICES LTD	10/03/2006	25248
296	10104385	GTL LIMITED,	10/03/2006	24515
297	10102618	VOLTAS LTD.,	10/03/2006	19886
298	10104381	HEWLETT-PACKARD INDIA SALES PVT LTD,	10/03/2006	18405
299	10102750	RELIANCE INDUSTRIES LTD	10/03/2006	18405
300	10101697	VSNL	10/03/2006	9887
301	10108159	VSNL	10/03/2006	7368
302	10108081	VSNL	10/03/2006	5435
303	10108064	VSNL	10/03/2006	2964
304	18000001	NATARAJAN . R	11/03/2006	24501
305	17000053	VECTONE ENTERTAINMENT INDIA PVT LTD	15/03/2006	13599
306	10102511	HINDUSTAN INKS AND RESINS LTD.,	21/03/2006	9321
307	10102825	CMS (INDIA) OPERATIONS & MAINTENANCE CO. PVT. LTD.	21/03/2006	8691
308	10103398	DR. M.G.R. ENGG. COLLEGE	21/03/2006	7981
309	10104031	ZYLOG SYSTEMS LIMITED	22/03/2006	18276
<b>TOTAL</b>				<b>5443838</b>



G/L Account	5022013	BSC paid for post paid service but not collected
G/L Account	5022009	BAD DEBT (DEBTS FOR SERVICE PROVIDED ) WRITTEN OFF
G/L Account	5022010	Service Tax paid for post paid service but not co
G/L Account	5022016	GST Paid but not collected hence written off
G/L Account	5022008	BAD DEBT(OTHER THAN SERVICES) WRITTEN OFF

AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
CDRTB	5022009	2017	220000002	01/05/2017	R2	174537.22	3601	CDR APR-17 TB
CDRTB	5022009	2017	220000023	31/05/2017	R2	53868.38	3601	CDR MAY-17 TB
CDRTB	5022009	2017	220000039	30/06/2017	R2	617800.84	3601	CDR JUN-17 TB
CDRTB	5022009	2017	220000048	31/07/2017	R2	756238.24	3601	CDR TB JUL-17
CDRTB	5022009	2017	220000055	31/08/2017	R2	3101318.49	3601	CDR AUG-17 Upload
CDRTB	5022009	2017	220000062	30/09/2017	R2	2564108.99	3601	CDR SEP-17 TB
CDRTB	5022009	2017	220000081	31/10/2017	R2	3786466.64	3601	CDR OCT-17 TB
CDRTB	5022009	2017	220000087	30/11/2017	R2	2243087.67	3601	CDR NOV-2017 TB
CDRTB	5022009	2017	220000130	31/12/2017	R2	807312.49	3601	CDR DEC-17 TB
CDRTB	5022009	2017	220000128	01/01/2018	R2	807312.49	3601	CDR DEC-17 TB
CDRTB	5022009	2017	220000129	01/01/2018	R2	-807312.49	3601	CDR DEC-17 TB
CDRTB	5022009	2017	220000169	01/02/2018	R2	2854115.21	3601	CDR JAN-18 TB
CDRTB	5022009	2017	220000201	28/02/2018	R2	4895858.75	3601	CDR FEB-18 TB
CDRTB	5022009	2017	220000264	31/03/2018	R2	8139483.61	3601	CDR MAR-18 TB
CDRTB	5022009	2017	220000268	31/03/2018	R2	8139483.61	3601	CDR MAR-18 TB
CDRTB	5022009	2017	220000269	31/03/2018	R2	-8139483.61	3601	CDR MAR-18 TB
	<b>5022009</b>	<b>Total</b>				<b>29994196.53</b>		
CDRTB	5022010	2017	220000002	01/05/2017	R2	9306.38	3601	CDR APR-17 TB
CDRTB	5022010	2017	220000023	31/05/2017	R2	5706.94	3601	CDR MAY-17 TB
CDRTB	5022010	2017	220000039	30/06/2017	R2	62619.04	3601	CDR JUN-17 TB
CDRTB	5022010	2017	220000048	31/07/2017	R2	70981.89	3601	CDR TB JUL-17
CDRTB	5022010	2017	220000055	31/08/2017	R2	345590.4	3601	CDR AUG-17 Upload
CDRTB	5022010	2017	220000062	30/09/2017	R2	273803.19	3601	CDR SEP-17 TB
CDRTB	5022010	2017	220000081	31/10/2017	R2	398032.76	3601	CDR OCT-17 TB
CDRTB	5022010	2017	220000087	30/11/2017	R2	238224.47	3601	CDR NOV-2017 TB
CDRTB	5022010	2017	220000130	31/12/2017	R2	54141.09	3601	CDR DEC-17 TB
CDRTB	5022010	2017	220000128	01/01/2018	R2	54141.09	3601	CDR DEC-17 TB
CDRTB	5022010	2017	220000129	01/01/2018	R2	-54141.09	3601	CDR DEC-17 TB

AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
CDRTB	5022010	2017	2200000169	01/02/2018	R2	311337.45	3601	CDR JAN-18 TB
CDRTB	5022010	2017	2200000201	28/02/2018	R2	539546.09	3601	CDR FEB-18 TB
CDRTB	5022010	2017	2200000264	31/03/2018	R2	396659.95	3601	CDR MAR-18 TB
CDRTB	5022010	2017	2200000268	31/03/2018	R2	396659.95	3601	CDR MAR-18 TB
CDRTB	5022010	2017	2200000269	31/03/2018	R2	-396659.95	3601	CDR MAR-18 TB
	<b>5022010</b>	<b>Total</b>				<b>2705949.65</b>		
CDRTB	5022013	2017	2200000002	01/05/2017	R2	22.56	3601	CDR APR-17 TB
CDRTB	5022013	2017	2200000023	31/05/2017	R2	17.28	3601	CDR MAY-17 TB
CDRTB	5022013	2017	2200000039	30/06/2017	R2	91.16	3601	CDR JUN-17 TB
CDRTB	5022013	2017	2200000048	31/07/2017	R2	203.82	3601	CDR TB JUL-17
CDRTB	5022013	2017	2200000055	31/08/2017	R2	309.35	3601	CDR AUG-17 Upload
CDRTB	5022013	2017	2200000062	30/09/2017	R2	250.1	3601	CDR SEP-17 TB
CDRTB	5022013	2017	2200000081	31/10/2017	R2	656.01	3601	CDR OCT-17 TB
CDRTB	5022013	2017	2200000087	30/11/2017	R2	386.16	3601	CDR NOV-2017 TB
CDRTB	5022013	2017	2200000130	31/12/2017	R2	125.82	3601	CDR DEC-17 TB
CDRTB	5022013	2017	2200000128	01/01/2018	R2	125.82	3601	CDR DEC-17 TB
CDRTB	5022013	2017	2200000129	01/01/2018	R2	-125.82	3601	CDR DEC-17 TB
CDRTB	5022013	2017	2200000169	01/02/2018	R2	4164.79	3601	CDR JAN-18 TB
CDRTB	5022013	2017	2200000201	28/02/2018	R2	2672.12	3601	CDR FEB-18 TB
CDRTB	5022013	2017	2200000264	31/03/2018	R2	979.79	3601	CDR MAR-18 TB
CDRTB	5022013	2017	2200000268	31/03/2018	R2	979.79	3601	CDR MAR-18 TB
CDRTB	5022013	2017	2200000269	31/03/2018	R2	-979.79	3601	CDR MAR-18 TB
	<b>5022013</b>	<b>Total</b>				<b>9878.96</b>		
CDRTB	5022015	2017	2200000264	31/03/2018	R2	549.66	3601	CDR MAR-18 TB
CDRTB	5022015	2017	2200000268	31/03/2018	R2	549.66	3601	CDR MAR-18 TB
CDRTB	5022015	2017	2200000269	31/03/2018	R2	-549.66	3601	CDR MAR-18 TB
CDRTB	5022015	2017	2200000201	28/02/2018	R2	578.3	3601	CDR FEB-18 TB
CDRTB	5022015	2017	2200000169	01/02/2018	R2	294.68	3601	CDR JAN-18 TB
CDRTB	5022015	2017	2200000128	01/01/2018	R2	89.27	3601	CDR DEC-17 TB
CDRTB	5022015	2017	2200000129	01/01/2018	R2	-89.27	3601	CDR DEC-17 TB
CDRTB	5022015	2017	2200000130	31/12/2017	R2	89.27	3601	CDR DEC-17 TB
CDRTB	5022015	2017	2200000087	30/11/2017	R2	112.62	3601	CDR NOV-2017 TB
CDRTB	5022015	2017	2200000081	31/10/2017	R2	180.67	3601	CDR OCT-17 TB



AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
CDRTB	5022015	2017	220000062	30/09/2017	R2	88.14	3601	CDR SEP-17 TB
CDRTB	5022015	2017	220000055	31/08/2017	R2	111.51	3601	CDR AUG-17 Upload
CDRTB	5022015	2017	220000048	31/07/2017	R2	74.56	3601	CDR TB JUL-17
CDRTB	5022015	2017	220000039	30/06/2017	R2	42.02	3601	CDR JUN-17 TB
CDRTB	5022015	2017	220000023	31/05/2017	R2	12.08	3601	CDR MAY-17 TB
CDRTB	5022015	2017	220000002	01/05/2017	R2	3.33	3601	CDR APR-17 TB
	<b>5022015</b>	<b>Total</b>				<b>2136.84</b>		
GSM	5022008	2017	1000104729	31/03/2018	SA	32257.45	3601	MRJS-367 CDMA LF WRITTEN OFF MAR18
	<b>5022008</b>	<b>Total</b>				<b>32257.45</b>		
GSM	5022009	2017	220000009	30/04/2017	R2	130522	3601	MRJS-4 GSM ABF WRITTEN OFF APR 2017
GSM	5022009	2017	1000074371	31/01/2018	SA	163799	3601	MRJS-236 GSM ABF WRITTEN OFF JAN 2018
GSM	5022009	2017	1000085496	28/02/2018	SA	114858	3601	MRJS-278 CDMA ABF WRITTEN OFF FEB 2018
GSM	5022009	2017	1000095649	31/03/2018	SA	8304110.25	3601	MRJS-325 CDMA ABF WRITTEN OFF MAR18
GSM	5022009	2017	1000104716	31/03/2018	AB	-8304110.25	3601	MRJS-325 CDMA ABF WRITTEN OFF MAR18
GSM	5022009	2017	1000104729	31/03/2018	SA	8271852.8	3601	MRJS-367 CDMA ABF WRITTEN OFF MAR18
GSM	5022009	2017	2200000229	31/03/2018	R2	2916559.08	3601	MRJS-324 GSM ABF WRITTEN OFF MAR18
	5022009 Total					11597590.88		
GSM	5022010	2017	2200000161	31/01/2018	R2	16804	3601	MRJS-250 Addl JS for GSM woff new bills
GSM	5022010	2017	1000095665	31/03/2018	SA	89079.86	3601	MRJS-335 Addl JS for CDMA woff new bill
GSM	5022010	2017	2200000232	31/03/2018	R2	247776.52	3601	MRJS-328 Addl JS for GSM woff new bills
	<b>5022010</b>	<b>Total</b>				<b>353660.38</b>		
GSM	5022013	2017	2200000161	31/01/2018	R2	52	3601	MRJS-250 Addl JS for GSM woff new bills
GSM	5022013	2017	1000095665	31/03/2018	SA	243.06	3601	MRJS-335 Addl JS for CDMA woff new bill
GSM	5022013	2017	2200000232	31/03/2018	R2	663.62	3601	MRJS-328 Addl JS for GSM woff new bills
	<b>5022013</b>	<b>Total</b>				<b>958.68</b>		
GSM	5022015	2017	1000095665	31/03/2018	SA	241.13	3601	MRJS-335 Addl JS for CDMA woff new bill
GSM	5022015	2017	2200000232	31/03/2018	R2	663.96	3601	MRJS-328 Addl JS for GSM woff new bills
GSM	5022015	2017	2200000161	31/01/2018	R2	52	3601	MRJS-250 Addl JS for GSM woff new bills
	<b>5022015</b>	<b>Total</b>				<b>957.09</b>		
GSM	5022016	2017	1000100330	31/03/2018	SA	1360.84	3601	MRJS-330 GSM GST WRITTEN OFF MAR18
GSM	5022016	2017	1000100331	31/03/2018	SA	544.06	3601	MRJS-332 CDMA GST WRITTEN OFF MAR18
GSM	5022016	2017	1000105653	31/03/2018	SA	167.19	3601	MRJS-370 GSM GST WRITTEN OFF MAR18
	<b>5022016</b>	<b>Total</b>				<b>2072.09</b>		

AREA	Account	Year	Document No	Doc. Date	Typ	LC amnt	BusA	Text
NONMIG	5022009	2017	2200000282	31/03/2018	R2	2481231.42	3601	NON-MIGRATION WRITE OFF 2017-18
	<b>5022009</b>	<b>Total</b>				<b>2481231.42</b>		
NONMIG	5022010	2017	2200000282	31/03/2018	R2	24689.6	3601	NON-MIGRATION WRITE OFF 2017-18
	<b>5022010</b>	<b>Total</b>				<b>24689.6</b>		
SAP/LCCDRTB	5022009	2017	2200000221	01/03/2018	R2	7260.79	3602	CDR-TB-FEB-18
SAP/LCCDRTB	5022009	2017	2200000241	31/03/2018	R2	46609.64	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022009	2017	2200000243	31/03/2018	R2	-46609.64	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022009	2017	2200000244	31/03/2018	R2	46609.64	3602	CDR-TB-MAR-18
	<b>5022009</b>	<b>Total</b>				<b>53870.43</b>		
SAP/LCCDRTB	5022010	2017	2200000241	31/03/2018	R2	59763.91	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000241	31/03/2018	R2	-53699.95	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000243	31/03/2018	R2	-59763.91	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000243	31/03/2018	R2	53699.95	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000244	31/03/2018	R2	59763.91	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022010	2017	2200000244	31/03/2018	R2	-53699.95	3602	CDR-TB-MAR-18
	5022010	Total				6063.96		
SAP/LCCDRTB	5022013	2017	2200000241	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022013	2017	2200000243	31/03/2018	R2	-216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022013	2017	2200000244	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
	<b>5022013</b>	<b>Total</b>				<b>216.57</b>		
SAP/LCCDRTB	5022015	2017	2200000241	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022015	2017	2200000243	31/03/2018	R2	-216.57	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022015	2017	2200000244	31/03/2018	R2	216.57	3602	CDR-TB-MAR-18
	<b>5022015</b>	<b>Total</b>				<b>216.57</b>		
SAP/LCCDRTB	5022016	2017	2200000221	01/03/2018	R2	0.18	3602	CDR-TB-FEB-18
SAP/LCCDRTB	5022016	2017	2200000241	31/03/2018	R2	593.22	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022016	2017	2200000243	31/03/2018	R2	-593.22	3602	CDR-TB-MAR-18
SAP/LCCDRTB	5022016	2017	2200000244	31/03/2018	R2	593.22	3602	CDR-TB-MAR-18
	<b>5022016</b>	<b>Total</b>				<b>593.4</b>		
	<b>Grand Total</b>					<b>47266540.5</b>		



NON MIGRATED WRITE OFF

Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	TOTAL
Land Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	926087.00	0.00	1444988.79	2371075.79
Broadband	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FTTH	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LF WOFF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1952.00	0.00	0.00	1952.00
Total Services Written Off ( 2-6 Total)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	928039.00	0.00	1444988.79	2373027.79
Stax POT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24409.18	0.00	280.42	24689.60
Service Tax Payable - Telephones /Stax PrePOT / GL 1320202	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	171254.63	0.00	203117.79	374372.42
CGST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SGST	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Service Tax Written Off</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>195663.81</b>	<b>0.00</b>	<b>203398.21</b>	<b>399062.02</b>
<b>Total Write off Services + Tax SLR</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1123702.81</b>	<b>0.00</b>	<b>1648387.00</b>	<b>2772089.81</b>

Schedule of Write off For Year 2017-18

Zone	Case Written off	Woff Amt Including Stax	DETAILS OF WOFF SANCTIONS FROM ZONES 2017-18	
			APR to DEC	DEC to MAR
			APR to DEC	DEC to MAR
CE	11105	8833564.06	2893152.00	5942044.00
NE	7537	2209922.41	1440068.00	769854.41
NP	3600	3796133.37	606524.00	3189609.00
NW	7623	2039095.65	2039095.00	
SE	7197	4280324.95	4280234.00	0.00
SW	9405	6016721.53	3079704.00	2937017.00
WE	11724	5949030.72	4186721.00	1761826.24
<b>Total</b>	<b>58191</b>	<b>33124792.69</b>	<b>18525498</b>	<b>14600350.65</b>
				<b>33125848.65</b>

Schedule of Write off For Year 2017-18

CFA													
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	TOTAL
Land Line	109991.00	19960.00	225148.00	241967.00	1045840	887002	1673218	867074	496457.00	1484066	2045605	5645494.00	14741822.00
Broadband	62768.00	30555.00	363767.00	496065.00	1970297	1636266	1994106	1290270.00	294421.00	1216012	2590564	2390079.00	14335170.00
FTTH	0.00	0.00	11865.00	1234.00	3.00	1376.00	0.00	23455.00	0.00	64613	117984	1496.00	222026.00
IN				0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LF WOFF	1778.00	3353.00	17021.00	16972	85178	39465	119142	62289.00	16434.00	89514	141732	102414.00	695292.00
<b>Total Services Written Off (2-6 Total) As Per CDRSLR</b>	<b>174537.00</b>	<b>53868.00</b>	<b>617801.00</b>	<b>756238.00</b>	<b>3101318.00</b>	<b>2564109.00</b>	<b>3786466.00</b>	<b>2243088.00</b>	<b>807312.00</b>	<b>2854205.00</b>	<b>4895885.00</b>	<b>8139483.00</b>	<b>29994310.00</b>
Stax POT	9332	5736.00	62752.00	71260.00	346011.00	274141	398870.00	238723.00	54356.00	315798	542542	398190.00	2717711.00
Service Tax Payable - Telephones /Stax PrePOT /CL 1320202	9542	144.00	5374.00	10852.00	11852.00	21352	15330.00	9228.00	23455.00	22058	28830	254755.00	412772.00
<b>Total Service Tax Written Off</b>	<b>18874.00</b>	<b>5880.00</b>	<b>68126.00</b>	<b>82112.00</b>	<b>357863.00</b>	<b>295493.00</b>	<b>414200.00</b>	<b>247951.00</b>	<b>77811.00</b>	<b>337856.00</b>	<b>571372.00</b>	<b>652945.00</b>	<b>3130483.00</b>
<b>Total Write off Services + Tax SLR</b>	<b>193411.00</b>	<b>59748.00</b>	<b>685927.00</b>	<b>838350.00</b>	<b>3459181.00</b>	<b>2859602.00</b>	<b>4200666.00</b>	<b>2491039.00</b>	<b>885123.00</b>	<b>3192061.00</b>	<b>5467257.00</b>	<b>8792428.00</b>	<b>33124793.00</b>
CDRTB HOA 1742006	174537.22	53868.38	617800.84	756238.24	3101318.49	2564108.99	3786466.64	2243087.67	807312.49	2854115.21	4895858.75	8139483.61	29994196.53
"Ser Tax paid but not coll HOA 1742007 / 5022010"	9306.00	5706.94	62619.04	70981.89	345590.40	273803.19	398032.76	238224.47	54141.09	311337.45	539546.09	396659.95	2705949.27
"SBC not collected hence w - HOA 1742008 / 5022013"	22.56	17.28	91.16	203.82	309.35	250.10	656.01	386.16	125.82	4164.79	2672.12	979.79	9878.96
"KKC not collected hence w HOA 1742009 / 5022015"	3.33	12.08	42.02	74.56	111.51	88.14	180.67	112.62	89.27	294.68	578.30	549.66	2136.84
HOA 1192301 + 1192306 + 1192309	9,542.29	162.17	5373.56	10851.90	14651.10	21354.05	15330.09	9228.04	24151.74	22072.66	28867.79	262414.02	423999.41
<b>Total Write off Services+ Tax TB</b>	<b>193411.40</b>	<b>59766.85</b>	<b>685926.62</b>	<b>838350.41</b>	<b>3461980.85</b>	<b>2859604.47</b>	<b>4200666.17</b>	<b>2491038.96</b>	<b>885820.41</b>	<b>3191984.79</b>	<b>5467523.05</b>	<b>8800087.03</b>	<b>33136161.01</b>





GSM/CDMA													
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
GSM 5022009	130522.00									163799.00		2916559.08	3210880.08
CDMA 5022009											114858.00	8271852.80	8386710.80
Late fees 5022008												32257.45	32257.45
Total Services Written Off ( 2-6 Total)	130522.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	163799.00	114858.00	11220669.33	11629848.33
Stax POT	0	0	0	0	0	0	0	0	0	16907.77	0	338668.15	355575.92
Service Tax Payable Cellular Mobile /GL 1320213 Stax PrePOT	13109.99	0	0	0	0	0	0	0	0	2664.26	12896.26	855053.63	883724.14
CGST	0	0	0	0	0	0	0.00	0.00	0.00	0	0	1036.04	1036.04
SGSST	0	0	0	0	0	0	0.00	0.00	0.00	0	0	1036.04	1036.04
<b>Total Service Tax Written Off</b>	<b>13109.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>19572.03</b>	<b>12896.26</b>	<b>1195793.86</b>	<b>1241372.14</b>
<b>Total</b>	<b>143631.99</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>183371.03</b>	<b>127754.26</b>	<b>12416463.19</b>	<b>12871220.47</b>

Leased Circuits													
Month	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Total
CCT	0.00									0.00	7260.69	46609.54	53870.23
CDMA											0.00	0.00	0.00
Total Services Written Off ( 2-6 Total)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7260.69	46609.54	53870.23
Stax POT	0	0	0	0	0	0	0	0	0	0	0	6497.1	6497.10
Service Tax Payable Cellular Mobile /GL 1320213 Stax PrePOT	0	0	0	0	0	0	0	0	0	0	731.18	0	731.18
CGST	0	0	0	0	0	0	0	0	0	0	0	296.61	296.61
SGSST	0	0	0	0	0	0	0	0	0	0	0	296.61	296.61
<b>Total Service Tax Written Off</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>731.18</b>	<b>6497.10</b>	<b>7228.28</b>

**The Management replies to Independent Auditor's Report on  
Consolidated Financial Statement for the Financial Year 2017-18 are given below:**

Audit Para	Management Reply
<b>Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT</b>	
8	<p>As detailed in note 38 and 41.1 to the Consolidated Ind AS financial statements, assets and liabilities (including contingent liabilities) taken over from DoT on 1 October 2000 have been verified and valued by the management based on internal calculations. These are subject to reconciliations and confirmation from DoT as regards to value and classification. The consequential impact on the Consolidated Ind AS financial statements, if any, as a result of the same is presently not ascertainable.</p>
	<p>The Company has recorded all identified assets and liabilities taken over from DoT as on 01 October 2000. The value and classification of the assets has been recorded as per the relevant accounting standards and the available guidelines.</p> <p>During the current financial year, there is no change in the assets and liabilities taken over from DoT as on 1 October 2000. Further, the value of net additional assets identified during the previous year was immaterial.</p> <p>Accordingly, management estimates that there will not be any material identification of assets/ liabilities in the subsequent years.</p>
9	<p>As detailed in note 42 to the Consolidated Ind AS financial statements, amounts due from and to DoT, included in current assets and current liabilities aggregating to Rs. 2,43,013 lakhs (31st March 2017 Rs. 2,20,052 lakhs) and Rs. 31,085 lakhs (31st March 2017 Rs. 37,316 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.</p>
	<p>BSNL Circles have been asked to provide the details of balances under account head related to claim recoverable from DOT to the Office of concerned CCAs for confirmation.</p> <p>Current liabilities include running balances payable to DoT like amounts related to general provident fund (GPF), pension contribution, etc. These amounts are generally settled within next month of the subsequent financial year.</p>
<b>Fair Valuation of Freehold Land</b>	
10	<p>(i) In pursuance of Ind AS 101-"First Time Adoption of Indian Accounting Standards" the company had selectively fair valued only certain freehold lands as at 1st April 2015, resulting in upward valuation of freehold lands under Property, Plant &amp; Equipment and the corresponding increase to Other Equity by a sum of Rs 69,86,449 lakhs. Fair valuation of only certain lands is non-compliance of Ind AS 101 First Time Adoption of Indian Accounting Standards.</p>
	<p>Para D5 of Ind AS 101 which provides the option to fair value the property, plant and equipment on the transition date states that an entity may elect to measure an item of property, plant and equipment at the date of transition to Ind ASs at its fair value and use that fair value as its deemed cost at that date.</p> <p>This para clearly states that the option to fair value items of property, plant and equipment is available for application to each individual item of property, plant and equipment.</p> <p>Use of fair valuation of selected individual items of property, plant and equipment as deemed cost is permissible under Ind AS as on transition date in accordance with Para D5 of</p>



	<p>(ii) Non compliances had also been reported by the Circle Auditors in the procedure adopted and non-application of uniform policies with regard to fair valuation of freehold lands.</p> <p>The consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.</p>	<p>Ind AS 101. Since this option is exercised, other items of property, plant and equipment have been carried at cost as per Ind AS 16.</p> <p>Accordingly, the fair value of selected parcels of freehold land on transition date is in compliance with Ind AS 101.</p> <p>Further, the selective fair valuation of the land was examined by Comptroller &amp; Auditor General of India during certification audit of the financial statements for the year ended 31 March 2017 and the management view has been agreed by C&amp;AG.</p> <p>The fair valuation techniques are given in Appendix B to the Ind AS 113.</p> <p>Accordingly, the Certified valuers have used different techniques / approaches, appropriate to value such freehold land on case to case basis and are in accordance with Ind AS.</p> <p>Since, the fair valuation exercise was a one-time activity carried on transition date, the impact of fair valuation was taken to retained earnings and this does not have any impact on the standalone Ind AS financial statements for the year ended 31 March 2018.</p>
<b>Revenue</b>		
11	<p>i) The company has not applied definition of “Default” and “Assessment of Credit Risk” consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on trade receivables from Other Government and/ or PSU sector entities. We have also not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to change its perception in the current year 2017-2018 for considering trade receivables, from Other Government and/ or PSUs sector entities, as having low credit risk vis-à-vis the corresponding previous year that made the management to</p>	<p>The Company has disclosed its credit risk policy in note 53(B)(i). The relevant extracts of the policy is as below:</p> <p>‘The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets.....’</p> <p>The Company has followed the above credit risk policy from the date of transition to Ind AS (1 April 2015) for all the financial instruments as per Ind AS 109 and have recognized appropriate loss allowance based on assessment of specific credit risk.</p> <p>As per the above credit risk policy,</p> <p>‘Receivables more than two years past due primarily comprises receivables from government departments and PSU’s, which are fully realisable on historical payment behavior and hence no loss allowance has been recognised. Impairment allowance has already been recognised on specific credit risk factor’.</p>

<p>write back in the current year 2017-2018, the entire accumulated loss allowance provided in the earlier year(s).</p> <p>We accordingly conclude that the credit risk on such financial instruments (i.e. trade receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition. Consequently, the write back of loss allowance in the current year relating to receivables from Government and/ or PSU sector entities, is not in consonance with the Ind AS 109 Financial Instruments. This is also not in consonance with the Accounting Policies as stated in Note No 2.2(p) of the Significant Accounting Policies of the company.</p> <p>We were not supplied the financial information about the write back of loss allowance of trade receivables from other Government and/ or PSU sector entities as at March 31, 2018 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.</p> <p>ii) Net amount receivable from Mahanagar Telephone Nigam Limited (MTNL) as per the Consolidated Ind AS financial statements is Rs 3,47,024 lakhs (31 March 2017 Rs 2,55,188 lakhs), being amounts recoverable from MTNL Rs 3,62,140 lakhs, amount payable and provision for amounts payable to MTNL Rs 15,116 lakhs. MTNL however, claims a sum of Rs 3,38,726 lakhs as recoverable from the Company in the balance confirmation certificate.</p> <p>The required financial information to verify such balances as at March 31, 2018 was not provided to us by the company and accordingly we are unable to comment upon the impact of adjustments in the financial statements that would be required</p>	<p>Generally, the Company makes provision for government departments and PSU's, the balances of which are outstanding for more than two years based on specific credit risk.</p> <p>Similar approach was followed by the circles in evaluating the adequacy of provisions for dues from government departments and PSU's and reversals were only made where found suitable by the circles based on estimation of the specific credit risks.</p> <p>Accordingly, the Company is in compliance with Ind AS 109 requirements for trade receivables from Government and/ PSU sector entities.</p> <p>Since the provisions are recognized at Circle level, the details of which are available at Circle level.</p> <p>It may be noted that the net amount receivable from Mahanagar Telephone Nigam Limited (MTNL) as per the Standalone Ind AS financial statements is INR 2,40,711 lakh, being amounts recoverable from MTNL INR 3,62,140 lakh, amount payable and provision for amounts payable to MTNL INR 1,21,429 lakh.</p> <p>A high Level Committee has been formed by DOT vide Letter No. 10-14/2013-SU-1 dated 25/06/2013 consisting representatives of DOT, MTNL to sort out the issues with MTNL.</p> <p>Management has taken up the matter of reconciliation of receivables from and payables to MTNL through a standing committee constituted by DoT.</p> <p>The issue is under settlement and both being PSUs under DoT, there would be reconciliation and settlement at the earliest.</p>
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	pursuant to the eventual resolution of such balances inter-se the company and MTNL.	
12	As reported by auditors of 2 circles, the income from recharge coupons, prepaid calling cards, internet connection cards, sancharnet cards and stock of recharge coupons and prepaid calling cards are subject to reconciliations. In the absence of specific details, the impact of adjustment, if any, on Ind AS financial statements is presently not ascertainable.	The concerned circles are being instructed to take necessary action in the matter.
13	One circle auditor has reported non charging of expenditure amounting to Rs 615.20 lakhs to revenue and writing off the same from the provisions, thereby understating the Loss and Provisions by a sum of Rs 615.20 lakhs.	Noted
14	As stated in note 2.2-(p) to the significant accounting policies, certain items of revenue are accounted for on cash basis instead of the accrual basis of recognition of revenue which is not in accordance with the generally accepted accounting principles in India. The impact of the adjustment, if any, in respect thereof on revenue, license fee, trade receivables and loss for the year is presently not ascertainable.	Adequate disclosures are already given in the books of accounts of BSNL.
15	One circle auditor has reported insufficient documentary evidence and non-providing the basis for booking of Income in respect of NFS and LWE projects amounting to Rs 10,474.50 lakhs. Consequential impact on the Consolidated Ind AS financial statements, if any, as a result of the same is presently not ascertainable.	The necessary documentary evidence has been provided to the auditors prior to the authorization for issue of the financial statements by the Board of Directors.
16	1 circle auditor has reported that Fixed Assets taken over from DoT which were not accounted for in the Consolidated financial statements of the circle have been sold and treated as Sale of Scrap. The consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.	Noted

Property, Plant and Equipment	
17	<p>As reported by auditors of 12 circles, Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.</p>
	<p>CWIP includes turnkey project also, completion of which takes several years. As per company policy, capitalization is done on the basis of A/T /Completion Certificate issued by the concerned executing agencies.</p> <p>Based on Management estimate provision for impairment has been created for delayed projects pending capitalization wherever there were indicators of impairment.</p> <p>The Circles are being instructed to capitalize the works as and when completed and put to use and depreciation provided from that date.</p>
18	<p>Circle Auditors have reported non-capitalisation of completed Capital Work in Progress in the books of accounts, though being physically used, due to non-availability of Capital Budget or due to closure of accounting periods. This has resulted in overstatement of Capital Work in Progress, and understatement of Property, Plant and Equipment, Depreciation and losses by an amount that is unascertainable due to insufficient information.</p>
	<p>The Circles are being instructed to capitalize the works as and when completed and put to use and depreciation provided from that date.</p>
19	<p>Company has capitalised an amount of Rs. 57,873 lakhs to Property Plant and Equipment, which is not in compliance with Ind AS 23-Borrowing Cost. The interest costs on borrowed funds in respect of the Property, Plant and Equipment which were capitalized in the earlier years have not been delimited to the extent of bringing them to their being put to use by the company. The capitalizing of such interest is also made in the current year without any basis. This has resulted in overstatement of Property, Plant and Equipment, Capital Work in Progress, and understatement of losses by an amount that is unascertainable due to insufficient information.</p> <p>Further the auditors of 14 circles have reported that Borrowing Cost pursuant to applicable Ind AS has been capitalised based upon ATD/ communication/ excel sheet received from Head Office. These</p>
	<p>BSNL is capitalizing interest on the general borrowings to the cost of Property, Plant &amp; Equipment in accordance with Ind AS-23.</p> <p>Since the interest on general borrowings is in the nature of avoidable interest cost, it has to be capitalized year on year on the qualifying assets as these borrowings could have been repaid had the expenditure on these qualifying assets was not made.</p> <p>All the borrowings are taken by the Corporate Office centrally and the payment of interest thereon is also settled centrally. The borrowing cost is allocated to the circles in proportion to CAPEX fund transferred to the circles.</p>



	<p>auditors have expressed their inability to verify the correctness of these borrowing costs for want of calculations/ details.</p> <p>Capital Work in Progress (Stores) amounting to Rs 6,52,924 lakhs (31 March 2017 4,36,505 lakhs) also includes Inventory items which are being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidences, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.</p>	<p>The Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.</p> <p>The nature of materials are such that the same material is utilized for both, the projects and repair and maintenance and there is no physical bifurcation of the items intended to be used for projects or for repair and maintenance.</p> <p>As per the management, these are to be materially utilized for the project purposes. Accordingly, the same are presented as 'Capital work-in-progress in store' in the financial statements.</p>
20	<p>As reported by auditors of 8 circles, in the absence of information in respect of certain items of Property Plant and Equipment capitalized, particularly batteries, it could not be established whether assets capitalized were on account of replacement/ extension of an existing asset or additional acquisition of a new asset and hence the consequential impact of the same on the classification/ value of the respective asset, depreciation and amortization, expenses and loss for the year, if any, is presently not ascertainable.</p>	<p>The concerned circles are being instructed to account for such types of transactions strictly as per accounting circulars/ instructions issued in this regard.</p>
21	<p>The leasehold land as identified and valued by the respective circles have been incorporated in the books of accounts and amortised with effect from the date of formation of the Company. Hence, in respect of the lands still not identified and/ or duly incorporated in the books of accounts of the respective circles, the consequential impact on value of Property Plants and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.</p>	<p>Most of the land transferred to the Company was acquired by DOT prior to 01/10/2000.</p> <p>All leasehold/ freehold land which are known/ identified have been accounted for.</p>
22	<p>As detailed in note 41.2 to the financial statements, auditors of 4 circles have reported on the expired/ non-renewal of leases on lands on which the Company had constructed buildings and the fact that</p>	

	<p>management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.</p>	<p>The concerned circles are being instructed to expedite the process of getting the lease of lands renewed.</p>
23	<p>As stated in note 3(i) and 41.3 to the financial statements, Property Plant and Equipment, inter alia, includes land pertaining to 5 circles, purchased/ acquired on leasehold/ freehold basis through various authorities, the title deeds of which are yet to be executed in the name of the Company..</p> <p>3 Circle Auditors have reported that Title deeds are in the name of DoT and 2 Circle auditors have reported non-availability of title deeds.</p>	<p>The company is in the process of executing the title deeds of the lands purchased / acquired, wherever required.</p>
24	<p>The accounting policy of the Company as stated in note 2.1(c) to the financial statements with respect to the decommissioned assets—now considered as Asset held for sale—has not been uniformly applied across all circles. In 6 circles, the decommissioned assets are not recorded at lower of the cost or net realisable value.</p> <p>While in 3 circles, the decommissioned assets have not been appropriately adjusted from the block of Property Plant and Equipment and depreciation and amortization is still being charged on such decommissioned assets. In the absence of sufficient details, we are unable to comment upon the impact of adjustment on the Property Plant and Equipment, current assets, depreciation and amortization and loss for the year, if any, arising out of the same.</p> <p>Certain Circle Auditors have reported that WIMAX and CDMA equipment, though not being used have not been considered as decommissioned assets. The consequential impact on value of Property Plants and</p>	<p>The circles are being instructed to strictly adhere to the accounting instructions issued on the subject matter.</p> <p>The Management estimates that such WIMAX and CDMA equipment are reusable and held for the purpose of obtaining future economic benefits from its use. Accordingly, the Company have not decommissioned such assets.</p>





	<p>Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.</p>	
<p>25</p>	<p>(i) As reported by auditors of 19 circles, the Company has not consistently adhered to capitalizing the overhead expenses specifically attributable to the capital work-in-progress but has recorded the same on estimated/ fixed percentage/ payment basis:</p> <p>(ii) As reported by auditors of 3 circles, the company capitalizes the assets on periodic basis instead of at the ready to use date; and</p> <p>(iii) Accounting policies regarding capitalization, disposal, depreciation and amortization of Property Plants and Equipment are not uniformly applied in case of 9 circles.</p> <p>1 circle auditor has reported that Overhead Costs have not been included in Capital Work in Progress and have instead been charged to Revenue. The management in its reply has stated that due to Budget constraints, the expenses could not be debited to CWIP. This has resulted in overstatement of Expenditure and losses by a sum of Rs. 3,984 lacs and understatement of Capital Work in Progress by the like amount.</p> <p>The resultant impact of the above non compliances with the standards on the value of Property Plant and Equipments, Capital Work-in-Progress, Depreciation and amortization and loss for the year, if any, are presently not ascertainable</p>	<p>Accounting policy of BSNL in this regard states that the cost includes directly related establishment and other expenses including employee remuneration and benefits, directly identifiable to the construction or creation of assets.</p> <p>The administrative and establishment expenses incurred in units where project work is also undertaken are allocated to capital and revenue mainly on actual basis and on “actual man-month spent” basis respectively.</p> <p>The concerned circles are being instructed to capitalize the works as and when completed and from the date of ready to use.</p> <p>All BSNL Circles has gone live under ERP during F.Y. 2015-16 and since then depreciation is charged on monthly basis under ERP.</p> <p>However, the concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p> <p>The concerned circle is being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p>

26	<p>As detailed in Note 3, during the financial year 2017-18 the company has changed the classification for decommissioned assets from Property Plant and Equipment to Assets held for Sale. Prior to this change Decommissioned assets were disclosed at written down value and provision was made for diminution in the value of decommissioned assets. The company has during the year, based upon an internal assessment, the details whereof were not provided to us, classified assets held for sale and these have been valued at lower of carrying amount and net realisable value, and the corresponding gain or loss on the assets held for sale is recorded in 'Excess liabilities written back no longer required' under 'Other income' (refer note 33) and 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 37) respectively.</p> <p>In terms of Ind AS 105 Non-Current Assets Held for Sale and Discontinued Operations an entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable duly indicated by existence of management's committed plan to sell the asset (or disposal group), and commencement of an active programme to locate a buyer and complete such plan. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. Thus, an asset (or disposal group) cannot be classified as a non-current asset (or disposal group) held for sale, merely because the entity intends to sell it in a distant future. This classification is not in</p>	<p>Necessary accounting instructions have been issued to all the circles for classification, presentation and measurement of items of property, plant and equipment which are held for the purpose of immediate sale. Accordingly, circles have classified items of property, plant and equipment as assets held for sale which meets the recognition criteria as per Ind AS 105.</p> <p>During the current year, the Company has only changed the presentation of decommissioned assets from property, plant and equipment to assets held for sale as mentioned in the footnote under property, plant and equipment.</p> <p>It shall be noted that the accounting policy in both the years, i.e. FY 2016-17 and FY 2017-18, is consistent as:</p> <ul style="list-style-type: none"> <li>- These assets are carried at lower of net carrying cost and net realisable value (in both the financial years), and</li> <li>- No depreciation is charged on these assets once the asset is decommissioned (irrespective of their classification as 'Property, plant and equipment' or as 'Assets held for sale')</li> </ul> <p>Therefore, there is no understatement of provisions or losses.</p> <p>In accordance with Para 38 of Ind AS 105, Assets held for sale are to be presented separately from other assets in the balance sheet. Further, the presentation done by the Company is also supported by the 'Guidance Note on Division II – Ind AS Schedule III to the Companies Act 2013'.</p>
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	accordance with Ind AS 105. This has resulted in understatement of Provision for Diminution in the value of Asset held for sale, and understatement of losses by recognition of unrealised gains the amount of which is unascertainable due to insufficient information.	
<b>Current Assets and Current Liabilities</b>		
27	<p>The company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 48(A) of the Ind AS financial statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable. Due to non-availability of confirmation (except MTNL), and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements.</p> <p>One circle auditor has reported receipt of debtor's payment of that circle by the other Circle, without issuing any ATC to this Circle.</p>	<p>As per Industry practice, taking confirmation for trade receivables and subscribers deposits from huge subscribers' base is neither practical nor possible.</p> <p>For balances due to or due from other parties i.e. DOT, DOP, other Govt. departments/ companies etc., circles are instructed again to carry out reconciliation at regular intervals.</p> <p>The concerned circles are being instructed to carry out the reconciliation and take necessary action.</p>
28	<p>(i) As reported by auditors of certain circles, there are unquantifiable differences between the general ledger/ trial and accounting records pertaining to loans and advances, current assets and current liabilities. The impact on the Ind AS financial statements, if any, owing to the aforementioned non-reconciliations is presently not ascertainable.</p> <p>(ii) As detailed in Note No 13(a), the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs 9,783 lakhs (31 March 2017-1,678 lakhs). The</p>	<p>The concerned circles are being instructed to carry out the reconciliation and take necessary action to sort out the difference between the two sets of records.</p> <p>The Company has qualitatively disclosed differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger amounting to INR 9,783 lakh in note 13(a) on a net basis as there is no</p>

	difference of balances is incorrectly stated since only the net differences has been stated. The gross differences are amounting to Rs. 21,017.54 Lakhs (31 March 2017- Not Available). The impact on the Ind AS financial statements, if any, owing to aforementioned non-reconciliations is presently not ascertainable.	specific requirement to disclose such amounts on a gross basis.  The circles are being instructed to carry out the reconciliation and take necessary action to sort out the difference between two sets of records.
29	Circle Auditors have reported lack of suitable system for issue, recording, movement, physical verification of Inventories/ Capital Work in Progress (Stores). The consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable.	The concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.
30	As reported by auditor of 4 circles, there are differences in the inventory records between stores ledger and general ledger/ trial balance, the impact of the same is currently not ascertainable.	Circles are being instructed to take appropriate action immediately.
31	As reported by auditor of 3 Circles, there has been non-adherence to the Company's policy of valuation of inventory on weighted average method as stated in note 2.2(i) to the Consolidated Ind AS financial statements. The impact of the adjustment, if any, on inventory, consumption and loss for the year is presently not ascertainable.	Upon Implementation of ERP in all BSNL Circle, Inventories at the time of issue and closing balance are valued at weighted average method only.  Perhaps Branch Auditors of concerned circles were not explained properly regarding above aspect.
32	8 Circle auditors have reported non identification of Slow Moving, Non Moving, Obsolete and Damaged items of Inventory. The impact of the adjustment, if any, on inventory, consumption, Provisions and loss for the year is presently not ascertainable.	The concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.
<b>Inter / Intra Circle Remittance Account</b>		
33	As detailed in note 43 to the Ind AS financial statements, the Inter-Circle/ Unit remittance balances amounting to Rs. 7,919 lakhs (Debit) (previous year Rs. 9,020 lakhs (Credit)) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable.	Continuous effort to reconcile the remittance items and accounting of the same under relevant head are being done by the circles which has resulted in minimize the remittance items at Rs. 79.19 crore (Debit) at year ended on 31/03/2018. Circles are being further instructed to settle the pending remittance items immediately and to minimize it in current year.



License Fee, Spectrum Charges, Inter Connect Usage Charges		
34	<p>(i) As stated in note 39.3 to the financial statements, the Company's license and spectrum, fees payable to DoT for the year ended 31 March 2018 amounts to Rs. 1,74,338 lacs (previous year Rs. 2,31,086 Lacs) and is calculated on the Adjusted Gross Revenue ('AGR') which is determined by the management by excluding the interest income on income-tax refund received during the year amounting to Rs 1,864 lacs (Previous Year 36,531 lakhs). In our opinion, the license fees is understated by Rs. 149.12 lakhs (Previous Year 3,054.50 lakhs) since such interest income has not been included in determination of AGR for computing the license fees. Had the aforesaid expenditure been accounted for, license and spectrum fees and loss for the year ended 31 March 2018 and current liabilities as at that date would have been higher by Rs. 149.12 lakhs (Previous Year 3,054.50 lakhs) and the reserve and surplus as at that date would have been lower by the same amount.</p> <p>(ii) As reported by auditor of 1 circle, interest received on security deposits is set off directly from the bills and the interest income is not ascertainable for recognizing liability of license fees, auditor of 4 circle has reported:</p> <ul style="list-style-type: none"><li>i) Income from NOFN project,</li><li>ii) Profit from Construction Contracts,</li><li>iii) Liquidated Damages recovered from contractors/ suppliers and reduced from relevant revenue expenditure, have not been included for the calculation of License and Spectrum Fees.</li></ul> <p>Further, auditors of 5 circles have reported that revenue from NLD/ ILD is not based on actual usage of pulse and the license fees is based upon estimated basis. Consequential impact on the Ind AS financial statements, if any, as a result of the same is presently not ascertainable.</p>	<p>BSNL is of the view that license fees are not payable on interest on income tax refund since it is not in the nature of interest on investment and demand raised by Income Tax Department was paid due to statutory obligation and to avoid hefty penalty.</p> <p>The matter regarding exemption from payment of license fee on interest on income tax refund has been taken up with DOT.</p> <p>On verification, it has been noticed that Income from NOFN project / Profit from Construction Contracts / Liquidated Damages to the extent booked under the Head "Revenue" has been considered for calculation and payment of license and spectrum fees.</p> <p>The license fees are paid on revenue share basis. The value of pulse is not constant and may also be NIL for certain tariff plans. Special tariff/validity vouchers introduce another variable due to which pulse does not remain right factor for measuring revenue for purpose of calculating license fee. The license fee is now uniform across various services; hence the effect is not material.</p>

<b>Provisions and contingent liabilities</b>		
35	The provisions and the disclosures with regard to matters under litigations have been made based upon the management estimates. Based upon the report of auditors of 12 circles, sufficient and appropriate audit evidence for examining and verifying the quantum of contingent liabilities disclosed in note 50 to the Consolidated Ind AS financial statements has not been obtained. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the litigations, the impact of adjustments/disclosure, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.	Most of the circles had provided the details of litigation / claims lodged or defended and contacts of the Company's counsels to the auditors. At Corporate level also, the abovementioned details were given to auditors. The auditors had written letters to the Company's counsels. It appears that due to professional reasons some counsels did not respond. It may also be noted that many of the legal cases are on either outstanding dues or on service/ personnel matters involving issues of employee's career progression, inter-se seniority etc. For the cases having major implications known up to finalization of accounts, the details and contingent liabilities have already been shown in note to accounts. Moreover, the concerned circles are further advised to provide the adequate details to auditors.
36	As stated in Note No 49, certain claims of MTNL on various accounts are under reconciliation and settlement process. In the absence of sufficient details and audit evidences in respect of the amount of such claims, the impact of adjustments/disclosure, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.	BSNL and MTNL, both being PSU, are under the same Ministry. The reconciliation and settlement of claims between them is under process.
37	As reported by 13 circles, the circles have not made provision for the disallowance of subsidy claimed from Universal Service Obligation Fund ('USOF'). The impact of the adjustment, if any, in respect thereof on current assets and loss for the year is presently not ascertainable. The consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.	In most of the cases, claim of the BSNL has not been rejected but withheld by USO Fund Administrator for want of some technical aspects such as installation of solar power system/kiosks etc. Circles are taking up the matter with concerned CCA regularly and based on the best estimate, no provision has been considered necessary.  Management estimate has been reassessed at every reporting date and necessary adjustment done.
<b>Miscellaneous</b>		
38	As detailed in Note no 12, the company had pursuant to the Government of India, Ministry of Communications and IT, Department of Telecommunications order, made an investment of Rs. 20,000lakhs[Rupees Twenty Thousand Lakhs] in the 7% Redeemable cumulative preference shares each of Rs. 100/- fully	Due to substantive evidence regarding recovery of the amount, the management has not considered necessary to record the diminution in value of investment in preference shares of M/s ITI Ltd.



	<p>paid up, in the financial year 2002–2003 in ITI Limited. The company explains that ITI Limited will redeem preference shares immediately on release of the financial assistance by the Government of India to ITI Limited as a part of revival package. Such preference shares have a specified (contractual) term and considering the observable Level 2 inputs, in terms of Ind AS 113, Fair Value Measurement, including the condition of such investment and significant decrease in the volume or level of activity for in relation to normal market activity, for substantially the full term of such investment, we report that the company has not provided for the impairment loss on such investment as the transaction price does not represent its fair value. This accordingly has resulted in understatement of net loss by Rs. 20,000 lakhs and overstatement of corresponding investments by the same amount for the financial year 2017-2018.</p>	
39	<p>The Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).</p> <p>i. As reported by auditors of 2 circles, the expenses, incomes, assets and liabilities are not properly disclosed under the reportable segments as per the Ind AS 108-“Operating Segments”. In our opinion, the same does not give true and fair disclosure of the segment-wise operations of the Company as required by the aforementioned Ind AS.</p> <p>ii. The company has not carried out any techno-economic assessment during the year ended 31 March 2018 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 “Impairment of Assets”.</p>	<p>Adequate disclosure has been made at Corporate office level.</p> <p>The operations of BSNL are of such a nature where assets are in use 24x7. As and when any asset is found non-repairable or non-functional or obsolete, the same is decommissioned and necessary provision is being created in books of accounts. This process is continuously followed throughout the year in each circle of BSNL.</p>

<p>The consequential impact of adjustment, if any, on the Consolidated Ind AS financial statements is currently not ascertainable.</p> <p>iii. The accounting for capital and revenue grant in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" is not followed consistently. In the absence of specific details, the consequential impact of adjustment, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.</p> <p>iv. The accounting policy as referred to in note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized on actual basis in respect of bills received by the company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the Consolidated Ind AS financial statements is presently not ascertainable.</p> <p>v. As reported by 5 circles, contract revenue and contract costs pertaining to construction contracts have not been accounted for in accordance with the notified Ind AS 11 "Construction Contracts". In the absence of specific details, the consequential impact of adjustment, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.</p> <p>vi. As detailed in Note No. 41(2) the company has certain leasehold land, the lease tenure of which in earlier year(s) and is not renewed in current year. Pending renewal of such lease, period and non-availability of sufficient information about</p>	<p>The Circles are being instructed to strictly adhere to the accounting policies and instructions issued in this regard.</p> <p>As per the accounting policy as disclosed, claims for medical facility received from the employees of BSNL (including retirees) up to the cutoff date of finalization of annual accounts, are treated as liability of the Company for the said financial year.</p> <p>The post employment medical care extended to its retired employees as per the present policy of BSNL is more like facilities, which may be revised by the Management any time, depending upon the relevant factors prevailing at that time.</p> <p>Further vide Letter No. BSNL/Admn.I/14-15/09(pt.) dated 02/04/2014 option to choose CGHS facilities has been extended to retired employees of BSNL, who are in receipt of Central Civil Pension.</p> <p>The Circles are being instructed to strictly adhere to the accounting instructions issued in this regard.</p> <p>The Circles are being instructed to strictly adhere to the disclosure requirements in this regard.</p>
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	<p>the timeline by which it would be renewed, the classification of such land made by the company as finance lease is not in conformity with Ind AS 17 "Leases". 4 circle auditors have reported that certain provisions including disclosure requirements as per Ind AS 17 "Leases", have not been complied with. In the absence of specific details, the consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements are presently not ascertainable.</p>	
40	<p>(i) The company has not identified and restated the prior year financial statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. In the absence of specific details, the consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.</p> <p>(ii) As stated in the note 2.2(v) of the financial statements, individual transactions of income/ expenditure exceeding Rs. 5 lacs, are considered for evaluation as prior-period items. The revenue and expenditure for the current year, inter alia, includes amount pertaining to prior period(s) as reported by auditors of 7 circles. This is not in accordance with the Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". In the absence of specific details, the consequential impact of adjustments, if any, on the Consolidated Ind AS financial statements is presently not ascertainable.</p>	<p>Ind AS 8 requires that material prior period errors shall be corrected retrospectively.</p> <p>In view of the management, the prior period errors during the current financial year are not material, hence no restatement has been carried out.</p> <p>Adequate disclosures are already given in the books of accounts of BSNL. The accounting policy of the company is made keeping in view the size of organization and volume of high denomination transactions. It may also be noted that many organization of such size in infrastructure industry are following similar policies.</p>
41	<p>As reported by 11 circles and detailed in note 28 to the Consolidated Ind AS financial statements, these circles have not identified units covered under Micro, Small and Medium Enterprises Development Act, 2006</p> <p>2006 ('MSMED Act, 2006) and hence disclosures as required under the MSMED Act, 2006 have not been given. The consequential impact of the same on the Consolidated Ind AS financial statement is presently not ascertainable.</p>	<p>The concerned circles are being instructed to take necessary action.</p>

42	The disclosure requirements of the Schedule III, Division II of the Act have not been properly adhered to in the presentation and disclosure of Consolidated Ind AS financial statements of the Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, whether applicable; categorization of assets/ liabilities into appropriate captions; changes in inventory; related party; capital and other commitments and expenditure and earnings in foreign currency.	The circles are being instructed to strictly adhere to the accounting instructions issued on the subject matter.
43	36 Circle auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts, identification of creditors remaining beyond 180 days from the date of supply for reversal of Input Credit and availing of Transitional Credit on CENVAT. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these Consolidated Ind AS financial statements.	The concerned circles are being instructed to make necessary compliances with regard to deposition, deduction, and reconciliation of GST and other statutory dues.
44	As reported by auditors of 13 circles, compliances with regard to deposition, deduction, reconciliation of service tax, tax deducted at source and value added tax are pending to be made. In the absence of specific details, we are unable to comment on its consequential impact, if any, on the Consolidated Ind AS financial statements.	The concerned circles are being instructed to make necessary compliances with regard to deposition, deduction, and reconciliation of service tax and other statutory dues.
45	As detailed in notes (a) and (b) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the the adjustment/ disclosures in the Cash Flow Statement.	Noted.



47	<p>The company has not complied with Ind AS 16 “Property, Plant and Equipment” by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. Auditors of 4 circles have reported that value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Valuer, nor calculated in appropriate method and the same has been calculated on estimated basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable.</p>	<p>Asset Retirement Obligation (ARO) is required to be discharged at the end of lease period by dismantling the complete Asset and not every part or component separately. Hence ARO has been created for complete Asset.</p> <p>ARO is based on the technical evaluation carried out by civil/electrical wing and is not required to be certified from external agencies /valuers.</p>
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**For and on behalf of the Board of Directors**

**Sd/-**

**(Anupam Shrivastava)**

Chairman & Managing Director  
BHARAT SANCHAR NIGAM LIMITED

Date:13-12-2018

रिपोर्ट/पी०एस०यू० लेखा/फा०-221/BSNL&CFS/2017-18/

OFFICE OF THE  
DIRECTOR GENERAL OF AUDIT, POST & TELECOMMUNICATIONS,  
SHAM NATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054

Dated 26.12.2018

सेवा में,

अध्यक्ष और प्रबंध निदेशक  
भारत संचार निगम लिमिटेड  
नई दिल्ली

**विषय:** भारत संचार निगम लिमिटेड (BSNL & Consolidated) के 31 मार्च 2018 को समाप्त खातों पर कंपनी अधिनियम, 2013 की धारा 143(6)(बी) के तहत भारत के नियंत्रक एवं महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

उपरोक्त विषय से सम्बंधित कंपनी अधिनियम, 2013 की धारा 143(6)(बी) के अंतर्गत भारत संचार निगम लिमिटेड के 31 मार्च 2018 को समाप्त खातों पर "NIL COMMENTS" संलग्न है।

भवदीय  
संलग्न: यथोपरि

ह/-  
(प्रदीप कुमार)  
उप निदेशक



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER  
SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE  
CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT SANCHAR NIGAM LIMITED (BSNL) FOR  
THE YEAR ENDED 31 MARCH 2018**

The preparation of consolidated financial statements of BHARAT SANCHAR NIGAM LIMITED (BSNL) for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013(Act) is the responsibility of the management of the company. The Statutory Auditor/auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 04.08.2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of BHARAT SANCHAR NIGAM LIMITED (BSNL) for the year ended 31st March 2018 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of BHARAT SANCHAR NIGAM LIMITED (BSNL) but did not conduct supplementary audit of the financial statements of BSNL TOWER CORPORATION LIMITED for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' Report under Section 143(6)(b) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**

ह/-  
( संगीता चौरे )  
महानिदेशक लेखापरीक्षा ( डाक व दूरसंचार )

Place : Delhi

Date : 26.12.2018



## **BHARAT SANCHAR NIGAM LIMITED**

(A Govt. of India Enterprise)

Regd. Office : Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001

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Visit us at : [www.bsnl.co.in](http://www.bsnl.co.in)

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