



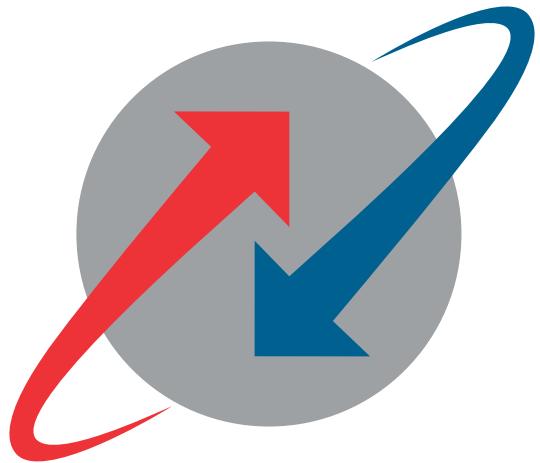
Annual Report 2015-16



BSNL

Connecting India
Faster

BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)



16th Annual Report

For the Financial Year ended 31.3.2016

BHARAT SANCHAR NIGAM LIMITED

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BOARD OF DIRECTORS



Shri Anupam Shrivastava
Chairman and Managing Director



Shri N.K.Gupta
Director(CFA)



Smt. Sujata Ray
Director(HRD) & (Fin)



Shri N.K. Mehta
Director (E)



Shri R.K.Mittal
Director(CM)



Shri N. Sivasailam
Government Director
Chairman, Audit Committee
Chairman, Nomination &
Remuneration Committee



Smt. Padma Iyer Kaul
Government Director

Shri H.C.Pant
Company Secretary & Sr. GM (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

Statutory Auditors

Walker Chandiok & Co., L-41 Connaught Circus, New Delhi-110 001.

Cost Auditors

Balwinder & Associates, Cost Accountants, F-125 Phase VIIIB Indl Area Mohali,
Punjab-160071.

Secretarial Auditors

M/s VAP & Associates, Company Secretaries, 387, First Floor, Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.

Bankers

State Bank of India, Punjab National Bank, Corporation Bank, ICICI Bank, Union Bank of
India, Canara Bank, INDUSIND Bank, YES Bank, Central Bank of India, Allahabad Bank,
United Bank of India, Syndicate Bank, Oriental Bank of Commerce, Bank of India, J&K Bank,
Bank of Maharashtra

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

Mobile Services

GSM 2G, GSM 3G
CDMA :- Mobile, CDMA Fixed and CDMA Data Card Services

Broadband Services

Landline Broadband
3G Mobile Broadband
GSM Wi-Fi
WiMAX Broadband
Dial up Internet (DIAS)
Fiber Broadband(FTTH)

CDMA Broadband :- EVDO Prepaid, EVDO Postpaid, EVDO Router.

Enterprise Business

Enterprise Voice and Mobility:- EPABX, Voice VPN, ISDN/PRI/BRI, Centrex, 2G/3G Mobile, Blackberry services

Internet Data Centre Services:- IDC Overview, Managed Colocation services, Managed/Hosting Services, Managed IT Services, Cloud Services(PCaaS)

Enterprise Data Services:- Leased Circuit(DLC), MPLS VPN, Internet Leased Line, VSAT, VPN Services (Over BB, CDMA/3G)

Enterprise Broadband:- Wi-Max, Wi-Fi, EVDO, DSL Broadband/FTTH Broadband

Managed Services:- Managed Network Services(MNS), Managed Global Audio Conferencing,

Managed SaaS(Mail):- Internet Data Centre

Other Enterprise Services:- Web Colocation, Fleet Tracking, Video Conferencing (VC), Video Surveillance, Web Hosting, USOF Project and host of other innovative Enterprise Business Solution Services

Landline Services

Telephone Lines, FLPP B-fone, Phone plus services

Intelligent Network Services:- Universal ITC, UAN service, Toll free numbers/services, VPN service, Televoting services

BSNL PCO:- FLPP-PCO

PRI/BRI/Dial-up Internet:- Dial up internet, ISDN PRI, ISDN BRI

VISION AND MISSION

VISION

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

MISSION:

- a) **Be the leading telecom service provider in India with global presence**
 - Generating value for all stakeholders – employees, shareholders, vendors & business associates
 - Maximizing return on existing assets with sustained focus on profitability
 - Becoming the most trusted, preferred and admired telecom brand
 - To explore International markets for Global presence
- b) **Creating a customer focused organization with excellence in sales, marketing and customer care**
 - Developing a marketing and sales culture that is responsive to customer needs
 - Excellence in customer service—"friendly, reliable, time bound, convenient and courteous service"
- c) **Leveraging technology to provide affordable and innovative products/services across customer segments**
 - Offering differentiated products/services tailored to different service segments
 - Providing reliable telecom services that are value for money
- d) **Providing a conducive work environment with strong focus on performance**
 - Attracting talent and keeping them motivated
 - Enhancing employees skills and utilizing them effectively
 - Encouraging and rewarding individual and team/group performance
- e) **Establishing efficient business processes enabled by IT**
 - Changing policies and processes to enable transparent, quick and efficient decision making
 - Building effective IT systems and tools

OBJECTIVES

- To be the Leading Telecom Services provider by achieving higher rate of growth so as to become a profitable enterprise.
- To provide quality and reliable fixed telecom service to our customer and thereby increase customers confidence.
- To provide customer friendly mobile telephone service, with focus on Value added service and data services, of high quality and play a leading role as GSM operator in its area of operation.



- Strategy for:
 - I. Rightsizing the manpower
 - II. Providing greater customer satisfaction
- Contribute towards:
 - I. Broadband customers base in India as envisaged in draft National Telecom Policy 2011.
 - II. Providing broadband connectivity to 2.5 lakhs Village Panchayats as per Government policy
- To leverage the existing infrastructure of BSNL for facilitating implementation of other government programmes and initiatives particularly in the rural areas.
- To look for the opportunity of possible expansion of BSNL footprint globally by exploring international telecom in developing markets such as Africa.



Hon'ble MOS(I/C) for Communications & MOS for Railways, Shri Manoj Sinha addressing HOCC held on 26-27 Sept,2016 at BSNL CO,New Delhi.

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 Company's 16th Annual General Meeting. The Company's Annual Financial Statements for the year 2015-16, alongwith the Board's and Auditors' Report have been circulated amongst the Members; which, I take as read, with your kind permission.

ECONOMY

Even in the backdrop of a sluggish global growth, the Indian economy sustained its growth path, with about 7.5 % GDP growth. This was possible owing to the Government of India's positive policy initiatives, low rate of interest, declining fiscal deficit and moderating inflation. The telecom sector also kept pace, although the growth was not to that extent because of intense competitive scenario. Many policy initiatives are undertaken by the Government of India, which will certainly help telecom sector to grow in the near future.

The recent policy announcement for granting license to Virtual Network Operators (VNOs) is expected to offer further opportunities to monetize the Network capacity optimally.

With a strong value for money to the customers, Your Company's brand has a potential appeal to the vast population of the country. Recognition to the VNO will push and take your Company's business to the next level in the highly digitized and technology driven telecom market.

PERFORMANCE HIGHLIGHTS 2015-16

During the year under review, Your Company continued its journey on the growth path, **as it**

achieved highest revenue from operations since Financial Year 2009-10.

During the year 2015-16 the company incurred a loss of **Rs.3,879.92 Crores [Previous year 8234.09 Crores]**. While the Income from services is **Rs.28,449.42 Crores [Previous year Rs.27,242.23 Crores]**, other income is **Rs.4469.28 Crores [Previous year 1402.97 Crores]**.

There was an increase of 4.43% in Income from services in comparison to previous year. There was an increase of 14.92% in the total Income in comparison with the previous year.

The Employee benefit expenses and Office & Administration expense remained major contributory to the expenses, which have shown an increase of 2.82% and 5.09%, respectively.

MARKET SHARE

As on 31st March 2016, market share of the Company's telephone (both wireline plus wireless) stood at 9.59%. The Company, while retaining its No.1 Position in Landline segment with a market share of 58.52% also leads in the Wired Broadband segment with 9.94 Million customers. All India Free Roaming Scheme attributed to addition of more than 15.19 lakhs of new customers to the Mobile segment. In addition, as testimony to our transparent service delivery processes, Your Company became MNP Positive.

COMPETITIVE EDGE

Having one of the largest last mile copper and fiber network spread across the length and breadth of the country, Your Company is



completely in sync with the fast phase of developments. With greater focus on IT enabled services, shifting to Next Generation Network systems, Your Company always has an eye on the changing market dynamics and is always ready to take on new challenges thrown by the competition.

BSNL IN NATION BUILDING

IMPLEMENTATION OF GOVERNMENT PROJECTS

Your Company's avowed aspiration to be an engine of growth for the national economy has made impressive progress over the years. Currently, Your Company is actively engaged in implementation of following projects of national importance:-

Bharat Net:-As part of this ambitious Digital India plan, Your Company is implementing the target of laying of OF cable for 70,000 Gram Panchayats across the country, of which, 26,000 Gram Panchayats have already been covered.

Network for Spectrum(NFS):-Your Company is laying the OF Cable for defense network. 10,000 RKM of OFC has already been laid.

Left Wing Extremism affected areas(LWE):- As part of Government of India initiative to provide connectivity to the LWE affected areas, out of the proposed 1836 BTSS, 1825 BTSS have been installed and commissioned.

Development of communication networks of NE Region:-To ensure a comprehensive telecom transmission network development in the North Eastern Region of the Country, Your Company is laying 3218 KMs of OF Cable in the region.

MAKE IN INDIA

In furtherance of the Government's initiatives,

to add impetus to the domestic economic growth, Your Company's all procurement initiatives stipulate implementation of PMA policy a must by prospective suppliers.

SKILL DEVELOPMENT – SUPPORT IN NATION BUILDING

Training under National Skill Development Scheme

Pursuant to the National Skill Development Scheme, Your Company imparted training to 7121 students, thus achieving a target of 94.9% against the MoU Target of 80% [6000]. Out of 7,564 number of students allotted for BSNL-AICTE EETP, 7,501 number of students joined the training.

DISASTER MANAGEMENT

Being a leading pan India public sector telecom service provider, Your Company always excels in the area of disaster management, specially in the areas of faster restoration of communication facilities in the areas affected by natural calamities. During the devastating floods of Chennai, Your Company swung into action and restored the communication facilities in record time.

SWACHH BHARAT ABHIYAN

As part of the nation-wide Swachh Bharat Abhiyan, Your Company organized a Swachh Bharat Pakhwada from 17th September 2016 onwards.

Being a responsible corporate citizen, Your Company has also been implementing various other green initiatives time and again i.e., Use of alternate energy resources, Energy conservation measures, Rain water harvesting in its premises etc.

PRESENCE IN SOCIAL MEDIA

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 and its twitter handle is <https://twitter.com/BSNLCorporate>

OUTLOOK AND FUTURE STRATEGY

Indian Telecom Broadband market poised for healthy growth. NTP 2012 emphasizes for affordable and reliable broadband on demand by 2015, achievement of 175 Mn connections by 2017 and 600 Mns connections by 2020. Ever increasing demand for wireless connections across the urban and rural areas, together with increasing market for VAS and multimedia contents will build up a strong business case.

Your Company is keenly watching the new developments taking place in the telecom sector inter-alia the entry of new large pan-India private service provider.

Your Directors have drawn strategic plans to meet the challenges thrown by the new entrants. Being an incumbent player with an array of wide ranging spectrum in all bands across the country and highly skilled manpower, Your Company is strongly poised to take on the challenges. Your Company's philosophy towards the competition is two pronged, viz.

Collaborate and Compete. As such, wherever it is required to improve its presence or, QoS, your Company has chosen to enter into ICR arrangements or, Infra Sharing etc., simultaneously offering highly competitive tariffs. The **Landline 49 and 249 Plan** are the

examples. In addition to this, to give further impetus to Customer Care, Your Company, while acknowledging its USP that it's the most transparent and affordable service provider, has started an unique campaign across the country with a pledge taken by all classes of employees to give **Service With A Smile (SWAS)**.

CORPORATE SOCIAL RESPONSIBILITY

The Company, being wholly owned Government Company has been taking up various CSR initiatives even prior to coming into force of the provisions of the Act of 2013. The Company had its own CSR Policy which is now being aligned with the CSR Policy requirements under the Companies Act 2013. 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, being a wholly owned Government Company continued its engagement with social obligations to bridge the digital divide, apart from employee and their family welfare programmes. The Company has constituted the Corporate Social Responsibility Committee of the Board.

CORPORATE GOVERNANCE

It has been the endeavor of Your Company to pursue and sustain the excellent levels in Corporate Governance and is committed to the Corporate Governance Norms stipulated in the Companies Act and those laid down by the DPE as well.

AWARDS AND ACCOLADES

Apart from being the recipient of several awards from the Central and State Government in the Energy Conservation segment, Your Company was also conferred with the "**Dalal Street Investment Journal Best PSU Award 2015, for 'Highest Turnover PSU in Mini Ratna – Non**



manufacturing Category”.

Your Company completed the prestigious SBI 2 Mbps BW upgradation project in a record period of 3 months. In recognition of the same, the SBI has awarded the “**Certificate of Collaboration Excellence**”, to the Company.

TEAM BSNL

A highly motivated and skilled ‘Team BSNL’ has, over the years infused its highest degree of professional competence and technical expertise in the Company’s forward march. Your Company keeps engaging with its Team all through the year continuously through in-service refresher courses, trainings, workshops with focus on domain specific and specialized programmes.

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 and IT, 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**



Shri Anupam Shrivastava, CMD BSNL welcoming Hon'ble MOS(I/C) for Communications & MOS for Railways, Shri Manoj Sinha in HOCC held on 26-27 Sept,2016 at BSNL CO, New Delhi.

BOARD'S REPORT

Dear Members,

Your Directors have great pleasure in presenting the 16th 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, 2016.

FINANCIAL PERFORMANCE

The financial performance for fiscal 2015-16 is summarized as below:

S. No	Particulars		2015-16 [Rs. in Lacs]
1	Income from services	1	2,844,942
2	Other Income	2	446,928
3	Expenditure [Excluding Interest and depreciation]	3	2,906,422
4	Profit before interest, depreciation and tax [EBIDTA]	4 = 1+2-3	385,448
5	Depreciation	5	713,511
6	Interest	6	54,339
7	Profit/(Loss) before prior period adjustment	7=4-(5+6)	(382,402)
8	Prior period adjustments	8	(34,529)
9	Profit/loss before tax	9=7+8	(416,931)
10	Provision for deferred tax	10	28,939
	Tax Provision for the year		-
	Tax Provision for the earlier years		-
	Wealth tax		-
11	Net Profit/Loss for the year	11=9+10	(387,992)

AMOUNTS PROPOSED TO BE CARRIED TO GENERAL RESERVES: NIL

LOAN AND INVESTMENT BY THE COMPANY

Pursuant to the Government of India, Ministry of Communications and IT, Department of Telecommunications order, Your Company made an investment of Rs.200 crores [Rupees Two Hundred Crores] in the 7% Redeemable cumulative preference shares each of Rs.100/- fully paid up, in the financial year 2002-03 in M/s ITI Limited.

Pursuant to the Government of India, Ministry of Communications and IT, Department of Telecommunications' Presidential directive No.10-24/2011-SU.1, dated 22.11.2011 Your Company subscribed to the Memorandum of Association & Articles of Association of M/s



Bharat Broadband Networks Limited (BBNL) and was allotted one Equity Share of Rs.10/- fully paid up.

DIVIDENDS

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

BORROWINGS DURING FY 2015-16

Opening balance of borrowings stood at Rs. 6384.9051 crores as on 1.4.2015. During the year under review, your company borrowed Rs.8301.6202 crore and repaid an amount of Rs.6803.7013 crore. The loan balance as on 31.3.2016 stood at Rs.7882.8150 crore.

REPAYMENTS OF BORROWINGS DURING 16-17

During the current financial year 2016-17, Your Company repaid Rs.2836.7115 Crores of Short Term Loans; and, Rs.1828.6548 Crores of Long Term Loan secured by floating charge on the moveable assets. Outstanding loan amount stood at Rs.3217.4487 Crores, as on 31.8.2016.

CREDIT RATING

Your Company has been assigned the highest Credit Rating AAA(SO) [Triple A Structured Obligation] by M/s CARE Ratings for Company's Long Term Bank Facility of Rs.8000 Crores. The rating signifies that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

DEMAT FACILITY TO THE SHAREHOLDERS

The Government of India, Ministry of Communications and IT, Department of Telecommunications, have directed for dematerialization of shares of shares of BSNL held in paper mode. Accordingly, Your Company has obtained International Security Identification Number (ISIN) for both the Equity and Preference Shares of the Company to enable the Government to dematerialize the shares.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, Your Company continued its journey on the growth path, as it achieved highest revenue from operations since Financial Year 2009-10.

During the year 2015-16 the company incurred a loss of **Rs.3,879.92 Crores** [**Previous year 8234.09 Crores**]. While the Income from services is **Rs.28,449.42 Crores** [**Previous year Rs.27,242.23 Crores**], other income is **Rs.4469.28 Crores** [**Previous year 1402.97 Crores**].

There was an increase of 4.43% in Income from services in comparison to previous year. There was an increase of 14.92% in the total Income in comparison with the previous year.

The Employee benefit expenses and Office & Administration expense remained major contributory to the expenses, which have shown an increase of 2.82% and 5.09%, respectively.

PHYSICAL PERFORMANCE

Your Company, despite operating in a very highly competitive and consumer driven market with pressure on earnings was able to restrain the negative trend to some extent.

The status of MoU Targets and Net Achievements in respect of physical performance during the year 2015-16 is as follows:-

SNo	Item	Unit	MoU Target for 15-16)	Status as on 31.3.2015	Status as on 31.3.2016	Net achievement during 2015-16	%age of achievement against annual target
1	Total Telephone connection	Lakh Conn		937.56	1,015.86	78.30	
1(a)	Wireline	"		164.12	147.62	-16.50	
1(b)	WLL	"		19.85	14.03	-5.82	
1(c)	Mobile (HLR)	"		753.59	854.20	100.61	
1(d)	Mobile (VLR)	"	50	539.84	612.034	72.19	89.46
2	Total switching capacity	Lakh Lines	60	1,320.29	1,365.61	45.32	75.54
2(a)	Wireline	"		376.89	369.86	-7.02	
2(b)	WLL	"		83.63	82.39	-1.24	
2(C)	Mobile	"	60	859.78	913.36	53.58	89.30
3	VPT	Nos		577,097	577,097	0	
4(a)	Broadband Wireline	Lakh cons	25 Lakh	99.09	98.57	-0.52	
4(b)	FTTH	Nos		41,584	78,182	36,598	
4©	Leased Line	Nos		8,019	9,765	1,746	
4(d)	Wi-Fi	Nos			340,655	340,655	
4(e)	EVDO connection	Nos		86,024	78,339	-7,685	



4(f)	Wimax connection	Nos		119,134	112,570	-6,564	
4(g)	3G	Lakh Cons		89.24	104.07	14.82	
5	OF Cable	Route Kms	15,000	745,345	761,778	16,433	109.56

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. No. of Wi-Fi unique users provided through Wi-Fi hotspots.

MEMORANDUM OF UNDERSTANDING [MoU] WITH THE DEPARTMENT OF TELECOM

In compliance with the guidelines for “MoU Signing and Monitoring Mechanism” issued by the Department of Public Enterprises, Government of India, Your Company has been signing the MoU with the Department of Telecommunications since 2004-05.

Physical targets and achievements made by the Company with respect to MoU 2014-15 and 2015-16 is as follows:-

S No	Item	Unit of Measurement	2014-15		2015-16	
			Target	Achievement	Target	Achievement
1	Addition in GSM capacity	In Lakh Lines	100	52.99	60	53.58
2	GSM Mobile Connections	In Lakhs	100	-170.41	50(VLR)	72.19
3	Broadband connections	In Lakhs	30	21.03	25	14.52
4	Addition in OFC in network	RKms	20000	11022	15000	16433
5	Replacement of legacy wireline network to NGN	In lakhs	5	5	5	6.19
6	Net Addition in Wi-Fi Hotspots (No of Hotspots)	Nos	-	-	250	2503
7	Net Addition in Wi-Fi Hotspots (No. of Cities)	Nos	-	-	25	180
8	Net addition in leased out tower sites to other operators	Nos	-	-	2000	1713
9	Net addition in customer service centres	Nos	-	-	500	550

For the Financial Year 2015-16, the Company has achieved the MoU targets in all the physical parameter except in Net addition in GSM Capacity, Broadband connections and Net addition of leasing out tower sites to other operators.

However, the Company has attained 89% & 86 % achievement against the target for GSM Capacity and Net Addition of leasing out tower sites to other operators respectively.

However the Company has fallen significantly short in attaining the target of Broadband connections due to following reasons:- Change in customers preference towards wire-less technology i.e. 2G & 3G; Ease of availability and affordability of smart devices; Low literacy rate in rural area and less availability of web content in regional languages; Interruption in wireline broadband services due to cable cuts during infrastructure development works undertaken by various agencies; Non availability of Personal computer in rural areas and non availability of 24X7 power supply in rural areas.

MARKET SHARE

As on 31st March 2016, market share of the Company's telephone (both wireline plus wireless) stood at 9.59%. The Company, while retaining its No.1 Position in Landline segment with a market share of 58.52% also leads in the Wired Broadband segment with 9.94 Million customers. All India Free Roaming Scheme attributed to addition of more than 15.19 lakhs of new customers to the Mobile segment.

SERVICES AND PLANS

CONSUMER FIXED ACCESS

In the wire-line segment, Your Company has a pan-India presence with capacity of 37.0 Mn lines with copper cable network in wide Urban and Rural areas. At present, only 14.76 Mn connections are working and after migration to NGN, there will be an opportunity to use the existing cable to provide wireline connections for Voice & Broadband services with new features and Value Added Services.

Under Phase-I, Your Company has upgraded existing 1 million Time Division Multiplexing(TDM) network into IP Multimedia Subsystem based on NGN technology and this phase is completed.

Under Phase-II, work of conversion of 3 Million lines to NGN is in progress and so far 24000 lines have been commissioned to NGN network.

Your Company is in process of migrating C-DOT TDM technology exchanges covering most of the rural India, with NGN solution being developed by C-DOT. Field trials have already been completed. For this, procurement of 8 Million lines NGN equipment for C-DOT MAX NG Access equipment is under progress.

With migration to the NGN network, Your Company will be able to offer following New



Services/Value Added Services to the wire-line customers:-

Wide Area IP Centrix, which allows small and medium size enterprise to deploy PABX/CUG service without really installing system physically in their premises;

Multi media video conferencing services across the country;

Pre-paid solution with all functionalities to provide voice, video and data pre-paid services including roaming;

Fixed mobile convergence (FMC) services by using NGN-IMS core alongwith the PSTN Access Network in already deployed mobile network; and,

Personalized Ring Back Tone(PRBT) as well as multimedia Ring Back Tone(MRBT).

Free to Home Call Forwarding Services

This service which was introduced on 30.5.2016 offers call forwarding free of cost to the customers of the Company. With this, now, the customers can forward their calls of mobile to their landline free of cost. The customer will enjoy crystal voice services in any of the premises where the mobile signals are weak. This will provide boost to the landline business.

Wi-fi Hot Spots

In the previous year, Your Company has strengthened its mobile data portfolio by focusing on WiFi, wherein, faster broadband connectivity could be provided at comparatively lesser costs. Your Company have plans to set up large number of Wi-Fi Hotspots in the year 2016-17.

Unlimited Free Calls Scheme

In addition to the existing free night calling scheme, Your Company, on the occasion of 70th Independence Day celebrations has announced the free calling facility on every Sunday for its landline customers. In this offer, the existing BSNL landline customers can call any mobile or landline free of any charges on Sundays.

BROADBAND SERVICES

In the Wired Broadband segment, with 9.94 Million customers Your Company is a leading player. To further augment the broadband network to meet the ever increasing growth and demand of the customers, following initiatives were taken in the year under review:-

To provide high speed broadband plans to the customers, the Circles were requested to move DSLAMS to BTS sites located near the customer clusters so as to reduce copper length.

Policy guidelines have been issued authorizing the Circles to engage firms/companies for providing landline and broadband connections in the new development/upcoming areas/TNF locations on revenue share basis.



Launch of BSNL in-house journal in HINDI namely 'SANCHAR SARIKA'
at BSNL Corporate Office, New Delhi on 5.10.2016.

Various promotional schemes and innovative and competitive tariff plans have been offered to the existing as well as the prospective customers.

To upgrade the Broadband services, following initiatives have been taken:-

Procurement of MPLS-TP based Next Generation Packet Aggregation Network(MNG-PAN).

47 heavy loaded BNG(s) upgraded and their performance improved.

SSSC up-gradation work is underway for all 5 RPOP locations. On completion, all SSSC failure related problems will be eliminated.

DNS up-gradation is being undertaken and high capacity DNS will be installed at 8 locations.

MOBILE SEGMENT

Your Company has been successfully adding more than 2 million new mobile customers per month for the past few months. Mobile usage data of the Company is also witnessing an upward trend, with an increase of approximately 40% over the last year and have touched 300 TB of usage on a single day.

Phase VII+ GSM projects are under roll out, deployment of state of art equipment, it is aimed to



enhance data carrying capabilities in Company's network so as to provide faster data speed to its valued customers.

For next phase of GSM/UMTS network expansion, Your Company has ambitious plans split into following four phases:-

Phase VIII:-This phase shall include induction of technical innovation in GSM/UMTS like integration of WiFi Hotspot/Femtocell/LTE/4G with existing GSM/UMTS network

Phase VIII.2:-The focus of this phase shall be on strengthening of Data networks, as data usage in India telecom industry is growing exponentially from last couple of years.

Phase VIII.3:-The focus of this phase shall be active sharing of the network, through ICR arrangements as per prevailing guidelines/regulations of DoT/TRAI.

Phase VIII.4:-The focus of this phase shall be enhancing the coverage of 2G&3G Network of BSNL.

All India Free Roaming

In view of the overwhelming response of the customers in mobile number portability and for achieving growth in customer base, the Company has extended the all India free roaming scheme introduced during June 2015 for its mobile customers by another one year.

CORE NETWORK FOR BACKHAUL CONNECTIVITY

To strengthen the core network for backhaul connectivity, Your Company has following plans for the coming years:-

Creation of a Super Express Information Highway across the country & super express transport network with 200 GB line capacity with resilience in the network is planned for deployment in the network connecting 47 state capitals and important cities. Orders have already been placed and deployment of field trial routs from Nagpur-Bhopal-Jaipur-Delhi is under commissioning.

IP MPLS network is expanded to increase the routers from 105 cities to 205 cities, which will give connectivity to all internal requirements of Broadband, NGN, 2G & 3G of GSM apart from increased connectivity to Enterprise customers.

Convergent Packet Access Network(CPAN) is planned to be procured and deployed during 2016-17 which is based on MPLS-TP technology. This shall enable BSNL to migrate from legacy SDH based transport to Ethernet based transport.

IPfication is planned for all 3G Node Bs. Necessary STM-1 CPE & STM-16 MADM equipment has been purchased and is under deployment.

DITIGAL INDIA INITIATIVES

Your Company has entered into a Memorandum of Understanding (MoU) with M/s Essel Group, to

promote the growth of business areas of mutual interest between the Companies, Viz., Acquiring and creating new broadband customers using BSNL through VNO route; Video on Demand to the Mobile and broadband users of BSNL by Essel Group; BSNL joining hands with Essel Group in the new emerging area of smart cities.



BSNL signed on 18.08.2016 a strategic business MoU with Microsoft India offering complete suite of Telecom &IT Solutions for ENTERPRISE Business. Shri Anupam Shrivastava, CMD, BSNL and Sh. Bhaskar Pramanik, Chairman of Microsoft India signing and exchanging the agreement.

Further, with a view to further promote the Broadband business, Your Company has entered into an agreement with M/s Tatasky on March 9, 2016. Under this agreement, BSNL will share details of existing Landline customers with Tatasky, who, in turn will market their product 'Video on demand' bundling Company's Broadband. Tatasky will hand over sales lead to the Company who will install Broadband connections within 72 hours on receiving lead. After completion of work, Tatasky will provide Video on demand to the customers of the Company.

These steps will just supplement the Government's initiatives in achieving the complete coverage of Digital India.

ENTERPRISE BUSINESS

Company's Enterprise business segment is showing positive trends with growth of over 17.4%



during the year under review. The revenue targets and achievements of this segment in the previous years is as follows:-

Year	2014-15	2015-16
Target	3270 Crs	3530 Crs.
Achievement	3495 Crs	4103 Crs.

MPLS Network upgradation and enhancement of Ch.STM-1 Cards

For MPLS network upgradation and enhancement of Ch.STM-1 cards procurement orders have been placed on the channel partner. About 405 Ch.STM-1 cards (25,515 ports) have been populated in the routers till date and remaining is underway.

Augmentation of MLLN Circuits

Expansion of MLLN with new types of modems comprising of VMUX, NTU, XCG Card, E1A EXCs Card etc., is underway. This step of expansion will augment around 15000 MLLN circuits.

PROVISIONING AND OPERATION OF SATELLITE BASED SERVICES USING GATEWAY INSTALLED IN INDIA USING INMARSAT TECHNOLOGY

Infrastructure work for setting up gateway at ALTTC Ghaziabad for operating satellite based phone service with Inmarsat technology is complete. Commissioning of commercial operations is likely to commence from 31st December 2016.



An MoU was signed between BSNL & Essel Group with areas of mutual interest between two companies at BSNL Corporate, New Delhi on 3.8.2016

NATION BUILDING – IMPLEMENTATION OF GOVERNMENT 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:-

Bharat Net:- As part of this ambitious Digital India plan, Your Company is implementing the target of laying of OF cable for 70,000 Gram Panchayats across the country, of which, 26,000 Gram Panchayats have already been covered.

Network for Spectrum(NFS):- Your Company is laying the OF Cable for defense network. 10,000 RKM of OFC has already been laid across the country.

Left Wing Extremism affected areas(LWE):- As part of Government of India initiative to provide connectivity to the LWE affected areas, 1817 BTSs have already been installed and are on Air, at the strategic locations of LWE areas out of the proposed 1836 BTSs.

Development of communication networks of NE Region:- To ensure a comprehensive telecom transmission network development in the North Eastern Region of the Country, Your Company is laying 3218 KMs of OF Cable.

CUSTOMER CARE

With a view to accord top priority to its customer needs, Your Company is committed to offer complete customer care solutions to its esteemed customers. 500 exclusive call centres for GSM, Wire line and Broadband services have been opened across the country. To give further filip to customer care, Your Company has started a campaign named as “**Service With a Smile (SWAS)**”. Through this, all classes of employees have taken a pledge to connect with the customer and render ‘service with a smile’. The response of the initiative has been positive.

ADDITIONAL REVENUE STREAMS

With a view to generate additional revenue streams, a policy to lease out spare/vacant built up space(s) has already been laid down. In addition, a policy to rent out vacant staff quarters (Policy Amrit) and for renting out vacant spaces for ATMs (ATM Policy) of the Banks has also been enunciated. During the year 2015-16, revenue earned under this initiative is as follows:-

S.NO	By renting out space for	Revenue earned in 15-16 [Rs. In lakhs]
1	For ATMs	212
2	Staff quarters	1588
3	Vacant built up space	2385
	Total	4185



In order to develop the policy and procedures for commercial exploitation of vacant lands, under Phase-I, a list of 82 Nos. of BSNL lands that can be commercially exploited has been prepared. Of this, a pilot project has been undertaken for 10 sites spread across various places of the country. For 7 such projects, case has been sent to the Administrative Department, i.e. DoT for approval.

COMPUTERISATION AND IT

ERP

As part of Computerisation and IT initiatives, Your Company has implemented Enterprise Resource Planning (ERP) in all its 49 units which was one of the biggest worldwide ERP rollout in telecom sector so far.

ERP rollout has been completed in November 2015 which has resulted in better inventory visibility, asset recognition and helped the Company to improve its consolidation of accounts and processes. Merger of around 700 plus accounting units into around half of that number is a major consolidation effort accomplished successfully. The reporting channels have improved and management is able to get inputs for taking strategic initiatives at the click of a button. It has increased the ability of the organization, resulting in lot of cost cutting.

In addition to ERP rollout, the other IT initiative relating to Development of password protected website for Calling Line Identification Restriction(CLIR) has been completed; and, Development of website for Digitisation of Power and Telecom Co-ordination Committee route has also been completed.

Extension of CDR Solutions to new areas

Franchisee Management System Portal under CDR has been introduced for CFA vertical. Using this, the Franchisees of the Company will undertake the following activities:- Generation of leads, Work order management, Complaint status/update, Work order Execution Status / Update and Bill payment Status.

During the current financial year, Your Company is in the process of Implementation of single Central Web Self Care(CWSC) portal in place of the existing four CDR WSCs and also being integrated with zonal GSM WSC portals.

TELECOM FACTORIES

Telecom Factories of your Company located at Kolkata, Gopalpur, Kharagpur, Jabalpur, Richhai, Bhilai and Mumbai are in-house manufacturing units engaged in production of various telecom products. These factories clocked the output of Rs.466.71 crore in the year under review. A target of Rs. 607 crores has been set for the financial year 2016-17.

OPERATION SAMUNDRA MANTHAN

Operation Samundhra Manthan was launched with the objective of Audit of Inventory, assets, WIP as per record vis-à-vis those physically available. As a result of this exercise:-

Surplus Items are being diverted to needy units;

Records and accounts becoming more realistic;

Reorganising the space leading to saving in electricity charges; Sparable space may generate rent revenue;

Awareness created amongst the officers of the field units will help in improving profitability.

The operation lead to following achievements in the previous year:-

Approximately items worth Rs. 15133 lakh were sold in the previous year.

19,23,109 Sq.Ft space got vacated after reorganization of space.

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 and its twitter handle is <https://twitter.com/BSNLCorporate>

The Company has 5,15,115 Likes on Facebook and 26K followers on Twitter. In the last six months over 550 creatives/posts were uploaded on the facebook and twitter accounts of the BSNL Corporate.

Contests on 'Selfie with Tiranga' which ran on 26th January 2016; and, 'BSNL Chauka' ran during World T-20 contests, received overwhelming responses.

In addition, contests on Hamara BSNL, BSNL IDAY and BSNLRIO were also organized.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

INDUSTRIAL RELATIONS

Industrial relations have remained by and large cordial during the year under review.

CORPORATE RESTRUCTURING PLANS

Policy has been finalized for consolidation of very small SSAs into Business Areas headed by GMs (i.e. Area Office Concept) in order to improve operational efficiencies. It has been initiated in HP, HR, JHK, NE-I, J & K and UTR Circles during the year 2015-16.



Exercise for man power assessment for certain cadres has been undertaken during the year under review.

TRAINING OF EMPLOYEES

Training to the Employees

Training to New Recruits:-681 new recruits joined for induction training against the total recruits of 735, and there was an achievement of 100% against the MoU Target of 100%.

In-house training to Executives/Non-executives:- Against the MoU Target of 10% of total number of employees of 2,25,867, training was imparted to 40,280 Executives/Non-executives and the achievement is 17.8%

Training under National Skill Development Training

Under this scheme, 7,564 number of students were allotted for BSNL-AICTE EETP and 7,501 number of students joined the training. Against the MoU Target of 80% [6000], a total of 7,121 students were trained, thus achieving a Target of 94.9%.

Revenue under Training programmes

State of the Art Training Centres of Your Company have generated a Revenue of Rs.41.63 crores during the year under review, comprising Rs.27.63 Crores in providing vocational training and training infra sharing; and Rs.14 crores from training under BSNL AICTE Employability Enhancement Training Programme.

Foreign Deputations

A total of 64 officers of the Company were deputed abroad during the period under review for various programmes such as:- International training on different courses under CTO PDT Training programmes and for Attending exhibitions/meetings/conferences/business visits to get first hand information on latest telecom technology developments.

Centre of Excellence

ALTTC Ghaziabad has been designated by the ITU as "Centre of Excellence"(CoE) in Broadband Access for the cycle 2015-18. Two face to face training programmes were scheduled as part of Broadband Access Network Planning Programme.

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, Physically Disabled employees and their representation as on 31.3.2016

Group	Total No. of Employees	Scheduled Caste	Scheduled Tribe	OBC	Ex-Servicemen
Executive	44906	7574	2362	6367	105
Non-Executive	166180	31825	8897	15190	248
Total	211086	39399	11259	21587	353

Category	Executive	Non-Executive	Total
Blindness of low vision	6	34	40
Hearing Impairment	11	6	17
Locomotor Disability or Cerebral Palsy	234	525	759

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 physically handicapped employees is being granted.

As far as possible, subject to administrative constraints, persons with disabilities are posted near their native places within the region.

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 Company has 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 2015-16:-

No. of complaints received – 12

No. of complaints disposed of - 04



AWARDS AND ACCOLADES

Your Company was conferred with the Dalal Street Investment Journal Best PSU Award 2015, in the category of Highest Turnover PSU in Mini Ratna – Non manufacturing.

Your Company completed the prestigious SBI 2 Mbps BW upgradation project in a record period of 3 months. In recognition of the same, the SBI has awarded the "**Certificate of Collaboration Excellence**", to the Company.

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

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.

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.

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

The term Corporate Governance connotes putting in a system of best practices in the sphere of governance, which in turn, lead to value maximization for all the stakeholders. Existing governance practices have been strengthened further over the years with sustained focus on excellence in all spheres.

The Guidelines on Corporate Governance for the Unlisted CPSEs laid down by the Department of Public Enterprises are being implemented by the Company with effect from the year 2008-09. Meanwhile, the Corporate Governance Norms on constitution of Audit Committee, Nomination and Remuneration Committee, Induction of Independent Directors, Whistle Blower Policy, ERM Policy etc., and other compliances have been enshrined in the Companies Act 2013 itself therefore are applicable to your company.

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, Report on Corporate Governance, 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.

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.

MEETINGS OF THE BOARD

The Board of Directors of your Company met 06 times during the financial year 2015-16. Details of the attendance of directors etc., form part of the Corporate Governance Report which is a part of this Report. [Refer to the Chapter on Board Meetings held, Attendance of Directors etc.]

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility functions

The Company, being wholly owned Government Company has been taking up various CSR initiatives even prior to coming into force of the provisions of the Act of 2013. The Company had its own CSR Policy. Process of aligning the same with the CSR Policy requirements under the Companies Act 2013 is underway. 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, being a wholly owned Government Company continued its engagement with social obligations to bridge the digital divide, apart from employee and their family welfare programmes.

Further, when the devastating floods struck the city of Chennai, apart from restoration of communication networks at the shortest possible time, to facilitate quick relief operations, Your Company offered the following concessional tariffs to the people of Chennai:-

For prepaid Mobile Customers - 7 Days of free onnet local and STD calls; 7 Days of free onnet SMS; and 7 Days of free data package of 100 Mb.

For post paid Mobile customers - a rental rebate of 07 days and extension of billing cycle by 15 days.

For Land Line and Broadband customers – Voice calls free onnet and offnet for 7 days; and free data package of 100 Mb for 7 days.

Corporate Social Responsibility Committee

However, 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. 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.

Quorum for the meetings and the Terms of Reference of the Committee are as prescribed under Section 178 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.

Swachh Bharat Abhiyan

Officers and Staff of Your Company responded very eagerly to this campaign of the Government of India, by participating in various cleanliness programmes organized in and around the office complexes across the country on several occasions all through the year.

NOMINATION AND REMUNERATION COMMITTEE

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.

To comply with the provisions contained Section 178 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.

Terms of Reference, Roles and Responsibilities of the Committee shall be as per the provisions of Section 178 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.

The Quorum for the meetings and the Terms of Reference of the Committee are as prescribed under Section 177 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.

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.

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 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 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 (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 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 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.

The Company organized a three day workshop on Enterprise Risk Management Techniques for its Risk Management Administrators of the Corporate Office from 6th to 8th September 2016.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Your Company is engaged in service provisioning sector. The guidelines on the subject are not applicable to it. However, as a responsible corporate citizen, your Company is fully concerned and committed as regards its responsibility for Environmental Protection. Therefore, all required measures for Energy Conservation and Use of Alternate Renewable Energy Resources are being taken at all levels.

As per Company's Energy Policy 2010, the energy efficient products are being used regularly.

Since the introduction of BSNL Energy Policy-2010, the achievements over the targets in the previous two years are as follows:-

Financial Year	Target [In Crores of Rs.]	Achievement [In Crores of Rs.]
2014-15	75	115
2015-16	90	131
Energy Saving - Cumulative till 31 st March 2016		615
Energy Saving – During 16-17 till 30.6.2016		36.22

In the sphere of Energy Conservation, Your Company has, so far won 8 National Level and 26 State Level Awards.

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earned:- RS.144 Crore

Used:-RS. 68.49 Crore

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Being the successor of erstwhile Central Government Departments of Telecom Services and



Telecom Operations, your company has a well defined and planned internal control systems and procedures commensurate with its size and operations. Internal checks are routinely carried out by the internal audit teams all over the country. Internal audit wing of the Company is headed by a Principal General Manager(PGM) level officer.

Apart from its own Internal Audit machinery, Your Company, being the Central Public Sector Enterprise, is subject to the Resident Audit Office scheme of the Director General of P & T Audit under the aegis of C & AG of India, CVC Mechanism with independent CVO and the Guidelines of the Department of Public Enterprises.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

The Company neither invited nor accepted 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 to 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 Part Time (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. Further, consequent upon the completion of the three years tenure of appointment on 16.7.2015, Shri Ajai Vikram Singh and Prof. N.Balakrishnan ceased to be Directors w.e.f. 17.7.2015. All the four positions of (Independent) Non official Part Time Directors are vacant.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

No meeting of the Non-official Part Time (Independent) directors took place during the 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.



COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Size of the Board

Being a Government Company, the power to appoint or remove a Director vests 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.

The following women Directors were there on the Board, during the year under review:-

Smt. Sujata Ray, who was appointed as Director(HRD) by the Government of India, Ministry of Communications and IT, D/o Telecommunications w.e.f. 8.7.2015; and, Smt. Padma Iyer Kaul DDG[LFA] in D/o Telecom Govt. Director in place of Smt.Darshana Momaya Dabral with effect from 18.9.2015 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 Part Time (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

- Government of India, Ministry of Communications & IT, D/o Telecommunications, vide Order No.1-4/2012-PSA dated 5.2.2014 entrusted the additional charge of the post of Director(Finance) to Shri Anupam Shrivastava Director(CM) and, vide further orders, extended the same time to time. Consequent upon his elevation as CMD w.e.f. 15.1.2015, the said additional charge continued with him vide Gol, MoC & IT, DoT order No. 1-2/2015-PSA dated 22.1.2015; and, vide further orders, extended the same time to time.

- Thereafter, Government of India, Ministry of Communications & IT, D/o Telecommunications, vide Order No.1-2/2015-PSA dated 21.10.2015 entrusted the Additional Charge of the post of Director(F) to Ms.S.T.RAY (Smt.Sujata Ray) Director(HRD) with immediate effect, for a period upto 29.2.2016, or till the appointment of a regular incumbent to the post, or until further orders, whichever is the earliest; and, vide further orders, extended the same time to time. However, consequent upon the conclusion of respective extension order(s), pending the receipt of further orders from GoI, MoC & IT, DoT, the additional charge of Director (F) vested in the CMD.

STATUTORY AUDITORS

M/s Walker Chandiok & 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 46 Branch Auditors were also appointed for the year 2015-16. 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 Balwinder & Associates, Cost Accountants Firm Registration No.000201 as Cost Auditor of the Company for conducting the Cost Audit and Accounting Separation Report (ASR) Audit for the financial year 2016-17. 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 2014-15 was filed with the MCA, Registrar of Companies on 30.12.2015.

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 2015-16. The Secretarial Auditor submitted their Report in Form MR-3, which forms part of this report.



Shri Anupam Shrivastava, CMD BSNL welcomes Hon'ble Minister of Posts & Telecommunications, Bangladesh, H.E. Ms. Tarana Halim in a high level meeting between BSNL and team of delegation from Bangladesh held at Bharat Sanchar Bhawan ,New Delhi on 27.7.2016

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) The Company is neither a subsidiary nor has subsidiaries, joint-ventures or associate companies during the year;
- (ii) Details relating to Deposits covered under Chapter V of the Act;
- (iii) Section 43 – Relating to Issue of Equity Shares with differential rights;
- (iv) Section 54 – Relating to Issue of Sweat Equity shares;
- (v) Section 62 – Employees Stock Option Scheme;
- (vi) 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;
- (vii) Section 131 – Reasons for revision of financial statement and Board Report
- (ix) 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 and IT, 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 hard work and dedicated efforts put in by the employees at all levels and look forward to their continued contribution in achieving the mission and objective of the Company.

For and on behalf of the Board of Directors,

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

Place: NEW DELHI

Dated: 23.11.2016



A glimpse of function for inauguration of NGN switch,wi-fi hotspot n phase 7+ of BSNL mobile on 17.3.2016



**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 2015-16**

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 2015-16.

Sd/-

[ANUPAM SHRIVASTAVA]
CHAIRMAN AND MANAGING DIRECTOR

Place: NEW DELHI

Dated: 19.09.2016



A glimpse of function for MoU between BSNL and MoUD held on 21.3.2016

FORM MGT-9**ANNEXURE 1****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31.03.2016**

[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	15 th 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 & Sr.GM(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, Shri Bharat Bhushan 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:

SNo	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

SNo	Name and Address of the Company	CIN/GLN	Holding/subsidiary/ Associate	% of shares held	Section
NOT APPLICABLE					



IV. 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	
A.Promoters									
(1) Indian									
(a) Individual/HUF	-	-	-	-	-	-	-	-	-
(b) 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%	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp	-	-	-	-	-	-	-	-	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other...	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	-	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%	-
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other-Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	-	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. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-

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	
(g) FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a) Bodies Corp	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(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)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+B(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A + B + C)	-	-	-	-	-	-	-	-	-

(ii) Shareholding of Promoters

Sl. 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 2015-16.			
	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	56.1948	6328.7103	0	6384.9051
(ii)Interest due but not paid	0	0	0	0
(iii)Interest accrued but not due	0.0162	2.8767	0	2.8929
Total (i) + (ii) + (iii)	56.2110	6331.5870	0	6387.7980
Change in Indebtedness during the financial year				
Addition	4989.9087	3311.7115	0	8301.6202
Reduction	0	6803.7103	0	6803.7103
Net Change	4989.9087	-3491.9988	0	1497.9099
Indebtedness at the end of the financial year				
(i)Principal Amount	5046.1035	2836.7115	0	7882.8150
(ii)Interest due but not paid	0	0	0	0
(iii)Interest accrued but not due	2.1881	0.1907	0	2.3788
Total (i) + (ii) + (iii)	5048.2916	2836.9022	0	7885.1938

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	Shri Anupam Shrivastava, CMD [Upto 31.7.2015]	Shri A.N. Rai Director(E)	Shri N.K.Gupta Director (CFA)	Smt. Sujata Ray Director(HRD) [Wef 8.7.2015]	Shri N.K. Mehta Director(E) [Wef 1.8.2015]	Shri R.K. Mittal Director(CM) [Wef 4.11.2015]	Total
	[Amount in Rupees]							
1	Gross Salary (a)Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	2632742	944297	2631913	1920636	1527218	1087999	10744805
	(b)Value of Perquisites u/s 17(2) Income-Tax Act 1961	87000	39000	87000	62600	61100	39000	375700
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act 1961	-	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-



S. No	Particulars of Remuneration	Shri Anupam Shrivastava, CMD	Shri A.N. Rai Director(E) [Upto 31.7.2015]	Shri N.K.Gupta Director (CFA)	Smt. Sujata Ray Director(HRD) [Wef 8.7.2015]	Shri N.K. Mehta Director(E) [Wef 1.8.2015]	Shri R.K. Mittal Director(CM) [Wef 4.11.2015]	Total
[Amount in Rupees]								
4.	Commission	-	-	-	-	-	-	-
	-as % of profit	-	-	-	-	-	-	-
	-others, specify	-	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-	-
	Total(A)	2719742	983297	2718913	1983236	1588318	1126999	11120505
	Ceiling as per the Act	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.						

B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Shri Ajai Vikram Singh Director [Upto 16.7.2015]	Prof. N Balakrishnan Director [Upto 16.7.2015]	Smt. Darshana Momaya Dabral Govt. Director [Upto 18.9.2015]	Smt. Padma Iyer Kaul Govt. Director [Wef 18.9.2015]	Smt. Rita Amitabh Teaotia Govt. Director [Upto 29.7.2015]	Smt. Aruna Sundararajan, Govt. Director [Wef 29.7.2015 to 21.10.2015]	Shri N. Sivasailam Govt. Director [Wef 21.10.2015]	Total Amount
[Amount in Rupees]									
	3. Independent Directors								
	-Fee for attending Board Committee meetings	50,000	50,000	-	-	-	-	-	1,00,000
	-Commission	-	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-	-
	Total(1)	50,000	50,000	-	-	-	-	-	1,00,000
	4. Other Non Executive Directors	-	-	NIL	NIL	NIL	NIL	NIL	-
	-Fee for attending Board Committee meetings	-	-	NIL	NIL	NIL	NIL	NIL	NIL
	-Commission	-	-	NIL	NIL	NIL	NIL	NIL	NIL
	-Others, please specify	-	-	NIL	NIL	NIL	NIL	NIL	NIL
	Total(2)	-	-	-	-	-	-	-	-
	Total(B) = (1 + 2)	50,000	50,000	-	-	-	-	-	1,00,000
	Total Managerial Remuneration	50,000	50,000	-	-	-	-	-	1,00,000
		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 & Sr.GM(L)	-	-	-	-	Total Amount
[Amount in Rupees]							
1	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	2418877	-	-	-	-	2418877
	(b) Value of Perquisites u/s 17(2) Income-Tax Act 1961		-	-	-	-	
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act 1961		-	-	-	-	-
2	Stock option		-	-	-	-	-
3	Sweat Equity		-	-	-	-	-
4	Commission		-	-	-	-	-
	-as % of profit		-	-	-	-	-
	-others, specify		-	-	-	-	-
5.	Others, please specify		-	-	-	-	-
	Total	2418877	-	-	-	-	2418877

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)
A.COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B.DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C.OTHER OFFICER IN DEFAULT					
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

Indian economy is on a turnaround spree, poised for a positive GDP Growth rate of 7.4% in this year. Government's thrust on Digital India and Make in India do present a positive business case for the IT and Telecom Sector.

MAJOR REGULATORY DEVELOPMENTS/CHALLENGES

STRENGTHS / OPPORTUNITIES/WEAKNESS/THREATS

BSNL is an Integrated Telecom Player with countrywide footprint and diverse services portfolio in Fixed Line, Cellular, Broadband and Enterprise Services.

The Company has a significant infrastructure assets spread across the nation with Extensive network of optical fibre (7.6 lakhs Route KM) and copper cable network. More than 80,492 towers (GSM) catering to voice and data. Over 31,738 3G Node B's.

Owes significant spectrum across bands and circles (excluding Mumbai and Delhi). Holds spectrum across frequency bands of 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2500 MHz. With a strong value for money to the customers, it has a potential appeal to the vast population of the country.

Traditionally being a wireline company with majority of the assets forming part of this vertical and high manpower cost and economically unviable rural operations, there is a gap in customer service fulfilment and assurance.

OUTLOOK

Indian Telecom Broadband market poised for healthy growth. NTP 2012 emphasizes for affordable and reliable broadband on demand by 2015, achievement of 175 Mn connections by 2017 and 600 Mns connections by 2020. Ever increasing demand for wireless connections across the urban and rural areas, together with increasing market for VAS and multimedia contents will build up a strong business case.

RISKS AND CONCERNS

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Being the successor of erstwhile Central Government Departments of Telecom Services and Telecom Operations, your company has a well defined and planned internal control systems and procedures commensurate with its size and operations. Internal checks are routinely carried out by the internal audit teams all over the country. Internal audit wing of the Company is headed by a Senior Management level officer.

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, CVC Mechanism with independent CVO and the Guidelines of the Department of Public Enterprises. In addition, for each financial year, the Statutory and Branch Auditors are appointed by the C & AG of India.

In accordance with the Guidelines on Corporate Governance Norms issued by the Department of Public Enterprises, the Audit Committee of the Board had discussions with the Internal Audit Teams 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 2015-16 were made by the Board of Directors consequent upon related provisions of the Act coming into force.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, Your Company continued its journey on the growth path, as it achieved highest revenue from operations since Financial Year 2009-10.

During the year 2015-16 the company incurred a loss of **Rs.3,879.92 Crores [Previous year 8234.09 Crores]**. While the Income from services is **Rs.28,449.42 Crores [Previous year Rs.27,242.23 Crores]**, other income is **Rs.4469.28 Crores [Previous year 1402.97 Crores]**.

There was an increase of 4.43% in Income from services in comparison to previous year. There was an increase of 14.92% in the total Income in comparison with the previous year.

The Employee benefit expenses and Office & Administration expense remained major contributory to the expenses, which have shown an increase of 2.82% and 5.09%, respectively.

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

BSNL is a telecom service providing Company. As a responsible corporate citizen, the Company is fully concerned and committed as regards its responsibility for Environmental Protection. Therefore, all required measures for Energy Conservation and Use of Alternate Renewable Energy Resources are being taken at all levels.

As per Company's Energy Policy 2010, the energy efficient product are being used regularly. The implementation of Energy conservation measures is constantly being monitored.

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

Corporate Governance, in plain terms aims to maximize the value of all the stakeholders through a set of guidelines and principles. Being a leading pan-India 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. However, consequent upon conclusion of the three year tenure of appointment of the Two Non official Part Time (Independent) Directors on 15.7.2016, pending new appointments by the Govt. of India, the Company has re-constituted the Audit Committee which comprise both the Govt. Directors and Director(HRD); similarly the Nomination and Remuneration Committee comprise Both the Govt. Directors and CMD as Members and the Director(HRD) as Regular Invitee. The CSR Committee also comprise One Govt. Director and Two Functional Directors.
- Enterprise Risk Management Policy of the Company;
- Appointment of Statutory and Branch Auditors by the C & AG of India;

- Appointment of Cost Auditors;
- Appointment of Secretarial Auditor;
- Appointment of Internal Auditors;
- Certification of compliance of Corporate Governance Norms by an outside practicing professional;
- 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 country;
- Whistle blower policy in vogue;
- Compliance of the Orders and Guidelines of the Government of India - Department of Public Enterprises, Administrative Ministry 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 A.N.Rai Upto 31.7.2015
Shri N.K.Mehta w.e.f. 1.8.2015

Director (CFA)

Shri N.K.Gupta [W.e.f. 1.6.2012]

Director(HRD)

Smt. Sujata Ray, w.e.f. 8.7.2015.

Prior to this, pursuant to the Government of India, Ministry of Communications & IT, D/o Telecommunications, Order No.1-4/2012-PSA, dated the 19.6.2012 which was extended from time to time, Shri A.N.Rai Director(E) was holding the additional charge of the post of Director(HRD).

Director (CM)

Shri N.K.Gupta [W.e.f. 16.1.2015 to 15.3.2015]
Shri A.N.Rai [W.e.f. 14.5.2015 to 31.7.2015]
Shri N.K.Mehta [W.e.f. 1.8.2015 to 31.10.2015]
Shri R.K.Mittal [W.e.f. 4.11.2015]

Director (Finance)

Shri Anupam Shrivastava [w.e.f. 16.1.2015 to 21.10.2015]
Smt.Sujata Ray [W.e.f. 21.10.2015 to 31.8.2016]
Smt.Sujata Ray [W.e.f. 1.9.2016 to 30.11.2016]

However, consequent upon conclusion of respective extension order(s), pending receipt of further orders from the GoI, MoC & IT, DoT the additional charge of the post of Director(F) vested in the CMD.

Government Nominee Directors [02]

1. Smt. Rita A.Teoatia, Additional Secretary(T) in DoT [Upto 29.7.2015]
2. Smt.Aruna Sundararajan, Addl Secretary & Administrator USOF in DoT [w.e.f. 29.7.2015 to 21.10.2015]
3. Smt.Darshana Momaya Dabral, DDG[TPF] in DoT [w.e.f. 29.9.2014 to 18.9.2015]
4. Smt.Padma Iyer Kaul, DDG [LFA] in DoT [w.e.f. 18.9.2015]
5. Shri N.Sivasailam, Additional Secretary(T) in DoT [W.e.f. 21.10.2015]

Non-official Part-Time Directors [04]

1. Shri Ajai Vikram Singh, Director [Upto 16.7.2015]
2. Prof.N.Balakrishnan, Director [Upto 16.7.2015]

BRIEF PROFILE OF THE DIRECTORS

Shri Anupam Shrivastava CMD [w.e.f. 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.

Shri N.K.Gupta Director(CFA) [DIN: 01140881] :- Shri Naresh Kumar Gupta took over as Director (CFA) in BSNL on 1st June 2012. Shri Gupta is B.E. from Delhi College of Engineering (DCE), in Electronics and Communications. He joined the Department of Telecommunications, Government of India through Indian Telecommunications Services (ITS) Group A 1978 batch. Since then he has worked in various capacities in different units of DoT/TEC/BSNL/MTNL and has versatile



experience covering almost all the fields in telecommunications including installation, operations, development and management of telecom networks, sales and marketing and financial management etc. Before joining as Director (CFA) on the BSNL Board, N K Gupta was working as Chief General Manager, Punjab Telecom Circle in BSNL and prior to that he was heading the Information Technology division for CFA business unit of BSNL. He in the capacity of DDG (I) TEC was instrumental in framing specifications and Network architecture against which BSNL and MTNL have implemented their broadband Networks. He has represented DoT in many committees of TRAI, DIT, and also in various Inter-Ministerial Committees like committee on preparing encryption policy, E-Commerce and Information Security working Group. He has widely travelled abroad and represented India in number of UN & ITU meetings including World Summit on Information Society in Geneva and other important assignments. He was an active member of Apex Committee involved in the planning and execution of NIB-II of BSNL and also framing the specification for ERP implementation in BSNL which is currently in progress. He was deeply involved in Pan-India Roll out of zonal OSS and BSS for Wire-line and Broadband segment which helped BSNL to changeover from decentralized 334 SSA level systems to 4 zonal data centres with implementation of world class COTS applications. N. K. Gupta is also instrumental in conceptualizing BSNL entry in to the Data Center (IDC) Services business for opening up a new revenue stream by leveraging BSNL's existing infrastructure with an innovative revenue share model. Presently BSNL is in the process of acquiring IDC business. As Director (CFA) BSNL, he is mainly responsible for improving the Systems and Methods to achieve optimal performance and maximum utilization of BSNL's extensive country-wide Infrastructure and network. He is also responsible for achieving business interests of the Company by way of high customer satisfaction and timely provision of quality services in BSNL CFA segment. He is also responsible for induction & adoption of new technologies and committed to provide state-of-the-art modern and world class telecom services in the highly competitive environment.

Smt. Sujata Ray, Director (HRD) [DIN: 07240022] [W.e.f.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] [W.e.f. 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 MTNLfrom 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. Whe 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 R.K. Mittal, Director (CM) [DIN 07334039] [W.e.f. 4.11.2015]:- Shri 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, GOVT. DIRECTOR [DIN: 00131008] [W.e.f. 21.10.2015]:- 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.

Smt. Padma Iyer Kaul, Government Director [DIN: 07303737] [W.e.f. 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.

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 Part-Time 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 Part-Time 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 of the Companies Act 2013; and, (b) the Nomination and Remuneration Committee of the Board in terms of Section 178 of the Companies Act 2013; and (c) the Corporate Social Responsibility(CSR) Committee pursuant to the provisions of the Section 135 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

Detailed 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 c. 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 2015-16; ATTENDANCE OF DIRECTORS IN THE BOARD MEETINGS & 15TH ANNUAL GENERAL MEETING HELD ON 17.11.2015

TOTAL BOARD MEETINGS HELD IN 2015-16: 06

Name and Designation	No. of Board Meetings Attended out of 6 Meetings	Attended the last AGM held on 17.11.2015	Directorships in other Companies	Remarks
Shri Anupam Shrivastava, CMD [W.e.f. 15.1.2015] & Dir (F) [Adl chg w.e.f. 16.1.15 to 21.10.15]	6	Present	NIL	Appointed as CMD and joined w.e.f. 15.1.15.
Shri A.N. Rai, Dir (E) / CMD [Adl Chg upto 15.1.2015] / (HR) [Adl chg Upto 8.7.15] & (CM) [Adl Chg w.e.f. 14.5.15 to 31.7.2015]	2	-	-	Relinquished the addl charge of CMD W.e.f. 15.1.2015. Retired from service on 31.7.2015.
Shri N.K.Gupta, Director (CFA) [W.e.f. 1.6.12] & (CM) [Adl Chg W.e.f. 16.1.15 to 15.3.15]	6	Present	NIL	Assumed charge on 1.6.2012.
Smt. Sujata Ray, Director(HRD) [W.e.f. 8.7.15] & (F) [Adl Chg W.e.f. 21.10.15]	4	Present	NIL	Assumed charge on 8.7.2015
Shri N.K. Mehta, Director (Enterprise) [W.e.f. 1.8.2015] & (CM) [Adl chg w.e.f. 1.8.15 to 31.10.15]	4	Present	NIL	Assumed charge on 1.8.2015
Shri R.K. Mittal, Director (CM) [W.e.f. 4.11.2015]	2	Present	NIL	Assumed charge on 4.11.2015
Ms. Rita A.Teaotia, Govt. Director [W.e.f. 4.9.2012 to 29.7.2015]	2	-	-	Consequent upon the appointment of Smt. Aruna S, ceased to be Director w.e.f. 29.7.2015.
Smt. Aruna Sundararajan, Govt. Director [W.e.f. 29.7.2015 to 21.10.2015]	2	-	1))	Appointed in place of Smt.Rita A Teaotia W.e.f. 29.7.2015
Shri N. Sivasailam, Govt. Director [W.e.f. 21.10.2015]	2	Present >>	1)))	Appointed in place of Smt. A. Sundararajan W.e.f. 21.10.2015.
Smt. Darshana Momaya Dabral Govt. Director [W.e.f. 29.9.2014 to 18.9.2015]	2	NA	NIL	Consequent upon the appointment of Smt. Padma Iyer Kaul, ceased to be Director w.e.f. 18.9.2015
Smt. Padma Iyer Kaul Govt. Director [W.e.f. 18.9.2015]	2	Present	NIL	Appointed in place of Smt.D.M. Dabral 18.9.2015



Name and Designation	No. of Board Meetings Attended out of 6 Meetings	Attended the last AGM held on 17.11.2015	Directorships in other Companies	Remarks
Shri Ajai Vikram Singh, Director [W.e.f. 17.7.2012 to 16.7.2015]	2	NA	2&	Consequent upon the completion of the three years tenure of appointment on 16.7.2015, ceased to be Director w.e.f. 17.7.2015.
Prof. N. Balakrishnan Director [W.e.f. 17.7.2012 to 16.7.2015]	2	NA	3&&	As above.

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

-) Government Nominee Director in TCIL, a wholly owned Govt. Company under the aegis of MoC & IT, DoT
- ((Additional charge of the CMD, Bharat Broadband Networks Limited, a wholly owned Govt. Company under the aegis of MoC & IT, DoT entrusted by the GoI [W.e.f. 1.10.2014 to 30.10.2015]
-))) Additional charge of the CMD, Bharat Broadband Networks Limited, a wholly owned Govt. Company under the aegis of MoC & IT, DoT entrusted by the GoI [W.e.f. 2.12.2015 to 18.3.2016]
- & Independent Director in Pipavav Defence and Offshore Engineering Company Limited and Overseas Infrastructure Alliance(India) Private Limited.
- &&** Director in (i) Data Security Council of India(DSCI) – not for profit company registered under Section 8 of Companies Act 2013; (ii) Central Bank of India; and (iii) C-DOT Alcatel-Lucent Research Centre Pvt Ltd., under Chapter 1 Section 2(68) of new Companies Act 2013 as per disclosure for 14-15 and Director in Data Security Council of India(DSCI) and IFCI as per Disclosure for 15-16.
- >> The Audit Committee elected Shri N.Sivasailam Govt. Director as Chairman of the Committee. The Nomination and Remuneration Committee of the Board elected Shri N. Sivasailam Govt. Director as Chairman of the Committee.

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 [W.e.f. 15.1.2015] & Dir (F) [Adl chg w.e.f. 16.1.15 to 21.10.15]	BSNL	Audit Committee of the Board	-	-
	BSNL	Nomination and Remuneration Committee of the Board	-	-

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 A.N.Rai, Dir (E) / CMD [Ad Chg upto 15.1.2015] / (HR) [Adl chg Upto 8.7.15] & (CM) [Adl Chg W.e.f. 14.5.15 to 31.7.2015]	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006	-	-
	BSNL	Corporate Social Responsibility Committee of the Board	-	-
	BSNL	Audit Committee of the Board		
Shri N.K. Gupta, Director(CFA) [W.e.f. 1.6.12] & (CM) [Adl Chg w.e.f. 16.1.15 to 15.3.15]	BSNL	Corporate Social Responsibility Committee of the Board	NIL	NIL
Smt.Sujata Ray, Director(HRD) [W.e.f. 8.7.15] & (F) [Adl Chg w.e.f. 21.10.15]	BSNL BSNL BSNL	Corporate Social Responsibility Committee of the Board Audit Committee of the Board Committee on Appellate & Review matters under BSNL CDA Rules 2006	-	-
Shri N.K. Mehta, Dir(E) [W.e.f. 1.8.2015] & (CM) [Adl chg w.e.f. 1.8.2015 to 31.10.2015]	-	-	-	-
Shri R.K. Mittal, Director(CM) [W.e.f. 4.11.2015]	-	-	-	-
Ms. Rita A. Teotaia, Govt. Director [W.e.f. 4.9.2012 to 29.7.2015]	BSNL	Nomination and Remuneration Committee of the Board	-	-
Smt. Aruna Sundararajan, Govt. Director [W.e.f. 29.7.2015 to 21.10.2015]	-	-	BBNL	Executive Committee
	-	-	BSNL	Audit Committee
	-	-	BSNL	Nom. & Rem. Committee of the Board
Shri N. Sivasailam, Govt. Director [W.e.f. 21.10.2015]	-	-	BSNL	Audit Committee
	-	-	BSNL	Nom. & Rem. Committee of the Board
Smt. Darshana Momaya Dabral, Govt. Director [W.e.f. 29.9.2014 to 18.9.2015]	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006.	NIL	NIL
	BSNL	Nomination and Remuneration Committee of the Board	-	-
	BSNL	Audit Committee of the Board	-	-
	BSNL	CSR Committee of the Board		



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
Smt. Padma Iyer Kaul, Govt. Director [W.e.f. 18.9.2015]	BSNL	Audit Committee of the Board	-	-
	BSNL	Nom. & Rem.Committee of the Board	-	-
	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006.	-	-
	BSNL	CSR Committee of the Board	-	-
Shri Ajai Vikram Singh, Director [W.e.f. 17.7.2012 to 16.7.2015]	Pipavav Defence and Offshore Engineering Company Ltd	Audit Committee; CSR Committee; Nomination & Remuneration Committee; and Business Development Committee.	BSNL	Remuneration Committee
	BSNL	Audit Committee of the Board	BSNL	Nomination and Remuneration Committee of the Board
	BSNL	Corporate Social Responsibility Committee of the Board		
Prof. N. Balakrishnan, Director W.e.f. 17.7.2012 to 16.7.2015]	Central Bank of India	Management Committee of the Board	BSNL	Audit Committee
		Supervisory Committee of the Board for monitoring of IT Projects in Banks	Central Bank of India	IT Strategy Committee
		Shareholders/investors Grievances Committee	Data Security Council of India (DSCI) not for profit Company under Sec 8 of the Companies Act 2013	Chairman
		Internal Training Policy Advisory 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
	BSNL	Remuneration Committee	IFCI	Executive Committee
	BSNL	Nomination and Remuneration Committee of the Board		
	IFCI	E-Governance Committee		
	IFCI	CSR Committee		

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 C & IT, D/o Telecom and further extended time to time, the Whole Time Directors were members of the Committees during relevant periods.

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 **Nomination and Remuneration Committee of the Board**, 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, in its 6th meeting held on 18.9.2015 elected Smt.Aruna Sundarajan as Chairman of the Committee. Shri N.Sivasailam AS (T) in DoT who has been appointed as Govt. Director in place of Smt.Aruna Sundarajan w.e.f. 21.10.2015; and Smt.Padma Iyer Kaul DDG(LFA) in DoT who has been appointed as Govt. Director w.e.f. 18.9.2015 in place of Smt.Darshana Momaya Dabral are Members of the Committee. The Nomination and Remuneration Committee of the Board elected Shri N.Sivasailam Govt. Director as Chairman of the Committee.

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 59th meeting held on 18.9.2015 elected Smt.Aruna Sundarajan Govt. Director as Chairman of the Committee. Smt.Padma Iyer Kaul, who has been appointed as Govt. Director w.e.f. 18.9.2015 in place of Smt.Darshana Momaya Dabral, is Member of the Committee. Shri N.Sivasailam AS (T) in DoT who has been appointed as Govt. Director in place of Smt.Aruna Sundarajan w.e.f. 21.10.2015; and Smt.Padma Iyer Kaul DDG(LFA) in DoT who has been appointed as Govt. Director w.e.f. 18.9.2015 in place of Smt.Darshana Momaya Dabral are



Members of the Committee. The Audit Committee elected Shri N.Sivasailam Govt. Director as Chairman of the Committee.

Consequent upon the appointment of Smt.Padma Iyer Kaul DDG [LFA] in DoT as Govt. Director in place of Smt.Darshana Momaya Dabral w.e.f. 18.9.2015, the Board of Directors have re-constituted the **CSR Committee of the Board** comprising (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.

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 [W.e.f. 18.9.2015] [Smt. Darshana Momaya Dabral, Government Director upto 18.9.2015] and Smt. Sujata Ray Director(HRD).

STATUTORY COMMITTEES

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. The Committee comprise (i) Smt. Padma Iyer 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.

Quorum for the meetings and the Terms of Reference of the Committee are as prescribed under Section 178 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

Being a wholly owned Government Company, the power for the appointments, terms and conditions and remuneration of the Directors, the Chairman and Managing Director and the Whole Time Functional Directors vest in 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 applicable to the Company only with regard to appointment and remuneration of senior management and other employees.

To comply with the provisions contained in Section 178 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.

Terms of Reference, Roles and Responsibilities of the Committee shall be as per the provisions of Section 178 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.

The Committee, in its 7th meeting held on 4.3.2006 elected Shri N.Sivasailam, Govt. Director as Chairman of the Committee. The Chairman of the Nomination and Remuneration Committee of the Board was present in the 15th Annual General Meeting of the Company held on 17.11.2015.

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.

The Quorum for the meetings and the Terms of Reference of the Committee are as prescribed under Section 177 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.

The Audit Committee, in its 60th meeting held on 17.11.2015 elected Shri N.Sivasailam, Govt. Director as Chairman of the Committee who attended the 15th AGM of the Company held on that date.

The Quorum for the meetings and the Terms of Reference of the Committee are as prescribed under Section 177 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.

The Chairman of the Nomination and Remuneration Committee and the Audit Committee was present in the last Annual General Meeting of the Company.

**NUMBER OF MEETINGS HELD DURING 2015-16 AND ATTENDANCE
NO. OF MEETINGS HELD: 04**

Name and Designation	No. of meetings attended out of 4 meetings	Remarks
Prof. N. Balakrishnan, Director Chairman [Upto 16.7.2015]	1	Board, in its 143 rd meeting held on 28.8.12 inducted him as Member. The Committee in its 46 th meeting held on 7.12.12 elected him as Chairman. The Committee re-constituted pursuant to Section 177 elected him as Chairman in 57 th meeting. Consequent upon the conclusion of the three years tenure of appointment on 16.7.2015, ceased to be Director w.e.f. 17.7.2015.
Shri Ajai Vikram Singh, Director [Upto 16.7.2015]	1	He was elected as Chairman of the Meeting in the 55 th meeting held on 29.9.2014. Consequent upon the conclusion of the three years tenure of appointment on 16.7.2015, ceased to be Director w.e.f. 17.7.2015.

Name and Designation	No. of meetings attended out of 4 meetings	Remarks
Mrs. Darshana Momaya Dabral, Govt. Director [W.e.f. 9.12.2014 to 18.9.2015]	1	Inducted as Member by the Board in the Committee re-constituted pursuant to Section 177 on 9.12.2014. Granted LoA in 1 meeting. Consequent upon the appointment of Smt. Padma Iyer Kaul as Govt. Director in her place W.e.f. 16.9.2015, Mrs. D.M. Dabral ceased to be Director w.e.f. 18.9.2015.
Smt. Padma Iyer Kaul, Govt. Director [W.e.f. 18.9.2015]	1	@@ Smt. Padma Iyer Kaul Govt. Director is a Member of the Committee w.e.f. 18.9.2015.
Smt. Aruna Sundararajan, Govt. Director [W.e.f. 29.7.2015 to 21.10.2015]	1	@@ Smt. Aruna Sundararajan Govt. Director is a Member of the Committee w.e.f. 29.7.2015. The Committee, in its 59 th meeting held on 18.9.2015 elected Smt. Aruna Sundararajan Govt. Director, as Chairman of the Committee. Consequent upon the appointment of Shri N. Sivasailam as Govt. Director in her place w.e.f. 21.10.2015, Smt. Aruna S, ceased to be Director w.e.f. 21.10.2015.
Shri N. Sivasailam, Govt. Director [W.e.f. 21.10.2015]	2	@@ Shri N. Sivasailam Govt. Director is a Member of the Committee w.e.f. 21.10.2015.
Smt. Sujata Ray, Director(HRD) [W.e.f. 8.7.2015]	3	@@ Smt. Sujata Ray Director(HRD) is a Member of the Committee.

@@ 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, the Board, in its 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. While the Company Secretary acts as the Secretary of the Committee, Director(F) is a regular invitee. GoI, MoC & IT DoT has entrusted the additional charge of the post of Director (Fin.) to Smt. Sujata Ray Director(HRD) w.e.f. 21.10.2015 which is being extended time to time. Prior to this the additional charge vested in the CMD upto 21.10.2015.

DISCLOSURES

DIRECTORS REMUNERATION

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 [W.e.f. 15.1.2015] Director (CM) [Upto 15.1.2015]	CMD	26363935	87000	268807	2719742
Shri A.N.Rai [Upto 31.7.2015]	CMD/Dir(Ent.) (HR) (CM)	853579	39000	90718	983297
Shri N.K.Gupta [W.e.f. 1.6.2013]	Dir(CFA)	2366571	87000	265342	2718913
Smt.Sujata Ray [W.e.f. 8.7.2015]	Director(HRD)	1730238	62600	190398	1983236
Shri N.K.Mehta [W.e.f. 1.8.2015]	Director(E)	1377269	61100	149949	1588318
Shri R.K.Mittal [W.e.f. 4.11.2015]	Director(CM)	984918	39000	103081	1126999
Shri H.C.Pant	Co. Secy & Sr. GM(Legal)	2171492	-	247385	2418877
TOTAL		11848002	375700	1315680	13539382

GOVERNMENT NOMINEE DIRECTORS

The Government Nominee Directors are not paid any remuneration.

NON-OFFICIAL PART-TIME DIRECTORS

Non-official Part-Time 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 Part-Time 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 and IT, 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	2013-14	I)No.61-01/2012-SU,dated 10.6.2013. In partial modification of OM No.61-01/2009 dated 27.2.2009, the benefit of merger of 50% DA effectively amounting to 78.2% as on 1.1.2007 for the purpose of fitment in respect of the Board level and below Board level executives and Non-unionised supervisors and non-executives of BSNL was allowed from the date of issue of the order. No arrears will be paid and the revised fitment on the basis of DPE OM dated 2.4.2009 will be paid with prospective effect only.	Implemented. Vide Order No.1-16/2010-PAT(BSNL) dated 10.6.2013, orders issued for allowing benefit of merger of 50% DA effectively amounting to 78.2% as on 1.1.2007, with prospective date i.e. date of issue of Presidential Directive.
2	2014-15	NIL	NIL
3	2015-16	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 16th Annual General Meeting are as follows:-

Meeting and Date	Time	Venue	Details of Special Resolutions passed in the AGMs
13 th AGM, 30.09.2013	05.00 P.M.	Regd & Corp. office, Board Room, 3 rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	-
14 th AGM, 29.09.2014	12.30 P.M.,	Regd & Corp. office, Board Room, 3 rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	-
15 th AGM, 17.11.2015	12.30 P.M.	Regd & Corp. office, Board Room, 3 rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	-
16 th AGM, 23.11.2016	01:00 P.M.	Regd & Corp. office, Board Room, 3 rd 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 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.

A total of 64 officers of the Company including the Directors were deputed abroad during the period under review for various programmes such as:- International training on different courses under CTO PDT Training programmes and for Attending exhibitions/meetings/conferences/business visits to get first hand information on latest telecom technology developments.

Non-official Part-Time Directors, being men of public eminence and proven expertise, bring their own value addition to the management of the company. Still, they are also nominated for various national level seminars, workshops, training programmes as per their convenience.

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 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 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 (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 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.

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 [COP No.13901]**



the Secretarial Auditor of the Company for conducting the Secretarial Audit for the year 2015-16.

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 2015-16 was Rs. 46 Lakh (exclusive of service tax and cess wherever applicable). It includes Statutory Audit Fee, Certification Charges, Reimbursement of Expenses and Other services.



BSNL celebrated International Yoga Day on 21.06.2016 . Shri Anupam Shrivastava, CMD BSNL performed Yoga along with employees at Bharat Sanchar Bhawan, New Delhi.

VAP & ASSOCIATES

Company Secretaries



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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, 2016, 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. However, Appointment for independent Directors is awaited from Government of India. In the absence of Independent Directors on the Board of the Company, Audit Committee and Nomination & Remuneration Committee do not comprise of Independent Directors since July, 2015.

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
CP No. 13901
M. No. F8323

Place: Ghaziabad
Date: 22.09.2016



VAP & ASSOCIATES

Company Secretaries



387, First Floor, Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.
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E-mail: vapassociatespc@gmail.com

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016

In 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 (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.

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 31 March, 2016 ('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:

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 31 March, 2016 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);

VAP & ASSOCIATES

Company Secretaries



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

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (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 Departments submitted to the Secretarial and Legal Department of the Company, we report that the Company has substantially 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.

We have also examined compliance with the applicable clauses of the following:



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- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with Stock Exchanges(s) (not applicable to the Company during the audit period)

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. Appointment for independent Directors is awaited from Government of India, Due to pending appointment of Independent Directors on the Board of the Company, the Audit Committee and Nomination & Remuneration Committee do not comprise of Independent Directors since July, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors though the appointment for independent Directors is awaited from Government of India, 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.

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.

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.

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: 22.09.2016

VAP & ASSOCIATES

Company Secretaries



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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.

ANNEXURE A

For VAP & Associates
Company Secretaries

Sd/-

Parul Jain
Proprietor
CP No. 13901
M. No. F8323

Place: Ghaziabad
Date: 22.09.2016



BHARAT SANCHAR NIGAM LIMITED

Balance sheet

(All amounts in ₹ lakh, unless otherwise stated)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	1,250,000	1,250,000
Reserves and surplus	4	3,116,774	3,506,443
Deferred government grant	5	24,533	28,497
		4,391,307	4,784,940
Non-current liabilities			
Long-term borrowings	6	498,974	5,619
Other long-term liabilities	7	332,087	344,477
Long-term provisions	8	-	28,438
		831,061	378,534
Current liabilities			
Short-term borrowings	9	283,672	632,871
Trade payables			
-total outstanding dues of micro and small enterprises		268	41
-total outstanding dues of other than micro and small enterprises	10	682,102	828,873
Other current liabilities	11	858,270	734,591
Short term provisions	12	27,995	63,980
		1,852,307	2,260,356
Total		7,074,675	7,423,830
ASSETS			
Non-current assets			
Fixed assets	13		
Tangible assets		3,137,194	3,522,316
Intangible assets		806,679	863,184
Capital work-in-progress		306,828	327,914
Non-current investments	14	20,000	20,000
Deferred tax assets (net)	15	113,645	84,706
Long-term loans and advances	16	663,911	843,152
		5,048,257	5,661,272
Current assets			
Inventories	17	443,371	369,688
Trade receivables	18	261,515	232,660
Cash and bank balances	19	103,509	122,477
Short-term loans and advances	20	101,918	69,135
Other current assets	21	1,058,576	911,286
		1,968,889	1,705,246
Intra/inter circle remittances	33	57,529	57,312
Total		7,074,675	7,423,830

Notes 1 to 44 form an integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

for **Walker Chandiok & Co LLP**
 (formerly Walker, Chandiok & Co)
 Chartered Accountants

Sd/-
 per **Anamitra Das**
 Partner

Place : New Delhi
 Date : 9 September 2016

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

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

Sd/-
Sujata Ray
 Director (HR)
 DIN : 07240022

Sd/-
M.N. Punde
 Sr. General Manager (Corporate Accounts)
 Sd/-
H.C.Pant

Company Secretary and Sr. General Manager (Legal)
 M. No. F-2584

BHARAT SANCHAR NIGAM LIMITED**Statement of Profit and Loss**

(All amounts in ₹ lakh, unless otherwise stated)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
REVENUE			
Revenue from operations	22	2,844,942	2,724,223
Other income	23	446,928	140,297
Total revenue		3,291,870	2,864,520
EXPENSES			
Employee benefits expense	24	1,538,649	1,496,350
Finance costs	25	54,339	50,189
Depreciation and amortisation expense	13	713,511	881,680
Other expenses			
Administrative, operating and other expenses	26	1,139,235	1,083,959
License and spectrum fee	29	228,538	217,032
Total expenses		3,674,272	3,729,210
Loss before prior period items and tax		(382,402)	(864,690)
Prior period items (net)	27	(34,529)	(19,652)
Loss before tax		(416,931)	(884,342)
Tax benefit :			
Deferred tax benefit	15	28,939	60,933
Loss for the year		(387,992)	(823,409)
Earnings per equity share			
Basic and diluted (nominal value of shares ₹ 10)	34	(7.76)	(16.47)
Notes 1 to 44 form an integral part of the financial statements.			

This is the statement of profit and loss referred to in our report of even date.

for **Walker Chandiok & Co LLP**
 (formerly Walker, Chandiok & Co)
 Chartered Accountants

Sd/-
 per **Anamitra Das**
 Partner

Place : New Delhi
 Date : 9 September 2016

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

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

Sd/-
Sujata Ray
 Director (HR)
 DIN : 07240022

Sd/-
M.N. Punde
 Sr. General Manager (Corporate Accounts)

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



BHARAT SANCHAR NIGAM LIMITED

Cash flow statement for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Loss before tax	(416,931)	(884,342)
Adjustments for :		
Depreciation and amortisation-current year	713,511	881,680
Depreciation and amortisation-prior period	2,076	6,859
Finance costs	54,339	50,189
Wealth tax	-	78
Interest income	(7,427)	(7,413)
Profit on sale of fixed assets (net)	(4,626)	(3,234)
Capitalisation of overheads	(27,100)	(37,020)
Utilisation of Capital Reserve		
Provision for obsolete inventories		
Provision for doubtful items		
Write off and losses other than bad debts	22,062	30,046
Bad-debt provision other than services	567	735
Write off of unrecovered service tax	3,348	3,774
Bad-debt written off	70,334	22,941
Provision for doubtful debts and disputed bills	23,546	26,966
Excess provision written back	(199,687)	(67,692)
Write back of long-term borrowings	-	(72,000)
Adjustment of grant in aid	(3,964)	(4,540)
Operating profit/loss before working capital changes	230,048	(52,973)
Adjustment for :		
(Increase) in inventories	(69,779)	(19,735)
(Increase)/ decrease in trade receivables	(69,760)	10,450
Decrease in other receivables (current and non-current)	30,333	137,405
Decrease in other payables (current and non-current)	133,100	51,508
(Increase) in provisions	(117,879)	(60,573)
(Increase)/ decrease in remittances	(217)	29,225
Cash generated from operating activities	135,846	95,307
Wealth tax paid	(73)	(82)
Direct tax (paid)	(34,531)	(35,202)
Net cash generated from operating activities	101,242	60,023
B. Cash flow from investing activities		
Purchase of fixed assets	(266,878)	(410,660)
Proceeds from sale of fixed assets	43,702	158,243
Interest received	7,368	7,429

Proceeds from earmarked deposits with bank	62	123
Net cash used in investing activities	(215,746)	(244,865)
C. Cash flow from financing activities		
Proceeds from long-term loan	493,355	5,619
(Decrease)/ increase in short term borrowing (net)	(349,199)	259,018
Interest paid	(48,558)	(50,391)
Net cash generated from financing activities	95,598	214,246
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(18,906)	29,404
Cash and cash equivalents at the beginning of the year	121,478	92,074
Cash and cash equivalents at the end of the year	102,572	121,478
Components of cash and cash equivalents		
Balance with bank	99,514	109,514
Cheques on hand	776	8,266
Cash on hand	2,282	3,698
Total cash and cash equivalents (note 19)	102,572	121,478

Notes:

- a) In the absence of adequate data regarding assets appearing in the deletions/adjustments column of note no. 13 of fixed assets, all deletions (except amount transferred as decommissioned assets) 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 inter circle remittance have been treated as part of working capital changes.
- c) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard -3 on 'Cash Flow Statement' specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).
- d) Figures in bracket show outflows.

Notes 1 to 44 form an integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.

for **Walker Chandiok & Co LLP**
 (formerly Walker, Chandiok & Co)
 Chartered Accountants

Sd/-
 per **Anamitra Das**
 Partner

Place : New Delhi
 Date : 9 September 2016

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

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

Sd/-
Sujata Ray
 Director (HR)
 DIN : 07240022

Sd/-
M.N. Punde
 Sr. General Manager (Corporate Accounts)

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



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, 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. The Company has been incorporated under the erstwhile Companies Act, 1956 with its registered corporate office in New Delhi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company.

2.2 USE OF ESTIMATES

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the current and future periods.

2.3 REVENUErecognition

Income from services is accounted for on accrual basis and in conformity with the notified Accounting Standard- 9 on 'Revenue Recognition'. Accordingly,

- a) Revenue for all services is recognised when earned and are realisable at the time of 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. Provisions are made for debts outstanding for more than two years and for debts less than two years which are considered doubtful (based on management decision), to the extent considered necessary by the management.
- b) Installation charges received from subscribers at the time of new telephone connections are recognised as income in the first year of the billing.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- c) In terms of the arrangement between Department of Telecommunications ('DoT') and the Company, the charges for telecommunication services and other infrastructural services provided by BSNL to DoT are neither billed nor accounted for.
- d) Sale proceeds of scrap arising from maintenance and project works are taken into miscellaneous income in the year of sale.
- e) Income 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.
- f) Wherever there is uncertainty in realisation of income, such as liquidated damages, claims on Government departments and local authorities etc., these are recognised on realisation basis.
- g) 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.
- h) The interest on surplus fund which are placed generally in fixed deposits with banks is recognised on accrual basis.
- i) Other income by way of interest on loans to employees, security deposit with Government departments and local authorities, being not material, are accounted for on collection basis.

2.4 FIXED ASSETS

2.4.1 TANGIBLE ASSETS

- a) Fixed assets are carried at cost less depreciation. Cost includes directly related establishment and other expenses including employee remuneration and benefits, directly identifiable to the construction or creation of the assets.
- b) Expenditure on replacement of assets, equipments, instruments and rehabilitation works is capitalised if, in the opinion of the management, it results in enhancement of revenue generating capacity.
- c) Assets are capitalised to the extent completion certificates have been obtained, wherever applicable.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- d) The cost of stores and materials at the time of issue to a project is debited to Capital Work In Progress (CWIP).
- e) Apparatus and plants principally consisting of telephone exchanges, transmission equipments and air conditioning plants etc. are capitalised as and when an exchange is commissioned and put to use.
- f) Cables are capitalised as and when ready for connection to the main system.

2.4.2 INTANGIBLE ASSETS

Intangible assets are stated at cost of acquiring the same less accumulated amortisation. 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 Accounting Standard – 26 on ‘Intangible Assets’.

2.5 DEPRECIATION AND AMORTISATION

2.5.1 TANGIBLE ASSETS

- a) Depreciation on fixed assets has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on written down value method except in respect of the assets mentioned in b) and c) below.
- b) Assets costing up to ₹ 5,000 are depreciated fully in the year of purchase. Similarly, partition works and paintings costing up to ₹ 200,000 are depreciated fully in the year of construction/ acquisition.
- c) The depreciation on machinery and tools used both for project and maintenance work is charged to statement of profit and loss instead of capitalization.
- d) All telephone exchange buildings, administrative offices and captive consumption assembling premises/workshops are considered as building (other than factory building). Accordingly, depreciation is charged uniformly.

2.5.2 INTANGIBLE ASSETS

Intangible assets such as entry license fee, onetime 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 of 10 years) on straight line method.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

2.6 IMPAIRMENT OF ASSETS

Assets, which are impaired by disuse, damage or obsolescence, are segregated from the concerned assets category and shown as 'Decommissioned Assets' and provision is made for the loss, if any, due to the difference between their net carrying cost and the net realisable value.

2.7 INVESTMENTS

Long-term investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary.

2.8 INVENTORIES

Inventories are valued at cost or net realisable value, wherever available, as the case may be:

- The cost is ascertained generally on weighted average method,
- Obsolete and/ or non-moving inventories are valued at net realisable value.

2.9 FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in foreign currency are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate prevailing on the date of the transaction i.e. on the date of payment or the billing as the case may be.
- b) All monetary items are stated at the exchange rate prevailing as at reporting date and the difference taken to statement of profit and loss as exchange fluctuation loss or gain.

2.10 EMPLOYEES BENEFITS

a) SHORT TERM EMPLOYEE BENEFITS:

Short term employee benefits are recognized in the statement of profit and loss in the period during which the services have been rendered.

b) LONG TERM EMPLOYEE BENEFITS:

DEFINED CONTRIBUTION PLAN:

i) 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



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Government Pension Rules, 1972 and Fundamental Rules and Supplementary Rules (FR & SR), to the Government who administers the same.

ii) Employees' 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.

iii) Contribution for Leave Salary

For employees on deemed deputation from Government, leave salary contribution is paid by the Company to DoT for the deputation period in accordance with FR115(b) of FR&SR Part I. Consequently, the leave salary payable for those on deputation during the period of leave rests with the Government. Further, any leave encashment after quitting service is the responsibility of the Government.

DEFINED BENEFIT PLAN:

i) Leave encashment

The liability on account of un-availed leave in respect of absorbed employees and directly recruited employees at the year-end is provided for based on actuarial valuation.

ii) 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. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on Balance Sheet date and are expensed in the Statement of Profit and Loss.

iii) 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

2.11 MANUFACTURING EXPENSES

Expenses incurred at factory units are allocated to the cost of the manufactured products and manufactured items are transferred to other units on standard rates determined by the Company.

2.12 PRIOR PERIOD ITEMS

Items of income or expenditure, exceeding ' 5 lakh, are considered for being treated as 'prior period items'.

2.13 TAXES ON INCOME

Taxes on income for the current period are determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

In accordance with the notified Accounting Standard-22, Accounting for taxes on income, Deferred Tax is recognised on the timing differences between accounting income and the taxable income for the period and quantified using the tax rates in force or substantively enacted as on the reporting date.

Deferred Tax Assets are recognised and carried forward to the extent there is a virtual certainty that such deferred tax assets can be realised.

2.14 PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.15 CONTINGENT LIABILITIES

Liabilities, though contingent, are provided for if there are reasonable chances of maturing such liabilities as per management. Other contingent liabilities, barring frivolous claims, not acknowledged as debts, are disclosed by way of notes.

2.16 EARNINGS PER SHARE

Earnings Per Share ("EPS") is calculated by dividing net profit or loss for the year attributable to shareholders by the weighted average of shares outstanding during the year. The number of shares used in computing Basic and Diluted EPS is the weighted average number of shares outstanding during the year.

2.17 SEGMENT REPORTING

The primary segment consists of 'Basic', 'Cellular' and 'Broad Band' services provided. The manufacturing activities have not been treated as a separate segment since such activities are



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

essentially carried on as support service to other segments mainly for captive consumption.

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

- a) Segment revenue includes service income and other income directly identifiable with/allocable to the segment.
- b) Income/expense, which relates to the Company, as a whole and not allocable to individual business segment is included in "Un-allocable income/expense respectively".
- c) Expenses that are directly identifiable with/allocable to segments are considered for determining segment results.
- d) 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 Company as a whole and not allocable to any segment.

2.18 EXTRAORDINARY ITEMS

Extra-ordinary items of income and expenditure, as covered by Accounting Standard-5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies are disclosed separately.

3. SHARE CAPITAL

	As at 31 March 2016	As at 31 March 2015
Authorised		
10,000,000,000 (previous year: 10,000,000,000) equity shares of ₹ 10/- each	1,000,000	1,000,000
7,500,000,000 (previous year: 7,500,000,000) 9% non-cumulative preference shares of ₹ 10/- each	750,000	750,000
	1,750,000	1,750,000
Issued, subscribed and fully paid up		
5,000,000,000 (previous year : 5,000,000,000) equity shares of ₹ 10/- each	500,000	500,000
7,500,000,000 (previous year: 7,500,000,000) 9% non-cumulative preference shares of ₹ 10/- each	750,000	750,000
	1,250,000	1,250,000

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- a) There is no movement in equity shares and preference shares during the current year and previous year.
- b) **Details of shares held by shareholders having more than 5% shares in the Company***

	As at 31 March 2016	As at 31 March 2015
Equity shares		
The Central Government of India (number of shares)	4,999,999,993	4,999,998,400
Holding (%)	100.00	99.99
Preference shares		
The Central Government of India (number of shares)	7,500,000,000	7,500,000,000
Holding (%)	100	100

* The above information is furnished as per the shareholder's register as at the year end.

Notes :

- a) 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.
- b) 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. 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.
- c) 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.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

4. RESERVES AND SURPLUS

	As at 31 March 2016	As at 31 March 2015
Capital reserves [refer note 28]		
Balance at the beginning of the year	4,119,436	4,119,870
Less: Assets identified and accounted for	(6)	(433)
Add: Liabilities identified and accounted for	(1,671)	(1)
Balance at the end of the year	4,117,759	4,119,436
General reserves		
Balance at the beginning of the year	290,075	430,084
Less: Depreciation charged directly to reserves as per Companies Act, 2013, net of deferred tax	-	(140,009)
Balance at the end of the year	290,075	290,075
Contingency reserves [refer note (a) below]		
Balance at the beginning/end of the year	200,000	200,000
Deficit in statement of profit and loss		
Balance at the beginning of the year	(1,103,068)	(279,659)
Add: Loss for the year	(387,992)	(823,409)
Balance at the end of the year	(1,491,060)	(1,103,068)
	3,116,774	3,506,443

Notes :

- (a) 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.

5. DEFERRED GOVERNMENT GRANT

	As at 31 March 2016	As at 31 March 2015
Grant in aid [refer note (a) below]	24,533	28,497
	24,533	28,497

Note :

- (a) Since 2005-06, an amount of ₹ 61,332 lakh (₹ 17,000 lakh for wireline and ₹ 44,332 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. Since this grant cannot be linked to creation of any particular asset; as telecom network is a seamless entity, the same is being disclosed under 'Grant in aid' as a Deferred Grant in accordance

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

with the notified Accounting Standard-12 on 'Accounting for Government Grants' and is being written back in the statement of profit and loss in a systematic and rational basis.

6. LONG-TERM BORROWINGS

	As at 31 March 2016	As at 31 March 2015
Secured loans		
Term loans from banks [refer note (a) below]	504,610	5,619
Less: Current maturities of long term loans	(5,636)	-
	498,974	5,619

Notes:

- (a) **Details of security and term of repayment of each of borrowing (including current maturities):**
 - (i) The term loan of ₹ 136,095 lakh from the Union Bank of India carries an interest @ bank base rate ('BBR') per annum with monthly 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 2015. The aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 136,095 lakh (previous year ₹ 2,810 lakh).
 - (ii) The term loan of ₹ 87,865 lakh from the Syndicate Bank carries an interest @ BBR per annum with monthly 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 2015. The aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 87,865 lakh (previous year ₹ 2,809 lakh).
 - (iii) The term loan of ₹ 70,000 lakh from the United Bank of India carries an interest @ BBR per annum with monthly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e 7 September 2015. The aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 70,000 lakh (previous year nil).
 - (iv) The term loan of ₹ 35,650 lakh from the State Bank of India carries an interest @ BBR plus spread of 0.25% (fixed) per annum with monthly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e 22 March 2016. The aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 35,650 lakh (previous year nil).
 - (v) The term loan of ₹ 25,000 lakh from the Bank of Maharashtra carries an interest @ BBR per annum with monthly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e 30 December 2015. The



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 25,000 lakh (previous year nil).

- (vi) The term loan of ₹ 100,000 lakh from the Punjab National Bank carries an interest @ BBR per annum with monthly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e 9 November 2015. The aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 100,000 lakh (previous year nil).
- (vii) The term loan of ₹ 50,000 lakh from the Jammu and Kashmir Bank carries an interest @ BBR per annum with monthly rests, is repayable in quarterly instalments which would commence after 2 years from the date of receipt of the first disbursement i.e 27 November 2015. The aforementioned term loan is secured by pari-passu charge on all fixed assets of the Company other than land and building (both present and future). Outstanding amount as at 31 March 2016 is ₹ 50,000 lakh (previous year nil).

7. OTHER LONG-TERM LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Deposits from customers and others		
Security deposits	92,964	62,272
After connection deposits	239,123	282,205
	332,087	344,477

8. LONG-TERM PROVISIONS

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits		
Post retirement benefit of serving employees <i>(net of planned investments)</i>	-	28,438
	-	28,438

9. SHORT TERM BORROWINGS

	As at 31 March 2016	As at 31 March 2015
Loan repayable on demand		
Unsecured loan		
Loan from banks [refer note below]	283,672	632,871
	283,672	632,871

Note:

Short term borrowings comprise of the following :

- (i) ₹ 8,672 lakh (previous year ₹ 183,829 lakh) from the State Bank of India carries an interest rate @ BBR per annum with monthly rests.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- (ii) ₹ 225,000 lakh (previous year nil) from the State Bank of India carries an interest rate @ BBR plus 0.09% per annum with monthly rests.
- (iii) ₹ 50,000 (previous year nil) from the State Bank of India carries an interest rate @ BBR plus 0.15% per annum with monthly rests.
- (iv) Nil (previous year ₹ 20,000 lakh) from the United Bank of India carries an interest @ BBR per annum with monthly rests.
- (v) Nil (previous year ₹ 155,448 lakh) from the Union Bank of India carries an interest @ BBR per annum with monthly rests.
- (vi) Nil (previous year ₹ 273,593 lakh) from the State Bank of India carries an interest @ BBR plus 0.10% per annum with monthly rests.

10. TRADE PAYABLES

	As at 31 March 2016	As at 31 March 2015
Total outstanding dues of micro small and medium enterprises [refer note (a) below]	268	41
Total outstanding dues other than micro small and medium enterprises:		
Others	557,725	711,150
Claims payable to Mahanagar Telephone Nigam Limited (MTNL) [refer note (b) below]	106,748	101,659
Claims payable on interconnection usage charges (IUC)	17,629	16,064
	682,370	828,914

Notes :

- (a) Thirty two circles (previous year thirty two) of the Company has 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 thirty two circles (previous year thirty two circles) are given below :

Particulars	As at 31 March 2016	As at 31 March 2015
The principal amount due to suppliers	268	41
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006	Nil	Nil
The amount of interest due and payable for the period of delay in making payment	Nil	1
The amount of interest accrued and	Nil	Nil



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

	remaining unpaid at the end of each accounting year		
	The amount of further interest remaining due and payable even in the succeeding years as per Section 23 of MSMED Act, 2006	Nil	Nil
(b)	The net claim receivable/payable as on 31 March 2016 from MTNL is subject to confirmation and reconciliation.		

11. OTHER CURRENT LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Interest accrued but not due on bank loan	238	299
Current maturities of long term borrowings	5,636	-
Advances received from		
- Customers and others	159,519	144,784
- Defence telecom network project (net)	63,965	7,702
- Bharat Broadband Nigam Limited (net)	56,351	-
Deposits from customers and other	143,392	99,186
Income received in advance against service	125,809	150,417
Claims payable to		
- DoT [refer note 32]	26,480	50,865
- Other Government departments	3,548	9,909
Statutory dues		
- Tax deducted at source	16,514	14,833
- Service tax (net)	32,585	40,365
- Employees' provident fund	8,618	4,355
License fee, spectrum charges and transponder charges payable	49,394	48,390
Payable for revised wages	-	9
Other payables towards		
- Employees	10,350	13,128
- Subscribers	26,711	24,622
- Construction account	18,998	38,152
- Services and others	110,162	87,575
	858,270	734,591

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

12. SHORT-TERM PROVISIONS

	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits :		
Leave encashment of retired employees	4,350	3,495
Gratuity [refer note 30]	4,471	1,497
Post retirement benefit of serving employees [refer note 30]	18,862	58,603
Provision for others :		
Wealth tax	312	385
	27,995	63,980



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

13.FIXED ASSETS [also refer note 31]

A. Current year

Particulars	Gross Block			Depreciation and amortisation			Closing balance as at 31 March 2016		
	Opening balance as at 1 April 2015	Additions during the year	Deletions	Closing balance as at 31 March 2016	For the year (refer note (e) and (f) below)	Deductions / adjustments			
	2	3	4	5=(2+3)-4	6	7	8	9=(6+7)-8	10 = (5 - 9)
TANGIBLES									
Freehold land	91,194	959	266	91,887	-	-	-	-	91,887
Leasehold land	18,144	16	684	17,476	4,263	(90)	-	-	4,173
Buildings	792,194	6,845	4,319	794,720	362,340	22,772	35	385,077	409,643
Apparatus and plants	6,396,299	202,698	102,396	6,496,601	4,910,277	365,652	81,899	5,194,030	1,302,571
Motor vehicle and launches	12,684	324	572	12,436	11,859	168	481	11,546	890
Cables and lines & wires-Telecom ducts, cables and optical fibre	6,488,820	52,681	30,787	6,510,714	5,414,735	172,777	19,770	5,567,742	942,972
General plant & machinery- other than continuous process plant	513,573	6,833	7,631	512,775	463,235	7,143	7,323	463,055	49,720
Towers and satellites	609,776	16,931	1,164	625,543	389,177	37,181	235	426,123	199,420
Office machinery and equipments	18,684	163	452	18,395	17,330	342	421	17,251	1,144
Electrical fittings	508,324	14,137	4,026	518,435	393,789	37,774	3,767	427,796	90,639
Furniture and fixtures	23,606	300	105	23,801	20,899	795	30	21,664	2,137
Computer - enduser devices	145,907	5,306	2,685	148,528	137,284	4,870	2,572	139,582	8,946
Computer - servers and networks	43,312	1,070	517	43,865	35,823	2,929	(110)	38,862	5,003
Decommissioned assets	95,279	48,659	48,437	95,501	-	-	-	-	95,501
Total	15,757,796	356,922	204,041	15,910,677	12,161,011	652,313	116,423	12,696,901	3,213,776
Less : Diminution in the value of decommissioned assets									
Total	3,137,194								
INTANGIBLES									
Entry license fees	1,180,087	-	-	1,180,087	333,826	59,016	-	392,842	787,245
Computer softwares	45,359	7,531	20	52,870	28,437	4,909	(90)	33,436	19,434
Total	1,225,446	7,531	20	1,232,957	362,263	63,925	(90)	426,278	806,679

Particulars	Gross Block			Depreciation and amortisation			Closing balance as at 31 March 2016	
	Opening balance as at 1 April 2015	Additions during the year	Deletions	Closing balance as at 31 March 2016	Opening balance as at 1 April 2015	For the year (refer note (e) and (f) below)	Deductions / adjustments	
CAPITAL WORK IN PROGRESS								
Capital work in progress	331,727	231,376	252,858	310,245	-	-	-	310,245
Less :Impairment in pending projects etc.	-	-	-	-	-	-	-	3,417
Total	17,314,969	595,829	456,919	17,453,879	12,523,274	716,238	116,333	13,123,179
INTANGIBLE ASSET UNDER DEVELOPMENT								4,250,701
Intangible assets under development	-	-	-	-	-	-	-	-
Total	17,314,969	595,829	456,919	17,453,879	12,523,274	716,238	116,333	13,123,179
306,828								
B. Previous year								
Particulars	Gross Block			Depreciation and amortisation			Closing balance as at 31 March 2015	
	Opening balance as at 1 April 2014	Additions during the year	Deletions	Closing balance as at 31 March 2015	Opening balance as at 1 April 2014	For the year (refer note (e) and (f) below)		Adjusted with opening reserves
2	3	4	5=(2+3) - 4	6	7	8	9	10=(6+7+8)-9
TANGIBLES								11=(5-10)
Freehold land	91,650	1,593	2,049	91,194	-	-	-	-
Leasehold land	17,609	533	(2)	18,144	4,054	206	3	0
Buildings	786,143	13,404	7,353	792,194	338,483	23,559	531	233
Apparatus and plants	6,278,857	277,721	160,279	6,396,299	4,436,639	471,983	94,858	93,203
Motor vehicle and launches	13,074	194	584	12,684	11,880	343	50	414
Cables and lines & wires-Telecom ducts, cables and optical fibre	6,475,350	83,101	69,631	6,488,820	5,236,913	208,204	16,235	46,617
General plant & machinery- other than continuous process plant	511,003	13,133	10,563	513,573	460,696	8,050	371	5,882
Towers and satellites	578,347	39,662	8,233	609,776	341,195	41,038	1,095	(5,849)
Office machinery and equipments	19,706	398	1,420	18,684	14,491	1,721	2,528	1,410
Electrical fittings	493,030	29,928	14,634	508,324	316,330	59,361	21,360	3,262
Furniture and fixtures	23,300	599	293	23,606	19,037	1,455	438	31
Computer - enduser devices	172,440	5,498	32,031	145,907	131,827	6,661	2,387	3,591
Computer - servers and networks	10,431	32,881	-	43,312	31,954	3,715	154	-
								35,823
								7,489



Particulars	Gross Block			Depreciation and amortisation				Closing balance as at 31 March 2015	
	Opening balance as at 1 April 2014	Additions during the year	Deletions	Closing balance as at 31 March 2015	Opening balance as at 1 April 2014	For the year (refer note (e) and (f) below)	Adjusted with opening reserves	Deductions/adjustments	
	2	3	4	5=(2+3)-4	6	7	8	9	10=(6+7+8)-9
Decommissioned assets	90,460	35,935	31,116	95,279	-	-	-	-	95,279
Total	15,561,400	534,580	338,184	15,757,796	11,343,498	826,295	140,008	148,794	12,161,011
Less : Diminution in the value of decommissioned assets									74,469
Total									3,522,316
INTANGIBLES									
Entry license fees	1,180,087	-	-	1,180,087	274,822	59,004	-	-	333,826
Computer softwares	36,186	10,044	871	45,359	23,774	3,979	-	(684)	28,437
Total	1,216,273	10,044	871	1,225,446	298,596	62,983	-	(684)	362,263
CAPITAL WORK IN PROGRESS									863,184
Capital work in progress	391,504	298,301	358,078	331,727	-	-	-	-	331,727
Less : Impairment in pending projects etc.									3,813
Total									327,914
INTANGIBLE ASSET UNDER DEVELOPMENT									
Intangible assets under development	923	-	923	-	-	-	-	-	-
Total	17,170,100	842,925	698,056	17,314,969	11,642,094	889,278	140,008	148,110	12,523,274
									4,713,414

Notes :

- a) In some cases, the title deeds of land purchased/acquired on leasehold/freehold from various authorities, are in the process of being executed.
- b) Leasehold land disclosed is based on the identification by thirty six circles (previous year thirty one circles).
- c) Addition to fixed assets 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 ₹ (6) lakh [previous year ₹ (417) lakh].
- d) Additions in gross block include ₹ 27,100 lakh (previous year ₹ 37,020 lakh) of employee remuneration and administrative expenses capitalised during the year.
- e) The depreciation and amortisation for the year includes ₹ 2,076 lakh (previous year ₹ 6,859 lakh) relating to prior period.
- f) The current year depreciation charged to statement of profit and loss excludes ₹ 651 lakh (previous year ₹ 739 lakh) which has been capitalised into the cost of assets under construction.
- g) Decommissioned asset is disclosed at written down value. Provision is made for diminution in the value of decommissioned assets.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

14. NON-CURRENT INVESTMENTS

	As at 31 March 2016	As at 31 March 2015
(At cost, unquoted, non-trade)		
20,000,000 (previous year 20,000,000)	20,000	20,000
7% redeemable cumulative preference shares of ₹ 100/- each fully paid in Indian Telephone Industries (ITI) Limited (A Government of India owned Company) [refer note (a) below]		
	20,000	20,000
Aggregated value of unquoted investments	20,000	20,000

Note :

- (a) All the five instalments of ₹ 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. Hence, no provision for the aforesaid investment is made in the books of accounts of the Company.

15. DEFERRED TAX ASSETS (NET)

	As at 31 March 2016	As at 31 March 2015
Deferred tax assets on		
- Provision for bad and doubtful debts	85,393	109,595
- Unabsorbed depreciation and amortisation	259,055	259,055
- Provision for leave encashment	96,643	79,503
- Provision for decommissioned assets, wage revision, etc.		2,580
- Provision for obsolete inventory and capital work in progress		-
- Others	14,904	14,951
A	455,995	465,684
Deferred tax liabilities on		
- Depreciation and amortisation	324,982	363,610
- Others	17,368	17,368
B	342,350	380,978
A-B	113,645	84,706



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Notes :

- (a) The Company has not recognised any deferred tax asset during the year following the notified Accounting Standard 22 'Accounting for taxes on income', only reversal relating to deferred tax assets and deferred tax liability created during the earlier years have been made.

16. LONG-TERM LOANS AND ADVANCES

	As at 31 March 2016	As at 31 March 2015
Advances recoverable in cash or in kind or for value to be received		
Secured and considered good		
Security deposits	15,554	10,527
Loans and advances to staff	2,145	2,964
Unsecured but considered good		
Security deposits	12,516	18,880
Loans and advances to staff	-	562
Other loans and advances, unsecured		
Amount recoverable from DoT for other recoverables [refer note 32]	-	259,085
Capital advance, unsecured but considered good	90,715	42,684
Advance income-tax	537,083	502,552
[Net of provision for tax ₹ 717,196 lakh (previous year ₹ 717,196 lakh)]		
Advance fringe benefit tax	5,898	5,898
[Net of provision for tax ₹ 15,300 lakh (previous year ₹ 15,300 lakh)]		
	663,911	843,152

17. INVENTORIES

(Valued at lower of cost or net realisable value)

	As at 31 March 2016	As at 31 March 2015
Building materials	322	150
Lines and wires	9,372	9,911
Cables	86,745	85,610
Apparatus and plants	246,461	186,131
Telephone instruments	34,639	19,491
Telegraph and telex instruments	152	151

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Broad band equipments	-	23,107
Raw material and scrap (at factory)	8,100	17,354
Finished goods and work in progress (at factory)	9,429	1,302
Finished stock (at various circles)	6,794	7,124
Other stores	3,387	16,519
Shortage in inventory (net)	3,501	1,141
Inventory for construction works	63,868	35,000
	472,770	402,991
Less: Provision for obsolete inventory/ short inventory	29,399	33,303
	443,371	369,688

Notes :

- (a) Physical verification of stock has been conducted by the management [except three circles (previous year nine circles)] during the year and is reconciled with the detailed inventory records. Wherever the difference is found the same is provided for. Further, in three circles (previous year eleven circles) difference between the subsidiary ledger and the general ledger is identified.
- (b) The Company is in the process of identification of non-moving, slow moving and obsolete inventories in eighteen circles (previous year twenty circles). Pending finalisation of the process, provision if any, that may be required, has not been made.

18. TRADE RECEIVABLES

	As at 31 March 2016	As at 31 March 2015
Trade receivables (As per general ledger)	769,922	750,618
Less : Advance income booked but not collected	121,771	78,347
	<hr/>	<hr/>
Less : Provision for doubtful receivables	648,151	672,271
	<hr/>	<hr/>
	386,636	439,611
	<hr/>	<hr/>
	261,515	232,660

Notes :

- a) In twenty two circles (previous year twenty two circles), there is difference in the closing balance of trade receivables between the subsidiary ledger and the general ledger. To the extent identified, the net difference between general ledger and subsidiary ledger balances is ₹25,541 lakh (previous year ₹22,393 lakh). The management is in the process of reconciling these differences.
- b) The age-wise analysis of the trade receivables as per subsidiary ledger is given below:



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
Trade receivable exceeding six months from the date they are due for payment	514,003	534,545
Other trade receivables	230,378	193,680
	744,381	728,225

- c) The classification of the trade receivables as secured (to the extent of the security deposits held by the Company), unsecured/considered good and considered doubtful, to the extent available as per subsidiary ledger is as follows:

Particulars	As at 31 March 2016	As at 31 March 2015
Secured receivables, considered good	182,846	163,640
Unsecured receivables, considered good	178,532	148,061
Unsecured receivables, considered doubtful	383,003	416,524
	744,381	728,225

19. CASH AND BANK BALANCES

	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents		
Balances with bank		
- In current account including sweep-in-deposit	99,514	109,514
Cheques on hand	776	8,266
Cash on hand	2,282	3,698
	102,572	121,478
Other bank balances		
Earmarked deposits with bank [refer note (c) below](including bank guarantee, margin money, etc)	937	999
	103,509	122,477

Notes :

- (a) In thirteen circles (previous year seven circles), unlinked credit items and in eleven circles (previous year six circles) unlinked debit items are appearing in the bank reconciliation statement as at 31 March 2016. Out of these eight circles have identified unlinked credit items amounting to ₹ 1,040 lakh (previous year ₹ 404 lakh) and seven circles have identified unlinked debit items amounting to ₹ 694 lakh (previous year ₹ 76 lakh). The management is in the process of reconciling all such items in due course.
- (b) Bank balances in three circles (previous year two circles) includes cheques in hand pending

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- to be deposited in bank as on 31 March 2016.
- (c) These earmarked deposits are for the purpose of securing various bank guarantee given by the bank.

20. SHORT TERM LOANS AND ADVANCES

	As at 31 March 2016	As at 31 March 2015
Advances recoverable in cash or in kind or for value to be received		
Secured, considered good		
Security deposits	5,815	2,960
Unsecured, considered good		
Advances to vendors	90,676	62,250
Loans and advances to staff	5,228	3,775
Security deposits	82	54
Other advances	117	96
	101,918	69,135

Note :

- (a) In two circles (previous year two circles), it has been noticed that there are differences in the subsidiary ledger of loans and advances with those appearing in general ledger. The management is in the process of reconciling the differences of current assets.

21. OTHER CURRENT ASSETS

	As at 31 March 2016	As at 31 March 2015
Amount recoverable in cash or in kind or for value to be received	23,124	34,988
Accrued revenue	247,412	121,578
Amount recoverable from DoT		
- For employees on deputation	1,781	2,518
- For Network Optical Fiber Network (NOFN) project	17,786	18,699
- Other recoverables [refer note 32]	293,051	409,279
Amount recoverable from		
- Government departments	3,497	3,705
- Government companies	365,344	363,423
- Defence telecom network project (net)	-	-
Claims recoverable from others	18,797	20,870



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Operating lease charges recoverable	-	1,084
Sales tax recoverable from customers	3	6
Service tax recoverable from customers	85,109	82,692
Balances with excise and other tax authorities [refer note a]	54,224	62,025
Interest accrued		
- on bank deposits	169	155
- on loans and advances	60	15
- on excess payment of income-tax	158,015	-
Call detail record based claims recoverable	11,065	7,688
Less: Provision for doubtful assets	1,279,437	1,128,725
	220,861	217,439
	1,058,576	911,286

Notes :

- (a) Cenvat on account of service tax, excise duty and custom duty on capital goods and inputs is under reconciliation in some circles.

22. REVENUE FROM OPERATIONS

	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from sale of services		
Telephones	468,021	493,381
Cellular	1,128,910	1,105,273
Wireless in local loop (WLL)	11,227	17,021
Broad band services	533,436	499,681
Leased lines	238,467	207,868
Other services	1,263	2,371
Income from passive infrastructure	25,244	19,106
Interconnection usage charges (IUC) from other service providers	228,029	273,189
	2,634,597	2,617,890
Other operating revenue		
Other operating income [refer note (a) and (b) below]	204,440	96,568
Other	5,905	9,765
	210,345	106,333
	2,844,942	2,724,223

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Notes :

- (a) (i) Other operating income represents subsidies from Universal Service Obligation Fund and DoT.
- (ii) During the year, the Company has booked income of ₹ 52,993 lakh (previous year ₹ 26,442 lakh) on certain projects namely, LWE project, NOFN project and Defence Project.
- (iii) During the year, the Company has booked income of ₹ 16,916 lakh (previous year nil) on account of compensation received from DOT for surrender of CDMA spectrum(carriers).
- 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.

23. OTHER INCOME

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest income on:		
- Deposits with banks	3,645	3,983
- Loans and advances	3,782	3,430
- Income-tax refund	158,015	791
	165,442	8,204
Other non-operating income		
Profit on sale of assets (net)	4,626	3,234
Liquidated damages	32,695	23,328
Excess provision written back	199,687	67,692
Rent of staff quarters	3,314	3,106
Sale of scrap	4,300	3,636
Reimbursement from USO Administrator for USO Towers	10	-
Income from Network Operating and Control Center (NOCC)	-	3,070
Others including sale of publications, forms, waste paper, etc.	36,854	28,027
	281,486	132,093
	446,928	140,297



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

24. EMPLOYEE BENEFITS EXPENSE

	For the year ended 31 March 2016	For the year ended 31 March 2015
Salaries, wages, allowance and other benefits	1,379,099	1,359,470
Leave encashment (including provision) [refer note (a) below]	4,259	10,611
Pension contribution	103,469	97,265
Employer's contribution towards employees provident fund	24,238	21,316
Gratuity (including provision)	4,469	1,500
Leave salary contribution	603	107
Medical expenditure	41,505	34,819
Staff welfare expenses [refer note (b) below]	856	1,922
	1,558,498	1,527,010
Less : Allocated to capital work-in-progress and others	19,849	30,660
	1,538,649	1,496,350

Notes :

- a) Leave encashment of ₹72,320 lakh (previous year ₹66,737 lakh) has been paid by the Company considering the unfunded position of the related fund out of which ₹ 68,179 lakh (previous year ₹ 56,384 lakh) has been adjusted in the fund.
- b) During the year, the Company has paid ₹ nil (previous year ₹ 750 lakh) to Staff Welfare Board and ₹ 100 lakh (previous year ₹ 200 lakh) to Sports and Cultural Board for promoting welfare activities at various circles.

25. FINANCE COSTS

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest expense on:		
- Subscribers' deposit	18	8
- Bank loan	53,896	49,536
- Others	425	346
Other borrowing costs	-	299
	54,339	50,189

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

26. ADMINISTRATIVE, OPERATING AND OTHER EXPENSES

	For the year ended 31 March 2016	For the year ended 31 March 2015
Rent	37,135	31,397
Lease charges	576	366
Rates and taxes	5,352	5,211
Power and fuel	266,799	263,193
Insurance	194	184
Bank charges	208	194
Repairs and maintenance on:		
- Buildings	32,460	34,620
- Plant and machinery	100,727	105,352
- Cables	38,352	40,737
- Others	16,743	11,644
Professional and consultancy charges	2,672	2,363
Payment to auditors [refer note37]	359	346
Printing and stationery	5,767	6,010
Commission on franchise services	59,341	49,992
Advertisement	1,021	1,059
Business promotion and marketing expenses	11,384	7,612
Travelling expenses	6,381	7,034
Postage and courier charges	6,117	6,284
Security services	30,857	29,737
Vehicle running expenses (including hired vehicles)	27,405	23,056
Interconnection usage charges (IUC) to other service providers	162,458	229,351
Expenditure on passive infrastructure hired	83,738	75,960
Expenditure on services and other expenses [refer note (c)]	136,446	72,296
Penalty for customer application form (CAF) verification	594	320
Wealth tax	-	78
Write off and losses (other than bad debts)	22,062	30,046
Bad-debt provision other than services	567	735



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Bad-debt written off	70,334	22,941
Provision for doubtful debts and disputed bills	23,546	26,966
Write off of unrecovered service tax	3,348	3,774
Foreign exchange fluctuation loss (net)	41	461
Profit from manufacturing activities of factories [refer note (a) and (b)]	(6,625)	1,222
Profit from construction/telecom services projects	(539)	(479)
Hiring charges of machinery lines	666	257
	1,146,486	1,090,319
Less: Allocated to capital project works and others	7,251	6,360
	1,139,235	1,083,959

Notes :

- a) Telecom factories manufacturing account :

Prticulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Cost of material consumed	44,835	16,419
Direct expenses	6,199	12,384
Change in inventory	(9,030)	(662)
Total (A)	42,004	28,140
Internal transfer (B)	48,629	26,918
Profit/(loss) from manufacturing activities	6,625	(1,222)

- b) Production of goods by the Company is for captive consumption. Prices for the transfer of stock from telecom factories to circles for self-consumption are predetermined. The predetermined rates include direct cost including overhead allocation at a fixed rate. This practice has resulted in profit of ₹ 6,625 lakh (previous year loss of ₹ 1,222 lakh) for the year ended 31 March 2016 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 year ended 31 March 2016 is ₹ 9,688 lakh (previous year ₹ 5,363) lakh included in expenditure on services and other expenses.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

27. PRIOR PERIOD ITEMS

	For the year ended 31 March 2016	For the year ended 31 March 2015
Prior period income	72	-
Income from WIMAX		
Value added service	73	8,992
Broadband services	732	1,056
Liquidated damages and other miscellaneous income	(3,313)	(731)
Network Operating and Control Center (NOCC)	(124)	-
Subsidy from DIT for Rural Broad Band (wireline) [refer note 5]	95	41
Interconnection usage charges (IUC) from other service providers	545	(2,026)
Income from real estate	-	-
	(1,920)	7,332
Expenditure booked earlier now reversed		
Salaries and staff expenses	(63)	(4,262)
Interest	(714)	129
	(777)	(4,133)
Total A	(2,697)	3,199
Income booked earlier now reversed		
Cellular mobile service	4,831	535
IUC		



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Income from		
- telephones (other than WLL)	131	1,657
- telephone circuits	6,350	(2,746)
- telegraph circuits		19
USO subsidy	(396)	3,660
Telephones (WLL)	(9)	29
	10,907	3,154
Prior period expenses		
Rent, rate and taxes	428	470
Repairs	2,762	1,899
Depreciation and amortisation [refer note 13]	2,076	6,859
Power and fuel	663	125
Interconnection usage charges (IUC) to other service providers	11,876	929
USO towers maintenance	188	5,220
Other services	24,746	4,195
	42,739	19,697
Total B	31,832	22,851
Net amount of prior period items (A-B)	(34,529)	(19,652)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

28. ASSETS AND LIABILITIES TAKEN OVER FROM DoT

28.1 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 ₹ 6,300,000 lakh and up to the current financial year the Company has identified net assets of ₹ 6,325,041 lakh (previous year ₹ 6,326,718 lakh) against it.

During the current financial year, based on physical verification of fixed assets 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 decrease the assets of ₹1,677 lakh [net decrease in previous year ₹434 lakh]:

Particulars	Up to 31 March 2015	Additions/ (Deletions) during the year	Up to 31 March 2016
Assets			
Fixed assets	5,406,422	(6)	5,406,416
Capital work-in-progress	502,503	-	502,503
Inventory	187,850	-	187,850
Trade receivables	683,196	-	683,196
Advance to contractors	39,448	-	39,448
Deposit with electricity boards /others	2,184	-	2,184
Total-A	6,821,603	(6)	6,821,597
Liabilities			
Customer deposits	393,704	1714	395,418
Earnest money deposits	12,116	(38)	12,078
Security deposits from contractors /suppliers	28,999	(5)	28,994
Working expense liability as on 01 October 2000	43,473	-	43,473
Contractors bills payable as on 01 October 2000	16,593	-	16,593
Total-B	494,885	1671	496,556
Net assets taken over by the Company (A-B)	6,326,718	(1677)	6,325,041
Previous year	6,327,152	(434)	6,326,718

Note1 : 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.

Note 2: Trade receivables as on 31 March 2016 includes an amount of ₹25,163 lakh (previous year ₹21,138 lakh) pertaining to period prior to 1 October 2000, which have been fully provided for and included in net current assets referred above.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- 28.2 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 is as follows:

Particulars	As at 1 October 2000 (as on 31 March 2015)	Additions/ (Deletions) during the year ended 31 March 2015	Total structure as at 1 October 2000 (as on 31 March 2016)
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	(1671)	4,019,447
Total	6,326,718	(1671)	6,325,047

Notes:

1. The entire amount has been repaid in the previous years.
 2. 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.
- 28.3 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.

29. LICENSE FEE AND SPECTRUM CHARGES

- 29.1 License and spectrum fee for the year ended 31 March 2016 is ₹228,538 lakh (previous year ₹ 217,032 lakh).
- 29.2 During the current year, the formula for distribution of the revenue between various components for CMTS Services has been changed. The formula adopted during financial year 2015-16 is as per the following percentage:

Service	Basic	CMTS	NLD	ILD	ISP
Leased circuits	30%	-	70%	-	-
Basic services	70.72%	-	17.58%	11.70%	-
CMTS services From April 2015 to December 2015	-	67.73% (previous year 69.99%)	21.75% (previous year 23.64%)	1.22% (previous year 1.72%)	9.30% (previous year 4.65%)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Service	Basic	CMTS	NLD	ILD	ISP
From January 2016 to March 2016		65.44%	21.33%	1.23%	12%

29.3 Other Income consists of interest accrued on income tax refund. From the F.Y.2000-01 to 2010-11 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 current 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.

30. EMPLOYEE COST

30.1 During the year, the Company has recognized following amounts in the statement of profit and loss :

a) **Defined contribution plans:**

Contribution to defined contribution plan i.e. employer's contribution to provident fund and pension contribution to the Government of India for the year is charged to statement of profit and loss. These amounts are shown as under:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Employer's contribution to provident fund	24,238	21,316
Pension contribution to the Government of India	103,469	97,265

b) **Defined Benefit Plans**

A. **Gratuity**

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.

i) **Defined benefits / expenses for gratuity recognised for the year**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	3,313	3,400
Interest cost	3,915	3,516
Expected return on plan assets	(4,293)	(3,870)
Total actuarial (gain)/loss	1,536	(1,549)
Net cost	4,471	1,497



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

ii) The assumptions used to determine the benefit obligations are as follows:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	8%	8%
Expected rate of increase in compensation levels	7%	7%
Expected average remaining working lives of employees (years)	22.43	23.27
Mortality table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

iii) Reconciliation of opening and closing balances of defined benefit obligations for gratuity

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Present value of obligations as at beginning of year	48,932	43,950
Interest cost	3,915	3,516
Current service cost	3,313	3,400
Benefits paid	(392)	(385)
Actuarial (gain)/loss on obligations	1,536	(1,549)
Present value of obligations as at end of year	57,304	48,932

iv) Reconciliation of opening and closing balances of fair value of plan assets for gratuity

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Fair value of plan assets at beginning of year	47,435	37,515
Contributions during the year	1,497	6,435
Expected return on plan assets	4,293	3,870
Benefits paid	(392)	(385)
Fair value of plan assets at the end of year	52,833	47,435

v) Reconciliation of fair value of assets and obligations for gratuity

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Fair value of plan assets at the end of year	52,833	47,435
Present value of obligations as at end of year	57,304	48,932
Net liability recognised in balance sheet	4,471	1,497

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

vi) Gratuity fund investment details (Fund manager wise, to the extent funded)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Life Insurance Corporation of India	52,833	47,435
Total	52,833	47,435

vii) Amounts recognized in current year and previous four years

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Defined benefit obligation	57,304	48,932	43,950	35,128	28,617
Plan assets	52,833	47,435	37,515	27,941	19,543
Deficit	4,471	1,497	6,435	7,187	9,074
Net actuarial loss/ (gain) recognized in the year	1536	(1,549)	2,913	908	2,655

• Leave encashment:

Leave encashment is also a defined benefit plan. The liability towards leave encashment has been determined through actuarial valuation as per the notified Accounting Standard 15 (Revised 2005) 'Employee Benefits' using projected unit credit method.

i) Defined benefits / expenses for leave encashment recognized for the year

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	11,130	8,399
Interest cost	68,143	67,320
Expected return on plan assets	(68,827)	(66,666)
Total actuarial (gain)/loss	(78,625)	(65,437)
Net cost	(68,179)	(56,384)

ii) The assumptions used to determine the benefit obligations are as follows:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	8%	8%
Expected rate of increase in compensation levels	7%	7%
Expected average remaining working lives of employees (years)	9	9



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age
Mortality table	LIC (1994-96 Ultimate)	LIC (1994-96 Ultimate)

iii) Reconciliation of opening and closing balances of defined benefit obligations for leave encashment.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Present value of obligations as at beginning of year	851,781	841,499
Interest cost	68,143	67,320
Current service cost	11,130	8,399
Actuarial (gain)/loss on obligations	(78,625)	(65,437)
Present value of obligations as at end of year	852,429	851,781

iv) Reconciliation of opening and closing balances of fair value of plan assets for leave encashment.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Fair value of plan assets at beginning of year	764,740	698,074
Expected return on plan assets	68,827	66,666
Fair value of plan assets at the end of year	833,567	764,740

v) Reconciliation of fair value of assets and obligations for leave encashment

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Fair value of plan assets at the end of year	833,567	764,740
Present value of obligations as at end of year	852,429	851,781
Unfunded amount recognised in balance sheet	18,862	87,041

vi) Leave encashment fund investment details (fund manager wise, to the extent funded)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Life Insurance Corporation of India (100%)	833,567	764,740

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

vii) Amounts recognized in current year and previous four years

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015	For the year ended 31 March 2014	For the year ended 31 March 2013	For the year ended 31 March 2012
Defined benefit obligation	852,429	851,781	841,499	730,090	664,741
Plan assets	833,567	764,740	698,074	637,511	581,352
Deficit	18,862	87,041	143,425	92,579	83,389
Net actuarial loss/ (gain) recognized in the year	(78,625)	(65,437)	42,818	2,151	14,576

31. FIXED ASSETS/ DEPRECIATION AND AMORTIZATION/CAPITAL WORK-IN-PROGRESS

31.1 Fixed assets taken over from DoT as on 01 October 2000 are based on physical verification conducted by the management. The value of fixed assets 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 Govt. of India for acquiring these assets is being amortized over a period of 20 years.

31.2 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'.

31.3 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



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

- the assets in favour of the Company, wherever necessary/applicable are under process.
- 31.4 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 seventeen circles (previous year nineteen circles). The amount ascertained in respect of four circles (previous year seven circles) is ₹24,057 lakh (previous year ₹54,234 lakh). Consequently, depreciation has also not been charged on the same.
- 31.5 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 and only where such actual allocation is not possible then on proportionate basis.
- 31.6 In one circle (previous year one circle), there is difference between the CWIP subsidiary ledger and general control ledger.

32. DoT BALANCES

Other recoverable from DoT, after netting off the claim payables to them, ₹266,571 lakh (previous year ₹617,499 lakh), included in long-term loans and advances and other current assets. 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.

33. 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 2016, there was a balance of ₹57,529 lakh (previous year ₹57,312 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 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.

34. EARNINGS PER SHARE

vi) Leave encashment fund investment details (fund manager wise, to the extent funded)

Particulars	Unit	For the year 31 March 2016	For the year 31 March 2015
Loss after tax	(₹ in lakh)	(387,992)	(823,409)
Number of equity shares outstanding	(in number)	5,000,000,000	5,000,000,000
Face value of shares	(₹)	10	10
Basic and Diluted earnings per share	(₹)	(7.76)	(16.47)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

35. SEGMENT REPORTING

A. Current year

Particulars	For the year ended 31 March 2016				Total	
	Business Segments			Un-allocable		
	Basic	Cellular	Broadband			
Revenue						
Revenue from operations	957,704	1,348,551	538,192	495	2,844,942	
Other income	203,032	73,853	3,987	614	281,486	
Net segment revenue	1,160,736	1,422,404	542,179	1,109	3,126,428	
Segment results						
Operating profit/(loss) before interest, prior period items and taxes	(1,271,228)	341,042	465,531	(28,850)	(493,505)	
Interest income	164,673	359	24	386	165,442	
Interest expenses	(394)	(49)	-	(53,896)	(54,339)	
Profit/(loss) before prior period items and taxes	(1,106,949)	341,352	465,555	(82,360)	(382,402)	
Prior period items	(17,802)	(16,555)	(129)	(43)	(34,529)	
Profit/(loss) before tax	(1,124,751)	324,797	465,426	(82,403)	(416,931)	
Deferred tax	-	-	-	28,939	28,939	
Profit/(loss) after tax	(1,124,751)	324,797	465,426	(53,464)	(387,992)	
Other information						
Segment assets	2,511,578	3,283,208	141,163	1,138,726	7,074,675	
Segment liabilities	(1,274,685)	(235,568)	(4,978)	(1,168,138)	(2,683,369)	
Increase/(decrease) in gross block of fixed assets	(177,308)	294,525	20,118	1,354	138,689	
Depreciation and amortisation	343,483	344,438	25,060	530	713,511	
Non cash expense other than depreciation	99,452	18,941	335	1	118,729	

B. Previous year

Particulars	For the year ended 31 March 2015				Total	
	Business Segments			Un-allocable		
	Basic	Cellular	Broadband			
Revenue						
Revenue from operations	873,040	1,340,151	502,633	8,399	2,724,223	
Inter segment revenue (eliminated)	96,696	19,438	-	-	116,134	



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2015				Total	
	Business Segments			Un-allocable		
	Basic	Cellular	Broadband			
Other income	100,499	29,917	934	743	132,093	
Net segment revenue	1,070,235	1,389,506	503,567	9,142	2,972,450	
Segment results						
Operating profit/(loss) before interest, prior period items and taxes	(1,494,546)	241,874	448,545	(18,578)	(822,706)	
Interest income	6,747	303	-	1,154	8,204	
Interest expenses	(301)	(48)	-	(49,840)	(50,189)	
Profit/(loss) before prior period items and taxes	(1,488,100)	242,129	448,545	(67,264)	(864,690)	
Prior period items	(15,861)	(5,997)	1,097	1,109	(19,652)	
Profit/(loss) before tax	(1,503,961)	236,132	449,642	(66,155)	(884,342)	
Deferred tax	-	-	-	60,933	60,933	
Profit/(loss) after tax	(1,503,961)	236,132	449,642	(5,222)	(823,409)	
Other information						
Segment assets	2,814,367	2,864,943	242,415	1,502,105	7,423,830	
Segment liabilities	360,559	519,573	41,419	1,717,339	2,638,890	
Increase/(decrease) in gross block of fixed assets	(118,215)	276,781	(18,503)	(13)	140,050	
Depreciation and amortisation	466,821	385,172	29,210	477	881,680	
Non cash expense other than depreciation	66,896	17,106	216	244	84,462	

Note :

- 1 a) **Primary Segment:** Basic, Cellular and Broad Band services have been considered as primary business segments for reporting under the notified AS-17 "Segment Reporting" issued by CA Rules 2006.
b) **Secondary Segment:** 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.
- 2 In the current year segment liabilities are shown net of shareholders fund while in the previous year same were shown including shareholders fund.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

36. RELATED PARTY DISCLOSURE

a. Key Management Personnel

Designation	Name of incumbent	Remarks
Chairman and Managing Director ('CMD')	Shri Anupam Shrivastava	From 16 January 2015
Director (Finance)	Shri Anupam Shrivastava CMD	From 16 January 2015 to 21 October 2015
	Smt. Sujata Ray	From 21 October 2015
Director (Enterprise)	Shri A.N. Rai	From 19 September 2011 to 31 July 2015
	Shri N.K. Mehta	From 1 August 2015
Director (Consumer Fixed Access)	Shri N.K. Gupta	From 1 June 2012
Director (Consumer Mobility)	Shri N.K. Gupta	From 16 January 2015 to 15 March 2015
	Shri A.N. Rai	From 14 May 2015 to 31 July 2015
	Shri N.K. Mehta	From 1 August 2015 to 31 October 2015
	Shri R.K. Mittal	From 4 November 2015
Director (Human Resource)	Shri A.N. Rai	From 19 June 2012 to 8 July 2015
	Smt. Sujata Ray	From 8 July 2015
Government Director	Smt. Darshana Momaya Dabral	From 29 September 2014 to 18 September 2015
	Smt. Padma Iyer Kaul	From 18 September 2015
	Ms. Rita Amitabh Teaotia	From 04 September 2012 to 29 July 2015
	Smt. Aruna Sundararajan	From 29 July 2015 to 21 October 2015
	Shri N. Sivasailam	From 21 October 2015
Non-official part-time Director	Prof. N. Balakrishnan	From 17 July 2012 to 16 July 2015
	Shri Ajai Vikram Singh	From 17 July 2012 to 16 July 2015
Company Secretary & Sr. GM (Legal)	Shri Hem Chandra Pant	From 28 November 2000



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

b. Disclosure of transactions between the Company and related parties and the status of outstanding balances.

Name of the Party	Description of transactions	Year ended 31 March 2016	Year ended 31 March 2015
Key management personnel	Remuneration paid		
	Payment of salary and allowances	131	100
	Perquisites	4	3
	Sitting fees	1	2
	Total	136	105
	Advance given:		
	Opening balance	3	4
	Extended during the year	21	12
	Total	24	16
	Repayment of advance	18	13
	Outstanding advance	6	3

c. Summary of related party transactions Transactions during the year

Payment of salary and allowances	Amount for the year ended 31 March 2016	Amount for the year ended 31 March 2015
Shri Anupam Shrivastava	26	21
Smt. Sujata Ray	19	-
Shri Naresh Kumar Gupta	26	24
Shri Rakesh Kumar Mittal	11	-
Shri Narendra Kumar Mehta	15	-
Shri Awadh Narayan Rai	10	26
Shri Rakesh Kumar Upadhyay	-	7
Shri Hem Chandra Pant	24	22
Sub-Total (A)	136	100
Perquisites		
Anupam Shrivastava	1	1
Smt. Sujata Ray	1	-
Naresh Kumar Gupta	1	1
Rakesh Kumar Mittal	0*	-

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Payment of salary and allowances	Amount for the year ended 31 March 2016	Amount for the year ended 31 March 2015
Narender Kumar Mehta	1	-
Awadh Narayan Rai	0*	1
Rakesh Kumar Upadhyay	-	0*
Sub-Total (B)	4	3
Sitting Fees		
Ajai Vikram Singh	0.5	1
Prof. N Balakrishnan	0.5	1
Sub-Total (C)	1	2
Grand Total (A+B+C)	141	105

* rounded off to zero

Balances outstanding at year end

Payment of salary and allowances	Amount as at 31 March 2016	Amount as at 31 March 2015
Anupam Shrivastava	5	2
Rakesh Kumar Mittal	2	-
Rakesh Kumar Upadhyay	-	1

Note: These advances are in the normal course of business.

Note: Company being a wholly State owned enterprise, disclosure as regards related party relationship with other State controlled enterprises and transactions with such enterprises has not been made as per the AS-18 'Related party disclosures'.

37. AUDITOR'S REMUNERATION (STATUTORY/BRANCH AUDITORS)

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	Statutory auditor	Branch auditor	Statutory auditor	Branch auditor
	(₹ in lakh)	(₹ in lakh)	(₹ in lakh)	(₹ in lakh)
Statutory audit fee	15	272	15	271
Certification charges	2	26	2	26
Reimbursement of expenses	2	15	2	21
Others	27	-	9	-
Total	46	313	28	318
Other services	-	-	-	-
Tax audit fee	-	28	-	26

Note: Fees are exclusive of service tax and cess wherever applicable.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

38. ACCOUNTING STANDARD-29, DISCLOSURE REQUIREMENT

The disclosure relating to provisions in terms of AS-29, to the extent available, are as under:

Name of Provisions	Opening balance as at 1 April 2015	Fresh provision made during the year	Provision utilized during the year	Provision written back during the year	Closing balance as at 31 March 2016
Wealth tax	385	-	73	-	312
	(389)	(78)	(82)	-	(385)
Contingencies	1,572	75	20	59	1,568
	(1,544)	(86)	(55)	(3)	(1,572)
Total	1,933	75	20	59	1,568
	(1,646)	(519)	(86)	(146)	(1,933)

Note: Figures in bracket denotes previous year figures.

39. OTHER SCHEDULE-III REQUIREMENTS

Information required as per Note 5(viii) of General Instructions for preparation of statement of profit and loss, Part II of Schedule III of Companies Act, 2013, to the extent available, is as under:

a. Value of imports on CIF basis:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Components and spares parts	776	597
Capital goods	12,379	1,101
Total	13,155	1,698

b. The expenditure in foreign currency:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Expenditure on services	6,148	5,881
Travelling	65	41
Others	636	5,700
Total	6,849	11,622

Note: One circle (previous year one circle) has not ascertained the value of expenditure in foreign currency.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

c. Consumption of imported and indigenous stores and spares parts (to the extent identified):

Particulars	For the year ended 31 March 2016		For the year ended 31 March 2015	
	(₹ in lakh)	%	(₹ in lakh)	%
Imported	15,435	42	6,480	15
Indigenous	21,342	58	37,542	85
Total	36,777	100	44,022	100

Note: Two circles (previous year three circles) has not ascertained the consumption of imported and indigenous stores and spares parts.

d. Earnings in foreign currency:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Training fee	3	94
Income from services	13,639	12,646
Others	758	813
Total	14,400	13,553

Note: One circle (previous year one circle) has not ascertained the value of earnings in foreign currency.

40. LEASE

The Company has taken vehicles for senior executives under operating leases, which expire between the period ranging from April 2015 to November 2019 (previous year April 2014 to May 2018). The gross rental expenses, excluding service tax, for such vehicles are ₹ 77 lakh (previous year ₹ 83 lakh). The committed lease rentals in the future are:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Not later than one year (excluding service tax)	57	66
Later than one year and not later than five years (excluding service tax)	105	153
Total	162	219

41. CONTINGENT LIABILITIES AND COMMITMENTS:

a. Contingent liabilities

- (i) Claims against the company not acknowledged as debts are as follows:



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	As at 31 March 2016		As at 31 March 2015	
	No. of cases	Amount	No. of cases	Amount
TR Billing	42	50	114	56
Enhanced sales tax in lieu of C/D Forms	7	466	21	2,395
On account of service tax disputed	145	45,891	94	33,292
Sales tax disputed	108	18,257	63	12,925
Central excise claims	18	1,820	18	1,820
License fee and spectrum charges [note 1]	2	729,016	2	925,917
Foreign exchange fluctuation loss [note 2]	1	1,542	1	2,465
Others [note 3]	310	178,812	392	194,513
Total	633	975,854	705	1,173,383

Note 1: Demand raised by DoT amounting to:

- i) ₹ 691,186 lakh (previous year ₹ 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) ₹ 37,830 lakh (previous year 2007-08 to 2012-13 i.e. ₹ 234,731 lakh) on account of provisional assessment of License fee for the year 2012-13.

Note 2: The net amount payable to Pakistan Telecom Company Limited for settlement of telecom dues amounting to ₹17,925.49 lakh (previous year ₹17,671 lakh) payable in Gold Franc currency have been accounted for in the book of Maharashtra Telecom circle in the year 2003-04 pertaining to the period up to September 2000. No claim has been received from Pakistan Telecom Company Limited on account of telecom traffic. In the absence of relevant details of traffic data, no recognition of income and provisioning for expenditure related to it has been accounted for, for the above period. Foreign exchange fluctuations, if any, will be accounted for in Corporate office and effect of the same will be appearing in the amount of opening Balances received from Corporate office, next year. The receivable amount from Pakistan stands ₹254.56 lakh (previous year ₹ nil) and the same has been provided in the books during the current year. The Management has decided not to recognize the foreign exchange fluctuation for the claims recoverable/payable from/to PTCL in the books of accounts and the same will be shown as contingent liabilities.

Note 3: The contingent liability in connection to nine cases included under the head 'Others' in the above table is not ascertainable.

- (i) Claims pending in court related to Land acquisition, TR billing, Service tax, Central Excise and Sales tax, Arbitration cases and others.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	As at 31 March 2016	As at 31 March 2015
No. of cases	9,666	13,700
Amount	930,064	913,251

- (iii) 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 2013-14 i.e. Financial Year 2012-13 and the disputed demand outstanding up to Assessment Year 2013-14 is of ₹ 63,092 lakh which has not been acknowledged as confirmed liability as the Company has been legally advised that this demand will either be quashed or substantially reduced.

- (iv) Liability on account of bank guarantees given by the Company.

Particulars	As at 31 March 2016		As at 31 March 2015	
	With cash margin	Without cash margin	With cash margin	Without cash margin
No. of cases	23	464	37	437
Amount	1,141	10,468	1,264	8,221

- (v) 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 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 2016 is ₹ 64,399 lakh (previous year ₹ 77,571 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 ₹ 79,927 lakh (previous year ₹ 83,403 lakh).
- (ii) In two circles (previous year seven circles) the estimated amount of contract remaining to be executed on capital account has not been ascertained.



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2016

(All amounts in ₹ lakh, unless otherwise stated)

b) Other commitments

- (i) The amount of other commitments amounting to ₹18,442 lakh (previous year ₹5,640 lakh) ascertained in three circle (previous year one circle).

42. CURRENT TAX

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.

43. The Company is executing various projects for various Government departments on reimbursement basis.
44. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years grouping and classification.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

for **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Sd/-
per **Anamitra Das**
Partner

Place : New Delhi
Date : 9 September 2016

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

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

Sd/-
Sujata Ray
Director (HR)
DIN : 07240022

Sd/-
M.N. Punde
Sr. General Manager (Corporate Accounts)

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

Independent Auditor's Report

To the Members of Bharat Sanchar Nigam Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Bharat Sanchar Nigam Limited (the 'Company' or 'BSNL'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information. These financial statements comprise of 47 circles, out of which 1 circle is audited by us and remaining 46 circles are audited by the respective circle auditors appointed under section 139 of the Companies Act, 2013 (the 'Act') by the Comptroller and Auditor General of India (CAG). This report has been revised to include (in Annexure II) a statement based on the directions issued and matters specified by the CAG vide their letter dated 19 September 2016. We issued a separate certificate dated 16 September 2016 to CAG on the aforesaid directions issued and matters specified by the CAG. With the issuance of this revised report, our earlier report dated 9 September 2016, stands superseded.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 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 financial statements based on our audit.
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 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the 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 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 38 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the 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 28 and 31.1 to the 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. Further, subsequent adjustments made on account of identification and recognition of net assets is adjusted to capital reserve. These are subject to reconciliations and confirmation from DoT as regards to value and classification. The consequential impact on the financial statements, if any, as a result of the same is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
9. As detailed in note 32 to the financial statements, amounts due from and to DoT included in current assets and current liabilities aggregating to Rs. 293,051 lacs (previous year Rs. 668,364 lacs) and Rs. 26,480 lacs (previous year Rs. 50,865 lacs) respectively are subject to confirmations and reconciliation. Consequently, the impact of the adjustments, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

Fixed Assets

10. As reported by auditors of 17 circles, Capital work-in-progress, inter alia, includes balances pending capitalisation 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, fixed assets, depreciation and amortisation and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
11. As reported by auditors of 10 circles, in the absence of information in respect of certain items of fixed assets capitalised, particularly batteries, it could not be established whether assets

capitalised 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 amortisation, expenses and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

12. As reported by auditors of 11 circles, 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 fixed assets, depreciation and amortisation and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
13. As detailed in note 31.2 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 fixed assets, depreciation and amortisation and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
14. As stated in note 13(a) and 31.3 to the financial statements, fixed assets, inter alia, includes land pertaining to 38 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
15. The accounting policy of the Company as stated in note 2.6 to the financial statements with respect to the decommissioned assets has not been uniformly applied across all circles. In 13 circles, the decommissioned assets are not recorded at lower of the cost or net realisable value. While, in 7 circles, the decommissioned assets have not been appropriately adjusted from the block of fixed assets and depreciation and amortisation 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 fixed assets, current assets, depreciation and amortisation and loss for the year, if any, arising out of the same. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
16. (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/ proportionate/ payment basis;
- (ii) As reported by auditors of certain circles, the Company capitalises the assets on periodic basis instead of at the ready to use date; and
- (iii) Accounting policies regarding capitalization, disposal, depreciation and



amortization of fixed assets are not uniformly applied in case of 25 circles.

The resultant impact of the above non compliances with the standards on the value of fixed assets, capital work-in-progress, depreciation and amortization and loss for the year, if any, are presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

Current Assets and Current Liabilities

17. The Company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivables, deposits with government departments/companies (interalia, including Mahanagar Telecom Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/payable to DoT (including license fees payable as detailed in note 41(a)(i) of the financial statements) or to/ from other government departments/authorities, subscriber/customer deposit accounts, trade payable and claims payable. Due to non-availability of confirmations 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
18. As reported by auditors of certain circles, there are unquantifiable differences between the general ledger /trial balance and accounting records pertaining to loans and advances, current assets and current liabilities. The impact on the financial statements, if any, owing to the aforementioned non-reconciliations is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
19. As reported by auditor of 9 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
20. As reported by auditors of 18 circles, in absence of adequate information, details and records of old, non-moving, damaged and unserviceable inventories could not be identified. Further, as reported by auditors of 3 circles, old, non-moving, damaged and unserviceable inventories identified are shown at historical cost. This is not in accordance with the Accounting Standard 2 on Valuation of Inventories and adjustment, if any, amount of lower of net realizable value and the cost is currently not ascertainable. The adjustment, if any, on inventories, consumption and loss for the year is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
21. As reported by auditors of 3 circles, there have been non-adherence to the Company's policy of valuation of inventory on weighted average method as stated in note 2.8 to the 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

Inter/ Intra Circle Remittance Account

22. As detailed in note 33 to the financial statements, the Inter-Circle/Unit remittance balances amounting to Rs. 57,529 lacs (previous year Rs. 57,312 lacs) 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

License Fee, Spectrum Charges, Inter Connect Usage Charges

23. As stated in note 29.3 to the financial statements, the Company's license and spectrum fees payable to DoT for the year ended 31 March 2016 amounts to ₹ 228,538 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 ended 31 March 2016. In our opinion, the license fees is understated by ₹12,641 lacs 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 2016 and current liabilities as at that date would have been higher by ₹ 12,641 lacs and the reserve and surplus as at that date would have been lower by the same amount.

Revenue

24. 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 financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter
25. The revenue and expenditure for the current year, inter alia, includes amounts pertaining to prior period(s) as reported by auditors of 6 circles and 4 circles respectively. This has not been separately disclosed in the financial statements in a manner that their impact on the current year's loss can be perceived, which is not in accordance with the Accounting Standard – 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. The consequential impact of adjustments, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
26. As stated in note 2.3-(e), (f) and (i) 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.



Provisions and contingent liabilities

27. 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 11 circles, sufficient and appropriate audit evidence for examining and verifying the quantum of contingent liabilities disclosed in note 41(a) to the 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/disclosures, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
28. As reported by 7 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.

Miscellaneous

29. The Company has not complied in respect of the following Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended):
 - i. As reported by auditor of 8 circles, the expenses, incomes, assets and liabilities are not properly disclosed under the reportable segment as per the Accounting Standard 17 on Segment Reporting. 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 accounting standard. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
 - ii. As stated in note 15 to the financial statement, the Company as at 31 March 2016 has deferred tax assets (net) amounting to Rs. 113,645 lacs (previous year Rs. 84,706 lacs). Since the Company has a recent history of losses and owing to lack of virtual certainty and convincing evidence that sufficient future taxable income will be available against such deferred tax asset and as stipulated by Accounting Standard-22, Accounting for taxes on income, the amount of such deferred tax asset should be written off. Consequent to the above, loss for the year in the statement of profit and loss is under-stated by Rs. 113,645 lacs and the balance of deferred tax asset included under Non-Current Assets, has been overstated by the corresponding amount. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
 - iii. The Company has not carried out any techno-economic assessment during the year ended 31 March 2016 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Accounting Standard 28 on Impairment of Assets. The consequential impact of adjustment, if any, on the financial statements is currently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015

- was also qualified in respect of this matter.
- iv. The accounting for capital and revenue grant in accordance with the notified Accounting Standard 12 on Accounting for grants is not followed consistently as reported by auditors of 2 circles. In the absence of specific details, the consequential impact of adjustment, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
 - v. The accounting policy as referred to in note 2.10(b) to the financial 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 Accounting Standard – 15 on Employee Benefits. The consequential impact of adjustment, if any, owing to this non –compliance on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
 - vi. As reported by 2 circles, contract revenue and contract costs pertaining to construction contracts have not been accounted for in accordance with the notified Accounting Standard 7, Construction Contracts. In the absence of specific details, the consequential impact of adjustment, if any, on the financial statements is presently not ascertainable.
 - vii. As reported by 7 circles, certain provisions including disclosure requirements as per Accounting Standard 19, Leases, has not been complied with. In the absence of specific details, the consequential impact of adjustments, if any, on the financial statements is presently not ascertainable.
30. As stated in the note 2.12 of the financial statements, only individual transactions of income/expenditure exceeding Rs. 5 lacs, are considered for evaluation as prior-period items. In our opinion, the said accounting policy is not in accordance with the generally accepted accounting principles in India and the same should be evaluated on aggregation of all prior period transactions of similar nature irrespective of individual transaction values, for possible adjustment/disclosure in the financial statements. The consequential impact of the adjustment, if any, on the income, expense and loss for the year is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
31. As reported by 15 circles and detailed in note 10(a) to the 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 is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
32. The disclosure requirements of the Schedule III of the Act has not been properly adhered to



in the presentation and disclosure of financial statements of the Company in respect of classification of assets/liabilities into current and non-current and secured and unsecured, wherever applicable; categorisation of assets/liabilities into appropriate accounting captions; changes in inventory; non-disclosure of consumption of stores and spares; consumption of imported and indigenous stores and spares parts; capital and other commitments and expenditure and earnings in foreign currency. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

33. As reported by auditors of 22 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 financial statements. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
34. As detailed in notes (a) and (b) of the Cash Flow Statement, certain assumptions 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 adjustments/disclosures in the Cash Flow Statement. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.
35. Certain subsequent events or circumstances may have occurred between the auditors' report date of the respective circles of the Company and that of this audit report. Such events or circumstances could significantly affect the accompanying financial statements or the related disclosures forming part of these 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 financial statements of the Company cannot be ascertained. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.

Qualified Opinion

36. 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 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 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, of the state of affairs of the Company as at 31 March 2016, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

37. We draw attention to note 14(a) to the financial statements of the Company regarding investments in ITI Limited aggregating to Rs. 20,000 lacs as at 31 March 2016. The management, based on the factors mentioned in the said note, believes that the diminution in the value of investments is temporary in nature and hence no provision in respect of

aforementioned amount has been made in the accompanying financial statements. Our opinion is not qualified in respect of this matter.

Other Matters

38. We did not audit the financial statements of 46 circles whose financial statements reflect total assets (including intra/inter circle remittances) of Rs. 6,602,248 lacs as at 31 March 2016; total revenues of Rs. 2,926,811 lacs and net cash outflows amounting to Rs. 34,177 lacs for the year then ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion on the financial statements in so far as it relates to the amounts and disclosures included in respect of these 46 circles is based solely on the reports of the other auditors.

Our opinion on the financial statements and our report on other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other circle auditors.

Report on Other Legal and Regulatory Requirements

39. As required by 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, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
40. 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.
41. Further to our comments in Annexure I and II, as required by Section 143(3) of the Act and based on the auditor's 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 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;
 - d. except for the effects/possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements dealt with by this report are in agreement with the books of account;
 - e. except for the effects/possible effects of the matter(s) described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);



- 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 the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph;
- h. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 9 September 2016 as per Annexure III expressed a modified opinion; 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 possible effects of the matter described in paragraph 27 of the Basis of Qualified Opinion above, as detailed in Note 41(a) to the 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; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

per **Anamitra Das**

Partner

Membership No.: 062191

Place: New Delhi

Date: 9 September 2016 except paragraph 40 which is as of 22 September 2016

Walker Chandiok & Co LLP

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COMPLIANCE CERTIFICATE

We ('Walker & Chandiok & Co LLP' or the 'Central Statutory auditors') have conducted the audit of accounts of Bharat Sanchar Nigam llimited (the " Company") for the year ended 31 March 2016 in accordance with the directions/sub-directions issued by Comptroller and Auditor General (C & AG) of India under section 143(5) of the Companies Act 2013 and certify that we have complied with all the directions/sub-directions issued to us.

For **Walker & Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
Per **Anamitra Das**
Partner,
Membership No.062191

Place : New Delhi
Date : 16th September 2016



Annexure I to the Independent Auditor's Report even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the 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 the 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 except in case of 18 circles, where such records have not been appropriately maintained.

(b) In case of 19 circles, the fixed assets 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 is reasonable having regard to the size of the Company and the nature of its assets.

Further, in case of 1 circle, the fixed assets have been physically verified by the management during the year but, in our opinion, the frequency of verification of the fixed assets 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 have not been physically verified by the management during the year and in case of 18 circles though the management has conducted physical verification of fixed assets but no documentary evidence was provided. Hence, in respect of the aforementioned 27 circles, we are unable to comment on the discrepancies, if any, which could have arisen on such verification. In our opinion, the frequency of verification of the fixed assets is also not reasonable having regard to the size of the Company and nature of its assets in respect of these circles.

(c) 1 circle does not hold any immovable property (in the nature of 'fixed assets') and accordingly, the provisions of clause 3(i)(c) of the Order are not applicable in respect of this circle.

In case of 8 circles, the title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

In case of 15 circles, the title deeds of all the immovable properties (which are included under the head 'fixed assets') 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, 6 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 10 circles, the title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company except in case of certain properties.

In case of 3 circles, the title deeds of all the immovable properties (which are included under the head 'fixed assets') are not held in the name of the Company. Further, in case of 10 circles, in the absence of availability of proper details and title deeds, the auditors are unable to comment upon this clause of the Order.

- (ii) 6 circles do not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable in respect of these circles.

In case of 22 circles, in our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. Out of which, in case of 20 circles, no material discrepancies between physical inventory and book records were noticed on physical verification. However, in case of 1 circle, material discrepancies noticed on physical verification have been properly dealt with in the books of account. and in case of 1 circle, material discrepancies noticed on such physical verification have not been properly dealt with in the books of account.

Further, in case of 3 circles, the inventory has not been physically verified by the management during the year and in case of 16 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 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 Partnerships (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 transaction covered under Section 185 of the Act. However, in our opinion, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, 46 circles have not accepted any deposits within the meaning of Sections 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. Further, in case of 1 circle, in the absence of adequate information, the respective auditor has not been able to comment upon this clause.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's



services and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- (vii) (a) 41 circles are regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, 6 circles have generally been regular in depositing such dues, though there has been a slight delay in few cases. In case of 41 circles, no undisputed amounts payable in respect thereof were outstanding at the year-end 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 year-end for a period of more than six months from the date they became payable, in respect of 6 circles have been detailed in Appendix II.
- (b) Except for the possible effects of the matter described in paragraph 27 under the Basis of Qualified Opinion paragraph, the impact of which is currently not ascertainable, in case of 11 circles, there are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute. Further, in case of 36 circles, the dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, have been detailed in Appendix III.
- (viii) 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 institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). The term loans were applied for the purposes for which the loans were obtained.
- (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 the case of 7 circles. Out of which, 2 circles have reported inventory embezzlements aggregating to Rs. 26.26 lacs, 1 circle has reported on frauds done by the employees of the Company aggregating to Rs. 32.97 lacs (out of which Rs. 14.02 lacs has been recovered) and 4 circles have reported on frauds and thefts on the Company amounting to Rs. 73.77 lacs.
- (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 not a public company as defined under Section 2(71) 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 all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the 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.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
per **Anamitra Das**
Partner
Membership No.: 062191

Place: New Delhi
Date: 9 September 2016



**Appendix I to Annexure I to the Independent Auditor's Report of even date to the members of
Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016**

Details as required per clause 3 (i)(c)

Serial Number	Name of circle	Nature of property	Total number of cases	Whether leasehold/freehold	Gross block as on 31 March 2016 (₹ in lacs)	Net block as on 31 March 2016 (₹ in lacs)
1	Kerala	Land	482	Freehold	5,302	5,302
		Land	5	Leasehold	1	-
2	Tamil Nadu	Land	378	-	-	-
3	Rajasthan	Land	110	Freehold	414	414
		Land	81	Leasehold	1,125	880
4	Northern Telecom Project	Land	4	Freehold	2	2
5	Uttaranchal	Land	42	-	1,006	994
6	Himachal Pradesh	Land	12	-	-	-
		Land and building	13	-	-	-
		Building	51	-	-	-

The above information has been tabulated to the extent available from the respective circle auditors' report.

**Appendix II to Annexure I to the Independent Auditor's Report of even date to the members of
Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016**

**Details as required per clause (vii) (a)
Statement of arrears of statutory dues outstanding for more than six months**

Serial Number	Circle Name	Name of the statute	Nature of the dues	Amount (₹ in lacs)	Period to which the amount relates
1	North East - 1	The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	93.95	
2	Andhra Pradesh	Andhra Pradesh Value Added Tax Act, 2005	Work contract tax	6.75	
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	3.39	
		Andhra Pradesh Professional Tax Act, 1987	Professional tax	0.38	Refer note below
		Building and other Construction Workers Welfare Cess Act, 1996	Building and other construction workers' welfare cess	0.1	
		Mines and Minerals Act, 1957	Seignior age fee payable	1.06	
3	Bharat Ratna Bhimrao Ambedkar Institute of Telecom Training		Municipal taxes	439.59	
4	Haryana	The Finance Act, 1994	Service tax	-	
			Licence fee, Universal Service Obligation Fund ('USOF') and Spectrum fee	79.6	Financial year 2013-14
5	Himachal Pradesh	The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	17.77	
		The Income-tax Act, 1961	Tax deducted at source	0.04	Refer note below
6	Northern Telecom Project	The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	0.68	

Note: The above information has been tabulated to the extent available from the respective circle auditors' report.



Appendix III to Annexure I to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Details as required per clause (vii) (b)
Statement of disputed dues

Serial Number	Circle name	Name of statute	Nature of dues	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending	
1	Telecom Stores	Central Excise Act, 1944	Excise duty	3	-	1998	
		Excise duty		16	-	1996	
		Central Sales Tax Act, 1956	Sales tax	3	-	2001	
Total				22	-		
2	T&D (Inspection)	The Income-tax Act, 1961	Tax deducted at source	11	-	-	
Total				11	-		
3	Gujarat	The Finance Act, 1994	Service tax	129	-	1997-98 to 2000-01	
			Service tax	1,746	-	April 2004 to July 2009	
			Service tax	673	-	CESTAT Ahmedabad	
			Service tax	423	-	CESTAT Ahmedabad	
			Service tax	158	-	CESTAT Ahmedabad	
			Service tax	429	-	CESTAT Ahmedabad	
			Service tax	139	-	CESTAT Ahmedabad	
			Service tax	70	-	CESTAT Ahmedabad	
			Service tax	105	-	CESTAT Ahmedabad	
			Service tax	0	-	April to June 2012 The Commissioner (Appeals), Central Excise & Customs	
Bonbay Stamp Act, 1958		Stamp duty and penalty on application forms	472	-	2007	Gujarat High Court	
The Income-tax Act, 1961		Tax deducted at source	8	-	2009-10	Commissioner of Income Tax (Appeals) - XXI, Ahmedabad	

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Tax deducted at source	Tax deducted at source	15	-	2009-10	Commissioner of Income Tax (Appeals)
		Tax deducted at source	Tax deducted at source	9	-	2009-10	Commissioner of Income Tax (Appeals)
		Tax deducted at source	Tax deducted at source	9	-	2009-10	Commissioner of Income Tax (Appeals)
		Tax deducted at source	Tax deducted at source	4	-	2009-10	Commissioner of Income Tax (Appeals)
		Tax deducted at source	Tax deducted at source	6	-	2009-10	Commissioner of Income Tax (Appeals)
		Tax deducted at source	Tax deducted at source	8	-	2009-10	Commissioner of Income Tax (Appeals) - XXI
		Tax deducted at source	Tax deducted at source	5	-	2009-10	Commissioner of Income Tax (Appeals) - XXI
		Tax deducted at source	Tax deducted at source	14	-	2009-10	Commissioner of Income Tax (Appeals)
		Tax deducted at source	Tax deducted at source	2	-	2009-10	Commissioner of Income Tax (Appeals) - XXI, Ahmedabad
		The Finance Act, 1994	Service tax	377	-	2009-10 to 2011-12	CESTAT Ahmedabad
		Total		4,800	-		
4	Madhya Pradesh	Service Tax, Central Excise, Sales Tax, Entry Tax		4,175	1,732	2006 to 2014	
		Total		4,175	1,732		
5	Karnataka	Civil suits		24	-	2005-14	Hon'ble Supreme Court of India
				8	-	2013-14	Central Administrative Tribunal, Bangalore
				14	-	2007-16	High Court of Karnataka, Bangalore
				6	-	2001-13	Lower Court, Bangalore
		Acle cases, sales tax slp No. 27843 - 27961/ 2011 Acle for light transmission)		638,800	-	2011-12	Hon'ble Supreme Court of India
		To set aside the order of Honourable CAT		31	-	2014-15	WP 9590/2015
		Praying for release of incentives in respect of outstanding pursuits		3	-	2014-15	OA 743/2014
		Incorrect refund cheque drawn & forwarded		1	-	2012-13	Consumer Forum Urban-C 333/2012
		Shift delay damages 23302065		0	-	2013-14	Consumer Forum Urban-C 1208/2013
		Broadband excess billing 23130036		1	-	2013-14	Consumer Forum Urban-C 2437/2013
		Faulty 3G card and deduction of amount on change of plan.		0	-	2012-13	Consumer Forum Additional II C1447/2012



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Internet out of order	Interest out of order	0	-	2012-13	Consumer Forum Additional II C1909/2012
		All India shift from Chennai- tel not provided	All India shift from Chennai- tel not provided	0	-	2014-15	Consumer Forum Additional IV C674/2014
		Claiming damage rent a/w interest for the period 16/8/2005 to 15/09/2006 for premises at Hindustan Complex, Bangalore	Claiming damage rent a/w interest for the period 16/8/2005 to 15/09/2006 for premises at Hindustan Complex, Bangalore	5	-	2014-15	Civil Court OS 422/2010
		Claiming as compensation as per Minimum wages Act	Claiming as compensation as per Minimum wages Act	32	-	2013-14	CGIT Bangalore CA 47(44)
		Alleging payment of wages at rates less than prescribed by Ministry of Labour and Employment	Alleging payment of wages at rates less than prescribed by Ministry of Labour and Employment	84	-	2013-14	CGIT Bangalore CA 47(127-136) CA47/138-206// 2013-B2
		Claiming balance amount of gratuity out of total eligible amount	Claiming balance amount of gratuity out of total eligible amount	2	-	2014-15	ALC BG A 48(87) 2014/B3
		To hand over possession of diesel generator and damages	To hand over possession of diesel generator and damages	2	-	2013-14	Civil Court OS 9324/2013
		For recovery of Rs 144,549,745 together with interest @12.53% per annum plus liquidated damages 18% per annum with effect from 16 October 2013 till realisation from the defendants-jointly and severally and for sale of hypothecated goods	For recovery of Rs 144,549,745 together with interest @12.53% per annum plus liquidated damages 18% per annum with effect from 16 October 2013 till realisation from the defendants-jointly and severally and for sale of hypothecated goods	1,445	-	2014-15	DRT No 3 Mumbai OA 418/2014
		MV Gopalakrishna (transfer from labour court)- claiming compensation for injury sustained while on duty.	MV Gopalakrishna (transfer from labour court)- claiming compensation for injury sustained while on duty.	9	-	2014-15	Civil Court ECA 300/2014
		Return of bank guarantee	Return of bank guarantee	17	-	2015-16	High Court CMP 18/2015 AC96/15
		Short paid wages (38 cases x 29484)	Short paid wages (38 cases x 29484)	11	-	2015-16	Labour Court CA 47(88-125)
		Claiming rent for a higher floor area	Claiming rent for a higher floor area	5	-	2015-16	High Court RFA 813/2015
		To restore pay drawn as on date of punishment order. To consider promotion with effect from 1 July 2011 under NEPP	To restore pay drawn as on date of punishment order. To consider promotion with effect from 1 July 2011 under NEPP	-	-	2015-16	WP 43228/2015 Rajeshwari Ramesh
		To restore pay drawn as on date of punishment order. To consider promotion with effect from 1 July 2011 under NEPP	To restore pay drawn as on date of punishment order. To consider promotion with effect from 1 July 2011 under NEPP	1	-	2015-16	Urban C 1690/2015 Deepak Kumar

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
			Praying for payment of yearly bonus	-	-	2015-16	CAT OA 170/00255/2016 B. Ramachandra
			Excess-billing, compensation and interest	1	-	2015-16	Additional II-CC 239/2016 Govardhan R
			Compensation telegram	10	-	2011-12	High Court, Dharwad
			Cable damage case	32	-	2014-15	CCI, Bengaluru
			Compensation telegram	9	-	2010-11	Sr Dnv, Chikodi
			Building rent case	3	-	2004-05	Prl Cjm, Belgaum
			Tax deducted at source	25	-	2005-06	ITAT Bangalore Bench, Bangalore
				21	-	2006-07	
				3	-	2007-08	
			Service tax	16	-	2008-09	CESTAT Bangalore
				5	-	2009-10	
			Discount on PT bills	16	-	2009-10	CESTAT Bangalore
			Refund of Earnest money deposit/security deposit	1	-	2012-13	Civil Court, Hassan
			Writ petition under articles 226 & 227 of Constitution of India Quashing notices issued under KPTTC Act.	38	-	2011-12	High Court, Dharwad
			Base Transceiver Station (BTS) Tower Shadageri Ankola	0	-	2011-12	Civil Court, Kumta
			Enhancement of compensation in respect of the award on LAC No 436/2006 under section 18 of Land Acquisition Act	4	-	2013-14	Civil Court, Kumta
			Regarding unsatisfactory working of telephone number 082389-246355 Anomaly in fixation of pay	0	-	2013-14	Consumer Forum, Karwar
				1	-	2013-14	CAT, Bangalore
				0	-	2013-14	CAT, Bangalore
			Regarding unsatisfactory working of telephone number 08389-232442	0	-	2013-14	Consumer Forum, Karwar
			Service Tax	7	-	2006-07	Commissioner Central Excise
				3	-	2008-09	
			Compensation to parents of deceased employee	11	-	2009-10	Civil judge, Mandyā



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Interruption of service and claimed Rs 10,000 as cost and Rs 10,000 as compensation	0	0	-	2013-14	Dakshin Kannada Consumer Forum
		Interruption of service and claimed Rs 20,000 as cost and Rs 40,000 as compensation	1	1	-	2013-14	Dakshin Kannada Consumer Forum
		Free call limit to ex-executive	0	0	-	2013-14	Dakshin Kannada Consumer Forum
		Payment of rent/vacating kurnad exchange premises	2	2	-	2013-14	JMFC Bantwal DK
		Interruption of service and claimed Rs 10,000 as cost and Rs 75,000 as compensation	1	1	-	2013-14	Dakshin Kannada Consumer Forum
		Sales tax	132	132	-	2013-14	Karnataka Appellate Tribunal, BG
		Compensation for the damage caused to computer system due to lightning. Compensation plus penalty.	2	2	-	2013-14	KSCDRC, Bangalore
		Provident fund	34	34	-	2013-14	Employees Provident Fund at New Delhi
		Collapse of Base Transceiver Station (BTS) Tower at Manipal. Case was filed with claim of Rs 7,900,000	70	70	-	2013-14	Additional Senior Civil Judge, Udupi
		Interruption of service and claimed Rs 20,000 as cost and Rs 40,000 as compensation	1	1	-	2013-14	Dakshin Kannada Consumer Forum
		Interruption of service and claimed Rs 10,000 as cost and Rs 100,000 as compensation	1	1	-	2013-14	Dakshin Kannada Consumer Forum
		Interruption of service and claimed damages of Rs 25,000	0	0	-	2013-14	Dakshin Kannada Consumer Forum
		Interruption of service and claimed damages of Rs 25,000	0	0	-	2013-14	Dakshin Kannada Consumer Forum
		Non restoration of service and claimed Rs 20,000 as cost and Rs 40,000 as compensation.	1	1	-	2013-14	Dakshin Kannada Consumer Forum
		Departmental vehicle accident	4	4	-	2013-14	High Court

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
			Adjustment of excess paid service tax in subsequent months for the year 2008-09	25	-	2008-09	Commissioner of Central Excise (Appeals), Mangalore
			Case filed by Dr H N Venkatesh Prasanna, Mangalore for non-provision of International roaming facility to mobile number 9480805319 and non-refund of deposit made for international roaming facility. He claimed to pay the taxi hire charge paid at New York Rs 18,690 compensation of Rs 100,000. Refund of deposit amount Rs 5,000 and to pay the interest on the taxi hire charges and deposit amount at the rate of 12% per annum from the date of the said expense and pay the cost Rs 10,000	1	-	2015-16	DKDF229/2015
			Case filed by Sri Keshava Achar Kota, Udupi regarding compensation claim for interruption of Telephone service in respect to telephone no 0820-2564028. He claimed damages of Rs 186,000.	2	-	2015-16	UDCDRF48/2015
			Complaint filed by Sri B Pramod Kumar, Balanja Belthangady regarding non restoration of telephone service number 08256-272336. He claimed to pay Rs 100,000 towards the damages with interest at the rate of 18% pa	1	-	2015-16	DKDF416/2015
			Complaint filed by Sri A Jayaradhana, Murudya, Sullia regarding non restoration of telephone service no 08257-275046. He claimed the compensation amount jointly and severally pay a sum of Rs 50,000 and Rs 6,000 bill amount and cost of the complainant Rs 7,000	1	-	2015-16	DKDF 428/2015
			Compensation for acquisition land and building	126	-	2006-07	Civil Court, Mysore
			Claim of difference of wages and compensation under minimum wages act.	36	-	2015-16	CLC (Labour Court), Bangalore
			Mobile Number Portability case compensation	2	-	2015-16	CDRF, Mysore
			Net banking fraud	9	-	2015-16	CDRF, Mysore



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Telecom Regulatory dues		1	-	2012-13	Arbitrator
		Service Tax		17	-	January 2008 to June 2009	CESTAT, BG
				5	-	July 2009 to March 2010	
		Land acquisition		0	-	2012-13	CJC(Jd)mfsc, Shikaripura
		Telephone bills		0	-	2006-07	CJ(Sd), Shimoga
		Compensation to employee		0	-	2009-10	IIACJ, (SD) & JMFC, Shimoga
		Quality of service		0	-	2015-16	Karnataka State Consumer Redress Dispute Commission
		Provident fund		12	-	2014-15	High Court of Karnataka, Bangalore
		Provident fund		15	-	2014-15	Employees Provident Fund Administrative Tribunal
		Property tax		12	-	2009-10	Karnataka High Court
		CENVAT credit on Excise duty		440	-	2008-09	Customs Excise and Service Tax Appellate Tribunal, Bangalore
				22	-	2007-09	
				106	-	2004-06	
				150	-	2007-08	
				504	-	2009-10	
				94	-	2010-11	
				78	-	2011-12	
		Service tax		1	-	2010-12	Commissioner of service tax
		Service tax		63	-	2008-10	Customs Excise and Service Tax Appellate Tribunal, Bangalore
		Total		642,677	-		
6	Kerala	The Finance Act, 1994	Refund of excess payment finalised through provisional assessment	6	"October 2004 to March 2005 and May 2005"	CESTAT Bangalore	
						April 2011 to June 2012	Commissioner (Appeals), Cochin
		Service tax		22			Commissioner (Appeals), Cochin
				4		July 2012 to September 2012	

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				7		October 2012 to March 2013	Commissioner (Appeals), Cochin
				10		April 2013 to March 2014	Commissioner (Appeals), Cochin
				8		April 2013 to September 2014	Commissioner (Appeals), Cochin
				6		April 2014 to November 2014	Additional Commissioner, Service Tax, Calicut
				70		June 2008 to September 2009	CESTAT Bangalore
				87		2005-06	CESTAT Bangalore
				49		2010-11	Commissioner Appeals, Cochin
				62		2011-12	CESTAT Bangalore
				2		2013-14	Commissioner Appeals, Cochin
		Public Call Office ('PCO') discount		68		July 2008 to September 2011	CESTAT Bangalore
		Rent a cab service		6		December 2013 to September 2014	Commissioner of Central Excise (Appeals) Cochin
		Non payment of service tax on legal service		0		2014-15	Superintendent, Service Tax 'A' Range, Kochi
		Service tax		1		2014-15	Superintendent, Service Tax 'A' Range, Ernakulam
		Service tax		8		2013-14	Superintendent, Service Tax 'A' Range, Kochi
		Sales Tax Act	Dispute regarding value added tax on broad band modem given on rental basis	3		2009-10	Commissioner Appeals, Kollam
			Tax on sale of Subscriber Identity Module ('SIM') cards	2,300		1997-2003	Deputy Commissioner, Commercial Taxes, Thiruvananthapuram
			Tax on Inter-usage charges ('IUC')	7,445		2003-05	Deputy Commissioner (Appeals), Commercial Taxes, Thiruvananthapuram
		Total		10,162	-		
7	Maharashtra	The Finance Act, 1994	Service tax	22	-	2005-2006	CESTAT, Mumbai
			Service tax	2	-	2005	CESTAT, Mumbai
			Service tax	54	-	2008-2009	The High Court Mumbai, Panjim Bench



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Service tax	Service tax	219	-	1998-99 to 2001	CESTAT, Mumbai
		Service tax	Service tax	1	-	2002-2003	CESTAT, Mumbai
		Service tax	Service tax	8	-	1998-1999	
		Wrong availment of CENVAT	Service tax	25	-	2009-2010	CESTAT, Mumbai
		Wrong availment of CENVAT	Service tax	7	-	2009-2010	Commissioner (Appeals-II), Mumbai-12
		Wrong availment of CENVAT	Service tax	31	-	2009-2010	Commissioner (Appeals-II), Mumbai-12
		The Income-tax Act, 1961	Tax deducted at source	47	-	2004-2005	CESTAT, Mumbai
		The Finance Act, 1994	Service tax	38	-	2002	Commissioner of Excise & Service Tax, Ratnagiri.
		The Finance Act, 1994	Service tax	9	-	2002	CBEC, New Delhi
		The Finance Act, 1994	Service tax	346	-	1999-2006	CBEC, New Delhi
		The Income-tax Act, 1961	Tax deducted at source	127	-	December 2005 to March 2010	CESTAT, Mumbai
		The Income-tax Act, 1961	Tax deducted at source	47	-	2010 to 2011	
		The Income-tax Act, 1961	Tax deducted at source	76	-	2011 to 2012	
		The Income-tax Act, 1961	Tax deducted at source	161	-	2012 to 2013	
		The Income-tax Act, 1961	Tax deducted at source	126	-	2009-2010	The Mumbai High Court, Aurangabad Bench
		The Finance Act, 1994	Service tax	394	-	2002-2007	The Commissioner of Income Tax (Appeals)
		The Finance Act, 1994	Service tax	50	-	2006-07 to 2008-09	ITAT, Mumbai
		Total		1,792	-	February 2004 to November 2006	
8	NE-I	The Finance Act, 1994	Service tax	76	71	April 2008 to October 2008	CESTAT, Kolkata
		The Finance Act, 1994	Service tax	32	32	2012-13	CESTAT, Kolkata
		The Income-tax Act, 1961	Tax deducted at source	15	15	2007-08 to 2014-15	TDS CPC
		Sales Tax Act	Meghalaya Secondary Switching Areas (SSA) wrong availment of CENVAT credit	6	6	2010-11	CE & ST, Guwahati
		Total		200	-		

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
9	Punjab	Punjab Municipal Act, 1911 The Finance Act, 1994	Demand of house tax of Rs 282,948 with interest of Rs 50,940 and parcha of Rs 22 totalling to Rs 333,910 of Tantaran Wrong availment	3	-	1998-99 to 2003-04	Punjab & Haryana High Court, Chandigarh
		CENVAT credit utilization	280	-	2008-09 to 2011-12	Tribunal	
		CENVAT credit utilization	87	-	2006-07 to 2007-08	CESTAT Chandigarh	
		Service tax	21	-	2007-08	CESTAT	
		Wrong availment of CENVAT	32	-	2004-05 and 2005-26	CESTAT	
		Service tax	15	-	2006-2010	Commissioner of Central Excise Appeals, Chandigarh	
		Service tax	9	-	2006-2008	Commissioner of Central Excise Appeals, Chandigarh	
		Short payment due to variation in rate	26	-	April 2006 to September 2006	CESTAT Chandigarh	
		Payment of service tax to Department of Telecommunications instead of Treasury Receipt-6 challan	1,108	-	October 2002 to September 2003	Punjab and Haryana High Court	
		CENVAT disallowance	31	-	2005-06,2006-07 and 2007-08	CESTAT New Delhi	
		Punjab VAT Act, 2005	149	-	2007-08	Punjab and Haryana High Court	
		Sales tax	592	-	2009-10	Deputy Commissioner of Central Excise, Chandigarh	
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	14	-	1 January 2004 to 31 March 2011	Employees Provident Fund Administrative Tribunal, New Delhi	
		Provident fund	19	-	1 January 2004 to 31 March 2011	Employees Provident Fund Administrative Tribunal, New Delhi	
		Provident fund	33	-	February 2002 to June 2004	Punjab and Haryana High Court	
		Provident fund	14	-	May 2004 to October 2010	Punjab and Haryana High Court	



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Provident fund		14	- 2002-2004	Employees Provident Fund Administrative Tribunal, New Delhi
	Total			2,457	-	
10	Orissa	Sales Tax Act The Finance Act, 1994 Consumer Orissa Value Added Tax Act, 2004	Sales tax Service tax Telecom value added tax	25 20 33 17,100	- 1993 to 2016 - 1993 to 2016 - 1993 to 2016 - 2014-2016	Hon'ble Supreme Court of India CESTAT District Consumer Disputes Redressal Forum, India High Court, Odisha
11	Rajasthan	Entry Tax Act The Finance Act, 1994	Entry tax Short payment of service tax and interest and penalty thereon	17,178 5,532 2 285 219 346 1,299 64 802 5 14 11 22 1 38 87 321 23 19	- - 2005-15 - 2011-12 - 2012-13 - 2012-13 - 2012-13 - 2012-13 - 2007-08 - 2012-13 - 2014-15 - 2013-14 - 2011-12 - 2008-09 - 2012-13 - 2012-13 - 2010-11 - 2008-12 - 2006 - 2015	Rajasthan High Court, Jaipur CESTAT New Delhi CESTAT New Delhi. CESTAT New Delhi. CESTAT New Delhi. CESTAT New Delhi. CESTAT New Delhi. CESTAT New Delhi Commissioner Central Excise (Appeal), Jaipur CESTAT New Delhi CESTAT New Delhi Rajasthan High Court Jaipur Bench, Jaipur Commissioner Appeals -II Jaipur CESTAT New Delhi Rajasthan High Court Jaipur Bench, Jaipur CESTAT New Delhi Central Excise Commissioner, Jaipur CESTAT New Delhi Commissioner Central Excise, Jaipur
	CENVAT Credit Rules, 2004		Demand of service tax on infrastructure sharing charges from February 2007 to May 2007 Appeal for refund Service tax			
			CENVAT credit wrongly availed CENVAT credit wrongly availed CENVAT disallowance			

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		CENVAT	CENVAT disallowance	1	-	2015	Assistant Commissioner Central Excise, Jaipur
		Excise Duty	Excise Duty	13	-	2013	Commissioner Central Excise, Jaipur
		CENVAT	CENVAT disallowance	7	-	2004-08	CESTAT New Delhi
				51	-	2011	CESTAT New Delhi
				13	-	2006	CESTAT New Delhi
				0	-	2011-12	CESTAT New Delhi
				5	-	2006-09	Assistant Commissioner Jaipur
				1	-	2014-15	CESTAT New Delhi
				1	-	2012-13	Commissioner Appeals-II Jaipur
				1	-	2012-14	Commissioner Appeals-II Jaipur
				13	-	2005-08	Rajasthan High Court Jodhpur
		The Income-tax Act, 1961	Income tax	7	-	2003-04	ITAT
			Income tax	6	-	2003-04	ITAT
		Sales Tax Act	Sales tax	2	-	2006	Under Progress
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	17	-	2012	Employees Provident Fund Tribunal, New Delhi
				26	-	2005	Employees Provident Fund Commissioner
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	12	-	2012	Employees Provident Fund Commissioner
		The Finance Act, 1994	Service tax	37	-	2010-11	Central Excise Commissioner, Jaipur
				70	-	2010-11	Central Excise Commissioner, Jaipur
				41	-	2011-12	Central Excise Commissioner, Jaipur
				5	-	2012-13	Central Excise Commissioner, Jaipur
				78	-	2008-09	Central Excise Commissioner, Jaipur
				63	-	2008-09	Central Excise Commissioner, Jaipur
				0	-	2006-07	Central Excise Commissioner, Jaipur
		Total		9,561	-		



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
12	Tamil Nadu	The Finance Act, 1994	Service tax	316	-	-	CESTAT Special Economic Zone, Chennai
				7	-	-	CESTAT Chennai
				47	-	-	
				193	-	-	
				42	-	-	
				160	-	-	CESTAT Special Economic Zone, Chennai
				134	-	-	
				265	-	-	
				116	-	-	
				354	-	-	
				415	-	-	
				33	-	-	
				42	-	-	
				1,941	-	-	Commissioner of Central Excise and Service Tax, Trichy
				4,064	-		
				115	-	2003-06	CESTAT, New Delhi
				22	-	2003-06	High Court, Allahabad
				200	-	2006-2009	CESTAT, New Delhi
				80	-	2005-09	Assistant Commissioner
				1	-	2004-07	Assistant Commissioner
				1	-	June 2007 to September 2007	Assistant Commissioner
				4	-	2009	Commissioner Central excise
				3	-	2009	Commissioner Central excise
				662	-	2005-08	CESTAT, New Delhi
				11	-	2004-05	CESTAT, New Delhi
				44	-	2002-03	CESTAT, New Delhi
				38	-	2002-06	CESTAT, New Delhi
				8,800	-	2008-2013	Commissioner Central Excise, Lucknow
13	UP East	The Finance Act, 1994	Service tax				

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Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				487	-	2009-2012	CESTAT, New Delhi
				6	-	2005-06	Commissioner (Appeals)
				416	-	2007-2011	Honourable CESTAT, New Delhi
				1	-	2008-09	Commissioner (Appeals)
				2	-	2008-09	Commissioner (Appeals)
	Municipal Tax	House tax		7	-	2012-13,2013-14	Cantonment Board
	Uttar Pradesh Trade Tax, 1948	Value added tax		34	-	2003-05	Deputy Commissioner/Asst Commissioner Sales Tax Hamirpur
				14	-	2001-05	Commissioner, Trade Tax, Kanpur
				27	-	1987-2004	High Court, Lucknow
				1	-	1996-2005	Deputy Commissioner, Trade Tax Basti
				1	-	1987-2004	Deputy Commissioner, Trade Tax, Gorakhpur
				24	-	2003-05	High Court, Allahabad
				53	-	1987-2005	High Court, Allahabad
				28	-	2001-04	Joint Commissioner, Lucknow
				21	-	1987-1996	Assistant Commissioner Trade Tax, Faridabad
				27	-	2003-05	Commissioner (Appeals)
				10	-	2003-05	Joint Commissioner (Appeals), Bareilly
				75	-	2007-08	Tribunal (Trade Tax)
				7	-	2000-05	Assistant Commissioner Trade Tax Deoreea
				46	-	1987-1996	High Court, Allahabad
				15	-	1987-1996	High Court, Allahabad
				83	-	1986-2005	Joint Commissioner, Appeal Varanasi
				7	-	2000-01	High Court, Allahabad
				0	-	2003-04	Trade Tax Department
				60	-	2002-2005	High Court, Allahabad
				153	-	2001-2005	Deputy Commissioner, Trade Tax
	Entry of Goods into Local Areas Act, 2007	Entry tax		23	-	2007-08	50% stay granted by High Court



Serial Number	Circle name	Name of statute	Nature of dues	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
			Entry tax	7	- 1996-2005	Appeal in Hon'ble Supreme Court of India
Total				11,613	-	
14	UP West	The Income-tax Act, 1961 Entry Tax Act	Tax deducted at source Entry tax	60	42 2002-03	Commissioner Of Income Tax(Appeals) High Court, Allahabad
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	35	- 2000-2005	CESTAT New Delhi
		Regularization of Labour	Regularisation of labour	-	- Since formation of BSNL	Delhi High Court
		Uncertain	-	-	- 2003-04	Allahabad High Court
		Sales Tax Act	Sales tax	1	- 2002-2003	Trade Tax Tribunal
				2	- 2002-2003	Joint Commissioner Appeal
		The Finance Act, 1994	Service tax	43	- June 2003- CESTAT	
				26	- October 2000 to September 2001	
		Arbitration Act	Civil works	23	- 2005-06	Ce(C) BSNL New Delhi
				2	- 1 December 2013	Ce(C) BSNL New Delhi
		Uncertain amount	-	2004	-	Allahabad High Court
				2	- 2008	District Judge Rudrapur
				38	- 2008	District Judge Moradabad
		Treasury receipt		6	- 2013	District Judge Nainital
				5	- 2012-15	District Forum Buldau
		Sales Tax Act	Right to use 10(b)	0	-	Tribunal Court Trade Tax, Moradabad
				0	-	Tribunal Court Trade Tax, Moradabad
				0	-	Tribunal Court Trade Tax, Moradabad
				1	-	Tribunal Court Trade Tax, Moradabad
				1	-	Tribunal Court Trade Tax, Moradabad
				2	-	Tribunal Court Trade Tax, Moradabad
		Entry Tax Act	Sales tax	1	-	Tribunal Court Trade Tax, Moradabad

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				7	-	January 2003 to November 2003	Commissioner of Excise & Service Tax
				737	-	2005-06 and 2006-07	Allahabad High Court
				276	-	2007-08	Joint Commissioner Appeal (Trade Tax)
			Entry tax	13	-	2003-2004	Allahabad High Court
				19	-	2004-05	Allahabad High Court
				55	-	2005-06 and 2006-07	Allahabad High Court
				139	-	2007-2008	Joint Commissioner Appeal (Trade Tax)
			Entry Tax	1	-	2003-04	Allahabad High Court
				17	-	2004-05	Commercial Tax Tribunal Gb Nagar
		The Income-tax Act, 1961	Tax deducted at source	19	-	2009-10	ITAT New Delhi
				6	-	2010-11	ITAT New Delhi
			Penalty u/s 27C	16	-	2009-10	ITAT New Delhi
			Tax deducted at source	31	-	2005-2006	ITAT
				16	-	2006-2007	ITAT
			Tax deducted at source	22	-	2008-2009	Commissioner of Income Tax, Agra
				11	-	2009-10	ITAT
				13	15	2009-10	CIT (Appeals)
			Tax deducted at source	21	5	2007-08 to 2009-10	ITAT New Delhi
				1	0	2006-07	I TO (TDS&Survey) ALIGARH
			Tax deducted at source	9	-	2008-09	ITAT Agra
				17	-	2008-09	Commissioner of Income Tax, Agra
		Sales Tax Act	Sales tax	50	20	2000-2001	High Court Allahabad
			Penalty	267	-	2009-10 and 2011-12	Commissioner Appeals
			Uttar Pradesh trade tax	162	-	2003-2005	Allahabad High Court
			Entry tax	108	-	1990-2005	Allahabad High Court
			Sales tax	33	-	2003-2004	Allahabad High Court
				13	-	2004-2005	Allahabad High Court



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				88	6	2009-10	Allahabad High Court
				1	-	2004-05	Member Tribunal Trade Tax Agra
				0	-	2003-04	Member Tribunal Trade Tax Agra
				2	-	2010-10	Deputy Commissioner Commercial Tax Mainpuri
				2	-	2009-10	Deputy Commissioner Commercial Tax Mainpuri
				2	-	1 January 2008 to 31 March 2008	Deputy Commissioner Commercial Tax Mainpuri
				2	-	1 April 2007 to 31 December 2007	Deputy Commissioner Commercial Tax Mainpuri
				124	-	1977-78 to 2004-05	Allahabad High Court and Trade Tax Tribunal Bareilly
				60	-	1998-99 to 2003-04	Joint Commissioner Appeal
				444	-	1999-2003	Allahabad High Court
				48	-	2003-2004	Appeal pending at Commissioner, Agra
				3	-	2009-10	Appeal pending at Assistant Registrar, CESTAT Allahabad
		Works Contract Tax penalty		1,543	386	2005-06 to 2008-09	Double bench of Tribunal Commercial Tax Department, Meerut
		Entry tax		5	-	2000-01/2001-02 /2002-03	Allahabad High Court
				5	-	2007-2008	Assistant Commissioner Trade Tax Etawah
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	1	-	2000-2013	Employees Provident Fund, Agra
		The Finance Act, 1994	Service tax	1,200	-	2005-06, 2006-07	CESTAT Allahabad
		CENVAT credit		750	-	2009-14	CESTAT New Delhi
		Indian Contract Act, 1872	Contractual obligation	167	50	1997-1998	High Court, Allahabad
		The Finance Act, 1994	CENVAT credit	153	-	2006-07 and 2007-08	CESTAT New Delhi

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	47	-	2001-2012	Tribunal at New Delhi
		Trade Tax	Sales tax	132	132	2003-2008	High Court Allahabad
		State Forum Lucknow	Treasury receipt	3	-	1993-2003	State Forum Lucknow
		Total		7,520	671		
15	West Bengal	Local Sales Tax Act	Sales tax on telephone services	867	-	2003 to 2004	Appellate Authority (Commissioner)
		The Finance Act, 1994	Service tax	14	-	2003 to 2004	Commissioner of service tax
				1	-	2010-11	
				828	-	2011-12	Commissioner of service tax
				308	-	2012-13	
				2	-	2013-14	
		The Income-tax Act, 1961	Tax deducted at source	47	-	2007-08	Income Tax Department
				234	-	2008-09	
				40	-	2009-10	
				101	-	2010-11	
				33	-	2011-12	
				56	-	2012-13	
				12	-	2013-14	
				6	-	2014-15	
				18	-	2015-16	
			Tax deducted at source	56	-	2007-08	
				188	-	2008-09	
				34	-	2009-10	
				72	-	2010-11	
				18	-	2011-12	
				24	-	2012-13	
				6	-	2013-14	
				1	-	2014-15	
				5	-	2015-16	Commissioner of Sales Tax
		West Bengal Entry Tax	Entry tax	39	-	2015-16	Commissioner of Sales Tax



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				40	-	2014-15	
				250	-	2013-14	
				3,301	-		
				93	-	2005-06 to 2007-08	High Court, Shimla
				190	-	2014-15	CESTAT, New Delhi
				14	-	2006-07	Commissioner of Central Excise and Customs, Shimla
				4	-	2014-15	Employees Provident Fund Administrative Tribunal
				23	-	2015-16	Commissioner of HP Excise and Taxation, Shimla.
				325	-		
			Tax, penalty and interest	16	-	1989-1990	Deputy Commissioner of sales tax
				5	-	1990-1991	Maharashtra Sales Tribunal
				27	-	1991-1992	
				132	-	1992-1993	
				24	-	1994-1995	
				174	-	1995-1996	
				5	-	2000-2001	
				2	-	2001-2002	
				82	-	2004-2005	
				13	-	2005-2006	Deputy Commissioner of Sales Tax (Appeal)
				306	-	2005-2006	
				29	-	2006-2007	Joint Commissioner Appeal II
				28	-	2007-2008	
				62	-	2010-2011	Deputy Commissioner of Sales Tax (Appeal)
				575	-	2004-2005	Deputy Commissioner of Sales Tax (Appeal)
				883	-	-	

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Central Excise Act, 1944	Tax, penalty and interest	1,847	-	2007-2008	-
				75	-	Feb. 2008 to July 2008	Commissioner (Central Excise, Mumbai)
				98	-	August 2008 to March 2009	Commissioner (Central Excise, Mumbai)
				63	-	April 2009 to December 2009	Commissioner (Central Excise, Mumbai)
				63	-	January 2010 to September 2010	Commissioner (Central Excise, Mumbai)
				50	-	October 2010 to July 2011	Additional Commissioner (Central Excise, Mumbai)
				39	-	August 2011 to March 2012	Joint Commissioner (Central Excise, Mumbai)
				601	-	April 2006 to September 2010	Commissioner (Central Excise, Mumbai)
				86	-	October 2010 to August 2011	Commissioner (Central Excise, Mumbai)
				43	-	September 2011 to March 2012	Joint Commissioner (Central Excise, Mumbai)
				47	-	2013-2014	Additional Commissioner (Central Excise, Mumbai)
				133	-	April 2007 to January 2008	CESTAT Mumbai
				131	-	2010-2011	CESTAT Mumbai
				150	-	April 2012 to January 2013	Joint Commissioner (Central Excise, Mumbai)
				135	-	February 2013 to December 2013	Commissioner (Central Excise, Mumbai)
				0	-	October 2012 to	Joint Commissioner (Central Excise, Mumbai)
				106	-	January 2014 to September 2014	Commissioner (Central Excise, Mumbai)
				13	-	13 April 2015	Deputy Commissioner (Central Excise, Mumbai)
				0	-	22 September 2014	Commissioner (Central Excise, Mumbai)



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
Total				6,043	0	- 26 March 2015	Commissioner (Central Excise, Mumbai)
18	TF Kolkata	Central Excise Act, 1944	Excise duty	396	-	2007-08	Appellate Authority
				17	-	2008-09	Appellate Authority
				0	-	2009-10	Appellate Authority
				6	-	2010-11	Appellate Authority
				0	-	2010-11	Appellate Authority
				181	-	2012-13	Commissioner Central Excise
				4	-	2015-16	Commissioner Central Excise
				10	-	2013-14	Commissioner Central Excise
				0	-	2013-14	Commissioner Central Excise
				57	-	2013-14	Commissioner Central Excise
				11	-	2014-15	Commissioner Central Excise
				0	-	2014-15	Commissioner Central Excise
				142	-	2008-09	Appellate Authority
				22	-	2008-09	Appellate Authority
				3	-	2009-10	Appellate Authority
				4	-	2008-09	Appellate Authority
				3	-	2008-09	Appellate Authority
				0	-	2008-09	Appellate Authority
				17	-	2008-09	Appellate Authority
				156	-	2011-12	Appellate Authority
			Imposition of penalty	3	-	2015-16	Commissioner of Appeal
			Differential duties in respect of clearance of finished goods to sister concern	39	-	2015-16	Showcase Notice submitted by Excise Department
		The Finance Act, 1994	Service tax		6	-	2015-16
		Total	Demand against the company	1,102	26	-	Commissioner Central Excise
19	Northern Telecom Project	Delhi Sales Tax Act		1	1	-	Additional Commissioner- II New Delhi

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
		Central Sales Tax Act, 1956		23	-	2001-02 Additional Commissioner-II New Delhi
		Uttar Pradesh Sales Tax Act		26	-	2012-13 Commissioner (Appeals) - Trade Tax, Lucknow
	Total			50	-	
20	Southern Telecom Project	Customs Act, 1962	Custom duty	73	-	CESTAT, Bangalore
	Total			73	-	
21	Western Telecom Region	The Finance Act, 1994	Service tax	647	-	2007 to 2008 Commissioner of Central Excise and Service Tax
	Total		Service tax	647	-	2007 to 2008
				1,295	-	
22	Southern Telecom Region	The Finance Act, 1994	Service tax	0	-	June 2007 to September 2009 Customs, Excise and Service Tax Appellate Tribunal, Chennai
				0	-	June 2007 to October 2009 Customs, Excise and Service Tax Appellate Tribunal, Bengaluru
	Total			0	-	
23	Eastern Telecom Region	West Bengal VAT Act, 2003	Sales tax	31	-	2006 to 07 Sales Tax Tribunal
				11	-	2007 to 08
				1	-	2010 to 11
	Total			44	-	
24	Andaman & Nicobar	The Finance Act, 1994	Service tax	699	-	2003 to 2007 CESTAT
				138	-	2007 to 2011 CESTAT
	Total			837	-	
25	Chhattisgarh	The Finance Act, 1994	Service tax	62,500	-	1994-2000 CESTAT, Delhi
				2,950	-	2000-04 CESTAT, Delhi
				4,618	-	2004-05 CESTAT, Delhi
				14,070	-	2004-07 CESTAT, Delhi
				-	-	2009-10 -
				-	-	2004-07 -
	Total			84,138	-	



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
26	Jharkhand	The Finance Act, 1994	Service tax	206	-	April 2004 to March 2006	CESTAT - Kolkata
				206	-		
				1,464	-	October 2003 to December 2003	Commissioner (Appeals), Ranchi
				1,464	-		
				163	-	2005-06	CESTAT Kolkata
				163	-		
				20	-	2006-07	CESTAT Kolkata
				20	-		
				326	-	April 2005 to November 2006	CESTAT Kolkata
				326	-		
				590	-	2000-2005	Commissioner (Appeal), Ranchi
				590	-		
				119	-	December 2005 to August 2009	CESTAT, Kolkata
				119	-		
				3	-		
				3	-		
				259	-	October 2003 to	CESTAT, Kolkata
				465	-	1999-2000	Commissioner (Appeal), Ranchi
				465	-		
				131	-	2005-06	CESTAT Kolkata
				131	-		
				258	-	2001-2006	CESTAT Kolkata
				145	-		
				1,276	-	April 2003 to September 2003	Commissioner (Appeal), Ranchi
				1,276	-		
				1,674	-	October 2003 to September 2008	CESTAT Kolkata
				55	-	October 2008 to March 2010	Commissioner, Ranchi.
				55	-		

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				8	-		
				131	-		
				43	-	October 2008 to March 2013	Commissioner (Appeal) dismissed by Commissioner Appeals)
				43	-		
		The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	347	-	June 2002 to December 2011	Jharkhand High Court, Ranchi
		Total		12,486	-		
27	Uttaranchal Telecoms	Uttarakhand Trade Tax Act, 1948	Trade tax	5	-	2004 to 05	Joint Commissioner (Appeals) Tax, Dehradun
				14	-	2006 to 07	Joint Commissioner (Appeals) Tax
				28	-	2007 to 08	
				1,270	-	2004 to 05	Assistant Commissioner Tax Rishikesh
				12	-	2000 to 01	Assistant Commissioner Tax Haridwar
				38	-	2006 to 07	
				25	-	2007 to 08	
				25	-	2008 to 09	
				25	-	2009 to 10	
				14	-	2010 to 11	
				1	-	2012-13	
				1	-	2014-15	Assistant Commissioner Trade Tax, Haldwani
		The Finance Act, 1994	Service tax	80	-	2004-05 to 2006-07	Assistant commissioner, Service Tax, Meerut
				67	-	2007-08	CESTAT, New Delhi
				294	-	2007-08	CESTAT, New Delhi
		Total		1,899	-		
28	NE II	The Finance Act, 1994	Service tax	122	-	2005 to 2006	CESTAT
				68	-	2005 to 2006	CESTAT
		Total		190	-		
29	Andhra Pradesh	Andhra Pradesh Value Added Tax Act	Sales tax	4,421	-	2002-03	Hon'ble Supreme Court of India



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				4,381	-	2003-04	Hon'ble Supreme Court of India
				4,271	-	2004-05	Hon'ble Supreme Court of India
				5,747	-	2005-06	Hon'ble Supreme Court of India
				5,047	-	2006-07	Hon'ble Supreme Court of India
				4,550	-	2007-08	Hon'ble Supreme Court of India
				4,265	-	2008-09	Hon'ble Supreme Court of India
				4,167	-	2009-10	Hon'ble Supreme Court of India
The Finance Act, 1994		Irregular availment of CENVAT credit		1,076	-	2003-08	CESTAT Bengaluru
				20	-	2006-08	CESTAT Bengaluru
				95	-	2008-10	CESTAT Bengaluru
				304	-	2010-11	CESTAT Bengaluru
				283	-	2011-12	CESTAT Bengaluru
				76	-	2012-13	CESTAT Bengaluru
				127	-	2013-14	CESTAT Bengaluru
				145	-	2012-15	CESTAT Bengaluru
				303	-	2005-06	CESTAT Bengaluru
				531	-	2001-11	CESTAT Bengaluru
				270	-	2005-12	CESTAT Bengaluru
				263	-	2005-06	CESTAT Bengaluru
				69	-	2004-09	Commissioner Appeals
				1	-	2006-07	CESTAT Bengaluru
				1,127	-	2005-10	CESTAT Bengaluru
The Income-tax Act, 1961		Tax deducted at source		399	-	2008-09	High Court of Andhra Pradesh
				387	-	2009-10	High Court of Andhra Pradesh
				397	-	2010-11	High Court of Andhra Pradesh
30	Chennai Phones		Service tax, central excise, sales tax	42,721	-		
				531	-	-	
	Total			531	-		

Serial Number	Circle name	Name of statute	Nature of dues	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
31	Northern Telecom Region	Central Excise Act, 1944	Excise duty	37	- 2015-16	High Court
	Total			37	-	
32	Haryana	The Finance Act, 1994	Service tax	5,166	- 2013-14	CESTAT
				607	- April 2012 to January 2013	
				92	- 2002-06	
				26	- 16 July 2008 to 30 September 2009	
				141	- 2006	
				22	- 2008	
				38	- 2009-10	
				23	- 2004-04	
				94	- 2002-06	
	Total			6,208	-	
33	Assam	The Finance Act, 1994	Service tax	369	-	-
	Total			369	-	
34	Bihar	Bihar Value Added Tax Act, 2005	Value added tax	83	10 2005-06	Tribunal
				27	4 2006-07	Tribunal
				490	350 2007-08	High Court
		Bihar Tax on Entry of Goods into local areas for Consumption, use or sale therein Act, 1993	Entry tax	2	2 2010-11	Joint Commissioners of Commercial Tax Appeals
				4	1 2007-08	Deputy Commissioners of Commercial Tax Appeals
				48	33 2008-09	Deputy Commissioners of Commercial Tax Appeals
				60	50 2009-10	Joint Commissioners of Commercial Tax Appeals
				22	9 2011-12	Joint Commissioners of Commercial Tax Appeals
				253	205 2008-09	High Court



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				45	40	2004-05	Deputy Commissioners of Commercial Tax Appeals
				9	9	2015-16	CTO
				5	2	2007-08	Joint Commissioners of Commercial Tax Appeals
				27	27	2008-09	Joint Commissioners of Commercial Tax Appeals
Central Sales Tax Act, 1956	Central sales tax			15	7	2013-14	Joint Commissioners of Commercial Tax Appeals
The Employee's Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund			3	-	March 2002 to January 2005	Tribunal
				19	17	1996 to 2002	Assistant Provident Fund Commissioner
				12	12	May 2002 to February 2004	Assistant Provident Fund Commissioner
				3	5	2002 to 2013	Assistant Provident Fund Commissioner
				17	5	1 April 1996 to 31 March 2010	Assistant Provident Fund Commissioner
				24	21	1 April 1996 to 31 March 2010	High Court
				107	107	1 October 2000 to 12 March 2010	High Court
				1	1	May 2010 to July 2013	Assistant Provident Fund Commissioner
				27	26	1 April 1996 to 31 March 2010	High Court
				3	-	March 2002 to January 2005	Tribunal
				0	-	1 April 2010 to 28 February 2014	Assistant Provident Fund Commissioner
The Finance Act, 2004	Service tax			130	5	2007-08 to 2008-09	CESTAT
				363	76	2001-02 to 2005-06	CESTAT

Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				134	5	2008-09 to 2010-11	CESTAT
				263	32	2002-06	CESTAT
67				13	2006-07	CESTAT	
2				2	2	2013-14	
10				200	200	2003-04 to 2006-07	CESTAT
2,593				174	2007-08 to 2009-10	CESTAT	
61				5	2001-02 to 2005-06	CESTAT	
171				4	2006-07 to 2010-11	CESTAT	
110				5	2006-07, 2007-08 CESTAT and 2008-09	CESTAT	
3				3	3	2013-14	CESTAT
4				4	4	2002-06	CESTAT
15				0	0	2002-2007	Commissioner
464				200	October 2000 to September 2004	High Court	
1,256				300	2005-06 to 2007-08	CESTAT	
243				20	2006-07	CESTAT	
1,241				150	2007-08	CESTAT	
63				15	2005-06	Commissioner	
2				2	2010-11	Commr Appeal	
787				100	2001-02 to 2005-06	CESTAT	
-				-	2002-03 to 2006-07		
27				-	2004-05	CESTAT	
57				-	2006-2007	CESTAT	
588				-	2007-08	CESTAT	



Serial Number	Circle name	Name of statute	Nature of dues	Amount (₹ in lacs)	Amount paid (₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				391	-	2002-03 to 2005-06	Commissioner
				697	-	2008-09	Commissioner
				14	-	2007-08 to 2008-09	Commissioner
				26	-	2006-07 to 2007-08	Commissioner
				19	-	2007-08 & 2008-09	CESTAT
				5	-	2006-07 & 2007-08	CESTAT
				27	-	2005-06	CESTAT
				23	-	2002-03 to 2006-07	CESTAT
				47	-	2005-06 to 2006-07	Commissioner
				202	-	2002-03 to 2005-06	Commissioner
				354	-	2002-2007	Commissioner
				112	-	2000-01 to 2005-06	CESTAT
				32	-	2008-09	Commissioner Appeals
				250	-	October 2000 to March 2003	High Court
				596	-	2008-09	Commissioner
				170	-	October 2002 to March 2007	CESTAT
		The Income-tax Act, 1961	Tax deducted at source	15	15	2007-08 to 2014-15	
	Total			12,939	2,273		
	35	Kolkata Phones	The Finance Act, 1994	Service tax	3,103	- July 1994 to September 1998	CESTAT/Commissioner of Central Excise-1
					150	- October 2000 to September 2003	CESTAT
					1,326	- 2003-04 to 2004-05	CESTAT

	Circle name	Name of statute	Nature of dues	Amount ₹ in lacs)	Amount paid ₹ in lacs)	Period to which the amount relates	Forum where disputes are pending
				759	-	2005-06 and 2007-08	CESTAT
Total				5,338	-		
36	J&K Telecom	J&K General Sales Tax Act, 1962	Sales tax	421	-	20016-07	Commissioner of Sales Tax, Jammu
				723	-	2005-06	Commissioner of Sales Tax, Jammu
				900	-	2004-05	Commissioner of Sales Tax, Jammu
				502	-	2003-04	Commissioner of Sales Tax, Jammu
				331	-	2002-03	Commissioner of Sales Tax, Jammu
		The Finance Act, 1994	Service tax	540	-	2005-2009	CESTAT, New Delhi
				3,417	-		
Total					-	2007-08	Commissioner of Income Tax-Appeals-35, New Delhi
37	Corporate Office	The Income-tax Act, 1961	Re-Assessment u/s 147	-	-		
			Re-Assessment u/s 147	45,800	-	2008-09	Commissioner of Income Tax-Appeals-35, New Delhi
			Re-Assessment u/s 147	22,916	-	2009-10	Commissioner of Income Tax-Appeals-35, New Delhi
			Appeal against Assessment u/s 143(3)	3,071	-	2010-11	Commissioner of Income Tax (Appeals), New Delhi
			Re-Assessment u/s 147	25,011	-	2010-11	
			Appeal against CIT-A order dated 28 December 2015 u/s 250	1,300	-	2011-12	ITAT, New Delhi
			Total	98,098	-		

Note:

* Amount have been rounded off to zero

The above information has been tabulated to the extent available from the respective circle auditors' report



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

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 2015-16

Serial Number	Questions	Auditor's comments
(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> <ul style="list-style-type: none"> • Eastern Telecom Project (ETP) • Western Telecom Project (WTP) • Receipt & Payment and Budget Banking Finance Unit ('R&P and BBF unit') • Task Force, Guwahati <p>The following circles have 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> <ul style="list-style-type: none"> • Assam • Chhattisgarh <p>The following circles have not reported whether the Company has clear title/lease deeds for freehold and leasehold properties:</p> <ul style="list-style-type: none"> • Telecom factories (TF) Mumbai • Western Telecom Region (WTR) <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> <ul style="list-style-type: none"> • Chennai Phones • Madhya Pradesh • Punjab

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	<ul style="list-style-type: none"> • Rajasthan • Tamil Nadu • West Bengal • Himachal Pradesh • Northern Telecom Project (NTP) • Southern Telecom Projects (STP) • Southern Telecom Region (STR) • BRBRAITT • Uttaranchal 	<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> <ul style="list-style-type: none"> • Bihar • National Centre for New Generation Network (NCNGN) <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> <ul style="list-style-type: none"> • Haryana • Uttar Pradesh (UP) West • Northern Telecom Region (NTR) • Jharkhand <p>The auditor of the following circles have stated that this direction is not applicable to the Company for the current year as the Company has not been selected for disinvestment :</p> <ul style="list-style-type: none"> • Jammu and Kashmir (J&K) Telecom • Eastern Telecom Region (ETR)



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
		<p>The following circles have stated that the information regarding title/lease deeds of freehold/leasehold property respectively is to be furnished by the Corporate Office :</p> <ul style="list-style-type: none"> • Andaman and Nicobar (A&N) • Quality Assurance (QA) <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p>Kolkata Phones:</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. However in respect to certain immovable properties acquired or taken over from the 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 processes/execution.</p> <p>Andhra Pradesh:</p> <p>As per the information and explanations given to us by the management, the Circle has lands admeasuring 32,34,674 sqm (for 1667 lands) of which lands admeasuring 31,69,747 sqm (for 1648 lands) are freehold lands and lands admeasuring 64,927 sqm (for 19 lands) are leasehold lands.</p> <p>Freehold Lands- 31,69,747 sqm (for 1648 lands)</p> <p>The Circle has inherited from DOT, lands admeasuring to 28,35,489 sqm (for 1134 lands) and acquired lands admeasuring to 3,34,258 sqm (for 514 lands).</p> <p>Out of the total, DOT lands area of 28,35,489 sqm (for 1134 lands), DOT has given approval for mutation of lands admeasuring 19,38,795 sqm (for 682 lands) and the Company has got the mutation process completed to the extent of 11,89,360 sqm of land area (for 495 lands) and out of these lands, title deeds are available for 6,14,404.5 sqm of lands (for 217 lands) and title deeds are not available for 5,74,955.5 sqm (for 278 lands).</p> <p>Out of the total lands admeasuring to 3,34,258 sqm (for 514 lands) acquired by the Circle, title deeds are available for lands admeasuring 2,27,470 sqm of lands (for 333 lands) and title deeds are not available for lands admeasuring 96,788 sqm (for 181 lands).</p>

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
		<p>Leasehold lands- 64,927 sqm</p> <p>The Circle has taken lands admeasuring 64,927 sqm (in respect of 19 lands) on lease of which lands admeasuring 58,251sqm (in respect of 15 lands) are under the lease hold rights of DOT and lands admeasuring 6,676 sqm(in respect of 4 lands) are under the lease hold rights of the Circle.</p> <p>For lands under the lease hold rights of DOT, lease deeds in the name of DOT are available for lands admeasuring 41,978 sqm (in respect of 9 lands) lands admeasuring 16,273.5 sqm (in respect of 6 lands).</p> <p>For lands under the lease hold rights of the Circle, lease deeds are available for all the 4 lands admeasuring 6,676 sqm.</p> <p>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 such assets under joint occupancy.</p> <p>Gujarat:</p> <p>Based on the information and explanation provided to us, we are of the opinion that majority of the immovable assets are not in the name of the circle. In the absence of sufficient appropriate audit evidence, as stated above, we are not in a position to report that the circle has clear title lease deeds for freehold and leasehold respectively.</p> <p>Karnataka:</p> <p>The total number of land available in Karnataka Circle is 1,308 out of which 1,029 lands are for which the revenue records are available. For 279 lands, revenue records are not available.</p> <p>Kerala:</p> <p>The immovable properties of the circle includes those land & building taken over from DoT whose title deeds are still in the name of DoT, pending transfer in the name of the Company and subject to completion of documentation formalities. The details of such land whose title deeds are not in the name of Company, but appearing as fixed asset in the books of the circle, have been appended herewith. (Also, refer Appendix A)</p> <p>Maharashtra:</p> <p>We would like to draw your attention on Para No.6 of "Basis for Qualified Opinion" and Para No. 2 of the</p>



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	"Emphasis of Matter" which reads as under:- Para No.6 on "Basis for Qualified Opinion" We have been informed that certain immovable and movable assets including vehicle and other assets were transferred to the Company in the year 2000 at the time of formation of BSNL. Such movable assets were required to be transferred in the name of BSNL. Whether this has been done or not is not known and the required details of such assets have not been provided to us. Further, attention is drawn to Note No.U(2)(C) regarding non-transferring of titles in the name of Company with respect to land and building acquired or inherited from DOT(Department of Telecommunication) which are under progress pending legal formalities. Para No.2 on the (Emphasis of Matter) We have informed that the Circle has been showing land under two categories i.e. under leasehold and freehold and total approximate area is 5,496,406.59 sq.mtrs comprising of 1729 plots. Out of such plots, mutation in the name of BSNL is still pending for approx. 3,625,537.34 sq.mtrs area (830 plots). Likewise in the case of freehold land, out of total area 3,036,465.09 sq.mtrs (728 plots), the mutation in the name of BSNL is pending for 446 plots. We have also informed that there are approx.17 plots having 63,836.51 sq.mtrs area which are under dispute. There are 251 vacant plots of approx. area 4,86,108.90 sq. mtrs for which mutation, has not been done in the name of BSNL, we have been informed that there is no standardized practice of physical verification of the real estate, however, in the year 2013, a joint verification was done with the DoT and on that basis, they have noted that there is encroachment of 3812.95 sq. mtrs of land. We have also observed that the system of phase-wise physical verification at reasonable interval of fixed assets including real estate is not in existence.	Orissa: The Orissa circle of Bharat Sanchar Nigam Limited has clear title/lease deeds except one (1) freehold land measuring Acre 01.27 and nineteen(19) lease-hold lands measuring 77,956 square meters for which lease deeds are not available or the lease has expired. Uttar Pradesh (UP) (East): The circle UP (East) holds title deeds for a number of freehold/ leasehold lands. But since the title deeds for freehold and leasehold land are not matched with financial records hence we are unable to comment

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
		<p>whether the Company has clear title/lease deeds for all freehold and leasehold land respectively and if not for which assets Circle do not hold clear title deeds.</p> <p>Telecom Stores:</p> <p>In the books of the Circle the following assets are appearing:</p> <ul style="list-style-type: none"> a) Freehold building constructed on the Leasehold land acquired from Kolkata Port Trust (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. b) Leasehold Land acquired from KOPT on which Lease Rental is paid to KOPT. The lease was for 30 years ending on 1993 after which no fresh lease deed has been executed in spite of several reminders and follow up by the Circle. <p>Telecom Factories (TF) Kolkata:</p> <p>As per the information and explanations given to us:</p> <ul style="list-style-type: none"> a) Telecom Factory Alipur, BSNL has 780 kathas of Freehold land but no deed is available with the factory for our verification. b) Telecom factory Gopalpur, BSNL has 17.5 acres of freehold land taken over from West Bengal circle for which deed is available with West Bengal Circle. This deed was not available for our verification. c) Telecom Factory, Kharagpur has 17.51 acres of leasehold land taken over from WBIIIDC for which deed is available with the Unit. However, photocopy of lease deed is available for a sum of Rs 6.50 lakhs only in respect of the above. <p>Telecom Factories (TF) Jabalpur:</p> <p>During the year under review, it has been observed Telecom factory Jabalpur having the 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 concerned, the land taken over from DOT as on 1 October 2000. Total area as per the management informed was 71.75 acres transferred from DOT out of which 48.85 acres of land has been transferred to the name of BSNL and 22.9 acres of land remains with DGP&T. Title Deed of 48.85 acre is presently in name of BSNL.</p>



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	<p>Technical and Development Circle (T&D Inspection):</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.</p> <p>ALTTC:</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 had sold the land to DOT).</p> <p>Total area of land which was acquired from DOT was 81 acres as at 1 October 2000.</p> <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.</p>	<p>National Academy of Telecom Finance and Management (NATFM):</p> <p>The title deeds of the land allocated to the NATFM circle of the Company admeasuring 33618 Sq. meters valued Rs 85516 are held in the name of Department of Telecommunications.</p> <p>North East II (NEII):</p> <p>No, please refer to para no 9 of their respective circle audit report.</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 auditors of the following circles, there were no cases of waiver/write off of debts/loans/interest etc.:</p> <ul style="list-style-type: none"> • Jammu and Kashmir (J&K) Telecom • Karnataka • Madhya Pradesh • Telecom Stores

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	<ul style="list-style-type: none"> • Telecom Factories (TF) Mumbai • Telecom Factories (TF) Kolkata • Telecom Factories (TF) Jabalpur • Northern Telecom Projects (NTP) • Eastern Telecom Projects (ETP) • Northern Telecom Region (NTR) • Western Telecom Region (WTR) • Southern Telecom Region (STR) • Eastern Telecom Region (ETR) • Technical and Development Circle (T & D Inspection) • BRBRAI TT • ALTTC • Task Force, Guwahati • Data Network • National Centre for New Generation Network (NCNGN) • Receipt & Payment and Budget Banking Finance Unit ('R&P and BBF Unit') • Quality Assurance (QA) • National Academy of Telecom Finance and Management (NATFM) 	<p>In the undermentioned circles, there have been certain write offs of debts/loans/interest etc., details of which are furnished in Appendix-B :</p> <ul style="list-style-type: none"> • Assam • Kolkata Phones



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	Chennai Phones	
	Andhra Pradesh	
	Bihar	
	Gujarat	
	Kerala	
	Maharashtra	
	Punjab	
	Orissa	
	Rajasthan	
	Tamil Nadu	
	Uttar Pradesh (UP) (East)	
	Uttar Pradesh (UP) (West)	
	West Bengal	
	Haryana	
	Himachal Pradesh	
	Western Telecom Projects (WTP)	
	Southern Telecom Projects (STP)	
	Andaman and Nicobar (A&N)	
	North East II (NE-II)	
	Chhattisgarh	
	Jharkhand	
	Uttarakhand	

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
(3) Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities	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:	<ul style="list-style-type: none"> • Maharashtra: A list showing details of assets received as gift from the Government or other authorities was provided to us. We were informed and noted that the Circle has not received any gift but as a Department of Government, certain gifts were received and those have been inherited by the Company. The Circle has informed us "No assets have been received as gift/grant during the financial year 2015-16 by the Circle Office. However, we would like to inform that as per agreement dated 30 September 2014 for LWE Project, USOF administrator DOT will remit money to BSNL for providing mobile service in areas affected by Left Wing Extremism. The assets created out of such receipts are to be treated as grants. Accordingly, Maharashtra Circle had received advice of transfer debit for payment made to HFCL against supply of equipments of sites at Gadchiroli BSC. However, the same could not be accounted in Maharashtra Circle due to technical issue in creation of purchase order in ERP. • North East II (NEII): The circle has not maintained proper records for inventory lying with third parties. Moreover, no confirmation has been received from the third parties in respect of the same. There were no assets received as gift from the Government or other authorities except for allotment of lands for which title deeds or land patta was not available with the Circle in some cases. • Assam: As per the information and explanation provided by the Circle and checks done by us we found that records are maintained for inventories lying with third parties. However, there is scope of further improvement in the record keeping. • Karnataka: No inventories are lying with the third parties .There was no gift of land to BSNL either by government or a private person, except in Mysore SSA, which has received land as a gift



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
		<p>The auditors of Chhattisgarh circle have expressed their inability to comment on assets received as gift/grant(s) from government or other authorities as the requisite documents and relevant information has not been made available to them.</p> <p>As reported by auditors of the following circles, proper records are maintained for inventory lying with third parties:</p> <ul style="list-style-type: none">• Assam• Kolkata Phones• Gujarat• Jammu and Kashmir (J&K) Telecom• Kerala• Madhya Pradesh• Maharashtra• Punjab• West Bengal• Task Force, Guwahati <p>As reported by the auditors of Northern Telecom Projects (NTP) circle, proper records are not maintained for inventory lying with third parties.</p> <p>As reported by the circle auditors of the undermentioned circles, no inventory is lying with third parties:</p> <ul style="list-style-type: none">• Chennai Phones• Andhra Pradesh• Karnataka• Orissa

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	<ul style="list-style-type: none"> • Rajasthan • Tamil Nadu • Himachal Pradesh • Uttar Pradesh (UP) (West) • Haryana 	
	<ul style="list-style-type: none"> • Telecom Factories (TF) Mumbai • Telecom Factories (TF) Kolkata • Telecom Factories (TF) Jabalpur • Eastern Telecom Projects (ETP) • Northern Telecom Region (NTR) • Western Telecom Region (WTR) • Western Telecom Projects (WTP) • Southern Telecom Region (STR) • Eastern Telecom Region (ETR) • BRBRAITT • ALTTC 	
	<ul style="list-style-type: none"> • Data Network • Receipt & Payment and Budget Banking Finance Unit ('R&P and BBF unit') 	
	<ul style="list-style-type: none"> • Andaman and Nicobar (A&N) • Jharkhand • North East II (NEII) 	<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>



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	<ul style="list-style-type: none"> • Technical and Development Circle (T&D Inspection) • National Centre for New Generation Network (NCNGN) • Quality Assurance (QA) • National Academy of Telecom Finance and Management (NATFM) • Telecom Stores <p>For the remaining circles, please find below circle wise responses as provided by the respective circle auditors:</p> <p>Andhra Pradesh:</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 as qualified in paragraphs 18 and 19 of the circle's audit report.</p> <p>Bihar:</p> <p>There is no confirmation of stock lying with third parties, if any, has been obtained on 31 March 2016.</p> <p>Uttar Pradesh (UP) (East):</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/discharged/non-moving unserviceable inventory, lack of periodical reconciliation of inventory in price store ledgers with financial records etc.</p> <p>Southern Telecom Projects (STP):</p> <p>Inventory is issued to the contractors for carrying out trenching and cabling work at various units and following records are being maintained:</p> <ol style="list-style-type: none"> i) TP Madurai, TP Hyderabad & TP Bangalore- Month wise inventory statements are maintained. However, confirmation certificates are not obtained from the parties. 	

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Serial Number	Questions	Auditor's comments
	<p>ii) Ku Band- No confirmation has been received for materials lying with the contractor as on 31 March 2016.</p> <p>The Bangalore unit of this Circle has been entrusted with National Optic Fibre Network assignment(NOFN). Material has been diverted to this circle from BBNL, the ultimate executing authority for NOFN, on loan basis. On some occasions, materials diverted for this scheme have been utilised for TP schemes and vice versa. NOFN materials are also kept out of the purview of SAP and in some instances are not supported by proper documentation.</p> <p>Following are issues with respect to NOFN Inventory :</p> <ul style="list-style-type: none"> a) BSNL inventory includes issued for NOFN works- Rs 49,70,112 (to-date Rs 1,15,11,241). b) NOFN material used for BSNL works - Rs 4,12,107. <p>We have qualified our audit report with regards to inventory accounting aspects in STP unitofBSNL.</p> <p>Chhattisgarh:</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>	



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

APPENDIX-A

Circle number	Circle name
04	Chennai Phones

Serial Number	Station	Compound	Freehold/Leasehold	Title Yes/ No (Y/N)	Area of freehold/lease hold having no records in SAP
1	Kodambakkam Village	KK Nagar	Freehold	Y	
2	Padianallur	Red hills	Freehold	Y	
3	Pallavaram	Chromepet New	Freehold	Y	
4	Pallavaram Zameen	Chromepet (OLD)	Freehold	N	850
5	Poonamallee	Kumanachavadi	Freehold	Y	
6	Poonamallee	Poonamallee	Freehold	Y	
7	Tirumangalam	Anna Nagar	Freehold	Y	
8	Tiruvottiyur	Ennore	Freehold	Y	
9	Venkatapuram	Raj Bhawan	Freehold	Y	
10	Acharapakkam	TEB/Q	Freehold	Y	
11	Chengelepet NEW	T E	Freehold	Y	
12	Chenglepet OLD	T E	Freehold	Y	
13	Ennore Wireless STN	Wireless STN/Q	Freehold	Y	
14	Irunkattukottai	T E	Leasehold	Y	
15	Irunkattukottai	T E ADDL	Leasehold	Y	
16	Kancheepuram	MW	Freehold	Y	
17	Kancheepuram NEW	T E	Freehold	Y	
18	Kancheepuram OLD	T E	Freehold	Y	
19	Keelambakkam	T E	Freehold	Y	
20	Madurantagam	TE	Freehold	Y	
21	Mammalapuram	TE/Q	Freehold	Y	
22	Maraimalainagar	DTO	Freehold	Y	
23	Maraimalainagar	TE/Q	Freehold	Y	
24	Medavakkam	Medavakkam	Freehold	Y	
25	Guindy	SUPER BS IE GUINDY	Freehold	Y	
26	Kilkaranai Kudalur	Marai Malainagar RTTC	Freehold	Y	

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Station	Compound	Freehold/ Leasehold	Title Yes/ No (Y/N)	Area of freehold/lease hold having no records in SAP
27	Tirunageswaram	Kunrathaur	Freehold	Y	
28	Adyar	Adyar	Freehold	Y	
29	Adyar	Kottupuram	Freehold	Y	
30	Irumbuliyur	Tambaram	Freehold	Y	
31	Kadapperi	MEPZ Tamabaram	Freehold	Y	
32	Neloy	MW	Freehold	Y	
33	Padalam	MW	Freehold	N	3000
34	Padapai	MW	Freehold	Y	
35	Puducherry	MW	Freehold	Y	
36	Siruseri IT Park	T.E	Leasehold	Y	
37	Sriperumbudur	MW	Freehold	Y	
38	Sriperumbudur	T.E	Freehold	Y	
39	Sriperumbudur IT Park	T.E	Leasehold	Y	
40	Tirukalikundram	T.E	Freehold	Y	
41	Tirumazhisai LTM NGR	Tirumazhisai	Freehold	Y	
42	Tirumudiwakam INDL Estate	Tiruneermalai	Freehold	Y	
43	Uthiramerur	TE	Freehold	Y	
44	Uthujottai	TE	Freehold	Y	
45	Edayanchavadi	Manali NT	Freehold	Y	
46	Manali	Manali	Freehold	Y	
47	Royapuram	Kalmandapam	Freehold	N	3111
48	Korattur Meenambedu	Kallikuppam	Freehold	N	62604
49	Madhavaram	MVM Bus Truck Terminal	Freehold	Y	
50	Arumbakkam MMDA Colony	Arumbakkam MMDA Colony	Freehold	Y	
51	Chennai dinrose	Dinrose estate ch 2	Free hold	Y	
52	CTO	DTO	Free hold	N	2500
53	DTO guindy	AB	Free hold	Y	
54	Koyambedu	DTO	Free hold	Y	



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Station	Compound	Freehold/ Leasehold	Title Yes/ No (Y/N)	Area of freehold/lease hold having no records in SAP
55	Koyambedu	Koyambedu additional land	Free hold	Y	
56	Mabalam	DTO	Free hold	N	443
57	Periyar nagar	DTO	Free hold	N	322
58	Villivakkam ph ii	Agasthinagar	Free hold	Y	
59	Cit Nagar	Cit Nagar Nandanam	Free hold	N	1784
60	Cit Nagar	Mambalam	Free hold	Y	
61	Egmore	Taylors road	Free hold	Y	
62	George town	Harbour	Free hold	Y	
63	Kodambakkam purir	Ashoka nagar	Free hold	Y	
64	Koyambedu	Koyambedu	Free hold	Y	
65	Mylapore	Alwarpet	Free hold	Y	
66	Mylapore	Cit colony	Free hold	Y	
67	Mylapore	Mylapore	Free hold	N	1469
68	Mylapore	Rk nagar	Free hold	Y	
69	Nugambakkam	Haddows road	Free hold	Y	
70	Perambur	Vyas nagar	Free hold	Y	
71	Periyakudal	Anna nagar	Free hold	Y	
72	Pulliyur	Kodambakkam	Free hold	Y	
73	Purasavakkam	Kelleys	Free hold	Y	
74	Purasavakkam	Kilpauk	Free hold	Y	
75	Purasavakkam	Millars road	Free hold	N	1376
76	Purasavakkam	Purasavakkam cgm offi	Free hold	Y	
77	Seevaram	Perungudi	Free hold	Y	
78	Sembium	Madhavaram	Free hold	Y	
79	St thomas mount	St thomas mount	Free hold	Y	
80	Tirumullaivoyal	Avadi	Free hold	Y	
81	Tiruvanmiyur	Tiruvanmiyur rsu qtr	Free hold	Y	
82	Triplicane village	Anna road	Free hold	N	5666
83	Triplicane village	Jjr nagar	Free hold	N	21181
84	Triplicane villagei	Vc road	Free hold	N	6799

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Station	Compound	Freehold/ Leasehold	Title Yes/ No (Y/N)	Area of freehold/lease hold having no records in SAP
85	Velacheri	Velacheri	Free hold	Y	
86	Voc nagar	Nsc bose road	Free hold	Y	
87	Mylapore	Mandaveli (yard)	Free hold	Y	
88	Peravallur	Periyarnagar-tower	Free hold	Y	
89	Suravarikandigai	Mw	Free hold	N	2023
90	Thirutani	Mw	Free hold	N	2023
91	Thiruvallur	Mw	Free hold	Y	
92	Ambattur	Ambattur	Free hold	Y	
93	Maduravoyal	Maduravoyal	Free hold	Y	
94	Mogappair	Mogappair east rsu	Free hold	Y	
95	Mogappair	Panner nagar	Free hold	Y	
96	Porur	Porur	Free hold	Y	
97	Tirumazhisai sidco	Tirumazhisai ind est	Free hold	Y	
98	Ammayarkuppam	T e	Free hold	Y	
99	Gummidiponndi	Addl.land	Lease hold	Y	
100	Gummidiponndi	T eb & qtrs	Lease hold	Y	
101	Gunipalayam	Vacant	Free hold	Y	
102	Kannigaipair	Gsm tower	Free hold	Y	
103	Nn kandigai	T e	Free hold	Y	
104	Pallipet	T e	Free hold	Y	
105	Podathurpet	T e	Free hold	Y	
106	Ponneri	Teb/q	Free hold	Y	
107	Poondi	Gsm tower	Free hold	Y	
108	Tiruttani	Teb/q	Free hold	Y	
109	Trivellore	Teb/q	Free hold	Y	
110	Ambattur	DTO	Free hold	Y	
111	Santhangadu	DTO	Free hold	Y	
112	Madavaram	DTO	Free hold	Y	
113	Tirumangalam	Jj complex dlc	Free hold	Y	



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name	Address	Area of land (in sq. meter)	Location as per revenue records
Serial Number				
1	Te Compound Alirajpur, Village Raksa, Tehsil Alirajpur District Alirajpur	2050	D/T-Alirajpur V-Raksa PH No. 14 No. 118/214	
2	Te Store Compound Alirajpur, Village Raksha Tehsil Alirajpur District Alirajpur	2000	D/T-Alirajpur V-Raksa Ph No. 14 No. 118/214	
3	Te Compound Bhabhra, Village Bhabhra, Tehsil Alirajpur District Alirajpur	2000	D/T-Alirajpur V-Bhabhra Phno.6 No. 1427	
4	Te Compound Chhaktala, Village Chhaktala, Tehsil Alirajpur District Alirajpur	2000	D/T-Alirajpur V-Chhaktala Phno. 54 No. 524	
5	Te Compound Jobat, Village Jobat, Tehsil Jobat District Alirajpur	2000	D-Alirajpur T/ V-Jobat Ph No. 23 No. 401	
6	Te Compound Udaigarh, Village Udaigath, Tehsil Jobat District Alirajpur	2020	D-Alirajpur T-Jobat V-Udaigarh Phno. 6 No. 293	
12	Telecom Compound Civil Lines	3472	Plot No 318/1 Ward No.23 Raibahadur Jatashankar Trivedi Ward Balaghat	
13	Telecom Compound Blg-Saraswati Ngr	6985	320/2 328/1 329/1 330/1/ii 331/1/ii 3311/11 Ward No.32 Rani Durgawati Ward Balaghat	
14	Telecom Compound Hatta	2022	Khasra No 614/1	
15	Te Compound Katangi	2020	413/1 Ward No 1 Arjun Nala	
16	Telecom Compound Kurnapur	2677	476/3 475 476/2 PH.No.16/36	
17	Telecom Compound Lalburra	2042	K No 49 P.H.No.26	
18	Telecom Compound Lanjhi	3694	641/2 Ward No.5 Netaji Subhashchandrabose	
19	Telecom Compound Malajkhand	4044	9/1 & 9/2 Ward No.8 Main Road Te Compound Malajkhand (Loman Tilak Ward)	
20	Telecom Compound Rajegaon	4044	Khasra No 342/1	
21	Telecom Compound Waraseoni	2750	8/4 K 8/5 K 8/5 Kh Ward No.1(Shastrri Ward) Te Compound Rampayali Road Waraseoni	
49	O/O Chief General Manager Bsnl Bhawan, Hoshangabad Road, Bhopal	6100	Nazul Sheet No 34 Kh No 4 Near Hpo Pin 462015	
50	Telecom Museum , Bhallavbhawan,New Jail Road, Bhopal	4048	Najul Shed No 38 Nr .Existing Arera Ex Pin 462011	

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
51	P & T Quarters Comp. Bhadbhada Road Bhopal	41338	Khasra No 61 105 106 Gram Kotra
52	Telecom (Bda 9 Qrts) 4b Saket Nagar, Bhopal	353	4b Saket Ngr 9 Nos Qrts Pin 462024
53	Telecom Store Compound, Raisen Road, Govindapura, Bhopal	8335.69	Khasra No 108 Raisen Road Bhel
54	Telecom Colony, Damkheda, Ayodhya Nagar, Raisen Road , Bhopal	1440	Ready Built House 40 Qtv Vill Damkhedapin 462041
55	P & T Officers Enclave , Shahpura,Bhopal	5960	Khasra No 296 /85/ 1 Patwari Halka No 41 pin 462016
56	Telecom Colony ,Idgah Hills, Bhopal	3321.2	Khasra No 16/ 1 105/ 2 105/ 1/ 2 Huzur Bhopal
57	Arera Telephone Exch, Bhallavbhawan,New Jail Road Bhopal	8035	Khasra No 1511/ 3 Near Old Jail Roadpin 462011
58	Telecom Compound , Vill- Laharpur, Bagh Mughaliya Extention, Bhopal	4712.99	A-I To A-V Baghmugha,Lahar Pur , Huzur
59	Telephone Exchange,Krishna Upaz Mandi , Tikankhedi Sadak, Berasia	1394.05	Khasra No 52/ 2 Mandi Campus Pin 462001
60	Central Tele. Exch Near Gpo, Rayal Market Bhopal	8654	Khasra No 121 & 122 Sultania Road Patwari Halka No 41 Huzur Bhopal Near State Bank
61	E-6 Arera Colony, Shahpura, Bhopal	2024	Khasra No 34/ 243/ 2/ 1/ 1e6 Arera Colony Shahpura Huzur Bhopal
62	Distt Telegraph Office Near Govindpura P.O , Bhel, Bhopal	3995	Kh No 29 Bhel Area Near Hpo Pin 462023 govindpura
63	Bsnl Tower/ Container Site , Indrapuri Colony Near Postal Quarters, Bhopal	3974.91	Bhopal Vilas Pradhikaran Nr. Postalc colonyindrapuri
64	Telephone Exch. Institute Of Hotel Management Campus, Kolar Road Bhopal	232.34	Allotted By Institute Of Hotel Management To Allow Construction In Public Interest
65	Tele. Exch, Shop No- 21-27/ Udhayabdas Metha Parisar, Nehru Nagar, Bhopal	287.51	Shop No 21 To 27 Udhav Das Mehta Parisar Allotment No 3090 To 3092 Dt. 16.12.99
66	Telecom Compound, Nishat Pura, Devki Nagar, Bhopal	8646	Khasra No 5 Vill Nishatpura Te Huzur
67	Telecom Compound, Raksha Vihar, Bhopal	1940	Sec-D Defence Colony Raksha Vihar
68	Customer Care Centre,E-5/22 Ravishanka Nagar, Arera Colony,Bhopal	381.04	Nazul Shed No 72 Plot No 1 E 5 /22 Arera Colony
69	Customer Care Centre, 9b Saket Nagar, Bhopal	3672.82	9 B Bhopal Vikas Pradhikaran



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
70	Vidya Nagar Tele. Exch Land Hosangahabad Main Road, Bhopal	1182	Bhopal Vikas Pradhikaran Hoshangabad Road
71	Circle Store Depot, Cholla Road, Bhopal	25423.49	36/ 1 36/ 2 And 38 Tehesil Huzur Bpl Patwari Halka 22
72	Telecom Exch. Land /Tower, Ayodhya Nagar, Raisen Road, Damkheda, Bhopal	5122	Khasra No 222 Patwari Halka No 21
73	Telecom Compound, Vill- Dilloo, Tehesil- Berasia, Bhopal	1672.86	Khasra No 347 Tehesil Berasia Patwari Halka No 36
74	Vill- Gunga, Tehesil- Berasia, Distt- Bhopal	2742	Kh: No -249/ 2/ 1
75	Telephone Exch,Vill- Khadi, Tehesil- Astha,Disst- Sehore	1394.05	Khasra No 940 Gram -Khadi,Teh: Astha
76	Telecom Compound , Vill- Laharpur, Baghmughaliya, Bhopal	223.05	Kh: No 103 Gram Laharpur Bagmugaliya Hig Housing
77	Telephone Exch. Vill- Nazirabad, Distt- Bhopal	1394.05	Kh: No 109, Vill : Nazirabad, Berasia, Dist: Bpl
78	Telephone Exch. Vill- Chapri,Ratibad, Block- Fanda, Distt- Bhopal	1394.05	Khasra No 90/ 9/ 1gram Chapri Block Fandha Patwari Halka No 35
125	Te Compound Bsnl Vill-Bajagwada, Teh-Kannod, Distt-Dewas (Mp)	2500	D-Dewas T-Kannod V-Bijawad Phno-2 No. 163/1
126	Bsnl Staff Quarter Compound, A.B. Road, Dewas City (Mp)	651	D/T-Dewas No. A/65
127	Bsnl Staff Quarter Compound Kalanibag Dewas City (Mp)	4628	D/T-Dewas No. B-260 To 268 (09 Plots)
128	Bsnl Staff Quarter Compound, Near Esi, Dewas City (Mp)	2342	D/T-Dewas Plot No. A165 To 174 (10 Plots)
129	Store Compound Kalani Bag Dewas	5021	D/T-Dewas No.B269 To 282, 285 To 292 (20 Plots)
130	Te Compound City Exchange A.B.Road Dewas	936	D/T-Indore Near 240 A.B. Road
131	Te Compound Awasnagar Dewas	155	D/T-Dewas No. Hig A-1/46
132	Te Compound Max-I Dewas	5113	D/T-Dewas No. C226 To 256 (31 Plots)
133	Te Compound Mukharjnagar Dewas	383	D/T-Dewas No. Hig 3 & 4
134	Te Industrial Area Dewas	265	D/T-Dewas No. A2 & A4
135	Quarter Compound Kannod Teh-Kannod Distt-Dewas	1764	D- Dewas T/V-Kannod Phno-11 No. 146/1
136	Te Compound Kannod Teh-Kannod Distt-Dewas	680	D-Dewas T/V-Kannod Phno. No. 148
137	Te Compound Kantaphod Teh-Kannod Distt-Dewas	816	D-Dewas T-Kannod V-Kantaphod Phno-19 No.206

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
138	Te Compound Khategaon Teh-Khategaon Distt-Dewas	2024	D-Dewas T/V-Khategaon No. 183
139	Te Compound Punjapura Distt-Dewas	1255	D-Dewas T-Bagli V-Punjapura Phno.38 No.33/3(215)
140	Te Compound Satwas Teh-Kannod Distt-Dewas	2500	D- Dewas T-Kannod V-Satwas Phno-23 No. 264/1
141	Te Compound Sonkutch, Teh-Sonkutch, Distt-Dewas	1116	D-Dewas T/V-Sonkutch No. 773/2-3-5
212	Te Compound, Bsnl Gautampura Road, Vill- Agra, Teh-Depalpur Distt-Indore (Mp)	2100	D-Indore T-Depalpur V-Agra Phno 25 No. 348/1/1
213	Te Compound Bsnl Vill-Bargonda, The-Mhow Distt-Indore(Mp)	2000	D-Indore T-Mhow V-Bargonda No. 696
214	Te Compound Bsnl Vill-Betma Teh-Depalpur Distt-Indore (Mp)	1857	D-Indore T-Depalpur V-Betma No. 340/1
215	Te Compound Bsnl Vill-Bhagora Teh-Mhow Distt-Indore (Mp)	2000	D-Indore T-Mhow V-Bhagora Ph 22 S.H 449/1
216	Te Compound Bsnl Vill-Bichholihapsi Teh-Indore Distt-Indore (Mp)	8080	D/T-Indore V-Bichholihapsi S.H/1/1/1
217	Te Compound Bsnl Vill-Burhankhedi Teh-Indore Distt-Indore (Mp)	2020	D/T-Indore V-Burankhedi S No. 241
218	Te Compound Chandrawatiganj	781	D-Indore T-Sawer V-Budniyapanth S.No. 122/1/1
219	Te Compound Darji Karadia	2045	D-Indore T-Sawer Ph 22 No. 131
220	Te Compound, Hatod Road, Gandhinagar, Distt-Indore	2024	D/T-Indore V-Nainod No. 307/1
221	Te Compound Gokulpur, Teh Depalpur, Distt-Indore	2045	D-Indore T-Depalpur V-Gokulpur No. 432/4
222	Te Compound Harsola	2000	D-Indore T-Mhow V-Harsola No. 1625/1-2
223	Old C.T.O. Compound Bsnl Azad Nagar Road Residency Area Indore City (Mp)	21482	D/T-Indore Opp Sp Residence / Azad Nagar Road
224	P&T Staff Quarter Compound, Bhaverkuan, Indore City (Mp)	5353	Plot No. 563-67, 567a-E, 568-9, 571-5, 575a-F, 576
225	Bsnl Staff Quarter Compound (Mw) Khatiwatalank Indore City (Mp)	1185	D/T-Indore Opposite 1103 Saify Nagar
226	Bsnl Staff Quarter Compound, Scheme No 44, Indore City (Mp)	12123	D/T-Indore Plot No. 400-8, 430-6, 1 m To 18m
227	Te Compound Bsnl Indira Complex, Indore City (Mp)	2658	D/T-Indore Plot No. A-3
228	Te Compound Bsnl, Kum Laxmibai Nagar, Indore City (Mp)	4048	D/T-Indore Kum Compound



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
229	Te Compound Meghdoot Park-Indore	6040	D/T-Indore Sch No 54 / P.U.-4 / Comm
230	Te Compound Meghdoot Park-li Indore	5282	D/T-Indore Sno 54 Pu-4(Comm)
231	Te Compound Navratnabagh Indore	14271	D/T-Indore Opposite Forest Office
232	Te Compound Nehru Park Indore	5695	D/T-Indore Near Nehru Park
233	Te Compound Nehrupark Indore	2514	D/T-Indore Near Nehru Park
234	Te Compound Nehrupark Indore	2129	D/T-Indore Near Nehru Park
235	Te Compound Pologround Indore	372	D/T-Indore Opposite Sbi, Sme Branch
236	Te Compound Pologround Indore	1114	D/T-Indore Opposite Sbi, Sme Branch
237	Te Compound Scheme No.59 Indore	10781	D/T-Indore Plot No. 29 To 57
238	Te Compound Scheme No. 71 Indore	7737	D/T-Indore Sector A, Plot 1e To 6e
239	Te Compound Scheme No.78 Indore	4050	D/T-Indore Plot No 1
240	Te Compound Scheme No.94 Indore	4047	D/T-Indore Near Kanadia Ring Road Crossing
241	Te Compound Sudamanagar Indore	1250	D/T-Indore Sector C, Sukhniwas Main Road
242	Te Compound Tejajinagar Indore	2020	D/T-Indore V-Kailod Kartal Phno 12 No. 906/16
243	Te Compound Tilakpath Indore	504	D/T-Indore, Phno. 15/1, No. 663/1/1/1
244	Te Compound Tpn Indore	4833	D/T-Indore Near Manik Bagh Bridge
245	Te Compound Tpn Indore	1357	D/T-Indore Near Manik Bagh Bridge
246	Te Compound Kachhalia	2020	D-Indore T-Sawer V-Kachhalia Survey No. 8/5/8
247	Te Compound Kalaria	2020	D/T-Indore V-Kalaria No. 235/1/2
248	Te Compound Kampel	2020	D/T-Indore V-Kampel No. 801
249	Te Compound Lasudiamori	2020	D/T-Indore V-Lasudiamori No. 19/1
250	Te Compound Manglia	2020	D/T-Indore V-Manglia No. 41/1/6
251	Te Compound Manpur	2000	D-Indore T-Mhow V-Manpur Phno. 93 No. 458/2
252	Te Compound Mend Teh-Mhow Distt-Indore	2000	D-Indore T-Mhow V-Mend No. 150/1/3

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
253	Te (Qtr) Compound, Near Military Hospital, Mhow, Distt-Indore	1034	D-Indore T/V-Mhow No. 192
254	Te Compound Navdapanth	1859	D/T-Indore V-Navdapanth No. 256/1 To 3
255	Te Compound, Near Veterinary Hospital, Padliya, Teh-Depalpur, Distt-Indore	2020	D-Indore T-Sanver V-Padliya No. 196/1/2
256	Te Compound Palda	2020	D/T-Indore V-Palda No. 891
257	Te Compound Panod	1600	D/T-Indore V-Panod No. 366/1
258	Te Compound Rau	2760	D-Indore T-Mhow V-Rau No. 694
259	Te Compound Sagrod	2045	D-Indore T-Depalpur V-Sagrod No. 865/1/1
260	Te Compound Semilia Chau	2020	D/T-Indore V-Semilia Chau No. 126/1
261	Te Compound Simrod Teh-Sanver Distt Indore	1859	D-Indore T-Sanver V-Simrod No. 295/1
262	Te Compound Bsnl Vill-Simrole Teh-Indore Distt-Indore (Mp)	2000	D/T-Indore V-Simrole No. 641
263	Te Compound Bsnl Vill-Tillore Teh-Indore Distt-Indore (Mp)	2020	D/T-Indore V-Tillore No. 858
264	Te Compound Bsnl Vill-Umaria Teh-Mhow Distt-Indore (Mp)	2000	D-Indore T-Mhow V-Umaria Phno. 9 No. 66
277	Te Compound Bamniya, Village Bamniya, Tehsil Petlawad, District Jhabua	4000	D-Jhabua T-Petlawad V-Bamniya Phno. 1 No. 110
278	Te Compound Jhabua, Tehsil Jhabua, District Jhabua	1514	D/T-Jhabua No. 55, 56
279	Te Compound Khawasa, Village Khawasa, Tehsil Petlawad, District Jhabua	5000	D-Jhabua T-Petlawad V-Khawasa Phno.119 No. 1161
280	Te Compound Meghnagar, Village Meghnagar, Tehsil Meghnagar District Jhabua	5576	D-Jhabua V-Megh Nagar Industrial Area Plot No. 54
281	Te Compound Petlawad, Village Petlawad, Tehsil Petlawad, District Jhabua	2000	D-Jhabua T/V-Petlawad Phno. 5 No. 1101 To 03
282	Te Compound Raipuriya, Village Raipuriya, Tehsil Petlawad, District Jhabua	2560	D-Jhabua T-Petlawad V-Raipuriya Phno. 27 No. 40
283	Te Compound Ranapur, Village Ranapur, Tehsil Ranapur, District Jhabua	2560	D-Jhabua T/V-Ranapur No. 421
284	Te Compound Sarangi, Village Sarangi, Tehsil Petlawad, District Jhabua	4000	D-Jhabua T-Petlawad V-Sarangi Phno. 16 No. 1949
285	Te Compound Thandla, Village Thandla, Tehsil Thandla District Jhabua	2100	D-Jhabua T/V-Thandla Phno. 8 No. 64
357	Telecom Compound Dhamma	249	Khasra No. 592/1 Ph No 10 Dhamma



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
358	Telecom Compound Gadarwara	2426	K.No. 214/3 215/2 483/3 Ph No 42/1 Gadarwara
359	Telecom Compound Gotegaon	4044	Khasra .No. 3/3 3/8 Kumhrakeda
360	Telecom Compound Kareli	1024	Khasra No 141 Kareli Ph No.17
361	Telecom Compound Narsinghpur	2917	Khasra No 27 Main Road Narsinghpur
362	Telecom Compound Near Collectorate Narsinghpur	7077	Khasra No 227/7 Kandeli
363	Telecom Compound Tendukheda	4050	Khasra No. 49/1 Ph No.15
406	Te Compound Alot, Village Aloit, Tehsil Aloit, District Ratlam	2509	D-Ratlam T/V- Alore Ph No. ... No. 520
407	Te Compound Bajna, Village Bajna, Tehsil Bajna,, District Ratlam	2727	D-Ratlam T/V- Bajna Phno. 12 No. 134/1
408	Te Compound Dharad, Village Dharad, Tehsil Ratlam, District Ratlam	2000	D/T-Ratlam V-Dharad Phno 48 No. 483/1
409	Te Compound Dhodhar, Village Dhodhar, Tehsil Jaora, District Ratlam	2000	D-Ratlam T-Jaora V-Dhodhar Ph No. 2 No. 26/4/1
410	Te Compound Jaora, Tehsil Jaora,, District Ratlam	4630	D-Ratlam T/V-Jaora Phno. 52 No. 922,998/2
411	Te Compound, Kalukheda Village Kalukheda, Tehsil Jaora, District Ratlam	256	D-Ratlam T-Jaora V-Kalukheda Phno. 06 No. 406/2
412	Te Compound, Khajuri Dewda, Village Khajuri Dewda, Tehsil Alore District Ratlam	929	D-Ratlam T-Alore V-Khajuri Dewda Phno No.
413	Te Compound, Langer Khedi, Village Langer Khedi, Tehsil Alore, District Ratlam	464	D Ratlam T-Alore V-Langerkhedi, Ph.No.14, S No.582
414	Te Compound Kasturba Nagar, Kasturba Nagar Main Road, Ratlam, Tehsil Ratlam District Ratlam	5101	D/T-Ratlam Plot No. 50 Scheme No. 35
415	Gmtd Compound Katju Nagar ,Ratlam Tehsil Ratlam District Ratlam	3837	D/T-Ratlam Scheme No. 44 Opposite Plot No 591
416	Staff Quarter Colony Compound Katju Nagar B1, Ratlam Tehsil Ratlam District Ratlam	2245	D/T-Ratlam Sch No. 44 Adjoining Plot No.111, 121
417	Te Compound Riyawan, Village Riyawan, Tehsil Ratlam, District Ratlam	1955	D/T-Ratlam, V- Riyawan Ph No..... Survey No.
418	Te Compound Sailana, Sailana, Tehsil Sailana District Ratlam	2000	D-Ratlam T/V-Sailana Phno. 5 No 1540/1
419	Te Compound Simlavada, Village Simlavada Tehsil Ratlam, District Ratlam	892	D-Ratlam T- Ratlam V-Simlavada Phno. 63 No. 358/3

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
420	Te Compound Sukheda, Village Sukheda, Tehsil Jaora, District Ratlam	1000	D-Ratlam T-Jaora V-Sukheda No. 278/1
421	Te Compound Tal, Village Tal, Tehsil Alote, District Ratlam	2509	D-Ratlam T-Alote V-Tal Phno. 39 No. 17/1 (1361)
461	Telecom Comp. Astha, Distt- Sehore	1085	Khasra No 425/ 1patwari Halka No27 Tehsil Astha
462	Telephone Exchange, Vill- Bakтарa, Tehsil- Budhni, Distt- Sehore	279.36	Khasra No 472/ 4
463	Telecom Comp. Vill- Banyan , Teh _ Budhni, Distt- Sehore	2024	Khasra No 129/ 1patwari Halka No 11
464	Telephone Exch. Tehsil- Budhni, Distt- Sehore	2024	Khasra No 101/ 2
465	Telecom Compound Tehesil- Ichhawar, Distt _ Sehore	2000	Khasra No. 1100 / 2, Patwari Halka No. 17
466	Telecom Compound, Vill- Jawar, Tehsil - Astha, Distt- Sehore	1394	1419/ 3 Tehesil- Astha Patwari Halka No -8
467	Telephone Exch, Vill- Kothari, Distt- Sehore	2024	Khasra No 925/ 2 Patwari Halka No 41
468	Mbm Compound Luniyapura Chourah, Sehore	3642	K No 77 79
469	Telephone Exch. Nasurullaganj, Distt-Sehore	4048	K No 162/ 2 163/ 2 165/ 3 165/1/ 2 Patwari Halka No 41
470	Vill- Rafiqueganj, Distt- Sehore	1801.5	Khasra No 401/ 2 Patwari Halka No 36
471	P & T Colony Bpl Ind Road, Sehore	6070	Kh.No 410 Mauza Chhavni
472	Sehore Talkies Main Market, Sehore	3800	Sheet No 99plot No 122
473	Telecom Compound, Vill- Shalganj, Tehesil- Budhni, Distt- Sehore	2024.16	Khasra No 555/ 556/5/2tehesil Budhni
474	Telephone Ex. Building, Station Road, Ashok Nagar	1803	411
475	Telephone Ex. Building, Bye-Pass Road, Ashok Nagar	5000	557/4
476	Telephone Ex. Building, Chanderi-Mungaoi Road, Chaderi, Distt.Ashok Nagar	4180	967
477	Elephone Ex. Building, Dhakoni Chouraha,Villege Dhakoni, Tehsil Issagarh, Distt. Ashoknagar	1050	Survey No. 1003 Village Dhakoni, Tehsil Ashok Nagar
478	Telephone Exchange Building, Mungaoi-Piparai Road, Town Mungaoi, Tehsil Mungawali, Distt. Ashok Nagar	1	Khasra No 22/2/1
479	Te Compound Bsnl Vill-Seganva, Barwani, Teh-Barwani, Distt-Barwani (Mp)	6075	D/T-Barwani V-Seganva Phno.4 No. 138/1



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
480	Te Compound Bsnl Vill-Rajpur, Teh-Rajpur, Distt-Barwani (Mp)	4050	D-Barwani T/V-Rajpur Phno. 14 No. 182/1
481	Bsnl Staff Quarter Compound, Vill-Sendhwa Teh-Sendhwa Distt-Barwani (Mp)	4050	D-Barwani T/V-Sendhwa Phno. 4 No. 208/1
482	Near Bus Stand	1839	Tehsil Amla Phn 01 Plot No 56 To 63
483	Near FCI	3036	TEHSIL BHENSDEHI K NO 609/1
484	Near SO Office Ganj Road	4014	TEHSIL BETUL KN 9/4 &11/6
485	Near Kashi Talab	1840	Tehsil Betul Sheet No 35 Plot No 22
486	Infront Of Government Hospital	2024	TEHSIL BHENSDEHI K NO 559
487	Malazpur Road	4058	TEHSIL CHICHOLI PHN 10 K NO 227
488	Village Dodramau ,Teh-Shahpur ,Distt-Betul	223.05	Tehsil Shahpur Phn 02 Kn 80
489	Near Bus Stand ,The-Choradongri,Distt-Betul	2024	Tehsil Betul Phn 45 Kn 719 & 721 & 722/2 & 723 & 724/2
490	Village Jeen,Tehsil & Distt-Betul	446.1	Tehsil Betul Phn 19 Kn 342
491	Near Iffco Godown Tehsil-Multai,Distt-Betul	5161.5	Tehsil Multai Sheet No 4/ Pitono 3/5
492	Village Phulwariya, Teh-Ghoradongri,Distt-Betul	446	Tehsil Ghoradongri K No 284
493	Opposite Police Thana, Teh-Multai,Distt-Betul	223.05	Tehsil Multai Phn 14 Kn 405
494	Opposite Tehsil Office Building	5311	TEHSIL SHAHPUR K NO 46
495	T.E. Comp., Alampur, Tehsil Laha, Distt. Bhind-477449	4180	683
496	T.E Comp. Amayan, Thesil- Mehaon, Distt; Bhind	3970	1264
497	T.E Comp. Mela Ground, Distt- Bhind.	4100	25/0 25/1 25/2 25/3
498	T.E Comp. Birkhadhi Thehsil Gohad, Distt. Bhind.	4180	1674
499	T.E Comp. Fatehpur, Thehsil Gohad, Distt. Bhind.	4200	344 343
500	T.E. Compound, Gohad Road, Distt. Bhind.	4227	1117
501	T.E. Comp., Industrial Area, Malan Pur, Distt. Bhind.	4043	0
502	T.E. Comp. Mau, Tehsil Gohad, Distt. Bhind.	4180	658

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
503	T.E. Comp. Mehgaon, Main Choraha, Tehsil Mehgaon, Distt. Bhind.	3780	26/3 27/2
504	T.E. Comp. Mihona, Tehsil Mihona, Distt. Bhind.	2090	2182
505	Vill- Umari, Thesil- /Distt- Bhind	5550	Khasra No.1869/02, Village Umari, Distt. Bhind
506	Te Compound Bsnl Burhanpur City, Distt-Burhanpur (Mp)	9750	D/T-Burhanpur V-Burhanpur Phno. 5 No. 510
507	Te Compound Bsnl Vill-Khaknar, Teh-Burhanpur, Distt-Burhanpur (Mp)	4000	D/T-Burhanpur V-Jamunia Phno. 35 No. 97/1
508	Vill- Basari, Thesil-Rajnagar, Distt- Chattarpur	2024	Khasra No 1947 Tahseel Chhatarpur
509	Vill- Bijawar, Thesil-Bijawar, Distt- Chattarpur	2198	Khasra No1265 Thahseel Bijawar
510	Vill- Chandla, Thesil- Chandla, Distt- Chattarpur	2024	Khasra No 2657 2653/3
511	Panna Road , Chattarpur	13556.97	Khasra No 3230/7
512	Vill- Ishanagar, Thesil- Gourihar, Distt-Chhatarpur	2024	Khasra No 2278
513	Khajuraho Holiday Home, Thesil- Rajnagar, Distt- Chhatarpur	4042	Khasra No 60
514	Khajuraho I/Q Compound, Thesil- Rajnagar, Distt- Chhatarpur	2022	Khasra No 60
515	Khajuraho Vidyadhar Colony, Thesil- Raj Nagar, Distt- Chhatarpur	2500	Khasra No 60
516	Telecom Compound Khajuraho, Thesil- Rajnagar, Distt- Chhatarpur	2024	Khasra No 12
517	Thesil- Laundhi, Distt- Chhatarpur	8888	Khasra No 604
518	Vill- Lugasi, Thesil- Nowgong, Distt-Chhatarpur	2024	Khasra No 3394
519	Vill- Maharaipur, Thesil- Maharaipur, Distt- Chhatarpur	2024	Khasra No 1412/1
520	Vill- Rajnagar, Thesil- Rajnagar, Distt- Chhatarpur	500	Khasra No 15
521	Vill- Satai, Thesil/Distt- Chhatarpur	2021	Khasra No 60
522	Telecom Compound Amanwara	4569	Khasra No 634/1 Ph No.46 Amarwara
523	Telecom Compound Badchicholi	4999	Khasra .No 1258/1 Ph No.24 Badchicholi
524	Telecom Compound Bangaon(Chw)	2091	Khasra No.18 Ph No.28 Bangaon
525	Telecom Compound Bichhua	1951	Khasra No.320 Ph No.32 Gram Bichhua Tah Sausar
526	Telecom Compound Borgaon	4048	Police Station &Vikas Bhawan



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
527	Telecom Compound Chandnagaon	11132	Khasra No.1033/4 Ph No.20
528	Telecom Compound Chhindwara	7446	Khasra No 2/3/4/5/6 Plot No.100 Block No.1 Civil Station Chhindwara
529	Telecom Compound Chourai	2024	Khasra No.166/3 Ph No 19 Chourai
530	Telecom Compound Damua	1619	Khasra No.102 Ph No. 7 Damua
531	Telecom Compound Harrai	2091	Khasra No.615 Ph No 19 Harrai Tah Amarwara
532	Telecom Compound Jamunia	2024	Khasra No.67 Ph No 27 Jhiri
533	Telecom Compound Junnardeo	4050	Khasra No.437/1 438 Ph No 27 Junnardeo
534	Te Compound Kaparwadi	2091	Khasra No.169/1 Ph No 25 Kaparwadi
535	Telecom Compound Linga	929	Khasra No.19 Ph 47 Linga
536	Telecom Compound Lodhikheda	2024	Khasra.No.121 Ph No 17 Tah Sausar
537	Telecom Compound Mohkhed	2029	Khasra .No.173/2 Ph No 52 Mau
538	Old Compound Pandhuma	1187	Khasra No 153
539	Telecom Compound Parasia	8011	Khasra No.272 319/2 & 219/3 Ph No 7/51 Parasia
540	Telecom Compound Rawanwada	2019	Khasra No 72 Ph No 14 Rawanwada
541	Telecom Compound Rohanakala	2019	Khasra No 845 Ph No 16 Rohnakala
542	Telecom Compoundsausar	4048	Khasra No.625/2 Ph No.9 Sausar
543	Telecom Compound Seoni Distt Chhindwara	2024	Khasra No.393 Ph No.31 Seoni Tah Pandhuma
544	Telecom Compound Sonakhar	1049	Khasra No.41 Ph No 34
545	Telecom Compoundtamia	1673	Khasra No.144/1 Ph No.9 Tamia
546	Telecom Compound Teegaon	2019	Khasra No.369/2 Ph No.38 Teegaon
547	Te Compound, Village Bhander, Teh Bhander Distt Datia, M.P.	930.76	Survey No. 234/1, Village Bhander, Teh Bhander
548	Mw Building Datia Tehsil & Distt Datia, M.P.	1862	Kasra No. 1774/1 Datia
549	Bsnl Quarter Campus Datia Tehsil & Distt Datia, M.P.	4978	S No 2187/12 Datia

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
550	Te Building Datia Tehsil & Distt Datia, M.P.	976	S No 2250
551	Te Building Indergarh, Tehsil & Distt Datia, M.P.	1673	Survey No.1160/1 , Indergarh
552	Te Compound Ahu, Village Ahu, Tehsil Dhar District Dhar	1359	D/T-Dhar V-Ahu Ph No 3 No. 388/1
553	Te Compound Amzera, District Dhar	1317	D-Dhar T-Sardarpur V-Amzera Phno. 44 No. 545
554	Te Compound Bachanpura,Village Bachanpur, Tehsil Dhar District Dhar	1130	D/T-Dhar V-Bachanpur Ph No. 68 No.619/1(625/2)
555	Te Compound Badnawar District Dhar	1010	D-Dhar T/V-Badnawar Ph No. 15 No. 2389
556	Te Compound Bagdi, Village Bagdi, Tehsil Dhar District Dhar	2415	D/T-Dhar V-Bagdi Ph No. 70 No. 343
557	Te Compound Bagdoon, Village Bagdoon, Tehsil Dhar District Dhar	4645	D/T-Dhar V-Bagdoon Sector la – lii
558	Te Compound Bagh, Village Bagh, Tehsil Kukshi, District Dhar	929	D-Dhar T-Kukshi V-Bagh Phno. 15 No. 405/1
559	Te Compound Bakner,, Village Bakner, Tehsil Manawar District Dhar	2020	D-Dhar T-Manawar V-Bakaner Phno. 36 No.238/1
560	Te Compound Bandedi, Village Bandedi, Tehsil Sardarpur District Dhar	927	D-Dhar T-Sardarpur V-Bandedi No.539/1 (PlotNo3)
561	Te Compound Barmandal, Village Barmandal, Tehsil Sardarpur District Dhar	2090	D-Dhar T-Sardarpur V-Barmandal Phno.10 No.179
562	Te Compound Chhadawad District Dhar	1394	D-Dhar T-Sardarpur V-Chharawad Phno.28 No.609
563	Te Compound Dahi, Village Dahi, Tehsil Kukshi District Dhar	769	D-Dhar T-Kukshi V- Dahi No. 242/1/1
565	Te Compound Dasai, Village Dasai, Tehsil Sardarpur District Dhar	223	D- Dhar T-Sardarpur V- Dasai Ph No. 17 S No. 934
567	Te Compound Dhammod, Village Dhammod, Tehsil Dharampuri District Dhar	929	D-Dhar T-Dharampuri V-Dhammod No. 259
568	Mw Compound Dhar, Dhar, Tehsil Dhar District Dhar	1394	D/T-Dhar Ph No.....No. 749/1
569	Te Compound Dharampuri, Village Dharampuri, Tehsil Dharampuri, District Dhar	2020	D-Dhar T/V-Dharampuri Ph No. 20 No. 112
570	Te Compound Gandhwani, District Dhar	3384	D-Dhar T/V-Gandhwani Ph No. 17 No. 189
571	Te Compound Ghatabilod, Village Ghatabilod, Tehsil Dhar, District Dhar	2409	D/T-Dhar V-Ghatabilod No. 381/1/1
572	Te Compound Jeetpura, Village Jeetpura, Tehsil Dhar District Dhar	15000	D/T-Dhar V- Jeetpura Ph No. 13 No. 50
573	Te Compound Kanwan District Dhar	2100	D-Dhar T-Badnawar V-Kanwan Phno. 38 No. 58
574	Te Compound Kesur, Village Kesur, Tehsil Dhar District Dhar	3716.7	D/T-Dhar V-Kesur Phno. 20 No. 229/1



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
575	Te Compound Khalghat, Village Khalghat, Tehsil Dharampuri District Dhar	2020	D-Dhar T-Dharmpuri V-Khalghat Phno. 23 No. 16
576	Te Compound Kukshi, Village Talanpur, Tehsil Kukshi District Dhar	2030	D-Dhar T-Kukshi V-Talanpur Ph No 33 No 120/1/2&140
577	Te Compound Labriya, Village Labriya, Tehsil Sardarpur District Dhar	1394	D-Dhar T-Sardarpur V-Labriya Phno. 7 No. 872/2
578	Te Compound Manawar, Village Manawar, Tehsil Manawar District Dhar	8432	D-Dhar T/V-Manawar Phno. 1 No. 118/2
579	Te Compound Mandu, Village Mandu, Tehsil Dhar District Dhar	2925	D/T-Dhar V- Mandu No. 240
560	Te Compound Nagda, District Dhar	1000	D-Dhar T-Bad Awar V-Nagda Ph No. 35 No. 338
561	Te Compound Pithampur Sector-1i, Plot No. 1 Tehsil Pithampur District Dhar	10117	D/T-Dhar V-Pithampur , Sector -li, Plot No. 1
562	Te Compound Rajod, District Dhar	1114	D-Dhar T-Sardarpur V-Rajod Ph No. 1 No. 2493
563	Te Compound Ringnod, Village Ringnod, Tehsil Sardarpur, District Dhar	1394	D-Dhar T-Sardarpur V-Ringnodph No. 38 No. 2261/1
564	Te Compound Tanda, Village Tanda, Tehsil Dhar District Dhar	2091	D-Dhar T-Kukshi V-Tanda Ph No. 4 No. 70/1
565	Te Compound Teesgaon, Village Teesgaon, Tehsil Dhar, District Dhar	465	D/T-Dhar V- Teesgaon Phno. 8 No. 301
566	Telephone Ex. Building, Aron Raghogarh Road, Town Aron, Tehsil Aron, Distt. Guna	2020	1172/1/1
567	Telephone Ex. Building, Village Bahadurpur, Tehsil Mungaoali, Distt. Ashok Nagar	1050	465/1
568	Telephone Ex. Building, Binaganj-Chachoura Road,Village Chachoura, Tehsil Chachoura, Distt. Guna	2090	37279
569	Telephone Ex. Building, A. B. Road,Town Guna, Tehsil Guna, Distt. Guna	9181	32, 33
570	Telephone Ex. Building, Nayapura, Town Guna, Tehsil Guna, Distt. Guna	450	897
571	Telephone Ex. Building, Ramnagar Road, Town Raghogarh, Tehsil Raghogarh, Distt. Guna	3717	Survey No.759, Town Raghogarh, Tehsil Raghogarh
572	Telephone Exchange Building, Town Shaddora, Tehsil Ashoknagar, Distt. Ashoknagar	3330	Survey No.943, Village Shaddora Tehsil Ashoknagar

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
573	Te Building, Village Bhitarwar, Teh Bhitarwar, Distt Gwalior, M.P.	1184.94	Survey No. 3347, Village Bhitarwar, Teh Bhitarwr
574	Te Building, Dabra, Teh Dabra, Distt Gwalior, M.P.	811	Khasra No 630
575	Te Building, Village Ghatigaon, Distt Gwalior, M.P.	2509	S. No. 820, Village Ghatigaon, Teh Gwalior
576	P & T Colony Thatipur, Gwalior, M.P.	3159.42	2033 2034
577	Bsnl Quarter Campus Vinay Nagar,Gwalior, M.P.	3903.35	Vinay Nagar Sector No. 3 Gwalior.
578	Te Building Bada, Gwalior, M.P.	523.98	S. No 846 , Lashkar Gwalior
579	Te Building City Centre, Gwalior, M.P.	4000	City Centre Gwalior
580	Te Building Gole Ka Mandir, Gwalior, M.P.	3239	SI No 758
581	Te Building Transport Nagar, Gwalior, M.P.	1050	Mc -2
582	Hig-15, Te Building Darpan Colony, Gwalior, M.P.	384	Hig-15
583	Hig 48, 49 Te Building Deendayal Nagar, Gwalior, M.P	432	Hig 48 49
584	Te Building Ab Road,Mohna, Distt Gwalior, M.P.	8168	1881/3
585	Mw Building, Vill- Pihlore, Tehsil Dabra, Distt Gwalior, M.P.	1255	Khasra No 1864, Pichhore
586	Near Bus Stand, Harda	5586.69	Tehsil Harda Phn 25 Kn 71
587	Near Samshan Ghat, Teh- Khirkiya, Distt- Harda	4058.1	Tehsil Khirkiya Phn 10 Kn 232
588	Vill. Magardha, Thesil- Harda, Distt- Harda	809.68	Tehsil Harda Ph 34 Khasra No 61
589	Near Police Thana, Thesil- Babai, Distt- Hoshangabad	1858.73	Tehsil Babai Patwari Halka No 24 K N 149/2
590	Near Railway Station ,Thesil- Banapura, Distt- Hoshangabad	409.9	Tehsil Seoni Malwa Kn 24 /1
591	Near Krishi Upaj Mandi , Thesil-Bhankhedi, Distt- Hoshangabad	6072.6	Tehsil Bankhedi Phn 23 Kn 392/1
592	Housing Board Colony, Hoshangabad	3030	Tehsil Hoshangabad Kn 154 155
593	Near Sp Office, Sadar Bazar, Hoshangabad	1954	Tehsil Hoshangabad Plot No. 1/6
594	Near Jeevodaya, Thesil- Itarsi, Distt- Hoshangabad	6082.14	Tehsil Itarsi Kn 257
595	Gandhi Nagar, Itarsi, Distt- Hoshangabad	3607	Tehsil Itarsi Sheet No 3 Plot No 1/9
596	Infront Of Pwd Rest House, Thesil- Itarsi, Distt- Hoshangabad	3607	Tehsil Itarsi Naij Sheet 3 Polt No 1/1



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
597	Sankheda Naka, Damdam Road ,Thesil- Itarsi, Distt- Hoshangabad	9729.42	Tehsil Itarsi Phn 09 Kn 550/5 551/5 553/5
598	In Front Of Nandanban Hotel, Panchmari, Distt- Hoshangabad	3485.13	Tehsil Pipariya Naju Sheet No 11 Plot No 22
599	M/W Comp, Satpura Rashtriya Udyan , Pachmari, Thesil- Pipariya, Distt- Hoshangabad	232.8	Khasra No 266 Satpura, Rashtriya Udyan, Pachmari
600	Infront Of Rainway Station Platform No.:3, Tehsil Pipariya, Distt- Hoshangabad	7631.5	Tehsil Pipariya Sheet No 27 A Plot No 3
601	Tower Mohalla, Pipriya, Distt- Hoshangabad	4048.4	Tehsil Pipariya Kn 250/24
602	Musalmani Mohalla, Vill- Semri Harchand, Thesil- Sohagpur, Distt- Hoshangabad	4048.4	Tehsil Sohagpur Phno. 8 Khno. 272/3
603	Near Ambedkar Bhawan, Thesil- Suhagpur, Distt- Hoshangabad	6072.6	Tehsil Sohagpur Phn 11 Kn 157/5
604	Telecom Compound Barela	1978	Khasra.No 820/3
605	Telecom Compound Cto Jabalpur	33560	Civil Stn. No. 10 Plot No. -12
606	Telecom Compound Krish Upaj Mandi Colony	12652	Khasra No 349 To 353 356to 360 393 To 429 431 To 436
607	Telecom Compound Vijay Nagar Krish Upaj Mandi	3345	Khasra No 149 To 150 155 To 156 Schem-5
608	Telecom Compound Madan Mahal Chowk	753	Scheme No. 19
609	Telecom Compound Madan Mahal Jda	38	Scheme No. 19
610	Telecom Compound Milloniganj	5948	Scheme No. 13 Plot No. 142 150
611	Telecom Compound Micro Wave Colony Pachpedi	2080	Plot No. 2/4 7/3 Block No. 37 38
612	Telecom Compound Panagar	2015	Khasra .No. 16/21 Kandarkheda
613	Telecom Compound Patan	2000	Khasra .No 419/1 425/1
614	Telecom Compound Sihora	1940	Khasra No 1326
615	Telecom Compound Wright Town Exchange	5400	587/2 587/3 Subhash Nagar
616	Telecom Compound Chaka	15000	Khasra .No 234
617	Telecom Compound Katni Bargawan	7800	Khasra .No. 185/2 186/ 2 187/2

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
618	Telecom Compound Khireni Phatak Katni	5960	Khasra No 1333 1 K & 1333 1 Kh
619	Telecom Compound Katni Old Exchange	5000	Khasra 185/2 Mission Chowk
620	Telecom Compound Niwar	570	Khasra No 483/5 485/5
621	Telecom Compound Pan Umaria	2000	Khasra .No. 466/1
622	Telecom Compound Vijayraghavgarh	2000	Khasra No 84 - 89
623	Te Compound Khalwa Teh-Harsud Distt-Khandwa	4050	D-Khandwa T-Harsud V-Khalwa No. 63/1
624	P&T Colony Anandnagar Khandwa City (Mp)	4098	D-Khandwa T-Khandwa No. 63/1,2 & 64/1
625	Te Compound, Bsnl, Bhandariya Road, Khandwa City (Mp)	16190	D/T-Khandwa V-Khandwa Phno. 63 No. 64/2
626	Te Compound, Bsnl, Bombay Bazar, Khandwa City (Mp)	3320	D/T-Khandwa Plot No. 89 Ward No. 35 Bombay Bazar
627	Te Compound, Bsnl, Kishore Nagar, Khandwa City Distt-Khandwa (Mp)	198	D/T-Khandwa Hno. Hig 14 Kishore Nagar
628	Te Compound Kharkalan Teh-Harsud Distt-Khandwa	4000	D-Khandwa T-Harsud V-Khar No. 141
629	Te Compound Pandhana Teh-Pandhana Distt-Khandwa	2700	D-Khandwa T-Pandhana V-Pandhana Ph No. 22 No. 187
630	Te Compound Punasa Teh-Khandwa Distt-Khandwa	2000	D/T-Khandwa V-Punasa Phno. 22 No. 178/2
631	Te Compound Bsnl Vill-Barwaha Teh-Barwaha Distt-Khangone (Mp)	558	D-Khangone T/V-Barwaha No. 57
632	Te Compound Bhikangaon	4050	D-Khangone T/V-Bhikagaon Phno. 15 No. 227/1, 227/2
633	Te Compound Karhi	4050	D-Khangone T-Maheswar V-Karhi Phno. 20 No. 26/4
634	Te Compound Kasrawad, Teh-Kasrawad Distt-Khangone	4050	D-Khangone T-Karsawad V-Rasidpur Phno. 7 No. 60/1
635	Te Compound Bsnl Bistan Road, Khargone City (Mp)	4860	D/T-Khangone V-Sangvi Phno. 27 No. 33/1&2
636	Te Compound Bsnl Diversion Road, Khargone City (Mp)	11064	D/T/V-Khangone Ph No. 26 No. 272/1
637	Te Compound Bsnl, Tilak Path, Khargone City (Mp)	282	D/T/V-Khangone Plot No. 254



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
638	Te Compound Maheshwar	8380	D-Khangone T-Maheswar No. 124/1-2
639	Quarter Compound Sanawad	2070	D-Khangone T-Barwaha V-Sanawad No. 62
640	Te Compound Sanawad	357	D-Khangone T-Barwaha V-Sanawad Near Post Office
641	Te Compound Zirniya	4050	D-Khangone T/V-Zirania Phno.13 No. 189/1
642	Te Compound Dindori	3694	Kh No 2/34
643	Store Compound Khairi Mandla	4856	Kh No 401/1
644	Te Compound Mandla	4044	18 A Plot No 5
645	Te Compound Maneri	4048	Kh No 99
646	Te Compound Nainpur	2340	Railway Land
647	Te Compound Narayanganj	1900	Kh No 115/6
648	Te Compound Niwas	4044	Kh No 99
649	Te Compound Shahpura	3200	Kh No 465/1
650	Te Compound Bagunia Distt Mandsaur	465	D-Mandsaur V-Bagunia Phno. No. 29
651	Te Compound Balaguda Teh-Mallahargarh Distt Mandsaur	2000	D-Mandsaur V-Balaguda Phno. 18 No. 752
652	Te Compound Bhanpura Distt Mandsaur	2020	D-Mandsaur, T/V-Bhanpura No. 1223
653	Te Compound Bhasauda Distt Mandsaur	465	D-Mandsaur V-Bhasauda Phno. 19 No. 2290
654	Te Compound Bhavgarh Distt Mandsaur	2000	D/T-Mandsaur V-Bhavgarh Ph No. 64 No. 100
655	Te Compound Chandwasa Distt Mandsaur	1394	D-Mandsaur V-Chandwasa Phno. 37 No. 2216
656	Te Compound Garoth Distt Mandsaur	2670	D-Mandsaur T/V- Garoth Ph No 14 No. 670
657	Te Compound Karju Distt Mandsaur	2000	D/T-Mandsaur V-Karju Ph No. 62 No. 720
658	Te Compound Kila Teh-Mandsaur Distt Mandsaur	598	D/T-Mandsaur V-Kila Phno. 13 No. 910
659	Te Compound Malhargarh Distt Mandsaur	632	D-Mandsaur T/V-Malhargarh Ph No. 13 No. 379
660	Te Compound Malyakhedi Teh-Mandsaur Distt Mandsaur	594	D/T-Mandsaur V-Malyakhedi No.

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
661	Qtr Compound Kityani Mandsaur	649	D/T- Mandsaur V-Katiyani Hdx 44 To 48
662	New Te Compound O/O Gmtd Mandsaur	4050	D/T-Mandsaur Ph No. 13 No. 606/2
663	Bsnl Compound Near Rto Mhow -Neemuch Road Mandsaur	3660	D/T-Mandsaur Ph No 13 No 384/4/1
664	Te Compound Narayangarh Teh-Mallahargarh Dist Mandsaur	1000	D-Mandsaur V-Narayangarh Phno. 8 No 320, 322, 323
665	Te Compound Narsinghpura Dist Mandsaur	279	D/T- Mandsaur V-Narsinghpura Phno. 13 No. 1499
666	Te Compound Nimrod Dist. Mandsaur	2000	D/T-Mandsaur V-Nimbod Ph No. 73 No 710
667	Te Compound Rewas Devda Teh-Mandsaur Distt Mandsaur	929	D/T-Mandsaur V- Rewas Devda Phno. 2 No. 1163
668	Te Compound Richalalmuha Distt Mandsaur	3485	D/T-Mandsaur V- Richalalmuha Phno. 76 No. 1291
669	Te Compound Suwasra Distt Mandsaur	2000	D-Mandsaur V-Suwasara Ph No. 52 No. 940/1/1
670	Te Compound Suwasra Teh- Suwasra Dist Mandsaur	625	D-Mandsaur T/V-Suwasra Phno. 11 No. 1017
671	T.E. Comp. Ambah, Tehsil Ambah, Distt. Morena.	1725	1737
672	T.E. Comp. Banmore, Industrial Area, Banmore, Distt. Morena.	4050	A-1
673	T.E. Comp. Baroda, Baroda, Distt. Sheopur.	4047	1882
674	T.E. Comp. Main Road, Tehsil Vijaypur, Distt. Sheopur.	8094	749
675	T. E. Compound Dhadhar, Distt. Sheopur.	4047	Khasra No.127/1, Village Dhodhar, Tehsil Seopurkal
676	Jhundpura, Tehsil Sabalgarh, Dist. Morena.	1418	1323
677	T.E.Comp. M.S. Road, Joura, Dist. Morena.	3384	309
678	T.E. Compound, Kailaras, Near Sugar Mill, Kailaras, Dist. Morena.	3660	A
679	Katha, Tehsil Mihona, Dist. Bhind.	4047	1416
680	M/W Comp. M.S. Road. Morena.	3976	402/A
681	Pahargarh, Tehsil Joura, Dist. Morena.	4047	300
682	T.E. Comp. Porsa, Dist. Morena.	2125	897/1
683	T. E. Comp.Sabalgarg, Dist. Morena.	3869	449/1



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
684	New T.E. Comp., Sheopur.	3980	307/26
685	Shyampur, Tehsil Vijaypur, Dist. Sheopur	8096	Survey No.336/ 1, Village Shyampur Teh Vijaypur
686	T.E. Comp. Near Tesil Office, Vijaypur, Dist. Sheopur.	2863	A
687	Te Compound Diken Distt Neemuch	4050	D-Neemuch T-Jawad V-Diken Ph No. 31 No. 946
688	Te Compound Harwar Distt Neemuch	2000	D/T-Neemuch V- Harwar Phno. 47 No. 843
689	Te Compound Jawad Teh-Jawad Distt Neemuch	2020	D-Neemuch T/V-Jawad Ph No. 46 No 2094
690	Te Compound Jeeran Distt Neemuch	2000	D/T-Neemuch V-Jeeran Ph No. 43 No. 809
691	Te Compound Kanjarda Teh-Manasa Distt Neemuch	330	D-Neemuch T-Manasa V-Kanjarda Phno. 12 No. 1939
692	Te Compound Mahagarh Distt Mandsaur	2020	D-Neemuch T-Manasa V-Mahagarh Phno. 23 No. 584
693	Te Compound Manasa Distt Neemuch	5750	D-Neemuch T/V-Manasa No. 438, 439 , Ph 33
694	Telephone Exchange Near Bhooteshwar Mandir Neemuch	4134	D/T-Neemuch Scheme No. 27
695	Telephone Exchange Near Bhooteshwar Mandir Neemuch	6171	D/T-Neemuch Scheme No 27, Near Bhooteshwar Mandir
696	Te Compound Palsoda Distt Neemuch	900	D/T-Neemuch V-Palsoda Phno. 30 No. 1348
697	Te Compound Rampura Distt Neemuch	2020	D-Neemuch T-Manasa V-Rampura Phno. 35 No. 350, 351
698	Te Compound Ratangarh Distt Neemuch	4050	D-Neemuch T-Jawad V-Ratangarh Ph No. 28 No. 310
699	Te Compound Rawli Dewli Distt Neemuch	2000	D/T-Neemuch V-Rawli Dewli Phno. 16 No. 702
700	Te Compound Sarwaniya Maharaja Distt Neemuch	2000	D-Neemuch T-Jawad V-Sarwania M Ph No. 5 No. 38/1
701	Te Compound Singoli Teh-Jawad Distt Neemuch	2030	D-Neemuch T-Jawad V-Singoli Phno. 4 No. 439/1
702	Telecom Compound Ajaygarh	2400	Khasra No 130/1 Ward No 12 Maharan Durgawati Ward

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
703	Telecom Compound Amanganj	2400	Khasra No 157/5 Ward No 9 Balaji Ward
704	Telecom Compound Devendra Nagar	2400	Khasra No 886/1 Ward No 5 Devendra Vijay Ward
705	Telecom Compound Gunnore	2400	Khasra No 1014/2katan Road
706	Telecom Compound Tikaria Mohalla Parana	2481	Khasra No. 2669 Ward No 2 Shyama Prasad Mukherjee Ward Tikaria Mohalla
707	Telecom Compound Pawai	2400	Khasra No. 2071 Ward No 1 Maharanı Durgawati Ward
708	Telecom Compound Saleha	900	Khasra No 2911 Pump House To Hospital Main Road
709	Near Barna Colony Badi	2000	K No 9
710	Nahar Colony Pipariya Road Barelie	4246	K No 324/1patta No.30
711	Near Bus Stand Begamganj	2000	K No 9 10 11/12 13
712	Near Toll Naka Gairatganj	2000	K No 129/1/1/1/2
713	Telecom Comp, Goharganj , Distt-Raisen	4048.32	Kh: No 545/2 Patwari Halka No 12
714	Rahul Nagar, Near Irrigation Office Raisen	4044	K NO 646/4
715	Near Bus Stand Raisen	2000	K No 646/1
716	Near Tehsil Office Silwani	2000	K No 2-76
717	Te Compound Udaipura	2000	K No 359
718	Villege Bhojpur, Tehsil Khilchipur Distt. Rajgarh (M.P.)	3717	Survey No.408/2, Village Bhojpur, Tehsil Khilchipur
719	Villege Kharri, Rajgarh Road, Tehsil Biaora, Distt. Rajgarh (M.P.)	12181	37530
720	Telephone Exchange Building, Villege Chhapiheda, Tehsil Pachore, Distt. Rajgarh (M.P.)	3717	Bhumi No. 264/1, Village Chhapiheda, Tehsil Khilch
721	Near Rajgarh-Jirapur Chouraha, Tehsil Khilchipur, Distt. Rajgarh (M.P.)	2022	Survey No.719, Town Khilchipur Tehsil Khilchipur
722	Telephone Exchange Building, Chhapiheda Road, Villege Khujner, Tehsil Pachore, Distt. Rajgarh (M.P.)	812	Survey No.1636/3 Village Khujner, Tehsil Rajgarh.



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
723	Telephone Exchange Building, Nh-12, Kuravar,Tehsil Narsingarh, Distt. Raigarh (M.P.)	5060	Survey No. 47, Village Kurawar Tehsil Narshingarh
724	Telephone Exchange Building, Bye-Pass Road, Tehsil Narsingarh, Distt. Raigarh (M.P.)	5810	Survey No.9-10 -11-12 Town Narsinghgarh, Tehsil Na
725	Telephone Exchange Building, A. B. Road, Tehsil Pachore, Distt. Raigarh (M.P.)	1640	Survey No.76/2, Village Bjipuriya Tehsil Biaora
726	Telephone Exchange Building, Near Biaora Bye-Pass Chouraha, Tehsil Raigarh, Distt. Raigarh (M.P.)	4044	760/6 Near Dashehara Maidan Rajgarh.
727	Telephone Exchange Building, Talen Kuravar Road, Talen, Tehsil Pachore, Distt. Raigarh (M.P.)	1375	Survey No.1421/1 Town Talen, Tehsil Narsinghgarh.
728	Telephone Exchange Building, Old Main Market, Jirapur, Distt. Raigarh (M.P.)	2022	Survey No.1342/6, Town Zeerapur, Tehsil Zeerapur
729	Vill Dondri	2500	P H Kumhara Jwdwani Srimaria
730	Vill Ghraigud	5250	P H Banjari Village Pakra 327 Kh No 10/2
731	Vill Gangeo	3600	P H Saman 86 Village Purwa 310 Kh No 7
732	Telecom Compound Govindgarh	2000	P H Covindgarh Ward No 10 Kh No 1595
733	Telecom Compound Hanumana	2000	P H Hanumana Ward No 01 Kh No 512/1
734	Telecom Compound Mangawan	2000	P H Mangawan Ward No 3 Kh No 114
735	Telecom Compound Mauganj	2000	P H Ganj 70 Chakrabhathi Ward No 7 Kh No 514
736	Telecom Compound Nehru Nagar Rewa	10147	Plot No 3/18 Doorsanchar Ward No 13
737	Telecom Compound Padra Rewa	3300	P H Padra 333 Ward No 4 Kh No 177
738	Telecom Compound College Chowk Rewa	3400	P H 23 Rewa Village Khetehi135 Ward No 18 Kh No 355
739	Telecom Compound Hospital Chowk Rewa	663	P H 23 Rewa Ward No 23 Kh No 67
740	Telecom Compound Mw Rewa	2400	P H 23 Rewa Ward No 17 Kh No 400/1
741	Telecom Compound Sirmour Rewa	2400	P H 44 Sirmour Ward No 13 Kh No 1758
742	Telecom Compound Mw Sohagi Rewa	3600	P H 26 Sohagi Kh No 684/1

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
743	Telecom Compound Teonhar	2000	P H Teonther Ward No 8 Kh No 548
744	Pathar Mohalla Ward No.11 In Front Of Court	2024	Khasara No 238/1 Patawari Halka No Tahaseel No.
745	Near P G College Bheem Ward	2033	Khasara No 277 Patawari Halka No Tahaseel No
746	Kshir Bye Pass Road	4044	Khasara No 18 Patawari Halka No Tahaseel No
747	Main Sagar - Damoh Road	2024	Kh No 197 Patawari Halka No 33 Tahaseel Garhakota
748	Near Bus Stand	2000	Khasara No 292 Patawari Halka No Tahaseel No
749	Near Kanya School , The - Kesli Distt- Sagar	2000	Khasara No 64 Patawari Halka No Tahaseel No
750	Near Bus Stand Bina Road	2022	Khasra No 23
751	I N Front Of Degree College	2024	Khasara No 14 Patawari Halka No Tahaseel No
752	Behind Police Station	2022	Khasara No 63/1 Patawari Halka No Tahaseel No
753	Pathar , Chhatarpur Road	600	Khasara No 1415 Patawari Halka No Tahaseel No.
754	Telecom Compound Ahirgaon	2023.43	Village Ahirgaon K No 483
755	Telecom Compoundamarpatan	2020	Village Amarpatan Subhash Chandra Bose Ward 4 Patwari Halka 26 K No 146
756	Telecom Compound Birsinghpur	4046.86	Village Birsinghpur Ward 1 Patwari Halka 36 K No 151/B
757	Telecom Compound Chitrakoot	2452.39	Village Rajaula Chitrakoot Kamadgiri Ward 1 K No 151/2
758	Telecom Compound Jaitwara	2144.83	Village Dehut Jaitwara Tilak Ward 9 Patwari Halka 59 K No 202
759	Telecom Compound Kothi	4046.86	Village Kothi Patwari Ward 15 Halka 67 K No 199/1/A
760	Telecom Compound Maihar	1924	Mahatma Gandhi Ward 17
761	Telecom Compound Majhgawan	2456.44	Patwari Halka Majhgawan K No 485/2



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
762	Telecom Compound Nagod	2475	Village Namtara Nagod Indira Gandhi Ward 4 K No 642
763	Telecom Compound Rampur Baghelan	2023.43	Village Karahi Rampur Baghelan Jawahar Lal Nehru Ward 1 K.No. 517 520 522
764	Telecom Staff Quarters Colony Kolgawan	5260.91	Village Kolgawan Ward 7 K No 173/3
765	Telecom Compound Kothi Road Satna	7142.7	Village Khunthi Satna Patwari Ward 27 Halka 24 K No 11/2a 11/2c 12/2a 12/2c 12/2d
766	Telecom Compound Station Road Satna	2578	Station Road Satna Tehsil Raghurajnagar Ward 41 K No 336 338
767	Telecom Compound Unchehra	2020	Village Unchehra Patwari Ward 2 Halka 92 K No 604
768	Telecom Compound Barghat	2000	P.H.No.50 Khasra No.28/1
769	Telecom Compound Bhamori	2000	P.H.No.35 Khasra No.216
770	Telecom Compound Chhapara	1500	P.H.No.100 Khasra No.834 Near Venganga Bridge
771	Telecom Compound Daldha Factory Road	8377	Khasra No.280/1 Ward No 3 Akbar Ward Seoni
772	Telecom Compound Dhuma	2045	P.H.No.45 Khasra No.410 & 432/2 Ward No.3 Akbar Ward Ekti Colony Jiyarat Naka
773	Telecom Compound Ghansore	4800	Khasra No.176 185 217 Railway Crossing Mandla Road Chowk
774	Telecom Compound Karirat	2500	P.H.No.87 Khasra No.476
775	Telecom Compound Keolari	4000	P.H.No.29 Khasra No.374/4 Diet Area Dokarranjii
776	Telecom Compound Khawasa	526	P.H.No.104 Khasra No.30
777	Telecom Compound Kurai	2500	P.H.No.105 Khasra No.127
778	Telecom Compound Lakhnadon	1065	P.H.No.34/1 Khasra No.364/2
779	Telecom Compound Marbodi	4000	P.H.No.4 Khasra No.41

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
780	Telecom Compound Pallari	3400	P.H.No.6 Khasra No.303/1 Mehra (Basti) Bus Stand To Kahani Road
781	Telecom Compound Amarkantak.	4370	Tehsil Pusprajgarh Tikritola Ward Kh No 235/1/K
782	Telecom Compound Anuppur.	2023	Indira Gandhi Ward Village Samatpur Kh No 292/1/1
783	Telecom Compound Beohari.	4044	Vivekanand Ward Beohari Kh No 1295 1296
784	Telecom Compound Gohparu Tehsil Sohagpur	526	Gohparu Halka No40 Tehsil Sohagpur Kh No 427/1
785	Telecom Compound Gortara Tehsil Sohagpur Shahdol	10117.14	Gortara Halka No 71sohagpue No 1 Kh No 60
786	Telecom Compound Village Khusarwah Jaisinghnagar.	2023	Patwari Halka Katira46 Village Khusarwah Kh No 197/1/Kh
787	Telecom Comp[Ound Khamnaudhi Tehsil Sohagpur	4046	Khamnaudhi10 Tehsil Sohagpur Kh No 1224/1kh
788	Telecom Compound Kotma	4046	Kotma 22tehsil Kotma Kh No 758/1/K
789	Telecom Compound Village Kirgi Rajendrogram	1861	Kirgi Ward Kh No. 22
790	Telecom Compound Rajendra Talkies Shahdol	4897	Patwari Halka 28 Sohagpur Kh No. 1844 1845 1869 1870 1952 1953
791	Telecom Compound Singhpur Tehsil Sohagpur	2020	Singhpur Halka No 91 Tehsil Sohagpur Kh No 1370
792	Te Compound A.B. Road Abhayapur Teh-Shajapur Distt-Shajapur	2286	D/T-Shajapur V-Abhayapur Phno.9 No. 779/9 (New 707)
793	Te Compound Agar Near Bus Stand, Distt-Shajapur	8360	D-Shajapur T/V-Agar Ph No. 30 No. 1630/12
794	Te Compound Madhavganj Agar Distt-Shajapur	967	D-Shajapur, T/V-Agar Ph No. 6 No. 1505/1
795	Te Compound Near Saraswati Shishu Mandir Akodia Teh-Shujalpur Distt-Shajapur	2050	D-Shajapur, T-Shujalpur Ph No. 5 No 1221/2
796	Te Compound Near Police Station Kalapipal Teh-Kalapipal Distt-Shajapur	2090	D-Shajapur T-Kalapipal V-Chakrod Ph No. 17 No. 440
797	Te Compound Maksi (Near Water Works) The-Shajapur Distt-Shajapur	2090	D/T-Shajapur V-Maksi Ph No. 61 No. 714/2



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
798	Te Compound Near Tehsil Office Mohan Barodiya Distt-Shajapur	2091	D-Shajapur V-Mohan Barodiya Ph No. 10 No. 1757/3
799	Te Compound-I Ab Road Lalgathi Shajapur Distt-Shajapur	6360	D/T-Shajapur V-Magriya Ph No. 36 No 89
800	Te Compound-II Dupada Road Shajapur Distt-Shajapur	1940	D/T-Shajapur V-Magriya Ph No. 36 No 89
801	Te Compound Akodia Naka Shujalpur Teh-Shujalpur Distt-Shajapur	2091	D-Shajapur T/V-Shujalpur Ph No. 18 No. 275, 276
802	Te Compound Kota Road Susner Teh- Susner Distt-Shajapur	900	D-Shajapur T/V-Susner Ph No. 25 No. 2094/1/1
803	Telephone Exchange Building Badarwas	4180	Survey No.492, Village Badarwas, Tehsil Kolaras
804	Telephone Exchange Building Karera	3952	Survey No.1813 Karera
805	Telephone Exchange Building Kaniadhana	2090	Survey No.827 Village Kaniadhana Tehsil Kaniadhana
806	Telephone Exchange Building,Manipura ,Kolarash	4180	Survey No.20 Village Manipura Tehsil Kolaras.
807	Telephone Exchange Building ,Mubarakpur, Narwar	4000	Survey No.363 Village Village Mubarakpur Tehsil Na
808	Telephone Exchange Building ,Pichhore	2091	Khasra No. 438 Town Pichhore, Tehsil Pichhore.
809	Near Chintaharan Temple Chatri Rd - li Shivpuri	6274	1063
810	Telephone Exchange Building Near 14 No. Kothi Gandhi Chowk Shivpuri	1050	680
811	Te Compound Chitrangi	1545.9	K No 368/1
812	Te Compound Majhaul	1800	K No 439
813	Te Compound Rampurnaikin	1820	Vivekanand Ward K No 218
814	Micro Wave Compound Sidhi	2870	Subhash Ward No 4
815	Te Compound Sidhi	5742	Subhash Ward No 4 448 449 456 511
816	Te Compound Singrauli	2506	Ahilya Ward K No 162/2
817	Te Compound Waidhan	2590	Vallabh Bhai Ward Bilonji Plot 947
818	Vill- Baldeogarh, Thesil- Baldeogarh, Distt- Tikamgarh	830	Khasra No 40
819	Vill- Jatara, Thesil- Jatara, Distt- Tikamgarh	500	Khasra No 24

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
820	Vill- Khargapur, Thesil- Baldeogarh, Distt- Tikamgarh	2021	Khasra No 7
821	Vill-Lidhra, Thesil- Latara, Distt- Tikamgarh	1639	Khasra No 23
822	Vill- Niwari, Thesil- Niwari, Distt- Tikamgarh	336	Khasra No 25
823	Vill- Pratappura, Thesil- Niwari, Distt- Tikamgarh	500	Khasra No 30
824	Vill- Prathvipur, Thesil- Prathvipur, Distt- Tikamgarh	500	Khasra No 21
825	Te Compound Barnagar, Vikram Road, Barnagar, Tehsil Barnagar, District Ujjain	254	D-Ujjain T/V-Barnagar Phno. 85 No.1566
826	Te Compound Barnagar li , Near Court Chouraha, Barnagar, Tehsil Barnagar District Ujjain	3000	D-Ujjain T/V-Barnagar Phno. 85 No. 299/1/1
827	Te Compound Agar Road Ghatiya, Tehsil Ghatiya, District Ujjain	1600	D-Ujjain T/V-Ghatiya Phno. 51 No. 706
828	Te Compound Ghosla, Near Gram Panchayat, Ghosla, Tehsil Mahidpur District Ujjain	142	D-Ujjain T-V-Mahidpur V-Ghosla Phno. 55 No. 535
829	M/W Compound Nagda Road, Khacrod, Village Khachrod Tehsil Khachrod District Ujjain,	2000	D-Ujjain T/V-Khachrod Ph 18 No. 486/1/1
830	Te Compound Mahidpur. Near Bus Stand, Mahidpur, Tehsil Mahidpur District Ujjain	1040	D-Ujjain T/V-Mahidpur Phno 34 No. 165/1
831	M/W Compound Khachrod Road, Nagda Village Nagda, Tehsil Nagda District Ujjain	2000	D-Ujjain T/V-Nagda Ph 19 No. 400/1
832	Bsnl Store Compound Bharatpuri, Ujjain, Tehsil Ujjain, District Ujjain	7288	D/T-Ujjain Bharatpuri Plot No 25 & 32
833	Tower Compound Bharatpuri, Ujjain, Tehsil Ujjain, District Ujjain	2000	D/T-Ujjain Bharatpuri Plot No. 4
834	Dto Compound Near Bus Stand Dewas Gate, Ujjain, Tehsil Ujjain, District Ujjain	3448	D/T-Ujjain Dewas Gate 2 Ph No. 24 No. 1930/2
835	Bsnl Sanchar Kunj Mr 2, Nanakheda,, Ujjain, Tehsil Ujjain, District Ujjain	2510	D/T-Ujjain Nanakheda Plot No A-30 /1 To 14
836	Sanchar Sadan Mr 2, Nanakheda, Ujjain, Tehsil Ujjain, District Ujjain	1695	D/T-Ujjain Nanakheda Plot NoA31/1 To 5,16 To 20
837	Sanchar Parisar Mr 2, Nanakheda, Ujjain, Tehsil Ujjain, District Ujjain	2536	D/T-Ujjain Vednagar Plot No. A 29/1 To 14



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
838	Telecom Compound Bharatpuri, Ujjain, Tehsil Ujjain, District Ujjain	6250	D/T-Ujjain Bharatpuri No. 10 To 12
839	Te Compound, Dewas Gate, Ujjain, Tehsil Ujjain, District Ujjain	3660	D/T-Ujjain Dewas Gate Ph No. 24 No. 1931/2
840	Plot No 5/B, Industrial Area, Bsnl Tower Compound, Ujjain, Tehsil Ujjain, District Ujjain	93	D/T-Ujjain V-Ujjain No. 5/B
841	Rsu Telephone Exchange, Mahakal Vanijya Kendra, Nanakheda, Ujjain, Tehsil Ujjain, District Ujjain	552	D/T-Ujjain Plot No. 2
842	Rsu Telephone Exchange, Mahakal Vanijya Kendra, Nanakheda, Ujjain, Tehsil Ujjain, District Ujjain	3010	D/T-Ujjain Nanakheda Plot No. 2
843	Tra Building, Chamunda Chauraha, Ujjain, Tehsil Ujjain, District Ujjain	2610	D/T-Ujjain Phno. 24 No.1931/1
844	Telecom Compound Birsinghpurpali	1861	Ward No 14 1 Kh No 327
845	Telecom Compound Chandia	4046	Chandia 09 Kh No 2457/1k
846	Telecom Compound Umaria	4046	Ward No 14 Rammanohar Lohia Kh No 1039/1
847	Telephone Exchange-Atarikheda, Tehsil Gyaraspur, Distt Vidisha	3713	Bhumi No.404, Village Atarikheda, Tehsil Gyaraspur
848	Telephone Exchange, Near Bus Stand-Ganjbasoda Tehsil Ganjbasoda, Distt Vidisha	5570	Bhumi No.275 Village Ganjbasoda, Tehsil Ganjbasod
849	Telephone Exchange, Sagar Road-Gyaraspur Tehsil Gyaraspur, Distt Vidisha	3713	Bhumi No. 267 Village Gyaraspur, Tehsil Gyaraspur
850	Telephone Exchange-Khamkheda Tehsil Vidisha, Distt Vidisha	3250	Survey No. 610, Village Khamkheda, Tehsil Vidisha
851	Telephone Exchange-Kurwai Tehsil Kurwai, Distt Vidisha	1856	Bhumi No. 513 Village Kurwai , Tehsil Kurwai
852	Telephone Exchange-Lateri Tehsil Lateri, Distt Vidisha	919	Bhumi No.1104, Village Lateri, Tehsil Lateri
853	Telephone Exchange-Mehlua Chouraha , Tehsil Kurwai, Distt Vidisha	4700	Bhumi Ni. 363/2 Village Mehlua Chauratehsil Kurwai
854	Telephone Exchange-Nateran , Tehsil Nateran, Distt Vidisha	928	Bhumi No. 803, Town Nateran, Tehsil Nateran
855	Telephone Exchange-Pipaldhar , Tehsil Nateran, Distt Vidisha	1392	Bhumi No.121/2, Village Pipladhar, Tehsil Nateran
856	Telephone Exchange-Shamshabad , Tehsil Nateran, Distt Vidisha	3713	Bhumi No.45, Village Shamsabad

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Address	Area of land (in sq. meter)	Location as per revenue records
857	Telephone Exchange-Sironj , Tehsil Sironj, Distt Vidisha	2230	Bhumi No.516/2, Town Sironj
858	Bsnl Stores,Opposite Saket School,Civil Lines, Tehsil Vidisha, Distt Vidisha.	6266	Survey .No. 2419, Town Vidisha, Tehsil Vidisha.
859	Telephone Exchange,Near Bus Stand Vidisha, Tdm Office , Tehsil Vidisha, Distt Vidisha	2783	Survey No.806, Town Vidisha
860	Near City Center Csc ,Vidisha, Tehsil Vidisha, Distt Vidisha	139	Survey No. 2371, Vidisha



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name
14	Punjab

As per information provided to us, mutation of land in the name of the Company is pending as under:

Total land	Mutation carried	Pending mutation
Particulars	No	No
Freehold	332	73
Leasehold	31	8
Record not available	4	0
TOTAL	367	81

Circle number	Circle name
16	Rajasthan

Serial Number	Number of cases	Particulars	Gross block as on 31-3-2016	Net block as on 31-3-2016
1	110	Freehold	41430000	41430000
2	81	Leasehold	112525000	88041000
Total			153955000	129471000

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name
17	Tamil Nadu

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 below:-

Business area	Total cases	Area (in sq. meters)
Circle Office	2	55,842.54
Coimbatore	58	3,04,170.74
Cuddalore	29	1,25,075.10
Dharmapuri	29	1,18,090.07
Erode	37	1,75,135.00
Karaikudi	11	86,179.42
Kumbakonam	19	69,291.39
Madurai	23	2,26,182.39
Nagarcoil	9	31,427.43
Nilgiris	11	56,166.67
Pondichery	10	30,486.62
Salem	43	2,20,347.12
Thanjore	28	1,26,744.20
Tirunelveli	16	1,07,695.99
Trichy	18	91,473.24
Tuticorin	6	1,30,027.92
Vellore	18	1,48,254.39
Virudhunagar	11	61,558.76
Total	378	21,64,148.99



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name
20	West Bengal

Business Area	Total	Title deeds received	Title Deeds not received
Kolkata	52	2	50
Circle Office	2	-	2
Kharagpur	27	-	27
Asansol	48	-	48
EZBC	-	-	-
Gangtok	14	-	14
Siliguri	75	-	75
Bankura	10	-	10
Total	228	2	226

Business	No of Leasehold Land	Area in Sq. Mt.	No of Freehold Land	Area in Sq. Mt.
Kolkata	11	27,736	39	510,861
Circle Office	-	-	2	28,932
Kharagpur	14	64,557	13	38,453
Asansol	2	2,793	46	168,928
Gangtok	14	37,160	-	-
Siliguri	5	35,667	70	220,171
Bankura	6	24,476	4	6,827

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name	Serial Number	Name of the property	Location	Area	Name of business area
22	Himachal Pradesh	1	Land and Building Of Tel.Xge Bharmour	Bharmour	891 (Sq. Mt.)	Dharamshala
		2	Land and Building Of Tel.Xge Chamba	Chamba City	409.98(Sq. Mt.)	Dharamshala
		3	Land and Building Of Tel.Xg Dalhousie	Dalhousie	215 (Sq. Mt.)	Dharamshala
		4	Land Of Mw Station Ashapuri	Ashapuri(Pcr)	619 (Sq. Mt.)	Dharamshala
		5	Land and Building Of Dto/Csc Dharamsala	Dharamshala	416.72 (Sq. Mt.)	Dharamshala
		6	Land and Building Of Te (Rsu) Dharamsala	Dharamshala	3521 (Sq. Mt.)	Dharamshala
		7	Land Of Mw Station Kangra	Kangra	923(Sq. Mt.)	Dharamshala
		8	Land and Building Of Tel. Xge Nagrota Bagwan	Nagrota Bagwan	1719 (Sq. Mt.)	Dharamshala
		9	Land and Building Of Dto/Csc Palampur	Palampur	1147 (Sq. Mt.)	Dharamshala
		10	Land and Building Of Tel.Xge Saliana	Saliana (Pcr)	2227 (Sq. Mt.)	Dharamshala
		11	Land and Building Of Bharwain Mw Station	Bharwain	1095(Sq. Mt.)	Dharamshala
		12	Land	BSNL Complex Bilaspur	2013 (Sq. Mt.)	Hamirpur
		13	Land	BSNL Complex Ghumarwin Bilaspur	1193 (Sq. Mt.)	Hamirpur
		14	Land	Swarghat bilaspur	995 (Sq. Mt.)	Hamirpur
		15	Land	Swarghat bilaspur	1848.33 (Sq. Mt.)	Hamirpur
		16	Land	M/W Complex Bhranj Hamirpur	892.4 (Sq. Mt.)	Hamirpur
		17	Land	T/E Building Complex HMR	660.8 (Sq. Mt.)	Hamirpur
		18	Land	Arinala Distt. Una	1000 (Sq. Mt.)	Hamirpur
		19	Land	BSNL COMPLEX Mehatpur Una	995 (Sq. Mt.)	Hamirpur



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Name of the property	Location	Area	Name of business area
20	Land	BSNL COMPLEX Una	888.48 (Sq. Mt.)	Hamirpur
21	Land and Building	Tel. Exchange complex Mandi	386 (Sq. Mt.)	Mandi
22	Land and Building	BSNL Colony at Tarna Hill Mandi	2725(Sq. Mt.)	Mandi
23	Land and Building	Tel. Exchange complex Gohar Vill. P.O. KHEYOD Distt. Mandi	580(Sq. Mt.)	Mandi
24	Land and Building	Tel. Exchange complex Banerdi P.O. Pehad Mandi	474.01(Sq. Mt.)	Mandi
25	Land Plot	Land Plot at Bhangrotu Mandi	200(Sq. Mt.)	Mandi
26	Land Plot	Land Plot at Bir	401(Sq. Mt.)	Mandi
27	Land Plot	Land Plot at Chandesh	57000(Sq. Mt.)	Mandi
28	Land Plot	Land Plot at Jwalaipur	210(Sq. Mt.)	Mandi
29	Land Plot	Land Plot at Kanda	600(Sq. Mt.)	Mandi
30	Land Plot	Land Plot at Majhwar	451(Sq. Mt.)	Mandi
31	Land Plot	Land Plot at Mahri	1000(Sq. Mt.)	Mandi
32	Land Plot	Land Plot at mairmasit	419(Sq. Mt.)	Mandi
33	Land Plot	Land Plot at Nagwain	1367(Sq. Mt.)	Mandi
34	Land Plot	Land Plot at Nihri	601(Sq. Mt.)	Mandi
35	Land Plot	Land Plot at Sainji	504(Sq. Mt.)	Mandi
36	Land Plot	Land Plot at Sardhwar	480(Sq. Mt.)	Mandi
37	Land Plot	Land Plot at Nainadevi	75(Sq. Mt.)	Mandi
38	TE Building at NILCHAR, KINNAUR	Te Building At Nichar, Kinnaur	450(Sq. Mt.)	Shimla
39	TE Building at POOH, KINNAUR	Te Building At Pooh, Kinnaur	963(Sq. Mt.)	Shimla

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Name of the property	Location	Area	Name of business area
40	TE Building at RECONG PEO, KINNAUR	Te Building At Recong Peo, Kinnaur	890(Sq. Mt.)	Shimla
41	TE Building at CHUNA GAI, KULLU	Te Building At Chuna Gai, Kullu	410(Sq. Mt.)	Shimla
42	TE Building at KAZA, L/SPITI	Te Building At Kaza, L/Spiti	2091(Sq. Mt.)	Shimla
43	TE Building at CHOPAL, SHIMLA	Te Building At Chopal, Shimla	450(Sq. Mt.)	Shimla
44	TE Building at CHOTTA SHIMLA, SHIMLA	Te Building At Chotta Shimla, Shimla	3365(Sq. Mt.)	Shimla
45	TE Building at New SHIMLA, SHIMLA	Te Building At New Shimla, Shimla	# see note given below	Shimla
46	TE Building at KHARA PATHAR, SHIMLA	Te Building At Khara Pathar, Shimla	1550(Sq. Mt.)	Shimla
47	TE Building at MAHASUPEAK, SHIMLA	TE Building at Mahasupeak, Shimla	1120	Shimla
48	TE at Mandhol, Shimla	TE Building at Mandhol, Shimla	2430(Sq. Mt.)	Shimla
49	TE Building at Mashobra, Shimla	TE Building at Mashobra, Shimla	1129(Sq. Mt.)	Shimla
50	TE Building at Rohroo, Shimla	TE Building at Rohroo, Shimla	3395(Sq. Mt.)	Shimla
51	TE Building at Sarahan Busher, Shimla	TE Building at Sarahan Busher, Shimla	547(Sq. Mt.)	Shimla
52	TE Building at CTO The Mall Shimla	TE Building at CTO The Mall Shimla	13017.4(Sq. Mt.)	Shimla
53	Staff Qtr. Type II & III at Main Block NV , Shimla	Staff Qtr. Type II & III at Main Block NV , Shimla		Shimla
54	Staff Qtr. Type III & V at Club Block N.V. , Shimla	Staff Qtr. Type III & V at Club Block N.V. , Shimla		Shimla



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Name of the property	Location	Area	Name of business area
55	Staff Qtr.Type I at Chandertal BLK NV , Shimla	Staff Qtr.Type I at Chandertal BLK NV , Shimla		Shimla
56	Staff Qtr. Type I at Rainuka BLK North View , Shimla	Staff Qtr. Type I at Rainuka BLK North View , Shimla		Shimla
57	Staff Qtr. Type I at TWN BLK North View , Shimla	Staff Qtr. Type I at TWN BLK North View , Shimla		Shimla
58	Staff Qtr. Type I & II at New Block NV , Shimla	Staff Qtr. Type I & II at New Block NV , Shimla		Shimla
59	Staff Qtr. Type I at Old Line Man BLK NV , Shimla	Staff Qtr. Type I at Old Line Man BLK NV , Shimla		Shimla
60	Staff Qtr. Type I at New Line Man BLK NV , Shimla	Staff Qtr. Type I at New Line Man BLK NV , Shimla		Shimla
61	Staff Qtr. Type I at Prasher Block NV , Shimla	Staff Qtr. Type I at Prasher Block NV , Shimla		Shimla
62	Staff Qtr. Type I at Khajiar Block NV , Shimla	Staff Qtr. Type I at Khajiar Block NV , Shimla		Shimla
63	Staff Qtr. Type I & II Bldg., Downdale, Shimla	Staff Qtr. Type I & II Bldg., Downdale, Shimla	2574.69(Sq. Mt.)	Shimla
64	Land	Jutog	132.26(Sq. Mt.)	Shimla
65	Land	Theog, Shalibazar	126(Sq. Mt.)	Shimla
66	Land	Theog, Rahighat	389.69(Sq. Mt.)	Shimla
67	T.E. Bldg.	Yangthan	142(Sq. Mt.)	Shimla
68	Tikker (Theog) Land	BTS tower	1346(Sq. Mt.)	Shimla
69	Building	Parwanoo	100(Sq. Mt.)	Solan

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Name of the property	Location	Area	Name of business area
70	Building	Parwanoo	252(Sq. Mt.)	Solan
71	Building	Dagshai	97.12(Sq. Mt.)	Solan
72	Building	Patta Mehlog	188(Sq. Mt.)	Solan
73	Building	Kasauli	649(Sq. Mt.)	Solan
74	Building	Kasauli	498(Sq. Mt.)	Solan
75	Building	Subathu	155(Sq. Mt.)	Solan
76	Building	Baddi	3000(Sq. Mt.)	Solan
77	Building	Manpura	753(Sq. Mt.)	Solan
78	Building	Solan .	1518(Sq. Mt.)	Solan
79	Building	Solan	420(Sq. Mt.)	Solan
80	Building	Solan	3109(Sq. Mt.)	Solan
81	Building	Solan	1167.55(Sq. Mt.)	Solan
82	Building	Chail	77(Sq. Mt.)	Solan
83	Building	Chail	776(Sq. Mt.)	Solan
84	Building	Arki	1350(Sq. Mt.)	Solan
85	Building	Sarahan	1699(Sq. Mt.)	Solan
86	Building	Nahan	799(Sq. Mt.)	Solan
87	Building	Nahan	1500(Sq. Mt.)	Solan
88	Land	Shillai	602(Sq. Mt.)	Solan
89	Building	Kala-Amb	1293(Sq. Mt.)	Solan
90	Building	Jamta	376(Sq. Mt.)	Solan
91	Building	Sangarh	376(Sq. Mt.)	Solan



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Name of the property	Location	Area	Name of business area
92	Building	Dadahu	489(Sq. Mt.)	Solan
93	Building	Birla	1506(Sq. Mt.)	Solan
94	Land	Parwanoo	3124(Sq. Mt.)	Solan
95	Land	Baghery	753(Sq. Mt.)	Solan
96	Land	Dabbota	814(Sq. Mt.)	Solan
97	Land	Arki	187.5(Sq. Mt.)	Solan
98	Land	Raigarh	303(Sq. Mt.)	Solan

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name
27	NTP

The Company is not having clear title for the following properties :

S.no.	Address	Amount	Nature of land
1	Jalandhar	1,11,000/-	Freehold
2	Jalandhar	27,770/-	Freehold
3	Jalandhar	53,800/-	Freehold
4	Allahabad	1/-	Freehold
5	Gajraula, Agra	2,63,623/-	Leasehold

Circle number	Circle name
29	STP

Location of the Land	Area
BSNL Towers, 25, R.A. Puram, Chennai-28	5 grounds
No 61, Kunjathbail, Mangalore	39 cents
Payyanur Village, Kerala	50 cents
Nellikode	0.87 acres



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name
33	STR

List of lands for which mutation is under process :

Serial Number	Revenue district	Location of the property as per revenue records	Total area of land in sq. meters
1	Adilabad	S. No 27/2 28/2 30/2 55/2 56/2	7000
2	Adilabad	Forest land under acquisition	8500
3	Chennai	TS No. 2 Block-3 of Mullam Village and New S.N. 8/9	6362
4	Chennai	S.F.NO 32/17 18 19 & 32/14 15	1604
5	Chittoor	S NO 611/3	2403
6	Chittoor	S no 51/1	4006
7	CTD- Chennai	Army Land	1
8	CTD- Chennai	S.F. NO 216 & 222/2	98136
9	Cuddapah	S NO 348	1485
10	DharwarNargundNargund OFC SQ	S RNO 313 B	471
11	Dindigul	S.NO. 139/B1 Kodaikanal Village Kodaikanal Taluk	1500
12	Dindigul	SF NO 461/10, 461/11 Kodaikanal village	800
13	Ernakulam	S11/1-A1 A/2/3/ A/1	6475
14	Ernakulam	NIL	2600
15	Ernakulam	47/22-1&47/22-2	1601
16	Ernakulam	2205/4 587/10 11	9050
17	Ernakulam	124/6A1 6B2	8903
18	Gulbarga	CSN 3208/1	1816

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Revenue district	Location of the property as per revenue records	Total area of land in sq. meters
19	Guntur	TS NO 249 and 300	4271
20	Hassan	S NO 40/3	2723
21	Hyderabad	S NO 403 of Sheikpet and 102 of Hakeempet	8060
22	Idukki	S.NO 161/1	1336
23	Kanchipuram	Chunampedu Village R S NO 284/38	121
24	Kanchipuram	Kanthadu Village R S NO 239/4	81
25	Kanchipuram	66/2A1	81
26	Kanchipuram	R S NO 99/2	2500
27	Kanchipuram	Nethapakkam Village R S NO 184/10	81
28	Kanchipuram	Periyakalakadi Village R S NO 37/7	81
29	Kanchipuram	Pooriyambakkam Village R S NO121/1C	122
30	Kanchipuram	Pudupattu Village R S NO 37/2B	122
31	Kanchipuram	Puthirankottai Village R S NO 205/2	81
32	Karimnagar	S NO 789/C1 C2 D1	1518
33	Khammam	SY NO 448	5261
34	Kottayam	S NO. 47/22 Chemu, Vaikom	101
35	Krishna	0/0 No recrd	1987
36	Madurai	S.NO. 5/3 B3 B2 PC 3D2DPT 3B2 BA BPT 3 BZ CPT PONMENI	1496
37	Mahaboobnagar	5 NO 80 81	4046
38	Medak	S NO 180/2	1619
39	Mysore	0/0	1858
40	Nagapatinam	T/S NO 57	2776



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Revenue district	Location of the property as per revenue records	Total area of land in sq. meters
41	Nagercoil	S.F. NO 41/1 Thovalai Village-Thovalai Taluk	81
42	Nalgonda	S No 216	1662
43	Nellore	S. No. 456 2E	3805
44	Nizamabad	S NO 749	3339
45	Nizamabad	Sirmapally	1293
46	Nizamabad	S NO 249/1	1517
47	Palakkad	NO 2415/2 Yakkara Village	1619
48	Prakasham	Ongole	842
49	Ramnathapuram	S NO 301/3A Raja Sooryamadai Village	3035
50	Salem	SF NO 348	2308
51	Secunderabad	S NO 255	18205
52	Sivaganga	S NO. 8/11B 8/12A 8/13 8/14 8/15 8/16 8/17B Karalkudi	2873
53	Thanjavur	S.F. NO 9B/2A	2428
54	Tirunelveli	S.F. NO 1206	81
55	Tirunelveli	S.F. NO 1190/2	81
56	Tirunelveli	S.F. NO 274/1 TENKASI VLG TENKASI TK	2915
57	Tirunelveli	S NO 390/B1B RAJAKKALMANGALAM VLG	2550
58	Trichy	S.F. NO 653 and 700	98
59	Trivandrum	Palkulangara	1102
60	Tuticorin	Plot No 3461/1 3462/P VWARD NO 18 TUTICORIN	2996
61	UT of Lakshadwe	1301/1B 1302/2B	2020
62	UT of Lakshadwe	891/5AS 6A2	4900

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Serial Number	Revenue district	Location of the property as per revenue records	Total area of land in sq. meters
63	Vellore	SF NO 344	3642
64	Vellore	SF NO 169/3	18576
65	Vellore	SF NO 244/1	53
66	Villupuram	Alapakkam village RS No 28/7	81
67	Villupuram	RS NO 164/2	2500
68	Villupuram	TS NO 33/2 Tindivanam TK	2266
69	Villupuram	RS NO 15/1	2672
70	Virudhunagar	TS NO 46 A/2RS NO 207	1614
71	Virudhunagar	S.No 345 Metupatti Village Sattur Taluk	81
72	Virudhunagar	485/1 Chatrareddiappatti	81
73	Virudhunagar	SF NO 31/1 Chinnamuppanpatti	3068
74	Visakhapatnam	BHIMILI	2500
75	Visakhapatnam	RS NO 293/1 Poodi Village	2549
76	Visakhapatnam	S No 23 Plot 1 to 4 and 14 to 18 Sector 12 China	1995
77	Vizianagaram	Patta No. 683 5 NO 287 GBV	5544
78	Vizianagaram	DRO VZM	405
79	West Godavari	Eluru RS 154	2912



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle number	Circle name
52	Uttaranchal

i) In the following cases, value mentioned in fixed assets register is not reconciled with value mentioned in the land documents :

Serial Number	Name of SSA	Number of cases	Gross/Net Block as on 31 March 2016	Value mentioned in the documents
1	Almora	2	9,323,000	7,530,250
2	Dehradun	4	15,736,041	14,637,282
3	Haridwar	3	7,529,040	5,052,691
4	Haldwani	2	6,683,644	6,512,250
5	Srinagar	2	1,043,400	254,120
Total			40,315,125	33,986,593

ii) In the following cases, date mentioned in the land documents is not reconciled with dates mentioned in fixed assets register:

Serial Number	Name of SSA	Number of cases	Gross/Net Block as on 31 March 2016
1	Almora	6	27,963,000
2	Dehradun	9	24,783,707
3	Haridwar	6	25,411,193
4	Haldwani	5	8,460,971
5	Srinagar	3	1,167,150
6	New Tehri	2	186,300
Total			87,972,321

iii) In following cases, date is not available or not visible in the land documents and hence not reconciled with date mentioned in fixed assets register:

Serial Number	Name of SSA	Number of cases	Gross/Net Block as on 31 March 2016
1	Dehradun	2	10,087,327
2	Srinagar	5	11,114,525
Total			21,201,852

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

iv) In the following cases, value of lands are not available in the land documents and hence not reconciled with value mentioned in fixed assets register:

Serial Number	Name of SSA	Number of cases	Gross/Net Block as on 31 March 2016
1	Almora	4	18,640,000
2	Dehradun	4	12,664,478
3	Haridwar	1	14,261,352
4	Haldwani	2	746,199
5	Srinagar	5	11,114,525
6	New Tehri	2	186,300
	Total		57,612,854

v) In following cases, land documents are not available with Circle hence we are unable to comment on title of these lands :

Serial Number	Name of SSA	Number of cases	Gross Block as on 31 March 2016	Net Block as on 31 March 2016
1	Almora	8	1,642,917	1,642,917
2	Dehradun	8	59,650,600	59,650,600
3	Haridwar	5	6,050,756	5,936,570
4	Haldwani	11	28,217,562	27,182,739
5	Srinagar	6	1,793,125	1,793,125
6	New Tehri	4	3,232,679	3,198,239
	Total		100,587,639	99,404,190



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

APPENDIX-B

Circle name	Write off with respect to									
	Inventory	Debtors	Service Tax	Losses	Unrecorded Services	Vendor				
						Earnest Money Deposit	Security Deposit	Time barred cheques	Advance recoverable	Telephone Bills
Assam	1,091,645	156,304,606	-	-	-	-	-	-	-	-
Kolkata Phones	-	153,434,811	28,674,705	-	-	-	-	-	-	-
Chennai Phones	-	113,587,533	-	-	-	-	-	-	-	-
Andhra Pradesh	-	1,090,630,000	-	-	-	-	-	-	-	-
Bihar	-	443,948,182	-	-	-	-	-	-	-	-
Gujarat	-	124,367,014	-	-	-	-	-	-	-	-
Kerala	-	71,523,504	-	-	-	-	-	-	-	-
Maharashtra	-	-	-	-	-	-	-	-	-	70,033,554
Punjab	-	145,121,000	-	-	-	-	-	-	-	-
Orissa	-	87,444,408	-	-	-	-	-	-	-	-
Rajasthan	-	Not ascertained	-	-	-	-	-	-	-	-
Tamil Nadu	-	66,786,000	4,111,000	-	-	-	-	-	-	-
Uttar Pradesh (UP) (East)	-	681,600,000	-	-	-	-	-	-	-	-
Uttar Pradesh	-	177,653,741	-	74,614,932	152,831	-	-	-	-	-
West Bengal	-	139,961,388	-	-	-	-	-	-	-	-
Haryana	-	31,569,000	-	-	-	-	-	-	-	-
Himachal Pradesh	-	15,396,553	-	-	-	-	-	-	-	-
Western Telecom Projects (WTP)	-	-	-	-	-	-	-	-	-	-
Southern Telecom Projects (STP)	-	-	-	-	-	-	-	-	52,750	-

Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016 (contd.)

Circle name	Write off with respect to										
	Inventory	Debtors	Service Tax	Losses	Unrecorded Services	Vendor					
						Earnest Money Deposit	Security Deposit	Time barred cheques	Advance recoverable	Telephone Bills	
Andaman and Nicobar (A & N)	-	-	-	-	-	-	-	-	-	39,962,165	
North East II (NE-II) 1,315,759,984	-	-	-	-	-	-	-	-	-	-	
Chattisgarh	-	42,283,061	-	-	-	-	-	-	-	-	
Jharkhand	-	317,737,000	-	-	-	-	-	-	-	-	
Uttaranchal	54,197,926	-	-	-	-	-	-	-	-	37,291,578	
Total	1,371,049,555	3,859,347,801	32,785,705	74,614,932	152,831	169,921,348	15,384,505	20,688,370	3,492	52,750	147,287,297



Annexure III to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Annexure III

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 the financial statements of the Bharat Sanchar Nigam Limited(the 'Company') comprising of 47 circles as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of 1 circle and IFCoFR of the remaining 46 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 (the '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 the company's 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 IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 judgement, including the assessment of the risks of material misstatement of the 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 to in the Other Matters paragraph below,

Annexure III to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

is 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 financial statements for external purposes in accordance with generally accepted accounting principles. 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 given to us and based on the consideration of the reports of the circle auditors, the following material weaknesses have been identified as at 31 March 2016:

Revenue

- i. As reported by auditors of 5 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 therefrom needs to be strengthened as presently the circles have treated all payments received during the year as income. The accounting treatment is not in line with the accounting standards issued by ICAI which could potentially result in the Company materially misstating the revenue.
- ii. As reported by auditor of 1 circle, there is inadequate control over booking of revenue and billing. System of monthly reconciliation of revenue as per monthly sub



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ledger generated through the 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 1 circle, 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 auditor of 1 circle, the circle did not have an appropriate internal control for accounting of income and debtors for Ku-band division. Billing is done manually and information exchanged from other divisions of the circle does not take place in a timely manner. All these could potentially result in the Company materially misstating its revenue and trade receivables.
- v. As reported by auditor of 1 circle, 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.

Employee benefits

- vi. As reported by auditor of 1 circle, 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.
- vii. As reported by auditors of 2 circles, the circle 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 from 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.

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Cash and bank

- viii. As reported by auditor of 1 circle, the circle does not have an appropriate internal control system over cash accepted at cash counters and customer service centres from the customer with regard to non/short recording or delay in recording of receipt by the cashier, which could potentially result in misappropriation of assets of the Company.
- ix. As reported by auditors of 3 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.

Fixed assets

- x. As reported by auditors of 7 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.
- xi. As reported by auditors of 9 circles, the internal control system in respect of capitalisation of capital work-in-progress which, inter alia, includes balances pending for long-periods of time with regard to status, value and non-availability of commissioning certificates could potentially result in the Company materially misstating its capital work-in-progress, fixed assets and depreciation in its books.
- xii. As reported by auditors of 2 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.
- xiii. As reported by auditors of 2 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 potentially result in the Company materially misstating the fixed assets.
- xiv. As reported by auditor of 1 circle, in the absence of a policy for identification of 'Insurance Spares' (spares specific for fixed 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.
- xv. As reported by auditor of 1 circle, there is no process to match the manual land records/deeds with the land capitalised in the financial records which could potentially result in the Company materially misstating the fixed assets in the financial statements of the Company.



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- xvi. As reported by auditors of 4 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 the Company.
- xvii. As reported by auditor of 1 circle, 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.
- xviii. As reported by auditor of 1 circle, 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.
- xix. As reported by auditor of 1 circle, 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 fixed assets and inventory.

Inventory

- xx. As reported by auditors of 5 circles, the internal control system of the circles is required 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 in the financial statements.
- xi. As reported by auditors of 6 circles, in the absence of perpetual inventory count system at the circle, 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 its inventory.
- xxii. As reported by auditors of 3 circles, the process of accounting for receipt and issue of inventory relating to the National Optical Fibre Network ('NOFN') project needs to be strengthened. This could potentially result in the Company materially misstating the inventory in the books.
- xxiii. As reported by auditor of 1 circle, receipt of materials may not be recorded promptly and in the appropriate period which would potentially result in the material misstatement of the inventory in the financial statements of the Company.
- xxiv. As reported by auditor of 1 circle, 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 the Company materially misstating the inventory and fixed assets.

Annexure III to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

Statutory dues

- xxv. As reported by auditors of 5 circles, the circle needs to improve on the internal control system for reconciliation, timely payment and correct deduction of service tax and other statutory dues recoverable/payable. This could potentially result in material misstatement of the statutory dues.

Enterprise Resource Planning ('ERP')

- xxvi. 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 the material misstatement of various captions of the financial statements.
- xxvii. As reported by auditor of 1 circle, internal controls over integration between SAP and CDR software should be strengthened as this could potentially result in the Company materially misstating revenue and trade receivables.

Current assets and liabilities

- xxviii. As reported by auditors of 6 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 the Company materially misstating the debtors and creditors in the financial statements.
- xxix. As reported by auditors of 1 circle, the Company does not have adequate controls 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 the Company materially misstating the current liabilities.
- xxx. As reported by auditor of 1 circle, controls over process of reconciling unidentified vendors with various clearing accounts needs to be strengthened and control should be established to record expenses only through vendor accounts. This could potentially result in material misstatement of current liabilities in the financial statements.
- xxxi. As reported by auditor of 2 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.
- xxxii. As reported by auditor of 1 circle, the Company needs to strengthen the process of



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obtaining balance conformations / 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

xxxiii. As reported by auditors of 2 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/duplicate 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

xxxiv. As reported by auditors of 3 circles, the Company did not have appropriate internal controls for reconciliations and confirmations of earnest money deposit, security deposit, sundry creditors and other deposits which could potentially result in the Company materially misstating current assets and current liabilities.

xxxv. As reported by auditors of 5 circles, the Company did not have appropriate internal controls for reconciliation 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

xxxvi. As reported by auditor of 1 circle, the circle did not have an appropriate internal control system for timely reconciliation of the 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.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in IFCoFR, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a 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 over financial reporting and such internal financial controls over financial reporting were operating

Annexure III to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on the financial statements for the year ended 31 March 2016

effectively as at 31 March 2016, 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 issued by the ICAI.

11. The circle auditors have considered the material weaknesses identified and reported above in determining nature, timing and extent of audit tests applied in the audit of the financial statements of the respective circles of the Company as at and for the year ended 31 March 2016, and these weakness have affected the opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

Disclaimer

12. As reported by 9 circle auditors, the system of internal financial controls over financial reporting were not made available to them to enable them to determine if the circles have established adequate internal financial control over financial reporting and whether such internal financial controls over financial reporting were operating effectively as at 31 March 2016. The respective circle auditors have considered the disclaimer reported above in determining the nature, timing and extent of the audit tests applied in their audit of the financial statement of the respective circles as at and for the year ended 31 March 2016, and the disclaimer did not affect their opinion on the financial statements of the circles.

Other Matters

13. We did not audit the financial statements of 46 circles whose financial statements reflect total assets (including intra/inter circle remittances) of Rs. 6,602,248 lacs as at 31 March 2016; total revenues of Rs. 2,926,811 lacs and net cash outflows amounting to Rs. 34,177 lacs for the year then ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the financial statements in so far as it relates to the amounts and disclosures included in respect of these 46 circles is based solely on the reports of the other auditors.

for **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Sd/-
per **Anamitra Das**
Partner
Membership No.: 062191

Place : New Delhi
Date : 9 September 2016



Addendum to Director's Report:

The Management replies to Independent Auditor's Report for the year 2015-16 are given below:

Audit Para	Management Reply	
<i>Assets and liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT</i>		
8.	As detailed in note 28 and 31.1 to the 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. Further, subsequent adjustments made on account of identification and recognition of net assets is adjusted to capital reserve. These are subject to reconciliations and confirmation from DoT as regards to value and classification. The consequential impact on the financial statements, if any, as a result of the same is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	
9.	As detailed in note 32 to the financial statements, amounts due from and to DoT included in current assets and current liabilities aggregating to Rs.293,051 lacs (previous year Rs. 668,364 lacs) and Rs.26,480 lacs (previous year Rs.50,865 lacs) respectively are subject to confirmations and reconciliation. Consequently, the impact of the adjustments, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	
<i>Fixed Assets</i>		
10.	As reported by auditors of 17 circles, Capital work-in-progress, inter alia, includes balances pending capitalisation 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, fixed assets, depreciation and amortisation and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the	Out of Total CWIP amounting Rs. 3102.45 crore, CWIP pending for capitalization for more than 2 years is Rs. 1579.58 crore. It 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.

	previous year ended 31 March 2015 was also qualified in respect of this matter.	A Provision of Rs. 34.17 crore already exists for impairments in CWIP. The Circles are being instructed to capitalize the works as and when completed and put to use and depreciation provided from that date.
11.	As reported by auditors of 10 circles, in the absence of information in respect of certain items of fixed assets capitalised, particularly batteries, it could not be established whether assets capitalised 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 amortisation, expenses and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	The concerned circles are being instructed to account for such types of transactions strictly as per accounting circulars/instructions issued in this regard.
12.	As reported by auditors of 11 circles, 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 fixed assets, depreciation and amortisation and loss for the year, if any, is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	Most of the land transferred to the Company was acquired by DOT prior to 01/10/2000 and title deed / documents of the same are not readily available. However, mutation of such land in the name of BSNL is under process. All leasehold/ freehold land which are known/ identified have been accounted for.
13.	As detailed in note 31.2 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 fixed assets, depreciation and amortisation and loss for the year, if any, is presently not ascertainable. Our	The concerned circles are being instructed to expedite the process of getting the lease of lands renewed.



	audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	
14.	As stated in note 13(a) and 31.3 to the financial statements, fixed assets, inter alia, includes land pertaining to 38 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	The company is in the process of executing the title deeds of the lands purchased / acquired, wherever required.
15.	The accounting policy of the Company as stated in note 2.6 to the financial statements with respect to the decommissioned assets has not been uniformly applied across all circles. In 13 circles, the decommissioned assets are not recorded at lower of the cost or net realisable value. While, in 7 circles, the decommissioned assets have not been appropriately adjusted from the block of fixed assets and depreciation and amortisation 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 fixed assets, current assets, depreciation and amortisation and loss for the year, if any, arising out of the same. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	The net decommissioned assets as on 31/03/2016 is Rs. 955.01 crores against which a provision of Rs. 765.82 crores already exists. The circles are being instructed to strictly adhere to the accounting instructions issued on the subject matter.
16.	(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/proportionate/payment basis;	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. As explained in note no. 31.6, 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. In case, the costs are not directly attributable for e.g. administration and other associated costs where an asset is

	<p>(ii) As reported by auditors of certain circles, the Company capitalises 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 fixed assets are not uniformly applied in case of 25 circles.</p> <p>The resultant impact of the above non compliances with the standards on the value of fixed assets, capital work-in-progress, depreciation and amortization and loss for the year, if any, are presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>used for different projects or an employee is devoting his time to various jobs simultaneously during the month then such expenditure is divided among the different projects on the basis of ratio of actual use/actual time spent over different projects or if it is not practically possible to find such division then on an appropriate empirical ratio and accordingly decision regarding charging of the same towards CWIP or revenue heads is taken.</p> <p>The concerned circles are being instructed to capitalize the works as and when completed and put to use as per the instructions already issued in this regard.</p> <p>Depreciation is charged on monthly basis under ERP. Since all BSNL Circles has gone live during current financial year, depreciation issued on fixed assets are likely to be addressed during current year.</p> <p>However, the concerned circles are being instructed to strictly adhere on the accounting policies and instructions issued in this regard.</p>
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Current Assets and Current Liabilities

17.	<p>The Company does not follow a system of obtaining confirmation and performing reconciliation of balances in respect of trade receivables, deposits with government departments/companies (inter alia, including Mahanagar Telecom Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/payable to DoT (including license fees payable as detailed in note 41(a)(i) of the financial statements) or to/ from other government departments/ authorities, subscriber/customer deposit accounts, trade payable and claims payable. Due to non-availability of confirmations and reconciliations of the aforementioned account balances, we are unable to quantify the</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>
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	<p>impact of the adjustments, if any, arising from reconciliation and settlement of account balances on the financial statements. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	
18.	<p>As reported by auditors of certain circles, there are unquantifiable differences between the general ledger /trial balance and accounting records pertaining to loans and advances, current assets and current liabilities. The impact on the financial statements, if any, owing to the aforementioned non-reconciliations is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</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>
19.	<p>As reported by auditor of 9 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>Circles are being instructed to take appropriate action immediately.</p>
20.	<p>As reported by auditors of 18 circles, in absence of adequate information, details and records of old, non-moving, damaged and unserviceable inventories could not be identified. Further, as reported by auditors of 3 circles, old, non-moving, damaged and unserviceable inventories identified are shown at historical cost. This is not in accordance with the Accounting Standard 2 on Valuation of Inventories and adjustment, if any, amount of lower of net realizable value and the cost is currently not ascertainable. The adjustment, if any, on inventories, consumption and loss for the year is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>The Management has initiated detailed programme regarding verification and optimal utilization of inventory under the name "Operation Samudra Manthan". Circles have already been instructed to identify the slow moving /non-moving /damaged/ unserviceable inventory and make provision, if required this Office Circular No. 333 dated 10/03/2015. Ageing of the slow moving/non moving inventory has also defined.</p>
21.	<p>As reported by auditors of 3 circles, there have been non-adherence to the Company's policy of valuation of inventory on weighted average method as stated in note 2.8 to the financial statements. The impact of the adjustment, if any, on inventory, consumption and loss for the year is</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. However, Circles are being instructed to take appropriate action immediately.</p>

	presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	Perhaps Branch Auditors of concerned circles were not explained properly regarding above aspect.
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Inter/ Intra Circle Remittance Account

22.	As detailed in note 33 to the financial statements, the Inter-Circle/Unit remittance balances amounting to Rs. 57,529 lacs (previous year Rs. 57,312 lacs) 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	The reconciliation of remittance items and accounting the same under final head are continuously being done by the circles which resulted in constancy in the remittance items. Circles are being further instructed to settle the pending remittance items immediately and to minimise it in current year.
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License Fee, Spectrum Charges, Inter Connect Usage Charges

23.	As detailed in note 29.3 to the financial statements, the Company has understated the license fees payable to DoT to the extent of Rs 12,641 lacs pertaining to the interest income on income-tax refund received during the year 31 March 2016 in the statement of profit and loss. Had the aforesaid expenditure been accounted for, the license fees, current liabilities and loss for the year would have been higher by the said amount.	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. The matter regarding exemption from payment of license fee on interest on income tax refund has been taken up with DOT.
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Revenue

24.	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 financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	The concerned circles are being instructed to take necessary action in the matter.
25.	The revenue and expenditure for the current year, inter alia, includes amounts pertaining to prior period(s) as reported by auditors of 6 circles and 4 circles respectively. This has not been separately disclosed in the financial statements in a manner	Noted. The circles are being instructed to strictly adhere to the accounting instructions issued in this regard.



	<p>that their impact on the current year's loss can be perceived, which is not in accordance with the Accounting Standard – 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies. The consequential impact of adjustments, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	
26.	<p>As stated in note 2.3-(e), (f) and (i) 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 financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>Noted. Adequate disclosures are already given in the books of accounts of BSNL as required by AS-1 and AS-9 issued by ICAI.</p>
<p>Provisions and contingent liabilities</p>		
27.	<p>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 11 circles, sufficient and appropriate audit evidence for examining and verifying the quantum of contingent liabilities disclosed in note 41(a) to the 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/disclosures, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>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.</p>

28.	<p>As reported by 7 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.</p>	<p>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; hence no provision has been made.</p>
Miscellaneous		
29.	<p>The Company has not complied in respect of the following Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended):</p> <ul style="list-style-type: none"> i. As reported by auditor of 8 circles, the expenses, incomes, assets and liabilities are not properly disclosed under the reportable segment as per the Accounting Standard 17 on Segment Reporting. 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 accounting standard. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter. ii. As stated in note 15 to the financial statement, the Company as at 31 March 2016 has deferred tax assets (net) amounting to Rs. 113,645 lacs (previous year Rs. 84,706 lacs). Since the Company has a recent history of losses and owing to lack of virtual certainty and convincing evidence that sufficient future taxable income will be available against such deferred tax asset and as stipulated by Accounting Standard-22, Accounting for taxes on income, the amount of such deferred tax asset should be written off. Consequent to the above, loss for the year in the statement of profit and loss is under-stated by Rs. 113,645 lacs and the balance of deferred tax asset included under Non-Current Assets, has been overstated by the corresponding amount. Our audit report on the financial statements 	<p>Under ERP, Profit Centre/ cost Centre are implemented and it will help in depicting proper segment wise revenue /expenses during current year. The concerned circles are being instructed to take necessary action in this regard.</p> <p>As disclosed in the note no. 15(d), the company has not recognized any deferred tax assets following the notified accounting standard 'accounting for taxes on income', only reversal relating to deferred tax assets and deferred tax liabilities created during the earlier years have been made. Since the reversal of deferred tax liabilities are more than the newly identified deferred tax liabilities, it has resulted into increase in net deferred tax assets.</p>



	<p>for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p> <p>iii. The Company has not carried out any techno-economic assessment during the year ended 31 March 2016 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Accounting Standard 28 on Impairment of Assets. The consequential impact of adjustment, if any, on the financial statements is currently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p> <p>iv. The accounting for capital and revenue grant in accordance with the notified Accounting Standard 12 on Accounting for grants is not followed consistently as reported by auditors of 2 circles. In the absence of specific details, the consequential impact of adjustment, if any, on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p> <p>v. The accounting policy as referred to in note 2.10(b) to the financial 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 Accounting Standard – 15 on Employee Benefits. The consequential impact of adjustment, if any, owing to this non –compliance on the financial statements is presently not ascertainable. Our audit report on the financial statements for the previous year</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. The assets are impaired as and when the necessity arises. This process is continuously followed throughout the year in each circle of BSNL.</p> <p>The concerned 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/Admin.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>
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	<p>ended 31 March 2015 was also qualified in respect of this matter.</p> <p>vi. As reported by 2 circles, contract revenue and contract costs pertaining to construction contracts have not been accounted for in accordance with the notified Accounting Standard 7, Construction Contracts. In the absence of specific details, the consequential impact of adjustment, if any, on the financial statements is presently not ascertainable.</p> <p>vii. As reported by 7 circles, certain provisions including disclosure requirements as per Accounting Standard 19, Leases, has not been complied with. In the absence of specific details, the consequential impact of adjustments, if any, on the financial statements is presently not ascertainable.</p>	<p>Noted. The Circles are being instructed to strictly adhere to the accounting instructions issued in this regard.</p> <p>Noted. The Circles are being instructed to strictly adhere to the disclosure requirements in this regard.</p>
30.	<p>As stated in the note 2.12 of the financial statements, only individual transactions of income/expenditure exceeding Rs. 5 lacs, are considered for evaluation as prior-period items. In our opinion, the said accounting policy is not in accordance with the generally accepted accounting principles in India and the same should be evaluated on aggregation of all prior period transactions of similar nature irrespective of individual transaction values, for possible adjustment/disclosure in the financial statements. The consequential impact of the adjustment, if any, on the income, expense and loss for the year is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>Noted. Adequate disclosures are already given in the books of accounts of BSNL as required by AS-1 and AS-9 issued by ICAI. 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>
31.	<p>As reported by 15 circles and detailed in note 10(a) to the 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 is presently not ascertainable. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.</p>	<p>Noted. The concerned circles are being instructed to take necessary action.</p>



32.	The disclosure requirements of the Schedule III of the Act has not been properly adhered to in the presentation and disclosure of financial statements of the Company in respect of classification of assets/liabilities into current and non-current and secured and unsecured, wherever applicable; categorisation of assets/liabilities into appropriate accounting captions; changes in inventory; non-disclosure of consumption of stores and spares; consumption of imported and indigenous stores and spares parts; capital and other commitments and expenditure and earnings in foreign currency. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	The circles are being instructed to strictly adhere to the accounting instructions issued on the subject matter.
33.	As reported by auditors of 22 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 financial statements. Our audit report on the financial statements for the previous year ended 31 March 2015 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.
34.	As detailed in notes (a) and (b) of the Cash Flow Statement, certain assumptions 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 adjustments/disclosures in the Cash Flow Statement. Our audit report on the financial statements for the previous year ended 31 March 2015 was also qualified in respect of this matter.	Noted.
Emphasis of Matter		
37.	We draw attention to note 14(a) to the financial statements of the Company regarding investments in ITI Limited aggregating to Rs. 20,000 lacs as at 31 March 2016. The management, based on the factors mentioned in the said note, believes that the diminution in the value of investments is	Due to substantive evidence on the soundness of investment and recovery of the amount, the management does not feel there are adequate reasons to decrease the value of investment in preference shares of M/s ITI Ltd.

temporary in nature and hence no provision in respect of aforementioned amount has been made in the accompanying financial statements. Our opinion is not qualified in respect of this matter.	
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For and on behalf of the Board of Directors

Date: 08.09.2016

Sd/-
(Anupam Shrivastava)
Chairman & Managing Director
BHARAT SANCHAR NIGAM LIMITED



कार्यालय

महानिदेशक लेखापरीक्षा, डाक व दूरसंचार
शाम नाथ मार्ग, (समीप पुराना सचिवालय) दिल्ली-110054

OFFICE OF THE

Director General of Audit, Post & Telecommunications

Sham Nath Marg, (Near Old Secretariat), Delhi-110054

क्रमांक.....

No. Rep-PSU A/cs/F-127/BSNL/2015-16/Vol.III/438

To

**The Chairman and Managing Director,
Bharat Sanchar Nigam Limited,
Delhi.**

**Subject: Comments of the Comptroller & Auditor General fo India under Section 143(6)(b) o f
the Companies Act 2013 on the accounts of BSNL for the year 31st Marc2016**

Sir,

I am to forward herewith the comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act 2013 on the annual accounts of BSNL for the year ended 31st March 2016 for information and further necessary action.

Kindly acknowledge receipt.

Yours faithfully,

Sd/-
(Parag Prakash)
Director General of Audit (P & T)

Encl(s): As above.

Telephone:
23814747/4623/8625/4533

E-mail:
dgapt@cag.gov.in

Fax:
91-011-23813822

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, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2016

The preparation of financial statements of Bharat Sanchar Nigam Limited, New Delhi for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act 2013 is the responsibility of the management of the Company. The statutory auditor/Branch 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 September 09, 2016 except paragraph 40 which is as of 22 September 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of Bharat Sanchar Nigam Limited, New Delhi for the year ended 31st March 2016. 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, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and related audit report:

I. STATEMENT OF PROFIT AND LOSS

A. Revenue

i. Revenue from Operations (Note 22) Rs. 28,44,942 lakh- Other operating income – Rs. 2,04,440 lakh - Subsidies from Universal Service Obligation Fund, DoT (note (a)(i))

1. The above amount includes Rs. 1,25,000 lakh booked as accrued revenue on account of USOF Subsidy support to BSNL for Rural Wire line Connections installed prior to 1-4-2002. The Sanction Memo for the said amount was not received by the company in the year 2015-16. Accounting of the amount pending receipt of sanction from the competent authority has resulted in overstatement of revenue, understatement of loss for the year and overstatement of current assets by Rs.1,25,000 lakh.
2. The above amount also includes Rs. 28,616 lakh booked as revenue on account of Centage from BBNL for National Optical Fibre Network project. The Company had received Rs.2,08,742 lakh as advance from M/s Bharat Broadband Network Limited (BBNL) (the



implementing agency of the project). BBNL had stated that Centage amount worked out to be Rs.16,849 lakh for which final bill/invoice was not issued by BSNL. Unilateral action of BSNL in accounting Centage of Rs.28,616 lakh as against Rs.16,849 lakh confirmed by BBNL resulted in overstatement of other income, understatement of loss for the year and understatement of liabilities by Rs. 11,767 lakh.

- ii. **Interest income on Income Tax Refund – Rs.1,58,015 lakh**
- 3. The above amount includes Rs. 15,015 lakh accounted as income on the basis of Income-tax Department's refund orders dated 28.04.2016 and 29.04.2016. However, Income Tax Department vide order dated 02.06.2016 communicated to BSNL that the said amount was wrongly refunded to BSNL. Accordingly, the accounting of refund should have been reversed. Instead BSNL disclosed the same as contingent liability (note 41.a.iii). Since accounting as income was not in order as per Income Tax Department's order of June 2016, non-reversing of the amount wrongly refunded resulted in overstatement of other income, understatement of loss for the year and overstatement of debtors by Rs.15,015 lakh.

B. Expenses

- i. **Employee Benefit Expenses (Noe No.24) – Pension Contribution – Rs.15,38,649 lakh**
- 4. The above head is understated by Rs.64,399 lakh due to charging of pension contribution of absorbed employees on the basis of actually drawn pay instead of on maximum pay. This has also resulted in understatement of provision as well as accumulated losses by Rs.64,399 lakh.
- ii. **Summary of significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2016 – Contingent Liability – Others Rs. 1,78,812 lakh**
- 5. The above amount does not include Rs.17,345 lakh being CAF penalty imposed on BSNL's Jharkhand circle. This has resulted in understatement of Contingent Liability by Rs.17,345 lakh.

**For and on the behalf of the
Comptroller and Auditor General of India**

Sd/-
(Parag Prakash)
Director General of Audit
Post and Telecommunications

Place: New Delhi

Date: 10.11.2016

**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 FOR THE YEAR ENDED 31ST MARCH, 2016 AND
REPLY THEREON BY BSNL MANAGEMENT**

Para No.	Comments by C&AG of India	Reply of the Management
	STATEMENT OF PROFIT AND LOSS	
A	<p>Revenue</p> <p>i. Revenue from Operations (Note 22) Rs. 28,44,942 lakh- Other operating income – Rs.2,04,440 lakh - Subsidies from Universal Service Obligation Fund, DoT (note (a)(i))</p> <p>1 The above amount includes Rs. 1,25,000 lakh booked as accrued revenue on account of USOF Subsidy support to BSNL for Rural Wire line Connections installed prior to 1-4-2002. The Sanction Memo for the said amount was not received by the company in the year 2015-16. Accounting of the amount pending receipt of sanction from the competent authority has resulted in overstatement of revenue, understatement of loss for the year and overstatement of current assets by Rs.1,25,000 lakh.</p>	<p>BSNL received an intimation from Administrative Ministry i.e. DoT dated 11/04/2016 that the Telecom Commission in its meeting held in July, 2015 has approved the subsidy support of Rs. 1250 crore to BSNL for Rural Wire-line connections, installed prior to 01.4.2002 as recommended by TRAI. Hence, the same has been booked as accrued revenue.</p> <p>Earlier in the financial year 2011-12 and 2012-13 the subsidy support as recommended by TRAI for Rural connections installed prior to 1-4-2002 was booked as accrued revenue of Rs. 600 crore and 900 crore respectively by BSNL on the similar ground.</p> <p>However, as per PIB Press release dated 21/09/2016, union Cabinet has approved the proposal to extend subsidy support of Rs. 1250 crore to BSNL.</p>

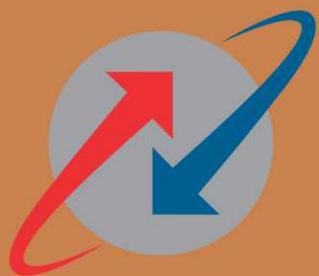


	<p>2 The above amount also includes Rs.28,616 lakh booked as revenue on account of Centage from BBNL for National Optical Fibre Network project. The Company had received Rs.2,08,742 lakh as advance from M/s Bharat Broadband Network Limited (BBNL) (the implementing agency of the project). BBNL had stated that Centage amount worked out to be Rs.16,849 lakh for which final bill/invoice was not issued by BSNL. Unilateral action of BSNL in accounting Centage of Rs.28,616 lakh as against Rs.16,849 lakh confirmed by BBNL resulted in overstatement of other income, understatement of loss for the year and understatement of liabilities by Rs. 11,767 lakh.</p>	<p>As per Clause 9.1 of the Agreement between BSNL and BBNL dated 16/05/2013 and Clause 6.1.3 of MOU between BSNL and BBNL dated 04/12/2012, Centage payment to BSNL shall be linked to the Cost of execution.</p> <p>Accordingly 10% of the work executed in the F.Y. 2015-16 has been accounted as CENTAGE.</p>
ii	<p>Interest income on Income Tax refund - Rs.1,58,015 lakh</p> <p>3 The above amount includes Rs. 15,015 lakh accounted as income on the basis of Income-tax Department's refund orders dated 28.04.2016 and 29.04.2016. However, Income Tax Department vide order dated 02.06.2016 communicated to BSNL that the said amount was wrongly refunded to BSNL. Accordingly, the accounting of refund should have been reversed. Instead BSNL disclosed the same as contingent liability (note 41.a.iii). Since</p>	<p>The said amount is disclosed as contingent liability as the matter is taken up with Income Tax Department and action will be taken after getting final outcome from the Income Tax Department.</p>

	<p>accounting as income was not in order as per Income Tax Department's order of June 2016, non-reversing of the amount wrongly refunded resulted in overstatement of other income, understatement of loss for the year and overstatement of debtors by Rs.15,015 lakh.</p>	
B	Expenses	
	<p>i. Employee Benefit Expenses (Note No. 24) - Pension Contribution – Rs.15,38,649 lakh</p> <p>4 The above head is understated by Rs. 64,399 lakh due to charging of pension contribution of absorbed employees on the basis of actually drawn pay instead of on maximum pay. This has also resulted in understatement of provision as well as accumulated losses by Rs.64,399 lakh.</p>	<p>The absorbed employees of BSNL are paid pension under Rule 37A of CCS Pension Rules for whom pension contribution is payable as per the rates prescribed in FR. As per FR 116 the rate of pension contribution shall be such as the President may by General Order prescribe. Accordingly vide office memorandum dated 19/11/2009 issued by DOP&T, pension contribution shall be based on the existing basic pay of the post held by a Govt. Servant (BSNL employee are also Govt. Servant for the purpose of pension under Rule 37A) at the time of proceeding on foreign service or the upgraded pay during financial up gradation.</p> <p>As such the interpretation given by the administrative ministry does not confirm to the statutory provisions hence, the case was taken up once again with the DoT. The Secretary Telecom vide minutes dated 19/04/2012 permitted the BSNL Management to remit pension contribution on the maximum of the scale only for those employee who are due to retire within six months and for all others on actual basis.</p>



		<p>In this context, it is also mentioned that the stand of BSNL is confirmed by DOPT in its letter no. 6/1/2014-Estt. (Pay-II) dated 24th April 2014.</p> <p>The matter is under regular pursuance with DoT and Management has once again decided to pay the pension contribution on maximum of the pay scale from 01.10.2014 onwards to avoid hardship faced by BSNL retirees on getting pension.</p> <p>Hence, the difference between Pension Contribution on Maximum of pay scale and pension contribution paid on actual pay is shown as contingent liability.</p>
ii	<p>Summary of Significant Accounting Policies and Other Explanatory Information for the year ended 31 March 2016 – Contingent Liability – Others - Rs. 1,78,812 lakh</p> <p>5 The above amount does not include Rs.17,345 lakh being CAF penalty imposed on BSNL's Jharkhand circle. This has resulted in understatement of Contingent Liability by Rs. 17,345 lakh.</p>	<p>It is submitted that contingent liability in Annual Accounts are shown only for disclosure purpose and does not have any impact on liability /Loss of current year.</p> <p>However, BSNL Circles has been instructed to furnish the contingent liability in Accounts as per disclosure requirement.</p>
	<p>For and on behalf of the Comptroller & Auditor General of India</p> <p>Sd/- (Parag Prakash) Director General of Audit Post and Telecommunication</p>	<p>For and on behalf of the Board of Directors</p> <p>Sd/- (Anupam Shrivastava) CMD, BSNL</p> <p>Date : 23.11.2016</p>



BHARAT SANCHAR NIGAM LIMITED

(A Govt. of India Enterprise)

Regd. Office : Bharat Sanchar Bhawan, H.C. Mathura Lane, Janpath, New Delhi-110 001

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