



2022-23 ANNUAL REPORT

BSNL is always there with the speed of your life

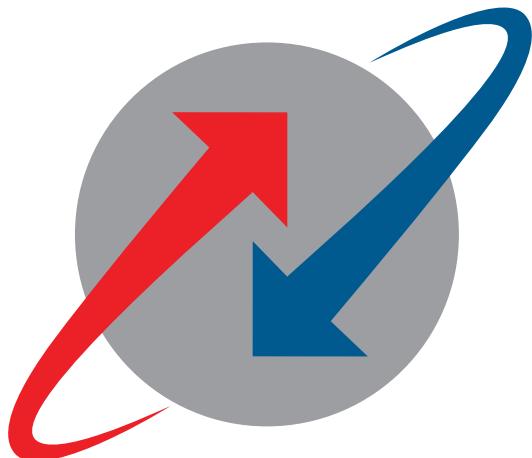
Bharat Sanchar Nigam Limited
(A Govt. of India Enterprise)

BSNL Mobile, Landline, Satellite Phone, Broadband, Enterprise Services

www.bsnl.co.in | Toll Free No. 1800345100 (Landline/Broadband), 18001801503 (Mob) 18004257007 (Enterprise)



2022-23
ANNUAL REPORT
Bharat Sanchar Nigam Limited



23rd ANNUAL REPORT

For the Financial Year ended 31.03.2023

BHARAT SANCHAR NIGAM LIMITED



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BOARD OF DIRECTORS



Shri P.K. Purwar
Chairman and Managing Director



Shri Vivek Banzal
Director (CFA)



Shri Arvind Vadnerkar
Director (HRD)



Shri V Ramesh
Director (E)



Ms. Yojana Das
Director (F) & CFO
[w.e.f. 16.11.2020 to 30.11.2022]



Sh. Rajiv Kumar
Director (F) & CFO
[w.e.f. 01.12.2022]



Sh. Sandeep Govil
Director (CM)
[w.e.f. 16.01.2023]



Ms. Yashashri Shukla, Jt. Admin
(F) & USOF. Govt. Director
[w.e.f. 14.02.2022 to 26.12.2022]



Shri Premjit Lal,
DDG (PM) DoT Govt. Director
[w.e.f. 17.05.2022 to 17.11.2022]



Shri Sunil Kumar Verma
JS (Admin) DoT Govt. Director
[w.e.f. 17.11.2022]



Shri Shivendu Gupta
DDG(WPF) Govt. Director
[w.e.f. 05.01.2023]



Shri Ravindra Ramdas Borawake
Director



Shri Seikhojam Kipgen
Director



Shri Manoj Kumar
Director



Ms. Trupti Kamlesh Patel
Director

**Shri J.P. Chowdhary Company Secretary & 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**

M/s RAMESH C AGRAWAL & CO. SQ 28, DDA Flats, Gulmohar Enclave, New Delhi-110049

Cost AuditorsM/s Vijender Sharma & Co, Cost Accountants11 (3rd floor), Hargovind Enclave,
Vikas Marg, Delhi-110 092.**Secretarial Auditors**M/s VAP & Associates, Company Secretaries, 387 First Floor Shakti Khand-3, Indirapuram,
Ghaziabad-201 010 Uttar Pradesh.**Bankers**State Bank of India, Bank of Baroda, Canara Bank, Union Bank of India, Punjab National Bank, Jammu and
Kashmir Bank, , Indian Bank, Allahabad Bank, Central Bank of India, ICICI Bank Ltd., INDUSIND Bank Ltd.,
YES Bank, Bank of India**Depository:**

- 1) National Securities Depository Limited, 4th Floor A Wing, Trade World, Kamla Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai-400013. Phone: (022) 2499 4200, Email: info@nsdl.co.in.
- 2) Central Depository Services (India) Limited, Regd. Office: Marathon Futurex, A-Wing, 25th
floor, NM Joshi Marg, Lower Parel, Mumbai 400013 Email ID : helpdesk@cdslindia.com
Contact No : +91 22 2305-8640/8624/8639/8642/8663.

Registrar and Transfer Agent:

- 1) For Equity and Preference Shares- Indus Portfolio Private Limited, G-65 Bali Nagar, New Delhi-110015.
Phone: 011-47671214/ Fax 011-25449863
- 2) For BSNL Bonds Series 01 - Beetal Financial & Computer Services (P) Ltd, 3rd Floor, 99 Madangir, Behind LSC,
New Delhi – 110062, Phone: 011-29961281-83, 011-29961284, E-mail: beetal@beetalfinancial.com,
Website: www.beetalfinancial.com (w.e.f 28.09.2020)

Debenture Trustee for BSNL Bonds Series 01:SBICAP Trustee company Ltd, 202, Maker Tower E, Cuffe Parade, Mumbai – 400005, Phone:011-43072287,
011-41564086, Email: corporate@sbicaptrustee.com, Website: www.sbicaptrustee.com**Beacon Trusteeship Ltd,**Address: Siddhivinayak Chambers 4 C&D , Gandhi Nagar, Opp Mig Cricket Club Bandra (East),
Mumbai 400051, Phone: 022-26558759, 011-41564086, Email: compliance@beacontrustee.co.in,
Website: beacontrustee.co.in



OUR BUSINESS

Mobile Services

GSM 2G, GSM 3G, 4G

Wireline Services

Landline (Voice)
Broadband (data) Mobile
Broadband Wi-Fi
High Speed Fiber Broadband(FTTH),

Radio Broadband Services: (Bharat Air Fibre)

Intelligent Network Services:- UAN service, Toll free numbers/services, VPN service, Televoting Services
BSNL PCO
PRI/BRI :- ISDN PRI, ISDN BRI
Smart Business Solution (SBS365)
PRI/BRI/Dial-up internet: ISDN PRI, ISDN BRI

Enterprise Business

Enterprise Network Services:- EMPLS VPN, MPLS Multicasting Services, SDWAN, Services, Point To Point Leased lines, Internet Leased Line, Managed Network Services, VSAT, VPN Services (Over BB, CDMA/3G), Wi-Fi

Internet Data Centre Services:- IDC Services (Co-Location Services, Hosted Services, Managed Services, BSNL IDC Monitoring Services).

Special Services:- SIP Trunk Service, Wireline IN Services, Voice VPN, M2M / IoT, EPABX, CENTREX, ISDN (PRI/BRI), Bulk Push SMS.

Other Services:- Global Satellite Phone Service, Fleet Broad Band (FBB), Inmarsat-C/Sat-C, Global Express/ IFMC (Inflight and Maritime Connectivity), Smart City / Video Surveillance, BSNL's CLOUDWAY with Microsoft.



VISION AND MISSION

VISION:

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

MISSION:

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

OBJECTIVES:

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



CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors and Management, I welcome you all to the 23rd Annual General Meeting of your Company. Your Company is part of the rapidly growing Telecom Sector which continues to be one of the biggest long-term sustainable business opportunities that our country offers. The telecom sector faced the continued hyper competition and challenges presented by a dynamic regulatory, technological, and competitive environment added with the challenges thrown due to high recurring investment cycle due to technological upgradations.

Despite the present challenges for telecom sector your company has reported increase in revenues in mobile, FTTH & Enterprise Business and maintained Infra sharing revenue and revenues in landline. Increase in income from Operations by 14%. During the year 2022-23, the Company incurred a loss of Rs. 8161.56 Crores. The Income from Services is Rs. 19127.79 Crores, the Other Income is Rs. 1571.11 Crores and the net EBITDA for F.Y. 2022-23 is Rs.1558.79 Crores.

The Union Cabinet in July 27, 2022, approved revival measures having focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet, and augmenting its fibre network by merging Bharat Broadband Nigam Limited (BBNL) with BSNL. The management of your company has already taken action for implementation of the same. Action on the few has been completed and other are in process interalia (i) The Authorised capital of the Company has increased from 40,000 Cr. to 1,50,000 Cr., (ii) Infusion of equity as right issue to the existing shareholder i.e. President of India of Rs. 23,373.44 Cr, 3,013 Cr., 26,983.71 Crore in lieu of Administrative allotment of spectrum in 900 MHz band, Capex for the financial year 2022-23 & for settlement of AGR due as on 31.03.2022 respectively (iii) M/s Deloitte Haskins & Sells LLP has been appointed as Transitional Advisor / Consultant to assist in the merger process of BSNL and BBNL. Further the merger Scheme has been filed with Bombay Stock Exchange after the approval Board of Directors and Administrative Ministry wherein NOC for the same is awaited form Bombay Stock Exchange (iv) Viability Gap funding of INR 16,18,900 lakh has been received during the year for the period upto FY 21-22 and INR 1,20,000 lakh for FY 22-23 has been recognized in the books. (v) The first tranche of the Bonds amounting to INR 4,18,470 lakh has been raised on December 22, 2022 with Sovereign Guarantee.

Your Company has also taken up renting of surplus built-up space and monetization of assets valuing below Rs.100 cr. each and is actively pursuing the same. During FY-2022-23, BSNL earned a revenue of Rs.306.31 cr through renting of built-up space and monetization of land and building assets. Efforts are ongoing for monetization of tower and fibre assets.

Your company is using Atmanirbhar Bharat's 4G technology stack to align with the vision of the Government of India. BSNL has followed proof of concept to implement the government policy mandate. M/s TCS, C-DoT and Tejas combined has developed the equipment and conducted tests for deployability of 4G equipment's. Your Company already placed the purchase order for deployment of the 4G Equipment. Beta launch of Swadeshi 4G by BSNL has been done. Your Company is also executing 4G saturation Project entrusted by GOI to provide 4G mobile services by using 4G Atamnirbhar Bharat Technology in remote and difficult terrains of India for connecting 24600 uncovered villages in rural and hilly areas to bridge the digital divide.



ACKNOWLEDGEMENTS

Before closing my address, I would like to convey our deep sense of gratitude to the Government of India, Ministry of Communications, Department of Telecommunications and other Ministries and Departments of the Government of India, Regulatory Authorities, Local Bodies and the State Governments for their support and guidance. The unwavering support of the Ministry of Communications and other Ministries of the Government of India has been the greatest strength of your Company.

On behalf of the Board of Directors and on my behalf, I express my sincere appreciation at all levels to all the Shareholders, Vendors, Customers, Dealers, and Business Associates and other Stakeholders viz . Central and State Governments, Financial Institutions, Public and Private Sector Banks, Government Agencies and Non-Government Institutions and at last but not the least, our employees for their unstinted support in the growth of the Company's business

Thank you, Jai Hind!

Sd/-
P.K. PURWAR
CHAIRMAN AND MANAGING DIRECTOR



BOARD'S REPORT

Dear Members,

Your Directors present the 23rd Annual Report of your company, along with 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, 2023. The Financial statements (Consolidated and Standalone) have been prepared as per the prescribed Format under Schedule III to the Companies Act 2013 and in accordance with Ind AS.

FINANCIAL PERFORMANCE

The financial performance for fiscal year 2022-23 is summarized as below:

S. No	Particulars		2022-23 [Rs. in Lacs]
1	Income from services	1	1912779
2	Other Income	2	157111
3	Total Income	3	2069890
4	Expenditure [Excluding Interest and depreciation]	4	1914011
5	Profit before interest, depreciation and tax [EBIDTA]	5= 3-4	155879
6	Depreciation	6	565862
7	Interest	7	256237
8	Profit/(Loss) before Tax	8=5-(6+7)	(666220.00)
9	Provision for tax	9	0
10	Exceptional Item		(149936.00)
11	Net Profit/Loss for the year		(816156.00)

TRANSFERS TO RESERVES, IF ANY

During the financial year 2022-23, owing to losses, the Company has not transferred any amount to the Reserves.

LOAN AND INVESTMENT BY THE COMPANY

No new investments were made by Your Company during the financial year 2022-23.

DIVIDENDS

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

WHOLLY OWNED SUBSIDIARY COMPANY

BSNL Tower Corporation, which was incorporated as a wholly owned subsidiary of the Company on 4th



January 2018 with the name BSNL Tower Corporation Limited (BTCL) having Corporate Identity Number: U64203DL2018GOI328034 started its commercial operation to carry out the non-telecom activities, which are at present being carried out by your Company e.g. to participate in Smart City Projects, EB works/business/EOI/Tender/Bids/RFPs where SI/Partner/External/Non Telecom component is substantial; Civil/BW Wing - Execution of external works as Project Management Consultant for clients such as State Governments, Public Sector Banks, Autonomous Bodies; Empanelment of solution provider under CFA vertical etc. This will help the Company focus on its core business area as well as ensuring the wholly owned subsidiary to be commercially operational. Nevertheless, it is expected to save expenditures towards license fees & AGR currently incurred by your Company in these non-telecom businesses. The company started its commercial operations during the FY 2020-21. The Company has earned revenue from operation Rs. 29,023,000 during the Financial Year 2022-23.

Pursuant to the provisions of the Section 129(3) of the Companies Act 2013, the statement containing salient features of the Company's Subsidiary in Form AOC-1 is attached to the financial statement of the Company. Further, financial statement of the Company, Consolidated Financial Statement along with relevant details and separate audited financial statements and relevant documents in respect of the subsidiary company are attached to financial statement of the Company.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Company has reported increase in revenues in mobile, FTTH & Enterprise Business and maintained Infra sharing revenue and revenues in landline and broadband have decreased. Operating and Administration expenses have increased from Rs. 9,499 Cr to Rs. 9,834 Cr. Increase in income from Operations by 14%. The operational environment continues to remain challenging. During the year 2022-23, the Company incurred a loss of Rs.8161.56 Crores [Previous year Rs. 6981.62 Crores]. The Income from Services is Rs. 19127. 79 Crores [Previous year Rs. 16809.22 Crores], the Other Income is Rs. 1571.11 Crores [Previous Year Rs. 2243.7 Crores]. Your Company is EBITDA positive during this Financial Year to Rs. 1558.79 Crores. [Previous Year 944 Cr.]

Total revenue has increased by about 8.64% in comparison to the previous year. Employee cost has increased by 10.89 % in comparison to the previous year. Net loss has Increased by 16.90 % Cash loss has increased to Rs. 2502.93 Crores as compared to previous year's losses Rs. 1673.58 Crores.

However, the ratio of Current Assets to Current Liabilities which should ideally be 2:1, stood at 56.61%. Your Directors are making all out efforts to correct the Current Ratio.

The expenditure control measures implemented by the Management resulted in significant savings specifically in power & fuel, repair & maintenance and housekeeping.

SHARE CAPITAL

During the year under report, the Authorised capital of the Company has increased from 40,000 Cr. to 1,50,000 Cr. The Company being wholly owned by Govt of India, the company further issued 5336,71,50,000 equity shares of face value of 10/- each through Ministry of Telecommunications (MoC), Department of Telecommunications (DoT) on right basis to the President of India. Further, the Company has not issued any shares with differential voting right/ Sweat Equity Shares during the year under report.

REVIVAL / TURNAROUND MEASURES

The implementation of the revival measure for the Company approved by the Union Cabinet is in progress.



Allocation of 4G spectrum to Your Company in cash neutral manner by infusion of equity. The management of your Company has issued the purchase order for all the Circles requested to the Govt of India to allocate the 4G spectrum on finalization of Company's tender for 4G network equipment. In order to promote domestic technologies and Make in India for telecom sector, EOI has been floated on 1st January 2021 for registration cum participation in the proposed 4G tender and Proof of Concept as part of tendering process for allotment of 4G network.. M/s TCS has successfully conducted POC out of 5 POC vendors for commercial deployability of 4G equipment's , to make this project a success and with a view to fast-track the deployment of 4G services floated the tender document regarding Phase IX.2 tender for planning, engineering, supply, installation, testing, commissioning and annual maintenance of 4G mobile network in North, East, South and West zones of mobile network L on turnkey basis. Tender for 100000 sites was issued on 22.10.2022. and two bids were received i.e. M/s TCS & M/s ITI (under reservation quota) and Advance Purchase Order to M/s TCS and M/s ITI was issued 19.05.2023 and purchase order for the said firms was issued on 05.06.2023 and 22.06.2023 respectively.

The Union Cabinet, Govt. of India in its meeting held on 27.07.2022 has approved the revival of BSNL which inter-alia provides for administrative allotment of spectrum, de-stressing BSNL balance sheet, infusion of fresh capital in the Company for upgrading BSNL services, settlement of AGR dues, provisions of CAPEX, increase in authorized share capital, redemption of preference shares, merger of BBNL with BSNL etc. In term of said revival package the implementation of the same is being under process which interalia includes the Authorised capital of the Company has increased from 40,000 Cr. to 1,50,000 Cr., Infusion of equity as right issue to the existing shareholder i.e. President of India of Rs. 23,373.44 Cr, 3,013 Cr. , 26,983.71 Crore in lieu of Administrative allotment of spectrum in 900 MHz band, Capex for the financial year 2022-23 & for settlement of AGR due as on 31.03.2022 respectively, M/s Deloitte Haskins & Sells LLP has been appointed as Transitional Advisor / Consultant to assist in the merger process of BSNL and BBNL, Viability Gap funding of INR 16,18,900 lakh has been received during the year for the period upto FY 21-22 and INR 1,20,000 lakh for FY 22-23 has been recognized in the books. The first tranche of the Bonds amounting to INR 4,18,470 lakh has been raised on December 22, 2022 with Sovereign Guarantee. The settlement of AGR dues upto 2021-22 has been done etc.. Further the draft merger Scheme has been prepared by M/s Deloitte Haskins & Sells LLP and the same is process to accord the approval of the Administrative Ministry i.e. the Department of Telecommunications, Ministry of Communication, Government of India.

The Management of your Company has planned to monetize the spare lands and buildings available with it through outright sale of lands and leasing of vacant built-up space. The work relating to asset monetization/ land monetization valuing more than Rs.100 cr. each shall be carried out through National Land Monetization Corporation (NLMC) which is a Special Purpose Vehicle (SPV) under administrative control of Department of Public Enterprises (DPE).

The Management of your Company has also taken up renting of surplus built-up space and monetization of assets valuing below Rs.100 cr. each and is actively pursuing the same. During FY-2022-23, BSNL earned a revenue of Rs.306.31 cr through renting of built-up space and monetization of land and building assets. Efforts are ongoing for monetization of tower and fibre assets.

BORROWINGS DURING FINANCIAL YEAR 2022-23

Opening balance of borrowings as on 01.04.2022 stood at Rs. 33009 Crores. During the year under review, the Company borrowed Rs. 9291 Crores and repaid an amount of Rs 21521 Crores. The balance of borrowings as on 31.03.2023 stood at Rs.20779 Crores.



CREDIT RATING

Sovereign Guarantee Bonds Series-I

The 85000 Govt of India guaranteed, Rated, Unsecured, Redeemable, Taxable, Listed, Non-convertible Debentures issued on private placement basis of Rs.10,00,000 each, aggregating to Rs.8500 Crores are listed on BSE w.e.f. 28.09.2020 as "BSNL BONDS SERIES I" and are reaffirmed rating of "CRISIL AAA(CE)/ Stable" by CRISIL Limited, "CARE AAA(CE)/Stable" by CARE Ratings Limited and "BWR AAA(CE)/Stable" by Brickwork India Rating Ltd. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. And such instruments carry lowest credit risk.

Sovereign Guarantee Bonds Series-IIA

The 41847 Govt of India guaranteed, Rated, Unsecured, Redeemable, Taxable, Listed, Non-convertible Debentures issued on private placement basis of Rs.10,00,000 each, aggregating to Rs. 4,184.70 Crores are listed on BSE w.e.f. 23.12.2022 as "BSNL BONDS SERIES II" and are assigned ratings of "CRISIL AAA(CE)/ Stable" by CRISIL Limited and "IND AAA(CE)/Stable" by India Ratings & Research Private Limited. Instruments with this rating are considered to have the highest degree of safety regarding the timely servicing of financial obligations. And such instruments carry the lowest credit risk.

Bank Facilities

The Credit Rating of BRICKWORK BWR AAA (CE)/Stable/A1+ (CE) has been reduced to BBB (Stable)/A3+ by M/s BRICKWORK Ratings for Bank facilities.

DEMAT FACILITY TO THE SHAREHOLDERS / DEBENTUREHOLDERS

Pursuant to the Government of India, Ministry of Communications, Department of Telecommunications' direction for dematerialization of shares of the Company held in physical mode, International Security Identity Number (ISIN) from NSDL has been obtained for both the Equity and Preference Shares of the Company, which are (a) Equity Shares – INE103D01018; and (b) Preference Shares – INE103D04012, respectively and the Administrative Ministry has been apprised accordingly.

The Government of India guaranteed Bonds / NCDs Series-I and II offered for bidding on EBP platform of BSE on, on private placement basis, total bids were received over 100% of both series the total issue size showing the confidence and support of investors. The Bonds were listed on BSE and are being held in Demat mode through two depositories i.e. NSDL and CDSL with ISIN Number INE103D08021 (BOND SERIES I) and INE103D08039 (BOND SERIES II A)

MEMORANDUM OF UNDERSTANDING [MoU] WITH THE DEPARTMENT OF TELECOM

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

SERVICES AND PLANS

- BHARAT SANCHAR NIGAM LIMITED (BSNL) was formed by corporatization of the erstwhile Department of Telecom Services & came into being on 15th September 2000. Your Company has taken over w.e.f. 01.10.2000 the erstwhile functions of the Department of Telecom in respect of provision of telecom services across the length and breadth of the country excluding Delhi & Mumbai. At the time of corporatization of BSNL, the Cabinet decision stipulated that Government shall provide a package of measures to ensure that the viability of BSNL is not impaired by providing uneconomic but socially desirable services at the behest of the Government.



- BSNL is a technology-oriented integrated telecom service providing company which provides complete Bouquet of telecom services viz;
 - Wire line Services
 - GSM Mobile Services including 3G , 4G & Value added Services(VAS)
 - Internet and Broadband services including Fiber to the Home (FTTH)
 - Wi-Fi services
 - Data Center Services
 - Enterprise Data Services such as Leased circuits, MPLS VPN etc.
 - National Long Distance Services
 - International Long Distance Services

Wire line Services:

Your Company has been in the forefront of technology with 100% digital new technology switching network. BSNL telecom network therefore is part of modern global network, providing access to countries around the world for transporting information in the form of voice, data and video.

S. No.	Parameter	Unit	Status as on 31.03.2023
1	Total No. of Exchanges	Nos.	21,814
2	Total Switching Capacity (Wire Line)	Lakh Lines	168.72
3	Total Direct Exchange (Wire Line connection)	Lakh Lines	36.920
4	FTTH Voice connection	Lakh Lines	29.269
5	ISDN PRIs	Lakh Lines	3.709
6	VNOs	Lakh Lines	1.160
7	Total connection (Wire Line+FTTHVoice+PRI+VNO)	Lakh Lines	71.058

GSM Mobile Services

Your Company is modernizing its equipment keeping pace with technology changes. Cellular Mobile Telecom Services expansion has been taken up in a big way. 3G services were launched on 27th February 2009 in selected cities.

S. No.	Parameter	Urban Area	Rural Area	Status as on 31.03.2023 (Nos)
1	Total GSM Mobile BTS(2G+3G+4G)			1,55,597
2	2G BTS	36,619	47,662	84,281
3	3G BTS	35,601	27,057	62,658
4	4G BTS (eNode B)	5,550	3,108	8,658



Mobile Services Coverage:

S. No.	Area Category	Total Nos	Covered
1	DHQ	732	732
2	BHQ	6,553	6,485
3	Villages	6,41,525	4,34,491
4	3G facility Rolled out City/Towns	6,279	

Your Company has deployed mobile equipment of GSM technology, Nationwide in Phases, which covers almost all the cities and substantial length of National Highways, Rail Routes and State Highways.

S. No.	Parameter	Total	Covered
1	National Highways	77,706 Km	67,695 Km
2	Rail Routes	60,516 Km	50,197 Km
3	State Highways	1,63,612 Km	1,19,498 Km

Broadband Services

Your Company had launched its Broadband services in January 2005 using ADSL2+ technology.

Your Company also provides wireless Broadband Services on 3G & 4G. Total 3G+4G connection as on 31.03.2023 is 210.70 Lakh.

Your Company also provides Wi-Fi broadband services. Total Wi-Fi unique users as on 31.03.2023 is 6.96 Lakh.

Broadband Service Coverage:

S. No.	Area Category	Total Nos	Covered
1	DHQ	732	732
2	BHQ	6,553	6,004
3	Villages	6,41,525	1,65,560
4	Cities	4,322	4,237

FTTH:

As per the growing requirement of the customers for higher speed on internet, Your Company has launched FTTH services as well with brand name as Bharat Fiber. 29.93 Lakh no of FTTH customers are provided the Fiber broadband connection as on 31.03.2023.

Wi-Fi Service

Your company aims to spread high speed internet access through high speed internet connectivity across universities campuses, schools, colleges, hospital, public places, post offices, Government offices, Parks, Gram panchayats, Health Centers and tourist places & heritage sites of India etc. It brings internet connectivity for one and all through the deployment of Wi-Fi network. BSNL started Wi-Fi services in Feb-2015 by launching first Wi-Fi Hotspot Zone at DashashwamedhGhat&ShitalaGhat of Varanasi.

It has been selected as the first city to create Wi-Fi Zone in view of the "Mission Varanasi" of Hon'ble Prime Minister.



Your company is deploying Wi-Fi hotspots through various projects which includes, through revenue share model with Hotspots Service Providers (HSSPs), CAPEX Project and through agreement between USOF and BSNL at rural telephone exchanges of BSNL throughout the country.

Enterprise Business

To transmit data between computer and electronic information devices, BSNL provides data communication services to its subscribers. It offers a choice of high, medium and low speed leased data circuits as well as dial up lines. Leased circuits are provided to subscribers for internal communication between their offices/factories at various sites with a city/town or different cities/town on point to point basis or on a network basis interconnecting the various sites.

Your company started its International Long Distance (ILD) operations in the year 2004 and is offering various ILD services. BSNL has four ILD (TDM) gateways for voice at Mumbai, New Delhi, Chennai, and Ernakulam. BSNL has seven internet gateway locations at Bangalore, Kolkata, Chennai, New Delhi, Mumbai, Ernakulam and Agartala. BSNL have submarine cable link between India and Sri Lanka (BLCS) on half cct. Basis. BSNL has ownership interest of approx. 7.0% in the EIG (Europe India gateway) cable system from Mumbai to London. Your company has provided physical link for South Asia Sub Regional Economic Co-operation (SASEC) Information Highway project under DoT to provide peering interconnection facility at Silliguri (India) NOC with Nepal, Bhutan and Bangladesh. BSNL has also provided end to end circuit between India and Bhutan for Indian Army.

Twitter Seva

Your Company has devised an efficient customer centric social media redressal program that has helped its customers to raise their grievances for efficient resolutions.

Tariff Packages

Your Company is introducing innovative tariff packages and additional investments to serve larger number of general public customers besides improving its operational efficiency. The tariffs for telecom services are going down day by day. Consequently, revenues are dropping in spite of provision of large number of new connections. BSNL is trying to increase the Average Revenue per User (ARPU) by providing innovative value added services to its customers both on wire line and wireless network. In order to increase its revenue, BSNL has taken several new initiatives like Infrastructure Sharing, Commercial Utilization of Fixed Assets, Exploring International Business, Enterprise Business and Fixed Mobile Convergence.

PERFORMANCE

The physical performance of BSNL against various parameters during the last five years is as follows:

Physical performance

S. No.	Parameter	Unit	Net Achievements				
			2018-19	2019-20	2020-21	2021-22	2022-23
1	Total Telephone Connection	Lakh	34.45	17.08	-35.59	-37.86	-103.48
	Wireline		-10.88	-24.41	-20.78	8.6	-4.03
	GSM Mobile		45.33	41.48	-14.81	-46.45	-99.45
2	Broadband Connection	Lakh	-0.98	-8.31	-19.62	11.8	-17.42
3	OF Cable	RKM	29,603	8,480	6,380	11,088	8,998



MAJOR PROJECTS

- GSM expansion project under name Phase VIII.4 :

BSNL has started Phase VIII.4 GSM expansion Project across all four zones with the aim of:

- Replacement of old equipment which are having high operational cost and AMC.
- Addition of 3G capacities for increasing 3G footprints.
- Introduction of 4G services along with IMS for VoLTE functionality.

- O&M Extension and 4G Up-gradation under LWE Project Phase-I : USOF has approved the proposal for extension of O&M for 2,343 LWE Phase-I 2G sites for 12 months and 4G Up-gradation of all sites using indigenous equipment at incremental cost using the same infrastructure of 2G with the total financial implications of Rs. 2426.38 crores. In want of 4G active equipment's, BSNL has requested the USOF for further O&M extension of LWE Phase-I 2G sites till October, 2023.

- **4G Saturation Project:**

- **Provision of 4G in Uncovered villages across India:** The approval for 4G mobile services of uncovered villages at 16,464 sites has been received on 27-07-2022 for Rs. 17,664 Crores and additional Rs. 3,496 Crores has been approved for 4G services of another 4,936 villages which are left out due to various reasons.
- **Up-gradation of existing BSNL and other TSPs 2G/3G sites to 4G:** The approval for upgrading existing 5,461 BSNL 2G/3G sites to 4G and providing 4G services in 818 sites of other TSPs having 2G /3G services has been received on 27-07-2022 for Rs. 5,156 Crores. An agreement has been signed with USOF for the work to be carried out as per the tender and approval. BSNL has been identified 18,283 new sites (i.e. 14,420 Cat-I sites and 3,863 Cat-II sites) and 1,059 existing sites (i.e. 914 Cat-I sites and 145 Cat-II sites). Land acquisition for the 9,655 surveyed 4G sites has been done and under process for remaining sites. Further, the VIP/PG request for inclusion of 17,631 villages has been received and the survey of 10,956 villages has been done. Work Order (WO) for 12 clusters has been issued. Project estimates received from circles has been approved and intimated to circles for WBS creation.
- **Provisioning of 4G mobile services in Lakshadweep Island:** The approval for 4G mobile services required 225km OFC network and 763 FTTH connections to government institutions in Lakshadweep Islands for Rs. 60.61 Crores.
- **Provisioning of 4G mobile services at BOPs/BIPs:** USOF has conveyed the approval of union cabinet to provision 4G mobile services at 1,117 locations of BOPs/BIPs sites with financial implication of Rs.1545.66 Cr. with overall variation of 20% for Rs.309.13 Cr. for additional BOPs/ BIPs sites.
- Installed in existing CDR platform & NIB P3 Data centers including storage equipment and provide complete end to end solution with AMC (including renewal of AMC support for existing software, if reused) and O&M services, on turnkey basis.

MARKETING INITIATIVES

- Rationalization of tariff plans for Wire-line, Wireless, Broadband and Enterprise Services. Provisioning of value added services and improving the customer service relating to up gradation of plans, restoration of services, payments etc.



- Monitoring of network availability, augmentation of radio capacity to reduce congestion and deliver better Quality of Services.
- BSNL has engaged extensive channel partners in pan India basis to increase SIM Sale
- The Ease of Doing Business for Partners is continuously evolved.
- Partners are On-boarded in online paperless manner with signed agreement, Partners are enabled with IT tools for real-time access to all customers' information related to service requests, bills issued, payment made, etc.
- Digital on-boarding and KYC of customers is done by partners using mobile app, doorstep service, no need to visit BSNL exchange for any service requirements.
- Mobile App for bill collection is used by partners for door to door collection in addition to large chunk of payments that customers do in online mode.
- **Customer Service:** The customer visits bookmyfibre.bsnl.co.in for raising demand for FTTH, request directly reaches to concerned area for feasibility check and customer is informed accordingly. Customer is digitally on-boarded thereafter.

The Complaints of the Customer are directly passed on to the concerned area partners who use the BSNL TEEVRA App for first level fault analysis (low power) and fix the problems, Happy code is sent to customer to avoid false clearance for repeat complaints.

Sales Orientation:

Digital Platforms for Customer reach out in browsing Plan Change Campaign.

Portal and Mobile App for service upgrade and new provisions are adopted.

Sales Incentives to partners linked to volume of business and coverage of geography are given.

Channel Partners for both retail and wholesale business (SIP/OBD) are roped in.

Smart Report with SMS and WhatsApp alerts to partners on the progress made are sent.

Bharat Net Udyami Initiative:

FTTH services in the rural areas are being rollout with a focused approach on on boarding partners in rural areas, training them with required skills and providing services to the customers thereupon through these partners.

OTT services:

In addition to entertainment content through OTT platforms, IPTV services are also being rolled out in partnership with MSO/IPTV service partners in select areas, so that conventional TV entertainment can be replaced with total digital entertainment.

BSNL has formulated a novel strategy to focus on rural areas. This has also strengthened its social obligation. This would also help the BSNL expand the network, resulting into higher availability of services and increase in revenues. The details are as follows:

Your Company successfully completed roll out of mobile services in LWE areas and recently extended O&M & up gradation of the said network. In addition, BSNL is engaged in the 4G saturation project for uncovered villages. BSNL has commissioned 24,333 of Wi-Fi Hotspots in rural areas.

Besides the above, Your company is executing roll out, O&M and monetization of Bharat Net



network towards fulfilling the objectives of the Government for FTTX services in all villages. BSNL has executed the submarine cable project for connecting A&N Islands and the submarine cable project to link Lakshadweep to the main land is under execution.

Mobile services:

BSNL offers competitive and affordable mobile tariffs as per market trends.

BSNL has engaged extensive channel partners in pan India basis to increase SIM Sale.

MARKET SHARE

Your Company, being a leading Public Sector Telecom Service provider was able to maintain its edge over the market even in the falling regime of Average Revenue Per User (ARPU). Your Company holding 4th Position with Market Share of 9.45% and, its Wireless Market share is 9.07, GSM Market Share is 14.53%. Out of 1172.37 Million Telephone connections of the country, as on 31.03.2023, 110.83 Million has been provided by your Company.

MAJOR ACHIEVEMENTS

- FTTH-Broadband connections: BSNL FTTH-BB connections increased from 12,83,283 as on 31st March,2021 to 21,43,692 as on 31st March,2022which has further increased to 29,93,099 as on 31st March,2023.
- FTTH Data traffic has grown from 1408 PB in FY:2020-21 to 3537.9 PB in 2021-22. In FY:2022-23 FTTH-Data Traffic has reached 5294.5 PB till 31st March,2023.
- Revenue growth from FTTH-BB. In 2020-21, FTTH-BB revenue was Rs937.77 Crore. In 2021-22 FTTH-BB revenue has reached Rs 1590.16 Crore, which has been further reached to Rs 2047.1 crore for F.Y. 2022-23 upto31st March, 2023.
- Replacement of obsolete legacy Wire-line exchanges by Next Generation Network (NGN) Switches: This up gradation has helped in continuance of services to the customers reduced operational issues related to maintenance of wire-line network by making the core network concentrated and will also result in saving of electricity consumption.
- **NGN Project** & Physical achievement as on 31.03.2023:

S. No.	Project Name	Network elements Plan	Network elements installed	Physical Progress
1	NGN Network implementation	Core-2.4 Mn	2.4 Mn	100%
		Access- 8,475 LMGs	8,475 LMGs	100%
2	CDOT MAX NGN Core	10Mn	10Mn	100%
3	CDOT MAX NGN Access	CACU-14,47	CACU-1,447	100%
		LAGU-10,460	LAGU-10,460	100%

- BSNL has issued PO to M/s ITI on 08.06.2023 & PO has been issued to M/s TCS on 22.06.2023 for East, North and South Zone under Phase IX. 2 project
- Meanwhile in order to test the hardening of the equipment in live environment, BSNL has placed



the Purchase Order for 200 eNodeBs to M/s TCS. Further, M/s TCS has successfully installed 200 eNodeBs. Testing of the same is undergoing and issues are being mitigated by M/s TCS, Tejas and C-DoT.

Measures being taken by BSNL for improvement of its performance

- For redressal of landline and broadband complaints, SLA based outsourcing tender has been finalized and new vendors have started working in all circles.
- Effective customer interaction through IT enabled process for seamless experience for broadband services.
- IT enabled monitoring for better network maintenance services including improvement in last mile problems for uninterrupted services to wire-line customers.
- Induction and integration of Wi-Fi Hotspot for affordable Public Wi-Fi Network.
- Prioritization of fund to high revenue potential areas such as transmission hubs, shared tower sites etc.
- Regular network optimization and drive tests to improve QoS.
- Increasing availability of BSNL products by increasing Point of Sales.
- Promoting recharges through digital payments including mobile wallet.
- Partnerships for providing competitive Content Platform, Enhancement of VAS offerings on Landline and Mobile.
- Outsource management of wireless and Wire-line networks and work on a revenue share model against guaranteed SLAs. Upgrade to an integrated billing platform and a real-time predictive analytics engine to offer a wider and customizable portfolio of services to customers.
- Prioritising projects in terms of their potential to improve performance by enabling centralised monitoring and faster rectification.
- Strengthening the Core Network with OFC, CPAN, and OTN etc. to increase the up-time.
- Strengthening the Access Network with SDWAN, IP-MLLN, and IP based

Your Company provides mobile telephone connection on GSM technology.

Your company has started Phase VIII. 4 GSM expansion Project across all four zones with the aim of: Replacement of old equipment which are having high operational cost and AMC. Addition of 3G capacities for increasing 3G footprints. Introduction of 4G services along with IMS for VoLTE functionality. Zone-wise status of Phase VIII.4 GSM Project as on 31.03.2023 is as below:-

South Zone:- All core network elements 4,883 2G BTS (including 702 nos. redeployed sites), 10,555 3G Node-Bs (including 5,006 nos. redeployed sites) and 3,016 4G e-Node Bs have been integrated.

West Zone:- All Core network elements, 9,246 2G BTS (including 2,095 nos. redeployed sites), 13,464 3G Node-Bs (including 4,604 no. of redeployed sites) and 2,690 4G e-Node Bs have been integrated.

North Zone:- All Core network elements, 6,625 2G BTS (including 1,080 nos redeployed sites), 9,207 3G Node-Bs (including 2,022 nos. redeployed sites) and 1,309 4G e- Node Bs have been integrated.



East Zone:- All Core network elements, 2,492 2G BTS (including 360 nos. redeployed site), 4,477 3G Node-Bs (including 897 nos. redeployed site) and 1,622 4G e-Node Bs have been integrated.

4G Rollout:

BSNL had launched 4G services in limited scale by installing 8637 4G NodeBs across the country in all telecom circles except Rajasthan circle by utilizing the existing 3G spectrum. In order to test the hardening of the equipment in live environment, BSNL has placed the Purchase Order for 200 eNodeBs to M/s TCS. Further, M/s TCS has successfully installed 200 eNodeBs. BSNL has placed Purchase Order to procure 1 Lakh 4G eNodeBs under Phase IX.2 project. Beta launch of Swadeshi 4G by BSNL has been done. As a part of its customer –centric approach, BSNL will distribute prepaid SIMs to customers who will provide feedback on the quality of network, enabling continuous improvement and enhancing user experience.

Enhancing the features in Mobile network

1. To enhance the customer experience BSNL is in process of deploying eSIM platform for provisioning of M2M SIM cards as well as provisioning of eSIM for consumers, as the market share of eSIM handsets is in increasing trend.
2. To optimize the inventory of the SIM and done away with the requirement of replacing the SIM from LSA where the SIM pertains, BSNL is going to deploy a universal SIM platform in its network.

Consumer Mobility (CM) NEW INITIATIVES

A new mobile application “BSNL Self-Care App” has been launched by Your Company and the App has over 3.3 Mn users in a short span of time. BSNL Self-Care App is very user friendly and has been rated 4.2 by users on play store and your company is promoting the App URL to the subscribers on regular basis. It will help users to know BSNL Self Care App & will result in increased users of the App.

Your Company has implemented of new UCC complaint portal for call centers on 11th September, 2020. Now TRAI has issued new TCCCP, 2018 Regulation for compliance of the same your company have issued necessary guidelines to Circles and Call Centers teams for handling of the complaints issued and were made aware of the said complaint module through workshops and meetings. As per the present process, the call centers are registering UCC complaints by asking OTP from the customers. Now a new portal for booking complaints/Changing preference/booking preference/viewing preference etc. by BSNL call centers have has been started without asking OTP from customers has been developed. The validation of the customers will be done on the basis of CLI.

- A. Your company started Proof-of-Concept trials for indigenous 4G mobile gear to promote Indian industry to manufacture mobile equipment of global standards so as to accomplish the “Make In India” dream of Honorable Prime Minister of India
- B. In order to exploit Bulk Push SMS business opportunity, improvements made in network to ensure high delivery percentage, at par with industry norms.
- C. A new Policy for online SIM Distributor is implemented with a view to increase SIM sales and improve market share.
- D. Strengthening of sales and distribution channel of CM products through Project Vijay.
- E. Development of Mobile App for your company Sales Force Automation for tracking, beat productivity and inventory management at point of sales. SFAS application has gone live on PAN India basis



- F. Development of your company Mobile App is being done for your company mobile customers to provide better interface and a unified platform for your company self-care and content delivery.
- G. Special camp/OBD dialing to interact with customer willing to port out for their retention by sorting out their problems.
- H. In view of hardships faced by the subscribers whose validity expired during the lock down period of March and April 2020 and subscribers who had almost zero balance, free validity extension was done for all such subscribers up to 5th May 2020, so that the subscribers continue to receive incoming calls.
- I. Offer innovative new services such as m-financial services, IoT/M2M services and SMS-bulk push services etc.
- J. Enhancement in quality of service/ customer care through revamped call center and improved network operations across critical parameters such as BTS availability, congestion, Call drop & MTTR. Wireless call center running in 8 locations for PAN India
- K. Speedy redressal of complaints through call centers.
- L. Special efforts done for leasing out of your company tower and infrastructure to other TSPs
- M. Guidelines framed and implemented for engagement of apprentice for sales and marketing related activities.
- N. Universal distributor policy released with a view to increase your company product (SIM/C-TOP UP)
- O. Short term call centre work carried out for various government agencies/ ministry projects. 1963 call center for DOT and feedback call center for DARPG
- P. Content bundling with different OTT providers for driving data consumption and to promote your company products.
- Q. Launch of various incentive schemes to motivate channel partner for selling your company products.
- R. Attractive and competitive plans were launched to increase sales and revenue.

Further your company is on mission to execute 4G saturation Project entrusted by GOI to provide 4G mobile services by using 4G Atamnirbhar Bharat Technology in remote and difficult terrains of India to covering 24600 uncovered villages to empowering rural India to bridge the digital divide.

Enterprise Business (EB)

EB Sales Achievements Business worth booked: Rs 9146 Cr. achieved against EB Sales target (Gold + Platinum) of Rs 8500 Cr.

Leased Circuit: 31080 new leased circuits were commissioned and 22236 circuits upgraded during the year. The year ended with a high of net positive figure of 5100 after a span of 3 years for the first time. The Service Assurance in terms of Fault Rate and MTTR figures have been considerably improved. API integration of faults of major BFSI customers like SBI and BOI has been completed in the measures of Continuous Improvement Processes (CIPs) of Service Assurance.



Business Booking

Tapping of Government Business: Center State Governments and their PSUs/Banks are major customers of BSNL who are upgrading their Telecom and IT infrastructure. Special focus is being given to capture more and more business from these entities by way of holding a meeting with officers concerned. Participation in tenders for various projects floated by these authorities are also being given full attention.

Business through open competition: For effective participation in external tenders, field units were sensitized for applying due diligence for exercising business analysis through comparison of Tender quotes with private vendors (L1/L2) to grab the business.

Business from Private customers: To generate more business other than government, field units were sensitized to enhance business of BSNL share from Private segment. Circles were asked to prepare list of top private customers and approach with BSNL offerings. Also, the field units were asked for building a customer profile of such customers such as what telecom facilities the customer is having, the service provider details, expenses done by customer on these facilities etc.

Business using 75% Bandwidth utilization: The detailed Circuit information whose bandwidth utilization is more than 75% were provided to circles on regular basis with instructions to monitor such customers for aggressive persuasion with them to upgrade their links through the concerned NAMs/KAMs.

TNF Cases: In addition to RF solution, instructions regarding providing leased circuits using FTTH network and sharing the Infrastructure of Bharat Net Project were issued.

Leasing of bandwidth and dark fiber: Leasing of bulk bandwidth/dark fibre to TSPs/ISPs/ Cable TV operators. Guidelines along with comprehensive discounting matrix was issued for field units.

System Integrator's for turnkey solutions: In the present market conditions, customers expect complete "end to end" solutions i.e. equipment, network elements and bandwidth. This solution-based approach requires System Integration capabilities. The Guidelines for Customer Private Network Establishment have been floated for System Integrator's (SI's) empanelment as per the business requirements under current market scenario. For enhancing LAN/WAN business and further exploration of new business opportunities for BSNL and in order to tap MSME business, another category of "Circle-Silver-SI" are also empanelled with liberalized eligibility criteria. These guidelines are being upgraded / modified from time to time based on the inputs from field units and/or as per business requirements. Accordingly, for facing the hard competition from other TSPs, Circles were asked to empanel adequate numbers of SIs so as to get best competitive quotes and keeping low services/product cost for increased financial viability. Further, circles were also asked to review the performance of empanelled SI's and take appropriate actions regarding no-performing/dormant SIs.

Ranking Policy 2022-23: In order to inculcate competitive feeling and simultaneously to appreciate good performing Circles, ranking policy was modified and revised for the parameters viz. Stage-IV, Stage-I, New Business, business from private customers, New Gold Account Penetration and IDC business. Based on the achievements in these parameters, the Circles / EB Field units were ranked on Monthly, Quarterly and Yearly. Rankings were done separately for Gold Circles and Platinum Units based on the two types of Groups viz. A & B (Group A- Stage-IV Targets > 100Crs and Group B Stage-IV targets <=100). Top rankers were appreciated by CMD BSNL and by Director (Enterprise).



EB Portal:

ITPC Hyderabad: The Phase-I successfully completed involving Lead Management, Customer Management and these activities are completed for Gold as well as Platinum Units. The Phase-II successfully completed involving Customer Account Management including Quotation Management and Account /Sales Order management Module. The Phase-III involves integration with billing system (TVARIT, CDR), Work order management and Single bill presentation to customer is under development.

Reminder SMS alerts about stagnant leads are sent through EB portal on weekly basis.

Experience/appreciation letters from the customers, various presentations, licenses, creatives and BSNL's financial documents uploaded on the EB portal for the use of field units.

EB Portal provisions exist for uploading channel partner leads.

Mobile App for EB portal on the go access to monitor status reports which is further being developed for tracking sales team movements-monitoring.

Circle EB staff were instructed to login the EB portal regularly for day-to-day EB activities.

Cyber Security Project: Supply, installation, testing and commissioning, on turnkey basis, of various components for implementing Cyber-Security and Secured web (HTTPS) Filtering solutions in MPLS Gateway Network of BSNL along with Comprehensive AMC of 6 years & O&M of 8 years. PO was issued on 31/07/2022. Project has been envisaged to provide comprehensive & umbrella cyber security cover at 10 International Gateway (IGW) locations of BSNL. The project aims at next generation cyber resilience security operations by establishing the Big Data Analytics platform and integrating with existing Cyber Security Infrastructure, along with provisioning of Global threat & Dark Web Feeds. It also includes the setting up the Cyber Security simulation lab for BSNL Cyber engineers and operators to evolve the attack prevention use cases for the 8 years' lifecycle of Project. Now, HTTPS filtering solution is also being deployed under the project.

Super Edge Routers Project: Supply, installation, testing, commissioning on turnkey basis of various components for induction of SDN enabled Super Edge routers in IPMPLS network. Two types of high-capacity Super Edge Routers (SERs) (282 in Number), along with other associated equipment like EMS and Hand-Held testers etc., are being procured and deployed in- PAN India basis. Project envisages to replace existing End-of support Edge routers in the networks with high- end and high-capacity routers. This will upgrade the transport networks to meet current and future traffic needs and will be capable of meeting customer needs and avoid churn of BSNL customers. Further, this will help in roll-out of much-awaited 4G services of BSNL.

Prajval App: Online FRT monitoring tool has been developed in house for the implementation of monitoring of the movement of the Patrolling teams & FRTs responsible for the assigned OFC for improving the MTTR of the OFC faults and linear network reliability. This will enable to improve Service Assurance to esteemed BSNL Customers.

ZSMART: New Generation OSS portal for Management of Multi-Protocol Label Switching (MPLS) Network has been developed having following features:

Real-time monitoring and escalations of all Core, Edge and IGW links of BSNL.

Real-time monitoring and escalations of all Routers in the BSNL IP-MPLS network



Real-time monitoring and escalations of all customer links

Report of links approaching SLA Violation & SLA Violated

Management of all customer faults. Managing the L1/L2/L3 level support

Generation of various historical MIS reports.

Transnet portal is an in-house application developed for monitoring & management of the Optical Fibre Cable network in which all the details of OFC Routes have been incorporated along with the GIS mapping.

In the recently developed CWIP module, provision has been made in the Transnet portal for uploading of progress of OFC laying works on new routes as well as rehabilitation/ patch works on the existing routes. The parameters like trench depth, offset, distance from landmark can be marked and uploaded along with the relevant photos/video from the route location.

BSNL INMARSAT Services: BSNL has been providing a bouquet of Inmarsat Services to Indian and Foreign customers in joint venture with M/s Inmarsat Global Ltd (IGL) under the Sui – Generis Category License issued to BSNL by DoT for provisioning and operation of Satellite based Services using Gateway installed in India on 25th August 2014. BSNL signed agreement with Inmarsat as technology partner for setup and offering of INMARSAT Satellite Based Services (04th Feb 2015). BSNL has around twelve franchisees across the country to provide BSNL Inmarsat services to the prospective customers. The following Inmarsat Services are being provided by BSNL to some very important customers like Indian Navy, Indian Coast Guard, Shipping Corporation of India, ONGC, NDRC, State and Central Police Departments etc:

GSPS (Global Satellite Phone Service): It is being provided through the GSPS Gateway installed at ALTTC Ghaziabad using Inmarsat I4F2 Satellite.

Inmarsat-C (or Sat-C): It is a safety service being used for safety and rescue operations of the distressed ships, boats etc. This service is mandatorily to be provisioned on the ships before sailing in sea.

L-Band Data Service: BSNL L-Band data service has different names based on the place of usage i.e. service is same but names are different based on place of use. These are namely Fleet Broadband Services (FBB) used in Sea; Swift Broadband Service (SBB) used in Air (Aircrafts); Broadband Global Area Network (BGAN) used on Land. These are low throughput services with maximum speed upto 512 Kbps. BSNL does not have Gateway for L-band data services in India and the services are provided by BSNL from Inmarsat Foreign Gateways.

IFMC (GX) Services: BSNL has been providing the IFMC (GX) services in India since September 2021. The IFMC service is a high throughput VSAT service in Ka- Band. Data speed up to 50 Mbps can be provided through GX services. BSNL is providing GX service through the Gateway installed at ALTTC Ghaziabad, India. The service can be provided in sea, air and land as well. BSNL is in advance stage to join hands with M/s NNPL (a Tata Group company) to provide IFMC (GX) services in aviation and marine sector in India, as a strategic partner, considering the vast expertise and experience of M/s NNPL in aviation field for such data services.

KLI Project: The project envisages to connect the 11 inhabited islands of Lakshadweep to the mainland at Kochi through 6 fiber pair submarine Optical Fiber Cable from Androth and Minicoy islands of Lakshadweep to form a ring architecture. BSNL has floated KLI Tender on 10th March, 2021



and P.O. has been issued to M/s NECCIPL on 28.09.2021. Marine Survey for laying of Submarine cable was completed in April, 2022. Laying of land OFC cable from BMH to Cable Landing Station has been completed at all locations. Station Equipment Installation & Testing at all 12 CLS locations has been completed. Civil & Electrical infra works at all CLS locations have been completed by BSNL. The submarine Cable laying work will be completed by end of May, 2023. The overall project will be completed well before the target ie Sept, 2023.

CONSUMER FIXED ACCESS (CFA)

Your Company had been providing Broadband services since January 2005 using ADSL2+ technology and is now getting upgraded to FTTH service (a fiber based GPON technology). Your company's nationwide telecom network covers 693 out of 714 District Headquarters, Block HQs 6004 out of 6,534 ,City 4237 out of 4322 and your company has covered 1.66 Lakhs villages by Broad band services and more than 40,000 villages with FTTH connections .

FTTH Service:- As per the growing requirement of the customers for higher speed on internet, your company has launched FTTH services as well with brand name as Bharat Fiber. 29.93 Lakh no of FTTH customers are provided the Fiber broadband connection as on 31.03.2023.

Media:- BSNL has backbone network using State of the Art Technology and nationwide Optical Fiber cable.

S. No.	Parameter	Unit	As on 31.03.2023
1.	Total OFC coverage	(RKM) Nos.	8,74,843
2.	Digital Microwave coverage	RKMs.	3,471
3.	earth stations through satellite	Nos	69

➤ Outlook for Future

Introduction of NGN SIP based OBD (Out Bound Dialing) Service. Currently Your Company is providing OBD services using its mobile network. Now Your Company have decided to introduce NGN SIP based OBD services. The software for running OBD campaigns using NGN SIP , has been developed inhouse . This system is flexible to accommodate the OBD campaigns to be simultaneously run by multiple states .

Franchise Management System (FMS) has been stated by your company to the process for uploading of Bharat Fibre/ AirFibre invoice by the Franchisees for payment through ERP or Wallet. This process has now been simplified, wherein the Franchisee can generate & submit a digital invoice for a given Month by verifying through Aadhar based digital signature. This Digital Invoice can be directly submitted on,FMS, making the whole process paperless.

1. Your company plans to expand its Wire line network and up keep the performance indicators as laid down by TRAI through following steps.
 - (i) FTTH services is the real revenue earner for the coming years, hence special attention is given to these services. There is more emphasis on partner based models Like FTTH revenue sharing partners who has already expanded your company's FTTH network with their more than 38,000 OLTs and 27.5 Lakhs FTTH Customers.
 - (ii) Radio Broadband service Providers are being engaged to provide Broadband services over Radio frequency in the rural and non-feasible areas to tackle last mile issues.

- (iii) WIFI services are being offered under revenue sharing model so as to reach the last mile customers as per the local condition assessments.
- (iv) Broadband gateways are being strengthened.
- (v) Steps are being taken to upgrade / augment the backhaul capacity of your company under core network segment

Expansion Plan Broadband and FTTH Services:

1. **New BNG RPOP Project:** To meet the ever growing demand of traffic in view of increasing FTTH connection and to meet the technological compliances like IPV6, Procurement was initiated for replacement of complete access aggregations nodes. Ph-I is already completed, rest of it is planned with fresh procurement process with revised specifications. To serve the customer with enhanced services with better regional reach ability & maintainability, the RPops are also being replaced with latest technology equipment
2. **FTTH Expansion:** Your Company has planned to enhance the reach and penetration by further increasing the OLTs in one year to meet the requirement of the ever growing demand of Fiber based Internet services.
3. **Broadband Open Policy for Providing Radio Broadband Services:** Your company has launched open policy to provide Broadband and Voice service on the last mile access over radio frequency technology on unlicensed band. The model has started picking up in various rural geographies. This shall help in covering, remote and not feasible area in respect of wire line solution leveraging your company presence in terms of infrastructure in Rural Area.
4. **WiFi Hotspot Open Policy :** Your Company has introduced retail Wi-Fi Hotspots, called PDO (Public Data Office) in the proposed policy, in which users can walk-in and use the internet services by connecting to the Wi-Fi hotspots, which are provisioned through the revenue share models . This will lead to optimization of core capacity in Wi-Fi technology and Your Company will able to increase the footprint of your company in retail Wifi Market. The WiFi system is also made PM WAN compliant for PDOs .
5. **Regulatory Compliances and Security Measures:** Your Company is also continuously working for strengthening of the security related regulatory compliances by up gradation and capacity addition of such equipment. The equipment is under delivery and thus scheduled to be commissioned in 21-22.

Details of NGN Project & Physical achievement as on 31.03.2023:-

S.No	Vertical	Name of Project	Network elements Plan	Network elements installed	Physical Progress
1	CFA	NGN Network implementation	Core-2.4 Mn	2.4 Mn	All projects are completed
			Access- 8,475 LMGs	8,413 LMGs	
2	CFA	CDOT MAX NGN Core	10Mn	10Mn	All projects are completed
3		CDOT MAX NGN Access	CACU-1,452	CACU-1,447	
			LAGU-10,503	Lagu-10,460	



CUSTOMER CARE

Being a public sector service provider across the vast length and breadth of the country, your Company has a well laid system of Customer Care Mechanism. Customer Service Centres located at main business areas as well as smaller towns ensure that the grievances of the esteemed customers are addressed in shortest possible time.

DIGITAL INDIA INTIATIVES AND IMPLEMENTATION OF GOVT. PROJECTS

Your Company, being the largest pan-India Central Public Sector telecom service provider is actively engaged in the nation building exercise with the Government of India. **The following key projects of the Government are under implementation:-** (i)Bharat Net-II, (ii)Network for Spectrum (NFS), (iii) Left Wing Extremism affected areas (LWE), (iv)Development of communication networks of NE Region.

INFORMATION SECURITY SYSTEM IN THE COMPANY

Pursuant to the implementation of your Company Information Security Policy 2015 and Nomination of Chief Information Security Officer at apex level and Information Security Managers at field level, now, the field units conduct Annual Information Security Audit. your company has conducted the Information Security External Audit for the network and websites in year 2021-22.

INFORMATION TECHNOLOGY

Single Company code for your company as a single legal entity has been executed in ERP system for better controls and accounting. This will ease the GST compliance, Restructuring, Master data standardization etc. Treasury Management and Budget Management for Operational Expenditure has also implemented in ERP.

The e-file management system has been implemented in your company Corporate Office with e-office solution of NIC wherein hard files have been replaced by digital files and your company will be benefitted by this digitization in the long run. This has already started bringing more efficiency and accountability in the organization and also facilitated the work from during lock down. E-office application has been implemented in all the BSNL offices across all states.

e-DPC: e-DPC has been implemented in your company, which has resulted in smooth & fast conduction of DPC. This has increased the transparency and Employee satisfaction.

Oorja: Oorja Portal has been launched for faster & accurate payments of Electricity invoices in your company. The portal also helps in analysis and optimization of electricity expenses.

Your company Selfcare Mobile App: New mobile App has been launched with user friendly navigation for all Post-paid and prepaid mobile customers of your company. One click solution implemented for pending bill payments and for repeating last recharge.

IT SYSTEMS

- Deployment of CDR billing System:** Your Company is running its billing/ Commercial Systems for PSTN Services by CDR Based Convergent Billing and Customer Care Project, through four zonal based systems.
- Your company is currently operating four CDR Data Centres for handling commercial, customer care and billing operations for Landline, Broadband, FTTH, IN, DSPT and Leased Circuit services.

Your company has also introduced Pan India Electronic Stapling of Bills for corporate customers for Landline, Broadband along with GSM Services.



3. **Consolidation of CDR and NIB P-3 Data Centres:** Presently the project for consolidation of existing four CDR data centers and NIB-P3 data centers is in progress. The Project involves setting up of Primary Data Center at Hyderabad and Disaster Recovery Data Center at Pune.

4. **Internet Data Centres (IDC):**

With the purpose of opening up an additional revenue stream and to leverage upon the your company's Bandwidth strength & available space, your company has set up Internet Data Centers (IDCs) in partnership with the Data Center Service Providers (DCSP) on revenue share basis.

Your company offers a complete range of data centre services i.e. Rack space, custom-built Cage space in Pure Co- location or Managed Co-location, Managed Hosting, a host of IaaS, PaaS and SaaS based Cloud Computing Services and a whole lot more. At present three Data Centres are operational i.e. Ahmedabad, Mumbai, & Faridabad.

Open Policy for selling IDC services with intending partners has been incorporated by your company and following approaches are planned for expanding the IDC business :-

- a. Empanelment of Data Center Service Providers on revenue share basis.
- b. Utilizing existing telecom installations for web co-location services.
- c. Floating new EOI for providing services from IDCs under cold shell.

Reorganization of Enterprise Resource Planning (ERP) System: Following activities are done by Your Company in ERP system

- a) Implementation of Phase-II of ERP Re-organization i.e single company code by consideration of existing 50 odd company codes in your company ERP system.
- b) Implementation of IndAs

VALUE ADDED SERVICES

Various Value Added Services on SMS/ DATA/ USSD/ OTT/M2M/IOT/ IVR/ STK / Platform are being provided to your company customers in partnership with different Value Added Service Providers.

1. **BSNLBUZZ:** Value Added Services on Cell Broadcast Platform launched.
2. **Bundled STVs:** Your company is providing services of voice & data along with content (music, video, games etc) as bundled STVs
3. **Mobile Games:** Playing online/offline games across various platforms like Internet, PC and mobile phone.
4. **M2M/IOT Service:** Machine to Machine/ Internet of Things for Enterprise customers of your company. Six no. of Centralized Empaneled M2M Partners has been made. Use cases like vehicle tracking, Smart Meter etc.
5. **Digital Healthcare Service:** Health care services to Private/ Government hospital, a step towards Digital India.
6. **USSD Self Care:** Self-care through USSD for your company mobile subscribers and Retailers where a subscribers/ retails can query, get best customized plans, recharge etc.
7. **M-wallet: BSNL Wallet:** Trio Money: Open Prepaid payment instrument services launched.
8. **Bulk Push SMS:** Promotional & transaction SMS for banking, Capital Market Insurances companies, healthcare etc.



9. **Mobile Banking services with National Payment Corporation of India (NPCI) on USSD Channel.** (Unstructured Supplementary Service Data) also launched.
10. **TCCCP2018:** Implementation of TRAI TCCCP 2018 regulation to comply the regulatory compliances.A2P SMS traffic is migrated to DLT platform. Complaint Management system is also migrated to DLT platform.

TELECOM FACTORIES

BSNL Telecom Factories located at Kolkata (Alipore & Gopalpur), Kharagpur, Jabalpur (Wright Town & Richhai), Bhilai, and Mumbai, are engaged in production of PLB HDPE Telecom Duct, Joint Closures (SJC/BJC), SIM Card, SS Drop Wire, Jointing Kits etc. After organizational restructuring, these telecom factories have been clustered into three (3) BAs headed by GM level officer reporting to respective territorial circles in the geographical area of location. During 2022-23, Telecom Factories achieved a turnover (basic despatch value) of Rs 94.36 crore.

OPERATION SAMUNDRA MANTHAN (OSM)

Operation Samundra Manthan (OSM) was launched 01.04.2015 with the objective of revenue generation through disposal of scrapped and surplus inventory/assets, Audit of Inventory, assets, Timely capitalization of WIP. It helps in productive utilization of space and enhances the cleanliness by disposal of unproductive inventories. During the year 2022-23, Your Company has realized Rs. 274 Crore from OSM disposal. Target for the Financial Year 2023-24 from disposal of idle inventories is Rs.144 Crore.

SOCIAL MEDIA MANAGEMENT BY THE COMPANY

To give impetus to customer relationships management, to increase social accountability and analyses 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 Twitter Seva Ticket is an important tool in customer grievance redressal mechanism. With the active participation of all the Executives of Your Company in the social media and use of the twitter seva ticket, the customer service had gained prominence.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

INDUSTRIAL RELATIONS

Industrial relations have remained cordial during the year under review.

CORPORATE RESTRUCTURING PLANS

Corporate Restructuring is a continuous process of HR. In order to attain efficiency in operation, the Restructuring of Business units are required to be aligned with the overall Growth plan of the BSNL. The Organizational restructuring and Manpower planning in BSNL has been approved by BSNL Management Committee/BSNL Board in view of significant changes in technology, changes in business model and business processes and to effectively utilize man power in Post VRS scenario and to bring efficiency in operations. Under Restructuring, structures are redefined and process are re engineered in line with market requirement and improvement in revenue and customer services. The reorganization process will help BSNL in reduction in Establishment & Administrative cost, Reduction in duplicacy of works, Efficient and effective utilization of staff available post VRS, improved efficiency in operation & network management, better customer service and marketing activities.



Your Company, endeavors to promote meritocracy among executives of different levels of hierarchy in BSNL. With this objective considerable number of promotions to next level have been planned to be executed through competitive examinations (ICE). In order to achieve this objective of promoting meritocracy and incentivizing the meritorious and deserving executives of BSNL, necessary modifications in the Recruitment Rules have been made. Further, the Personnel Branch of BSNLCO aims at achieving uniformity and transparency across all cadres in dealing with HR matters and redressal of grievances of BSNL employees. Introduction and implementation of T enabled tools such as OTP (On Line Transfer Application Portal), e-DPC, e-APAR etc. are some of the steps taken towards

Censuring faster/transparent/unbiased decision-making and delivery of desired services. It is essential for an organization to have a reliable/robust succession plan in place to avoid discontinuity in leadership at senior level of management. In this regard your company has formed a policy for empanelment of senior level officers for holding the post of CGMs has been formulated. The process of empanelment of senior officers for holding the CGM level post has been initiated, so that, in future, BSNL will have a pool of senior level officers, empaneled through a selection process customized to meet organizational needs, ready to take up the role of leadership of various circles as and when required by the organization.

1. Restructuring of Non Territorial Circles: under organisational Restructuring non territorial circle were re organised and reduced from 20 to 9. Restructuring / Consolidation of Business Areas: Business areas were restructured from 198 to 159. In order to attain efficiency in operation, the Restructuring of Business units are required to be aligned with the overall Growth plan of the company. Therefore your company through internal circulars have issued guidelines for Operational Norms issued to the field units.
2. Training Centres: structure of Training Centres have been made on Zonal basis and all the training centres have been divided into six Zones headed by CGM ALTTC Ghaziabad.
3. Telecom Factories: all the telecom factories have been converted into Business Area (BA's) headed by GM level officer reporting to respective territorial circle in the geographical area of location.
4. Manpower Planning / Staffing Norms: Manpower Planning / Staffing Norms in various cadres and stream are under finalisation.

TRAINING

Training is ancillary system to support various business units of BSNL to develop HR growth in terms of competency/expertise in telecom for sustaining business in competitive market scenario On the basis receipt of training requirements of each business/planning unit following information of Training under Corporate Plan 2022-23, is submitted:

A Interacting with various business/planning units of BSNL for optimizing the in-house training courses/modules schedules in line with present/forthcoming corporate plans of BSNL

i. On Job Training (Staff Trained)

BSNL has 09 Telecom training Centers countrywide comprising of two APEX level training centers namely:

- Advanced Level Telecom Training Centers (ALTTC), Ghaziabad.
- Bharat Ratn Bhim Rao Ambedkar Institute of Telecom Training (BRBRAITT), Jabalpur.

Training centers will be sensitized about tuning of their training schedules/ training materials / labs



as projected by various business/planning units of BSNL CO/circles/ field units to achieve as per their requirement for Corporate Plan 2022-23.

BSNL Staff attended various in-service courses / workshops / FTPs / Webinars conducted by various Training Centers as per report retrieved from ALTTC, Ghaziabad for the period April 2022 to March 2023 is 30,665.

ii. Domestic External Training

- a) No staff trained/ deputed from any training centre.
- b) Staff deputed to attend/participate in Training Programs/ workshops/ etc. events conducted by external organization dealt by Training Cell, BSNL CO: 79

S. No.	No. of program/s	No of Officer's deputed	Training / Workshop etc. Organized by	Fee Paid/to be paid (Rs.)
1	1	02	AJNIFM	70,800/-
2	11	33	DEA	Free
3	16	24	DPE	Free
4	2	03	NeGD	Free
5	1	10	C-DAC	Free
6	1	05	VVGNL1	Free
7	1	02	DOT	Free

iii International Relations

a. Foreign Deputation

- No staff deputed from any training centre.
- Staff deputed to various international training/workshops/conferences/ etc.:

During April 2022 to March 2023 staff deputed by Training Cell on foreign tour: 18

S. No	Foreign Tour Details	No of Officers Deputed
1	Training and Factory acceptance testing	11
2	Training and Factory acceptance testing	05
3	EIG MC#27 meeting	01
4	System assembly testing	01

b. International Training Conducted at BSNL Training Centers:

ITU	78 participants in two courses at ALTTC
APT	Total 53 participants in Two APT Courses (25 in ALTTC & 28 in RGMTTC Chennai)
ASEAN	32 Participants in Two Courses at ALTTC
Nepal Telecom	102 Participants in Four courses at ALTTC



B Induction Training

Induction training was conducted to directly recruited/promoted candidates of various cadres i.e JTOS, JAOS & JEs etc. Total of 640 of candidates were trained in Induction Trainings.

C. Training Revenue:

BSNL training centers provides wide range of training programs to various levels of non-BSNL trainees, viz, students/individuals, Government or Private Organizations, etc on payment basis by optimum utilization of training resources.

During the period from April 2022 to March 2023, training revenue of Rs 5,10,72,356 and total revenue of Rs 27,25,50,066 earned from various training programs.

D. Skill Development: NIL

A. Significant Litigation issues : 07

TRAINING PROGRAMMES OF INDEPENDENT DIRECTORS

In Compliance of the provisions of Disclosure under Regulation 25 (7) and 62 Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the familiarization programme was given to the Independent Directors to understand Your Company to enable them in effective discharge of his duties the detail of the familiarization programme attended by the Independent Directors of Your Company up to 31.03.2022 are available at Your Company website at the link : https://www.bsnl.co.in/opencms/bsnl/BSNL/investors/comp_cert_new.html#detailsoffamiliarization

RESERVATION POLICIES OF THE CENTRAL GOVERNMENT

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

A glimpse of representation of Scheduled Caste, Scheduled Tribe, OBC, Ex-Servicemen, Divyaangjan employees as on 31.03.2023:-

Group	Total No. of Employees	Scheduled Caste	Scheduled Tribe	OBC	Ex-Servicemen
Executive	29750	6016	2213	8220	98
Non-Executive	30354	6463	2046	4597	42
Total	60104	12479	4259	12817	140

Category	Executive	Non-Executive	Total
Blindness of low vision	6	7	13
Hearing Impairment	32	7	39
Locomotor Disability or Cerebral Palsy	623	243	866
Total	661	257	918

BENEFITS/ FACILITIES TO FEMALE EMPLOYEES AND PERSONS WITH DISABILITIES

All the Govt. of India's instructions / guidelines on the subject are being implemented.



EMPLOYEES WELFARE AND HR PLANS POST VRS

Your Company being a model employer have introduced the contributory benefit pension scheme for the directly recruited employees of the Company. Your Company has its medical reimbursement scheme to provide for medical expenses for all classes of employees including retired employees.

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

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

The following is the summary of sexual harassment complaints received and disposed off during the year 2022-23:-

No. of complaints received –	08
No. of complaints disposed of –	02
No. of cases pending –	07

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

VIGILANCE CASES

Number of the Vigilance Cases disposed off during the year 2022-23 is as follows:-

S. No.	Information pertaining to	Opening Balance	Received	Disposed	Closing Balance
1	Complaints	45	552	681	16
2	Departmental Inquiries	51	17	25 (Inquiry Com- pleted)	43 (CVC + Non- CVC)
3	Prosecution Sanction	0	1	1	0

Further, the pendency, as on 31.03.2023 is:

- i) CVC Advices: 01
- ii) Departmental Inquiries
 - (a) CVC: 03
 - (b) Non-CVC: 40
- iii) Prosecution sanction: 0

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 Your Company for providing information to citizens. The details of the CPIOs is posted in the website of Your Company at www.bsnl.co.in

Details of RTI Applications / Appeals disposed off in the year 2022-23 is as follows:

RTI Requests disposed off : 2916 Numbers

RTI Appeals disposed off : 272 Numbers

AUDIT QUALIFICATIONS AND MANAGEMENT REPLIES

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

IMPLEMENTATION OF OFFICIAL LANGUAGE POLICY

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

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

EMPOWERMENT OF WOMEN

All the Government instructions on the subject of women welfare, safety of women in workplace etc., issued from time to time are implemented.

PHILOSOPHY OF SUSTAINABLE BUSINESS GROWTH - A RESPONSIBLE BUSINESS MODEL

Your Company's strong beliefs in establishing a sustainable / responsible business organization, are deeply embedded in its business philosophy.

The following aspects are concomitant to the business and existence of the entity as a leading public sector telecom service provider:- (a) Highly transparent Governance mechanism, (b) Amenability to the applicable guidelines of the Government, (c) Independent external vigilance monitoring set up, (d) Enhancing environmental sustainability in applicable areas, (e) Strong Internal Control mechanisms, (f) Having been associated with the Government in Nation Building, and; (g) A pioneer in the CSR Areas much before the statutory mandate etc., are all concomitant to the business and existence of the entity.

Although the provisions of sustainability reporting and business responsibility reporting are not applicable to your company however, being a responsible corporate citizen under the aegis of the Govt. of India, Ministry of Communications Department of Telecommunications, Your Company complies with the applicable guidelines.

MECHANISM OF COMPLIANCES

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



Being the successor of the erstwhile Departments of Telecom Services and Telecom Operations with vast geographical spread, Your Company 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 Your Company and its future operations were reported by any of the units.

CORPORATE GOVERNANCE

Being a leading public sector telecom service provider, the Corporate Governance philosophy of Your Company stems from the basic principle of transparent business practices to enrich the customer experience and provide reliable communication network at all times. Your company is committed to practice the highest standards of Corporate Governance.

In addition to the independent external vigilance monitoring set up, Company has also entered into a MoU with the Transparency International paving for Integrity Pact to ensure transparent procurement transactions.

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

Although the Guidelines on Corporate Governance for the Unlisted CPSEs laid down by the Department of Public Enterprises have been included in the Companies Act 2013, Your Company has been complying with the same. Your Company had issued Debt securities listed with Bombay Stock and Your Company has become amenable to the SEBI (LODR) Regulations post issue of the aforesaid debt securities. SEBI in the September 2021 issued a notification, and amended the SEBI (LODR) Regulations 2015 as per the said amendment your company has become a high value debt listed entity which mandated the applicability of the Regulations 16 to 27 of the SEBI (LODR) Regulations 2015 in addition to guidelines applicable for Debt listed entities. A separate Report on the Corporate Governance followed by your company together with certificate from M/s VAP & Associates is annexed and form part of this report. (Annexure-5)

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

Management Discussion and Analysis Report (Annexure-2), Report on Corporate Governance (Annexure-3) together with the Secretarial Audit Report in Form MR-3 (Annexure-4), Certificate on compliance of CG Norms forms part of this Report (Annexure-5) , Secretarial Compliance Report under Regulation 24A of the SEBI (LODR) Regulations 2015 (Annexure-6), Compliance Certificate by Chief Executive Officer and Chief Financial Officer under Regulation 17(8) of the SEBI (LODR) Regulations 2015 (Annexure-7), Compliance Certificate from the Chairman and Managing Director of Your Company for Compliance of Code of Conduct by the Board Members and the Senior Management Personnel of Your Company (Annexure-8) and a certificate from M/s VAP & Associates a Company Secretaries in practice certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is attached as Annexure -9 and form 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. In terms of SEBI (LODR) regulations, the chief executive officer and the chief financial officer of your Company has provided a certificate as compliance certificate to the board of



directors as specified in Part B of Schedule II.

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

MEETINGS OF THE BOARD

The Board of Directors of your Company met Nine (9) times during the financial year 2022-23. Details of the attendance of director's etc., form part of the Corporate Governance Report which forms part of this Report. [Refer to the Chapter on Board Meetings held, Attendance of Directors etc.]

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In terms of the provisions contained in the Section 135 of the Companies Act 2013 and Rules thereunder, the Board of Directors of your company has constituted the Corporate Social Responsibility Committee (CSR Committee) and consequent upon the appointment Shri Sandeep Govil, Director (CM) on the Board of Directors of your company, the Board re-constituted the committee in their 220th meeting held on the 13th February 2023. The present composition of the Committee comprise of the following members is as follows:-

- (i) Shri Manoj Kumar, Independent Director- Member
- (ii) Shri Arvind Vadnerkar, Director- Member
- (iii) Shri Sandeep Govil- Member

Secretary of Your Company to act as Secretary of the Committee.

Owing to losses being incurred by Your Company since the year 2009-10, no specific amount could be earmarked for CSR activities. However, the Company, continued its engagement with social obligations to bridge the digital divide and connecting India. Pursuant to the provisions of the Companies Act 2013, the CSR Policy has been displayed in the corporate website at www.bsnl.co.in. The Terms of Reference of the Committee are as prescribed under Section 135 and other applicable provisions of the Companies Act 2013 & Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/ SEBI time to time and remain in force for the time being.

NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

Being wholly owned Govt. Company, in terms of 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 Your Company relates to the appointment and remuneration of senior management personnel and other employees. To comply with the provisions contained Section 178(1) of the Companies Act 2013, the Nomination and Remuneration Committee of the Board was constituted. Incompliance of the provisions of the sub-sections Section 178 of the Act of 2013 and Regulation 19 of the SEBI (LODR) Regulations 2015 and your company constituted the Nomination and Remuneration Committee of the Board.

The present composition of the Committee is as follows:-

- (i) Shri, Ravindra Ramdas Borawake (Chairman) Independent Director
- (ii) Shri Manoj Kumar, Independent Director –Member



(iii) Smt Trupti Kamlesh Patel, Independent Director- Member

Secretary of Your Company to act as Secretary of the Committee. Director (HR) is the Regular Invitee.

Terms of Reference, Roles and Responsibilities of the Committee are as per the provisions of Section 178 (2)(3) & (4) , Regulation 19 of the SEBI(LODR) Regulations 2015 and other applicable provisions of the Companies Act 2013, SEBI(LODR) Regulations and the Rules and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/SEBI time to time and remain in force for the time being.

AUDIT COMMITTEE OF THE BOARD

To comply with the provisions contained Section 177(1) of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulations 2015, the Board of Directors of your company, in their 221st meeting held on Wednesday , the 29th day of March 2023 re-constituted the Audit Committee of the Board having directors other than whole time directorship Audit Committee of the Board was constituted. The present composition of the Committee is as follows:-

- [1] Shri Ravindra Ramdas Borawake, Independent Director - Chairperson
- [2] Shri Seikhojam Kipgen, Independent Director - Member
- [3] Shri Shivendu Gupta , Govt Director - Member

Secretary of Your Company to act as Secretary of the Committee and Director (Finance) is the Regular Invitee.

The Terms of Reference of the Committee are as prescribed under Section 177 (4)(5) & (6), Regulation 18 of the SEBI (LODR) Regulations and other applicable provisions of the Companies Act 2013 & the SEBI (LODR) Regulations and Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/SEBI time to time and remain in force for the time being. Director (F) is the Regular Invitee and the Secretary of Your Company acts as the Secretary of the Committee.

STAKE HOLDER RELATIONSHIP COMMITTEE

To comply with the regulation 20 of SEBI (LODR), 2015 and rules made thereunder the Stakeholder and Relationship Committee was constituted. Consequent upon the appointment Shri Rajiv Kumar Director (F) & CFO, the Board of Directors of your company, in their 219th meeting held on Thursday, the 29th day of December 2022, the said Committee was re- constituted with the following composition of the Committee:-

The present composition of members of the Committee is as follows:-

- i) Shri Seikhojam Kipgen , (Independent Director), Chairman
- ii) Shri Vivek Banzal, (Member),Director (CFA)
- iii) Shri Rajiv Kumar , (Member), Director (Fin) & CFO

The Terms of Reference of the Committee are as prescribed under Regulation 18 of the SEBI (LODR) Regulations and Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/SEBI time to time and remain in force for the time being. Director (F) is the Regular Invitee and the Secretary of Your Company acts as the Secretary of the Committee.



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, Your Company has also put in place in place a Whistle Blower Policy. Same has been circulated widely and posted in the intranet portal as well as corporate website of the company. Under this mechanism, protected disclosure can be made by the whistle blower to the Chairman of the Audit Committee. The Whistle Blower Policy of Your Company is available at the following link: https://www.bsnl.co.in/opencms/bsnl/BSNL/about_us/pdf/WHISTLE_BLOWER_POLICY_OF_BSNL.pdf

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

Pursuant to the mandate Public Enterprises through Guidelines on Corporate Governance Norms for the Un-Listed CPSEs and in compliance of Regulation 21 of the SEBI (LODR) Regulation 2015 , Company constituted its Enterprise Risk Management Committee. Presently the Committee is headed by the Director (Finance) of Your Company with Ms. Trupti Kamlesh Patel, Independent Director and all the Functional Directors as the Members (Except CMD). Secretary of Your Company to act as the Secretary of the Committee.

The ERM Committee is mandated meet at least twice in a year, to consider:-

- (i) Risk Management Administrators' report about the risks identified, perceived risks and mitigation plans;
- (ii) On an annual basis identify the top areas of strategic risks facing Your Company including the mitigation plan,
- (iii) Recommend measures to improve upon the Risk Management Systems.

The Enterprise Risk Management Committee meeting held on the 25th day of May, 2022 and the 12th day of November, 2022 at Bharat Sanchar Bhawan, New Delhi and all the committee members attended the meeting.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION – SUSTAINABLE DEVELOPMENT

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



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

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

Use of Renewable Energy: As a responsible corporate citizen, your Company always accords priority to Environmental Protection Activities, as laid down by the Govt. agencies from time to time. Adoption of New Technologies for improvement in production / design and production processes: Company has already started using Energy efficient AC units, High Precision packaged AC Units (HPACs) which optimizes power consumption based on load.

Energy Efficient light fixtures such as lights and fans are utilized in various Company buildings along with movement sensors to reduce energy consumption.

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

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

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

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

PROJECT OJAS – TO REDUCE THE ENERGY CHARGES

With a view to bring down the energy charges, Your Management had initiated the "Project Ojas", which was inaugurated from Maharashtra Circle of Your Company on 7.8.2018. The Prime Objective of the project is to monitor and reduce the power charges.

A saving of Rs.58 Cr. has been made on account of energy saving in current FY 2022-23 and target for additional reduction in energy exp. in FY 2023-24 is Rs.36 Cr. under Project OJAS along with following activities:

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

1. A major portion of energy is utilized for air conditioning, particularly in view of warm and humid climate that is detrimental to sensitive electronic equipment. Air-conditioned environments are monitored and controlled to ensure optimum performance by control of temperature, by minimizing losses due to leakage and poor insulation and clogged filters. This has resulted in significant reduction of wasteful energy consumption.

Air-conditioning requirements have been reduced by using various methods of free cooling, turbo ventilators , partitioning of switch rooms



2. Rationalization of the maximum contract demand is being taken on a continuous basis to free up the unnecessary projected demand and reduce fixed charges.
3. Under one building, one power plant, one battery bank and one air conditioner scheme (OBOPBOA), Clubbing of technical areas and services is being done in order to optimize Air conditioning requirements, space requirements, and electricity expenditure .
4. Use of the latest Li-ion battery with adequate capacity in lieu of VRLA battery to minimize DG set operation .
5. Apart from using high efficiency LED lighting, automated BMS (Building Management System) controls the lights and switches them off when not needed, saving power. The IoT based devices have been utilized to minimize the operation of DG set , battery and air conditioners.
6. Oorja App is implemented for monitoring, scrutiny and payment of energy bills through BBPS to ensure optimum utilization of available funds. It has ensured timely bill payment avoiding delay charges and penalty.
7. A total of 08 nos. National level /State Level Energy Conservation Awards won by BSNL in PAN India for excellent efforts in energy conservation in 2022-23 itself.
8. A total of 13 MWp of Solar Installation has been carried out and out of which 9 MWP under RESCO Model keeping with no capex requirement from BSNL ,

PROCUREMENT FROM MEDIUM AND SMALL ENTERPRISES

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

Earned: - Rs. 15808 Lakhs

Used: - Rs. 2371 Lakhs

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 Your Company is headed by a Pr. General Manager level officer. Pursuant to the provisions of Companies Act 2013, Your Company also appoints external auditor(s) / audit firm(s) as Internal Auditors.

Apart from its own Internal Audit machinery, and independent professionals as Internal Auditors, 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.

For further strengthening of internal financial control in your company, M/s KPMG was assigned with the task of preparing Risk Control Matrices and process narratives for all significant business processes. The Risk Control Matrices have been successfully implemented in all the circles & their Test of Effectiveness has been conducted quarterly by Internal Auditors.



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 Your 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 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.

PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016

Under Insolvency and Bankruptcy Code 2016, the total three (3) applications / proceedings against your company are pending under the Insolvency and Bankruptcy Code 2016 and there is no one time settlement and the valuation done while taking loan from Banks or Financial Institutions.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

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

RELATED PARTY DISCLOSURES

- Your Company has not entered into any material 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, where the Directors are Directors without the required shareholdings.

The company's related party transaction are generally with PSUs. All the related party transaction were in ordinary course of business at arm length basis and they were intended to further the company's interest. Accordingly the disclosure of related party transaction as required under section 134 (3) (a) of Companies Act, 2013 in form AOC-2 is not applicable. Your 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 92(3) and 134(3)(a) of the Companies Act 2013, the extracts of the Annual Return, in Form MGT 9 forms part of the Report (Annexure-1) and, the Annual Return of Your Company can be accessed at www.bsnl.co.in



DIRECTORS RESPONSIBILITY STATEMENT

To the best of knowledge and belief, and in terms of information and explanation offered and records submitted, the Directors of Your 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 along with 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 Your Company at the end of the financial year and of the profit and loss of Your 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 Your 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 Your 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

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

STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTORS

Pursuant to the provisions contained sub-section (7) of the Section 149, the Non official (Independent) Directors of Your Company made declaration that they meet the criteria of independence as provided in sub-section (6) of the Companies Act 2013 and declared that they will comply with the provisions under the Companies (Appointment and Qualification of Directors) Rules, 2014 (as amended from time to time) and Your Company has also received a declaration of Independence from Independent Directors that they fulfils the conditions as set Regulation 16 (1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

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

As regards policy on remuneration of Senior Managerial Personnel and other employees of the Company,



their pay structure, allowances and other benefits are governed by relevant Govt. of India DPE Guidelines.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Size of the Board

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

Representation of Woman on the Board

Ms. Yojana Das, a Whole Time Director i.e., Director (F) & CFO [w.e.f. 16.11.2020 to 30.11.2022], Ms. Trupti Kamlesh Patel , Independent Director(w.e.f. 01.11.2021) and Ms. Yashashri Shukla, Govt Directors [w.e.f. 14.02.2022 to 26.12.2022.] represent the women as 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)(p) relating to the Evaluation of Directors are not applicable to BSNL.

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

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

CHANGES THAT TOOK PLACE IN BOARD OF DIRECTORS AND KMPs

- Government of India, Ministry of Communications' vide Order No. E-2-2/2019-PSA dated 13th April, 2020 have conveyed entrustment of additional charge of the post of Chairman and Managing Director, MTNL to Shri P.K. Purwar, CMD BSNL with immediate effect for a period of six months from the date of assumption of charge or until further orders whichever is earlier. Pursuant to the same, CMD BSNL has assumed the charge of the post of Chairman and Managing Director, MTNL . The aforesaid charge was further extended from time to time and lastly vide order of even no date 03.10.2022 from 15.10.2022 to 14.10.2023 or until further orders, whichever is earlier. During the period of holding additional charge as aforesaid, Shri P.K. Purwar will not be entitled to any additional remuneration
- Government of India, Ministry of Communications' vide Order No. E-13-3/2022-PSA dated 21.10.2022 have conveyed entrustment of additional charge of the post of Chairman and Managing Director, Bharat Broadband Networks Limited (BBNL) to Shri P.K. Purwar, CMD BSNL with immediate effect for a period of for a period of three months w.e.f. 03.10.2022 to 02.01.2023 or until further orders. Pursuant to the same, CMD BSNL has assumed the charge of the post of Chairman and Managing Director, Bharat Broadband Networks Limited (BBNL) w.e.f. 03.10.2022 (Forenoon). The aforesaid



charge was further extended lastly vide order of even no dated 16.05.2023 from 03.10.2022 for a period of one year or until further orders, whichever is earlier. During the period of holding additional charge as aforesaid, P. K. Purwar will not be entitled to any additional remuneration.

- The Government of India, Ministry of Communications, Department of Telecommunications vide No. E-1-1/2020-PSA dated 04.04.2022 has communicated that, "in exercise of the powers conferred vide Department of Personnel & Training O.M. No. 26(3) EO/2004 (ACC) dated 17.08.2005, the additional charge of the post of Director (CM) , Bharat Sanchar Nigam Limited (BSNL) is entrusted to Shri Vivek Banzal, Director (CFA), BSNL for a period of three months w.e.f. 01.04.2022 to 30.06.2022 or till the appointment of regular incumbent or until further orders, whichever is the earliest. During the period of holding additional charge as aforesaid, Shri Vivek Banzal will not be entitled to any additional remuneration.
- Government of India, Ministry of Communications, Department of Telecommunications vide Order No.E-2-2/2020 -PSA dated 12.05.2021 have conveyed the entrustment of additional charge to the post of Director (Finance), MTNL to Smt. Yojana Das, Director (Finance), BSNL for a period of three months w.e.f. 12.05.2021 to 11.08.2021 or until further orders, The aforesaid charge was further extended lastly vide order of even no dated 12.07.2022 for further period w.e.f. 12.05.2022 till 30.11.2022 (date of her superannuation) or until further orders, whichever is earlier. During the period of holding additional charge as aforesaid, Ms. Yojana Das will not be entitled to any additional remuneration. Smt. Yojana Das retired w.e.f 30.11.2022 on attaining the age of her superannuation and ceased to director of company.
- Government of India, Ministry of Communications, Department of Telecommunications vide No E-1-1/2022-PSA dated 01.08.2022 entrusted the additional charge of the post of Director (CM) , Bharat Sanchar Nigam Limited (BSNL) to Shri V Ramesh , Director (E), BSNL for a period of three months w.e.f. 01.08.2022 or till the appointment of regular incumbent or until further orders, whichever is the earliest. During the period of holding additional charge as aforesaid, Shri V Ramesh will not be entitled to any additional remuneration Consequent upon appointment of Shri Sandeep Govil w.e.f. 16.01.2023 as Director (CM) Shri V Ramesh relinquishes the said charge.
- Government of India, Ministry of Communications' vide Order No. .E-2-2/2021-PSA dated 22.03.2022 have conveyed entrustment of additional charge of charge of the post of Director (Technical), Mahanagar Telephone Nigam Limited (MTNL) in favour of Shri V. Ramesh, Director (Enterprise), Bharat Sanchar Nigam Limited (BSNL) for a period of one year w.e.f. 01.04.2022, or until further orders, whichever is the earlier. Pursuant to the same, Shri V Ramesh has assumed the charge of the post Director (Technical), Mahanagar Telephone Nigam Limited (MTNL) w.e.f.31.03.2022. The aforesaid charge was further extended vide order of even no dated 03.04.2023 for a period 01.04.2023 to 30.06.2023 or until further orders, whichever is earlier. During the period of holding additional charge as aforesaid, Shri V Ramesh will not be entitled to any additional remuneration
- Government of India, Ministry of Communications' vide Order No. E-13-2/2019-PSA (Pt.3) dated 18.11.2022 have conveyed entrustment of additional charge of the additional charge of the post of Director (Planning), Bharat Broadband Network Limited (BBNL) to Shri V. Ramesh, Director (Enterprise) , BSNL for a period of 06 months w.e.f. 01.10.2022, or until further orders, whichever is earlier. The aforesaid charge was lastly extended vide order of even no dated 12.04.2023 for a periof 01.04.2023 to 30.06.2023 or until further orders, whichever is earlier. During the period of holding additional charge, Shri V. Ramesh will not be entitled to any additional remuneration."
- Government of India, Ministry of Communications, Department of Telecommunications vide order No E-2-3/2021-PSA Dated 25.08.2021 conveyed the entrustment of additional charge for the post of



Director (HR & EB), Mahanagar Telephone Nigam Limited (MTNL) to Shri Arvind Vadnerkar without any additional remuneration for period 01.09.2021 to 30.11.2021 or until further orders, whichever is earlier. The aforesaid charge was further extended vide order lastly vide E-2-3/2021-PSA dated 11.01.2023 for period w.e.f. 01.12.2022 to 30.09.2023 until further orders. During the period of holding additional charge, Shri Arvind Vadnerkar will not be entitled to any additional remuneration."

- Government of India, Ministry of Communications, Department of Telecommunications, in terms of Article 111 of the Articles of Association of the Company, vide Order No. E-5-3/2021-PSA dated 14.02.2022, has conveyed the appointment of Ms. Yashashri Shukla, Jt. Administrator (Finance)/USOF, DoT as Government Director on the Board of Directors of Your Company with immediate effect in place of Shri Abhay Kumar Singh, DDG (E&T) DoT, for a period of three years w.e.f. 14.02.2022 or till the date of superannuation or till further orders, whichever is the earliest.
- Government of India, Ministry of Communications, Department of Telecommunications, in terms of Article 111 of the Articles of Association of the Company, vide Order No. E-1-5/2022-PSA dated 30.11.2022 entrusted the additional charge of the post of Director (Finance), BSNL to Shri Rajiv Kumar, General Manager (GM), BSNL for a period of three months w.e.f. 01.12.2022, or till he is appointed to the post on a regular basis, or until further orders, whichever is the earliest and assumed the charge w.e.f. 01.12.2022. Further the Government of India, Ministry of Communications, Department of Telecommunications' Order No.1-2/2021-PSA dated 10.02.2023, had communicated the appointment of Shri Rajiv Kumar Director (Finance) , BSNL on regular basis w.e.f. 10.02.2023. Shri Rajiv Kumar Director (F) of the company was also designated as CFO of the Company.
- The Government of India, Ministry of Communications, Department of Telecommunications vide Order No.E-1-5/2022-PSA dated 30.11.2022 had communicated the entrustment of additional charge of the post of Director (Finance), MTNL is entrusted to Shri Rajiv Kumar, GM, BSNL for a period of three months w.e.f. 01.12.2022 and upto 28.02.2023 or till the appointment of regular incumbent or until further orders, whichever is the earliest. which was last extended vide their order of even no dated 17.05.2023 for period of six months or until further orders, whichever is the earliest. During the period of holding additional charge, Shri Rajiv Kumar will not be entitled to any additional remuneration." Pursuant to the above order, Shri Rajiv Kumar assumed the additional charge of the post of Director (Finance), MTNL in the forenoon of 01.12.2022.
- The Government of India, Ministry of Communications, Department of Telecommunications vide Order No.E-1-5/2022-PSA dated 30.11.2022 had communicated the entrustment of the additional charge of the post of Director (Finance), Bharat Broadband Network Limited (BBNL) is entrusted to Shri Rajiv Kumar, GM, BSNL for a period of three months w.e.f. 01.12.2022 and upto 28.02.2023 or till the appointment of regular incumbent or until further orders, whichever is the earliest. which was last extended vide their order of even no dated 17.05.2023 for period of six months or until further orders, whichever is the earliest. During the period of holding additional charge, Shri Rajiv Kumar will not be entitled to any additional remuneration."
- The Government of India, Ministry of Communications, Department of Communications Order No. E-5-3/2021-PSA dated 26.12.2022 conveyed the appointment of Shri Shivendu Gupta, DDG (WPF), DoT as Government Director on the Board of Directors of the Company with immediate effect in place of Ms. Yashashri Shukla, Jt. Admn./USOF, DoT for a period of three years or till the date of superannuation or till further orders, whichever is the earliest. Consequent upon appointment of Shri Shivendu Gupta DDG (WPF), DoT as Government Director on the Board of BSNL, Ms Yashashri Shukla, ceases to be Director on the Board of BSNL, with effect from 26.12.2022.



- The Government of India, Ministry of Communications, Department of Telecommunications Order No. E-5-2/2021-PSA dated 17.11.2022 conveyed the appointment of Shri Sunil Kumar Verma, Joint Secretary (A), DoT as Government Director on the Board of BSNL with immediate effect in place of Shri Premjit Lal, former DDG (PM), DoT. Consequent upon appointment of Shri Sunil Kumar Verma Joint Secretary (A), DoT as Government Director on the Board of BSNL, Shri Premjit Lal, former DDG (PM), DoT ceased to be a Government Director on the Board of BSNL with effect from 17.11.2022.
- The Board placed on record its deep appreciation for the services rendered, valuable guidance and significant contribution made by Ms. Yojana Das, Ms. Yashashri Shukla and Shri Premjit Lal during their association with the Company.

STATUTORY AUDITORS

M/s Ramesh C Agrawal & Co., Chartered Accountants, New Delhi were appointed as Statutory Auditors of Your Company by the Comptroller & Auditor General of India. In addition to the Statutory Auditors, 37 Branch Auditors were also appointed for the year 2022-23. The Report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India, along with replies of the Management thereto forms part of this Report.

COST AUDITORS

Your Board has appointed M/s Vijender Sharma & Co., Cost Accountants Firm Registration No.00180 as Cost Auditor of the Company for conducting the Cost Audit and Accounting Separation Report (ASR) Audit for the financial year 2022-23. 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 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 2021-22 was filed with the MCA, Registrar of Companies on 14.10.2022.

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 Your Company for conducting the Secretarial Audit for the year 2022-23. The Secretarial Auditor submitted their Report in Form MR-3, which forms part of this report (Annexure-4).

GENERAL

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

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



(vi) Section 131 – Reasons for revision of financial statement and Board Report;

ACKNOWLEDGEMENTS

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

Your Directors express their deep appreciation for the 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/-

[P.K. PURWAR]

CHAIRMAN AND MANAGING DIRECTOR

Place : New Delhi

Date : 10-08-2023



Shri P. K. Purwar, CMD BSNL during India Mobile Congress held on 01th to 04th October 2022
at Pragati Maidan, New Delhi



ANNEXURE 1

FORM MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2023

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

• 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 & CGM(L) / PH;23353395/Fax:23353389/Mail: hcpant@bsnl.co.in
(vi)	Whether listed company	Un-Listed (i.r.o. Equity / Preference Sh Capital) Listed in BSE w.e.f.28.09.2020 for BSNL Bonds Series 01
(VII)	Name, Address and Contact details of Registrar and Transfer Agent, if any	<p>For Equity and Preference Shares- INDUS PORTFOLIO PRIVATE LIMITED, MANAGER- SHR, G-65, BALI NAGAR, NEW DELHI-110015. PHONE 011-47671214/47671217 FAX 25449863</p> <p>For BSNL Bonds Series 01 - Beetal Financial & Computer Services (P) Ltd, 3rd Floor, 99 Madangir, Behind LSC, New Delhi – 110062, Phone: 011-29961281-83, 011-29961284, E-mail: beetal@beetalfinancial.com, Website: www.beetalfinancial.com</p>

• PRINCIPAL ACTIVITIES OF THE COMPANY

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

S.No.	Name and Description of main products/services	NIC code of the Product/ Service	% of total turnover of the company
1	Basic services	Not available	20 %
2	Cellular services	Not available	37%
3	Broadband services	Not available	16%
4	Enterprise Services	Not available	27 %



- PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

- 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									
(g) Individual/ HUF	-	-	-	-	-	-	-	-	-
(h) Central Govt.	-	Equity: 500,00,00,000 Preference: 750,00,00,000	Equity: 500,00,00,000 Preference: 750,00,00,000	100%		Equity: 3138,64,40,000 Preference: 750,00,00,000	Equity: 23138,64,40,000 Preference: 750,00,00,000	100%	-
(i) State Govt(s)	-	-	-	-	-	-	-	-	-
(j) Bodies Corp	-	-	-	-	-	-	-	-	-
(k) Banks/FI	-	-	-	-	-	-	-	-	-
(l) 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: 3138,64,40,000 Preference: 750,00,00,000	Equity: 3138,64,40,000 Preference: 750,00,00,000	100%	-
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	-	-	-	-	-	-	-	-	-

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	
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total(A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1) + (A)(2)		Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000	100%	-	Equity: 3138,64,40,000 Preference: 7,50,00,00,000	Equity: 3138,64,40,000 Preference: 7,50,00,00,000	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	-	-	-	-	-	-	-	-	-
(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	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
(c) others (specify)	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-

- 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: 3138,64,40,000 Preference: 7,50,00,00,000	100%	NIL	NIL

- 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: 2638,64,40000 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 2638,64,40,000 number of Equity shares issued to promoters on right basis during the year 2022-23.			
	At the End of the Year	Equity: 5,00,00,00,000 Preference: 7,50,00,00,000		Equity: 3138,64,40,000 Preference: 7,50,00,00,000	

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- 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



- 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 Your 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 2022-23				
(i) Principal Amount	21,035.00	11,958.00		32,993.00
(ii) Interest due but not paid	0	0		0
(iii) Interest accrued but not due	2.00	14.00		16.00
Total (i) + (ii) + (iii)	21,037.00	11,972.00		33,009.00
C. Change in Indebtedness during the financial year 2022-23				
Addition	5,004.00	4,287.44		9,291.44
Reduction	18,444.00	3,077.00		21,521.00
Net Change	(13,440.00)	1,210.44		12,229.56
Indebtedness at the end of the financial year 2022-23				
(i) Principal Amount	7,597.00	13,079.70		20,676.70
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	102.74	-	102.74
Total (i) +(ii)+(iii)	7,597.00	13,182.44		20,779.44



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 P.K. Purwar, CMD	Shri Vivek Banzal Director (CFA)	Shri Arvind Vadnerkar (HRD)	Shri V Ramesh Director (E)	Shri Sandeep Govil Kumar Mishra (CM) [w.e.f 16.01.2023]	Ms. Yojana Das Dir (f) & CFO [w.e.f. 16.11.2020 up to 30.11.2022]	Shri Rajiv Kumar Dir(F) & CFO [w.e.f. 01.12.2022]
1	Gross Salary							
	(a)Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	37,76,192	38,18,262	36,05,804	39,08,662	8,27,248	25,21,791	6,51,093
	(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 (EPF)	4,16,549	3,97,266	3,85,728	3,67,488	90,943	2,51,197	48,929
	Total(A)	41,92,741	42,15,528	39,91,532	42,76,150	9,18,191	27,72,988	7,00,022
	Ceiling as per the Act							

B. Remuneration to other Directors:

S. No.		Ms. Yashashri Shukla Govt Dir.	Shri Sunil Kumar Verma Govt. Dir.	Shri Shivendu Gupta Govt. Dir	Shri Ravindra Ramdas Borawake	Shri Manoj Kumar	Shri Seikhojam Kipgen [w.e.f.	Ms. Trupti Kamlesh Patel
	4 Independent Directors							
	-Fee for attending Board Committee meetings	-	-	-	1,70,000	1,00,000	1.20,000	1,70,000



S. No.		Ms. Yashashri Shukla Govt Dir.	Shri Sunil Kumar Verma Govt. Dir.	Shri Shivendu Gupta Govt. Dir	Shri Ravindra Ramdas Borawake	Shri Manoj Kumar	Shri Seikhoram Kipgen [w.e.f.	Ms. Trupti Kamlesh Patel
	-Commission	-	-	-	NIL	NIL	NIL	NIL
	-Others, please specify	-	-	-	NIL	NIL	NIL	NIL
	Total(1)	-	-					
	4. Other Non Executive Directors	-	-	-	NIL	NIL	NIL	NIL
	-Fee for attending Board Committee meetings	-	-	-	NIL	NIL	NIL	NIL
	-Commission	-	-	-	NIL	NIL	NIL	NIL
	-Others, please specify	-	-	-	NIL	NIL	NIL	NIL
	Total(2)	-	-	-	NIL	NIL	NIL	NIL
	Total(B) = (1 + 2)	-	-	-	-			
	Total Managerial Remuneration	-	-	-	1,70,000	1,00,000	1.20,000	1,70,000
	Overall Ceiling as per the Act							

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

S No	Particulars of Remuneration	Shri J.P. Chowdhary CS & GM(L) (w.e.f. 01.02.2021)	-	-	-	Total Amount
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	31,31,414	-	-	-	
	(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		-	-	-	-

S No	Particulars of Remuneration	Shri J.P. Chowdhary CS & GM(L) (w.e.f. 01.02.2021)	-	-	-	Total Amount
3	Swat Equity	-	-	-	-	-
	Commission	-	-	-	-	-
	-as % of profit	-	-	-	-	-
	-others, specify	-	-	-	-	-
5.	Others, please specify	3,33,396	-	-	-	-
	Total	34,64,810	-	-	-	

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/-
[P.K.PURWAR]
CHAIRMAN AND MANAGING DIRECTOR

Annexure 2**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS**

As a result of the persistent efforts made by the government towards promoting technological development, telecommunications services have penetrated the remotest corners of the nation. The country has come a long way from the days when a telephone connection was seen as a luxury to the present where a majority of people have a mobile connection. Your company is using Atmanirbhar Bharat's 4G technology stack to align with the vision of the Government and dedicated to serve its citizen up to last mile of the nation. Your Board of Directors is pleased to share with you the Business Performance along with the Audited Financial Statements for the financial year ended 31st March, 2023.

Your Company is part of the rapidly Growing Telecom Sector which continues to be one of the biggest long-term sustainable business opportunities that our country offers. Presently your company has launched 4G services at limited scale by utilizing the existing available spectrum which is also being used for providing 3G services. But in such a scenario, your company could not provide 3G and 4G services simultaneously at any particular place. In this arrangement, 8,637 no of 4G nodes are presently working in your company Network. BSNL is on mission to execute 4G saturation Project entrusted by GOI to provide 4G mobile services by using 4G Atamnirbhar Bharat Technology in remote and difficult terrains of India to covering 24600 uncovered villages to empowering rural India to bridge the digital divide.

The implementation of the revival measure for Your Company approved by the Union Cabinet is in progress.

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Allocation of 4G spectrum to Your Company in cash neutral manner by infusion of equity. The management of your Company has issued the purchase order for all the Circles requested to the Govt of India to allocate the 4G spectrum on finalization of Company's tender for 4G network equipment. In order to promote domestic technologies and Make in India for telecom sector, EOI has been floated on 1st January 2021 for registration cum participation in the proposed 4G tender and Proof of Concept as part of tendering process for allotment of 4G network.. M/s TCS has successfully conducted POC out of 5 POC vendors for commercial deployability of 4G equipment's , to make this project a success and with a view to fast-track the deployment of 4G services floated the tender document regarding Phase IX.2 tender for planning, engineering, supply, installation, testing, commissioning and annual maintenance of 4G mobile network in North, East, South and West zones of mobile network on turnkey basis. Tender for 100000 sites was issued on 22.10.2022. and two bids were received i.e. M/s TCS & M/s ITI (under reservation quota) and Advance Purchase Order to M/s TCS and M/s ITI was issued 19.05.2023 and purchase order for the said firms was issued on 05.06.2023 and 22.06.2023 respectively.

The Union Cabinet, Govt. of India in its meeting held on 27.07.2022 has approved the revival of BSNL which inter-alia provides for administrative allotment of spectrum, de-stressing BSNL balance sheet, infusion of fresh capital in the Company for upgrading BSNL services, settlement of AGR dues, provisions of CAPEX, increase in authorized share capital, redemption of preference shares, merger of BBNL with BSNL etc. In term of said revival package the implementation of the same is being under process which interalia includes the Authorised capital of the Company has increased from 40,000 Cr. to 1,50,000 Cr., Infusion of equity as right issue to the existing shareholder i.e. President of India of Rs. 23,373.44 Cr, 3,013 Cr., 26,983.71 Crore in lieu of Administrative allotment of spectrum in 900 MHz band, Capex for the financial year 2022-23 & for settlement of AGR due as on 31.03.2022 respectively, M/s Deloitte Haskins & Sells LLP has been appointed as Transitional Advisor / Consultant to assist in the merger process of BSNL and BBNL, Viability Gap funding of INR 16,18,900 lakh has been received during the year for the period upto FY 21-22 and INR 1,20,000 lakh for FY 22-23 has been recognized in the books. The first tranche of the Bonds amounting to INR 4,18,470 lakh has been raised on December 22, 2022



with Sovereign Guarantee. The settlement of AGR dues upto 2021-22 has been done etc.. Further the draft merger Scheme has been prepared by M/s Deloitte Haskins & Sells LLP and the same is process to accord the approval of the Administrative Ministry i.e. the Department of Telecommunications, Ministry of Communication, Government of India.

The Management of your Company has planned to monetize the spare lands and buildings available with it through outright sale of lands and leasing of vacant built-up space. The work relating to asset monetization/ land monetization valuing more than Rs.100 cr. each shall be carried out through National Land Monetization Corporation (NLMC) which is a Special Purpose Vehicle (SPV) under administrative control of Department of Public Enterprises (DPE).

The Management of your Company has also taken up renting of surplus built-up space and monetization of assets valuing below Rs.100 cr. each and is actively pursuing the same. During FY-2022-23, BSNL earned a revenue of Rs.306.31 cr through renting of built-up space and monetization of land and building assets. Efforts are ongoing for monetization of tower and fibre assets.

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Your Directors operationalized commercially the wholly owned subsidiary BTCL by carrying out the non-telecom activities, inerlia Smart City Projects - To participate in Smart City Project, Enterprise Business works; Civil/BW - Execution of external works as Project Management Consultant for clients such as State Governments, Public Sector Banks, Autonomous Bodies and Empanelment of solution provider for CFA vertical etc.

The operational environment continues to remain challenging. During the year 2022-23, Your Company incurred a loss of Rs.8161.56 Crores [Previous year Rs. 6981.62 Crores]. The Income from Services is Rs. 19127.79 Crores [Previous year Rs. 16809.22 Crores], the Other Income is Rs. 1571.11 Crores [Previous Year Rs. 2243.7 Crores]. Your Company is EBITDA positive during this Financial Year to Rs. 1558.79 Crores.[Previous Year 944 Cr.]

Total revenue has increased by about 8.64% in comparison to the previous year. Employee cost has increased by 10.89 % in comparison to the previous year. Net loss has increased by 16.90 % Cash loss has increased to Rs. 2502.93 Crores as compared to previous year's losses Rs. 1673.58 Crores. Borrowings and Finance cost has gone up.

However, the ratio of Current Assets to Current Liabilities which should ideally be 2:1, stood at 56.61%. Your Directors are making all out efforts to correct the Current Ratio.

The expenditure control measures implemented by the Management resulted in significant savings specifically in power & fuel, repair & maintenance and housekeeping.

STRENGTHS / WEAKNESS /OPPORTUNITIES/ /THREATS

BSNL offers bouquet of telecom services to Enterprise, Corporates, Public Sector Banks, Financial Institutions & Government Bodies, SMEs and Start Ups. Your Company has a dedicated team of account managers to address to Enterprise requirements for Lease Line circuits, Fixed Line, Mobile, Cloud and converged connection requirements. Enterprise Business Group is aiming to focus on other revenue



streams like IoT, Cloud Services, Smart City, End to End management of devices, application, connectivity, service platform, support and security. Your Company expects to benefit from leveraging the relationship with them in providing such services with advantage of its Network reach, transparency and affordability, its services are trusted by its customers.

The Core strengths of Your Company are:-

- Extensive Network Infrastructure and coverage
- Subscriber base across the Country
- Passive Infra – Own Towers – Leased
- USP of being State owned entity
- Bouquet of telecom services, products and Enterprise business solutions
- Dedicated Staff to satisfy the customer needs.

Your Company considering the changes in overall economic environment, there is an urgent need to give attention to the newer challenges that have emerged 'or' are emerging in the economic environment in comparison to what used to be in case of legacy businesses and the need of the hour is to devise methodologies to quickly respond to the challenges of competition and the technological evolution with respect to telecommunication network/IT System related risk with three basic areas of operations as viz. Core Network, Aggregation Network and Access Network. Being the largest network provider, the existing core network capacities of Your Company are its biggest strength. Your Company is able to offer different services from its legacy landline like voice, video and data due to migration from legacy PSTIN TDM based switches to IMS based NGN Class 5 network.

Your Company maintains a well governed IT security policy supported by a three tier Security structure for mitigating the external security threats. MPLS cloud is protected from DDOS attack through DDOS protection system.

Your company CDR System is a large scale IT system having DR (Disaster Recovery system) and failover systems which typically provides round the clock services of CDR data centers and risk of any complete failure is not foreseen. Your Company maintaining well governed IT security policy supported by a three tier security structure for mitigating the external security threats. CDR system is connected to MPLS cloud which is protected from DDOS attack through DDOS prevention system.

India has a huge repository of socially relevant information in the form of data. With focus on utility of the information for social welfare and benefit of the citizens, the future sees an aggressive demand for data consumption. Considering the fact that very huge population across the country – especially, those in the hilly, remote and unreachable areas will derive the benefits of the data, the role of pan India public sector telecommunication service provider assumes prime significance. With the motive of service, the public sector telecom service providers have a very big role to play in this segment to bridge the digital gap. These aspects present a strong business case for the telecom service provider, especially for the pan-India service providers of multiple telecom services and solutions.

RISKS AND CONCERNS / DISASTER MANAGEMENT PLANS

Very fast technological obsolescence and rapid introduction of new technology platforms by competitors makes the sector vulnerable to high capital cost exposure dynamic changes in competition level especially



in services like data, VAS, contents etc. compel BSNL to offer matching tariff in broadband and FTTH services (ignoring the cost factor and margin) to remain competitive, relevance in the market / service and to maintain existing customer base. There is a scenario of getting mobile communication cheaper affecting fixed access communication business.

Your Company CFA/Enterprises businesses are totally based on underground cable network and thus, any problem with local authorities regarding ROW (permission to lay cable, abnormal charges etc.), unscrupulous digging and damage to BSNL cable seriously affects the service to customers and thus leads to loss in revenue.

Licensor/ Regulatory Authorities changes their requirement for compliance of which BSNL has to do some modifications/ up gradations in its Network. Such modifications/ up gradations is not possible most of the times due to technological limitations. However, your company is making efforts to upgrade the network in coordination with existing vendor/OEM or doing new procurement.

The extreme climate changes result in huge loses to telecom company not only due to loss of services but also due to damages to the telecom equipment's like during floods telecom services gets disrupted due to water logging in equipment rooms, during storms most of the mobile towers gets damaged etc. having a lot of impact on off take of services.,

Your Company has its ERM Policy and Risk Monitoring mechanism in place.

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 Your 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 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 2022-23 were made with the approval of the Board of Directors.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The operational environment continues to remain challenging. During the year 2022-23, Your Company incurred a loss of Rs.8161.56 Crores [Previous year Rs. 6981.62 Crores]. The Income from Services is Rs. 19127.79 Crores [Previous year Rs. 16809.22 Crores], the Other Income is Rs. 1571.11 Crores [Previous Year Rs. 2243.7 Crores]. Your Company is EBITDA positive during this Financial Year to Rs. 1558.79



Crores. [Previous Year 944 Cr.]

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However, the ratio of Current Assets to Current Liabilities which should ideally be 2:1, stood at 56.61%. Your Directors are making all out efforts to correct the Current Ratio.

The expenditure control measures implemented by the Management resulted in significant savings specifically in power & fuel, repair & maintenance and housekeeping.

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

As part of Energy conservation exercises, Company lays focus on Green Technology, installation of Solar systems and Adoption of Renewable energy sources for reduction of Carbon foot print.

CAUTIONARY 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.

OUTLOOK

Implementation of revival measures for Your Company approved by the Union Cabinet is progress. The union cabinet have helped your company to overcome the challenge significantly. Your Company continues to focus on accelerated execution of Government Projects, prioritizing investments in profitable areas, driving ARPU up with simplification of tariff and focus on partnerships to drive value and strengthening the Balance Sheet.



Annexure-3

REPORT ON CORPORATE GOVERNANCE

The system of rules, practices, and processes which guide and direct the organization is the corporate governance; which, necessarily involve balancing the interests of the organization's stakeholders.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company, by virtue of its being the successor of erstwhile Central Government Departments of Telecom Services (DTS) and Telecom Operations (DTO), is a forerunner in the segment of having already put in place a sound mechanism for Corporate Governance, which were further modified to suit the Norms on Corporate Governance for the Unlisted CPSEs as laid down by the Department of Public Enterprises, enshrined in the Companies Act 2013 and applicable relevant regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 pursuant to issuing Government of India guaranteed, Unsecured, Listed, redeemable, Non-convertible Bonds in the nature of Debentures (NCDs) on private placement basis.

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

The Company's Philosophy on Corporate Governance encompasses achieving the balance between Shareholder's interest and Corporate Goals through the efficient conduct of its business and meeting its Stakeholder's obligation in a manner that is guided by Transparency, Accountability and Integrity.

BSNL is complying with relevant applicable provisions of the Companies Act, 2013, rules made there under and SEBI (LODR) Regulation, 2015 for good Corporate Governance. As BSNL being a wholly owned Government of India enterprise, is also complying with the Guidelines on Corporate Governance for Central Public Sector Enterprise (CPSE) issued by the Department of Public Enterprises, Ministry of Finance, Government of India.

2. BOARD OF DIRECTORS

2(a) Composition of the Board

Being a wholly owned Government Company, the provisions of the Companies Act 2013 relating to appointment, remuneration and evaluation etc., of the Directors are not applicable to your 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).

The Board of the Company has the optimum mix of 50% Whole-time and 50% part-time Directors i.e. 12 Directors, of which 6 [including the CMD] are whole time Directors; 2 Government Nominee Directors and 4 Non-official Part Time Directors. The composition is as per the Corporate Governance Norms for the unlisted CPSEs, laid down by the Department of Public Enterprises and applicable relevant provisions of the SEBI (LODR) Regulation, 2015.

The names and categories of the Directors on the Board, their attendance at the Board meetings held during the year and at the last Annual General meeting ("AGM") held through Video-Conferencing/Other Audio-Visual Means and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given below



(i) The details of the composition of the Board of Directors are as follows:-

Whole-Time Directors [06 including CMD]		Government Nominee Directors [02]	Non-official Part-Time Directors [04]
Chairman and Managing Director	Shri P.K. Purwar [w.e.f. 01.07.2019]	Ms. Yashashri Shukla, Jt. Admn. (Finance)/ USOF, DOT as Government Director [w.e.f. 14.02.2022 to 26.12.2022] Shri Shivendu Gupta, DDG (WPF), DOT as Government Director [w.e.f. 05.01.2023]	1. Shri Ravindra Ramdas Borawake, Director [w.e.f. 01.11.2021]
Director (CFA)	Shri Vivek Banzal [w.e.f. 18.10.2018]	Sh. Premjit Lal, DDG(PM), DOT as Government Director [w.e.f. 17.05.2022 to 17.11.2022] Shri Sunil Kumar Verma, Joint secretary (A), DOT as Government Director [w.e.f. 17.11.2022]	2. Shri Seikhojam Kipgen, Director [w.e.f. 01.11.2021]
Director (HR)	Shri Arvind Vadnerkar [w.e.f. 14.10.2019]		3. Shri Manoj Kumar, Director [w.e.f. 01.11.2021]
Director (CM)	Shri Vivek Banzal [w.e.f. 01.04.2022 to 31.07.2022] Shri V Ramesh [w.e.f. 01.08.2022 to 15.01.2023] Shri Sandeep Govil [w.e.f. 16.01.2023]		4. Ms. Trupti Kamlesh Patel, Director [w.e.f. 01.11.2021]
Director (Enterprise)	Shri V Ramesh [w.e.f. 03.06.2020]		
Director (Finance & CFO)	Ms. Yojana Das [w.e.f. 16.11.2020 to 30.11.2022] Shri Rajiv Kumar [w.e.f. 01.12.2022]		



(ii) List of Director in the Company who retired/ ceased during the period 01.04.2022 to 31.03.2023

S. No.	Name of the Director	Category	Date of Cessation
1.	Sh. Premjit Lal, DDG(PM), DOT	Government Director	17.11.2022
2.	Ms. Yojana Das	Director (Finance & CFO)	30.11.2022
3.	Ms.Yashashri Shukla, Jt. Admn. (Finance)/ USOF, DOT	Government Director	26.12.2022

(iii) List of the Director of the Company who were appointed during the period 01.04.2022 to 31.03.2023

S.No.	Name of the Director	Category	Date of Appointment
1.	Shri Sunil Kumar Verma, Joint secretary (A), DOT	Government Director	17.11.2022
2.	Shri Shivendu Gupta, DDG (WPF), DOT	Government Director	05.01.2023
3.	Shri Rajiv Kumar	Director (Finance & CFO)	01.12.2022
4.	Shri Sandeep Govil	Director (CM)	16.01.2023

(iv) Number of Board of Director meeting held during the 2022-2023 and date on which held

S. No.	Date of Board Meeting
1.	213 th Meeting held on 25.05.2022
2.	214 th Meeting held on 12.08.2022
3.	215 th Meeting held on 31.08.2022
4.	216 th Meeting held on 26.09.2022
5.	217 th Meeting held on 20.10.2022
6.	218 th Meeting held on 12.11.2022
7.	219 th Meeting held on 29.12.2022
8.	220 th Meeting held on 13.02.2023
9.	221 st Meeting held on 29.03.2023



- (v) Attendance of each director at the meeting of the board of directors held during 2022-23 and the last 22nd Annual General Meeting held on 26.09.2022. Total Board meeting held in 2022-23: 09

Name and Designation	No. of Board Meetings Attended out of 9 meetings	Attended the last AGM held on 26.09.2022	Directorships in other Companies	Remarks
Shri P.K. Purwar CMD [w.e.f. 1.7.2019]	9/9	Yes	6 (Note1)	Appointed by the Gol MoC DoT w.e.f. 01.7.2019
Shri Vivek Banzal Director (CFA) [w.e.f. 18.10.2018]	9/9	Yes	1 (Note 2)	Appointed vide Gol MoC DoT order No.E-1-6/2016-PSA dt 18.10.18 and assumed charge on 18.10.2018.
Shri Arvind Vadnerkar Director(HRD) [w.e.f. 14.10.2019]	9/9	Yes	4 (Note 3)	Appointed by the Gol MoC DoT wef 14.10.2019.
Shri V Ramesh Director (E) w.e.f. 03.06.2020	8/9	No	3 (Note 4)	Appointed as Director (E) and joined w.e.f. 03.06.2020
Ms. Yojana Das Director (Finance & CFO) w.e.f 16.11.2020 to 30.11.2022	6/6	Yes	3 (Note 5)	Ceased to be the Director w.e.f. 30.11.2022 on attaining the age of superannuation.
Shri Rajiv Kumar Director (Finance & CFO) w.e.f 01.12.2022	3/3	NA	3 (Note6)	Appointed as Director (F) & CFO) and joined w.e.f. 01.12.2022
Shri Sandeep Govil, Director (CM) [w.e.f 16.01.2023]	2/2	NA	1 (Note7)	Appointed as Director (CM) and joined w.e.f. 16.01.2023
Ms. Yashashri Shukla Govt. Director [w.e.f. 14.02.2022 to 26.12.2022]	4/6	Yes	NIL	Ceased to be the Director w.e.f. 26.12.2022

Name and Designation	No. of Board Meetings Attended out of 9 meetings	Attended the last AGM held on 26.09.2022	Directorships in other Companies	Remarks
Shri Premjit Lal, Govt Director [w.e.f 17.05.2022 to 17.11.2022]	6/6	Yes	2 (Note 8)	Ceased to be the Director w.e.f. 17.11.2022
Shri Shivendu Gupta, DDG (WPF), DOT as Government Director [w.e.f. 05.01.2023]	2/3	NA	1 (Note 9)	Appointed by the Gol MoC DoT w.e.f. 26.12.2022 in place of Shri Premjit Lal
Shri Sunil Kumar Verma, Joint secretary (A), DOT as Government Director [w.e.f. 17.11.2022]	2/3	NA	1 (Note10)	Appointed by the Gol MoC DoT w.e.f. 17.11.2022 in place of Ms. Yashashri Shukla
Shri Ravindra Ramdas Boarawake, Non Official Independent Directors	9/9	Yes	NIL	Appointed by the Gol MoC DoT w.e.f. 01.11.2021
Shri Manoj Kumar, Non Official Independent Directors	9/9	Yes	NIL	Appointed by the Gol MoC DoT w.e.f. 01.11.2021
Shri Seikhjam Kipgen, Non Official Independent Directors	9/9	Yes	NIL	Appointed by the Gol MoC DoT w.e.f. 01.11.2021
Ms. Trupti Kamlesh Patel, Non Official Independent Directors	9/9	Yes	NIL	Appointed by the Gol MoC DoT w.e.f. 01.11.2021

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



Note 1: - Additional Charge of the CMD MTNL w.e.f. 15.04.2020. Director of MTNLSTPI IT services Limited w.e.f. 05.05.2020. Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited. Director w.e.f. 26.07.2019 and in Mahanagar Telephone Mauritius Limited w.e.f 23.04.2020. Director in United Telecom Limited, Nepal w.e.f. 23.04.2020. Additional Charge of the CMD BBNL w.e.f. 03.10.2022.

Note 2 :- Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited w.e.f 26.07.2019.

Note 3:- Charge of the MTNL w.e.f. 01.09.2021. Director of MTNLSTPI IT services Limited w.e.f. 30.09.2021. Director in Millennium Telecom Limited w.e.f. 01.09.2021. Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited, Director w.e.f 13.11.2019.

Note 4 :- Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited w.e.f 26.07.2019. Charge of the MTNL w.e.f. 01.04.2022. Charge of BBNL w.e.f. 01.10.2022

Note 5:- Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited and additional charge to the post of director (Finance) in MTNL w.e.f. 17.05.2021 and Director of MTNLSTPI IT services Limited w.e.f. 18.05.2021.

Note 6:- Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited w.e.f 06.02.2023 and additional charge to the post of director (Finance) in MTNL w.e.f. 01.12.2022 and Director of BBNL w.e.f. 07.12.2022.

Note 7:- Appointed by the Board of Directors of BSNL as BSNL's Nominee Director in the wholly owned subsidiary of the Company viz BSNL Tower Corporation Limited

Note 8 :- Director in Telecommunication Consultants India Limited (TCIL) and MTNL.

Note 9 :- Director in MahaNagar Telephone Nigam Limited (MTNL) w.e.f. 05.01.2023

Note 10:- Director in MahaNagar Telephone Nigam Limited (MTNL) w.e.f. 23.11.2022

2 (b) Woman Representatives on the Board

Ms. Yojana Das, a Whole Time Director i.e., Director (F) & CFO [w.e.f. 16.11.2020 to 30.11.2022] , Ms. Yashashri Shukla, Govt Directors [w.e.f. 14.02.2022 to 26.12.2022] and Ms. Trupti Kamlesh Patel , Independent Director(w.e.f. 01.11.2021) represent the women as Directors on the Board of Your Company.

2(c) Relationship between the Directors, Shareholding by the Directors and stock options

None of the Directors of the Company are related to each other and there are no inter-se relationships between the Directors.

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



to hold any qualification shares. As on March 31, 2023, none of the Directors hold equity shares in the Company. The Company has not issued any convertible instruments/ stock options to its Directors/ Employees.

None of the Directors on the Board is a Director in more than 7 listed entities. None of the Non – Executive Directors is an Independent Director in more than 7 listed entities as required under the Listing Regulations. Further, CMD and other functional directors do not serve as Independent Directors in any listed company. None of the Directors held Directorships in more than 20 Indian companies, with more than 10 public limited companies. None of the Directors on the Board is a member of more than 10 Committees or Chairman of 5 Committees (committees being Audit Committee and Stakeholder Relationship Committee) across all Public Companies in India, in which he/she is a Director.

All Directors are in compliance with the limit on Directorships/Independent Directorships of listed companies as prescribed under Regulation 17A of the Listing Regulations. Necessary disclosures i.e., Form MBP-1 i.e., Notice of Interest by Director for the pursuant to Section 184(1) of Companies Act, 2013 and Rule 9 (1) of Companies (Meeting of Board and its Power) Rule 2014 have been obtained from all the directors. Also Certificate pursuant to Regulation 26(2) of SEBI (LODR) Regulation, 2015 regarding Membership/Chairmanship of Board Level Committee for the Financial Year 2022-23 has been taken from all the directors.

2 (d) In terms of Regulation 25(8) of the Listing Regulations, Independent directors have to confirm that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. The above declaration under Regulation 25(8) of SEBI (LODR) regarding compliance with Regulation 16(b) has been obtained from all the four Independent directors and the Board of directors has confirmed that the Independent Directors has fulfilled the conditions specified in SEBI (LODR) Regulations and are independent of the Management.

2 (e) 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 or on the conclusion of the period of tenure of appointment.

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

No Independent directors has resigned from the directorship before the expiry of his/ her tenure.



2(f) 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.

(i) Training of the Directors

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

(ii) Training on capacity building for the Govt. and Independent Directors

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

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

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

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

(iii) Familiarization Programmes Imparted To Independent Directors

In Compliance of the provisions of Disclosure under Regulation 25 (7) and 62 Of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the familiarization programme was given to the Independent Directors to understand the Company to enable them in effective discharge of his duties the detail of the familiarization programme attended by the Independent Directors of the Company up to 31.03.2023 are available at the company website at the link <https://bsnl.co.in/opencms/export/sites/default/BSNL/investors/pdf/FAMILIARIZATION.pdf>

2 (g) The Skills/Expertise/Competence of the Board Of Directors

The Board of Directors of your Company comprises of professionals, having skills/ expertise and competence in diverse fields like administration, finance, management, law, technical etc., who provide strategic direction and guidance to the organization. The directors on the Board of BSNL are appointed by President of India through administrative ministry i.e. Department of telecommunication, Ministry of Telecommunication, Government of India after considering skills, expertise and competence of individuals with reference to the business of the company. Their wide range of skills, expertise and competency enhances the quality of the Board's decision making process. All the Board members had effectively participated in the Board/ Committee meetings and contributed substantially towards the growth of the organization.

The brief profile of Board Members, as on date of signing of this report, is given hereunder:

S. No.	Directors	Profile/ Skills/Expertise/Competencies
1.	Shri Pravin Kumar Purwar CMD [DIN 06619060] w.e.f. 01.07.2019	<p>Shri. P.K. Purwar has been appointed as the Chairman and Managing Director BSNL w.e.f. 1st July 2019. Fellow Member of the Institute of Chartered Accountants of India, Shri P.K. Purwar holds Master's Degree in Commerce from Allahabad University. He is a 1990-Batch Officer of Indian Postal and Telegraph Accounts & Finance Service (IPTA&FS) and has vast working experience in the field of Telecommunication. He got the opportunity to work both in the Govt. and Industry. Therefore, well versed with the Govt. rules / procedures and the dynamics of telecom industry both from business and regulatory point of view. As Director (Finance) and thereafter as CMD MTNL he had significant exposure to various corporate compliances such as SEBI, Companies Act, Accounting Standards, IND-AS as well as Taxation related issues, AGR issues in telecom sector. Played an important role in resolving pension issue, BWA refund amount, Issue of Govt. PPO to combined service pension optees, extension of CMTS license validity date by nearly two years, resolution of effective date of license fee based on AGR etc. While working as CMD, MTNL he got the opportunity to manage the network operations, strategic decisions and also introduced various customer centric initiatives such as night free local calling, STD calls at local rates, free incoming calls while roaming, SMS based fault tracking system, "MY MTNL" App etc. to enhance MTNL competitiveness, expansion. Apart from these, upgradation of mobile network, roll out of FTTX services, provision of high speed broadband and WiFi services to Hon'ble MPs and execution of Mumbai surveillance project have also been taken up under his leadership. Shri P.K. Purwar had also worked in Competition Commission of India (CCI) as Advisor. While working in CCI, he dealt with cases pertaining to acquisition, merger and amalgamation, Combination Regulations, anti-competitive agreements and abuse of dominance cases. He has been speaker in various international forums</p>



S. No.	Directors	Profile/ Skills/Expertise/Competencies
		such ICN Merger Working Group, American Bar Association Competition Law Conference etc. He has significant experience in mergers and acquisitions / amalgamation.
2.	Shri Vivek Banzal Director(CFA) [DIN 08267362] [w.e.f. 18.10.2018]	Shri Vivek Banzal, Indian Telecom Service Officer of 1987 batch joined as Director (CFA), in BSNL Corporate Office on 18.10.2018. He is Bachelor of Engineering in Electronics, Master of Engineering in Computer Science and MBA. He has more than 32 years' experience of handling Computer and Telecom Network. He started his carrier as customer service and solution engineer in computer industry. After joining Telecom Department, he executed first digital satellite ground station project for telecom in India. His quest for innovation and process re-engineering was tested when competition begun in Telecom Sector in India at Indore in fixed line segment in 1997. He is known for successful implementation of innovative ideas, during his stint in fixed line segment, with start of wire-line broadband in India. Later he worked in customer mobility with same flavour in planning, engineering, rollout, network upgrade, O&M, marketing and retail chain management. He had planned and implemented, number of innovations in various customer centric activities in Mobile Network in Gujarat. Few of them were replicated in other Circles later on. As Director (CFA), BSNL, he is responsible for formulating and implementing policies for Fixed Line and Broadband network in BSNL. The FTTH project is handled by CFA vertical. He implemented innovative open policy for Cloud PBX , WiFi and Data center colocation . He carried out the migration of all fixed line exchanges with NGN switches , resulting in better efficiency and significant saving in operational expenditure . The IT enabled the FTTH partnership model to successfully penetrate the Bharat fiber (FTTH) business across all states . There is also driving new innovative business with partnership, smart city business & IDC business of BSNL.

S. No.	Directors	Profile/ Skills/Expertise/Competencies
3.	Ms. Yojana Das Director (Finance) & CFO [DIN : 08987456] [w.e.f. 16.11.2020 to 30.11.2022}	Ms Yojana Das began her career in the Telecom Industry on joining the Department of Telecommunication on selection to the Indian P&T Accounts and Finance Service Group 'A', 1989 batch, and is now absorbed in BSNL. Prior to this, she worked at the National Dairy Development Board for over four years in the areas of Project Appraisal, Finance, Multilateral Agency funding etc. in the National Oilseeds Project. In Telecom Finance, she has vast experience at Corporate policy level at BSNL Corporate Office and field postings in Gujarat and Kerala, in Treasury Management and Investments, Budget and Financial Control, Accounting, Internal Audit, Business Vertical Finance, Revenue Assurance, Government Projects, Finance Advice, Procurement finance, Financial risk Management, Legal issues etc.
4.	Shri Arvind Vadnerkar Director (HRD) [DIN: 0008597016] [w.e.f. 14.10.2019]	Shri Arvind Vadnerkar, Indian Telecom Service Officer of 1987 batch has joined as Director (HR) in BSNL Corporate Office on 14.10.2019. He has done Bachelor of Engineering in Electronics from NIT Bhopal and Executive MBA from Symbiosis Pune. He started his career in DoT with Long Distance Network Maintenance in Bhopal & Ahmedabad. He was part of Core Team for evaluation of 1 st Phase Mobile tender and later he was instrumental in successful launch of Mobile Services in West Zone of BSNL. He has worked in all spheres of Mobile Network. In the year 2004 he was conferred with the highest award in BSNL, 'Ati Vishisht Sanchar Seva Padak' for his outstanding contributions. He played a vital role in Phase-V Mobile expansion. While on assignment to J&K, he completed Amarnath Yatra Mobile coverage project. He also worked as GM in various fields - Administration, Enterprise Business, Sales & Marketing in Pune SSA; As GM (Mobile) in Maharashtra Circle and then as SSA Head in Aurangabad & Pune. As Director (HR), he is responsible for all Human Resource related functions of whole of BSNL.



S. No.	Directors	Profile/ Skills/Expertise/Competencies
5.	Shri V. Ramesh Director (E) [DIN: 08771524] [w.e.f. 03.06.2020]	<p>Shri V. Ramesh, Indian Telecom Service of 1985 batch has been appointed as Director (Enterprise) in BSNL Corporate Office w.e.f. 03/06/2020. He has done Bachelor of Technology in ECE from Jawaharlal Nehru Technological University, Hyderabad & Master of Engineering from University of Roorkee, Roorkee. He has also done MBA from IGNOU. He has more than 34 years of experience in various fields – Administration, Operations, Planning, Enterprise Business & as SSA Heads at Ahmadabad, Vadodara, Guntur etc. & as a Circle Head of Gujarat Telecom Circle. From the year 1997-2001, he worked in TCIL on deputation, in Kuwait foreign project as Project Manager & Operation Manager. He has worked in Business Development unit of Andhra Pradesh Telecom Circle from 2003-2007 and bagged major projects. He worked as PGM (Enterprise Business) from 2017-2019 & got various prestigious projects viz Smart City, Wi-Fi projects etc. He has worked as Chief General Manager, Gujarat Telecom Circle from 2019-2020.</p>
6.	Shri Rajiv Kumar Director (Finance & CFO) w.e.f 01.12.2022 DIN : 09811051	<p>Shri Rajiv Kumar, began his telecom career in 1998, when he joined DoT on selection to the IP&TAFS (Indian Post & Telegraph Accounts & Finance Services) and subsequently took absorption in BSNL. He is a B. Tech from ISM/IIT, Dhanbad and MBA Finance from NIFM. He has assumed the charge of Director (Finance) and CFO, BSNL on 01.12.2022 and has been entrusted with the additional charge of Director (Finance), MTNL and Director (Finance), BBNL.</p> <p>He has complete domain knowledge of Telecom Finance and has a professional approach towards Business Growth and ensures fiscal prudence in financial affairs of the company. He has vast experience at Corporate Policy level in Treasury Management & Investment, Budget & Financial Control, Accounting & Internal Audit, Business Vertical Finance, Revenue Assurance, Procurement Finance, Financial risk management, Indirect & Direct Tax management and cost rationalisation. He also engaged in planning & financial analysis of telecom projects and addressed a gamut of responsibilities in project execution, monitoring, resource optimisation, apart from statutory</p>



S. No.	Directors	Profile/ Skills/Expertise/Competencies
6.	Shri Rajiv Kumar Director (Finance & CFO) w.e.f 01.12.2022 DIN : 09811051	& regulatory compliances, sales and billing/recovery of revenues. He played a critical role in centralisation of PAN India payments at Corporate CSC, VAN based & BBPS payment of Oorja validated Electricity bills and CCA payments through Bharatkosh/PFMS. Apart from many Financial Process Automation and Centralisation initiatives, he played instrumental role in manpower planning and organisational restructuring post VRS in 2020, including revision of Delegation of Financial Powers.
7.	Shri Sandeep Govil, Director (CM) [w.e.f 16.01.2023] DIN: 10040742	Sh. Sandeep Govil, Indian Telecommunication Service Officer of 1986 Batch, joined as Director (Consumer Mobility) in BSNL Corporate Office on 16.01.2023. He is Bachelor of Engineering in Electronics, Master of Engineering in Computer Science. He has also done DBM from Symbiosis Institute, Pune. He has more than 34 years of experience in various fields of telecom network. He was instrumental in establishing CDMA network in BSNL including all India CDMA Nodal Centre at Vadodara, Gujarat from 2008 till 2015. He was Chief General Manager, Assam from 2018 to 2020 and also Chief General Manager, Rajasthan from 2020 to 2022. During his tenure, Rajasthan Circle brought various prestigious projects including provision of 50,000 FTTH connections in 10,000 Gram Panchayats in Rajasthan State. Rajasthan is the first unit in BSNL to garner such business all over India. As Director (CM), BSNL, he is responsible for Planning, Operations, Sales & Marketing of mobile business in BSNL. His ideologies and intelligence will be utilized in Mobile network and to make Digital India a great success in India by providing world class service of 4G/5G to the people of the nation. He has stepped into a very steep competitive market in Telecom Industry and assigned the task to fulfil the target entrusted by Govt. of India to provide indigenously developed 4G/5G technology under Atma Nirbhar Bharat Scheme. A prestigious Govt of India project of 4G Saturation, for covering all uncovered villages (more than 25,000) shall be implemented under his guidance.



S. No.	Directors	Profile/ Skills/Expertise/Competencies
8.	Shri Ravindra ramdas Borawake [DIN 09389373] (Independent Director) [w.e.f. 01.11.2021]	Shri Ravindra Ramdas Borawake is commerce graduate from B.M.Collage Of Commerce, Pune. & L.L.B. of I.L.S. Law College, Pune. He is well known social worker, and Ex Telephone Advisory committee member of Maharashtra circle. He is founder and Chairman of Co-operative Credit Society established in 1988. That is one of reputed credit society in Maharashtra .He is active in so many Co-operative finance institutes. He is District President of 'Sahakar Bharti' that is well known Co-operative movement all over India. He is reputed person in area of Maharashtra as Political & Social activities.
9.	Shri Seikhajam kipgen [DIN 09392274] (Independent Director) [w.e.f. 01.11.2021]	Shri Seikhajam Kipgen holds master's degree in Zoology and Bachelor of Education. He took up teaching as a profession and an educational administrator with an experience of 15+ years in school education since 2001. He has presently working as Principal at Elite Hr. Secondary School in Manipur.Besides, he also associated with several national and state level associations/ organisations in the field/area of education for the upliftment and betterment of education in the capacity and worked as President, State Unit of Private Schools and Children Welfare Association (PSACWA), State head – Save Indian Education through Transformation of Indian Education (SIETIIE) – 2018, Member-National Council, Association of Indian Principals (AIP) – 2019, Zonal Director, Centre for Educational Initiative & Research Group Trust (CEIR) – 2020, Commissioner, Hindustan Scouts and Guides Association, under Ministry of Youth Affairs and Sports, Govt. of India – 11 th Oct. 2020, New Delhi, State President, Activity and Sports Programme Society-India (ASPS) – 30 th March, 2020, Chennai, State Associate, Trade Promotion Council of Robotics and Automation (TPCRA), 17 th Sept, 2020, Founding Secretary – United Association of Recognised Schools of Manipur (UARSM) – June 2020, Founding Secretary – Sadar Hills Private Schools Association (SHIPS) – 2015, Chairperson – Child Welfare Committee (CWC), Kangpokpi District, Manipur

S. No.	Directors	Profile/ Skills/Expertise/Competencies
10.	Shri Manoj Kumar (Independent Director) [DIN 09392279] [w.e.f. 01.11.2021]	Shri Manoj Kumar holds bachelor degree in B.Sc (Bio) and medical lab technology. He is social worker and as social work he is conducting various camps such as free –health check up etc.
11.	Ms. Trupti Kamlesh Patel [DIN 09392198] (Independent Director) [w.e.f. 01.11.2021]	Ms. Trupti Kamlesh Patel holds Diploma in Civil Engineering from Gujarat Technology University (GTU). She has worked as Architecture's guidance in Private Industry for 10 Years. She has also worked as joint treasurer of state Mahila Morcha, joint secretary in DAMINI Women's Foundation (NGO) and Ex-observer in human Rights Association for Protection, D.N.H & Daman –Diu. She has also conducting social work for woman's and child.
12.	Ms. Yashashri Shukla [DIN: 09526509] Government Director [w.e.f. 14.02.2022 to 26.12.2022]	Ms. Yashashri Shukla is an officer of the 1996 batch of the Indian P&T Finance & Accounts Service. She graduated with a Bachelor of Science degree and did her Post Graduate in Botany from Canning College, Lucknow University. She also has a M. Sc Tech degree in Mass Communication from Canning College, Lucknow University. She has about eight years of experience of working in MTNL, Delhi; then on deputation to CRPF, under Ministry of Home Affairs as Director (Accounts); Director in Public Procurement Division, Department of Expenditure, Ministry of Finance; Director and DDG in the Department of Telecommunications; Director, Seventh Central Pay Commission under the Ministry of Finance; Professor, National Institute of Financial Management, Department of Expenditure, Ministry of Finance. Presently, she is serving as the Joint Administrator (Finance), Universal Service Obligation Fund, Department of Telecommunications under the Ministry of Communications. Ms. Yashashri Shukla has a PG Diploma in Public Policy and Sustainable Development from TERI School of Advanced Studies and is a recipient of British Chevening Scholarship.



S. No.	Directors	Profile/ Skills/Expertise/Competencies
13.	Shri Premjit Lal [DIN: 07049152] Government Director [w.e.f. 17.05.2022 to 17.11.2022]	<p>Shri Premjit Lal started his career as a technocrat in the telecom/information & Communication Technology (ICT) sector in Department of Telecommunications (DoT) in early nineties. He worked for more than 22 years in DoT, TEC and leading government telecom service provider - BSNL in the field of planning, design, installation, standardization, operation & maintenance of telecom and data networks. Subsequently, he has worked in public policy and governance in the diverse fields of e-Governance, Information & Communications Technology (ICT), Housing and Urban Development for more than seven years in Ministry of Urban Development (MoUD), Ministry of Housing & Urban Poverty Alleviation (MoHUPA) and ministry of Electronics & IT (MeitY).</p> <p>He was associated with flagship programme of Government of India (GoI)- 'Digital India' which envisages creation of empowered society and knowledge-based economy. He has been associated with policy formulation for ambitious plan of providing 'Housing for All' by 2022 in India and formulation of bill on Real Estate Regulation (RERA) which has bough transparency and accountability in this sector.</p> <p>Presently, he is part of IEEE-SA Standards Board (SASB) as GEPS member (Government Engagement Program on Standards). He is presently Vice-Chairman of WG-3 (related to Standardization, Regulation and Policy issues) of APT-WTSA20 of Asia Pacific Tele-community (APT) for devising Resolution for WTSA-2020 for Asia-pacific region. Now, he also represent India in the steering Committee of Open Community for Ethics in Autonomous and Intelligent Systems (OCEANIS) – an autonomous organization for ethical standards in Artificial Intelligence (AI). He has headed secretariat of Asia Pacific Ministerial conference on Housing & Urban Development (APMCHUD) - part of UN-Habitat in 2014-15. He has also been associated with devising of Sustainable</p>



S. No.	Directors	Profile/ Skills/Expertise/Competencies
		<p>Development Goal (SDG) of India as a member of the committee. He has also been part of sub-group in BRICS committee.</p> <p>He holds the Masters in International Development Policy (MIDP) from acclaimed Stanford School of Public Policy of Duke University, USA. He honed his professional skills as Electronics & Telecom engineer from Maulana Azad National Institute of Technology (MANIT), Bhopal and marketing skills in MBA program from Management Development Institute (MDI), Gurgaon.</p>
14.	Shri Shivendu Gupta, DDG (WPF), DOT as Government Director [w.e.f. 05.01.2023] DIN 09850201	Shri Shivendu Gupta is an officer of 1995 batch of Indian Post & Telecommunication Accounts and Finance Service (IP&T AFS). He is a B. Tech (IIT Kanpur), CMA & CFA by qualification and has worked in BHEL from 1992 till 1996. He has served in various positions/locations in Department of Posts and Department of Telecommunications. Presently, he is DDG (Wireless Planning Finance) in Department of Telecommunications (DoT). His expertise lies in the areas of Project Management, Procurement Finance and Spectrum Economics.
15.	Shri Sunil Kumar Verma, Joint secretary (A), DOT as Government Director [w.e.f. 17.11.2022] DIN : 09800644	Sh Sunil Kumar Verma is an Officer of Indian Railway Service of Signal Engineers (IRSSE) of 1994 Batch. He is a Graduate (Gold Medalist) in Electronics & Telecommunications Engineering from MMMEC, Gorakhpur, UP. He completed his Masters (ME) from IIT Roorkee (earlier University of Roorkee). Mr Verma has professional experience of 25+ years in administrative, management and technical fields, while working earlier with Indian Railways (Ministry of Railways) and now with Department of Telecomm (Ministry of Communications). While working in Project wing of Railways at Dhanbad, his notable contribution has been commissioning of Signal Interlocking (RRI) of Dhanbad Yard. He worked as Additional Divisional Railway Manager (ADRM) in Mughalsarai Division (renamed as Pandit Deen Dayal Upadhyaya). He was also involved with the Signalling maintenance (RRI) of Mughalsarai yard, one of the largest in Indian



S. No.	Directors	Profile/ Skills/Expertise/Competencies
		Railways. Later while working in Research Design and Standards Organisation (RDSO), Lucknow, as Executive Director, he was involved with adherence to quality policy in Railways and contributed towards key vendor development initiatives such as launch of Unified Vendor Approval Module (U-VAM), a Digital Initiative of Indian Railways for approval of vendors on Online Portal. He attended training in International Institutes namely INSEAD, Singapore and ICLIF, Malaysia. Presently he is serving as the Joint Secretary, Department of Telecomm with additional charge of Dy Director General, USOF.

3. BOARD COMMITTEE, COMMITTEE MEETINGS AND PROCEDURE

3 (a) Institutionalized Decision Making Process

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

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

The Statutory Standing Committees, viz., (a) the Audit Committee of the Board in accordance with the provisions of Section 177(1) of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) regulations 2015; and, (b) the Nomination and Remuneration Committee of the Board in terms of Section 178(1) of the Companies Act 2013 and Regulation 19 of the SEBI(LODR) regulations 2015; and (c) the Corporate Social Responsibility(CSR) Committee pursuant to the provisions of the Section 135(1) of the Companies Act 2013 and Rules thereunder; and (d) Voluntary Standing Committee on Appellate & Review matters under BSNL CDA Rules 2006; (e) Stakeholder Relationship Committee in terms of Regulation 20 of the SEBI(LODR) Regulations 2015 and (f) Risk Management Committee in terms of Regulation 21 of the SEBI(LODR) Regulations 2015 have also been constituted by the Company. In addition, as and when need arises, Board constitutes Committee of Directors.

3(b) STATUTORY COMMITTEES

(i) Audit Committee of the Board

The Terms of Reference of the Committee are as prescribed under Section 177 (4)(5) & (6), Regulation 18 of the SEBI (LODR) Regulations and other applicable provisions of the Companies Act 2013 & the SEBI (LODR) Regulations and Rules thereunder and the



Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/SEBI time to time and remain in force for the time being. The term of reference of the Audit Committee, inter alia is as follows

- (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- (c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to
 - a) Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report;
- (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- (f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter.
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
- (h) Approval or any subsequent modification of transactions of the listed entity with related parties.
- (i) Approval or any subsequent modification of transactions of the listed entity with related parties.
- (j) Valuation of undertakings or assets of the listed entity, wherever it is necessary.



- (k) Evaluation of internal financial controls and risk management systems;
- (l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (n) Discussion with internal auditors of any significant findings and follow up there on.
- (o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (r) To review the functioning of the whistle blower mechanism.
- (s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- (t) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (u) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- (v) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (w) The audit committee shall mandatorily review the following information:
 - 1) Management discussion and analysis of financial condition and results of operations.
 - 2) Management letters / letters of internal control weaknesses issued by the statutory auditors.
 - 3) Internal audit reports relating to internal control weaknesses; and
 - 4) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
 - 5) statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).



- b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

To comply with the provisions contained Section 177(1) of the Companies Act 2013 and Regulation 18 of the SEBI (LODR) Regulations 2015 , a qualified and independent audit committee has been constituted by the Board. The present composition of the Committee is as follows:-

- [1] Shri Ravindra Ramdas Borawake, Independent Director - Chairperson
- [2] Shri Seikhojam Kipgen, Independent Director - Member
- [3] Shri Shivendu Gupta, Government Director, DDG (WPF), DOT - Member

Secretary of the Company to act as Secretary of the Committee and Director (Finance) is the Regular Invitee. Director (F) is the Regular Invitee and the Secretary of the Company acts as the Secretary of the Committee.

Details of Audit Committee meeting held during the financial year

S. No.	Meeting No.	Date	Place	No. of Member attended
1.	98 th Audit Committee	25.05.2022	BSNL Corporate Office, New Delhi	3/3
2.	99 th Audit Committee	12.08.2022	BSNL Corporate Office, New Delhi	3/3
3.	100 th Audit Committee	26.09.2022	BSNL Corporate Office, New Delhi	3/3
4.	101 th Audit Committee	20.10.2022	BSNL Corporate Office, New Delhi	3/3
5.	102 nd Audit Committee	12.11.2022	BSNL Corporate Office, New Delhi	3/3
6.	103 rd Audit Committee	13.02.2023	BSNL Corporate Office, New Delhi	3/3
7.	104 th Audit Committee	15.03.2023	BSNL Corporate Office, New Delhi	3/3

Attendance at Audit Committee Meetings during the financial year

Name of the Director	No. of Audit Committee meeting Attended	Remarks
Shri Ravindra Ramdas Borawake-Independent Director - Chairperson	7/7	
Shri Seikhojam Kipgen, Independent Director - Member	7/7	
Shri Vivek Banzal Director(CFA)-Member	7/7	Ceased to be member w.e.f. 29.03.2023
Shri Shivendu Gupta, Government Director, DDG (WPF), DOT - Member	NA	Become member w.e.f. 29.03.2023



(ii) Nomination and Remuneration Committee of the Board

Terms of Reference, Roles and Responsibilities of the Committee are as per the provisions of Section 178 (2)(3) & (4), Regulation 19 of the SEBI(LODR) Regulations 2015 and other applicable provisions of the Companies Act 2013, SEBI(LODR) Regulations and the Rules and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/SEBI time to time and remain in force for the time being. The Terms of Reference, to the extent applicable to the Company, are as under:

- a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i. use the services of an external agencies, if required;
 - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii. consider the time commitments of the candidates.
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) Devising a policy on diversity of Board of Directors;
- e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- f) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- g) To recommend to the Board, all remuneration, in whatever form, payable to senior management.

Being wholly owned Govt. Company, in terms of 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 Your Company relates to the appointment and remuneration of senior management personnel and other employees. Further the appointment and the term and conditions of appointment (including remuneration) of the whole time directors are decided by the Government of India.

To comply with the provisions contained Section 178(1) of the Companies Act 2013, the Nomination and Remuneration Committee of the Board was constituted. The present composition of the Committee is as follows:-

- (i) Shri, Ravindra Ramdas Borawake (Chairman) Independent Director



- (ii) Shri Manoj Kumar, Independent Director –Member
- (iii) Smt Trupti Kamlesh Patel, Independent Director- Member

Secretary of the Company to act as Secretary of the Committee. Director (HR) is the Regular Invitee.

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

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

The Performance Evaluation of the Directors (including Independent Directors) has not been done by the Nomination and Remuneration Committee, as BSNL being a Government Company, the powers relating to the appointment, evaluation and the terms of Directors including Independent Directors vest with Government of India. The same is also exempted to Government Companies under the provisions of Companies Act, 2013.

Details of nomination and remuneration committee meeting held during the financial year

S. No.	Meeting No.	Date	Place	No. of Member attended
1.	14 th NRC	13.02.2023	BSNL Corporate Office, New Delhi	3/3

Attendance at nomination and remuneration committee Meetings during the financial year

Name of the Director	No. of Audit Committee meeting Attended	Remarks
Shri, Ravindra Ramdas Borawake (Chairman) Independent Director	1/1	
Shri Manoj Kumar, Independent Director –Member	1/1	
Smt Trupti Kamlesh Patel, Independent Director- Member	1/1	
Smt Yashashri Shukla, Govt Director- Member	NA	Ceased to be member w.e.f. 26.12.2022

(iii) Stake Holder Relationship Committee

The Terms of Reference of the Committee are as prescribed under Regulation 18 of the



SEBI (LODR) Regulations and Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/SEBI time to time and remain in force for the time being. The terms of reference of the SRC, inter-alia are as follow;

- a) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- b) Review of measures taken for effective exercise of voting rights by shareholders.
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

To comply with the regulation 20 of SEBI (LODR), 2015 and rules made thereunder the Stakeholder and Relationship Committee was constituted. The present composition of members of the Committee is as follows:-

- i) Shri Seikhjam Kipgen , (Independent Director), Chairman
- ii) Shri Vivek Banzal, (Member), Director (CFA)
- iii) Shri Rajiv Kumar, (Member), Director (Fin) & CFO

The Secretary of the Company acts as the Secretary of the Committee.

Status of Investors Grievances

The Company has been attending to all investor grievances expeditiously and promptly. Investor's grievances have been redressed instantly in coordination with the Registrar and Transfer Agent of the Company. The Company has not received any complaint from the investor of the Company. The Company Secretary is designated as the "Compliance Officer" who oversees the redressal of the Investor's grievances. Contact information of the designated officials of BSNL for assisting & handling Investor Grievances of BSNL and email address for Investor Grievances Redressal & relevant details are uploaded in Company's website and can be accessed at https://bsnl.co.in/opencms/bsnl/BSNL/investors/contact_Investors.html respectively.

Details of Stakeholder and Relationship Committee meeting held during the financial year

S. No.	Meeting No.	Date	Place	No. of Member attended
1.	2 nd SRC	13.02.2023	BSNL Corporate Office ,New Delhi	3/3

Attendance at Stakeholder and Relationship Committee Meetings during the financial year



Name of the Director	No. of Audit Committee meeting Attended	Remarks
Shri Seikhjam Kipgen , (Independent Director), Chairman	1/1	
Shri Vivek Banzal, (Member),Director (CFA)	1/1	
Shri Rajiv Kumar, (Member), Director (Fin) & CFO	1/1	
Ms. Yojana Das, (Member), Director (Fin) & CFO	NA	Ceased to be member w.e.f. 30.11.2022

(iv) Corporate Social Responsibility Committee

In terms of the provisions contained in the Section 135 of the Companies Act 2013 and Rules thereunder, the Board of Directors of your company has constituted the Corporate Social Responsibility Committee (CSR Committee). The present composition of the Committee comprise of the following members is as follows:-

- (i) Shri Manoj Kumar, Independent Director- Member
- (ii) Shri Sandeep Govil, Director- Member
- (iii) Shri Arvind Vadnerkar, Director- Member

Secretary of the Company to act as Secretary of the Committee.

Owing to losses being incurred by the company since the year 2009-10, no specific amount could be earmarked for CSR activities. However, the Company, continued its engagement with social obligations to bridge the digital divide and connecting India. Pursuant to the provisions of the Companies Act 2013, the CSR Policy has been displayed in the corporate website at www.bsnl.co.in. The Terms of Reference of the Committee are as prescribed under Section 135 and other applicable provisions of the Companies Act 2013 & Rules thereunder and the Guidelines, Instructions, Exemption Notifications, Orders etc. if any, to be/being issued by the Government of India/ SEBI time to time and remain in force for the time being. No meeting of the CSR Committee was held during the Financial Year 2022-23.

(v) Risk Management

Pursuant to the mandate Public Enterprises through Guidelines on Corporate Governance Norms for the Un-Listed CPSEs and in compliance of Regulation 21 of the SEBI (LODR) Regulation 2015 , Company constituted its Enterprise Risk Management Committee.

The role of the committee shall, inter alia, include the following:

- 1) To formulate a detailed risk management policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.



- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (c) Business continuity plan.
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Presently the Committee is headed by the Director (Finance) of the Company with Ms. Trupti Kamlesh Patel, Independent Director and all the Functional Directors as the Members (Except CMD). Secretary of the Company to act as the Secretary of the Committee.

The ERM Committee is mandated meet at least twice in a year, to consider:-

- i. Risk Management Administrators' report about the risks identified, perceived risks and mitigation plans;
- ii. On an annual basis identify the top areas of strategic risks facing the Company including the mitigation plan,
- iii. Recommend measures to improve upon the Risk Management Systems.

The Enterprise Risk Management Committee meeting held on the 25th day of May, 2022 and the 12th day of November, 2022 at Bharat Sanchar Bhawan, New Delhi and all the committee members attended the meeting.

Attendance at ERM committee Meetings during the financial year

Name of the Director	No. of Audit Committee meeting Attended	Remarks
Ms. Yojana Das, DIR(F) & CFO—Chairman	2/2	Ceased to be member w.e.f. 30.11.2022
Shri Rajiv Kumar, DIR(F) & CFO—Chairman	NA	Become member w.e.f. 01.12.2022
Shri Vivek Banzal Director (CFA)	2/2	
Shri Arvind Vadnerkar, Director (HR)	2/2	
Shri V. Ramesh , Director (E)	2/2	
Ms. Trupti Kamlesh Patel, Independent Director	2/2	

3(c) VOLUNTARY COMMITTEES**(i) 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 supersession 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.

(ii) 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 Shri Shivendu Gupta, Govt Director and Shri Arvind Vadnerkar (Director - HRD).

3 (d) The names and categories of the Directors on the Board, their attendance at the committee meetings held during the year through Video-Conferencing/Other Audio-Visual Means and the Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2023 are given below. For the purpose of determination of limit of the Board Committees, Chairpersonship and Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

(i) Details of number of Committee Memberships and Chairmanships of Directors during 2022-23 [as on 31.03.2023]

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 P.K. Purwar CMD [w.e.f. 1.7.2019]	-	-	-	-
Shri Vivek Banzal Director (CFA) [w.e.f. 18.10.2018] {Ceased to member of Audit Committee w.e.f. 29.03.2023}	BSNL	Stakeholder Relationship 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	Enterprise Risk Management Committee	-	-
	BSNL	Audit Committee of the Board		
Shri Arvind Vadnerkar Director(HRD) [w.e.f. 14.10.2019]	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006	-	-
	BSNL	Enterprise Risk Management Committee		-
	BSNL	Corporate Social Responsibility Committee of the Board	-	-
	MTNL	Corporate Social Responsibility Committee of the Board	MTNL	Corporate Social Responsibility Committee of the Board
Shri V Ramesh Director (E) w.e.f. 03.06.2020	BSNL	Enterprise Risk Management Committee	-	-
	MTNL	Risk Management Committee	-	-
Ms. Yojana Das Director (Finance & CFO) w.e.f 16.11.2020 to 30.11.2022	BSNL	Enterprise Risk Management Committee	BSNL	Enterprise Risk Management Committee
	BSNL	Stakeholder Relationship Committee	-	-
Shri Rajiv Kumar Director (Finance & CFO) w.e.f. 01.12.2022	BSNL	Enterprise Risk Management Committee	BSNL	Enterprise Risk Management Committee
	BSNL	Stakeholder Relationship Committee	-	-
	MTNL	Risk Management Committee	MTNL	Risk Management Committee
	MTNL	Stakeholder Relationship Committee		
	MTNL	Corporate Social Responsibility Committee		
	BBNL	Corporate Social Responsibility 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
Shri Sandeep Govil, Director (CM) [w.e.f 16.01.2023]	BSNL	Enterprise Risk Management Committee	-	-
	BSNL	Corporate Social Responsibility Committee of the Board	-	-
Ms. Yashashri Shukla Govt. Director [w.e.f. 14.02.2022] to 26.12.2022	BSNL	Nomination and Remuneration Committee	-	-
	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006.	-	-
Shri Shivendu Gupta, DDG (WPF), DOT as Government Director [w.e.f. 05.01.2023]	BSNL	Committee on Appellate & Review matters under BSNL CDA Rules 2006.	-	-
	BSNL	Audit Committee of the Board	-	-
	MTNL	Audit Committee of the Board	-	-
Shri Premjit Lal, Govt Director [w.e.f 17.05.2022 to 17.11.2022]	BSNL	-	-	-
Shri Sunil Kumar Verma, Joint secretary (A), DOT as Government Director [w.e.f. 17.11.2022]	BSNL	-	-	-
	MTNL	Nomination and Remuneration Committee of the Board	-	-
	MTNL	Stakeholder Relationship Committee of the Board	MTNL	Stakeholder Relationship Committee of the Board
Shri Ravindra Ramdas Borawake Non official Independent Director [w.e.f. 01.11.2021]	BSNL	Audit Committee of the Board	BSNL	Audit Committee of the Board
	BSNL	Nomination and Remuneration Committee of the Board	BSNL	Nomination and Remuneration Committee of the Board
Shri Manoj Kumar Non official Independent Director [w.e.f. 01.11.2021]	BSNL	Nomination and Remuneration Committee of the Board	-	-
	BSNL	Corporate Social Responsibility 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 Seikhjam Kipgen Non official Independent Director [w.e.f. 01.11.2021]	BSNL	Audit Committee of the Board	-	-
	BSNL	Stakeholder Relationship Committee of the Board	BSNL	Stakeholder Relationship Committee of the Board
Ms. Trupti Kamlesh Patel Non official Independent Director [w.e.f. 01.11.2021]	BSNL	Nomination and Remuneration Committee of the Board	-	-
	BSNL	Enterprise Risk Management Committee	-	-

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

(ii) Number of Meetings held during 2022-23 [as on 31.03.2023] and attendance no. of Meetings held: 11

Name and Designation	No. of meetings attended out of 11 meetings	Remarks
Shri Vivek Banzal, Director (CFA)	10	Being the Member in the Enterprise Risk Management Committee , Stakeholder Relationship Committee and ceased to be member of Audit Committee w.e.f. 29.03.2023.
Shri Arvind Vadnerkar, Director (HRD)	2	Being the Member in the Enterprise Risk Management Committee and Corporate Social Responsibility Committee.
Shri Sandeep Govil (CM)	Nil	Become Director w.e.f. 16.01.2023
Shri V Ramesh, Director, CFA	2	Being the Member in the Enterprise Risk Management Committee
Ms. Yojana Das, Director (F) & CFO	2	Being the Member in the Enterprise Risk Management Committee and Stakeholder Relationship Committee and ceased to Director w.e.f. 30.11.2022 on attaining the age of Superannuation.
Shri Rajiv Kumar , Director (F) & CFO	1	Being the Member in the Enterprise Risk Management Committee and Stakeholder Relationship Committee

Name and Designation	No. of meetings attended out of 11 meetings	Remarks
Shri Shivendu Gupta, Government Director	Nil	-
Shri Sunil Kumar Verma, Joint secretary (A), DOT as Government Director	Nil	-
Shri Ravindra Ramdas Borawake, Non official Independent Director Member	8	Being the member of Audit Committee of the Board and Nomination and Remuneration Committee of the Board
Shri Manoj Kumar, Non official Independent Director Member	1	Being the member of Nomination and Remuneration Committee of the Board and Corporate Social Responsibility Committee of the Board
Shri Seikhojam Kipgen, Non official Independent Director Member	8	Being the member of Audit Committee of the Board and Nomination and Remuneration Committee of the Board
Ms. Trupti Kamlesh Patel, Non official Independent Director Member	3	Being the member of Nomination and Remuneration Committee of the Board and Enterprise Risk Management Committee

4. REMUNERATION OF DIRECTORS

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	Design.	Salary incl. DA	Other Benefits & Perks	Contribution in CPF & Other Funds	Total
Shri Pravin Kumar Purwar	CMD (w.e.f. 01.07.2019)	37,76,192	-	4,16,549	41,92,741
Shri Vivek Banzal	Director(CFA) w.e.f. 18.10.2018	38,18,262	-	3,97,266	42,15,528
Shri Arvind Vadnerkar	Director (HRD) (w.e.f. 14.10.2019)	36,05,804	-	3,85,728	39,91,532



Name	Design.	Salary incl. DA	Other Benefits & Perks	Contribution in CPF & Other Funds	Total
Shri Sandeep Govil	Director (CM) (w.e.f. 16.01.2023)	8,27,248	-	90,943	9,18,191
Shri V Ramesh	Director (E) w.e.f. 03.06.2020	39,08,662	-	3,67,488	42,76,150
Ms. Yojana Das	Director (Finance & CFO) w.e.f 16.11.2020 to 30.11.2022	25,21,791	-	2,51,197	27,72,988
Shri Rajiv Kumar	Director (Finance & CFO) w.e.f. 01.12.2022	6,51,093	-	48,929	7,00,022
Shri J.P. Chowdhary	Secy & GM(Legal) w.e.f. 01.02.2021	31,31,414	-	3,33,396	34,64,810

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.

5. SENIOR MANAGEMENT:

Senior management means the officers and personnel of the of the Company who are members of its core management team and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager including Company Secretary and the Chief Financial Officer , excluding the Board of Directors. In BSNL with regard to senior management i.e. one level below the board of directors, the executive director's post are vacant in the company.

Further Director (Finance) and Chief Financial Officer of the Company is Ms. Yojana Das [w.e.f. 16.11.2020 to 30.11.2022] and Shri Rajiv Kumar [w.e.f. 01.12.2022]. Further the - Sh. Joginder Pal Chowdhary, Company Secretary and Compliance officer of the Company appointed w.e.f. 01.02.2021.

6. GENERAL BODY MEETINGS

6(a) Date and time and venue of the last three Annual General Meetings of the Company



Meeting and Date	Time	Venue	Special resolution passed in the last 3 years AGM
20 th AGM, 25.11.2020	4:00 P.M.	Regd & Corp. office, Board Room, 3 rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	Nil
21 st AGM, 29.10.2021	4:00 P.M.	Regd & Corp. office, Board Room, 3 rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	1. To increase the Authorised Share Capital of the Company by substituting the Clause V of the Memorandum of Association(MoA) of the Company and the Article NO.5 of the Articles of Association (AoA) of the Company.
22 nd AGM, 26.09.2022	4:30 P.M.	Regd & Corp. office, Board Room, 3 rd floor, Bharat Sanchar Bhawan, H.C.Mathur Lane, Janpath, New Delhi-110 001.	1. To amend /alter the Article No. 144(3) of the Articles of Association of the Company. 2. Appointment of Ms. Trupti Kamlesh Patel, Shri Ravindra Ramdas Borawake, Shri Manoj Kumar, Shri Selkhojam Kipgen as Non official Independent Director for a period of three years made by the President of India. 3. Increase in the Authorized Share Capital of the Company. 4. Borrowing through issue of Unsecured, Listed, Redeemable, Non- Convertible and Sovereign Guaranteed Bonds in the nature of Debentures.

6 (b) No special resolution passed or proposed to be conducted through postal ballot. Procedure for the postal ballot not applicable to the Company.

7. MEANS OF COMMUNICATION

- a. Annual financial statements, new releases, etc., The Quarterly, Half Yearly and Annual Financial Results were published in English national daily newspaper circulating in the whole of India on the SEBI prescribed format and are also posted on the Company's website. The Company's website www.bsnl.co.in is a user friendly site, containing all the latest developments.
- b. News paper- Financial Results were published in English national daily newspaper circulating in the whole of India i.e. Financial express
- c. 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 laid on the Table of both the Houses of the Parliament. Annual report also displayed on the company website www.bsnl.co.in.

- d. BSE Corporate Compliance & Listing Centre (the "Listing Centre"): The BSE's listing Centre is the Web based application designed for Corporate. All periodical compliance filings like Shareholding pattern, Corporate Governance Report, media releases, etc. are filed electronically on BSE Listing Centre in order to comply with Regulation 10 of SEBI (LODR), Regulation 2015 and the general public may view the same.
- e. All filing in the Stock Exchanges are also simultaneously uploaded on the website of BSNL i.e. www.bsnl.co.in.

8. GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting: 22nd Annual General Meeting of the Company (AGM) of Bharat Sanchar Nigam Limited (BSNL) held on Monday the 26th Day of September 2022 at 4: 30 P.M. at Board Room, 3rd floor Bharat Sanchar Bhawan, H.C. Mathur Lane, Janpath, New Delhi-110 001.
- b. Financial year: 1st April, 2022 to 31st March 2023.
- c. Dividend Payment date: Not applicable as in view of the losses suffered by the Company, the Company does not recommend any dividend for the year.
- d. Stock Exchange: BSNL's Government of India guaranteed, Unsecured, Listed, redeemable, Non-convertible Bonds in the nature of Debentures (NCDs) Series I NCDs (Scrip Code: 960039) and Series II NCDs are listed on the Bombay Stock Exchange.
- e. **Details of Bonds with Scrip code:**

Particulars	Details of 6.79% BSNL Bonds Series-I :	Details for 7.72% SG BSNL Bonds Series-IIA
ISIN	INE103D08021	INE103D08039
Series	6.79% BSNL Bonds Series-I	7.72% BSNL Bonds Series-IIA
Coupon Rate	6.79%	7.72%
Series Amount (in crs.)	8500	4184.7
Allotment Date	23-09-2020	22-12-2022
Redemption Date	23-09-2030	22-12-2032
Interest Payment Date (subject to terms of the bond issue)	23 rd March & 23 rd September	22 nd June & 22 nd December
Listed on	BSE (Scrip Code-960039)	BSE (Scrip Code- 974458)
Private Placement /Public Issue	Private Placement	Private Placement
Name of R&T Agent	Beetal Financial & Computer Services Pvt. Ltd.	Beetal Financial & Computer Services Pvt. Ltd.
Name of Debenture Trustee	SBICAP Trustee Company Ltd.	Beacon Trusteeship Ltd



- f. **Market price data- high, low during each month in last financial year , Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc and the the securities are suspended from trading**

As shares of the Company are not listed on any stock exchange therefore the above information are not available. Further, none of the Bonds (Debenture) were suspended from trading during the FY 2022-23.

- g. Registrar to an issue and share transfer agents(RTA)

For Equity and Preference Shares-	For BSNL Bonds Series I & Series-IIA
Indus Portfolio Private Limited, G-65 Bali Nagar, New Delhi-110015. Phone: 011-47671214/ Fax 011- 25449863	Beetal Financial & Computer Services (P) Ltd, 3 rd Floor, 99 Madangir, Behind LSC, New Delhi – 110062, Phone: 011-29961281-83,011-29961284, E-mail: beetal@beetalfinancial.com, Website: www. beetalfinancial.com (w.e.f. 28.09.2020)

h. Share transfer system

In terms of Regulation 61(4) read with Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. All requests for transfer and/or dematerialization of securities held in physical form should be lodged with the office of the Company's Registrar and Transfer Agent for dematerialization. The Share transfer job is being handled by the Registrar and Transfer Agent of the Company.

Shareholding of the Company: The entire shareholding of the Company is held by the President of India through Administrative Ministry and its 7 (Seven) Nominee. The paid up share capital of the Company as on the date of signing of Board report.

Category of Shareholder	Type of Shares	No. of Shares	Nominal amount per share (in INR)	Total subscribed/ paid up capital
The President of India	Equity Shares	5,837,01,50,000	10	58,370,15,00,000
	Preference shares	750,00,00,000	10	7,500,00,00,000
Total				65,870,15,00,000

i. Dematerialization of shares and liquidity

Pursuant to the Government of India, Ministry of Communications, Department of Telecommunications direction for dematerialization of shares of the Company held in physical mode, International Security Identity Number (ISIN) from NSDL has been obtained for both the Equity and Preference Shares of the Company, which are (a) Equity Shares – INE103D01018; and (b) Preference Shares – INE103D04012, respectively and the Administrative Ministry has been apprised accordingly.

Outstanding global depository receipts or American depository receipts or warrants or any convertible instrument, commodity price risk or foreign exchange risk and hedging activities - No GDR and ADR Warrants/Convertible Instruments have been issued by the Company..

j. plant locations -- Company operates in the whole of india except Delhi and Mumbai



- k. Investor Correspondence may be addressed to - Sh. Joginder Pal Chowdhary, Company Secretary and Compliance officer, Bharat Sanchar Nigam Limited, Bharat Sanchar Bhavan, H. C Mathur Lane, Janpath New Delhi-110001 Ph. No: 011-23353395 Fax : 011-23353389 Email: jp_chowdhary@bsnl.co.in
- l. **Credit ratings for Sovereign guaranteed Bonds series – I & II**

S. No.	SG Bonds	Rating Agency	Supporting Rating	Unsporting Rating
A	SG Bonds Series – I Rs. 8,500 Cr	CRISIL Ratings	AAA (CE)/Stable	BBB
		CARE Ratings	AAA (CE)/Stable	BBB
		Brickwork Ratings	AAA (CE)/Stable	BBB
B	SG Bonds Series – IIA Rs. 4,184.70 Cr	CRISIL Ratings	AAA (CE)/Stable	BBB
		India Ratings	AAA (CE)/Stable	BBB

9. DISCLOSURES

a. Materially Significant contracts /Related Party Transactions

The company has not entered into any material 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, where the Directors are Directors without the required shareholdings. The company's related party transactions are generally with PSUs. All the related party transaction were in ordinary course of business at arm length basis and they were intended to further the company's interest.

b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years-

The Company has complied with the applicable provisions of Companies Act, accounting & secretarial standard and SEBI LODR Regulations including Reg. 17 to 27 of SEBI Regulation. Further, performance evaluation of the Directors is done by the Govt. of India acting through Administrative Ministry. Regulation 46 of SEBI LODR Regulation is not applicable on the Company. All the necessary information required under Regulation 62 of SEBI LODR are available on the website of the Company and can be accessed at www.bsnl.co.in.

During the last 3 years, there has been no instances of Non Compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or the SEBI or any statutory authorities, on any matter related to capital markets. For further information, kindly refer Annual Secretarial Compliance Certificate and Corporate Governance Report for the Financial Year 2022-23 attached as an Annexure to the Directors Report.

c. 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.

d. Company Policy for Determining Material Subsidiaries

Company being high value debt listed entity in terms of SEBI (LODR) Regulations 2015, has 8500 Cr. debt securities listed with the Bombay Stock Exchange. As per the compliance requirement of SEBI (LODR) Regulations 2015 all the listed entity shall formulate a policy for determining 'material' subsidiary. The Management of your company has adopted the Policy and procedure with regard to determining the Material Subsidiary. This Policy provides the criteria for determining the Materiality of Subsidiary companies of the Company. The said policy of the company is available on the following web link: https://www.bsnl.co.in/opencms/bsnl/BSNL/about_us/others/policy_deterMtSub.pdf.

e. Policy on Related Party Transactions:

This policy is framed as per requirement of Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR, 2015] intended to ensure the proper approval and reporting of transactions between the Company and its Related Parties. The Management your Company upon the recommendation of Audit Committee has adopted this Policy on Related Party Transactions. The policy envisages the procedure governing Related Party Transactions required. The said policy of the company is available on the following web link: https://www.bsnl.co.in/opencms/bsnl/BSNL/about_us/others/policy_relatedPT.pdf.

f. Code of Conduct for the Members of the Board and the Senior Management Personnel

In addition to the Company's Conduct, Discipline 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, "Code of Conduct for the Senior Management Personnel of the Company" have been prescribed. All the Senior Management Personnel have affirmed compliance with the said code.

g. Preservation of Documents Required to be maintained under SEBI (LODR) Regulation 2015: The policy as prescribed under regulation 9 of the SEBI (LODR) 2015 has been approved by the Board and the same be accessed at the Company website at the link: https://www.bsnl.co.in/opencms/bsnl/BSNL/about_us/others/POLICY_FOR_PRESERVATION_RECORDS.pdf.

h. Internal Code of Conduct for Prevention of Insider Trading: The Policy for "Code of Fair Disclosure and Draft Code of Conduct in dealing with the Securities (Bonds) of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for prevention of insider trading has been approved by the Board



and the same may be accessed on the website of the Company's website at the links: https://www.bsnl.co.in/opencms/bsnl/BSNL/about_us/others/BSNL_CODE_FOR_WEBSITE.pdf

i. Archival Policy:

The Company has formulated its Archival policy in terms of Securities and Exchange Board of India (SEBI) LODR Regulations 2015 as per the compliance requirement of Regulation 51 (3) the listed entity shall disclose on its website, all such events or information which have been disclosed to the stock exchange(s) under this regulation and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website. The 'high value debt listed entities in term of the said Regulations . This Policy provides a framework of archival of records/ information required to be disclosed on website under SEBI Regulations and other information hosted on the website of the company. The said policy of the company is available on the following web link: https://www.bsnl.co.in/opencms/bsnl/BSNL/about_us/others/Archival_P.pdf

- j.** Commodity price risks and commodity hedging activities. The Company does not deal in commodities hence disclosure is not required to be provided.
- k.** Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)— During the year under view , the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI LODR Regulations..
- l.** All the recommendation of the Committee made during the year 2022-23 have been accepted by the Board of Directors of the Company.

m. Fee to Statutory Auditors

Remuneration paid to the Statutory Auditors during the year 2022-23 was Rs. 39.60 Lakhs (exclusive of service tax and cess wherever applicable). It includes Statutory Audit Fee, Certification Charges, Reimbursement of Expenses and Other services. And the total fee for all services paid by the company and its subsidiary on consolidated basis to the statutory Auditor was Rs. 41.70 lakhs.

n. Report on the Complaints Committee for Redressal of Sexual Harassment at Work Places

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

The following is the summary of sexual harassment complaints received and disposed off during the year 2022-23:-

No. of complaints received – 08

No. of complaints disposed of – 02

No. of cases pending – 07

- o.** The Company does not have any material subsidiary company.

p. 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.

q. Guidelines for the Board/Committee Meetings

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

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

r. 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.

s. 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.

t. 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.

u. 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(s). 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.

v. 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 employee's consumer co-operative societies.
- (4) STRATEGIC DECISIONS - a. Agreement involving foreign collaboration proposed to be entered into by the Company irrespective of the consideration involved; b Strategic investments/ decision and acquisition of shares/controlling stake/debentures/bonds of other companies; and Decision with regard to formation of joint ventures, subsidiary companies and restructuring of organization.
- (5) PERSONNEL - a. Creation of posts of the level of Executive Director; b. Formulation of any changes in wage structure and scales of pay of employees of the company; c. Policy matters



relating to allowances of the employees such as HRA, Performance Related Pay, Bonus etc.

- (6) ACCOUNTS - Acceptance of periodical profit and loss accounts; and Declaration of Dividend.
- (7) Investment of the surplus funds of the company in acquisition of controlling stake/shares/ debentures/bonds in other companies.
- (8). All issues that are reserved for exclusive consideration by the Board of Directors by the Companies Act; and, the Memorandum and Articles of Association of the Company.
- (9) Compliance Reporting under the Corporate Governance Norms
- w. No Presidential Directive was issued by the Central Government to the Company during the last 3 years.
- x. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and the amount is NIL.
- y. A certificate from M/s VAP & Associates a Company Secretary in Practice (PCS) is enclosed as Annexure-9 certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and Certificate from M/s VAP & Associates PCS is enclosed to the Director Report.
- z. **SECRETARIAL AUDIT REPORT**

Pursuant to the provisions contained in Section 204 of the Companies Act 2013 and Rules thereunder, your Board appointed M/s VAP & Associates Company Secretaries as the Secretarial Auditor of the Company for conducting the Secretarial Audit for the year 2022-23.

The Secretarial Audit Report in Form MR-3 forms part of this Report (Annexure-4).

aa. 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 (Annexure-5).

- bb. With highly institutionalized system aiming for transparency, disclosures and internal control, BSNL has complying with most of the codified norms, viz.-
 - 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;
- Audit jurisdiction of the DG P & T's Resident Audit Office scheme,
- Dedicated Internal Audit Set up;
- Amenability with the Guidelines of Central Vigilance Commission;
- Outside independent personnel as CVO;
- Dedicated and full-fledged Vigilance set up across the units of the Company;
- Compliance of the Orders and Guidelines of the Government of India - Department of Public Enterprises, Administrative Ministry, Laying of Annual Report before both the Houses of the Parliament and host of other compliances.

cc. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirement--** The status of compliance with non-mandatory/discretionary requirements on Corporate Governance as specified in Regulation 27(1) Part E of Schedule II of the SEBI(LODR) Regulations, 2015 is as under:

1.	Board Report	In terms of Articles of Association of the Company, all the Directors on the Board of BSNL, i.e., Functional Director(s) including the Chairman & Managing Director, Government Director(s) and Independent Director(s) are appointed by the President of India through the Administrative Ministry, i.e., Department of Telecommunications , ministry of Communications, Government of India. Presently, Company consists of 12 directors comprising of six functional directors including Chairman & Managing Director, 2 Government directors and 4 Independent directors.
2.	Shareholders Rights	The financial results (quarterly, half yearly and yearly) of the Company are displayed/hosted on the website of the Stock Exchanges, i.e., BSE Limited and at Company's website. These are also published in leading English newspapers and vernacular newspapers having wide circulation across the country. Annual Report and other statutory/ important information are also circulated to the members and others entitled thereto electronically at their email addresses. In addition to above, the same are also displayed/ available at the website of the Stock Exchanges and Company. Further, management presentation and price sensitive information, if any, is regularly intimated to Stock Exchange(s) for information of the shareholders.
3.	Modified opinion(s) in audit report	The Statutory Auditors have issued unmodified opinion on the standalone/ consolidated financial statements of the Company for the year ended 31 st March, 2023.



4.	Separate posts of Chairperson and the Managing Director or the Chief Executive Officer	There are no separate posts of Chairman and CEO. The Company is headed by Chairman & Managing Director, who is also the Chief Executive Officer and Key Managerial Personnel of the Company. The Chairman of the Company, i.e., Chairman & Managing Director, is an Executive Director appointed by the President of India in terms of Articles of Association of the Company and the terms and conditions of his appointment are determined by the President of India.
5.	Reporting of Internal Auditor	Report of the Internal Auditor is placed before the Audit Committee on quarterly basis. The Company is having a separate Internal Audit Department. Head of Internal Audit Department is invited in all the Audit Committee meetings. Significant Audit Observations are put up for consideration of the Audit Committee periodically.



VAP & ASSOCIATES
Company Secretaries

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ANNEXURE-4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2023

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

To

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Sanchar Nigam Limited (CIN U74899DL2000GOI107739)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

- A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
- B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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;



VAP & ASSOCIATES

Company Secretaries

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- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit period as there were no Foreign Direct Investments, Overseas Direct Investments in the Company and no External Commercial Borrowings were made by the company);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015; (The provisions of regulation 16 to 27 of Chapter IV have been made applicable to high value debt listed entities on comply or explain basis up to March 31, 2023. SEBI in its meeting dated 29th March 2023 decided to extend the 'comply or explain' period for the HVDLEs in respect of corporate governance norms [i.e., regulation 16 to 27 of LODR Regulations) till March 31, 2024).
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(No such event during Audit Period)**
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to the extent applicable to the Company;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(No such event during Audit Period)**
 - e) 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; **(No such event during Audit Period)**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - g) 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 to the extent of securities issued;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(No such event during Audit Period)** and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(No such event during Audit Period)**
- (vi) Having regard to the compliance system prevailing in the Company, on the basis of presentation/ certificates made by the heads of the various Departments of the Company, and the compliance



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certificates made by them submitted to the Secretarial and Legal Department of the Company, we report that the Company has generally complied with the provisions of those Acts that are applicable to company including Department of Public Enterprises (DPE) Guidelines on Corporate Governance, The Indian Telegraph Act, 1885, The Indian Wireless Telegraphy Act, 1933, The Telecom Regulatory Authority of India Act, 1997, The Information Technology Act, 2000, other laws related to maintenance of Factories.

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

- (i) Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Debt Listing Agreements entered into by the Company with the BSE.

D. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (i) As per compliance requirement of Structured Digital Database (SDD) pursuant to provisions of Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), the Database was being maintained by the Company in excel sheet during the audit period. As per information and explanation provided by the Company, maintenance of database in Structured Digital Database in process by the Company.
- (ii) BSE has levied penalty for Regulation 52(4), 50 (2) and 53(2) for No-disclosure of line items prescribed, for delay in furnishing intimation about meeting of Shareholders and non-submission of Annual Report within prescribed period. However, the Company has submitted reply with detailed clarification and requested for waiver for penalty.

E. We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. 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, however, for one Board Meeting, Notice and agenda papers were sent with shorter notice with the consent of the Board 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.

F. **We further report that** based on the information and explanations given to us and the representations made by the Management and records maintained there are adequate systems and processes in



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the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

G. We further report that during the audit period the Company had the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

- a) The Company has Altered the Memorandum and Articles of Association to increase the Authorised Capital of the Company from 40,000 Crore to 1,50,000 at the Annual General Meeting held on 26.09.2022.
- b) During the audit period the company has allotted 23,37,34,40,000 and 3,01,30,00,000 Equity Shares of Rs. 10/- each to President of India on right issue basis.
- c) The Union Cabinet, Govt. of India in its meeting held on 27.07.2022 has approved the revival of BSNL which inter-alia provides for administrative allotment of spectrum, de-stressing BSNL balance sheet, infusion of fresh capital in the Company for upgrading BSNL services, settlement of AGR dues, provisions of CAPEX, increase in authorized share capital, redemption of preference shares, merger of BBNL with BSNL etc.

Note: 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
FRN: S2014UP280200
Peer Review No: 1083/2021

Place : Ghaziabad
Date : 07-08-2023

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323E000754255



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Company Secretaries

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Annexure – 'A'

To

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. 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 check basis.
4. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
5. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. The compliance by the Company of applicable financial laws such as direct and indirect tax laws has not been reviewed in this Audit since the same have been subject to review by statutory auditors and other designated professionals and the contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
7. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
8. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **VAP & Associates**
Company Secretaries
FRN: S2014UP280200

Place : Ghaziabad
Date : 07-08-2023

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901

UDIN: F008323E000754255



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ANNEXURE-5

COMPLIANCE CERTIFICATE ON THE CORPORATE GOVERNANCE

To

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

We have examined the compliance of conditions of Corporate Governance by Bharat Sanchar Nigam LIMITED ("the Company") for the financial year ended March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") [The provisions of regulation 16 to 27 of Chapter IV have been made applicable to high value debt listed entities (HVDLEs) on comply or explain basis up to March 31, 2023. SEBI in its meeting dated 29th March 2023 decided to extend the 'comply or explain' period for the HVDLEs in respect of corporate governance norms [i.e., regulation 16 to 27 of LODR Regulations] till March 31, 2024] and in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises ("DPE Guidelines").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 complied with the conditions of Corporate Governance as stipulated in the Listing Regulations and DPE Guidelines during the financial year ended March 31, 2023.

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

For **VAP & Associates**
Company Secretaries
FRN: S2014UP280200

Place : Ghaziabad
Date : 08-08-2023

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323E000762637



Sinha & Srivastava LLP Company Secretaries

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ANNEXURE- 6

Secretarial Compliance Report of Bharat Sanchar Nigam Limited (BSNL) for the financial year ended March 31, 2023

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Bharat Sanchar Nigam Limited (BSNL)** with **CIN: U74899DL2000GOI107739** (hereinafter referred as 'the listed entity'), having its Registered Office at **Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi – 110001**. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that, the listed entity has, during the review period covering the financial year ended on **March 31, 2023**, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, **Sinha & Srivastava LLP**, have examined:

- (a) all the documents and records made available to us and explanation provided by **Bharat Sanchar Nigam Limited** ("the listed entity"),
- (b) the filings/ submissions made by the company to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended **March 31, 2023** ("Review Period") in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act,1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (**The provisions of regulation 16 to 27 of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been made applicable to high value debt listed entities on comply or explain basis up to March 31, 2023. SEBI Board in its meeting dated 29th March 2023 decided to**



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extend the 'comply or explain' period for the HVDLEs in respect of corporate governance norms (i.e., regulation 16 to 27 of LODR Regulations) till March 31, 2024).

- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the company during the review period)**
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the company during the review period)**
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the company during the review period)**
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the company during the review period)**
- (f) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (h) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and circulars/ guidelines issued thereunder.

and based on the above examination, we hereby report that, during the review period:

- I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-



Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/Circular No.	Deviations	Action taken by	Type of Action (Advisory/Clarification/Fine/ Show Cause Notice/Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
1.	Regulation 52(4): Disclosure requirement of line items prescribed under Regulation 52(4) SEBI (LODR) Regulations, 2015 along with quarterly and annual financial results	Regulation 52(4) of SEBI (LODR) Regulations, 2015	Non-disclosure of line items prescribed under Regulation 52(4) SEBI (LODR) Regulations, 2015 along with quarterly and annual financial results for quarter ended June 2022.	BSE	Fine	Non-disclosure of line items prescribed under Regulation 52(4) SEBI (LODR) Regulations, 2015 along with quarterly and annual financial results for quarter ended June 30, 2022, and the statement containing details of line items prescribed under Regulation 52(4) of the SEBI (LODR) Regulations, 2015 has been duly filed on 12.08.2022 and the same was acknowledged by BSE vide acknowledgement no. 4388865 dated 12.08.2022 and consequently has sought waiver of the fine imposed.	Rs. 34,220/- as on 14 September 2022 @ Rs. 1,000/- per day	The listed entity in its reply to BSE dated 21.09.2022 has confirmed that the financial results along with limited review report thereon for the Quarter ended June 30, 2022, and the statement containing details of line items prescribed under Regulation 52(4) of the SEBI (LODR) Regulations, 2015 has been duly filed on 12.08.2022 and the same was acknowledged by BSE vide acknowledgement no. 4388865 dated 12.08.2022 and consequently has sought waiver of the fine imposed.	The listed entity did not violate with the provisions of Regulation 52(4) of SEBI (LODR) Regulations, 2015 and vide letter dated 21.09.2022 has requested BSE to waive the fine imposed for Non-disclosure of line items prescribed under Regulation 52(4) of the SEBI (LODR) Regulations, 2015 along with quarterly and annual financial results for quarter ended June 2022.	None

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/Circular No.	Deviations	Action taken by	Type of Action (Advisory/Clarification/Fine/ Show Cause Notice/Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
2.	Regulation 50(2): Delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities in accordance with Regulation 50(2) of SEBI (LODR) Regulations, 2015	Regulation 50(2) of SEBI (LODR) Regulations, 2015	Delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities in accordance with Regulation 50(2) of SEBI (LODR) Regulations, 2015 for FY 2021-22.	BSE	Fine	Delay in furnishing intimation about meeting of shareholders or holders of non-convertible securities in accordance with Regulation 50(2) of SEBI (LODR) Regulations, 2015 for FY 2021-22.	Rs. 5,900/- inclusive of GST @ 18% (Rs. 5,000/- per instance)	The company has replied that the listed entity is a 100% Govt. of India owned company and in terms of the provisions of the Companies Act, 2013, the AGM was convened at a shorter notice with the approval of the Govt./ shareholders. A copy of the notice of the AGM as well as the annual report was submitted to BSE 26.09.2022 and acknowledged by BSE vide their acknowledgement no. 4552863 and 4552908 and consequently has sought waiver of the fine imposed.	The listed entity has duly complied with the requirements of the Companies Act, 2013 w.r.t issue of notice of AGM to the shareholders along with the copy of Annual Report and due intimation as per regulation 50(2) and 53(2) has been given. A detailed clarification has been submitted to BSE vide company's letter dated 07.11.2022	None



Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/Circular No.	Deviations	Action taken by	Type of Action (Advisory/Clarification/Fine/ Show Cause Notice/Warning, etc.)	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
3.	Regulation 53(2): Non-submission of annual report within the period prescribed under this regulation.	Regulation 53(2) of SEBI (LODR) Regulations, 2015	Non-submission of Annual Report within prescribed period in accordance with Regulation 53(2) of SEBI (LODR) Regulations, 2015 vide email dated 31 October 2022.	BSE	Fine	Non-submission of Annual Report within pre-scribed period in accordance with Regulation 53(2) of SEBI (LODR) Regulations, 2015 for FY 2021-22.	Rs. 51,920/- inclusive of GST @ 18% (Rs. 2,000/- per day)			None

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Regulation/Circular No.	Deviations	Action taken by	Type of Action
	(Advisory/Clarification/Fine/Show Cause Notice/Warning, etc.)	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response Re- Remarks

-None-

- II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observation/ Remarks by PCS
1.	Compliances with the following conditions while appointing / re-appointing an auditor <ul style="list-style-type: none"> i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year. 	NA NA NA	There has been no resignation of Statutory Auditors in the FY 2022-23
2.	Other conditions relating to resignation of statutory auditor <ul style="list-style-type: none"> i. Reporting of concerns by Auditor with respect to the listed entity/its material subsidiary to the Audit Committee: <ul style="list-style-type: none"> a. In case of any concern with the management of the listed entity/material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information / explanation from the company, the auditor has informed the Audit Committee of the details of information / explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. 	NA NA NA	There has been no resignation of Statutory Auditors in the FY 2022-23



Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observation/ Remarks by PCS
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI / NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18 th October, 2019.	NA	There has been no resignation of Statutory Auditors in the FY 2022-23

III. We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
1.	Secretarial Standard: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).	Yes	None
2.	Adoption and timely updation of the Policies: <ul style="list-style-type: none"> All applicable policies under SEBI Regulations are adopted with the approval of the board of directors of the listed entities. All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated on time, as per the regulations/circulars/guidelines issued by SEBI. 	Yes Yes	As informed, the policies will be reviewed & timely updated in due course.
3.	Maintenance and disclosures on Website: <ul style="list-style-type: none"> The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website 	Yes Yes Yes	None None None

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
4.	Disqualification of Director:		
	None of the Director of the listed entity are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	None
5.	Details related to Subsidiaries of listed entities have been examined w.r.t:		
	(a) Identification of material subsidiary companies	NA	
	(b) Disclosure requirements of material as well as other subsidiaries	Yes	The company does not have any material subsidiary during the year under review.
6.	Preservation of Documents:		
	The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	None
7.	Performance Evaluation:		
	The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.	NA	The listed entity is wholly owned Govt. of India enterprise. The Govt. of India, through the Administrative Ministry, and in terms of Articles of Association of the Company, appointments of all Directors on the Board of Directors of the Company. Terms and conditions of Appointment of all 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 from time to time. Ministry of Corporate Affairs has, vide its notification dated June 05, 2015, notified the exemptions to Government Companies from certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding a statement indicating the manner of formal annual evaluation of Board, shall not apply to Government



Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
			<p>Companies in case the Directors are evaluated by the Ministry which is administratively in charge of the Company as per its evaluation methodology. Further, the aforesaid circular issued by the MCA has also exempted that sub-section (2), (3) & (4) of Sec. 178 regarding the appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies. Further, MCA vide its notification dated July 05, 2017, has made an amendment in the Schedule IV of the act, whereby it has exempted Government Companies from complying with the requirement of performance evaluation by the Independent Directors of Non-Independent Directors and Chairman and performance evaluation of the Independent Director by the Board if the concerned department or ministries have specified these requirements. In this regard, the Department of Public Enterprise (DPE) has already laid down a mechanism for performance appraisal of all Functional Directors. The performance evaluation of Functional Directors is done through a system of Annual Performance Appraisal Report (APAR) by Department of Telecommunications (DoT), Ministry of Communications. Further, the performance evaluation of the Company is done through the evaluation of the Memorandum of Understanding entered with the Ministry and the said evaluation is submitted to Department of Public Enterprises through the Administrative Ministry. The</p>



Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
			MoU targets are cascaded down and form an integral part of the performance appraisal of the individuals and the team. The internal MoU covers various parameters including financial, non-financials and compliances of government guidelines etc. In respect of Government Nominee Directors, their evaluation is done by the DoT, Ministry of Communications as per the procedure laid down. Since Independent Directors are also appointed by the Government of India, their evaluation is also done by the Department of Telecommunications (DoT), Ministry of Communications and finally by DPE.
8.	Related Party Transactions:		
	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; or	NA	
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	NA	There were no related party transactions requiring audit committee approval during the financial year 2022-23.
9.	Disclosure of events or information:		
	The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	NA	None
10.	Prohibition of Insider Trading:		
	The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Yes	None
11.	Actions taken by SEBI or Stock Exchange(s), if any:		



Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS
	No action(s) taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph here in [para I(a)].	No	As mentioned in para I(a) above.
12.	Additional Non-compliances, if any:		
	No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	None

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Sinha & Srivastava LLP
Company Secretaries

Sd/-

CS Suman Kumar Verma
(Designated Partner)
FCS: 7409, CP No.: 24902
FRN: L2017UP003700
PR: 3487/2023
UDIN: F007409E000411538

Place: Noida

Date: 29-05-2023



ANNEXURE- 7

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION**

The Board of Directors

Bharat Sanchar Nigam Limited

Compliance certificate as required under Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for the financial year 2022-23.

We hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity's pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee;
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: New Delhi
Date: 26.05.2023

Sd/-
(Shri P.K. Purwar)
Chairman and Managing Director
DIN: 06619060

Sd/-
(Shri. Rajiv Kumar)
Director (Finance) & CFO
DIN: 09811051

**ANNEXURE -8****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 2022-23**

I, P. K. Purwar, 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 2022-23.

Sd/-
[P.K. PURWAR]
CHAIRMAN AND MANAGING DIRECTOR

Place : New Delhi
Date : 21-07-2023



Shri Narendra Modi, Hon'ble Prime Minister of India and Shri Ashwini Vaishnaw Hon'ble Minister of Communication, DOT and Shri Devesinh Chauhan, Hon'ble Minister of State for Communication, DOT, Government of India with Shri P. K. Purwar, CMD BSNL during India Mobile Congress at New Delhi



VAP & ASSOCIATES
Company Secretaries

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

ANNEXURE-9

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
 (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharat Sanchar Nigam Limited (CIN U74899DL2000GOI107739) and having registered office at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company and its Directors/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Original Date of appointment in Company
1.	Shri P.K. Purwar	06619060	01/07/2019
2.	Shri Vivek Banzal	08267362	18/10/2018
3.	Shri Arvind Umakant Vadnerkar	08597016	14/10/2019
4.	Shri Ramesh Venuturumilli	08771524	03/06/2020
5.	Shri Ravindra Ramdas Borawake	09389373	01/11/2021
6.	Ms. Trupti Kamlesh Patel	09392198	01/11/2021
7.	Shri Seikhajam Kipgen	09392274	01/11/2021
8.	Shri Manoj Kumar	09392279	01/11/2021
9.	Shri Sunil Verma	09800644	17/11/2022
10.	Shri Rajiv Kumar	09811051	01/12/2022
11.	Shri Shivendu Gupta	09850201	05/01/2023
12.	Shri Sandeep Govil	10040742	16/01/2023



VAP & ASSOCIATES
Company Secretaries

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

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **VAP & Associates**
Company Secretaries
FRN: S2014UP280200
Peer Review No: 1083/2021

Sd/-
Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323E000754851

Place : Ghaziabad
Date : 07-08-2023

**BHARAT SANCHAR NIGAM LIMITED**Standalone Balance Sheet as at 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3(i)	8,473,361	8,684,157
Capital work-in-progress	3(ii)	216,764	283,453
Intangible assets	4	2,289,718	451,356
Right of use assets	5	268,685	309,662
Financial assets			
(i) Investment in subsidiary	6	-	-
(ii) Investments	7	-	-
(iii) Loans	8	91	121
(iv) Other financial assets	9	41,028	36,106
Deferred tax assets	10	-	-
Other non-current assets	11	77,110	61,192
Total non-current assets		11,366,758	9,826,047
Current assets			
Inventories	12	74,698	124,041
Financial assets			
(i) Investments		-	-
(ii) Trade receivables	13	369,377	401,522
(iii) Cash and cash equivalents	14	67,165	86,456
(iv) Bank balances other than (iii) above	15	193,851	214,292
(v) Loans	16	5	29
(vi) Other financial assets	17	1,045,715	722,248
Current tax assets (net)	18	31,695	15,677
Other current assets	19	885,404	514,930
Assets held for sale	20	710,491	734,288
Total current assets		3,378,401	2,813,483
Total assets		14,745,159	12,639,530
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	3,138,644	500,000
Other equity	22	3,157,964	3,969,645
Total equity		6,296,608	4,469,645
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	23	1,609,121	2,323,963
(ii) Lease liabilities	50	249,123	276,658
(iii) Other financial liabilities	24	515,542	501,198

**BHARAT SANCHAR NIGAM LIMITED**Standalone Balance Sheet as at 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Provisions	25	60,934	71,015
Other non-current liabilities	26	45,510	50,798
Total non-current liabilities		2,480,230	3,223,632
Current liabilities			
Financial liabilities			
(i) Borrowings	27	1,200,103	1,716,050
(ii) Lease liabilities	50	64,977	66,310
(iii) Trade payables	28	48,095	71,231
-total outstanding dues of micro enterprises and small enterprises			
-total outstanding dues of creditors other than micro enterprises and small enterprises		587,426	832,538
(iv) Other financial liabilities	29	2,987,787	1,217,626
Other current liabilities	30	1,069,307	957,746
Provisions	31	10,625	84,751
Total current liabilities		5,968,321	4,946,252
Total liabilities		8,448,551	8,169,884
Total equity and liabilities		14,745,159	12,639,530

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

1 to 80

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

In terms of our report attached

For Ramesh C Agrawal & Co. For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
Partner
Membership No. : 436238

Sd/-
P.K. Purwar
Chairman and Managing Director
DIN: 06619060

Sd/-
Rajiv Kumar
Director (Finance)
DIN: 09811051

Sd/-
Rajeev Singh
Principal General Manager
(Corporate Accounts)

Sd/-
J.P. Chowdhary
Company Secretary and
General Manager (Legal)
M. No. F- 3726

Place : New Delhi
Date : 26-05-2023

UDIN : 23436238BGUTOX7281

**BHARAT SANCHAR NIGAM LIMITED****Standalone Statement of Profit and Loss for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Revenue			
Revenue from operations	32	1,912,779	1,680,922
Other income	33	157,111	224,337
Total income (I)		2,069,890	1,905,259
Expenses			
License and spectrum fee	39	135,647	144,142
Employee benefits expense	34	794,941	716,867
Finance costs	35	256,237	261,729
Depreciation and amortisation expense	36	565,862	530,804
Other expenses	37	983,423	949,879
Total expenses (II)		2,736,110	2,603,421
Loss before exceptional items and tax (III = I - II)		(666,220)	(698,162)
Exceptional Items (IV)	59	(149,936)	-
Loss before tax (V = III - IV)		(816,156)	(698,162)
Tax expense: (VI)	51		
Current tax		-	-
Deferred tax		-	-
Loss for the year (VII = V - VI)		(816,156)	(698,162)
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
Remeasurement of post employment benefit obligation (net of tax)		4,500	(1,130)

**BHARAT SANCHAR NIGAM LIMITED**Standalone Statement of Profit and Loss for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Total other comprehensive income/ (expense) for the year, net of taxes (VIII)		4,500	(1,130)
Total comprehensive income/ (expense) for the year (IX = VIII + VII)		(811,656)	(699,292)
Loss per equity share (INR)	44	(4.80)	(13.96)
Basic and diluted (nominal value of shares INR 10 each)			

The accompanying notes are an integral part of these standalone financial statements. 1 to 80

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

In terms of our report attached

For Ramesh C Agrawal & Co. For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
Partner
Membership No. : 436238

Sd/-
P.K. Purwar
Chairman and Managing Director
DIN: 06619060

Sd/-
Rajiv Kumar
Director (Finance)
DIN: 09811051

Sd/-
Rajeev Singh
Principal General Manager
(Corporate Accounts)

Sd/-
J.P Chowdhary
Company Secretary and
General Manager (Legal)
M. No. F- 3726

Place : New Delhi
Date : 26-05-2023

UDIN : 23436238BGUTOX7281

BHARAT SANCHAR NIGAM LIMITED**Audited Standalone Cash Flow Statement for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Profit/ (loss) before tax	(666,220)	(698,162)
Adjustments for:		
Depreciation and amortisation expense	565,862	530,804
Bad-debt written off	22,605	41,119
Provision for obsolete inventory/short inventory	418	283
Loss allowance for trade receivables and disputed bills	17,004	20,138
Exceptional Items	(149,936)	-
Bad-debt provision other than services	1,711	1,735
Write off and losses other than bad debts	16,879	27,308
Write off of unrecovered service tax/ GST	3,185	2,007
Excess liabilities written back no longer required	99,109	(179,715)
Profit on termination of lease contract(s)	(369)	(755)
Unrealised Gain/Loss on Forex fluctuation (net)	(1)	(96)
Grant in aid (net)	7,436	(9,422)
Finance costs	253,518	257,247
Unwinding of discount on decommissioning liabilities	2,719	4,482
Interest income	(10,534)	(9,184)
Profit on sale of property, plant and equipment (net)	(5,623)	(1,926)
Capitalisation of overheads	(6,409)	(8,914)
Operating cash flows before working capital changes	151,354	(23,050)
Net change in working capital:		
Loans	54	37
Trade receivables	(7,464)	(75,840)
Inventories	48,925	55,259
Other financial assets	(328,213)	53,696
Other assets	(386,392)	(116,136)
Trade payables	(268,248)	(243,859)
Other financial liabilities	1,650,167	338,818
Provisions	(79,707)	43,981
Other liabilities	77,062	(172,933)
Cash from operating activities	857,538	(140,027)
Net income tax refund/(paid)	(16,018)	37,661
Net cash generated from/ (used in) operating activities	841,520	(102,366)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,001,626)	(398,552)
Proceeds from sale of property, plant and equipment	-	380,729
Interest received	10,358	9,334

**BHARAT SANCHAR NIGAM LIMITED****Audited Standalone Cash Flow Statement for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Proceeds from / (investment in) deposits with banks	20,441	149,863
Net cash generated from/ (used in) investing activities	(1,970,826)	141,375
C. Cash flows from financing activities		
Interest paid	(218,289)	(220,389)
Payments for principal portion of lease liability	(44,297)	(62,161)
Payments for Interest portion of lease liability	(35,229)	(36,858)
Issue of share capital net of expenses incurred for increase in authorised share capital	2,638,619	(25)
Proceeds from/ (repayment) of long term loans (net)	(1,044,894)	240,828
Net cash generated from/ (used in) financing activities	1,295,910	(78,605)
Net increase/ (decrease) in cash and cash equivalents	166,604	(39,596)
Cash and cash equivalents at the beginning of the year	(259,369)	(219,773)
Cash and cash equivalents at the end of the year	(92,765)	(259,369)
Cash and cash equivalents:		
Balances with banks in current account including sweep In deposit	66,121	85,177
Deposits with original maturity of less than three months	12	277
Cheques on hand	522	431
Cash on hand	510	571
Bank overdraft	(159,930)	(345,825)
Total cash and cash equivalents	(92,765)	(259,369)

Notes:

- (a) The cash flow statement has been prepared in accordance with "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on "Cash flow statement", specified under section 133 of the Companies Act, 2013, as applicable.
- (b) Figures in the bracket represent cash outflow.
- (c) In the absence of adequate data regarding assets appearing in the disposals/ adjustments column of note no. 3 of property, plant and equipment, all deletions (except amount transferred as assets held for sale) have been assumed to be on cash basis for preparation of cash flow statement.
- (d) In the absence of adequate details regarding unreconciled inter circle remittances with the subsidiary records, all the 'intra/ inter circle remittances' have been treated as part of working capital changes.
- (e) Refer Note 52 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.
- (f) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

**BHARAT SANCHAR NIGAM LIMITED**Audited Standalone Cash Flow Statement for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance as at 1 April 2022	2,944,188	2,703,360
Cashflow during the year	(1,044,894)	240,828
Interest expenses	228,589	222,037
Interest paid	(218,289)	(220,389)
Interest accrued but not due	(10,300)	(1,648)
Closing balance as at 31 March 2023	1,899,294	2,944,188

The accompanying notes are an integral part of these standalone financial statements. 1 to 80

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

In terms of our report attached

For Ramesh C Agrawal & Co. For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
 Partner
 Membership No. : 436238

Sd/-
P.K. Purwar
 Chairman and Managing Director
 DIN: 06619060

Sd/-
Rajiv Kumar
 Director (Finance)
 DIN: 09811051

Sd/-
Rajeev Singh
 Principal General Manager
 (Corporate Accounts)

Sd/-
J.P Chowdhary
 Company Secretary and
 General Manager (Legal)
 M. No. F- 3726

Place : New Delhi
Date : 26-05-2023

UDIN : 23436238BGUTOX7281

**BHARAT SANCHAR NIGAM LIMITED****Standalone Statement of Changes in Equity for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

a. Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2021		500,000
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at 1 April 2021		<u>500,000</u>
Changes in equity share capital during the year ended 31 March 2022	21	-
Balance as at 31 March 2022		<u>500,000</u>
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at 1 April 2022		<u>500,000</u>
Changes in equity share capital during the year ended 31 March 2023	21	2,638,644
Balance as at 31 March 2023		<u>3,138,644</u>

b. Other equity

Particulars	Reserves and surplus				Total
	Capital reserve	General reserve	Retained earnings	Capital contribution from shareholder (Refer note 22)	
Balance as at 1 April 2021	4,021,116	490,075	59,453	98,318	4,668,962
Loss for the year			(698,162)		(698,162)
Expenses incurred for increase in authorised share capital	-	-	(25)	-	(25)
Other comprehensive income/(expense) for the year	-	-	(1,130)	-	(1,130)
Balance as at 31 March 2022	4,021,116	490,075	(639,864)	98,318	3,969,645
Balance as at 1 April 2022	4,021,116	490,075	(639,864)	98,318	3,969,645
Loss for the year			(816,156)		(816,156)
Expenses incurred for increase in authorised share capital	-	-	(25)	-	(25)
Other comprehensive income/(expense) for the year			4,500		4,500
Transaction with owners in their capacity as owners					-
Amount received against the share application money					-
Balance as at 31 March 2023	4,021,116	490,075	(1,451,545)	98,318	3,157,964

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

1 to 80

This is the standalone statement of changes in equity referred to in our report of even date.

In terms of our report attached

For Ramesh C Agrawal & Co.

Chartered Accountants

Firm Registration No. : 001770C

Sd/-

Paritosh Agarwal

Partner

Membership No. : 436238

For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Sd/-

P.K. Purwar

Chairman and Managing Director

DIN: 06619060

Sd/-

Rajeev SinghPrincipal General Manager
(Corporate Accounts)

Sd/-

Rajiv Kumar

Director (Finance)

DIN: 09811051

Sd/-

J.P ChowdharyCompany Secretary and
General Manager (Legal)
M. No. F- 3726

Place : New Delhi

Date : 26-05-2023

UDIN : 23436238BGUTOX7281



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR 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 (CIN: U74899DL2000GOI107739). The Company has been incorporated under the erstwhile Companies Act, 1956 with its registered corporate office in New Delhi.

2.1 Basis of preparation

a) Statement of compliance

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

The standalone financial statements were authorized for issue by the Company's Board of Directors on 26 May 2023.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is the Company's functional and presentation currency. All values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated. Amounts less than INR 100,000 have been presented as "0".

c) Basis of measurement

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

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

d) Critical accounting estimates and judgements

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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

Judgements

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

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

Note 2.2 (i) - assets held for sale classification

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

Note 2.2 (r) - whether an arrangement contains a lease; and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

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

Note 2.2 (e) and 52 - impairment of financial assets and non-financial asset

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

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

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

Note 2.2 (n), 2.2 (o), 48 and 49 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

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

Note 2.2 (r) – determination of lease term and estimate of amount payable under residual value guarantee

Note 2.1 (b) - which is the Company's functional and presentation currency



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

2.2 Significant accounting policies

a) Current and non-current classification

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

Assets

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

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

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

Liabilities

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

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating cycle

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

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

b) Foreign currency transactions and translations

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

c) Fair value measurement

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the standalone financial



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

d) Investment in subsidiary

Investment in subsidiary is measured at cost.

e) Financial instruments

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

i. Financial assets

Recognition and initial measurement

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

Classification and subsequent measurement

Classification

The Company classifies financial assets in following categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

Subsequent measurement

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

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

Derecognition

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

Impairment

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost.

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

Derecognition

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

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

iii. Offsetting

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

f) Equity share capital

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

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of statement of cash



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

flows, includes cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

h) Property, plant and equipment

Recognition and measurement

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

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

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

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

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

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to selectively fair value its freehold land.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

The Company has considered the fair value as deemed cost at the transition date, viz., 1 April 2015.

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

Subsequent expenditure

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

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

Depreciation methods, estimated useful lives and residual value

- i. Depreciation on property, plant and equipment has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on written down value (WDV) method except in respect of the assets mentioned in (ii) and (iii) below.

Nature of assets	Useful lives (in years)
Buildings	60
Apparatus and plants	13
Motor vehicles and launches	8
Cables and lines and wires-telecom ducts cables and optical fiber	18
General plant and machinery- other than continuous process plant	15
Towers and satellites	18
Office machinery and equipment	5
Electrical fittings	10
Furniture and fixtures	10
Computer-end user devices	3
Computer-servers and networks	6

- ii. Assets costing up to INR 5,000 are depreciated fully in the year of purchase. Similarly, partition works and paintings costing up to INR 200,000 are depreciated fully in the year of construction/ acquisition.
- iii. The depreciation on machinery and tools used both for project and maintenance work

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- is charged to the statement of profit and loss instead of capitalization.
- iv. All telephone exchange buildings, administrative offices and captive consumption assembling premises/workshops are considered as buildings (other than factory building). Accordingly, depreciation is charged uniformly.
 - v. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.
 - vi. Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.
 - vii. Depreciation method, useful lives and residual values are reviewed at each reporting period end.

i) Assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Assets classified as held for sale are stated at the lower of carrying amount and the net realisable value. Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

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

j) Intangible assets**Recognition and measurement**

Intangible assets are recognised if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably.

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

Transition to Ind AS

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

Subsequent expenditure

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Amortisation

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

1) License fee

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

Intangible assets such as entry license fee, one-time Spectrum fee for telecom service operations are amortised over the license period (i.e. 20 years).

2) Computer software

Costs associated with maintaining software programs are recognised as an expense as incurred. Computer software applications are amortised over the license period (subject to maximum 10 years) using the straight line method.

k) Inventories

Inventory is valued at the lower of cost and net realizable value. Cost is determined on weighted average method.

Inventory costs include purchase price, freight inward and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

I) Impairment of non-financial assets

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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

m) Employee benefits

i. **Short-term obligations**

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

ii. **Defined contribution plans**

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

Pension Contribution (including gratuity)

The employees of DoT who have opted for absorption / absorbed in the Company and the employees on deemed deputation from Government are eligible for pension, which is a defined contribution plan. The Company makes monthly contribution (including liability on account of gratuity) at the applicable rates as per Government Pension Rules, 1972 and Fundamental Rules and Supplementary Rules (FR & SR), to the Central Government which administers the same. These contributions are expensed in the statement of profit and loss as and when incurred.

Employees' provident fund

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

Contribution for leave salary

For employees on deemed deputation from Government, leave salary contribution is



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

paid by the Company to DoT/ Government for the deputation period in accordance with FR 115 (b) of FR & SR Part I. Consequently, the liability for the leave salary payable for those on deputation/ deployment during the period of leave rests with the Government. Further, any leave encashment after quitting service is the responsibility of the Government. These contributions are expensed in the statement of profit and loss as and when incurred.

Contribution for superannuation fund

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

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

iii. Defined benefit plans

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

Gratuity

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

The calculation of defined benefit obligation is performed annually by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit, are recognised immediately in the balance sheet with a corresponding debit or credit to



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

retained earnings through other comprehensive income in the period in which they occur.

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

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

Other benefits including post-employment medical care

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

iv. Other long-term employment obligations

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

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

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

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

n) Provisions

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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

Decommissioning liability

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

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

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

o) Contingent liabilities and assets

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

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Information on contingent assets is disclosed in the notes to the standalone financial statements, unless the possibility of an inflow of economic benefit is virtually certain.

p) Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115.

When the Company enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

individual goods and services don't meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

The Company allocates the transaction price to each performance obligation based on their relative stand-alone selling price. The stand-alone selling price of products and services are mainly based on observable selling prices. The standalone selling price of each point in the customer point rewards is based on its fair value. Revenue for each performance obligation is then recognized when the control of the promised goods or services transfers to the customer. Where goods and services have a functional dependency, this does not prevent those goods or services from being assessed as separate obligations. Revenue is recognized net of discounts and applicable taxes.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. The amount of variable consideration is estimated only to the extent, it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Gross versus net presentation

If the Company has control of goods or services when they are delivered to a customer, then the Company is the principal in that case; otherwise the Company is acting as an agent. Whether the Company is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Company and its customer.

Service revenues

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

Revenue from services are stated net of discounts and taxes. Prepaid revenue for the year from Subscriber Identity Modules (SIMs) recharge coupons of mobile, prepaid calling cards and prepaid internet connection cards are recognized basis the usage of cards/ coupons or expiry, whichever is earlier.

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

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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.

Contract-related costs

When costs directly relating to a specific contract are incurred prior to recognising revenue for a related obligation, and those costs enhance the ability of the Company to deliver an obligation and are expected to be recovered, then those costs are recognised on the balance sheet as fulfilment costs and are recognised as expenses in line with the recognition of revenue when the related obligation is delivered.

The direct and incremental costs of acquiring a contract including, for example, certain commissions payable to staff or agents for acquiring customers on behalf of the Company, are recognised as contract acquisition cost assets in the balance sheet when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Company; typically, this is over the customer contract period as new commissions are payable on contract renewal. Certain amounts payable to agents are deducted from revenue recognised.

Construction contracts

Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

Revenue from fixed price contracts is recognized over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.

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

The Company becomes entitled to invoice customers for construction based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent an invoice for the related milestone payment. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Company recognises a contract liability for the difference.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Impairment loss is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Company recognises impairment loss on account of credit risk in respect of contract assets using expected credit loss model on similar basis as applicable to trade receivables.

Equipment sales

Revenues from equipment sales are recognised when control of equipment is transferred to the buyer.

Contract Asset is recognized when revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer. Contract Liability is recognized when amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Company receives an advance payment from a customer.

The company has billed and accounted for the charges for telecommunication services and other infrastructural services provided by the Company to DoT.

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

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

Financing Components

The Company doesn't expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Company does not adjust any of the transaction prices for the time value of money.

Interest income

Interest income from debt instruments is recognised using the effective interest rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Other income

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

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

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

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

In case liquidated damages linked to loss of revenue:

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

q) Government grants

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

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

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

r) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Customer has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Customer has the right to direct the use of the asset.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Company as a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Company is considering low value lease if the value of an underlying asset, based on the value of the asset when it is new, regardless of the age of the asset being leased, is up to INR 2 lakh. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments shall include fixed payments, variable lease payments that depend on an index or rate and extension options expected to be exercised. Variable lease payments not dependent on an index or rate are excluded from the calculation of lease liabilities. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised / option to terminate the lease will not be exercised.

The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Company as a lessor

Leases for which the Company is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

s) Borrowing costs

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

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

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

t) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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

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

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

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

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

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

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

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

u) Earnings per share

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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

v) Prior period items

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

w) Segment reporting

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

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

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

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

2.3 Changes in accounting policies and disclosures

There is no change in accounting policies during financial year 2022-23.

2.4 Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31st March 2023***(All amounts are in INR lakh, unless otherwise stated)***1. Ind AS 1 Presentation of financial statements**

This amendment to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

2. Ind AS 8 Accounting policies, changes in accounting estimates and errors

This amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

3. Property, plant and equipment (i) Tangible assets

Particulars	Gross block			As at 1 April 2022	Addi- tions	Disposals/ adjust- ments	As at 31 March 2023	Accumulated depreciation	Dispos- als/ ad- justments	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	Net block
Free hold land	6,345,051	72	(14,639)	6,359,762				-	-	-	6,359,762	6,345,051	
Buildings	805,316	3,026	2,247	806,095	494,570	15,288	1,116	508,742	297,353	310,745			
Apparatus and plants	6,357,310	48,572	173,353	6,232,529	5,277,057	196,249	161,106	5,312,200	920,329	1,080,253			
Motor vehicles and launches	10,348	7	1,095	9,260	9,491	134	1,046	8,579	681	857			
Cables and lines and wires-telecom ducts, cables and optical fibre	6,892,768	50,389	37,467	6,905,690	6,172,802	77,007	36,406	6,213,403	692,287	719,966			
General plant and machinery- other than continuous process plant	364,912	1,331	9,019	357,224	328,120	4,544	8,296	324,368	32,856	36,792			
Towers and satellites	689,925	2,737	3,722	688,940	569,322	18,192	3,672	583,842	105,098	120,603			
Office machinery and equipment	18,363	84	211	18,236	17,324	123	194	17,253	983	1,039			
Electrical fittings	538,639	1,598	9,366	530,871	490,063	7,406	8,901	488,568	42,303	48,576			
Furniture and fixtures	23,042	23	718	22,347	21,830	70	684	21,216	1,131	1,212			
Computer-end user devices	142,060	837	4,966	137,931	135,205	637	4,715	131,127	6,804	6,855			
Computer-servers and networks	75,648	7,303	340	82,611	63,439	5,720	323	68,836	13,775	12,209			
Total	22,263,382	115,979	227,865	22,151,496	13,579,223	325,369	226,460	13,678,134	8,473,361	8,684,157			



BHARAT SANCHAR NIGAM LIMITED
Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2021	Addi- tions	Disposals/ adjust- ments	As at 31 March 2022	As at 1 April 2021	Addi- tions	Dispos- als/ad- justments	As at 31 March 2022	As at 31 March 2021
Free hold land	6,349,636	279	4,864	6,345,051	-	-	-	-	6,345,051
Buildings	806,005	581	1,271	805,316	479,425	16,086	941	494,570	310,745
Apparatus and plants	6,622,513	63,684	328,887	6,357,310	5,336,308	251,138	310,389	5,277,057	1,080,253
Motor vehicles and launches	10,838	6	496	10,348	9,778	188	475	9,491	857
Cables and lines and wires-telecom ducts, cables and optical fibre	6,880,371	39,605	27,208	6,892,768	6,111,976	85,859	25,033	6,172,802	719,966
General plant and machinery- other than continuous process plant	376,657	2,021	13,766	364,912	335,727	5,389	12,996	328,120	36,792
Towers and satellites	689,819	3,318	3,212	689,925	551,022	21,439	3,139	569,322	120,603
Office machinery and equipment	18,438	100	175	18,363	17,305	178	159	17,324	1,039
Electrical fittings	542,649	2,305	6,315	538,639	486,195	9,838	5,970	490,063	48,576
Furniture and fixtures	23,402	9	370	23,042	22,089	97	356	21,830	1,212
Computer-end user devices	145,469	212	3,621	142,060	136,817	1,908	3,520	135,205	6,855
Computer-servers and networks	67,597	9,803	1,752	75,648	58,953	6,015	1,529	63,439	12,209
Total	22,533,394	121,923	391,937	22,263,382	13,545,595	398,135	364,507	13,579,223	8,684,157
									8,987,799

BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023
 (All amounts are in INR lakh, unless otherwise stated)

(ii) Capital work-in-progress

Particulars	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022
Capital work-in-progress	66,550	99,331	119,449	46,432	95,845	137,403	166,699	66,550
Capital work-in-progress in store*	277,649	141,727	196,870	222,506	353,278	145,316	220,945	277,649
Less: Provision for capital work-in-progress	14,235	6,608	12,489	8,354	32,910	2,680	21,355	14,235
Less: Provision for capital work-in-progress in store	46,511	25,614	28,305	43,820	38,629	22,802	14,921	46,511
Total	283,453	208,836	275,525	216,764	377,584	257,237	351,368	283,453

*Capital work-in-progress in store includes materials which are primarily utilised for capital projects.

(iii) Capital work-in-progress aging schedule

Capital work-in-progress	As at 31 March 2023				Total
	Less than 1 year	1-2 years	02-03 years	More than 3 years	
Projects in progress	16,872	12,325	8,891	3,531	41,619
Projects temporarily suspended	-	-	-	4,813	4,813
Total	16,872	12,325	8,891	8,344	46,432

Capital work-in-progress	As at 31 March 2022				Total
	Less than 1 year	1-2 years	02-03 years	More than 3 years	
Projects in progress	20,534	22,320	10,136	8,695	61,685
Projects temporarily suspended	0	6	84	4,775	4,865
Total	20,534	22,326	10,220	13,470	66,550



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Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

(iv) For capital-work-in-progress, for which completion is overdue or has exceeded its cost compared to its original plan

Capital work-in-progress	As at 31 March 2023				To be completed in More than 3 years	Total
	Less than 1year	1-2years	2-3years	More than 3 years		
BTS	46	8	-	-	-	54
Cables/OFC Projects	48	50	3	167	268	
GPON	35	-	-	-	-	
MADM	38	-	-	-	-	
MILN	32	-	-	-	-	
NGN	70	1	-	-	-	
Passive Infra	8	-	-	-	-	
Power Plant & Battery	28	6	-	-	-	34
Other Projects	1,060	504	7,827	475	9,866	

Capital work-in-progress	As at 31 March 2022				To be completed in More than 3 years	Total
	Less than 1year	1-2years	2-3years	More than 3 years		
NGN Projects	68	1	-	-	-	69
Cable/OFC Projects	20	86	-	-	94	200
LBS	243	-	-	-	-	243
Other Projects	75	359	8,247	461	9,141	

- a) During the year, the Company has not revalued any class of Property, Plant and Equipment.
- b) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Company's general borrowings during the year, in current year 7.59% (31 March 2022 : 7.53%). Accordingly, the Company has capitalised borrowing cost during the year ended 31 March 2023 amounting to INR 8,239 lakh (31 March 2022: INR 4,692 lakh). Refer note 35 for the details.

BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023***(All amounts are in INR lakh, unless otherwise stated)*

- c) Additions in gross block of property, plant and equipment and capital work in progress include INR 6,409 Lakh (31 March 2022: INR 8,914 lakh) of employee remuneration and directly attributable administrative expenses capitalised during the year. Refer note 34 and 37 for the details.
- d) The current year depreciation charged to statement of profit and loss excludes INR 7 lakh (31 March 2022: INR 14 lakh) which has been capitalised into the cost of assets under construction.
- e) For details of assets pledged/ hypothecated as securities, refer note 23(d).
- f) Physical verification of capital work-in-progress in store has been conducted by the management [except 2 Circles (31 March 2022: 3 circles)] during the year and is reconciled with the detailed records for capital work-in-progress in store. Wherever differences are found, the same are provided for. Further in 1 Circle (31 March 2022: 1 circle) difference between the subsidiary ledger and the general ledger is identified and provided for in the current financial year.
- g) Refer to note 49 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- h) On transition to Ind AS, the Company has elected to measure certain items of its property, plant and equipment as at 1 April 2015 (date of transition to Ind AS) at its fair value and use that fair value as its cost at that date. Accordingly, the Company has elected to selectively fair value its freehold land. Hence, an increase of INR 6,986,449 lakh was recognised with a corresponding increase in retained earnings at the date of transition to Ind AS. All other remaining property, plant and equipment are carried at cost which is recomputed retrospectively as per principles of Indian Accounting Standard 16 (Property, plant and equipment).
- i) In some cases, the title deeds of land purchased/acquired on freehold from various authorities, are in the process of being executed as at 31 March 2023. Refer note 76 for the details of land where title deeds are not in the name of company.
- j) The amount of compensation from third parties for items of property, plant and equipment that were lost or given up that is included in profit or loss for the year ended 31 March 2023 is INR 5,125 lakh (31 March 2022: INR 95 lakh).
- k) During the year, 3 land parcels (31 March 2022: Nil land parcel) has been derecognised where the Company intends to have direct sales.
- l) The Company has entered into non-cancellable lease arrangements to provide telecom towers on operating lease at passive infrastructure sharing model. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2023 and accordingly, the related disclosures are not provided.
- m) Encroachment in 141 land parcels with book value of INR 11,460 lakh has been reported by 11 circles.



BHARAT SANCHAR NIGAM LIMITED
Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

4. Intangible assets

Particulars	Gross block			Accumulated amortisation			Net block
	As at 1 April 2022	Additions Disposals/ adjustments	As at 31 March 2023	As at 1 April 2022	Additions Disposals/ adjustments	As at 31 March 2023	
Entry license fees	846,782	1,980,800	-	2,827,582	412,391	153,788	-
Computer software	50,758	15,611	41	66,328	33,792	4,261	40
Total	897,540	1,996,411	41	2,893,910	446,182	158,049	40
							604,192
							2,289,718
							451,358

Particulars	Gross block			Accumulated amortisation			Net block
	As at 1 April 2021	Additions Disposals/ adjustments	As at 31 March 2022	As at 1 April 2021	Additions Disposals/ adjustments	As at 31 March 2022	
Entry license fees	846,782	-	-	846,782	353,425	58,966	-
Computer software	50,169	600	11	50,758	29,962	3,835	6
Total	896,951	600	11	897,540	383,387	62,801	6
							446,182
							451,358
							513,563

Notes:

- (a) Allotment of Spectrum in 900 MHz band in 20 LSAs was made by DoT to BSNL with effective date being 29.02.2020 for spectrum valuing INR 16,39,420 Lakh and 27.10.2022 valuing INR 3,41,380 Lakh for 20 years i.e. expiring on 28.02.2040 and 26.10.2042 respectively.

BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

5. Right of use assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Disposals/adjustments	As at 31 March 2023	As at 1 April 2022	Additions	Disposals/adjustments	As at 31 March 2023
Land	63,420	12,421	3,729	72,112	29,882	10,673	2,729	37,826
Leasehold Land	14,569	95	(737)	15,401	970	512	7	1,475
Building	103,831	22,457	6,552	119,736	57,137	20,434	4,799	72,772
Apparatus and Plant	237	-	-	237	78	26	-	104
Cables and Line & Wires	656	-	-	656	309	103	-	412
Towers & Satellites	349,840	15,996	11,699	354,137	134,551	50,666	4,155	181,062
Motor Vehicles	113	58	-	171	76	38	-	114
Total	532,665	51,027	21,243	562,450	223,003	82,452	11,690	293,765
								268,685
								309,662

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Disposals/adjustments	As at 31 March 2022	As at 1 April 2021	Additions	Disposals/adjustments	As at 31 March 2022
Land	57,232	8,967	2,779	63,420	21,116	9,525	759	29,882
Leasehold Land	12,532	689	(1,348)	14,569	386	480	(104)	970
Building	89,288	17,092	2,549	103,831	41,194	18,432	2,489	57,137
Apparatus and Plant	237	-	-	237	52	26	-	78
Cables and Line & Wires	656	-	-	656	206	103	-	309
Towers & Satellites	337,814	19,568	7,542	349,840	95,752	41,292	2,493	134,551
Motor Vehicles	113	-	-	113	53	23	-	76
Total	497,871	46,316	11,522	532,665	158,759	69,881	5,637	223,003
								309,662
								339,113

Note:

- a) In some cases, the lease agreements in respect of the right of use of land are in the process of being executed as on 31 March 2023.
- b) Right-of-use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

6 Investment in subsidiary

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Investment in equity instruments of subsidiary at cost		
Unquoted equity instruments		
BSNL Tower Corporation Limited	*	*
1,700 (31 March 2022: 1,700) equity shares of face value of INR 10 each fully paid up #		
Total	-	-
Aggregate book value of unquoted investment	*	*

Held by eight nominees on behalf of Bharat Sanchar Nigam Limited

* The absolute value is INR 17,000 only.

7 Non-current financial assets - Investment

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Investment at fair value through profit and loss (FVTPL)		
Unquoted investment		
Bharat Broadband Nigam Limited	**	**
1 (31 March 2022: 1) equity share of INR 10 each fully paid up		
Total	-	-
Aggregate book value of unquoted investment	**	**

** The absolute value is INR 10 only.

8 Non-current financial assets - Loans

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured, considered good		
Loans to employees (refer note (a) below)	90	120
Unsecured, considered good		
Loans to employees	1	1
Total	91	121

(a) Assets (e.g. house, vehicle, etc.) are hypothecated against the loans to employees.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

9 Other non-current financial assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
At amortised cost		
Unsecured, considered good		
Security deposits	39,179	34,655
Call detail record based claims recoverable	659	273
Earmarked deposits with banks (refer note (a) below)	1,190	1,178
Total	41,028	36,106

(a) These earmarked deposits are for the purpose of margin money and securing various bank guarantees provided by the banks except for INR Nil lakh (31 March 2022: INR 2 lakh).

10 Deferred tax assets (net)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Deferred tax assets		
Loss allowance for trade receivables	79,100	81,870
Loss allowance for other assets	73,657	17,361
Carry forward tax losses including unabsorbed depreciation	2,828,633	2,555,755
Provision for half pay leaves	1,215	1,047
Provision for gratuity	2,086	16,529
Provision for decommissioned assets	20,164	21,269
Provision for obsolete inventory and capital work-in-progress	17,230	18,506
Disallowances under Section 43B of Income Tax Act, 1961	7,845	2,831
	3,029,930	2,715,168
Deferred tax liabilities		
Difference in book written down value and tax written down value of property, plant and equipment	333,547	407,437
	333,547	407,437
Net deferred tax assets	2,696,383	2,307,731
Net deferred tax assets recognised	-	-

(a) In the absence of reasonable certainty of future taxable profits, the Company has not recognised deferred tax assets (net) for the above periods.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

11 Other non-current assets

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Unsecured, considered good		
Capital advances [Net of provisions INR 23,972 lakh (31 March 2022 : INR 23,972 lakh)]	68,627	45,029
Advances to contractors	8,483	16,163
Total	77,110	61,192

12 Inventories

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Building materials	2	2
Raw material and scrap (at factory)	3,471	3,562
Finished goods and work-in-progress (at factory)	6,364	6,285
Finished stock (at various circles)	189	188
Project related Inventory	66,965	115,597
Other stores	758	1,040
	77,749	126,674
Less: Provision for obsolete inventory/short inventory	3,051	2,633
Total inventories at the lower of cost and net realisable value	74,698	124,041

13 Current financial assets - Trade receivables

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Trade receivables		
Unsecured, considered good	369,377	401,522
Credit impaired	253,527	262,404
	622,904	663,926
Less: Provision for credit impaired trade receivables	253,527	262,404
Total	369,377	401,522



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (a) There are differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger. To the extent identified, the net differences between general ledger balances and subsidiary ledger balances are INR 22,923 lakh (31 March 2022: INR 23,416 lakh). The management is in the process of reconciling these differences.
- (b) The classification of the trade receivables as unsecured/considered good, to the extent available as per subsidiary ledger is as follows:

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Unsecured, considered good	392,301	438,990
Credit impaired	253,527	248,352
Total	645,827	687,342

- (c) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private Companies respectively in which any director is a partner, a director or a member.
- (d) For terms and conditions relating to related party receivables, refer Note 46
- (e) Refer note 52 for change in Provision for credit impairment of trade receivables
- (f) Refer note 63 for ageing schedule

14 Cash and cash equivalents

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Balances with banks		
In current account including sweep-in-deposit	66,121	85,177
Deposits with original maturity of less than three months	12	277
Cheques on hand (refer note (c) below)	522	431
Cash on hand	510	571
Total	67,165	86,456

- (a) For the purpose of statement of cash flows, Cash and cash equivalents comprise of the following:

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Cash and cash equivalents as per balance sheet	67,165	86,456
Bank overdraft (refer note 27)	(159,930)	(345,825)
Total	(92,765)	(259,369)

- (b) Unlinked credit items amounting to INR 410 lakh (31 March 2022: INR 524 lakh) and unlinked debit items amounting to INR 42 lakh (31 March 2022: INR 142 lakh) are appearing in the bank reconciliation statements of 19 Circles (31 March 2022 : 18 circles) and 15 Circles (31 March 2022 : 17 circles) respectively. The management is in the process of reconciling all such items in due course.
- (c) Cheques on hand balance in 15 Circles amounting INR 522 lakhs (31 March 2022: 16 circles amounting INR 431 lakhs) pending to be deposited in bank as at 31 March 2023.

15 Bank balances other than cash and cash equivalents

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Bank deposits with original maturity of more than three months but up to twelve months (refer note (a) below)	8,845	8,454
Balances with banks held as security against term loans (refer note 23) (refer note (b) below)	2,794	3,869
Balances in bank accounts maintained for Government Projects (refer note (c) below)	182,212	201,969
Total	193,851	214,292

- (a) These earmarked deposits are for the purpose of margin money and securing various bank guarantees provided by the banks.
- (b) The Company is free to use the amount to the credit of these accounts as long as there is no default in payment on interest and repayment of loan instalment. There has been no default during the year.
- (c) The amount as on 31 March 2023 is excluding amount parked in Bank Overdraft account of Nil (31 March 2022: excluding Rs 4,000 lakh parked in Bank Overdraft).

BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

16 Current financial assets - Loans

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured, considered good		
Loans to employees (refer note (b) below)	4	29
Unsecured but considered good		
Loans to employees	1	-
Total	5	29

- (a) In Nil Circle (31 March 2022: Nil circle) there are differences in the subsidiary ledger of loans with those appearing in general ledger. The management is in the process of reconciling these differences.
- (b) Assets (egg- house, vehicle, etc.) are hypothecated against the loans to employees.

17 Other current financial assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<i>Unsecured, considered good</i>		
Security deposits	5,703	8,634
Amount due from customers for construction contracts, others	20,674	32,429
Amount due from employees	402	322
Amount recoverable from DoT		
Other recoverable (refer note (a) below and note 46)	233,584	231,235
Amount recoverable from		
Government departments	3,319	3,301
Government companies	154,441	160,478
Claims recoverable from others	491,900	158,320
Taxes recoverable from customers	96,855	96,971
Interest accrued		
- on bank deposits	497	321
- on loans	2	2
Call detail record based claims recoverable	38,338	30,235

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
<i>Unsecured, Considered doubtful</i>		
Amount recoverable from Government companies	216,909	233,851
GST & Service Tax recoverable from customers	19,170	18,117
	1,281,794	956,099
Less Loss allowance on:		
Amount recoverable from Government companies	216,909	233,851
GST recoverable from customers	19,170	18,117
Total	1,045,715	722,248

- (a) Refer note 3(k) for amount recoverable from DOT and other government departments against acquisition of land parcels.

18 Current tax assets (net)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Advance income-tax	31,695	15,677
[Net of provision for income tax INR 16,819 lakh continuing for earlier years (31 March 2022: INR 16,819 lakh). No provision has been recognised during the current financial year]		
Total	31,695	15,677

- (a) Pursuant to the decisions of the Appellate Authorities and the interpretations of other relevant provisions, the Company had updated the provision for income tax during the FY 2017-18 for earlier years. This led to reduction of provision for income tax related to earlier years by INR 80,249 lakh. This change in estimation of uncertain tax positions may also have an impact on future current tax expense, the amount of which is impracticable to determine.

19 Other current assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Unsecured, considered good		
Prepaid expenses	2,559	1,392
Balances with excise and other tax authorities (refer note (a) below)	393,655	147,615
Accrued revenue (refer note 55)	295,612	191,672



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Amount recoverable for National Optical Fiber Network project (net) (refer note 55)	63,916	97,200
Advances to contractors	129,297	76,594
Advances to employees (refer note (b) below)	365	457
Total	885,404	514,930

- (a) Input tax credit on account of Goods & Service tax, cenvat on account of service tax, excise duty and custom duty on capital goods and inputs is under reconciliation in some circles.
- (b) Refer note 46 for details of advances to related parties.

20 Assets held for sale

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
(A) Property plant and equipment held for sale - other than land	89,397	97,050
Less: Provision for diminution in the value of decommissioned asset	64,628	68,888
Total	24,769	28,162
(B) Property plant and equipment held for sale - Land	685,722	706,126
Total	685,722	706,126
Total (A+B)	710,491	734,288

- (a) Assets held for sale includes various classes of property, plant and equipment which are retired from active use and are held for the purpose of immediate sale. The Company intends to sell these assets through MSTC Limited, etc. as per defined procedures. The Company recognizes assets held for sale at the lower of carrying amount and net realisable value, accordingly the loss on the assets held for sale or reversal thereof is recorded in 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 37). These assets are included under respective segments under note 45 (also refer note 3(k)).
- (b) No land parcel has been identified for monetization through NLMC (earlier DIPAM), during the current year, land parcel earlier identified for monetization with book value INR 22,387 lakh was reclassified as land asset from existing category of asset held for sale-land.
- (c) The company has completed the sale transaction in respect of 2 land parcels (2022: Nil) out of 3 land parcel identified in FY 22-23 for direct sale. Further, the company has sold Nil land parcel (2022: Nil) out of 1 land parcel identified for direct sale in FY 19-20.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

21 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 10 each	142,500,000,000	14,250,000	32,500,000,000	3,250,000
9% non-cumulative preference shares of INR 10 each	7,500,000,000	750,000	7,500,000,000	750,000
Total	150,000,000,000	15,000,000	40,000,000,000	4,000,000
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	31,386,440,000	3,138,644	5,000,000,000	500,000
Total	31,386,440,000	3,138,644	5,000,000,000	500,000

Authorised equity share capital of the Company increased from 40,00,00,00,00,00 equity shares to 150,00,00,00,00,00 equity shares of INR 10 each with effect from 26 September 2022.

(a) Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares each having a par value of INR 10 per share.

Vote of members: Every member present in person and being a holder of equity share shall have one vote and every person either as a general proxy on behalf of a holder of equity share, shall have one vote or upon a poll, every member shall have one vote for every share held by him. On poll, the voting rights of holder of equity share shall be as specified in Section 47 of the Companies Act, 2013.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the year :

Particulars	As At 31 March 2023		As At 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Opening balance	5,000,000,000	500,000	5,000,000,000	500,000
Change during the year	26,386,440,000	2,638,644	-	-
Closing balance	31,386,440,000	3,138,644	5,000,000,000	500,000

(c) Shareholders holding more than 5% shares in the company *

Particulars	As At 31 March 2023		As At 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
The President of India	31,386,439,993	99.99%	4,999,999,993	99.99%

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

(d) No shares have been issued for consideration other than cash pursuant to contract or allotted as fully paid bonus shares in the current reporting year and in the last five years immediately preceding the current reporting year. Further, there are no buy backs of any class of shares during the current reporting year and in the last five years immediately preceding the current reporting year.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (e) Division of profit : The profit of the Company, subject to any special rights relating thereto created or authorised to be created by the articles subject to the provisions of the articles and also subject to the provisions of Section 123 of the Companies Act, 2013 and, regarding transfer of the amount to reserve of the Company, shall be divisible among the members with the approval of the President of India, in the proportion of the amount of capital paid or credited as paid-up on the shares held by them respectively.

(f) Promoter's shareholding

Shares held by promoters as at 31 March 2023			% Change during the year
Promoter name	No. of shares	% of total shares	% of total shares
The President of India	31,386,439,993	99.99%	-

Shares held by promoters as at 31 March 2022			% Change during the year
Promoter name	No. of shares	% of total shares	% of total shares
The President of India	5,00,00,00,000	99.99%	-

(g) Rights issue

On 26 September 2022 and 13 February 2023, the company invited its shareholders to subscribe to a rights issue of 23,37,34,40,000 and 3,01,30,00,000 equity shares, respectively at an issue price of INR 10 per share. The issue was fully subscribed.

22 Other equity

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
a. Capital reserve		
Balance at the beginning of the year	4,021,116	4,021,116
Add: Addition/ (deletion) during the year	-	-
Balance at the end of the year	4,021,116	4,021,116
b. General reserve		
Balance at the beginning of the year	490,075	490,075
Add: Addition/ (deletion) during the year	-	-
Balance at the end of the year	490,075	490,075
c. Retained earnings		
Balance at the beginning of the year	(639,864)	59,453
Add: Loss for the year	(816,156)	(698,162)
Less: Expenses incurred for increase in authorised share capital	(25)	(25)
<i>Items of other comprehensive income/ (expense) recognised directly in retained earnings</i>		
Remeasurement of post employment benefit obligation, net of tax	4,500	(1,130)
Balance at the end of the year	(1,451,545)	(639,864)

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
d. Capital contribution from shareholder		
Balance at the beginning of the year	98,318	98,318
Add: Addition/ (deletion) during the year	-	-
Balance at the end of the year	98,318	98,318
Total other equity (a+b+c+d+e)	3,157,964	3,969,645
Nature and purpose of reserve		
i. Capital reserve		
The capital reserve is created out of the difference between the total value of the assets taken over and the long term identified liabilities and the capital structure, as on 1 October 2000 as communicated by DoT. For details, refer note 38.		
ii. General reserve		
Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations.		
iii. Retained earnings		
Retained earning represents the amount of accumulated earnings of the company and remeasurement of post employment benefit obligation.		
iv. Capital contribution from shareholder		
During the year ended 31 March 2015, the loan from the Government of India amounting to INR 98,318 lakh was waived off vide letter no.1-43/2008-B, dated 11 April 2014 and the same was recorded as the capital contribution from the shareholder.		

23 Non-current financial liabilities - Borrowings

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured loans		
Term loans from banks	638,843	2,101,934
Unsecured Bond		
6.79% BSNL Bond 2030 (Series-I)	842,239	842,254
7.72% BSNL Bond 2030 (Series-II)	418,212	-
Total loans and bond	1,899,294	2,944,188
Less: Current maturities of non current borrowings	290,173	620,225
	1,609,121	2,323,963
7,500,000,000 (31 March 2022: 7,500,000,000) 9% non-cumulative preference shares of INR 10 each	750,000	750,000
Less: Current maturities of 9% non-cumulative preference shares of INR 10 each	750,000	750,000
	-	-
Total	1,609,121	2,323,963



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (a) Refer note 46 for details of loans from related parties.
- (b) There were no defaults in repayment of principal and Interest during the FY 2022-23.
- (c) 9% non-cumulative preference shares

The capital structure conveyed through DoT UO No 1-2/2000-B(Pt.) - dated 13 December 2001 includes 9% non-cumulative preference shares of INR 750,000 lakh and were accounted for as "preference share capital pending allotment" during the FY 2000-01. The shares were issued to the Central Government of India as fully paid with a par value of INR 10 per share on 2nd May 2002. In terms of section 55(2) of the Companies Act, 2013, the preference shares are mandatorily redeemable at par not later than twenty years from the date of issue of such shares and the Company is obliged to pay holders of these shares dividends at the rate of 9% of the par amount per annum, subject to availability of distributable profits.

These preference shares were due for redemption on or before 2 May, 2022, i.e. within 20 years from the date of issue. The Company has not been able to redeem these preference shares on the due date, due to lack of funds and distributable profits. The reissuance of Preference shares was proposed and further approved by the Cabinet in its meeting on July 27, 2022. Further, the reissuance was approved in the Extra-ordinary General Meeting of the Company, held on September 26, 2022, and petition was filed before the NCLT. The matter has been heard by NCLT on March 31, 2023, and the order is reserved in the matter. Reissuance will be completed in due process accordingly. In view, of pending issuance and NCLT approval, the liability of INR 7,50,000 lakh is classified as current.

Vote of members: The holder of preference share have a right to vote on resolutions placed before the Company which directly affect the rights attached to their preference shares and subject to aforesaid, the holder 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 holder of any preference shares have a right to vote as aforesaid on any resolution every such member personally present shall have one vote and on a poll his voting right in respect of such preference share bears to the total paid up equity capital of the Company.



BHARAT SANCHAR NIGAM LIMITED
Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

d) Terms and repayment schedule of secured term loans from bank

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating Interest Rate	Security	Amount	Floating Interest Rate	Security
Union Bank of India	Term Loan I	Mar-23	Quarterly	-	-	-	10,368	7.20 - 8.00	Pari-passu charge on fixed assets of the Company other than land and buildings (both present and future)
Union Bank of India	Term Loan II	Mar-23	Quarterly	-	-	-	134,651	7.20 - 8.00	Pari-passu charge on all assets of the Company other than land and buildings (both present and future)
Punjab National Bank	Term Loan I	Mar-23	Quarterly	-	-	-	30,360	7.35 - 8.45	Pari-passu charge on movable fixed assets of the Company other than land and buildings (both present and future)
Punjab National Bank	Term Loan II	Jun-24	Quarterly	37,093	7.25 - 8.45	Pari-passu charge on movable fixed assets of the Company other than land and buildings (both present and future).	60,133	7.35 - 8.45	Pari-passu charge on movable fixed assets of the Company other than land and buildings (both present and future).
Jammu and Kashmir Bank	Term Loan I	Mar-23	Quarterly	-	-	-	22,246	6.85 - 7.05	Pari-passu charge on assets of the Company other than land and buildings (both present and future)
Jammu and Kashmir Bank	Term Loan II	Mar-23	Quarterly	-	-	-	26,211	6.85 - 7.05	Pari-passu charge on entire movable assets of the Company other than land and buildings (both present and future)
United Bank of India (merged with Punjab National Bank)	Term Loan I	Mar-23	Quarterly	-	-	-	33,263	7.35 - 8.30	Pari-passu charge on assets of the Company other than land and buildings (both present and future).
United Bank of India (merged with Punjab National Bank)	Term Loan II	Mar-23	Quarterly	-	-	-	42,681	7.35 - 8.30	Pari-passu charge on all fixed assets of the Company other than land and buildings (both present and future).

BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023
 (All amounts are in INR lakh, unless otherwise stated)

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating Interest Rate	Security	Amount	Floating Interest Rate	Security
State Bank of India	Term Loan I	Jun-25	Quarterly	251,357	7.65 - 7.90	Pari-passu charge on assets of the Company other than land and buildings (both present and future).	334,288	7.20 - 8.00	Pari-passu charge on assets of the Company other than land and buildings (both present and future).
State Bank of India	Term Loan III	Mar-23	Quarterly	-	-	-	108,617	7.30 - 7.90	Escrow on cash flow of 3 Circles
State Bank of India	Term Loan IV	Mar-29	Quarterly	67,753	7.70 - 9.70	Pari-passu charge on assets of the Company other than land and buildings (both present and future).	199,639	7.30 - 8.25	Pari-passu charge on assets of the Company other than land and buildings (both present and future).
Canara Bank	Term Loan I	Jun-25	Quarterly	54,431	7.25 - 8.20	Pari-passu charge on fixed assets of the Company other than land and buildings (both present and future).	75,447	7.35 - 8.20	Pari-passu charge on fixed assets of the Company other than land and buildings (both present and future).
Canara Bank	Term Loan II	Jun-26	Quarterly	33,772	7.35 - 8.45	Pari-passu charge on assets of the Company other than land and buildings (both present and future).	42,280	7.85 - 8.45	Pari-passu charge on assets of the Company other than land and buildings (both present and future).
Canara Bank	Term Loan IV	Mar-23	Quarterly	-	-	-	90,880	7.35	Escrow on cash flow of 2 Circles
Bank of Baroda	Term Loan I	Jun-26	Quarterly	1,319	7.30 - 8.50	Pari-passu charge on movable assets of the Company other than land and buildings (both present and future).	80,856	7.40 - 8.65	Pari-passu charge on movable assets of the Company other than land and buildings (both present and future).
Bank of Baroda	Term Loan II	Mar-23	Quarterly	-	-	-	49,752	7.4	Escrow on cash flow of 2 Circles
Bank of Baroda (erstwhile Vijaya Bank)	Term Loan III	Mar-23	Quarterly	-	-	-	74,526	7.90 - 8.75	Pari-passu charge on all assets of the Company other than land and buildings (both present and future),
Bank of Baroda	Term Loan IV	Mar-23	Quarterly	-	-	-	199,002	7.3	Escrow on cash flow of 2 Circles.
Oriental Bank of Commerce (merged with Punjab National Bank)	Term Loan V	Mar-23	Quarterly	-	-	-	151,68	7.35 - 8.30	Escrow on collection of four Circles.
Punjab & Sindh bank	Term Loan	Mar-23	Monthly	-	-	-	19,690	7.65 - 8.45	Escrow on collection of 3 Circles.



BHARAT SANCHAR NIGAM LIMITED
Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating Interest Rate	Security	Amount	Floating Interest Rate	Security
Bank of India	Term Loan I	Mar-28	Quarterly	854	7.25 - 8.50	Escrow on rental proceeds from Towers leased out to two of other telecom service providers.	152,920	7.35	Escrow on rental proceeds from Towers leased out to two of other telecom service providers.
Bank of India	Term Loan II	Mar-23	Quarterly	-	-		199,959	7.25	7.25 pari-passu charge on assets of the Company other than land and buildings (both present and future)
Indian Overseas Bank	Term Loan	Mar-23	Quarterly	-	-		49,998	7.45	Secured by equitable mortgage on immovable assets on pari-passu basis
IDBI Bank	Term Loan	Aug-24	Quarterly	29,998	7.55 - 8.25	Escrow on cash flow of 1 Circle	30,996	7.6	Escrow on cash flow of 1 Circle
Canara Bank	Term Loan V	Jun-24	Quarterly	74,817	7.4	Escrow on cash flow of 2 Circle	-	-	-
UCO Bank	Term Loan	Jun-24	Quarterly	87,450	7.65	Secured by equitable mortgage on immovable assets on pari-passu basis	-	-	-
				638,843			2,101,934		
	45016								

BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

e) Terms and repayment schedule of Bond

Particulars	Bond maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
			Amount	Interest Rate (%)	Security	Amount	Interest Rate (%)	Security
6.79% BSNL Bond 2030 (Series-II) (Issued on 23-09-2020)	23-09-2030	Bullet repayment	842,239	6.79%	The Bonds are secured by way of unconditional and irrevocable guarantee and continuing obligation for payment of principal amount of the Bonds issued by the Company, normal Interest thereon as agreed to be guaranteed by the Government of India.	842,254	6.79%	The Bonds are secured by way of unconditional and irrevocable guarantee and continuing obligation for payment of principal amount of the Bonds issued by the Company, nominal Interest thereon as agreed to be guaranteed by the Government of India.
7.72% BSNL Bond 2032 (Series-II) (Issued on 22-12-2022)	22-12-2032	Bullet repayment	418,212	7.72%	The Bonds are secured by way of unconditional and irrevocable guarantee and continuing obligation for payment of principal amount of the Bonds issued by the Company, nominal Interest thereon as agreed to be guaranteed by the Government of India.	-	-	-

(f) The Company is not required to file quarterly returns or statements with any bank or financial institutions pursuant to the agreement.

(g) The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

24 Other non-current financial liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
At amortised cost		
Deposits from customers and others		
Security deposits	515,542	501,198
Total	515,542	501,198

25 Non-current provisions

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Provision for employee benefits (refer note 40)		
Half pay leaves	3,623	3,357
Decommissioning liabilities (refer note 48)	57,311	67,658
Total	60,934	71,015

26 Other non-current liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Deferred government grant (refer note 30 & 57)	45,510	50,798
Total	45,510	50,798

27 Current financial liabilities - Borrowings

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured Loans		
Current maturities of long term borrowings (refer note 23)	290,173	620,225
Unsecured loan repayable on demand		
Bank overdraft	159,930	345,825
Unsecured preference shares		
9% non-cumulative preference shares of INR 10 each (refer note 23)	750,000	750,000
Total	1,200,103	1,716,050

(a) Bank overdrafts carry interest rate ranging from 7.30% p.a. to 8.25% p.a.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

28 Current financial liabilities - Trade payables

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Total outstanding dues of Micro and Small enterprises	48,095	71,231
Total outstanding dues other than Micro and Small enterprises:		
Claims payable to Mahanagar Telephone Nigam Limited (MTNL)	99,739	100,954
Claims payable on interconnection usage charges (IUC)	13,770	25,688
Others	473,917	705,896
Subtotal	587,426	832,538
Total	635,521	903,769

- (a) The net claim receivable/payable as on 31 March 2023 from/to MTNL is subject to confirmation and reconciliation.
- (b) Refer note 65 for ageing schedule.
- (c) 31 Circles (31 March 2022:- 27 circles) of the Company have identified Micro and Small 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 are given below.

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
a) Principal	37,547	63,121
b) Interest thereon	10,549	8,110
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	8	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	1,492	3,736
The amount of interest accrued and remaining unpaid at the end of each accounting year	8,771	8,729



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	1,094	5,384

29 Other current financial liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
At Amortised Cost		
After connection deposits	94,453	108,560
Deposits from customers and others	15,112	16,273
Claims payable to		
DoT (refer note no 46)	21,787	109,104
Other government departments	1,937	1,937
License fee, spectrum charges and transponder charges payable (refer note 46)	2,453,171	573,559
Other payables towards		
Employees	14,397	34,081
Leave encashment of retired employees	2,278	2,545
Voluntary Retirement Scheme (refer note 61)	21,356	22,841
Subscribers	50,877	57,457
Construction account	32,235	58,340
Services and others	280,184	232,929
Total	2,987,787	1,217,626

30 Other current liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Deferred government grant (refer note 26 and 57)	7,056	9,204
Contract liabilities		
Advances received from customers (refer note 55)	701,369	505,443



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Income received in advance against services (refer note 55)	160,839	153,220
Advance income booked but not collected (refer note 55)	100,182	129,680
Advances received for defence telecom network project (net) (refer note 55 and 46)	27,397	75,749
Statutory dues		
Tax deducted at source	15,198	11,726
Service tax (net)	14,303	13,544
GST (net)	13,162	32,209
Tax deducted at source on GST	3,005	4,399
Employees provident fund	7,426	6,922
Employees state insurance	150	137
Professional tax	112	104
Work contract tax and building and other construction workers welfare cess	337	263
Intra/inter circle remittances (refer note 43)	18,771	15,146
Total	1,069,307	957,746

a) The management is in the process of reconciling project wise balances for external projects.

31 Short-term provisions

Particulars	As at	As at
	31 March 2023 (Audited)	31 March 2022 (Audited)
Provision for employee benefits		
Gratuity (refer note 40)	6,685	52,977
Compensated absences (refer note 40)	3,073	30,812
Half pay leaves (refer note 40)	270	258
Provision for wealth tax (refer note 48)	312	312
Provision for contingency (refer note 48)	285	392
Total	10,625	84,751

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

32 Revenue from operations

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
	(Audited)	(Audited)
Revenue from sale of services		
Telephones (other than Wireless in Local Loop (WLL))	101,936	135,646
Cellular	563,767	527,051
Leased Lines	341,672	315,681
Leasing of fiber infra	77,494	51,510
Others enterprise services	19,873	14,338
Broad band services	75,196	123,739
FTTH	207,116	159,016
Lease income from passive infrastructure	103,312	101,558
Interconnection usage charges (IUC) from other service providers	75,442	54,892
	1,565,808	1,483,431
Other operating revenue		
Sale to third party from telecom factories	1,625	208
Profit from manufacturing activities of factories (refer note (d) below)	1,359	266
Other operating income (refer note (a), (b), (c) below)	326,088	182,451
Other	17,899	14,566
	346,971	197,491
Total	1,912,779	1,680,922

- (a) Other operating income includes subsidies from Universal Service Obligation Fund amounting to (including funding for LWE) INR 50,038 lakh (31 March 2022: INR 17,271 lakh); income from BNP1 INR Nil (31 March 2022: INR 3,292 lakh), income from BNP2 INR 91,911 (31 March 2022: INR 1,22,925 lakh), Viability Gap Funding i.r.o deficit in Rural Wireline Operations amounting to INR 120,000 lakh (31 March 2022: INR Nil lakh, refer Note 59), and Income for maintenance of BharatNet Fibre INR 29,694 lakh (31 March 2022: Nil).
- (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.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

(c) Refer note 55 for disclosure in respect of Ind AS 115, 'Revenue from contracts with customers'.

(d) Telecom factories manufacturing account :

Internal transfer	7,349	6,148
Less :		
Cost of material consumed	11,260	6,622
Direct expenses	360	475
Change in inventory	(5,630)	(1,215)
Total	5,990	5,882
 Profit/(Loss) from manufacturing activities	 1,359	 266

Prices for transfer of stock from telecom factories to circles for self- consumption are predetermined. The predetermined rates include direct costs including overhead allocation at a fixed rate. This practice has resulted in profit of INR 1,358 lakh (31 March 2022: INR 266 lakh) 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.

33 Other income

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Interest income on		
Financial assets at amortised cost:		
Deposits with banks	2,551	1,323
Loans	252	274
Other	7,710	599
Income tax refund	21	6,988
	10,534	9,184
Other non-operating income		
Profit on sale of property, plant and equipment (net)	5,623	1,926
Income from liquidated damages	28	-
Excess liabilities written back no longer required	99,109	179,715
Profit on termination of lease contract(s)	369	755
Rent on staff quarters	25,813	21,777
Others (including sale of publications, forms, waste paper, etc.)	15,635	10,980
	146,577	215,153
Total	157,111	224,337

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

34 Employee benefits expense

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Salaries, wages, allowances and other benefits (refer note (c) below)	622,055	582,389
Expenses related to compensated absences (refer note (d) below)	15,532	22,227
Contribution towards pension	17,961	18,223
Contribution towards superannuation	15,878	13,989
Contribution towards employees provident fund	40,291	36,765
Contribution towards Employees State Insurance	191	181
Expense related to post-employment defined benefit plans (refer note 40)	27,038	11,290
Contribution towards leave salary	870	862
Half pay leaves	278	536
Medical expenses	60,336	37,878
Staff welfare expenses (refer note (a) below)	265	157
	800,695	724,497
Less : Allocated to capital work-in-progress and others (refer note 3(c))	5,754	7,630
Total	794,941	716,867

- (a) During the year, the Company has paid INR 5 lakh (31 March 2022: INR 25 lakh) to Staff Welfare Board and INR 44 lakh (31 March 2022: INR 2 lakh) to Sports and Cultural Board for promoting welfare activities at various circles.
- (b) Refer note 46 for employee benefit expenses pertaining to related parties.
- (c) Ex gratia for VRS optees amounting to INR 1,077 lakh (31 March 2022: INR 716 lakh) has been accounted as an expenditure (net of the budgetary support of the same amount provided by the Government) (refer note 62).
- (d) During the current year, leave encashment amounting to INR 13,870 lakh (31 March 2022: INR 14,306 lakh) has been directly paid by the Company to the employees.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

35 Finance costs

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Interest expense on		
Financial liabilities at amortised cost:		
Bonds	75,059	67,448
Loans	149,851	152,890
Less: Capitalised (refer note 3 (b))	8,239	4,692
	216,671	215,646
Subscriber deposits	1	-
Others	1,617	4,743
Lease liabilities (refer note 50)	35,229	36,858
Unwinding of discount on decommissioning liabilities	2,719	4,482
Total	256,237	261,729

36 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Depreciation on property, plant and equipment	325,362	398,122
Amortisation on intangible assets	158,048	62,801
Depreciation on right of use assets	82,452	69,881
Total	565,862	530,804

37 Other expenses

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Rent	11,026	9,684
Lease charges	2,384	3,661
Rates and taxes	8,114	7,040
Power and fuel	191,588	191,102
Insurance	101	124
Bank charges	289	261
Repairs and maintenance on:		
Buildings	5,400	5,399
Plant and machinery	83,945	75,852

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Cables	48,929	19,292
Consumption of stores and spare parts	16,988	18,222
Others	37,038	42,112
Professional and consultancy charges	3,126	2,028
Payment to auditors (refer note 47)	486	477
Printing and stationery	742	530
Commission on franchise services	38,004	31,444
Advertisement	34	31
Business promotion and marketing expenses	552	424
Travelling expenses	2,486	2,259
Postage and courier charges	231	200
Security services	7,378	8,756
Vehicle running expenses (including hired vehicles)	14,060	12,269
Interconnection usage charges (IUC) to other service providers	68,581	71,465
Lease expense on passive infrastructure	59,777	54,454
Expenditure on services and goods	149,701	115,802
Revenue Share to Business Partners		
Housekeeping charges	17,105	17,943
Transponder charges	52,959	37,378
Expenditure on LWE operation	21,593	15,271
Penalty for customer application form (CAF) verification	221	240
Write off and losses (other than bad debts)	16,879	27,308
Bad debt provision other than services	1,711	1,735
Bad debt written off	22,605	41,119
Loss allowance for trade receivables and disputed bills	17,004	20,138
Write off of unrecovered service tax/ GST	3,185	2,007
Foreign exchange fluctuation gain/loss (net)	1	90
Expenditure on construction contracts	78,194	108,770
Hiring charges of machinery lines	53	63
Loss on sale of scrap	1,608	6,213
Total	984,078	951,163
Less : Allocated to capital project works and others (refer note 3(c))	655	1,284
Total	983,423	949,879



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

38 Assets and liabilities taken over from DoT

In pursuance of the Memorandum of Understanding (MOU), dated 30 September 2000 executed between Government of India and the Company, all assets and liabilities in respect of business carried on by Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) were transferred to the Company with effect from 1 October 2000 at a provisional value of INR 6,300,000 lakh and up to the current financial year the Company has identified net assets of INR 6,325,201 lakh (31 March 2022: INR 6,325,201 lakh) against it.

Particulars	Up to 31 March 2023
Assets	
Property, plant and equipment	5,406,575
Capital work-in-progress	690,353
Trade receivables	683,196
Advance to contractors	39,448
Deposit with electricity boards /others	2,184
Total- A	6,821,756
Liabilities	
Customer deposits	395,418
Earnest money deposits	12,078
Security deposits from contractors /suppliers	28,994
Working expense liability as on 01 October 2000	43,472
Contractors bills payable as on 01 October 2000	16,593
Total-B	496,555
Net assets taken over by the Company (A-B)	6,325,201

Note:

- (a) 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.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

- (b) The capital structure for the Company concurred by the Ministry of Finance and conveyed by the Department of Telecommunications vide their U.O. No. 1-2/2000-B (Pt.) dated 13 December 2001 has been treated as consideration for transferring the above stated assets and liabilities and is as follows:

Particulars	Total structure as at 1 October 2000 (as on 31 March 2023)
Equity	500,000
9% Non-cumulative preference shares	750,000
15 year Government loan (interest at prevalent Government lending rate)	750,000
Loan from MTNL	305,600
Capital reserves – DoT [Note (c)]	4,021,118
Adjustment made to the statement of profit and loss	(1,517)
Total	6,325,201

There is no movement in above balances for the year ended 31st March 2023 and 31st March 2022.

- (c) 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.
- (d) In pursuance of clause 13 of agreement of transfer executed between the Government of India and the Company dated 30 September 2000, all costs, charges and expenses including stamp duties, registration charges, transfer duties, any other taxes, levies, duties or charges relating to or in connection with completion of transfer of assets and liabilities shall be borne by the Government of India.

39 License and spectrum fee

- (a) Unified License for pan India operations has been issued by DoT on 10.12.2020, for a period of 20 years, covering, Access Services, NLD, ILD, VSAT etc (except ISP), effective from 29 February 2020. License and spectrum fee for the year ended 31 March 2023 is INR 135,647 lakh (31 March 2022: INR 144,142 lakh).

Further, on the basis of LF/SUC Assessment completed upto FY 2021-22 and inputs received from DoT, following provisional liability has been created during the year centrally and the same has been disclosed as exceptional item in the Statement of Profit & Loss.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Amount
AGR dues of INR 5,83,585 lakh (31 March 2022 INR: Nil) as per Hon'ble Supreme Court Judgment dated 01.09.2020 in Civil Appeal No.6328-6399 of 2015 and additional interest thereon amounting to INR 3,13,637 lakh (31 March 2022 INR Nil).	897,222
LF Assessment upto FY 2021-22 (31 March 2022 INR Nil)	533,685
SUC Assessment upto FY 2021-22 (31 March 2022 INR Nil)	337,929
Total	1,768,836

- (a) The distribution of the revenues between various components for UL Access, NLD, ILD etc are as per the following percentage:

For the year ended 31 March 2023

Service	UL Access	NLD	ILD
Leased circuits	30.00%	70.00%	-
Basic services (Wireline)	85.77%	14.16%	0.07%
CMTS services (Mobile)	88.40%	10.90%	0.70%

For the year ended 31 March 2022

Service	UL Access	NLD	ILD
Leased circuits	30.00%	70.00%	-
Basic services (Wireline)	82.45%	17.44%	0.11%
CMTS services (Mobile)	81.95%	16.60%	1.45%

- (c) In pursuance of Cabinet approval, communicated through DoT OM No. 20-28/2022-PR dated 02.08.2022, AGR dues upto FY 2021-22, have been calculated to be INR 22,52,081 lakh. The GoI infused INR 26,98,371 lakh (AGR dues INR 22,52,081 lakh plus GST INR 4,46,290 lakh) for funding of AGR dues and Equity Shares were duly allotted on May 12, 2023 to the President of India (existing shareholder of the Company) by way of right issue . The Company has paid AGR dues of INR 22,52,081 lakh to DoT on May 12, 2023 (Refer note 79).
- (d) Weighted Average Rate (WAR) of AGR based SUC has been changed in accordance with :
- (i) DoT Letter No.L-14041/01/2020-NTG dated 27/10/2022 regarding re-assignment of Spectrum in 900MHz band and
 - (ii) DoT Letter No.L-14010/01/2021-NTG dated 21/06/2022 regarding computation of WAR.
- (e) The Payables/Receivables in respect of AGR (LF/SUC) dues as on 31 March 2023 are under reconciliation and consequential impact, if any, will be considered accordingly.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

40 Employee benefits**i) Defined contribution plans**

Contributions to defined contribution plans i.e. employer's contribution to provident fund, Employees State Insurance, pension contribution paid/ payable to the Government of India and superannuation contribution paid/ payable to Life Insurance Corporation Of India for the year is charged to the statement of profit and loss. These amounts are shown as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employer's contribution to provident fund	40,291	36,765
Pension contribution to the Government of India	17,961	18,223
Employer's contribution to Employees State Insurance	191	181
Superannuation contribution to Life Insurance Corporation of India	15,878	13,989
Total	74,321	69,158

ii) Defined benefit plans

The following table sets out the status of the assets and liabilities recognised in the Company's standalone financial statements as at balance sheet date relating to the defined employee benefit plans:

Particulars	As at 31 March 2023	As at 31 March 2022
Net defined benefit asset	-	-
Total employee benefit assets	-	-
Net defined benefit liability		
Liability for gratuity	6,685	52,977
Liability for leave encashment	3,073	30,812
Liability for half pay leaves	3,893	3,615
Total employee benefit liabilities	13,651	87,404
Non-current	3,623	3,357
Current	10,028	84,047
Total	13,651	87,404

A. Gratuity

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Company employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done using projected unit credit method to arrive the final obligation.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

a) Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at	As at
	31 March 2023	31 March 2022
Balance at the beginning of the year	163,866	143,499
Benefits paid	(2,524)	-
Current service cost	11,669	8,532
Past service cost	-	-
Interest cost	11,733	9,758
Remeasurement (gains)/ losses recognised in other comprehensive income	-	-
Actuarial (gain)/ loss	(1,806)	2,077
Balance at the end of the year	182,938	163,866

Reconciliation of the present value of plan assets

Particulars	As at	As at
	31 March 2023	31 March 2022
Balance at the beginning of the year	110,889	102,942
Contributions during the year	54,736	-
Expected return on plan assets	7,940	7,000
Benefits paid	-	-
Actuarial gain/ (loss)	2,688	947
Balance at the end of the year	176,253	110,889
Net defined benefit liability (asset)	6,685	52,977

b) Defined benefits / expenses for gratuity recognised for the year

Expense recognised in the statement of profit and loss

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Current service cost	11,934	8,532
Past service cost	-	-
Interest cost	11,733	9,758
Gratuity paid for earlier years	11,311	-
Expected return on plan assets	(7,940)	(7,000)
	27,038	11,290

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Remeasurement recognised in other comprehensive income

Particulars	For the year ended	For the year ended
	31 March 2023	31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	(1,806)	2,077
Actuarial (gain)/ loss on plan asset	(2,688)	(947)
Total	(4,494)	1,130

c) Plan assets

- i. Gratuity fund investment details (Fund manager wise, to the extent funded) are as below:

Particulars	As at	As at
	31 March 2023	31 March 2022
Life Insurance Corporation of India	176,253	110,889
Total	176,253	110,889

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31 March 2023 and 31 March 2022 has not been provided by Life Insurance Corporation of India.

- ii. Expected contributions to post-employment benefit plans for the year ended 31 March 2023 are INR 6,679 lakh (31 March 2022: INR 52,977 lakh).

d) The expected maturity analysis of the obligation

Particulars	As at	As at
	31 March 2023	31 March 2022
Within the next 12 Months (next annual reporting period)	5,908	4,754
Between 1 and 2 years	4,756	4,157
Between 2 and 5 years	14,784	12,902
Beyond 5 years	157,491	142,053
Total	182,939	163,866

The weighted average duration of the defined benefit obligation is 14 years (31 March 2022: 15 years)



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

e) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.38%	7.16%
Expected rate of increase in compensation levels	6.50%	6.50%
Expected average remaining working lives of employees (years)	17	18
Mortality table	IALM (2012-14)	IALM (2012-14)

f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(10,441)	11,317	(9,903)	10,772
Expected rate of increase in compensation levels (0.50% movement)	4,342	(4,748)	4,762	(5,186)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

B. Compensated absences

Compensated absences is also a defined benefit plan. The liability towards compensated absences has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done using projected unit credit method to arrive the final obligation.

a) Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	371,622	338,907
Benefits paid	(13,577)	(14,307)
Current service cost	13,836	12,328
Interest cost	26,608	23,046

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars

	As at 31 March 2023	As at 31 March 2022
Remeasurement (gains)/ losses recognised in other comprehensive income	-	-
Actuarial (gain)/ loss	(4,913)	11,648
Balance at the end of the year	393,576	371,622

Reconciliation of the present value of plan assets**Particulars**

	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	340,810	346,232
Expected return on plan assets	24,402	23,544
Benefits paid	(22,703)	(30,300)
Actuarial gain/ (loss)	2,589	1,334
Balance at the end of the year	345,098	340,810
Net defined benefit liability (asset)	48,478	30,812

b) Defined benefits / expenses for compensated absences recognised for the year**Expense recognised in the statement of profit and loss****Particulars**

	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	13,836	12,328
Interest cost	26,608	23,046
Expected return on plan assets	(24,402)	(23,544)
Actuarial (gain)/ loss on defined benefit obligation	(4,913)	11,648
Actuarial (gain)/ loss on Plan Assets	(2,589)	(1,334)
Total	8,540	22,144

c) Plan assets

- i. Compensated absences fund investment details (Fund manager wise, to the extent funded) are as below:

Particulars

	As at 31 March 2023	As at 31 March 2022
Life Insurance Corporation of India	345,098	340,810
Total	345,098	340,810

The plan assets of the Company are managed by Life Insurance Corporation of India with respect to its compensated absences plan. Information on categories of plan assets as at 31 March 2023 and 31 March 2022 has not been provided by Life Insurance Corporation of India.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- ii. Expected contributions to post-employment benefit plans for the year ended 31 March 2023 is INR 3,072 lakh (31 March 2022: INR 30,812 lakh).

d) The expected maturity analysis of the obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Within the next 12 Months (next annual reporting period)	20,195	17,743
Between 1 and 2 years	19,930	16,737
Between 2 and 5 years	64,619	57,251
Beyond 5 years	288,832	279,891
Total	393,576	371,622

The weighted average duration of the defined benefit obligation is 11 Years (31 March 2022: 12 years).

e) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.38%	7.16%
Expected rate of increase in compensation levels	6.50%	6.50%
Expected average remaining working lives of employees (years)	13	14
Mortality table	IALM(2012-14) Ultimate	IALM (2012-14) Ultimate

f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(18,052)	19,250	(17,892)	19,155
Expected rate of increase in compensation levels (0.50% movement)	19,354	(18,173)	19,198	(17,991)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.



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Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

C. Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Company intends to maintain the above investment mix in the continuing years.

b) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

c) Inflation risks

In the plans, the payments are not linked to the inflation so this is a less material risk.

d) Life expectancy

The plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

D. Half pay leaves

Half pay leaves is also a defined benefit plan. The liability towards half pay leaves has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done using projected unit credit method to arrive the final obligation.

41 Property, plant and equipment / Intangible assets/ Depreciation and amortization/ Capital work-in-progress/ Right of use assets

- (a) Property, plant and equipment taken over from DoT as on 1 October 2000 are based on physical verification conducted by the management. The value of property, plant and equipment taken over



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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 their original cost and depreciation has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 till financial year 2013-14 without reassessing the remaining useful life of such assets as on that date. Depreciation has been provided at the rates as stated above for all the assets acquired after 1 October 2000 except in the case of Subscribers Installations which are depreciated over the useful life of 5 years on written down value method. However, with the enactment of Companies Act, 2013 the depreciation has been provided as per the provisions of schedule II of the Companies Act, 2013 for financial year 2014-15 onwards for all assets including Subscribers Installations. For 3G & BWA Spectrum the amount paid to Government of India for acquiring these assets is being amortized over a period of 20 years on straight line basis.

- (b) The lease period for certain leasehold land 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.
- (c) Pending transfer of the immovable property in the name of the Company, documents in respect of certain land and buildings acquired during the period are under legal process/ execution. Further, in respect of assets taken over from DoT, formalities for vesting the assets in favour of the Company, wherever necessary/ applicable are under process.
- (d) 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 17 Circle (31 March 2022: 11 circles). The amount ascertained in respect of 17 Circles (31 March 2022: 10 circles) is INR 964 lakh (31 March 2022: INR 991 lakh).
- (e) Directly attributable establishment and administration expenses incurred in units where project work is also undertaken are allocated to capital and revenue mainly on actual man-month basis.

42 DoT balances

Other recoverable from DoT, after netting off the claim payables to them INR 211,797 lakh (31 March 2022: INR 122,131 lakh) are included in other current financial assets and other current financial liabilities. It includes INR 1,31,901 lakhs in respect of claim recoverable from DoT towards excess paid LF/SUC. 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.



BHARAT SANCHAR NIGAM LIMITED

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(All amounts are in INR lakh, unless otherwise stated)

Further, there is no agreement between the Company and DoT for interest recoverable/ payable on outstanding amounts of DoT. Hence, no accrual for interest has been made on the amount payable to/ recoverable from DoT.

43 Inter/ intra circle remittances

There are certain Inter circle balances (both capital and revenue) which are incurred by one circle on behalf of other. These transactions are parked in Inter/ Intra-Circle Remittances account. As on 31 March 2023, there was balance of INR (18,770) lakh (31 March 2022: INR (15,146) lakh) in Inter/Intra-Circle Remittances account. This amount pertains mainly to assets and liabilities, and marginally to expenditure and revenue. The depreciation is not claimed in case of assets and expenses are not taken to the statement of profit and loss pending reconciliation. The reconciliation is done on continuous basis throughout the year and proper effect is taken in the books of accounts for reconciled amounts.

44 Earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Profit/ (loss) after tax attributable to equity shareholders	(INR in lakh)	(816,156)	(698,162)
Weighted average number of equity shares outstanding during the year	(in number)	17,001,651,616	5,000,000,000
Nominal value per share	INR	10	10
Basic and diluted earnings/ (loss) per share	INR	(4.80)	(13.96)

45 Segment information

A. Description of segments and principal activities

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Board of directors of the Company, which is defined as chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

For management purposes, the business is organized into business segments namely basic, cellular, broadband and enterprise based on its products and services identified.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

B. Information about reportable segments

For the year ended 31 March 2023

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
Revenue						
Revenue from operations	300,386	743,551	335,617	533,225	-	1,912,779
Other income	112,847	10,351	993	22,376	11	146,578
Net segment revenue	413,233	753,902	336,610	555,601	11	2,059,357
Segment results						
Operating profit/(loss) before interest, depreciation and taxes	(559,611)	197,060	219,839	290,777	(2,718)	145,346
Depreciation and amortisation	(168,654)	(332,913)	(11,140)	(52,751)	(404)	(565,862)
Interest income	8,275	131	9	48	2,070	10,533
Interest expenses	(189,925)	(32,237)	(349)	(20,733)	(12,993)	(256,237)
Profit/(loss) before exceptional items and tax	(909,916)	(167,959)	208,359	217,341	(14,045)	(666,220)
Exceptional items	-	-	-	-	(149,936)	(149,936)
Profit/(loss) before tax	(909,916)	(167,959)	208,359	217,341	(163,981)	(816,155)
Tax expense	-	-	-	-	-	-
Profit/(loss) after tax	(909,916)	(167,959)	208,359	217,341	(163,981)	(816,155)
Other information						
Segment assets	1,544,122	3,378,047	2,768,303	2,663,608	4,391,078	14,745,158
Segment liabilities						
Capital expenditure during the year	168,655	332,913	11,140	52,751	404	565,863
Non cash expense other than depreciation	43,304	12,850	369	7,798	-	64,321

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

For the year ended 31 March 2022

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
Revenue						
Revenue from operations	300,663	666,395	303,775	410,089	-	1,680,922
Other income	173,145	21,439	4,422	16,135	10	215,153
Net segment revenue	473,807	687,835	308,197	426,225	10	1,896,074
Segment results						
Operating profit/(loss) before interest, depreciation and taxes	(553,814)	159,657	229,636	250,233	(3,073)	82,639
Depreciation and amortisation	(182,412)	(272,746)	(13,832)	(61,434)	(379)	(530,804)
Interest income	1,134	75	40	70	7,865	9,185
Interest expenses	(198,307)	(38,357)	(5,901)	(16,104)	(513)	(259,182)
Profit/(loss) before tax	(933,399)	(151,372)	209,943	172,766	3,899	(698,162)
Tax expense	-	-	-	-	-	-
Profit/(loss) after tax	(933,399)	(151,372)	209,943	172,766	3,899	(698,162)
Other information						
Segment assets	874,281	3,300,256	2,462,324	2,471,279	3,531,390	12,639,530
Segment liabilities	2,458,332	904,785	97,433	1,299,406	3,409,929	8,169,884
Capital expenditure during the year	3,826	85,281	6,692	25,682	442	121,923
Non cash expense other than depreciation	55,335	18,604	1,668	21,675	-	97,282



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

C. Reconciliations of information on reportable segments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenues		
Total revenue for reportable segments	2,059,346	1,896,064
Unallocable revenue	11	10
Total revenue	2,059,357	1,896,074
Profit before tax		
Total profit before tax for reportable segments	(652,174)	(702,062)
Profit before tax for unallocable	(163,981)	3,899
Profit before tax as per statement of profit and loss	(816,155)	(698,163)

Particulars	As at 31 March 2023	As at 31 March 2022
Assets		
Total assets for reportable segments	10,354,079	9,108,140
Unallocable assets	4,391,078	3,531,390
Total assets as per the balance sheet	14,745,157	12,639,530
Liabilities		
Total liabilities for reportable segments	(5,840,797)	4,759,956
Unallocable liabilities	(2,607,753)	3,409,929
Total liabilities as per the balance sheet	(8,448,550)	8,169,885

D. Geographic information

The Company caters only to the Indian market representing a singular economic environment with similar risks and returns and further there are no reportable geographical segments.

E. Information about major customers

For the year ended 31 March 2023 and 31 March 2022, revenue from any customer is not more than 10 percent of the Company's total revenue.

BSNL is executing various projects including Bharat Net I, Bharat Net II, Defense Network Project, Submarine Cable Project etc. entrusted by the Government, the revenue and expenditure thereto are aggregated under respective business segments.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

46 Related party transactions

a) List of related parties

i. Key Management Personnel

Designation	Name of incumbent	Remarks
CMD	Shri P. K. Purwar	From 01 July 2019 onwards
Director (Enterprise)	Shri V. Ramesh	From 03 June 2020 onwards
Director (CFA)	Shri Vivek Banzal	From 18 October 2018 onwards
Director (CM)	Shri Sandeep Govil	From 16 January 2023 onwards
Director (HRD)	Shri Arvind Vadnerkar	From 14 October 2019 onwards
Director (Finance & CFO)	Ms. Yojana Das	From 16 November 2020 to 30 November 2022
	Shri Rajiv Kumar	From 01 December 2022 onwards
Company Secretary	Shri J. P. Chowdhary	From 01 Febuary 2021 onwards
Govt Directors	Shri Sanjeev Gupta	From 14 Febaury 2022 to 31 March 2022
	Ms. Yashashri Shukla	From 14 February 2022 to 26 December 2022
	Shri Premjit Lal	From 17 May 2022 to 17 November 2022
	Shri Shivendu Gupta	From 26 December 2022 onwards
	Shri Sunil Kumar Verma	From 17 November 2022 onwards
Non-official part-time Director	Ms. Trupti Kamlesh Patel	From 01 November 2021 onwards
	Shri Manoj Kumar	From 01 November 2021 onwards
	Shri Ravindra Ramadas Boarawake	From 01 November 2021 onwards
	Shri Seikhojam Kipgen	From 01 November 2021 onwards

ii. Subsidiary

BSNL Tower Corporation Limited (BTCL) (incorporated w.e.f. 04 January 2018)

iii. Entities under the control of the same Government

The Company is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the standalone financial statements. Such entities with which the Company has significant transactions include but not limited to Department of Telecom ('DoT'), Department of Posts, Mahanagar Telephone Nigam Limited, Indian Telephone Industries, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Union Bank of India, United Bank of India, State Bank of India, Bank of Maharashtra, Punjab National Bank, Canara Bank and Bank of Baroda.

iv. Post employment benefit plans

BSNL Employees Gratuity Fund Trust

BSNL Employees Superannuation Pension Fund Trust



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

46 Related party transactions (continued)

b) Transactions with the related parties are as follows:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
A. Compensation to Key Management Personnel #		
- Short term employee benefits		
Payment of salaries and allowances		
Shri P. K. Purwar	35	31
Shri Vivek Banzal	33	30
Shri Sandeep Govil	8	-
Shri Sushil Kumar Mishra	-	29
Shri Arvind Vadnerkar	32	29
Shri V. Ramesh	31	27
Ms. Yojana Das	21	29
Shri Rajiv Kumar	4	-
Shri J. P. Chowdhary	28	25
	192	199
Perquisites		
Shri Pravin Kumar Purwar	3	7
Shri Vivek Banzal	5	4
Shri Arvind Vadnerkar	4	4
Shri V Ramesh	8	4
Shri Sushil Kumar Mishra	-	5
Shri Sandeep Govil	1	-
Smt. Yojana Das	4	4
Shri Rajiv Kumar	2	-
Shri J. P. Chowdhary	4	3
	31	32
Sitting fee		
Shri Ravindra Ramdas Borawake	2	1
Shri Manoj Kumar	1	0
Ms. Trupti Kamlesh Patel	1	0
Shri Seikhijam Kipgen	2	1
	6	2

Remuneration does not include the expenditure towards gratuity and leave encashment as the incremental liability has been accounted for the Company as a whole and separate details for individual employee are not available.

* These advances are in the normal course of business.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
B. Transactions with post employment benefit plans		
Contribution made during the year		
- BSNL Employees Gratuity Fund Trust	12,938	11,290
- BSNL Employees Superannuation Pension Fund Trust	15,878	13,989
C. Transactions with the related parties under the control of the same government		
Contribution made during the year		
i. Revenue from sale of services		
DoT	24,339	2,551
Central government and central PSU's	110,416	89,992
Subsidiary	6	-
	134,761	92,543
ii. Employee benefits expense		
DoT		
Contribution towards leave salary	870	862
Contribution towards pension	17,961	18,223
	18,831	19,085
Central government and central PSU's		
Contribution towards employees provident fund	40,291	36,765
iii. License and spectrum fee		
DoT	135,647	144,142
iv. Other expenses		
Central government and central PSU's		
Expenditure on capital items	302	267
Power and fuel	8,561	11,885
Repairs and maintenance	1,752	3,782
Others	22,139	28,288
	32,754	44,222
Subsidiaries		
Others	264	53
v. Exceptional items (AGR Dues)		
DoT	1,768,836	-



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

c) Outstanding balances with related parties are as follows:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
A. Amount recoverable from subsidiary		
BSNL Tower Corporation Limited	598	335
B. Post employment benefit plans		
Amount recoverable from BSNL Employees Gratuity Fund Trust	14,105	11,311
C. Related parties under the control of the same government		
i. Non-current borrowings		
Term loans from banks		
Union Bank of India	-	107,567
United Bank of India (merged with Punjab National Bank)	-	75,944
State Bank of India	206,610	326,417
Punjab National bank	10,093	90,493
Canara Bank	84,520	145,106
Jammu and Kashmir Bank	-	28,000
Oriental Bank of Commerce (merged with Punjab National Bank)	-	15,168
Bank of Baroda (erstwhile Vijaya Bank)	-	74,526
Bank of India	-	325,879
Indian Overseas Bank	-	37,498
IDBI Bank	9,998	29,996
Bank of Baroda	-	225,113
UCO Bank	37,450	-
	348,671	1,481,709
9% non-cumulative preference shares of INR 10 each		
The Central Government of India	-	-
ii. Other current financial assets		
Amount recoverable from DoT		
Other recoverable	233,584	231,235
Amount recoverable from LIC		
	233,584	231,235

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
iii. Current financial liabilities - Borrowings		
9% non-cumulative preference shares of INR 10 each		
The Central Government of India	750,000	750,000
Term loans from banks		
State Bank of India	112,500	193,499
Punjab National Bank	27,000	122,628
Canara Bank	78,500	72,500
Bank of India	854	27,000
IOB	-	12,500
IDBI Bank	20,000	10,000
Bank of Baroda	1,319	104,498
J&K	-	20,458
Punjab Sind Bank	-	19,690
Union Bank of India	-	37,452
UCO Bank	50,000	-
	1,040,173	1,370,225
iv. Other current financial liabilities		
Claims payable to DoT	2,474,958	682,663
v. Other current liabilities		
DoT		
Advance received for Defense telecom network project (net)	27,397	75,749
vi. Amount receivables		
Central government and central PSU's	53,127	62,677

e) Terms and conditions of transactions with the related parties

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

47 Auditor's remuneration (statutory/ branch auditors)

Particulars	For the year ended 31 March 2023 (Audited)		For the year ended 31 March 2022 (Audited)	
	Statutory Auditor	Branch Auditors	Statutory Auditor	Branch Auditors
Statutory audit fee	26	382	26	375
Certification charges	8	-	2	8
Reimbursement of expenses	2	-	1	5
Others	1	-	0	0
Total (A)	37	382	29	389



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)		For the year ended 31 March 2022 (Audited)	
	Statutory Auditor	Branch Auditors	Statutory Auditor	Branch Auditors
Other services	3	28	-	30
Tax audit fee	-	28	-	26
Total (B)	3	56	-	56
Total (A + B)	40	438	29	444

Note: Fees are exclusive of applicable taxes wherever applicable.

48 Provisions

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
Balance as at 1 April 2022	312	392	67,658	68,362
Provisions made during the year	-	-	3,762	3,762
Unwinding of discount	-	-	-	-
Provisions used during the year	-	-	(7,094)	(7,094)
Provisions reversed during the year	-	(107)	(7,015)	(7,122)
Balance as at 31 March 2023	312	285	57,311	57,908

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
Balance as at 1 April 2021	312	179	90,893	91,384
Provisions made during the year	-	326	6,933	7,259
Unwinding of discount	-	-	-	-
Provisions used during the year	-	(90)	(19,454)	(19,544)
Provisions reversed during the year	-	(23)	(10,716)	(10,738)
Balance as at 31 March 2022	312	392	67,658	68,361

* The Company records a provision for decommissioning costs for those lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to that at the inception of lease. The Company is committed to decommission the site as a result of the construction of the towers, buildings and other assets.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

49 Contingent liabilities, commitments and contingent assets**A. Contingent liabilities**

Claims against the company not acknowledged as debts are as follows:

Particulars	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
	No. of cases	Amount	No. of cases	Amount
TR billing	22	48	179	175
Enhanced sales tax in lieu of C/D forms	5	1,360	9	1,416
On account of service tax disputed	59	83,881	49	63,556
Sales tax disputed	32	2,299	29	2,750
Central excise claims	15	1,994	22	7,607
License fee and spectrum fee [note (a) below]	1	1,560,744	34	4,290,669
Others	453	42,634	664	46,760
Total	587	1,692,960	986	4,412,933

(a) Demand raised by DoT amounting to:

INR 1,560,744 lakh (31 March 2022: INR 1,560,744 lakh) on account of One Time Spectrum Charges (OTSC) for Global System for Mobile (GSM) spectrum held by the Company. The Company has taken up this matter with DOT for waiver of one time spectrum charges as the Company believes that the demand amounts to alteration of financial terms of the licenses issued in the past.

Further contingent liability of previous year (other than OTSC demand) has been crystallised during the year and accounted for (refer note 39 (a) & (c)).

- (b) The contingent liability in connection to 320 cases (31 March 2022: 544 cases) included under the head 'Others' in the above table is not ascertainable. Certain claims of MTNL on various accounts like duct charges, space charges, service connections, revenue share for network usage, etc. are under reconciliation and settlement process. Pending an ongoing reconciliation and settlement process, the estimate of these claims/outflows could not be ascertained.
- i) i) Claims pending in court related to Land acquisition, TR billing, Service tax, Central Excise and Sales tax, Arbitration cases and others.

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
No. of cases	4,876	4,917
Amount	939,331	949,756



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- ii) Demands raised by the Income-tax departments not acknowledged as debt are as follows:

Assessment for AY 2019-20 u/s 143(3) was completed during the FY 22-23. Contingent liability in relation to disputed direct tax demand is INR 3,310 Lakh.

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

Particulars	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
	With cash margin	Without cash margin	With cash margin	Without cash margin
No. of cases	49	344	95	299
Amount	6,891	13,237	29,380	13,229

- iv) As per Office Memorandum (OM) dated 19 November 2009, pension contribution was payable on the actual pay drawn as on 1 January 2007 (being the date of implementation of second pay commission for IDA). Whereas the Company was paying pension contribution on maximum of the scale as advised by DoT, from 1 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 2023 is INR 9,707 lakh (31 March 2022: INR 10,535 lakh).

B. Commitments

a) Capital commitments

The estimated amounts of contracts remaining to be executed on capital account and not provided for in relation to execution of works and purchase of equipment are INR 21,99,826 lakh (31 March 2022: INR 55,937 lakh).

b) Lease contracts that have not yet commenced

The Company has entered into lease contracts that have not yet commenced and future cash outflow of these lease contracts are INR 3,353 lakh.

c) Other commitments

The amount of other commitments amounting to INR 76,597 lakh (31 March 2022: INR 96,424 lakh) which was not ascertained in 14 Circle (31 March 2022: 2 circle)

C. Contingent asset

The Company has filed certain claims, namely, claim for interest on delayed refund of cost of the surrendered BWA spectrum, claims towards compensation of remaining period of validity against the surrendered 800 MHz spectrum, compensation for replacement of customer premises equipment, following carrier swapping

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

as directed by DoT, claim for leave encashment paid to absorbed employees upon retirement against the accumulated leaves as on 01 October 2000 i.e. leave balances pertaining to their services rendered in DoT, refund of excess paid pension contribution for absorbed employees, reimbursement of establishment cost in respect of NFS Project, and claims in respect of services rendered to DoT. The total of such claims, in excess of INR 1,400,000 lakh (31 March 2022: INR 2,500,000 lakh) are under various stages of deliberation. The Management is hopeful that DoT will consider these claims on merit and BSNL would be suitably compensated. However, on a conservative basis, pending acceptance from DoT, these have not been recognised in the financial statements.

50 Leases**A. Company as a lessee**

The Company's lease asset classes primarily consist of leases for leasehold land, buildings and towers. The escalation clause generally ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements. There are several lease contracts that include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

Amounts recognised in balance sheet and profit & loss account:

Particulars	Right of use asset As on 31 March 2023	Depreciation charged during the FY 2022-23	Right of use asset As on 31 March 2022	Depreciation charged during the FY 2021-22
Land	34,286	10,673	33,538	9,525
Leasehold land	13,926	512	13,599	480
Buildings	46,964	20,434	46,694	18,432
Equipment	133	26	159	26
Vehicles	244	103	37	23
Towers and satellites	173,075	50,666	215,288	41,292
Others	57	38	347	103
Total	268,685	82,452	309,662	69,881



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Lease Liability

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Current	64,977	66,310
Non-current	249,123	276,658
Total	314,100	342,968

The following are the amounts recognised in profit or loss:

Particulars

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Depreciation expense of right-of-use assets (Refer Notes 5 and 36)	82,452	69,881
Interest expense on lease liabilities (Refer Note 35)	35,229	36,858
Expense relating to short-term leases (Refer Note 37)	6,423	5,441
Expense relating to low value leases (Refer Note 37)	1,109	1,063
Total	125,213	113,243

Additions to the right-of-use assets during FY 2022-23 was INR 51,027 lakhs.

The total cash outflow for leases in FY 2022-23 was INR 1,15,039 lakhs.

B. Company as a lessor

The Company has entered into various agreements with infrastructure providers and other telecom operators wherein the Company agrees to share its own passive infrastructure with other operators. The escalation clause includes escalation ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements.

Lease receipts amounting to INR 1,03,312 lakh (31 March 2022: INR 1,01,558 lakh) are included in Lease income on passive infrastructure in the statement of profit and loss during the current year.

Future minimum lease payments

Future minimum lease payments under non-cancellable operating leases are receivable as follows:

Particulars

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Not later than one year (excluding applicable taxes)	67,435	37,500
Later than one year and not later than five years (excluding applicable taxes)	179,106	110,457
Later than five years (excluding applicable taxes)	42,852	38,188
Total	289,393	186,145

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

51 Income tax**A. Amounts recognised in statement of profit and loss**

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Current income tax		
- For the year*	-	-
- Adjustment for prior periods	-	-
Deferred tax	-	-
Income tax expense reported in the statement of profit and loss	-	-

*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 provisions of Income Tax Act, 1961 or special provisions under section 115JB (Minimum Alternate Tax) of the Income Tax Act, 1961.

B. Amounts recognised in other comprehensive Income/ (expense)

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Income tax		
Remeasurement of post employment benefit obligation	-	-
Income tax charges to other comprehensive income	-	-

C. Reconciliation of effective tax rate *

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2023 and 31 March 2022:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss before tax	(816,156)	(698,162) (744,112)
Income tax using the Company's domestic tax rate @ 31.2% (as at 31 st March, 2021 @ 31.2%) Tax Effect of :	(254,641)	(217,827) (232,163)
Deferred tax asset not recognised	254,641	217,827 232,163
Income tax recognised in Statement of Profit or Loss and Other Comprehensive Income at effective rate	-	-



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

* Unrecognised deferred tax assets (net) are reassessed at each reporting date. In the absence of reasonable certainty of future taxable profits at current reporting date, the Company has not recognised deferred tax asset (net) for the above periods, hence the effective tax rate is 0%.

D. Deferred tax assets/ liabilities

Particulars	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets/ (liabilities)	
	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Loss allowance for trade receivables	79,100	81,870	-	-	79,100	81,870
Loss allowance for other assets	73,657	17,361	-	-	73,657	17,361
Carry forward tax losses including unabsorbed depreciation	2,828,633	2,555,755	-	-	2,828,633	2,555,755
Provision for half pay leaves	1,215	1,047	-	-	1,215	1,047
Provision for gratuity	2,086	16,529	-	-	2,086	16,529
Provision for decommissioned assets	20,164	21,269	-	-	20,164	21,269
Provision for obsolete inventory and capital work in progress	17,230	18,506	-	-	17,230	18,506
Disallowances under section 43B of Income Tax Act, 1961	7,845	2,831	-	-	7,845	2,831
Difference in book written down value and tax written down value of property, plant and equipment	-	-	333,547	407,437	(333,547)	(407,437)
Net deferred tax assets	3,029,930	2,715,168	333,547	407,437	2,696,383	2,307,731

Unrecognised deferred tax assets (net) are reassessed at each reporting date. Deferred tax assets are recognised to the extent of deferred tax liabilities. In the absence of reasonable certainty of future taxable profits at current reporting date, the Company has not recognised deferred tax assets (net) for the above periods.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

E. Movement of temporary differences

Particulars	As at 1 April 2022	Unrecognised temporary differences	Unrec- ognised tax losses	As at 31 March 2023
Deferred tax assets				
Loss allowance for trade receivables	262,404	(8,877)	-	253,527
Loss allowance for other assets	55,643	180,436	-	236,079
Carry forward tax losses including unabsorbed depreciation	8,191,522	-	874,610	9,066,132
Provision for half pay leaves	3,357	536	-	3,893
Provision for gratuity	52,977	(46,292)	-	6,685
Provision for decommissioned assets	68,169	(3,541)	-	64,628
Provision for obsolete inventory and capital work in progress	59,314	(4,089)	-	55,225
Disallowances under section 43B of Income Tax Act, 1961	9,074	16,069	-	25,143
	A 8,702,460	134,242	874,610	9,711,312
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment	1,305,887	(236,826)	-	1,069,061
	B 1,305,887	(236,826)	-	1,069,061
Net deferred tax	(A)-(B) 7,396,573	371,068	874,610	8,642,251
Particulars	As at 1 April 2021	Unrec- ognised temporary differences	Unrec- ognised tax losses	As at 31 March 2022
Deferred tax assets				
Loss allowance for trade receivables	284,454	(22,050)	-	262,404
Loss allowance for other assets	229,603	(173,960)	-	55,643
Carry forward tax losses including unabsorbed depreciation	7,239,890	-	951,632	8,191,522
Provision for half pay leaves	3,080	277	-	3,357
Provision for gratuity	40,557	12,420	-	52,977
Provision for decommissioned assets	76,900	(8,731)	-	68,169



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 1 April 2021	Unrecognised temporary differences	Unrec- ognised tax losses	As at 31 March 2022
Provision for obsolete inventory and capital work in progress	72,248	(12,934)	-	59,314
Disallowances under section 43B of Income Tax Act, 1961	13,375	(4,301)	-	9,074
	A 7,960,107	(209,279)	951,632	8,702,460
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment	1,357,837	(51,950)	-	1,305,887
	B 1,357,837	(51,950)	-	1,305,887
Net deferred tax	(A)-(B) 6,602,270	(157,328)	951,632	7,396,573

F. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

Particulars	Expiry year	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
		Gross amount	Unrecognised tax effect	Gross amount	Unrec- ognised tax effect
Business Loss					
For Assessment year 2015-16	2024	26,983	8,419	26,983	8,419
For Assessment year 2018-19	2027	433,635	135,294	433,635	135,294
For Assessment year 2019-20	2028	941,796	293,840	941,796	293,840
For Assessment year 2020-21	2029	793,212	247,482	793,212	247,482
For Assessment year 2021-22	2030	177,384	55,344	177,384	55,344
For Assessment year 2022-23	2031	345,321	107,740	380,480	118,710
For Assessment year 2023-24	2032	249,772	77,929	-	-
Unabsorbed depreciation	Never expire	6,098,029	1,902,585	5,438,032	1,696,666
Total		9,066,132	2,828,633	8,191,522	2,555,755

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Expiry year	As at 31 March 2022 (Audited)		As at 31 March 2021 (Audited)	
		Gross amount	Unrecognised tax effect	Gross amount	Unrec- ognised tax effect
Business Loss					
For Assessment year 2015-16	2024	26,983	8,419	26,983	8,419
For Assessment year 2018-19	2027	433,635	135,294	433,635	135,294
For Assessment year 2019-20	2028	941,796	293,840	941,796	293,840
For Assessment year 2020-21	2029	793,212	247,482	793,212	247,482
For Assessment year 2021-22	2030	177,384	55,344	7,948	2,480
For Assessment year 2022-23	2031	380,480	118,710	-	-
Unabsorbed depreciation	Never expire	5,438,032	1,696,666	5,036,316	1,571,331
Total		8,191,522	2,555,755	7,239,890	2,258,846

* The Company has recognised tax effect on unabsorbed depreciation amounting to INR Nil (31 March 2021: INR Nil).

52 Financial instruments – Fair values and risk management**A. Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 31 March 2023

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	-	-	-	-	-	-	-
Loans*	-	-	91	91	-	-	91
Other financial assets*	-	-	41,028	41,028	-	-	41,028
Current							
Trade receivables*	-	-	369,377	369,377	-	-	-
Cash and cash equivalents*	-	-	67,165	67,165	-	-	-

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Balances other than cash and cash equivalents*	-	-	193,851	193,851	-	-	-
Loans*	-	-	5	5	-	-	-
Other financial assets*	-	-	1,045,715	1,045,715	-	-	-
Total	-	-	1,717,232	1,717,232			41,119
Financial liabilities							
Non-current							
Borrowings#	-	-	1,609,121	1,609,121	-	-	1,609,121
Lease Liabilities	-	-	249,123	249,123	-	-	249,123
Other financial liabilities*	-	-	515,542	515,542	-	-	515,542
Current							
Borrowings#	-	-	1,200,103	1,200,103	-	-	-
Lease Liabilities	-	-	64,977	64,977	-	-	-
Trade payables*	-	-	635,521	635,521	-	-	-
Other current financial liabilities*	-	-	2,987,787	2,987,787	-	-	-
Total	-	-	7,262,174	7,262,174			2,373,786

ii. As on 31 March 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	-	-	-	-	-	-	-
Loans*	-	-	121	121	-	-	121
Other financial assets*	-	-	36,106	36,106	-	-	36,106
Current							
Trade receivables*	-	-	401,522	401,522	-	-	-
Cash and cash equivalents*	-	-	86,456	86,456	-	-	-



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Balances other than cash and cash equivalents*	-	-	214,292	214,292	-	-	-
Loans*	-	-	29	29	-	-	-
Other financial assets*	-	-	722,248	722,248	-	-	-
Total	-	-	1,460,774	1,460,774	-	-	36,227
Financial liabilities							
Non-current							
Borrowings#	-	-	2,323,963	2,323,963	-	-	2,323,963
Lease Liabilities	-	-	276,658	276,658	-	-	276,658
Other financial liabilities*	-	-	501,198	501,198	-	-	501,198
Current							
Borrowings#	-	-	1,716,050	1,716,050	-	-	-
Lease Liabilities	-	-	66,310	66,310	-	-	-
Trade payables*	-	-	903,769	903,769	-	-	-
Other current financial liabilities*	-	-	1,217,626	1,217,626	-	-	-
Total	-	-	7,005,574	7,005,574	-	-	3,101,819

The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities (except current lease liabilities), approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and security deposits given to various parties, and other non-current financial liabilities (except non current lease liabilities), the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2023 and 31 March 2022.

Valuation techniques used to determine fair value

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Valuation processes

The Company has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

52 Financial instruments – Fair values and risk management

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk - Foreign exchange ; and
- Market risk - Interest rate

Risk management framework

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

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

As per ERM policy of the Company, the Company has constituted an ERM committee, with the overall objective of oversight, development and implementation of a risk identification and management process and the review and reporting of the same.

The Board of Directors has authorized Management Committee of the Board (MCB), the CMD and the Functional Directors and below Board functionaries, viz., the Executive Directors/ CGMs/ PGMs/ GMs/ TDMs/ DGMs etc., as the case be, to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the Functional Directors/ Business Heads periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Trade receivables	369,377	401,522
Loans	96	150
Cash and cash equivalents	67,165	86,456
Bank balances other than cash and cash equivalents	193,851	214,292
Other financial assets	1,086,743	758,354

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivables more than 2 years past due. However the Company based upon historical experience determines an impairment allowance for loss on receivables.

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount	
	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
1-90 days past due *	177,521	201,603
91 to 180 days past due	28,514	36,829
180 days to 2 years past due	135,212	135,978
More than 2 years past due #	304,581	312,932
Total	645,828	687,342



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- * The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.
- # The Company based upon past trends determines an impairment allowance for loss on receivables outstanding for more than two years past due.
- # Receivables more than two years past due pertaining to receivables from government departments and PSU's, which are fully realisable on historical payment behaviour and hence no loss allowance has been recognised. Impairment allowance has already been recognised on specific credit risk factor.

Movement in the loss allowance in respect of trade receivables

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Balance at the beginning of the year	262,404	323,354
Impairment loss recognised during the year(refer note(a) below)	55,376	33,340
Amount written off	(64,253)	(94,290)
Balance at the end of the year	253,527	262,404

- a) The Company, assessed that there is no major impact of Covid 19 on its business and accounting matters. The Company does not anticipate potential stress on probability of default and exposures at default due to COVID-19 global pandemic. During the previous years, the Company had recognised an impairment allowance of INR 38,900 lakhs on trade receivables other than government departments as an exception and due to abundant caution, allowance amounting to INR 10,000 lakhs (2022: INR 28,900 lakhs) have been reversed subsequently, in the view of improving pandemic situation and no significant impact noted.

52 B. ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalents and bank balances other than cash and cash equivalents of INR 300,784 lakh as at 31 March 2023 (31 March 2022: INR 284,364 lakh), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements based on the value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
From banks	-	-

b. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2023	Carrying amount	Contractual cash flows						Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years		
Non-current borrowings								
Term loans from banks *	348,670	-	-	253,704	95,396	-	-	349,100
Rupee Bonds	1,260,451	-	-	-	-	1,268,470	1,268,470	
9% non-cumulative redeemable preference shares	750,000	750,000	-	-	-	-	-	750,000
Non current lease liabilities	249,123	-	-	70,554	71,049	107,520	249,123	
Other non current financial liabilities	515,542	-	-	202,831	173,137	139,574	515,542	
Current borrowings - Loans from banks *	159,930	159,930	-	-	-	-	-	159,930
Trade payables	635,521	324,857	191,419	20,203	76,851	22,191	635,521	
Current lease liabilities	64,977	24,481	40,496	-	-	-	-	64,977
Current maturity of long term borrowings	290,173	141,672	148,501	-	-	-	-	290,173
Other current financial liabilities	2,987,787	1,834,478	1,044,258	-	-	109,051	2,987,787	
Total	7,262,174	3,235,418	1,424,674	547,292	416,433	1,646,806	7,270,623	



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

As at 31 March 2022	Carrying amount	Contractual cash flows						Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years		
Non-current borrowings								
Term loans from banks *	1,481,709	-	-	510,801	785,582	186,897	1,483,280	
Rupee Bonds	842,254	-	-	-	-	849,480	849,480	
9% non- cumulative redeemable preference shares	750,000	750,000	-	-	-	-	750,000	
Non current lease liabilities	276,658	-	-	76,230	148,375	134,003	358,608	
Other non current financial liabilities	501,198	-	-	272,626	169,165	59,407	501,198	
Current borrowings - Loans from banks *	345,825	345,825	-	-	-	-	345,825	
Trade payables	903,769	772,896	130,874	-	-	-	903,769	
Current lease liabilities	66,310	28,952	39,998	-	-	-	68,950	
Current maturity of long term borrowings	620,225	298,378	321,847	-	-	-	620,225	
Other current financial liabilities	1,217,626	551,470	666,156	-	-	-	1,217,626	
Total	7,005,574	2,747,521	1,158,875	859,657	1,103,122	1,229,787	7,098,961	

* Contractual maturities of these financial liabilities excludes interest payments.

52. B. iii Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

The company is complying with the RBI guidelines with respect to unhedged foreign currency exposure and entering into forward contracts with authorised dealers as required from time to time.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2023 and 31 March 2022 are as below:

Particulars	As at 31 March 2023 (Audited)					
	USD	EURO	GBP	AUD	JPY	NPR
Financial assets						
Trade receivables	1,290	1	0	0	1	-
	1,290	1	0	0	1	-
Financial liabilities						
Trade payables	836	0	0	-	-	-
	836	0	0	-	-	-

Particulars	As at 31 March 2022 (Audited)					
	USD	EURO	GBP	AUD	JPY	NPR
Financial assets						
Trade receivables	3,491	0	0	0	1	-
	3,491	0	0	0	1	-
Financial liabilities						
Trade payables	3,148	0	0	-	-	-
	3,148	0	0	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2023				
USD	(4.54)	4.54	(4.54)	4.54
EUR	(0.01)	0.01	(0.01)	0.01



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
GBP	(0.00)	0.00	(0.00)	0.00
AUD	(0.00)	0.00	(0.00)	0.00
JPY	(0.01)	0.01	(0.01)	0.01
NPR	-	-	-	-
Total	(4.56)	4.56	(4.56)	4.56
For the year ended 31 March 2022				
USD	(3.43)	3.43	(3.43)	3.43
EUR	(0.00)	0.00	(0.00)	0.00
GBP	(0.00)	0.00	(0.00)	0.00
AUD	-	-	-	-
JPY	(0.01)	0.01	(0.01)	0.01
NPR	-	-	-	-
Total	(3.44)	3.44	(3.44)	3.44

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, AUD: Australian Dollar, JPY: Japanese Yen, NPR: Nepalese Rupees

52 B. iv. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowings to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Term loans from banks (Non current)	348,670	2,323,963
Bank overdraft	159,930	345,825
Current maturities of borrowings*	290,173	620,225
Total	798,773	3,290,013

* Current maturities of borrowings includes term loan.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2023	2,167	(2,167)	2,167	(2,167)
For the year ended 31 March 2022	2,156	(2,156)	2,156	(2,156)

53 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Borrowings	2,809,224	4,040,013
Less : Cash and cash equivalents	67,165	86,456
Adjusted net debt (A)	2,742,059	3,953,557
Total equity (B)	6,296,608	4,469,645
Adjusted net debt to adjusted equity ratio (A/B)	43.55%	88.45%



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- 54** The Company has been entrusted for establishing an optical fibre based network to connect rural areas under Bharat Net Phase I. The project is in final stages and the Company is in the process of submitting final claims.

55 Revenue from contracts with customers

The telecom service revenue is recognized as and to the extent the underlying services are provided. Revenue is recognised to the extent the provision of the services is completed during the reporting period as a proportion of total units of services to be provided under the product/contract. The proportionate amount equal to the units of service remaining to be provided under such product / service is considered as advance revenue / deferred revenue. The customer onboarding and associated cost is recognized in the period of occurrence on upfront basis. Any revenue not yet billed but service having been provided is shown as accrued revenue. Collection in the excess of billing is classified as Advance from Customers.

In the following table, revenue is disaggregated by type of services and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments:

Particulars	For the year ended 31 March 2023	For the year ended 31 March (Audited) 2022
	(Audited)	(Audited)
Revenue from (Recognition over the period of time)		
Basic	300,386	300,663
Cellular	743,551	666,395
Broadband	335,617	303,775
Enterprise	533,225	410,089
Total Operating Revenue	1,912,779	1,680,922

ii. Assets and liabilities related to contracts with customers

For contracts where the aggregate of contract cost incurred to date plus recognised profits/ losses exceeds the progress billing, the surplus is shown as contract asset and termed as 'Accrued revenue' and 'Amount recoverable for National Optical Fibre Network project (net)'. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits/ losses, the surplus is shown as contract liability and termed as 'Income received in advance against services'. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as 'Advances received from customers'.

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Contract assets		
Accrued revenue (refer note 19)	295,612	191,672
Amount recoverable for National Optical Fiber Network project (net) (refer note 19)	63,916	97,200
	359,528	288,872
Contract liabilities		
Income received in advance against services (refer note 30)	160,839	153,220
Advance received for defence telecom network project (refer note 30)	27,397	75,749
Advances received from customers (refer note 30)	701,369	505,443
Advance income booked but not collected (refer note 30)	100,182	129,680
	989,787	864,092

Significant changes in contract assets and liabilities

Due to ongoing project of BNP Phase II, VSAT Project, Fibre leasing, NFS implementation, O&M arrangement with BBNL etc. a considerable movement in Contract assets and liabilities has been observed during the period.

Changes in Contract Liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Contract liabilities at the beginning of the year	864,092	983,917
Less: performance obligations satisfied in current year	219,978	526,685
Add: advance received during the year	345,673	406,860
Contract liabilities at the end of the year	989,787	864,092



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

56 Disclosure as per Ind AS 27 'Separate Financial Statements'

Investment in subsidiary*

Company Name	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
BSNL Tower Corporation Limited	India	100	100

* Equity investment in subsidiary is measured at cost as per the provisions of Ind AS 27 'Separate Financial Statements'.

57 Disclosure for government grant

- (a) During the current year, the Company has recognised income from revenue grants amounting to INR 18,08,978 lakh (31 March 2022: INR 43,247 lakh). It includes Viability Gap Funding amounting to INR 16,18,900 lakh for FY 2014-15 to FY 21-22 and INR 1,20,000 Lakh for FY 22-23.
- (b) Deferred government grant includes capital grant towards LWE project among others. For capital grant, the Company has recognised income during the current year amounting to INR 17,057 lakh (31 March 2022: INR 8,806 lakh).
- (c) During the FY 2022-23, the company received INR Nil (FY 2021-22 - INR Nil lakh) from DoT towards part payment of ex-gratia payable to VRS optees, making the total allocation of INR 1,354,205 lakhs (refer note 62).
- (d) There are no unfulfilled conditions and other contingencies attaching to the government grants which are recognized in the standalone financial statements.

58 Tower business

On 12 September 2017, the Union Cabinet decided to hive off tower assets of the Company into a separate subsidiary company wholly owned by BSNL. In pursuance of this decision and directions from Ministry of Communications, Department of Telecommunications (DoT) dated 25 September 2017, the Board of Directors of BSNL has given its approval for incorporation of a new company as a wholly owned subsidiary of BSNL.

Accordingly, during the FY 2018-19, the Company has formed BSNL Tower Corporation Limited (wholly owned subsidiary of the company) which was incorporated on 4 January 2018 with Authorised Share Capital of INR 1,000,000 lakh (Authorised Equity Share Capital of INR 750,000 lakh and Authorised Preference Share Capital of INR 250,000 lakh) and paid up capital of INR 0.17 lakh to take over the telecom tower infrastructure of BSNL.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Meanwhile, the employees' union/ association of the Company has filed a case with Hon'ble High Court of Delhi which in turn has passed an interim order dated 25 May 2018 stating that decisions of the Board of Directors of the Company will be subject to the orders of High Court.

On 16th September 2022, the Company apprised the Hon'ble High Court that it no longer proposes to transfer its mobile towers to BSNL Towers Corporation Ltd. (BTCL).

In September 2020, the Management of BTCL has decided to carry out non-telecom activities so that it becomes commercially operational and accordingly, some of its field units started participating in bids for commercial activities identified by BTCL Board .

The information related to tower services are included under 'Cellular' segment in Note 45.

59 Exceptional items

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Viability Gap Funding*	1,618,900	-
Provision for AGR Dues demand (refer note 39 (a))	(1,768,836)	-
Total	(149,936)	-

* Viability Gap Funding received from DoT for FY 14-15 to FY 21-22, in respect of deficit in Rural Wireline Operation (R.W.O).

60 Revival plan for the Company**Revival Package 2019**

The Union Cabinet in its meeting held on 23 October 2019 considered and approved the proposal of DoT for "Revival of BSNL and MTNL" (Cabinet Note dated 22 October 2019). The Union Cabinet has approved the revival package that includes reduction in employee cost by immediately offering Voluntary Retirement Scheme (VRS) to the employees of age 50 Years and above, with payment of ex-gratia to be supported through budgetary allocation of Government of India, administrative allotment of spectrum for providing 4G services through capital infusion by the Government, Sovereign bonds for a tenure of 10 years or more for the purpose of debt restructuring, monetization of land/ building following DIPAM guidelines, monetization of tower and fibre assets with the aim to maximize the return, in-principle approval of merger of BSNL and MTNL.

VRS has been implemented by the Company; the Company has successfully floated Sovereign guarantee Bonds of INR 850,000 lakh at competitive rates. Land monetization is in progress in keeping with DIPAM guidelines. Efforts are ongoing for monetisation of tower and fibre assets. As regards the matter of merger of MTNL into BSNL, the same is under deliberations with the Department of Telecom. The Spectrum for 4G services will be assigned in 2023-24.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Revival Package 2022

Union Cabinet in its meeting held on July 27, 2022, approved revival measures having focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet, and augmenting its fibre network by merging Bharat Broadband Nigam Limited (BBNL) with BSNL. The important measures, inter-alia, are as follows: i) Allotment of Spectrum in 900/1800 MHz band through equity infusion ; ii) Financial support of INR 22,47,100 lakh for capex in the form of equity infusion; iii) The Viability Gap Funding of INR 13,78,900 lakh, for the period 2014-15 to 2019-20, and INR 7,20,000 lakh for 6 years (for FY 20-21 onwards); iv) Authorised Capital to be increased to INR 1,50,00,000 lakh to accommodate the infusion of capital; v) Sovereign Guarantee to be provided to BSNL to raise long term bonds for an amount of INR 22,82,800 lakh for debt restructuring; vi) AGR dues upto March 31, 2022, alongwith GST thereupon to be settled by conversion into equity, and AGR dues for next 5 years to be settled on same principle; vii) 9% Non-cumulative Preference Share of IN 7,50,000 lakh to be reissued to the Government; and viii) Merger of BBNL with BSNL.

Allotment of spectrum frequencies of 106 MHz (with effect from February 29, 2020) and 22 MHz (with effect from October 27, 2022) in 20 LSAs in the band of 900 MHz has been done for a validity period of 20 years, on October 27th 2022, through equity capital infusion of INR 23,37,344 lakh (Cost of Spectrum being INR 19,80,800 lakh and the amount of GST being INR 3,56,544 lakh). Funding of INR 301,300 lakh has been received during the year in the form of equity infusion for Capital Expenditure. Viability Gap funding of INR 16,18,900 lakh has been received during the year for the period upto FY 21-22 and INR 1,20,000 lakh for FY 22-23 has been recognized in the books (Refer note 32 (a) & 59). The necessary compliance with Registrar of Companies, for increase of Authorised Share Capital was completed on October 04, 2022. The first tranche of the Bonds amounting to INR 4,18,470 lakh has been raised on December 22, 2022 with Sovereign Guarantee. The settlement of AGR dues upto 2021-22 has been done (refer note 39(a) & 39(c)). The approval of the administrative ministry has been received in the matter of merger of BBNL with BSNL.

61 Voluntary Retirement Scheme 2019

The Union Cabinet in its meeting held on October 23, 2019 considered and approved the proposal of DoT for "Revival of BSNL and MTNL" vide its Cabinet note dated October 22, 2019. The Union Cabinet has approved the revival package that includes inter alia Voluntary Retirement Scheme (VRS) for employees. BSNL launched its Voluntary Retirement Scheme 2019 ("BSNL VRS SCHEME-2019") for its employees and DoT recruited employees aged 50 years and above on 04 December 2019 to right size the manpower strength.

Out of total 78,570 employees of the Company who have opted for this Scheme, 78,325 employee's voluntary retirement have been accepted by the Company. The expenditure for the cost of ex-gratia payment is borne by the Government of India through budgetary allocation. The Company has incurred an expenditure of INR 1,342,084 lakhs (out of the total allocation of INR 1,354,205 lakhs) in respect of the already settled cases as on 31.03.2023. The amount corresponding to such employees whose ex-gratia could not be released due to various administrative reasons is grouped under other current financial

VRS optees who were erstwhile Government Employees are entitled to Gratuity and Pension, these terminal benefits are disbursed by the DoT/GOI. VRS optees who were recruited by the BSNL directly, an amount INR 863 lakh (FY 2021-22: INR 5,107 lakhs) has been incurred for Gratuity out of the Fund maintained with LIC for the same. Such employees are eligible for other terminal benefits as per rules. The Company has made payment of Leave Encashment against Leaves Balance to the credit of Employees as on the date of retirement for INR 13,870 lakhs (FY 2021-22: INR 14,306 lakhs), which includes INR 742 lakhs for VRS opted (FY 2021-22: INR 237 lakhs).

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- 62** The code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However the date on which code will come into effect has not been notified. The Company will assess the impact of code when it comes into effect and will record any related impact in the period the code becomes effective.

63 Trade Receivables Ageing Schedule

Particulars	For the year ended 31 March 2023						Total
	Less than 90 days	90-180 days	180 days to 1 Year	1-2 Years.	2-3 Years.	More than 3 Years.	
Undisputed Trade receivables – considered good	171,812	27,956	39,205	90,634	13,881	45,463	388,951
Undisputed Trade Receivables – credit impaired	23	1	0	48	28,165	117,370	145,607
"Disputed Trade Receivables – considered good"	816	93	114	1,354	124	849	3,350
Disputed Trade Receivables – credit impaired	4,869	465	1,443	2,413	4,302	94,427	107,919
Total	177,520	28,515	40,762	94,449	46,472	258,109	645,827

Particulars	For the year ended 31 March 2022						Total
	Less than 90 days	90-180 days	180 days to 1 Year	1-2 Years.	2-3 Years.	More than 3 Years.	
Undisputed Trade receivables – considered good	184,006	32,990	40,225	78,752	26,235	62,772	424,979
Undisputed Trade Receivables – credit impaired	12,445	2,976	5,340	6,845	32,019	105,914	165,539
"Disputed Trade Receivables – considered good"	1,888	417	642	2,628	275	8,160	14,011
Disputed Trade Receivables – credit impaired	3,264	446	419	1,127	2,889	74,668	82,813
Total	201,603	36,829	46,626	89,352	61,418	251,514	687,342

(a) Ageing has been considered from the invoice date



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

64 Trade Payables Ageing Schedule

Particulars	For the year ended 31 March 2023				Total	
	Outstanding for following periods from due date of invoice					
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.		
(i) MSME	28,340	7,704	5,146	6,567	47,757	
(ii) Others	237,982	25,573	19,016	247,603	530,174	
(iii) Disputed dues- MSME	-	-	16	26	42	
(iv) Disputed dues- Others	(234)	622	381	10,880	11,649	
Unbilled					45,898	
Total	266,088	33,899	24,559	265,076	635,520	

Particulars	For the year ended 31 March 2022				Total	
	Outstanding for following periods from due date of invoice					
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.		
(i) MSME	54,166	10,155	3,194	1,976	69,491	
(ii) Others	293,875	70,453	109,671	285,476	759,475	
(iii) Disputed dues- MSME	830	4	10	30	874	
(iv) Disputed dues- Others	32	693	227	12,003	12,955	
Unbilled	-	-	-	-	60,974	
Total	348,903	81,306	113,102	299,485	903,769	

Note:

(a) Ageing has been considered from the invoice date.

65 Details of Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

66 Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

The Company has not entered into scheme of arrangement under section 230 to 237 of the Companies Act, 2013

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

67 Loans and Advances to KMP/directors/promoters

The Company has not granted any Loans or Advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

68 Undisclosed income in books of accounts details

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

69 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

S. No.	Name of the struck off companies	Nature of transactions with struck off company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022
1	Panvel Medical Research Centre	Payables	-	-
2	Northern Lights Studio Private Limited	Payables	-	-
3	Jaiswal Soft Solutions Private Limited	Payables	-	-
4	Green Park Hotels & Resorts Limited	Receivables	1	-
5	Hotel Chandra Gupta Private Limited	Payables	-	-
6	Pandey Enterprises Private Limited	Payables	-	-
7	Fabriconn Communications Private Limited	Payables	-	-
8	Ve Associates (India) Private Limited	Payables	-	-
9	Connectwell Network Private Limited	Receivables	4	-
10	Jd Allday Netsol Private Limited	Payables	-	-
11	Data Pond Communications Private Limited	Receivables	1	-
12	Dighil Technologies Private Limited	Payables	(3)	-
13	Cellnet Teleservices Private Limited	Receivables	7	-
14	Rawati Communications Private Limited	Payables	(1)	-
15	Gtel Fiber Plus Private Limited	Payables	(4)	-
16	Rathi Personnel Training And Placement Services Private Limited	Payables	-	-
17	Vedhika Broadcasting Private Limited	Payables	-	-

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

S. No.	Name of the struck off companies	Nature of transactions with struck off company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022
18	Star Club Cable And Broadband Private Limited	Payables	-	-
19	Gg Telecrest Private Limited	Payables	(1)	-
20	Shrey Infratel Private Limited	Payables	-	-
21	Oripol Industries Pvt. Ltd.	Receivables	-	-
22	Kidron Exim (Opc) Private Limited	Receivables	-	-
23	Vk Kadam Multi Services Private Limited	Receivables	-	-
24	Infinity Access Technologies Private Limited	Receivables	-	-
25	Wonderland Resorts Private Limited	Receivables	-	-
26	Yes India Digital Network Private Limited	Receivables	8	-
27	Chalmers Engineering (India) Private Limited	Receivables	-	-
28	Banaswarna Television Private Limited	Receivables	1	-
29	Navariya Satellite Services Private Limited	Receivables	3	-
30	Simplex Naigai Castings Private Limited	Receivables	1	-
31	Kusera Infotech Private Limited	Receivables	7	-
32	M. K. Educational And Immigration Services Private Limited	Receivables	-	-
33	Vajras Digital Netcom Private Limited	Receivables	1	-
34	Sri Laxmi Medi-Care Private Limited	Receivables	1	-

70 Ratios

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Debt Equity Ratio {(Long term borrowings + Short term borrowings + Current Maturities) / Total Equity *excluding lease liability}	0.45	0.90
Debt Service Coverage Ratio{(Earnings before tax, depreciation, interest and exceptional item/ (Interest Expenses +Scheduled principal repayment of long term debt, preference shares and lease liability during the period)}	0.11	0.06



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Current ratio {Current Assets / Current Liabilities}	0.57	0.57
Trade Receivable turnover {Revenue from operations/ Average debtors}	4.96	4.26
Net profit margin (%) {Profit After Tax / Revenue from operations}	(0.43)	(0.42)
Return on equity {Net Profit/Average Shareholder's Equity}	(0.15)	(0.14)
Net capital turnover ratio {Revenue/Average working capital}	(0.81)	(0.96)
Return on Capital Employed {EBIT/Capital employed}	(0.05)	(0.06)
Return on Investment {Net profit/Net Investment}	NA	NA
Trade payables turnover {Other expense/Average Trade Payables}	1.28	0.93
Inventory turnover ratio	NA	NA

71 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

72 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

73 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The Company is running in net loss during all the three preceding financial years, hence there is no obligation on the Company to spend any amount on CSR activities.

74 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



BHARAT SANCHAR NIGAM LIMITED

Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

75 Title Deeds not held in the name of the Company

As at 31 March 2023					
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reason for not being held in the name of the company
Assets held for sale	Asset Held for Sale - Building	120	DOT	Promoter	Mutation under process
Assets held for sale	Asset Held for Sale - Freehold Land	194,717	DOP	Relative of promoter	Mutation under process
Assets held for sale	Asset Held for Sale - Leasehold Land	2	State Government	None	Mutation under process
Property, Plant and Equipment	Freehold Land	3	DOP	DOP	Court Case Pending
Property, Plant and Equipment	Freehold Land	9	DOP	Relative of promoter	Forest Land
Property, Plant and Equipment	Freehold Land	46,952	DOP	Relative of promoter	Mutation pending
Property, Plant and Equipment	Freehold Land	1,223	DOP	Relative of promoter	Mutation under process
Property, Plant and Equipment	Freehold Land	3,583	DOT	Promoter	Mutation pending
Property, Plant and Equipment	Freehold Land	48,936	DOT	Promoter	Mutation under process
Property, Plant and Equipment	Freehold Land	1,191	Private	None	Mutation under process
Property, Plant and Equipment	Leasehold Land	28	DOP	Relative of promoter	Mutation pending
Property, Plant and Equipment	Leasehold Land	16	DOP	Relative of promoter	Mutation under process

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

As at 31 March 2023					
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reason for not being held in the name of the company
Property, Plant and Equipment	Leasehold Land	1	DOT	Promoter	Mutation pending
Property, Plant and Equipment	Leasehold Land	320	DOT	Promoter	Mutation under process
Property, Plant and Equipment	Leasehold Land	1	Private	None	Mutation under process
Property, Plant and Equipment	PPE - Building	25	DOP	DOP	Court Case Pending
Property, Plant and Equipment	PPE - Building	3	DOP	Relative of promoter	Forest Land
Property, Plant and Equipment	PPE - Building	736	DOP	Relative of promoter	Mutation pending
Property, Plant and Equipment	PPE - Building	5,074	DOP	Relative of promoter	Mutation under process
Property, Plant and Equipment	PPE - Building	18,253	DOT	Promoter	Mutation pending
Property, Plant and Equipment	PPE - Building	77,274	DOT	Promoter	Mutation under process
Property, Plant and Equipment	PPE - Building	295	local Authorities	None	Mutation under process
Property, Plant and Equipment	PPE - Building	5,423	Private	None	Mutation under process
Property, Plant and Equipment	PPE - Building	124	State Government	None	Mutation pending
Property, Plant and Equipment	PPE - Building	428	State Government	None	Mutation under process

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

As at 31 March 2023					
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reason for not being held in the name of the company
Property, Plant and Equipment	PPE - Free hold Land	0	CPWD	Relative of promoter	Mutation pending
Property, Plant and Equipment	PPE - Free hold Land	19,802	DOP	DOP	Court Case Pending
Property, Plant and Equipment	PPE - Free hold Land	1	DOP	Relative of promoter	Forest Land
Property, Plant and Equipment	PPE - Free hold Land	38,902	DOP	Relative of promoter	Mutation pending
Property, Plant and Equipment	PPE - Free hold Land	461,539	DOP	Relative of promoter	Mutation under process
Property, Plant and Equipment	PPE - Free hold Land	189,829	DOT	Promoter	Mutation pending
Property, Plant and Equipment	PPE - Free hold Land	1,907,549	DOT	Promoter	Mutation under process
Property, Plant and Equipment	PPE - Free hold Land	21,163	local Authorities	None	Mutation under process
Property, Plant and Equipment	PPE - Free hold Land	167,471	Private	None	Mutation under process
Property, Plant and Equipment	PPE - Free hold Land	54,813	State Government	None	Mutation pending
Property, Plant and Equipment	PPE - Free hold Land	57,864	State Government	None	Mutation under process
Property, Plant and Equipment	PPE - Free hold Land	6,016	State Govt	None	Mutation under process
Property, Plant and Equipment	PPE - Free hold Land	2	Surrendered, refund pending	None	Mutation under process
Property, Plant and Equipment	PPE- Freehold Land	766	DOT	Promoter	Mutation under process

**BHARAT SANCHAR NIGAM LIMITED**Notes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

As at 31 March 2023					
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reason for not being held in the name of the company
Property, Plant and Equipment	PPE-Building	800	DOT	Promoter	Mutation pending
Property, Plant and Equipment	PPE-Free hold Land	127,820	DOP	Relative of promoter	Mutation pending
Property, Plant and Equipment	PPE-Freehold Land	8	DOP	Relative of promoter	Forest Land
Property, Plant and Equipment	PPE-Freehold Land	798	DOP	Relative of promoter	Mutation pending
Property, Plant and Equipment	PPE-Freehold Land	11	DOP	Relative of promoter	Mutation under process
Property, Plant and Equipment	PPE-Freehold Land	8,107	DOT	Promoter	Mutation pending
Property, Plant and Equipment	PPE-Freehold Land	0	DOT	Promoter	Mutation under process
Right of use assets	ROU - Leasehold Land	680	DOP	Relative of promoter	Mutation under process
Right of use assets	ROU - Leasehold Land	385	DOT	Promoter	Mutation pending
Right of use assets	ROU - Leasehold Land	2,259	DOT	Promoter	Mutation under process
Right of use assets	ROU - Leasehold Land	1,082	local Authorities	None	Mutation under process
Right of use assets	ROU - Leasehold Land	1,070	Private	None	Mutation under process
Right of use assets	ROU - Leasehold Land	1	State Government	None	Mutation pending
Right of use assets	ROU - Leasehold Land	80	State Government	None	Mutation under process

BHARAT SANCHAR NIGAM LIMITEDNotes to the standalone financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

As at 31 March 2023					
Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Reason for not being held in the name of the company
Right of use assets	ROU - Leasehold Land	61	State Govt	None	Mutation under process
Right of use assets	ROU - Leasehold Land	263	DOT	Promoter	Mutation under process
Right of use assets	ROU- Leasehold land	62	DOT	Promoter	Mutation under process

Information in relation to "assets held since date" has not been disclosed considering its voluminous nature.

Above information, has been disclosed based on the information received from the circles.

76 The company has not been declared a wilful defaulter by any bank or financial institution or other lender.**77 Utilisation of Borrowed funds and share premium:**

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

78 Events after the Reporting Period**(a) Infusion of capital for settlement of AGR Dues**

In pursuance of Cabinet approval, communicated through DoT OM No. 20-28/2022-PR dated 02.08.2022, the GoI infused capital for settlement of AGR dues and subsequently Equity Shares were duly allotted on May 12, 2023 to the President of India (existing shareholder of the Company) by way of right issue. The Company has paid AGR dues to DoT on May 12, 2023 (Refer note 39 (a) & (c)).

**BHARAT SANCHAR NIGAM LIMITED****Notes to the standalone financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

(b) Settlement of AGR Dues

The company has made payment of INR 22,52,081 lakh towards settlement of LF/SUC liability (refer note 39 (a) & (c)).

- 79** There is no indication of any impairment of assets of the Company, on the basis of the company as a whole as a CGU under Indian Accounting Standards - 36 "Impairment of assets" as specified under Section 133 of the Companies Act, 2013.
- 80** No dividends have been paid during the period for equity shares and preference shares.

Sd/-
Paritosh Agarwal
Partner
Membership No. : 436238

Sd/-
P.K. Purwar
Chairman and Managing Director
DIN: 06619060

Sd/-
Rajiv Kumar
Director (Finance)
DIN: 09811051

Sd/-
Rajeev Singh
Principal General Manager
(Corporate Accounts)

Sd/-
J.P Chowdhary
Company Secretary and
General Manager (Legal)
M. No. F- 3726

Place : New Delhi
Date : 26-05-2023



Independent Auditors Report

To the Members of Bharat Sanchar Nigam Limited,

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying Standalone Financial Statements of Bharat Sanchar Nigam Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements"). These Standalone Financial Statements includes Financial Statements of 37 circles audited by Circle Auditors and one circle audited by us. The Financial Statements of the 37 circles audited by the Circle Auditors have been provided to us by the management and our opinion in so far as it relates to the amounts and disclosures included in respect of these circles is based solely on the report of such Circle Auditors.

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 other Auditors of the circles except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the State of Affairs (financial position) of the Company as at 31st March 2023 and its Loss (financial performance including other comprehensive income), Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

1. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by other Auditors in terms of their reports referred in Qualified Opinion para is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.
2. **Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT-**
 - a. As detailed in note 38 and 41(a) to the Standalone 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. The consequential impact on the Standalone Financial Statements, if any, as a result of the same is presently not ascertainable.



- b. As detailed in note 42 to the Standalone Financial Statements, amounts due from and due to DoT, included in current assets and current liabilities aggregating to Rs. 2,33,584 lakhs (31st March 2022 Rs. 2,31,235 lakhs) and Rs. 21,787 (31st March 2022 Rs. 1,09,104 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the Standalone Financial Statements is presently not quantifiable.

3. Revenue

- a. The Company has not applied definition of "Default" and "Assessment of Credit Risk" consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on Claim Recoverable from DoT and trade receivables from Other Government and/ or PSU sector entities. We have not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to conclude that claims recoverable from DoT, Trade Receivables, from Other Government and/ or PSUs sector entities, are having low credit risk.

We accordingly conclude that the credit risk on such financial instruments (i.e. claims recoverable from DoT, Trade Receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition.

We were not supplied the audit evidence to verify such balances as at 31st March 2023 and also about the write back of loss allowance in respect of such trade receivables as at March 31, 2023 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.

- b. Amount recoverable from Mahanagar Telephone Nigam Limited (MTNL) as per the Standalone Financial Statements is Rs 3,66,555 lakhs (31 March 2022 Rs 3,66,077 lakhs), is subject to confirmation and reconciliation by MTNL. We were not supplied the audit evidence to verify such balances as at March 31, 2023 and reconciliation of differences have not been concluded. Hence in our opinion, based upon the MTNL's counter claim for recovery, its liquidity and financial position and the recovery pattern, the provision of Rs 1,77,995 lakhs standing in the books of the company is insufficient. In our opinion the loss of the Company and the provision for loss allowance have been understated. However, in the absence of proper reconciliation the consequential impact of such understatement, if any, on the Standalone Financial Statements is not quantifiable.
- c. North East I Circle Auditors have reported that adequate explanation with regard to application of provisions that Ind AS 115 'Revenue from Contracts with Customers', were not provided. In the absence of adequate details and documents the consequential impact of the adjustments/ disclosures, if any, due to non- compliance, on the Standalone Financial Statements is presently not ascertainable.
- d. As reported by Circle Auditors of Karnataka Circle, reconciliation between Revenue and Amount Billed For has not been provided.
- e. As reported by Circle Auditors of Telangana Circle income from subsidy from USOF Rs. 340.04 Lakhs has been booked without fulfillment of terms and conditions of the agreement.
- f. As reported by the Auditors of Gujrat Circle balance with M/s. ITI Ltd. stands under the heads



Capital Advance of Rs. 62.13 lakhs, this is due to non-issuance of invoices by them timely. This has led to under-statement of loss and over-statement of assets.

4. Government Projects

- a. The Company has booked total income of Rs 95 lakhs (Previous Year Rs 4,255 lakhs), in respect of BNP-1 and other projects and Rs. 91,911 lakhs (Previous Year Rs 1,22,925 lakhs) in respect of BNP-2 Project. Auditors of the circle, where such Government projects are running, have reported that Income on these government projects has been booked based upon the communication received from the Head Office. These Auditors have expressed their inability to verify the correctness of the Income booked in the absence of the calculations/details. The consequential impact on the Standalone Financial Statements, if any, as a result of the same is presently not ascertainable.
- b. In respect of 'Network For Spectrum Project' (NFS), the project balance at the year end is Rs 1,11,582 lakhs, whereas, as per these Financial Statements, the balance as at the year end is Rs 27,397 lakhs. There is a difference of Rs 84,185 lakhs, between the project balance and the balance shown in the Financial Statements. Management has represented us that the same is under reconciliation. The consequential impact on the Standalone Financial Statements, if any, as a result of the same is presently not ascertainable.
- c. As per the information and explanations given to us, the Company has unutilized balance of Rs 2,78,235 lakhs out of the funds received from the Government of India for the execution of various Government Projects. The balance in Bank Accounts maintained for Government Projects as at 31st March 2023 are only Rs. 1,82,212 lakhs which signifies the utilization of funds by the Company for purposes other than the execution of Government Projects.

5. Property Plant & Equipment

- a. As reported by Auditors of CN (East), Jammu & Kashmir, West Bengal Network Circle, Sikkim, North East Task Force and North East I Circles Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if any, has not been worked out and quantified by the respective Circle Auditors.
- b. As reported by Circle Auditor of CN (South) and explained by Management Capital Work in Progress for one Business Area was wrongly classified by Rs. 42.61 lakhs.
- c. J&K, NE-I, Orrisa, Punjab, Uttarakhand, UP-East, Tamil Nadu and Chhattisgarh Circle Auditors have reported on the expired/ non-renewal of leases on lands on which the Company had constructed buildings and the fact that management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.
- d. As stated in note 3(i) and 41(c) to the Standalone Financial Statements, Property Plant and Equipment, inter alia, includes land pertaining to purchased/ acquired on leasehold/ freehold basis through various authorities including DOT, the deeds of which are yet to be executed in the name of the Company.



- e. The accounting policy of the Company as stated in note 2.1(c) to the Standalone Financial Statements with respect to Asset held for sale has not been uniformly applied across all circles. In Madhya Pradesh, NE-II, J&K, North East Task Force, Inspection and ALTTC have made specific reference of the same.

As per the Auditors of CN (North) Provision for Decommissioned Assets has not been correctly made as the Net Realizable Value was not ascertaining.

6. Inventories

Capital Work in Progress (Stores) amounting to Rs. 2,22,506 lakhs (Previous Year Rs. 2,77,649 lakhs) also includes Inventory items which are also being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidence, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.

7. Current Assets and Current Liabilities

- a. The Company has initiated a system of obtaining balance confirmations of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 28(a) and 42 of the Standalone Financial Statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable for the balances of Rs.25 lakhs and above. However, the said system is in a nascent stage. Confirmation letters have been issued in a very few cases and response is also very poor. Due to non- availability of confirmation and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, on the Financial Statements.
- b. Goods and Services Tax charged from customers should be booked under Trade Receivables, however, the same has been booked under Other Financial Assets. The total outstanding under this head is Rs. 1,16,025 lakhs (Previous Year Rs. 96,972 lakhs). This has also lead to inaccurate presentation of age-wise outstanding of Trade Receivables.
- c. As reported by Auditors of certain circles, there are differences between the general ledger and accounting records pertaining to loans and advances, current assets and current liabilities due to non-reconciliations. As the relevant information were not made available to them, the respective circle auditors could not quantify the impact of the above mentioned non reconciliations on the Standalone Financial Statements.
- d. As detailed in Note 13, the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs 22,923 lakhs (Previous Year Rs 23,416 lakhs). The difference of balances is incorrectly stated since only the net differences have been stated. The gross differences amount to Rs. 38,513 lakhs (Previous Year Rs 40,455 lakh). The impact of such difference on Revenues, Trade Receivables, License Fees and Spectrum Charges Payable, and GST liability on account of the same cannot be quantified.
- e. NE-II and Tamil Nadu Circle Auditors have reported delinquency in physical verification of inventory.



8. Inter/ Intra Circle Remittance Account

As detailed in note 43 to the Standalone Financial Statements, Inter-Circle/ Unit remittance balances amounting to Rs 18,770 lakhs (Credit) (previous year Rs. 15,146 lakhs (Credit) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable.

9. License Fee, Spectrum Charges and Inter-Connect Usage Charges

Adjusted Gross Revenue (License Fee/Spectrum Usage Charges) is under reconciliation with Department of Telecom and the consequential impact, if any of the same is presently not ascertainable.

10. Provisions, Contingent Liabilities, Commitments and Contingent Assets

The provisions and the disclosures with regard to matters under Litigation, Commitments and Contingent Assets have been made by the management based upon their estimates. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the Litigations, Commitments and Contingent Assets, the impact of adjustments/ disclosure, if any, on the Standalone Financial Statements is presently not ascertainable.

Miscellaneous

11. The Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended)-

- a. The Company has not carried out any techno-economic assessment during the year ended 31 March 2023 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Standalone Financial Statements is currently not ascertainable.
- b. The company claims that it's accounting for capital and revenue grant is in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". However, in the absence of the relevant audit evidences being made available to us, we could not verify the veracity of the claim and its consequential impact on the Standalone Financial Statements is presently not ascertainable.
- c. The accounting policy as referred to in Note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized on actual basis in respect of bills received by the Company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the Standalone Financial Statements is presently not ascertainable.
- d. The Company has not complied with Ind AS 109 "Financial Instruments", for recognition at and measurement at fair value of financial assets. The consequential impact of adjustment, if any, owing to this non-compliance on the Standalone Financial Statements is presently not ascertainable.



- e. The Company has partly complied with Ind AS 16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. The value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Value, nor calculated in appropriate method and the same has been calculated on estimated basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable.
- f. The Company has not identified and restated the prior year Financial Statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. The prior period items identified and reported by Circle Auditors are as under-

Circle	Balance Sheet Head	Amount (in lakhs)
Head Office	Indirect Expenses (Provision for Gratuity)	11,196.20
Chennai- Telecom	Indirect Expenses	664.00
Tamil Nadu	Indirect Expenses	4,435.89
CN (West)	Indirect Expenses	4649.54
Chhattisgarh	Other Income	39.46
Haryana	Indirect Expenses	13.07
Punjab	Indirect Expenses	130.00
Uttarakhand	Assets	156.46
Uttarakhand	Indirect Expenses	64.75

In the absence of specific details, the consequential impact of adjustments, if any, on the Standalone Financial Statements is presently not ascertainable.

- 12. The disclosure requirements of the Schedule III, Division II of the Act and the disclosure requirements of applicable Ind AS have not been properly adhered to in the presentation and disclosure of Standalone Financial Statements of the Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, where applicable; capital and other commitments and expenditure and earnings in foreign currency.
- 13. The Company should establish a Standard Operating Procedure to reconcile the TDS and TCS available for BSNL. From the working provided to us it is evident that the Income Tax Credit available as per the Income Tax Portal exceeds the amount deducted from the Vendors balance. This implies that the balance in Trade Receivables is overstated and when Income Tax Refund would be received the Income Tax Recoverable would show credit balance.
- 14. CN (North), Jammu & Kashmir, Orrisa, Sikkim, CN (South), Tamil Nadu, Chhattisgarh, UP (West), NE II and NE I Circle Auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these Standalone Financial Statements.



As reported by Auditors of UP East last posting of invoices led to loss of ITC.

Auditor of Uttarakhand Circle has reported twice reversal of ITC of Rs. 22.41 lakhs in the book of accounts.

The different Circles of the Company are constituted by multiple Business Areas. The GST Registrations are taken State-wise and different Circles cannot be directly attributed to a specific GST Registration. Hence, Registration-wise reconciliations shall be made to ascertain the financial impact on the Company as a whole.

15. As detailed in notes (c) and (d) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement.
16. Certain subsequent events or circumstances may have occurred between the auditor's report date of the respective circles of the Company and that of this audit report. Such events or circumstances could significantly affect the accompanying Standalone Financial Statements or the related disclosures forming part of these Standalone Financial Statements of the Company. In the absence of sufficient appropriate audit evidence in respect of the other circles, the impact of adjustments, if any, or disclosures to be included in these Standalone Financial Statements of the Company cannot be ascertained.
17. The Standalone Financial Statements for the previous year ended 31st March, 2022 were qualified in respect of the matters stated in paragraphs 2a, 2b, 3a, 3b, 3c, 4a, 4b, 4c, 5a, 5c, 5d, 5e, 6, 7a, 7c, 7d, 8, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12, 14, 15 and 16 above. The impact where ascertainable was reported there along-with.

Emphasis of Matter

18. Reference is invited to Note 61 of the Notes to Accounts, whereby in terms of the decision of the Union Cabinet, the Fiber Assets of the Company are to be monetized. This monetization may have an adverse effect on the gross revenues and profitability of the company.
Our report is not qualified on that matter.
19. The Company could not redeem 9% Preference Share Capital amounting to Rs. 7,500 Crores due on 2nd May 2022 before the appointed date (Refer Note No. 23 to the Standalone Financial Statements) due to lack of funds and distributable profits. The issuance of preference shares has been approved in EGM of the company held in September, 2022 and the result of petition filed in National Company Law Tribunal for approval is awaited.
20. The Company needs to strengthen its control and circulate uniform policies to the Circles towards dues to MSME and interest due on overdue balances to MSME.

Key Audit Matters

21. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters



described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	Standalone Financial Statements include Financial Statements of 37 circles audited by the respective Circle Auditors and 1 circle audited by us. Hence, numbers in the Standalone Financial Statements are consolidated figures of 38 circles of the company.	The company has compiled and consolidated from the respective Financial Statements of 38 circles in order to arrive at the numbers of Standalone Financial Statements. We have verified the compilation on test check basis and the figures have been reclassified, rearranged and regrouped wherever considered necessary.
2.	Auditors' Report on the Standalone Financial Statements include the comments and qualifications of 37 circles audited by the respective Circle Auditors and 1 circle audited by us.	In compiling our audit report on the Standalone Financial Statements we have taken into consideration the reports of the Circle Auditors. The qualifications and comments of the respective Circle Auditors have been reviewed, rephrased and revisited after analyzing the same and obtaining explanation from those charged with governance.

Other Matters

22. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the Standalone Financial Statements and our Auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement of this other information we are required to report that fact.

When we read the other information if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibility of Management and those charged with Governance for Standalone Financial Statements

23. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the Standalone financial position, Standalone financial performance, Standalone changes in equity and Standalone cash flows of



the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

24. In preparing the Standalone Financial Statements, the Board of Directors of the Company are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
25. The Board of Directors the Company are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

26. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
27. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management's use of the going concern basis of



accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 28. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- 29. The Companies (Auditor's Report) Order 2020 ("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.
- 30. 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.
- 31. Further to our comments in Annexure I & II, as required by section 143 (3) of the Act, and based on the Auditors report of the circles, we report that:
 - a. We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Standalone Financial Statements;
 - b. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and reports of other Auditors;
 - c. The matters described in the Basis for Qualified Opinion para above, in our opinion may have an adverse effect on the functioning of the Company;
 - d. The reports on the accounts of the circles of the Company audited under section 143(8) of the Act by the Circle Auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - e. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the Standalone Financial Statements dealt with this report are in agreement with the books of accounts;
 - f. Except for the effects/ possible effects of the matters described in the Basis for Qualified

Opinion paragraph, in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

- g. Since, the Company is a Government Company, section 164(2) of the Companies Act, 2013 regarding obtaining written representations from the directors of the Company, is not applicable to the respective companies in terms of notification no. GSR-463(E), issued by Ministry of Corporate Affairs;
- h. The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph
- i. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-III";
- j. As per notification number GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable, since the Company is Government Company; and
- k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the effects/ possible effects of the matters described in paragraph 11(a) of the Basis of Qualified Opinion above, as detailed in Note 49A to the Standalone Financial Statements, the Company has disclosed the impact of pending litigations on its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Company;
 - iv.
 - 1. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - 2. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf



of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

3. Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Company
- vi. The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For **Ramesh C Agrawal & Co.**
Chartered Accountants
Firm's Registration No.: 001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238
UDIN: 23436238BGUTOX7281

Place : New Delhi
Date : 26-05-2023



Annexure I to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Ltd on the Standalone Ind AS financial statements for the year ended 31st March 2023

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Standalone Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in auditor's reports of all the circles and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except in case of 13 circles, where such records have either not been maintained or are not appropriately maintained.
- (B) The company has maintained proper records showing full particulars of Intangible Asset except in case of 1 circle, where such records have either not been maintained or are not appropriately maintained.
- (b) In case of 18 circles the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
In case of 3 circles the Property, Plant and Equipment have been physically verified by the management during the year but the circle auditors have not commented upon the material discrepancies, if any. In our opinion, the frequency of verification of the Property, Plant and Equipment is reasonable having regard to the size of the company and the nature of its assets.
Further, in case of 4 circles, the Property, Plant and Equipment have not been physically verified by the management during the year and in case of 2 circles, physical verification was not carried out at reasonable intervals.
In case of 8 circles though the management has conducted physical verification of Property, Plant and Equipment but no documentary evidence were provided.
In case of 2 circles though the management has conducted physical verification of Property, Plant and Equipment but it is inadequate to size of company.
- (c) 2 circles does not have any immovable property. Accordingly the provisions of clause 1(c) not applicable in respect of this circle.
In case of 36 circles, the title deeds of all the immovable properties are not held in the name of the Company are attached in Appendix I.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year as reported by auditors of 32 Circles.
In case of UP (West) circle Addition/ Adjustment / Depreciation / De-commissioned to fixed asset as reflected in note 3(i) Property, Plant , Equipment (Fixed Asset Schedule) for the year 2022-23 remained unverified due to non-production of supporting documents. In absence of adequate information, the consequential impact on the financial statement cannot be ascertained.



- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ALTTC circle has transferred land of the carrying value of Rs.161,47,23,400 to Telangana Circle. No explanation could be given with regards to the ultimate effect of such transaction on statutory compliances, on the state of affairs and profit and loss of Circle except the said amount is deducted from Gross amount, the basis for arriving at such is not explained;

In case of 6 circles, no comments have been made by the respective branch auditors.

- (ii) (a) In case of 13 circles the management has conducted physical verification of inventory at reasonable intervals during the year.

In case of 11 circles the frequency of physical verification is inadequate in relation to the size and nature of business of the circle.

In case of 3 circles though the management has conducted physical verification of inventory but no documentary evidence was provided. Further in case of 2 circles documentary evidence is not sufficient to provide us a basis for forming an opinion.

In 4 circles, material discrepancies noticed on physical verification have not been properly dealt with in the books of accounts.

2 circles do not have inventory. Accordingly, the provisions of clause 3(ii) of the order are not applicable in respect of these circles.

In case of 1 circle physical verification of inventory was not conducted by the circle and the different business areas which fall within the purview of the circle. Hence, it is not possible for us to comment whether there is any material difference between inventory as per books and actual.

In case of 1 circle, auditors were unable to comment upon the physical verification of the inventories and the discrepancies, if any, therefore, we are unable to comment on the discrepancies which could have been arisen between physical inventory and book records.

- b) The Company has not been sanctioned working capital limits in excess of 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

- (iii) The company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Hence, reporting under clause 3(iii) of the Order is not applicable.

- (iv) In our opinion, the Company has not entered into any transactions covered under Section 185 of the Act. However, in our opinion the Company has complied with the provision of Section 186 of the Act in respect of loans, investments, guarantees and security.

- (v) The Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) except in case of Assam

circle where the circle has advances from customers which are lying unadjusted for more than a year. Relevant rules in this case have not been followed by the circle. Apart from this, in our opinion, the circle has complied with the directives issued by the Reserve Bank of India and the provisions of section 73 & 76 or any other relevant provisions of the Companies Act and the rules framed there under. As per available information, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.

- (vi) As information and expiation given by the management company is regular in maintaining cost records as prescribed under sub-section (1) of section 148 of the Act in respect of Company's services.
- (vii) (a) Circles have generally has been regular in depositing undisputed statutory dues, including Goods & Service tax, Provident Fund, Employees State Insurance, Income Tax, Sales Tax and other material statutory dues applicable to them with the appropriate authorities.

However, in 16 Circles, there were undisputed amount payable in respect of Statutory dues, which were outstanding at the year end for a period of more than six months from the date they became payable. The list is attached in Appendix -II.

- (b) In case of 8 circles, there are no dues in respect of income-tax, sales-tax, service-tax, duty of custom, duty of excise, value added tax and goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.

Further in case of 28 circles, the dues outstanding in respect of income-tax, sales-tax, duty of custom, duty of excise, value added tax and goods and services tax on account of any dispute have been detailed in Appendix-III.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) The company has not been declared willful defaulter by any bank or financial institution or other lender hence, reporting under clause 3(ix)(b) of the Order is not applicable.
- (c) As per information and explanation given by the management, the circles have not obtained any term loan and therefore, the provisions of Clause 3(ix)(c) of the Order are not applicable.
- (d) As per information and explanation given by the management The Circle has not raised any funds on short term basis. Hence, reporting under clause 3(ix)(d) is not applicable to the Circle.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, hence reporting under clause 3(ix)(e) of the Order is not applicable.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies hence reporting under clause 3(ix)(f) of the Order is not applicable.



- (x) (a) In our opinion and according to the information and explanations given to us, the Company did not raise the moneys by the way of initial public offer or further public offer (including debt instruments). Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (b) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause X(b) of Paragraph 3 of the Order is not applicable to the company.
- (xi) (a) 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.
- (b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year.
- (xii) In Company is not a Nidhi Company, accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related parties are in compliance with Section 177 and 188 of the Companies Act 2013, where applicable, and details of related party transactions have been disclosed in the standalone Ind AS financial statements at note No 46 as per Indian accounting standards.
- (xiv) (a) In case of 26 circles have an adequate internal audit system commensurate with the size and the nature of its business.

In case of 6 circles not have an adequate internal audit system commensurate with the size and the nature of its business.

In case of 5 circles unable to comment on adequate internal audit system commensurate with the size and the nature of its business.
- (b) In have considered the reports of the Internal Auditors for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with it covered under section 192 of the Act. Hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c), (d) of the Order is not applicable.



- (xvii) The company have incurred cash losses during the financial year covered by our audit of Rs. 2,50,295 lacs for current financial year and Rs. 1,67,358 lacs the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;
- (xix) We observe that the current liabilities exceed current assets of the Company. However, during the course of audit we have been informed that various revival measures taken by the Government earlier and efforts of the management have resulted in savings in OPEX, lowering the losses and reduction of current liabilities of the company.
- We have also been informed that several proposals are under consideration of the Government namely fresh issue of shares to redeem the preference shares, viability gap funding for rural wire-line operation, non-cash settlement of License Fees, Spectrum dues and others are under active
- (xx) The Company is incurring loss from last two years accordingly the provision of clause 3(xx) of the Order is not applicable.
- (xxi) The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For Ramesh C Agrawal & Co.
Chartered Accountants**
Firm's Registration No.:001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238

Place : New Delhi
Date : 26-05-2023



Appendix II - Details of undisputed statutory dues due for over six months on the Standalone Ind AS Financial Statements for the year ended 31 March 2023

Sl. No.	Name of the circle	Circle no	Name of the Statute	Nature of the Dues	Amount (in Rs. Lakhs)	Period to which the amount relates
1	Telangana	1012	Mines and Minerals Act	Seigniorage Fee payable	3.46	2015-2023
2	Telangana	1012	State/Local Laws	Municipal & Property Taxes	146.57	2018-2022
3	Telangana	1012	Finance Act 1994-Service Tax	Service Tax	50.96	Information not provided by the Management
4	Chhattisgarh	1015	EPFO		1.33	
5	Gujarat	1016	Employees State Insurance	ESIC	5.41	
6	Jharkhand	1020	ESIC	ESIC	2.17	
7	Karnataka	1021	Employees Provident Fund	Employees Provident Fund	6.37	2022-2023
8	Karnataka	1021	Finance Act 1994	Service tax payable	18.62	Prior to 2017
9	Maharashtra	1024	ESIC –Employer Contribution		3.98	
10	Maharashtra	1024	ESIC -Employee Contribution		0.92	
11	North East - I	1025	Service Tax		185.40	
12	North East - I	1025	Professional Tax		5.81	
13	North East - I	1025	Work contract tax and building & Other Cess		18.15	
14	Tamil Nadu	1030	Professional Tax		6.30	
15	Tamil Nadu	1030	ESIC		0.65	

Sl. No.	Name of the circle	Circle no	Name of the Statute	Nature of the Dues	Amount (in Rs. Lakhs)	Period to which the amount relates
16	UP (East)	1031	Employees State Insurance		19.00	
17	Uttaranchal	1033	Employees State Insurance		0.65	
18	Chennai Telephones	1036	EPF		5.01	
19	Sikkim	1038	Work contract tax and building & Other Cess		1.10	
20	Core Network West	1051	Employees State Insurance		0.78	2019-2020
21	Core Network South	1053	License Fee to TRAI		1761.23	Not a statutory dues
22	Core Network NE Region	1064	ESI		1.22	Period cannot be ascertained
23	Core Network NE Region	1064	Professional Tax		4.47	Period cannot be ascertained
24	R & P	1093	Tax Deducted at Source		1.80	
25	BBNW	1091	Professional Tax liability	Payment of Professional Tax	0.29	
26	BBNW	1091	The Employees Provident Funds and Miscellaneous Provisions Act, 1952	Contribution to PF	0.38	
			Total		302.63	



Appendix III to Annexure I to the Independent Auditors's Report of even date to the member of Bharat Sanchar Nigam Limited on the Standalone Ind AS Financial Statements for the year ended 31 March 2023

Sl. No.	Circle Code	Name of Circle	Name of Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
1	1011	Andaman	Finance Act 1994	Service tax	837.22	2003-2011	0.00	CESTAT	
2	1011	Andaman	Raju Mullick & Others Vs CGMT	Implementation of RLC@Order	14.31	2017-18	0.00	High Court	
3	1012	Telangana	AP VAT Act	Sales Tax	48926.60	1997 - 2010	3928.62	The H'nble Supreme Court	
4	1012	Telangana	Income Tax Act,1961	TDS not recovered on the discount allowed to franchisee.	1182.49	2008 - 2011	1182.49	High Court	
5	1012	Telangana	Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	659.72	2003 - 2011	0.00	High Court	
6	1012	Telangana	Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	203.01	2012 - 2014	0.00	CCE	
7	1012	Telangana	Finance Act 1994-Service Tax	Irregular Availment of Cenvat Credit-CMTS	70.38	2014 - 2016	0.00	CESTAT	
8	1013	Assam	Service Tax & LF & SUC	LF & Spectrum Usage charges & ST	8170.86	2007 - 2017	0.00		
9	1013	Assam	Finance Act 1994-Service Tax	Service Tax	343.27	2002 - 2006	0.00	CESTAT	
10	1013	Assam	Finance Act 1994-Service Tax	Service Tax	347.49	1997-2002	0.00	High Court	
11	1014	Bihar	EPF		73.69	1996 - 2018	56.12	APFC	
12	1014	Bihar	EPF		157.49	2000 - 2010	153.02	High Court	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in Lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
13	1014	Bihar	EPF	EPF	2.69	2002 - 2005	0.00	Tribunal	
14	1014	Bihar	Entry Tax	ET	131.50	2004 - 2011	105.41	DCCT/CCT Appeal	
15	1014	Bihar	Entry Tax	ET	253.20	2008-09	205.26	High Court	
16	1014	Bihar	GST	ITC	54.40	2017-18	0.00	Asstt Commisioner	
17	1014	Bihar	Income Tax	TDS	9.85	2015 -2018	9.85	ACIT	
18	1014	Bihar	ST	ST	8847.10	2000 - 2011	1100.66	CESTAT	
19	1014	Bihar	ST	ST	2367.16	2002 -2011	18.09	Commissioner	
20	1014	Bihar	ST	ST	714.51	2000 -2004	200.00	High Court	
21	1014	Bihar	ST+ CENV/AT +Int.	ST+ CENV/AT +Int.	1409.70	2014 - 2017	0.00	Principal commr	
22	1014	Bihar	VAT	VAT	110.11	2005 -2007	13.83	Tribunal	
23	1014	Bihar	VAT	WCT	489.69	2007-2008	350.37	High Court	
24	1015	Chhattisgarh	Service Tax	Service Tax	628.70	2000-2004	0.00	High Court	
25	1015	Chhattisgarh	EPF	EPF	279.19	2013 - 2014	0.00	EPF Tribunal	
26	1015	Chhattisgarh	Service Tax	Service Tax	1677.93	2014-2017	0.00	CESTAT	
27	1015	Chhattisgarh	Service Tax	Service Tax	366.80	2014-2017	0.00	Commissioner (Appeals)	
28	1016	Gujarat	Income Tax Act 1961	TDS on discount	21.66	2009-10	0.00	Commissioner Income Tax (Appeals)	
29	1016	Gujarat	Income Tax Act 1961	Penalty on TDS not deducted	11.78	2008-09	0.00	ITAT, Rajkot	
30	1016	Gujarat	Bombay Stamp Act, 1958	Stamp duty and penalty on application forms	471.65	2007-08	117.91	Gujarat High Court	



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
31	1016	Gujarat	Employees' Provident funds and Miscellaneous Provisions Act 1952	Penalty, Interest & Damages Charge	92.93	2000-2021	42.33	RPFO/EPFO/APFO/ CGIT	
32	1016	Gujarat	Finance Act, 1994 (Service Tax)	CENVAT Disallowed and Interest and penalty	458.24	2010-2011	0.00	Gujarat High Court	
33	1016	Gujarat	Finance Act, 1994 (Service Tax)	CENVAT Disallowed/Short Payment	1288.78	2004-2014	0.00	CESTAT	
34	1016	Gujarat	Finance Act, 1994 (Service Tax)	Short Payment of Service Tax, Interest and Penalty	402.33	2009	0.00	CESTAT	
35	1016	Gujarat	Service tax (Finance Act 1994)	Service Tax Refund & Interest	764.04	2009-2012	0.00	CESTAT	
36	1016	Gujarat	Service tax (Finance Act 1994)	Service Tax	64.32	2008-2012	27.99	Commissioner (Appeals)	
37	1016	Gujarat	GST	Trans-1 Cess Credit/ RCM on Postal Expenditure	435.11	2017-2018	0.00	CGST	
38	1017	Haryana	Finance Act 1994	Service Tax	364.92	2007 - 2018	8.84	CESTAT	
39	1017	Haryana	Finance Act 1994	Service Tax	24.76	2014-2017	0.00	Commissioner of Central	
40	1017	Haryana	Finance Act 1994	Service Tax	22.59	2010 - 2015	3.95	Commissioner (Appeal)	
41	1017	Haryana	Finance Act 1994	Service Tax	679.25	2009 - 2014	0.00	Commissioner (Tax Division)	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demande(d (Rs.in lakh)	Period to which dues relates	Amount deposit- ed (Rs. lakh)	Forum where dispute is pending	Remarks
42	1017	Haryana	Finance Act 1994	Service Tax	3.80	2009 - 2013	0.66	Deputy Commis- sioner, Central Excise	
43	1017	Haryana	Finance Act 1994	Service Tax	86.17	2003 - 2006	0.00	Pending in High Court	
44	1018	HP	Cenvat Credit	Cenvat Credit	190.18	2014 - 2016	0.00	CESTAT	
45	1018	HP	Income Tax Act	Income Tax Act	37.36	2014 - 2015	0.00	High court	
46	1018	HP	EPF ACT	EPF ACT	27.81	2017 - 2018	0.00	EPF Appellate Tribunal	
47	1020	Jharkhand	Finance Act 1994	Service tax	3294.76	2001-2009	0.00	CESTAT Kolkata	
48	1020	Jharkhand	Finance Act 1994	Service tax	63.52	2008-10	0.00	Commissioner, Ranchi	
49	1020	Jharkhand	EPF Act 1952	EPF Liability	347.44	2002-2011	0.00	High Court, Ranchi	
50	1020	Jharkhand	EPF Act 1952	EPF Liability	153.74	2000-2015	0.00	CGIT	
51	1021	Karnataka	Karnataka Value Added Tax Act, 2017	value added tax	638200.46	2011, 2015	0.00	Hon'ble Supreme Court	
52	1021	Karnataka	Finance Act, 1994	Service Tax/Cenvat	3508.73	2004-2018	28.78	CESTAT	
53	1021	Karnataka	Finance Act, 1994	Cenvat	439.76	2008-2009	0.00	High Court	
54	1021	Karnataka	Property Tax	Property Tax	786.54	2002-2021	0.00	Govt. of Karna- taka	



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
55	1021	Karnataka	The Karnataka Tax on Professional, Trades, Callings And Employment Act, 1976	Professional Tax	108.10	2020	0.00	Karnataka Appellate Tribunal	
56	1021	Karnataka	The Karnataka Tax on Professional, Trades, Callings And Employment Act, 1976	Professional Tax	40.91	2019-2020	0.00	Hon'ble High Court	
57	1021	Karnataka	Karnataka State Tax	Tax on towers	0.24	2018	0.00	Karnataka Appellate Tribunal	
58	1021	Karnataka	Professional Tax	Professional Tax	132.28	2013-2014	0.00	Karnataka Appellate Tribunal	
59	1021	Karnataka	Karnataka Value added Tax act,2017	Value Added Tax on Scrap	5.87	2015-2017	0.00	Karnataka Appellate Tribunal	
60	1021	Karnataka	Karnataka Value added Tax act,2017	Non Submission of Form	3.28	2017-2018	0.00	Karnataka VAT Deptt	
61	1022	Kerala	Excise	Avallment of Cenvat credit on excise duty i/r/o cable	4.67	2008	2.34	Commissioner of Central excise (Appeals)	
62	1022	Kerala	Sales Tax	Non payment of Sales Tax on other income	243.80	2003-2005	0.00	Hon'ble High court	
63	1022	Kerala	Service Tax	Cenvat Credit	87.29	2005-2006	0.00	CESTAT	
64	1022	Kerala	Service Tax	Cenvat on Rent a cab	5.96	2013 - 2014	0.00	CESTAT	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demande(d (Rs.in lakh)	Period to which dues relates	Amount deposit- ed (Rs. lakh)	Forum where dispute is pending	Remarks
65	1022	Kerala	Service Tax	Cenvat on Rent a cab	14.32	2012 - 2014	0.54	Commissioner Appeals	
66	1022	Kerala	Service Tax	Cenvat on Rent a cab	11.48	2015 - 2017	0.86	Commissioner of Central Excise Kochin	
67	1022	Kerala	Service Tax	Short levy	63.54	2005	4.77	CESTAT	
68	1022	Kerala	Service Tax	SERVICE TAX	55.42	2011 - 2014	8.90	CESTAT	
69	1022	Kerala	Service tax	ineligible Cenvat credit availment	73.75	2011 - 2013	3.04	Commissioner of Central excise (Appeals)	
70	1022	Kerala	Service Tax	Service tax and penalty for PCO Commission	69.52	2008-09	0.00	CESTAT	
71	1022	Kerala	Service Tax	Service tax on Rent a cab	106.89	2013 - 2015	0.00	CESTAT	
72	1022	Kerala	Service Tax	Service tax under POT and cenvat on Rent a cab	2.19	2013-2014	0.00	CESTAT	
73	1022	Kerala	Service Tax	Short payment of Service Tax and Credit	104.63	2005 - 2015	0.00	CESTAT	
74	1022	Kerala	Service Tax	ST on Deputation and Liquidated damages	9.72	2012 - 2014	0.00	CESTAT	
75	1022	Kerala	Service Tax	ST payable on discount/ commission	137.14	2008 - 2021	5.11	CESTAT	
76	1022	Kerala	Service tax	Disallowance of CENVAT credit	86.80	2005-2006	0.00	Deputy Commis- sioner (Appeals)	



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
77	1023	Madhya Pradesh	Pending Court Cases on Account of Service Tax, Central Excise, Sales Tax, Entry Tax, Commercial Tax, Provident Fund	Pending Court Cases on Account of Service Tax, Central Excise, Sales Tax, Entry Tax, Commercial Tax, Provident Fund	17261.65	2006-2023	2701.62	With various departments	
78	1024	Maharashtra	Central Board of Excise and Customs	Tax, Penalty & Interest	600.75	NA	0.00	Addl. Commissioner (Central Excise, Mumbai)	
79	1024	Maharashtra	Central Board of Excise and Customs	Tax, Penalty & Interest	203.94	NA	0.00	CESTAT	
80	1024	Maharashtra	Central Board of Excise and Customs	Tax, Penalty & Interest	756.50	NA	0.00	Commissioner (Central Excise, Mumbai)	
81	1024	Maharashtra	Central Board of Excise and Customs	Tax, Penalty & Interest	422.85	NA	0.00	Joint Commissioner (Central Excise, Mumbai)	
82	1024	Maharashtra	Finance Act 1994, Service Tax	Service Tax Claim	39.07	NA	0.00	The High Court Mumbai, Panjim Bench	
83	1024	Maharashtra	Finance Act 1994, Service Tax	Wrong availment of CENVAT	1878.58	NA	0.00	Under Appeal with CESTAT, Mumbai	
84	1024	Maharashtra	Finance Act 1994, Service Tax	Cen. Cr. Availed on parts of Tower Material	573.04	NA	0.00	Under Appeal with CESTAT, Mumbai	
85	1024	Maharashtra	Finance Act 1994, Service Tax	Free Usage of GSM to BSNL Employees, Non-submission of invoices etc.	39159.45	NA	0.00	Under Appeal with CESTAT, Mumbai	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
86	1024	Maharashtra	Finance Act 1994, Service Tax	Incorrect Adjustment under Rule 6(3) in Part D	2234.04	NA	0.00	Under Appeal with CESTAT, Mumbai	
87	1024	Maharashtra	Finance Act 1994, Service Tax	Non Payment of service tax on late payment/surcharge received recovered from various customers	1014.26	NA	0.00	Under Appeal with CESTAT, Mumbai	
88	1024	Maharashtra	Finance Act 1994, Service Tax	Non-reversal of cenvat credit, Incorrect availment of cenvat credit.	11602.14	NA		Appeal in CES-TAT	
89	1024	Maharashtra	Maharashtra VAT Assessment Order	Appeal against Assessment Order	684.10	NA	0.00	Joint/Deputy Commissioner of Appeal	
90	1024	Maharashtra	Maharashtra VAT	Reassessment with Dy. Commissioner	675.42	NA	0.00	Dy Commissioner of Sales Tax	
91	1024	Maharashtra	Income Tax Act 1961	Short Payment & Short Deduction of TDS	67.54	NA	0.00	Bombay High Court/ TRACES	
92	1024	Maharashtra	CGST Act 2017	Incorrect availment of Cenvat credit	180.82	NA	0.00	Under appeal with Commr- Appeals GST	
93	1024	Maharashtra	CCST Act 2017	Credit notes issued in FY 2017-18	629.74	NA	0.00	Under appeal with Jt. Commr- Appeals	
94	1027	Orissa	Orisha Sales Tax	Sales tax on Telephone Rentals and handset and RENT OF LANDLINES	1822.71	1985 - 2005		High Court	



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
95	1027	Orissa	CPC 1908	Misc Cases	69.53	2015-2021	0.00	Lok Adalat/ Civil Court	
96	1027	Orissa	Consumer Protection Act'1986	TR billing/ Telephone dues etc	36.75	2014-2021	0.00	Consumer forums	
97	1027	Orissa	EPF & MP Act, 1952	Demand of EPF Contribution of Employee & Employer	169.93	2000-2017	8.80	EPFO/High Court	
98	1027	Orissa	Workmen compensation Act	Death Claim	80.57	2005-2017	0.00	WORKMENS COMPENSATION COMMISSIONER /Distr Labour Court	
99	1027	Orissa	SERVICE TAX ACT	SERVICE TAX	201.00	2016-17	0.00	CESTAT, COMMISSIONER (APPEAL)	
100	1027	Orissa	Orissa Land Acquisition Act 2013	PONKAPAL TELEPHONE EXCH LAND DISPUTE	0.61	2013-14	0.00	IAGATSINGPUR DISTRICT AND SESSION JUDGE	
101	1027	Orissa	Contract Labour Regulation & abolition Act,1970	CONTRACTUAL WORKERS WAGES	9.90	2011-2016	0.00	CAT	
102	1028	punjab	Service Tax Act	Adjustment of Excess Service Tax paid	52.13	2007 - 2008	0.00	CESTAT	
103	1028	punjab	EPF ACT 1952	EPF OF CONTRACUTAL EMPLOYEE	1934.71	2012 - 2015	580.41	EPF APPLANTE TRIBUNAL/LABOUR COURT	
104	1028	punjab	EPF ACT 1952	EPF assessed on contract labour	13.66	2004 - 2010	5.47	CGIT	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
105	1028	punjab	EPF ACT 1952	EPF	46.83	2002 - 2004	0.00	High. Court	
106	1028	punjab	SALES TAX	CST , Penalty &Interest	81.72	2009 - 2010	0.00	DET C	
107	1028	punjab	VAT Act	VAT , Penalty &Interest	1723.52	2009 - 2015	211.09	DET C	
108	1028	punjab	CST Act	CST , Penalty &Interest	49.37	2011 - 2012	10.05	DET C	
109	1028	punjab	SALES TAX	VAT ON BROAD BAND	149.42	2007 - 2008	0.00	High. Court	
110	1028	punjab	Service Tax Act	Service Tax	24.95	2012-2017	7.49	High Court/Su-preme Court	
111	1028	punjab	VAT Act	VAT , Penalty &Interest	340.17	2015-16	0.00	High Court	
112	1028	punjab	Service Tax Act	Cenvat Credit	4.89	-	0.00	Commissioner (Appeal)	
113	1029	Rajasthan	Income tax	Short deduction of TDS	6.42	2008-2009	0.00	High Court	
114	1029	Rajasthan	Service Tax	cenvat credit	240.40	2008-2015	0.00	CESTAT	
115	1029	Rajasthan	Service Tax	Service Tax	5013.68	2015-2020	0.00	High Court	
116	1029	Rajasthan	Service Tax	Service Tax	47.86	2017	0.00	Special Commis-sioner, SGST, Jaipur	
117	1030	Tamil Nadu	Sales Tax	Sales Tax	16.17	2015-16	0.00	Appellate Dy. Commissioner (CT) Chennai	
118	1030	Tamil Nadu	Service Tax	Service Tax	148.55	2014-15	0.00	CCE&ST/ Tirunelveli	

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Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demande (Rs.in lakh)	Period to which dues relates	Amount deposit- ed (Rs. lakh)	Forum where dispute is pending	Remarks
119	1030	Tamil Nadu	Service Tax	Service Tax	674.58	2009-2018	0.00	CESTAT/CHEN- NAI	
120	1030	Tamil Nadu	TDS Default Case	TDS Default Case	145.26	NA	0.00		
121	1031	UP (East)	10479/2019	EPF recovery from contractor	3.61	2019	0.00	High Court	
122	1031	UP (East)	Cenvet Credit Rules 2004	Service Tax	1859.47	2005-2009	0.00	Central Excise Appeal	
123	1031	UP (East)	case no27971/2018	ESIC contribution	21.93	2012-2018	0.00	High Court	
124	1031	UP (East)	Entry of Goods into Local Areas Act 2007	Entry Tax	99.75	1986-2005	0.00	Deputy Commis- sioner Trade Tax Varanasi	
125	1031	UP (East)	Entry Tax	Entry Tax	81.73	2009-10	0.00	Commercial Tax Tribunal, Luc- know	
126	1031	UP (East)	Entry Tax	Entry Tax	12.39	2014	0.00	Hon'ble High Court	
127	1031	UP (East)	EPF	14B Damages	61.64	2000-2019	0.00	Appeal No.08/2022	
128	1031	UP (East)	ESIC contribution	contribution	5.41	2018-2019	0.00	ESIC,SRO,Luc- know	
129	1031	UP (East)	Finance Act 1994	Service Tax	16960.97	2000-2011	0.00	CESTAT	
130	1031	UP (East)	Income Tax	TDS on Discount	64.22	2009-2012	0.00	Income Tax Ap- pellate Tribunal Lucknow	
131	1031	UP (East)	Sales Tax, Unnao	Entry Tax / Penalty	5.48	2006	0.00	Assistant Com- missioner, Sales Tax, Unnao	
132	1031	UP (East)	UP Trade Tax act, 1948	TRADE TAX	48.79	1987-2009	0.00	Assitt.Commis- sioner Trade Tax	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
133	1031	UP (East)	UP Trade Tax act, 1948	UP VAT	87.04	1987-2009	0.00	Deputy/Assitt. Commissioner Trade Tax	
134	1031	UP (East)	UP Trade Tax Act	Trade Tax	137.85	2005-2008	0.00	Commercial Tax Tribunal, Lucknow	
135	1031	UP (East)	UP Trade Tax act, 1948	Trade Tax	17.98	2003-04	0.00	High Court	
136	1031	UP (East)	UP Trade Tax act, 1948	Trade Tax	1.67	2003-2004	0.00	Court, First Appelatte officer, trade Tax	
137	1031	UP (East)	UP Trade Tax act, 1948	UP VAT	2.68	1987-2001	0.00	Hon'ble High Court	
138	1031	UP (East)	UP Trade Tax act, 1948	Entry Tax	52.45	2001-2005	0.00	Hon'ble Supreme Court	
139	1031	UP (East)	UP Trade Tax act, 1948	UP VAT	74.79	2007-08	0.00	Tribunal (Trade Tax)	
140	1031	UP (East)	UP VAT Act,2008	UP VAT	45.60	2010-2018	0.00	1 st appeal pending	
141	1031	UP (East)	UP VAT Act,2008	UP VAT	720.64	2008-2016	0.00	Commercial Tax Tribunal, Lucknow	
142	1031	UP (East)	UP VAT Act,2008	UP VAT	48.20	2007-08	0.00	Hon'ble High Court	
143	1032	UP(West)	CENTRAL EXCISE ACT	EXCISE DUTY	10.20	1999-2000	0.00	HIGH COURT	
144	1032	UP(West)	EPF ACT	EPF AGAINST CONTRACT WORKS	46.76	2001-2012	0.00	CGIT LUCKNOW	



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demande (Rs.in lakh)	Period to which dues relates	Amount deposit- ed (Rs. lakh)	Forum where dispute is pending	Remarks
145	1032	UP(West)	FINANCE ACT 1994	CENVAT CREDIT	5934.12	2009-2014	172.42	CESTAT	
146	1032	UP(West)	FINANCE ACT 1994	CENVAT CREDIT	152.55	2006-2008	0.00	HIGH COURT	
147	1032	UP(West)	FINANCE ACT 1994	SERVICE TAX	1950.05	2009-2014	146.70	CESTAT	
148	1032	UP(West)	FINANCE ACT 1994	SERVICE TAX	122.56	2002-2003	122.56	Service Tax & Excise dept, Saharanpur	
149	1032	UP(West)	Income Tax Act 1961	TDS demand	60.14	2002-03	42.00	CIT APPEAL	
150	1032	UP(West)	INCOME TAX ACT 1961	PENALTY AGAINST TDS DEDUCTION A.Y. 2008-09	106.51	2016	0.00	CIT APPEAL	
151	1032	UP(West)	INCOME TAX ACT 1961	SHORT DEDUCTION OF TDS U/S 194C INSTEAD OF 194J	5.22	2016	0.00	CIT APPEAL	
152	1032	UP(West)	INCOME TAX ACT 1961	TDS demand	8.58	2009-2010	0.00	ITAT, Agra	
153	1032	UP(West)	INCOME TAX ACT 1961	TDS demand	40.57	2006-2016	0.00	ITO	
154	1032	UP(West)	SALES TAX ACT	ENTRY TAX	265.36	2002-2008	180.59	HIGH COURT	
155	1032	UP(West)	SALES TAX ACT	ENTRY TAX	288.34	2005-07	13.74	SALES TAX TRI- BUNAL, MEERUT	
156	1032	UP(West)	SALES TAX ACT	SALES TAX	4.27	2003-04	0.00	Addl Comm (Appeals)	
157	1032	UP(West)	SALES TAX ACT	SALES TAX	33.47	183/2003	0.00	forcibly With- drawn	
158	1032	UP(West)	SALES TAX ACT	SALES TAX	482.16	2000-2011	192.60	HIGH COURT	

Sl. No.	Circle Code Circle	Name of the Statute	Nature of the Dues	Amount Demande (Rs.in lakh)	Period to which dues relates	Amount deposit- ed (Rs. in lakh)	Forum where dispute is pending	Remarks
159	1032	UP(West)	SALES TAX ACT	SALES TAX	100.33	2000-2011	0.00	Sale Tax Deptt/ Comm.
160	1032	UP(West)	SALES TAX ACT	SALES TAX	129.82	2003-2005	0.00	Supreme Court
161	1032	UP(West)	SALES TAX ACT	SALES TAX	41.80	2003-2005	31.80	Trade Tax Tribu- nal
162	1032	UP(West)	SALES TAX ACT	VAT	1543.28	2006-2009	333.98	HIGH COURT
163	1032	UP(West)	SALES TAX ACT	VAT	48.21	2007-2008	0.48	Salex Tax Tribu- nal
164	1032	UP(West)	SALES TAX ACT	TDS/NAT	303.73	2006-2009	204.27	Under Appeal at JC
165	1033	Uttarakhand	Finance Act, 1994	Service Tax	293.76	2004 - 2007	0.00	Asst. Commis- sioner, Service Tax
166	1033	Uttarakhand	Finance Act, 1994	Service Tax	532.29	2007 - 2008	0.00	CESTAT
167	1033	Uttarakhand	Uttarakhand Trade Tax Act, 1948	Trade Tax	30.30	2004 - 2009	0.00	Assistant Com- missioner Trade Tax
168	1033	Uttarakhand	Service tax	Service Tax	21.53	2011 - 2015	0.00	Assistant Com- missioner of CGST
169	1034	West Bengal	Service Tax	Service Tax	3595.02	2011 - 2016	0.00	Tribunal
170	1034	West Bengal	Employees Provident Fund	EPF	87.54	2000-2011	0.00	CGIT cum Labour Court
171	1034	West Bengal	Service Tax	Cenvat	557.85	2010-2015	0.00	Department
172	1034	West Bengal	Central Excise	Central Excise	0.11	2011-2012	0.00	Department
173	1034	West Bengal	TDS	Income Tax	14.89	2008-2016	0.00	Department



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
174	1035	Calcutta Telephones	Service Tax under Finance Act, 1994	Service Tax	3103.40	1994-98	0.00	Commissioner of Central Excise - I	
175	1035	Calcutta Telephones	Service Tax under Finance Act, 1994	Service Tax	2103.35	2000-2014	46.38	CESTAT	
176	1035	Calcutta Telephones	Service Tax under Finance Act, 1994	Service Tax	198.79	2015-17	14.91	Comm. (Appeals -I) CGST & CX, Kolkata	
177	1035	Calcutta Telephones	Service Tax under Finance Act, 1994	Service Tax	381.49	2014-17	0.00	Jt./Addl. Comm. CGST & CX, Kolkata	
178	1036	Chennai Telephones	Service tax	Service Tax	1770.00		0.00	High Court/CES-TAT	No. of cases 5
179	1036	Chennai Telephones	Income Tax	Income Tax	37.00		0.00	CIT(Appeals)	No. of cases 1
180	1037	Andhra Pradesh	Finance Act-1994 service tax	Irregular availment of Cenvat credit (VJW)	242.84	2004 - 2009	0.00	Asst.Commissioner, Guntur	
181	1037	Andhra Pradesh	Finance Act-1994 service tax	1.V/ST/15/70/2012 Dated.30.07.2012	4.31	2012	0.00	CESTAT, Hyderabad	
182	1037	Andhra Pradesh	Finance Act-1994 service tax	CENVAT	156.71	NA	0.00	CESTAT, BANGA-LORE	
183	1037	Andhra Pradesh	Finance Act-1994 service tax	VPT revenue shown under revenue realisation column	52.73	2004 - 2005	0.00	Comm., CCE&ST, Guntur	
184	1050	Core Network East	Sales Tax	Sales Tax	14.63	2009-2013		Sales Tax Tribunal	
185	1051	CNTX West	Service Tax	Service Tax	389.76	2016-17		Principal Commissioner Central Tax Custom and Excise , Bhopal	

Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
186	1051	CNTX West	Income Tax Act,1961	Demand reflected for Delayed payment, short, non TDS deductions etc.	132.43			Income Tax Authority	
187	1052	Core Network North	Commercial Tax	Commercial Tax	17.92	2019	0.00	High Court	
188	1052	Core Network North	Central Sales Tax, 1956	Tax	0.00	2012	0.00	Commissioner of Commercial Tax Bihar (Patna)	Not ascertainable
189	1052	Core Network North	Central Sales Tax, 1956	Tax	0.00	2015	0.00	Sales Tax Department, Noida	Not ascertainable
190	1053	Core Network South	Finance Act-1994 Service Tax	Penalty	73.00	2013	0.00	CESTAT	
191	1053	Core Network South	Finance Act-1994 Service Tax	Differential duty and interest and penalty thereon	3659.13	2020	0.00	CESTAT	
192	1053	Core Network South	Finance Act-1994 Service Tax	Service Tax	3229.29	2007 - 2009	0.00	CESTAT	
193	1093	R & P	Income Tax Act, 1961	Demand confirmed by ITO (INT) Kolkata on issue regarding non deduction of TDS on foreign remittances containing cellular roaming payment	38.63	2016-17	0.00	CIT(A), NFAC	Appeal along with stay of demand filed by EZBC Kolkata



Sl. No.	Circle Code	Name of Circle	Name of the Statute	Nature of the Dues	Amount Demanded (Rs.in lakh)	Period to which dues relates	Amount deposited (Rs. in lakh)	Forum where dispute is pending	Remarks
194	1093	R & P	Income Tax Act, 1961	Demand confirmed by ITO (INT) Delhi on issue regarding non deduction of TDS on foreign remittances containing cellular roaming payment	2905.91	2014-15	0.00	CIT(A), NIFAC	Appeal along with stay of demand and rectification of stay of demand filed
195	1093	R & P	Income Tax Act, 1961	143(1)	0.02	NA	0.00	DCIT	BSNL had already filed submission to drop the outstanding demand
196	1093	R & P	Income Tax Act, 1961	143(1)	0.02	NA	0.00	DCIT	BSNL had already filed submission to drop the outstanding demand
197	1093	R & P	Income Tax Act, 1961	143(3)	279.56	2017-18	0.00	DCIT	BSNL had already filed submission to drop the outstanding demand
198	1093	R & P	Income Tax Act, 1961	Penalty u/s 271DA rws 274	70.16	2018-19	0.00	National Faceless Appeal	Appeal filed on behalf of Karnataka Circle
199	1093	R & P	Income Tax Act, 1961	Demand as per Rectification order u/s 154	16.37	2021-22	0.00	National Faceless Appeal	Rectification application has been filed



Annexure II to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on Standalone Financial Statements for the year ended 31st March 2023

Directions and sub directions under Section 143(5) of the Companies Act 2013 issued by the Comptroller and Auditor General of India to the Statutory Auditors for conducting audit of accounts for the financial year 2022-23.

S. No	Directions and sub directions under Section 143(5)	Auditor's Comment
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	<p>Yes, the Company has system in place to process all the accounting transactions through IT system namely, SAP.</p> <p>For the purpose of billing the company is using separate software namely, CDR, KENON FX, data wherefrom is thereafter migrated manually to SAP system. Differences in receivables as per General ledger and balances maintained as per Subsidiary Ledger have been noticed in various circles.</p> <p>UP (West):</p> <p>a) In case of revenue, ITPC Chandigarh generates the revenue reports which is then shared with respective circles to record revenue and GST in SAP, in absence of adequate information, we could not verify the same. It was observed that manual register, gate pass and delivery challan etc. are maintained in case of stores. In case of cash, cash register is also maintained. In case of stores, there is a mismatch in the quantity as the same is not regularly updated in IT system. In case of cash, closing balance of physical cash register is not matching with respective day cash as per IT system, as in IT system consolidated cash is shown of all collection unit while manual cash book is maintained only for a particular office. Further in case of debtors, one more IT system named CDR is maintained separately in which customer wise details and billing are maintained and we observed, there is a mismatch between the two i.e. debtors as per IT system and as per CDR are not matching. Apart from above, all other data is placed and routed through IT system. Therefore, there is no proper integrity between manual and software data maintenance and main IT System requires further improvement.</p> <p>Punjab</p> <p>The company has system in place to process all the accounting transaction through IT system called ERP SAP. There is no accounting transaction outside IT system. Further the material and other accounting transactions for USOF administrator under NOFN are not accounted as similar to BSNL vendor accounting. The non-accounting of liability vis-a-vis receipt of material of NOFN may have impact on accounts payable and recoverable from USOF administrator. In the absence of complete details financial implication could not be ascertained.</p>



S. No	Directions and sub directions under Section 143(5)	Auditor's Comment
		<p>Haryana</p> <p>Majority of the accounting transactions are done through the IT system except that store receipt/issued, CWIP, PPE is not accounted for on real time basis. Although manual intervention is prevalent. Adequate security measures for manual intervention need to be strengthened with supervisory sanction only and properly documented. Further the material and other accounting transactions for USOF administrator under NOFN are not accounted as similar to BSNL vendor accounting i.e., through GRIR. The non-accounting of liability vis-à-vis receipt of material of NOFN may have impact on accounts payable and recoverable from USOF administrator/ Bharat Broadband Network Limited. In the absence of complete details financial implication could not be ascertained.</p> <p>NE 1</p> <p>a) In case of stores, there is a mismatch in the quantity as the same is not regularly updated in IT system. During our test check it was observed that the accounting entries have not been passed through SAP, despite actual movement of items of Inventory/ CWIP and PPE, which might have implications on the integrity of the accounts along with financial implications.</p> <p>b) Cash collection and accounting for cash is done manually at the collection unit. A single entry for all the cash collection is posted in the IT System. So the manual intervention in this matter exists, and as such the limitations of manual accounting could not be ruled out</p>
2.	<p>Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan.</p> <p>If yes, the financial impact may be stated.</p> <p>Whether such cases are properly accounted for?</p>	<p>As per the information and explanations given to us, there is no restructuring of any existing loan or cases of waiver/ write off of debts/ loans/ interest etc. by a lender to the company.</p> <p>Accordingly, reporting of financial implication on such restructuring/ waiver/write off of debts/loans/interest etc., by the lender to the Company does not arise.</p>



S. No	Directions and sub directions under Section 143(5)	Auditor's Comment
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	<p>As per the information provided to us, the Funds received/ receivable for specific schemes from Central/ state agencies, by the company, have been utilized as per the details given in Appendix-1.</p> <p>As per the balance in designated Bank accounts opened for such projects, the Balance as on 31st March 2023 is Rs 2,09,415 lakhs whereas Project Balance at the end of the year is Rs 3,13,099 lakhs which shows that, project funds have been utilised for purposes other than the specific schemes for which the funds have been given.</p> <p>Further, we have not been provided audit evidence by the management to verify the utilization of funds vis-a-vis the funds authorized by it to the various circles in respect of the Government Projects.</p>
4.	Whether the amounts of revenue share (License Fees and Spectrum Usage Charges) recognized in Financial statements is in accordance with the License conditions agreed by the company with DOT? If so detailed statements & calculations sheet may be attached.	All circles have confirmed that amounts of revenue share (License Fees and Spectrum Usage Charges) recognized in Standalone Financial Statements are in accordance with the License conditions agreed by the company with DOT.

For **Ramesh C Agrawal& Co.**
Chartered Accountants
Firm's Registration No.:001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238

Place : New Delhi
Date : 26-05-2023



Appendix I-Govt Project Balances as on 31.03.2023 (FY 2022-23)

Rs. in Cr.

SL No.	Name of Project	Net Project Balance at the Beginning of the year	Fund Received	Fund Utilized	Project Balance at the End of the year	Balance what we should have in Bank account	Fund Balance in Govt. Project bank Account
1	NFS	1952	1000	1836	1116	1116	1098
2	NOFN PH I	122	225	174	172	172	96
3	NOFN PH II	1247	133	437	943	943	1
4	CANI	91	129	189	32	32	32
5	LWE	143	352	319	176	176	176
6	4G Saturation	0	938	247	692	692	692
	Total	3555	2777	3202	3131	3131	2095



Annexure III to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on Standalone Financial Statements for the year ended 31st March 2023

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")

In conjunction with our audit of Standalone Financial Statements of **Bharat Sanchar Nigam Ltd.** ("the Company"), comprising of 38 circles as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of 1 circle and IFCoFR of remaining 37circles have been audited by the respective circle auditors appointed under Section 139 of the Act.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting (IFCoFR) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in the 'Other Matters' paragraph below, are sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls Over Financial Reporting

A Company's IFCOFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with Ind AS. A Company's IFCOFR includes those policies and procedures that -

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with Ind AS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Board of Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCOFR to future periods are subject to the risk that the IFCOFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations provided to us and based on the consideration of the reports of circle auditors, following material weaknesses have been identified during the course of audit as at March 31, 2023:

Revenue

1. As reported by auditors of North East I, Uttarakhand and Odisha, controls with respect to recognition and adjustment of advance income need to be strengthened. This could potentially result in materially misstating its revenue and trade receivables statutory liability (GST) and other related items.
2. As reported by auditors of Andaman & Nicobar Circle, corresponding expenses is not booked in respect of booking of OPEX subsidy in revenue.
3. As reported by Bihar Circle and NTEF, The Circle 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 Circle materially misstating the current liabilities.
4. As reported by Chennai Telephones and Andaman & Nicobar Circle, the billing system is not integrated with the SAP to ensure that revenue and other adjustment are effected without any



errors/ omissions and manual intervention. There is also no system or technical audit report verifying the authenticity of the data generated by the system which could potentially result in the Circle materially misstating its revenue and trade receivables.

5. As reported by Haryana Circle, partial integration between books and Call Data Record (CDR) software could result in wrong recognition of revenue and corresponding receivable.
6. As reported by Auditors of NTEF, Lack of proper internal Control over timely adjustment of liquidated damages, might have a potential material impact on various captions of the financial statement of the Circle. The same was also observed by the auditors of the previous financial year and are still persisting in the internal management of the concerned Circle.
7. As reported by auditors of Assam, Provision for expenses have not been accounted for by all the business areas. This has resulted in understatement of expenses.

Employee Benefits

8. As reported by auditors of UP (West), Chennai Telephones and NETF 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. In some case of Medical Advance, bill submitted by employee is not approved of period even more than 2 years as either bills has been lost or there is no dead line of time regarding accepting or rejecting the bill. There is a strong need to verify balance lying in above respective head and take action regarding write off or recovery or immediate adjustment by raising ATD where debit balance of employee is outstanding but shifted to new location.

Cash and Bank Transactions

9. As reported by auditors of NE-I, Circle, 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.
10. As reported by auditors of Maharashtra Circle, the internal financial controls defined for the process of payments made via bank through bank file generated from SAP are weak. The _____ file generated through SAP is prone to human intervention before the payments processed by the bank. This may result into potential financial loss.
11. Cash balance of Mizoram BA is showing a negative balance which shows weak internal control over financial reporting
12. As reported by Chennai Telephones, Scrutiny of pending bank guarantees reveals that there are some expired guarantees have not been updated in ERP which would enable better control.

Fixed Assets

13. As reported by auditors of Bihar, Orrisa, Jharkhand, Assam, UP (West), NETF, NE- I, Gujrat Circles, there is no regular program 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.



14. As reported by auditors of Chennai, Assam, Uttarakhand, UP (East), Chhattisgarh, NE-I, UP (West), West Bengal, and NETF Circle, the internal control system in respect of capitalization of capital work-in-progress which, inter-alia, include balances pending for long-periods of time with regard to status, value and non-availability of commissioning certificates could potentially result in the misappropriation Company Work-in-Progress, fixed assets and depreciation in its books.
15. As reported by auditors of NE1, an effective internal financial control may be evolved to ensure that there should not be any mismatch between fixed asset register and physical assets and lack of tagging the assets needs to be monitored.
16. As reported by auditors of Core Network North, NETF and Orrisa Circle, the circles do not have a process of identification of obsolete/ damaged assets together with the timely detection of pilferage of moveable assets, if any, and this could be potentially result in the Company materially misstating the fixed assets.
17. As reported by auditors of Odisha, Punjab, UP (East) circle there is no process to match the manual land records/ deeds with the land capitalized in the financial records which could potentially result in the Company materially misstating the fixed assets in the financial statements of the Company.
18. As reported by auditors of Andaman and Nicobar, UP (West), Core Network North, NE 1 and NETF Circle, the Company does not have appropriate internal controls for providing provisions in respect of decommissioned assets on fair value basis which could potentially result in the Company materially misstating the fixed assets in the financial statements of Company.
19. As reported by auditors Tamil Nadu, in respect of sixteen cases with an aggregate carrying cost of INR 6.96 lakhs, leasehold land have reportedly been classified as freehold lands as per Circle records. Currently excel templates are being used for accounting of lease liability, ROU assets and lease charges as per Ind AS 116. The same has not been carried out properly by the circle. Many mismatches were observed in the excel template with regard to lease amounts and balance lease periods as compared to SAP, leading to errors in accounting as per Ind AS 116 Leases. It is suggested that the SAP is configured to carry out lease accounting as per Ind AS 116 Leases.
20. As reported by auditors of Tamil Nadu Circle, the circle has not identified significant components to determine their useful life separately to ensure adherence to Ind AS 16 Property, Plant and Equipment.
21. As reported by auditors of Haryana, NE 1, and Punjab Circle, the internal controls over the process of renewal of lease agreement are weak. The system does not show any reminder for expiry and renewal date of lease agreements. It is observed that rent agreements are being renewed / extended in the system without executing physical agreements in order to process the rent provisions through ERP system. Not executing / renewing agreements in reasonable time may result in loss due to failure in ensuring business continuity and may attract other legal consequences with respect to leased property.
22. As reported by Assam Circle, There are many assets pending for capitalization in the Tezpur business area.
23. As reported by Auditors of Maharashtra Circle, Execution / Renewal of lease in and lease out



agreements: In case of lease in agreements, the system does not show any reminder for expiry or renewal date of lease agreements. It is observed that lease agreements are being renewed / extended in the REM module without executing physical agreements with the owners in order to process the rent provisions through ERP system. Not executing / renewing agreements in reasonable time may result in loss due to failure in ensuring business continuity and may attract other legal consequences with respect to leased property. The internal controls over invoicing for lease out cases are weak. We have observed that, there are instances of reversal of lease income booked more than once in earlier period. Moreover, The Company does not have a robust system for recovery / collection of lease income from tenants other than company staff. There are multiple cases of outstanding for more than one year.

Inventory

24. As reported by auditors of Odisha, the internal control system need to be strengthened in respect of acquisition and maintenance of inventories and conducting physical verification thereof. This could potentially result in the Company materially misstating the inventory value in financial statements.
25. As reported by auditors of UP (West), The internal control system needs to be strengthened in respect of acquisition and maintenance of inventories and conducting physical verification thereof. As informed, an operation Samundra Manthan has been initiated with the target to verify the inventory and till date 76.12% has been verified. Moreover, quantity difference is found between IT System and manual register maintained for recording inwards and outwards, such difference should be updated in IT system timely. A process of perpetual inventory count can be used to timely identify slow moving, non-moving and obsolete stock. This process should be followed for inventories kept at all locations.
26. As reported by auditors of UP (East), Consumption of inventory (classified as Capital Work In Progress Stores) is not accounted for on real time basis. Hence the method of valuation of inventory is uncertain whether it is on weighted average method or not.
27. As reported by Auditors of Arunachal Pradesh and CN (East), a material weakness has been identified in the internal control system in respect of identifying separate values for the Stores which are being used in repairs & maintenance of the projects or Stores used in Capital Work in Progress.
28. As reported by auditors of Bihar, Tamil Nadu and NE1 Circle, in the absence of timely detection of slow moving, non-moving and obsolete stock on periodical basis at the circle level which in our opinion may result in material misstatement of inventory.
29. As reported by auditors of Bihar, Odisha and Maharashtra Circle, the process of accounting and issue of inventory relating to National Optical Fibre Network (NOFN) project needs to be strengthened. This could potentially result in the Company materially misstating the inventory in books. Also, the process of accounting and issue of inventory to CWIP and repairs and maintenance works need to be strengthened.
30. As reported by auditor of NE 1, Odisha, Punjab and Haryana, Control systems needs to be strengthened to ensure payment of MSME dues within the stipulated period of 45 days to avoid



levy of penalties and further compliance.

Statutory Dues

31. As reported by auditors, Haryana, Assam, Uttarakhand, NE-I, Core Network North, and NETF Circle, the circle needs to improve the internal control system for reconciliation, timely payment and correct deduction of service tax, TDS, GST and other statutory dues recoverable/ payable. This could potentially result in material misstatement of statutory dues.
32. As reported by auditors of Haryana Circle, there is inadequate control over the reversal Input Tax Credit (ITC) under the provisions of Goods and Service Tax (GST) on which payment is not made within 180 days from the date of issue of invoice. This could potentially result in over claiming of ITC.
33. As reported by auditors of Madhya Pradesh Circle, it has been observed that the Income Tax TDS is deducted at the rate of 2% under section 194C in case of individual persons instead of 1%. It is also observed that in some cases Income Tax TDS is short deducted by the circle. The circle needs to improve the internal control system for deduction of TDS and paid to the respective department. This could result in misstatement of statutory dues.

Enterprise Resource Planning (ERP)

34. As reported by auditor of Chennai Telephone and NE-I Circle monitoring controls over old balances from legacy systems post transition to Systems Applications Products (SAP) at Circle level is not adequate. This could potentially result in material misstatement of various captions of the financial statements.
35. As reported by auditor of Odisha Circle, the controls over process of reconciling various clearing accounts needs to be strengthened. This could potentially result in material misstatement of current liabilities and current assets in the Ind-AS Financial Statements.
36. As reported by auditor of Haryana, NE 1 and Maharashtra Circle, all Open POs should be reviewed by the concerned vertical in charge of MM section and corresponding Delivery Schedule must be checked to ensure that whether actual goods have been received and corresponding MIGO entry has been passed in SAP. Currently All POs are raised through SAP, hence the PO process should also be implemented for IUC payments. Further, timely settlement of disputes must be done as per the agreement terms related to IUC billing, which are raised whenever there is a difference beyond the defined threshold as per partner operator declaration to internal computation for minutes / amount.
37. As reported by auditor of Haryana, it was observed that circle has delayed in signing various work order contracts with the parties and accordingly the Purchase Order/Service Orders were not generated and fed in to the ERP System. The goods/services were purchased from vendors without executing the purchase/service order. Further, final payment to the vendor was done on final bills raised by the vendors and same was used as tag instead of PO. There is weakness in the control over the system of expenses booked under various heads like Repair & Maintenance.
38. As reported by auditors of Jharkhand Circle, GRIR accounts balances are not neutralized and transferred to Sundry Creditors on regular basis.

39. As reported by auditors of Madhya Pradesh Circle, ITPC Billing System Pune and Kenon FX BCCS Pune has not been provided to us for verification. The Circle needs to strengthen the process of using the information system under the IT Security Policy of the BSNL by conducting training programme and workshop for the users of the information system of the circle.

Current Assets and Liabilities

40. As reported by auditors of Haryana, Jharkhand, Himachal Pradesh, NE-I, Chhattisgarh, UP (West), Bihar, West Bengal, Chandigarh, Chennai Telephone, Sikkim, Odisha, Punjab, NETF, Andaman and Nicobar and Core Network North, the Company did not have appropriate internal controls for reconciling and obtaining balance confirmation from sundry debtors, sundry creditors and other parties. This could potentially result in Company materially misstating the debtors and creditors in the financial statements. The circle needs to strengthen the process of obtaining balance confirmations/ reconciliations in respect of claims payable to and/ or receivable from various entities.
41. As reported by auditors of Core Network North Circle, the circle is required to strengthen internal control system for maintenance of subsidiary records in relation to the debtors as this could potentially materially misstate the current assets of the Company.
42. As reported by auditors of Tamil Nadu, Andhra Pradesh and Chennai Telephones Circles, process for classification of assets/ liabilities as current or non-current is weak. This could potentially result in Company materially misstating its assets and liabilities in the financial statements.
43. As reported by auditors of NETF Circle, the maker checker concept for voucher posting and authenticating in SAP needs to be strengthened which could potentially result in posting the entries in wrong heads/ wrong amounts/duplicates posting/ posting of purchase orders without manual approval/ non-posting of manual credits/ debit notes etc and this could potentially materially misstate various captions in the financial statements.
44. As reported by Auditors of Haryana, NE 2 and Himachal Pradesh circle, there is inadequate control for accounting entries on real time basis, due to this there is time lag between actual occurring and entry posting date.
45. As reported by auditors of Chennai Telephones, Haryana, Uttaranchal, NE 1 and NETF circles, the Company did not have appropriate internal controls for reconciliations and confirmation of earnest money deposit, security deposit, sundry creditors and other deposits which could potentially result in the Company materially misstating current assets and liabilities.
46. As reported by auditors of Tamil Nadu, UP (West), and Chennai Telephones Circle, there is inappropriate control system for timely reconciliation of un-reconciled inter-circle/ unit remittances. The un-reconciled amounts largely pertain to lack of appropriate supporting documentation and requisite approvals. The un-reconciled remittances could have a potential material impact on various captions of the financial statements of the Circle. The adjustment of various payments / deductions etc. made by controlling office are not transferred to respective BAs/ SSAs on real time basis.
47. As reported by auditors of Madhya Pradesh, Odisha, Assam, Tamil Nadu, Himachal Pradesh,



Andaman, NE-I , NE-II and UP West circles, the Company did not have appropriate internal controls for reconciliations between subsidiary and general ledger in respect of revenue items, debtors and deposits which could potentially result in the Company materially misstating the aforementioned captions in the financial statements.

Miscellaneous

48. As reported by auditors of Odisha Circle, the Company has not defined any risk control matrix identifying the key risk areas of particular SSA. This could result in weak checks and balances and ineffectiveness in operations as well.
49. As reported by auditors of NTEF and Tamil Nadu Circle, there are inadequate controls for arriving at value for provision or showing contingent liability which could materially misstate the financials of the Company.
50. As reported by auditor of Haryana, Tamil Nadu, Assam Circle and Chennai Telephones, there is no control over the identification of prior period errors, which are required to be reinstated in the previous year.
51. As reported by Auditors of Assam, Instances have been observed wherein advances paid to contractor have remain unadjusted. There is balances lying with contractors from 2015-16 onwards without clearing the same. Moreover, as per required under amended Schedule III, BSNL Assam Circle has not given disclosures about promoters, loans and advances to KMP, directors etc., willful defaulters, relationship with struck off Companies, registration of charges with ROC, compliance with the number of layer of companies, different financial ratios, utilization of borrowed funds and corporate social responsibility. We have been informed that the same will be done at the corporate level.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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.

In our Opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has adequate internal financial reporting but such internal financial control over financial reporting were not operating effectively as at 31-03-2023, based on the “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 issued by the Institute of Chartered Accountants of India”.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31-03-2023 financial statements of the Company and we have issued a qualified opinion on the financial statements.

The qualified opinion does not affect our opinion on the financial statements of the Company.



Other Matters

We did not audit the financial statements of 37 circles included in the standalone Ind AS financial statements of the Company. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Ind AS financial statements in so far as it amounts and disclosures included in respect of these 37 circles is based solely on the reports of other auditors.

For **Ramesh C Agrawal & Co.**
Chartered Accountants
Firm's Registration No.:001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238

Place : New Delhi
Date : 26-05-2023



**The Management replies to Independent Auditor's Report on
Standalone Financial Statement for the Financial Year 2022-23 are given below:**

Audit Para	Management Reply
Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT	
2.a	<p>As detailed in note 38 and 41(a) to the Standalone 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. The consequential impact on the Standalone Financial Statements, if any, as a result of the same is presently not ascertainable.</p> <p>The Company has recorded all identified assets and liabilities taken over from DoT as on 01 October 2000. The value and classification of the assets has been recorded as per the relevant accounting standards and the available guidelines.</p> <p>The amount of net assets taken over from DoT as on 01.10.2000 is Rs. 6325201 lakhs. The same has been disclosed in the financial statements of FY 2022-23.</p>
2.b	<p>As detailed in note 42 to the Standalone Financial Statements, amounts due from and due to DoT, included in current assets and current liabilities aggregating to Rs. 2,33,584 lakhs (31st March 2022 Rs. 2,31,235 lakhs) and Rs. 21,787 (31st March 2022 Rs. 1,09,104 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the Standalone Financial Statements is presently not quantifiable.</p> <p>Amount due from DoT taken in the books of BSNL are as per the subsidiary records maintained in the primary accounting units. Units are being directed to obtain necessary confirmation and carry out reconciliation on regular basis.</p>

Audit Para	Management Reply
Revenue	
3.a The Company has not applied definition of "Default" and "Assessment of Credit Risk" consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on Claim Recoverable from DoT and trade receivables from Other Government and/ or PSU sector entities. We have not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to conclude that claims recoverable from DoT, Trade Receivables, from Other Government and/ or PSUs sector entities, are having low credit risk. We accordingly conclude that the credit risk on such financial instruments (i.e. claims recoverable from DoT, Trade Receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition. We were not supplied the audit evidence to verify such balances as at March 31, 2023 and also about the write back of loss allowance in respect of such trade receivables as at March 31, 2023 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.	<p>The Company's credit risk policy, is as below: 'The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets.</p> <p>The Company has followed the above credit risk policy from the date of transition to Ind AS (1 April 2015) for all the financial instruments as per Ind AS 109 and have recognized appropriate loss allowance based on assessment of specific credit risk.</p> <p>As per the above credit risk policy, 'Receivables more than two years past due pertaining to receivables from government departments and PSU's, which are fully realizable on historical payment behavior and hence no loss allowance has been recognized. Impairment allowance has already been recognized on specific credit risk factor'.</p> <p>Generally, the Company makes provision for government departments and PSU's, the balances of which are outstanding for more than two years based on specific credit risk.</p> <p>Similar approach was followed by the circles in evaluating the adequacy of provisions for dues from government departments and PSU's and reversals were only made where found suitable by the circles based on estimation of the specific credit risks.</p> <p>Accordingly, the Company is in compliance with Ind AS 109 requirements for trade receivables from Government and/ PSU sector entities.</p> <p>Since the provisions are recognized at Circle level, the details of which are available at Circle level.</p>



Audit Para	Management Reply
3.b Amount recoverable from Mahanagar Telephone Nigam Limited (MTNL) as per the Standalone Financial Statements is Rs. 3,66,555 lakhs (31 March 2022 Rs. 3,66,077 lakhs), is subject to confirmation and reconciliation by MTNL. We were not supplied the audit evidence to verify such balances as at March 31, 2023 and reconciliation of differences have not been concluded. Hence in our opinion, based upon the MTNL's counter claim for recovery, its liquidity and financial position and the recovery pattern, the provision of Rs. 1,77,995 lakhs standing in the books of the company is insufficient. In our opinion the loss of the Company and the provision for loss allowance have been understated. However, in the absence of proper reconciliation the consequential impact of such understatement, if any, on the Standalone Financial Statements is not quantifiable.	Amount recoverable and provision thereof from the MTNL is the aggregate of various receivables in the different accounting units of the company. Further, the management will review the sufficiency of the provision during FY 2023-24.
3.c North East – I Circle Auditor have reported that Ind AS 115 'Revenue from Contracts with Customers', provisions have not been complied with. In the absence of adequate details and documents the consequential impact of the adjustments/disclosures, if any, due to non-compliance, on the Standalone Financial Statements is presently not ascertainable.	The accounting guidelines, according to Ind AS 115, are in place in BSNL. The circle team has been instructed to provide necessary explanations to the auditors during the course of audit, to avoid such comments in circle audit reports.
3.d As reported by Circle Auditors of Karnataka Circle, reconciliation between Revenue and Amount Billed For has not been provided.	Karnataka Circle had replied to the Branch auditors that it relies on NDC CDR Trial Balance generated by NDC Chandigarh i/r/o LC Billing for booking of telecom revenue. It is a system generated report.



Audit Para		Management Reply
		Nevertheless, the circle has been instructed to reconcile between Revenue and Amount billed for as per the requirement of the auditors in the process of audit.
3.e	As reported by Circle Auditors of Telangana Circle income from subsidy from USOF Rs. 340.04 Lakhs has been booked without fulfillment of terms and conditions of the agreement.	The revenue has been booked according to the fulfilment of performance obligations as per the contract. Further, all 151 Hotspots are regularized and claim of 143 Hotspots has been already received and accounted. Sanction is pending for only 8 Hotspots.
3.f	As reported by the Auditors of Gujarat Circle balance with M/s. ITI Ltd. stands under the heads Capital Advance of Rs. 62.13 lakhs, this is due to non-issuance of invoices by them timely. This has led to under-statement of loss and over-statement of assets.	A joint committee of Officers from BSNL and ITI has been formed at Circle level to review and settle the pending Invoices. Partial adjustment of Advances has been done in the current financial year against the invoices received from ITI Limited. Necessary accounting adjustments will be made as per outcome of the joint committee.

Government Projects

4.a	The Company has booked total income of Rs. 95 lakhs (Previous Year Rs. 4,255 lakhs), in respect of BNP-1 and other projects and Rs. 91,911 lakhs (Previous Year Rs. 1,22,925 lakhs) in respect of BNP-2 Project. Auditors of the circle, where such Government projects are running, have reported that Income on these government projects has been booked based upon the communication received from the Head Office. These Auditors have expressed their inability to verify the correctness of the Income booked in the absence of the calculations/details. The consequential impact on the Standalone Financial Statements, if any, as a result of the same is presently not ascertainable.	The accounting guidelines, according to Ind AS 115, are in place in BSNL. The revenue from Projects has been accounted for in accordance with the completion of performance obligation as per the contract. Nevertheless, instructions have been issued that the circles must present adequate documents for verification of the auditor independent of the position that the corporate office has issued instructions to the circles in this regard.
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Audit Para	Management Reply
4.b In respect of 'Network For Spectrum Project' (NFS), the project balance at the year end is Rs. 1,11,582 lakhs, whereas, as per these Financial Statements, the balance as at the year end is Rs. 27,397 lakhs. There is a difference of Rs. 84,185 lakhs, between the project balance and the balance shown in the Financial Statements. Management has represented us that the same is under reconciliation. The consequential impact on the Standalone Financial Statements, if any, as a result of the same is presently not ascertainable.	Necessary action for reconciliation is being taken to address them in a time bound manner.
4.c As per the information and explanations given to us, the Company has unutilized balance of Rs. 2,78,235 lakhs out of the funds received from the Government of India for the execution of various Government Projects. The balance in Bank Accounts maintained for Government Projects as at 31 st March 2023 are only Rs. 1,82,212 lakhs which signifies the utilization of funds by the Company for purposes other than the execution of Government Projects.	The circles are being instructed to reconcile the receipt / utilization / accounting of the funds received from the Government of India for the execution of various Government Projects.
Property, Plant and Equipment	
5.a As reported by Auditors of CN (East), Jammu & Kashmir, West Bengal Network Circle, Sikkim, North East Task Force and North East I Circles Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if	<p>CWIP includes various turnkey projects, completion of which takes relatively larger times. As per Company policy, capitalization is done on the basis of A/T /Completion Certificate issued by the concerned executing agencies.</p> <p>The matter is actively pursued by the Management as a result of which CWIP (i.e. CWIP in stores) come down from Rs. 2835 Cr (as on 1.4.2022) to Rs. 2168 Cr (as on 31.03.2023).</p> <p>Based on Management estimate provision</p>

Audit Para	Management Reply
	any, has not been worked out and quantified by the respective Circle Auditors for impairment has been created for delayed projects pending capitalization wherever there were indicators of impairment. The circles are being instructed to account for such types of transactions as per accounting circulars / instructions issued in this regard.
5.b	As reported by Circle Auditor of CN (South) and explained by Management Capital Work in Progress for one Business Area was wrongly classified by Rs. 42.61 lakhs The matter pertains to inter-circle transfer of material. The accounting for the same was not completed in FY 2022-23, however the same has been completed in FY 2023-24.
5.c	J&K, NE-I, Orrisa, Punjab, Uttarakhand, UP-East, Tamil Nadu and Chhattisgarh Circle Auditors have reported on the expired/ non-renewal of leases on lands on which the Company had constructed buildings and the fact that management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable. The concerned circles are being instructed to expedite the process of getting the lease of lands renewed, where ever applicable.
5.d	As stated in note 3(i) and 41(c) to the Standalone Financial Statements, Property Plant and Equipment, inter alia, includes land pertaining to purchased/ acquired on leasehold/ freehold basis through various authorities including DOT, the deeds of which are yet to be executed in the name of the Company. The company is in the process of executing the title deeds of the lands purchased / acquired, wherever required.



Audit Para	Management Reply
<p>5.e The accounting policy of the Company as stated in note 2.1(c) to the Standalone Financial Statements with respect to Asset held for sale has not been uniformly applied across all circles. In Madhya Pradesh, NE-II, J&K, North East Task Force, Inspection and ALTTC have made specific reference of the same.</p> <p>As per the Auditors of CN (North) Provision for Decommissioned Assets has not been correctly made as the Net Realizable Value was not ascertaining.</p>	<p>The circles are being instructed to adhere to the accounting instructions issued on the subject matter.</p>
Inventories	
<p>6 Capital Work in Progress (Stores) amounting to Rs. 2,22,506 lakhs (Previous Year Rs. 2,77,649 lakhs) also includes Inventory items which are also being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidence, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.</p>	<p>The Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.</p> <p>The nature of materials is such that the same material is utilized for both, the projects and repair and maintenance and there is no physical bifurcation of the items intended to be used for projects or for repair and maintenance.</p> <p>As per the management, these are to be majorly/primarily utilized for the project purposes. Accordingly, the same are presented as 'Capital work-in-progress in store' in the financial statements.</p> <p>Wherever they are utilized for maintenance, the same is charged to the P&L statement during the year.</p>



Audit Para	Management Reply
Current Assets and Current Liabilities	
7.a	<p>The Company has initiated a system of obtaining balance confirmations of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 28(a) and 42 of the Standalone Financial Statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable for the balances of Rs. 25 lakhs and above. However, the said system is in a nascent stage. Confirmation letters have been issued in a very few cases and response is also very poor. Due to non- availability of confirmation and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, on the Financial Statements.</p>
7.b	<p>Goods and Services Tax charged from customers should be booked under Trade Receivables, however, the same has been booked under Other Financial Assets. The total outstanding under this head is Rs. 1,16,025 lakhs (Previous Year Rs. 96,972 lakhs). This has also lead to inaccurate presentation of age-wise outstanding of Trade Receivables.</p> <p>According to Para 5.1.3 of Ind AS 109, the Trade Receivables are required to be presented at transaction price as defined under Ind AS 115.</p> <p>According to the Para 47 of Ind AS 115, the transaction price has been defined as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).</p>



Audit Para		Management Reply
		In view of the same, the Trade Receivables have been reported correctly in the Financial Statements.
7.c	As reported by Auditors of certain circles, there are differences between the general ledger and accounting records pertaining to loans and advances, current assets and current liabilities due to non-reconciliations. As the relevant information were not made available to them, the respective circle officers could not quantify the impact of the above mentioned non reconciliations on the Standalone Financial Statements.	The circles have been instructed to carry out the reconciliation and take necessary action to sort out the differences.
7.d	As detailed in Note 13, the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs. 22,923 lakhs (Previous Year Rs. 23,416 lakhs). The difference of balances is incorrectly stated since only the net differences have been stated. The gross differences amount to Rs. 38,513 lakhs (Previous Year Rs. 40,455 lakh). The impact of such difference on Revenues, Trade Receivables, License Fees and Spectrum Charges Payable, and GST liability on account of the same cannot be quantified.	<p>The Company has disclosed differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger amounting to INR 23,923 lakh in note 13(a) on a net basis as there is no specific requirement to disclose such amounts on a gross basis.</p> <p>The circles have been instructed to carry out the reconciliation and take necessary action to sort out the difference between two sets of records.</p>
7.e	NE-II and Tamil Nadu Circle Auditors have reported delinquency in physical verification of inventory.	Circles have been instructed to take necessary action as per accounting circulars/instructions issued in this regard.

Audit Para	Management Reply	
Inter / Intra Circle Remittance Account		
8	As detailed in note 43 to the Standalone Financial Statements, Inter-Circle/ Unit remittance balances amounting to Rs. 18,770 lakhs (Credit) (previous year Rs. 15,146 lakhs (Credit) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable.	Continuous effort to reconcile the remittance items and accounting of the same under relevant head are being done by the circles. The circles are being instructed to clear intra circle balance in time bound manner and minimize the pendency.
License Fee, Spectrum Charges, Inter Connect Usage Charges		
9	Adjusted Gross Revenue (License Fee/ Spectrum Usage Charges) is under reconciliation with Department of Telecom and the consequential impact, if any of the same is presently not ascertainable.	Provision liability of INR 17,68,836 lakh has been taken in the books centrally in FY 2022-23, whereas the reconciliation of AGR dues is in advanced stage at the level of circles. The necessary impact will be taken in the books in the FY 2023-24 according to the outcome of the reconciliation.
Provisions, Contingent Liabilities, Commitments and Contingent Assets		
10	The provisions and the disclosures with regard to matters under litigations, Commitments and Contingent Assets are been made based upon the management estimates. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the litigations, Commitments and Contingent Assets, the impact of adjustments/ disclosure, if any, on the Standalone Financial Statements is presently not ascertainable.	The concerned circles have been directed to provide the adequate details to the Auditors.



Audit Para	Management Reply
Miscellaneous	
11 The Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).	<p>a. The Company has not carried out any techno-economic assessment during the year ended 31 March 2023 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Standalone Financial Statements is currently not ascertainable.</p> <p>b. The company claims that it's accounting for capital and revenue grant is in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". However, in the absence of the relevant audit evidences being made available to us, we could not verify the veracity of the claim and its consequential impact on the Standalone Financial Statements is presently not ascertainable.</p> <p>c. The accounting policy as referred to in note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized</p> <p>a. The company has recently done an assessment of valuation of the company on the basis of future cashflows of the business. Basis, the same the valuation of the company is more than the book value. In view of the same there is no impact of Impairment to be taken in the books. The same report will be shared with the auditors also.</p> <p>b. Circles have been asked to submit required documents to the Auditors.</p> <p>c. 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>

Audit Para	Management Reply
<p>on actual basis in respect of bills received by the Company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the Standalone Financial Statements is presently not ascertainable.</p> <p>d. The Company has not complied with Ind AS 109 "Financial Instruments", for recognition at and measurement at fair value of financial assets. The consequential impact of adjustment, if any, owing to this non-compliance on the Standalone Financial Statements is presently not ascertainable.</p> <p>e. The Company has partly complied with Ind AS 16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. The value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Value, nor calculated in appropriate method and the same has been calculated on estimated</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> <p>d. As per Company's estimate the carrying value of the financial instruments approximates their fair value. Accordingly necessary compliance has been done.</p> <p>Company's accounting policy is given in Note 2.2(e) to the financial statements of FY 2022-23 and disclosure given in Note 52 to the financial statements prepared in accordance with the Companies Act.</p> <p>e. Asset Retirement Obligation (ARO) is required to be discharged at the end of lease period by dismantling the complete Asset and not every part or component separately. Hence ARO has been created for complete Asset.</p> <p>ARO is based on the technical evaluation carried out by civil/electrical wing and is not required to be certified from external agencies /valuers.</p>



Audit Para	Management Reply
<p>basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable.</p> <p>f. The Company has not identified and restated the prior year Financial Statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. In the absence of specific details, the consequential impact of adjustments, if any, on the Standalone Financial Statements is presently not ascertainable.</p>	<p>f. Ind AS 8 requires that material prior period errors shall be corrected retrospectively.</p> <p>In view of the management, the prior period items during the current financial year are not material; hence no restatement has been carried out.</p>
<p>12 The disclosure requirements of the Schedule III, Division II of the Act and the disclosure requirements of applicable Ind AS have not been properly adhered to in the presentation and disclosure of Standalone Financial Statements of the Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, where applicable; capital and other commitments and expenditure and earnings in foreign currency.</p>	<p>Current and non-current classification is given in accounting policy in the financial statements for FY 2022-23 and presentation is made in financials as per accounting policy.</p> <p>The circles have been instructed to strictly adhere to the accounting instructions issued on the subject matter.</p>
<p>13 The Company should establish a Standard Operating Procedure to reconcile the TDSS and TCS available for BSNL. From the working provided to us it is evident that the Income Tax Credit available as per the Income Tax Portal exceeds the amount deducted from the Vendors balance. This implies that the balance in Trade Receivables is overstated and when Income Tax Refund would be received the Income Tax Recoverable would show credit balance.</p>	<p>The balance of Trade Receivables has been adjusted by the amount of excess refund, and therefore, the balance in Trade Receivables is not overstated.</p> <p>Further, an in-house automation solution for the reconciliation has been developed and the management is hopeful that significant progress shall be made from 2023-24 onwards.</p>



Audit Para	Management Reply
14 CN (North), Jammu & Kashmir, Orrisa, Sikkim, CN (South), Tamil Nadu, Chhattisgarh, UP (West), NE II and NE I Circle Auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these Standalone Financial Statements. As reported by Auditors of UP East last posting of invoices led to loss of ITC. Auditor of Uttarakhand Circle has reported twice reversal of ITC of Rs. 22.41 lakhs in the book of accounts. The different Circles of the Company are constituted by multiple Business Areas. The GST Registrations are taken State-wise and different Circles cannot be directly attributed to a specific GST Registration. Hence, Registration-wise reconciliations shall be made to ascertain the financial impact on the Company as a whole.	The concerned circles have been instructed to make necessary compliances with regard to deposition, deduction, and reconciliation of GST and other statutory dues.
15 As detailed in notes (c) and (d) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement.	Noted.



Audit Para	Management Reply
16 Certain subsequent events or circumstances may have occurred between the auditor's report date of the respective circles of the Company and that of this audit report. Such events or circumstances could significantly affect the accompanying Standalone Financial Statements or the related disclosures forming part of these Standalone Financial Statements of the Company. In the absence of sufficient appropriate audit evidence in respect of the other circles, the impact of adjustments, if any, or disclosures to be included in these Standalone Financial Statements of the Company cannot be ascertained.	Necessary compliance is being taken care of at Corporate Office level.
Emphasis of Matter	
18 Reference is invited to Note 61 of the Notes to Accounts, whereby in terms of the decision of the Union Cabinet, the Fiber Assets of the Company are to be monetized. This monetization may have an adverse effect on the gross revenues and profitability of the company. Our report is not qualified on that matter.	The Company is monetizing its fibre assets through various methods in keeping with the revival plan of the Group as per Union Cabinet Meeting held on 23 rd October 2019. Necessary action will be taken in the light of policy decision of Government of India.
19 The Company could not redeem 9% Preference Share Capital amounting to Rs. 7,500 Crores before the appointed date (Refer Note no.23 to the Standalone Financial Statements) due to lack of funds and distributable profits. The issuance of preference shares has been approved in EGM of the company held in September, 2022 and the result of petition filed in National Company Law Tribunal for approval is awaited.	The matter is under pursuance with the Administrative Ministry i.e. Department of Telecom.



Audit Para	Management Reply
20 The Company needs to strengthen its control and circulate uniform policies to the Circles towards dues to MSME and interest due on overdue balances to MSME.	Noted.

For and on behalf of the Board of Directors

Sd/-
(P.K. PURWAR)
Chairman & Managing Director
BHARAT SANCHAR NIGAM LIMITED

Place : New Delhi
Date : 12-09-2023



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Bharat Sanchar Nigam Limited** for the year ended **31st March 2023** in accordance with the directions issued by 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 Ramesh C Agrawal & Co.
Chartered Accountants
Firm's Registration No.: 001770C**

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238

Place : New Delhi
Date : 26-05-2023

क्रमांक रि.वि.ले/एफ-357/बी.एस.एन.एल.(एस.एफ.एस.)/2022-23/49
No.

कार्यालय

महानिदेशक लेखापरीक्षा, वित्त एवं संचार
 शमनाथ मार्ग, (समीप पुराना सचिवालय) दिल्ली-110054

OFFICE OF THE
Director General Of Audit, Finance & Communication
SHAMNATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054

दिनांक:

Date: 13/09/2023



सत्यमेव जयते

To

The Chairman and Managing Director,
 Bharat Sanchar Nigam Limited,
 Bharat Sanchar Bhawan, Harish Chandra Mathur Lane,
 Janpath New Delhi-110001

Subject:- Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on Annual Accounts of BSNL for the year 2022-23.

Sir,

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 2022-23 are sent along with this letter for your information and further action.

Yours faithfully,

Sd/-
 (Roli Shukla Malge)
 Principal Director of Audit
 (Finance & Communication)

Encl : As above.



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 2023

The preparation of Financial Statements of Bharat Sanchar Nigam Limited (BSNL) for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is 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 26 May 2023.

1, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of BSNL for the year ended 31 March 2023 under Section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, 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 the related audit report.

A. Comments on Profitability

Statement of Profit and Loss

Expenses

1. Expenses-Employees benefit expenses Rs.794941 lakh (Note No. 34)

The above head is understated by an amount of Rs.9707 lakh due to non-provisioning for pension contribution at maximum pay scale for the period from 01.12.2011 to 30.09.2014. This has also resulted in understatement of loss by the same amount. This issue was commented upon last year also.

2. Depreciation and Amortisation Expenses Rs.565862 lakh (Note No. 36)

The above head is understated by an amount of Rs.1,72,266.93 lakh due to non-inclusion of amortisation of leasehold lands in Core Network Tx North and Madhya Pradesh circles, which were treated as freehold lands by the Company in its books of accounts.

This has also resulted in understatement of loss and overstatement of Property, Plant and Equipment by the same amount. This issue was commented upon last year also.

3. Other expenses Rs.983423 (Note 37)

The above head is understated by an amount of Rs.20895.20 lakh due to non-inclusion of the penalty imposed by the TERM Cell of DoT on account of Customer Application Form (CAF) penalty and EMF penalty.

This has resulted in understatement of loss also by the same amount. This issue was commented upon last year also.



B. Comments on Financial Position

4. Assets

Non- Current Assets

Property, Plant and Equipment Rs.8473361 lakh [Note No. 3 (i)]

The above head is overstated by Rs.204670.94 lakh due to inclusion of assets that have been identified and approved by the Department of Telecommunication for monetisation in 2019 and 2020. This has also resulted in understatement of the 'Assets Held for Sale' by the same amount. This issue was commented upon in the previous year also.

5. Current Assets

Inventories Rs.74698 lakh (Note No. 12)

The above head is overstated by an amount of Rs.237.80 lakh due to inclusion of equipment pertaining to WLL CDMA that was closed in 2018. This has also resulted in understatement of provision for obsolete store by the same amount.

6. Current Assets-Financial Assets

Trade receivables: Rs.369377 lakh (Note No.13)

The above head is overstated by an amount of Rs.128.01 lakh due to non-provisioning of long pending receivables from DoT on account of subsidy towards Village Public Telephone scheme, out of which 87 percent of the amount has already been disallowed by DoT. This has also resulted in understatement of loss by the same amount.

This has also resulted in understatement of Loss by the same amount.

7. Current Assets-

Other financials assets Rs.1045715 lakh (Note No.17)

The above head is overstated by inclusion of amount of Rs.4519.64 lakh shown recoverable from Hindustan Cables Limited which has been closed vide Union Cabinet's order in September 2016. This has also resulted in understatement of loss by the same amount.

8. Other Current Assets: Rs.885404 lakh (Note No.19)

The above head is overstated by inclusion of amount of Rs. 3808.84 lakh on account of advances given to the contractors during the period of 2013 to 2019. These advances have neither been adjusted/reconciled or provided for in the books of accounts.

This has also resulted in understatement of loss by the same amount.

9. Liabilities-Current Liabilities

Financial Liabilities

Trade Payables: Rs.635521 lakh (Note 28)



The above head is overstated by including an amount of Rs.21453 lakh pertaining to vendors, time barred cheques. EMD and & Security deposit from contractors/Suppliers from more than three years.

This has also resulted in overstatement of loss by the same amount.

10. Current Liabilities

Financial Liabilities (Note No. 28)

Other-Rs.473917 Lakh

The above head is understated by an amount of Rs.176.21 lakh due to not providing for commission payable to Telecommunication Infrastructure Providers for the month of March 2023.

This has also resulted in understatement of loss by the same amount.

11. Other Current Liabilities: Rs.1069307 lakh (Note No. 30)

The above head is understated by an amount of Rs.285.00 lakh due to non-provision of training expenditure for the months of February and March 2023, for which bills were also received from M/s Sterlite Technologies Limited in March 2023.

This has also resulted in understatement of loss by the same amount.

C. Comments on Cash Flow Statement

12. Net Change in working Capital

The Company has included change in Non-Current Financial Assets and Liabilities for calculating changes in Working Capital instead of showing the same under Cash Flow from Investing Activities. This depiction is not in line with the Ind AS 7. Thus, the Cash Flow Statement is deficient to that extent. This issue was commented upon last year also.

D. Comments on Disclosure

13. Notes to Standalone Financial Statements for the year ended 31 March 2023

M/s Vihaan Networks Limited served legal notice to BSNL in August 2020 for an amount of Rs.60000 lakh due to withdrawal of Advance Purchase Order by BSNL. The matter is in arbitration. This fact has not been disclosed in the books of accounts of BSNL for the year 2022-23.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-

(Roli Shukla Malge)

Principal Director of Audit
(Finance & Communication)

Place: Delhi

Date: 13-09-2023



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 2023 AND REPLY THEREON BY BSNL MANAGEMENT

No.	Comments by C&AG of India	Reply of the Management
A. Comments on Profitability		
1	Statement of Profit and Loss Expenses-Employees benefit expenses Rs.794941 lakh (Note No. 34)	<p>The above head is understated by an amount of Rs.9707 lakh due to non-provisioning for pension contribution at maximum pay scale for the period from 01.12.2011 to 30.09.2014. This has also resulted in understatement of loss by the same amount. This issue was commented upon last year also.</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 at the time of proceeding on foreign service or the upgraded pay during financial up gradation. Accordingly, for the period from 01.12.2011 to 30.09.2014 pension contribution was paid on the basis of actual basic drawn by the employee. Matter is in correspondence with in DOT for final decision on the matter.</p> <p>Accordingly, pending final decision, the difference between Pension Contribution on Maximum of pay scale and pension contribution paid on actual pay is shown as contingent liability in the BSNL's Financials, pending final decisions in the matter.</p>
2	Depreciation and Amortisation Expenses Rs. 565862 lakh (Note No. 36)	<p>The above head is understated by an amount of Rs.1,72,266.93 lakh due to non-inclusion of amortisation of leasehold lands in Core Network Tx North and Madhya Pradesh circles, which were treated as freehold lands by the Company in its books of accounts.</p> <p>The status of these assets in books of accounts will be reviewed based on title records. Corrective steps will be taken in the current financial year based on factual position.</p>



	<p>This has also resulted in understatement of loss and overstatement of Property, Plant and Equipment by the same amount. This issue was commented upon last year also.</p>	
3	Other expenses: Rs.983423 lakh (Note 37)	
	<p>The above head is understated by an amount of Rs.20895.20 lakh due to non-inclusion of the penalty imposed by the TERM Cell of DoT on account of Customer Application Form (CAF) penalty and EMF penalty.</p> <p>This has resulted in understatement of loss also by the same amount. This issue was commented upon last year also.</p>	<p>The penalties levied by TERM cell on account of alleged deficiencies in CAF verification are being actively represented and pursued rigorously by the circles.</p> <p>The method of CAF penalty imposition by DoT, rejoinders by BSNL Circles and further review at DoT end is a continuous process and expenditure is booked when the liability is confirmed. The Circles are well aware about this matter and booking of the expenditure in this regard is done after due diligence and verification.</p> <p>Accordingly, there is no understatement of liabilities by Rs.20895.20 lakh as well as overstatement of Contingent liability to the same amount.</p>
B. Comments on Financial Position		
4	Assets Non-Current Assets Property, Plant and Equipment Rs. 8473361 lakh [Note No. 3 (i)]	<p>The above head is overstated by Rs.204670.94 lakh due to inclusion of assets that have been identified and approved by the Department of Telecommunication for monetisation in 2019 and 2020. This has also resulted in understatement of the 'Assets Held for Sale' by the same amount. This issue was commented upon in the previous year also.</p> <p>DoT had conveyed the presidential approval for monetization of 38 land parcels, i.e. 14 land parcels in Phase I on 13.11.2019, and 24 land parcels in Phase II on 17.04.2020, as proposed by BSNL Board of Directors.</p> <p>So far IPCs (International Property Consultants) have been appointed for 11 properties from Phase I and 7 properties from Phase II, as per the decision taken by the IMG (Inter Ministerial Group) / AM (Alternate Mechanism) meeting. Accordingly, these 18 properties (11 from Phase I and 7 from Phase II) were classified as Assets held for Sale. Whereas other 20 Land Parcels</p>

	<p>were not classified as Assets held for sale as Ind AS 105 prohibits such classification in view of the facts that BSNL only intends to sell these in a distant future at this point of time.</p> <p>Further 1 land parcel (book value INR 22,387 lakh), out of 18 land parcels transferred to Assets held for sale, has been reclassified to PPE in FY 22-23, as it is not probable to sell this particular land parcel as per current status.</p> <p>Therefore, there is no understatement of "Asset held for sale".</p>
5	<p>Current Assets</p> <p>Inventories Rs.74698 lakh (Note No. 12)</p>
	<p>The above head is overstated by an amount of Rs.237.80 lakh due to inclusion of equipment pertaining to WLL CDMA that was closed in 2018. This has also resulted in understatement of provision for obsolete store by the same amount.</p>
6.	<p>Current Assets-Financial Assets</p> <p>Trade receivables: Rs.369377 lakh (Note No.13)</p>
	<p>The above head is overstated by an amount of Rs.128.01 lakh due to non-provisioning of long pending receivables from DoT on account of subsidy towards Village Public Telephone scheme, out of which 87 percent of the amount has already been disallowed by DoT.</p> <p>This has also resulted in understatement of loss by the same amount.</p> <p>The claims were disallowed by CCA office without processing the claims and without considering the submission w.r.t. their query/observation submitted by this office. This office had submitted all the compliances of CCA office's queries.</p> <p>The claims need to be reviewed and admitted by the CCA as per terms & conditions and there is no need to create provision.</p>
7.	<p>Current Assets</p> <p>Other financial assets Rs.1045715 lakh (Note No.17)</p>
	<p>The above head is overstated by inclusion of amount of Rs.4519.64 lakh shown recoverable from Hindustan Cables Limited which has been closed vide Union Cabinet's order in September 2016. This has also resulted in understatement of loss by the same amount.</p> <p>Under provisions of AMRCD one meeting has already taken place in DOT under the chairmanship of Advisor (Finance) another meeting is scheduled shortly. Matter will be reviewed after getting the outcome of AMRCD.</p>



8	Other Current Assets: Rs.885404 lakh (Note No.19)	
	<p>The above head is overstated by inclusion of amount of Rs.3808.84 lakh on account of advances given to the contractors during the period of 2013 to 2019. These advances have neither been adjusted/reconciled or provided for in the books of accounts.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>Provision for Expected Credit Loss (ECL) has been created on the Trade Receivables as per the Ind AS requirement. However, the matter will be reviewed in FY 2023-24 and necessary accounting will be ensured after reconciliation.</p>
9	Liabilities - Current Liabilities Financial Liabilities Trade Payables: Rs.635521 lakh (Note No.28)	
	<p>The above head is overstated by including an amount of Rs.21453 lakh pertaining to vendors, time barred cheques. EMD and & Security deposit from contractors/Suppliers from more than three years.</p> <p>This has also resulted in overstatement of loss by the same amount.</p>	<p>Regular pursuance is going on to settle the cases after necessary verification and due diligence in each case. Thus, in absence of proper procedure, amount is not transferred to Income head merely following the provisions of the law of limitation; it may invite litigation in future.</p> <p>Accordingly, there is no overstatement of liabilities and overstatement of loss.</p>
10.	Current Liabilities Financial Liabilities (Note No.28) Other-Rs.473917 lakh	
	<p>The above head is understated by an amount of Rs.176.21 lakh due to not providing for commission payable to Telecommunication Infrastructure Providers for the month of March 2023.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>In the month of March, 2023 partial amounts were paid to the Telecom Infra Providers and provision also been made for unpaid cases. But provisions could not be created in four BAs due to procedural issues. However, the issue will be taken care and provisions will be made as per the requirements in FY 2023-24.</p>
11.	Other Current Liabilities: Rs.1069307 lakh (Note No.30)	
	<p>The above head is understated by an amount of Rs.285.00 lakh due to non-provision of training expenditure for the months of February and March 2023, for which bills were also received from M/s Sterlite Technologies Limited in March 2023.</p>	<p>NFS is an external project awarded to BSNL by Dot on behalf of Defence. Regarding this project, the work is treated as completed only after the ATC/Other certificates signed by the actual beneficiary i.e. PICG/Defence Authorities. Hence there is no understatement of loss since it is cost plus basis external project.</p>



	This has also resulted in understatement of loss by the same amount.	
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C. Comments on Cash Flow Statement

12	Net Change in working Capital	
	<p>The Company has included change in Non-Current Financial Assets and Liabilities for calculating changes in Working Capital instead of showing the same under Cash Flow from Investing Activities. This depiction is not in line with the Ind AS 7. Thus, the Cash Flow Statement is deficient to that extent. This issue was commented upon last year also.</p>	<p>Cash Flow Statement has been prepared according to the IND AS 7 using indirect method.</p> <p>The changes in the non-current financial assets are attributable to movement in security deposits (Rs.4524 lakh), CDR claims recoverable A/c (Rs.386 lakh) and earmarked deposits with banks (Rs.12lakh), and these are operational in nature and therefore do not fall under investing or financing activities as per para 16 of the IND AS 7 quoted above.</p> <p>Basis above technical guidance, non-current financial assets and liabilities related to operations, does not fall under the investing or financial activities, accordingly the same are adjusted in cash flow from operating activities.</p> <p>Therefore, the accounting treatment done in relation to adjustment of operating non-current financial assets and liabilities is in line with the Ind AS 7.</p>

D. Comments on Disclosure

13	Notes to Standalone Financial Statements for the year ended 31 March 2023	
	<p>M/s Vihaan Networks Limited served legal notice to BSNL in August 2020 for an amount of Rs.60000 lakh due to withdrawal of Advance Purchase Order by BSNL. The matter is in arbitration. This fact has not been disclosed in the books of accounts of BSNL for the year 2022-23.</p>	<p>The Advance Purchase Order (APO) was issued for 2G BSS Network to M/s Vihan Network Limited (VNL) on 21.03.2018. M/s VNL was to submit unconditional/ unequivocal acceptance of APO & performance Bank Guarantee and other documents as per terms and condition of the APO within 14 days of issue of the APO. M/s VNL did not comply with the timelines. M/s VNL submitted the PBG on 12.12.2018, thereby violating the terms and conditions of the APO.</p> <p>Further in December 2019, USOF intimated BSNL that the Digital Communication</p>



	<p>Commission has decided to float the tender afresh and it also terminated the agreement signed between USOF & BSNL. BSNL cancelled the APO in keeping with the above decision.</p> <p>BSNL has filed a petition in Delhi High Court on 11.09.2023 under section 34 of Arbitration and Conciliation Act 1966, challenging the decision of the Arbitrator in the matter.</p> <p>However, due to the matter of arbitration being pending in the case on the date of signing of financials and the assessment of the matter that the decision will be in the favour of BSNL, the case was not disclosed as contingent liability.</p> <p>The matter will be reviewed as per further developments in the case and the disclosure will be included in financial statements of FY 2023-24.</p>
	<p style="text-align: center;">For and on behalf of the Comptroller & Auditor General of India</p> <p>Place: Delhi Date: 13-09-2023</p> <p style="text-align: center;">Sd/- (Roli Shukla Malge) Principal Director of Audit (Finance & Communication)</p> <p style="text-align: right;">Sd/- (P.K. PURWAR) CMD, BSNL Date: 19-09-2023</p>

**BHARAT SANCHAR NIGAM LIMITED**Consolidated Balance Sheet as at 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3(i)	8,473,361	8,684,157
Capital work-in-progress	3(ii)	216,764	283,452
Intangible assets	4	2,289,718	451,358
Right of use assets	5	268,685	309,662
Financial assets			
(i) Investments	6	-	-
(ii) Loans	7	91	121
(iii) Other financial assets	8	41,030	36,108
Deferred tax assets	9	0	1
Other non-current assets	10	77,110	61,192
Total non-current assets		11,366,759	9,826,052
Current assets			
Current assets	11		
Inventories		74,698	124,041
Financial assets			
(i) Investments	12	-	-
(ii) Trade receivables	13	369,385	401,599
(iii) Cash and cash equivalents	14	71,657	90,255
(iv) Bank balances other than (iii) above	15	193,851	214,292
(v) Loans	16	5	29
(vi) Other financial assets	17	1,045,116	721,914
Current tax assets (net)	18	31,697	15,677
Other current assets	19	885,944	514,965
Assets held for sale		710,491	734,288
Total current assets		3,382,844	2,817,060
Total assets		14,749,603	12,643,112
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	3,138,644	500,000
Other equity	21	3,157,697	3,969,362
Total equity		6,296,341	4,469,362
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	22	1,609,121	2,323,963
(ii) Lease liabilities	49	249,123	276,658



BHARAT SANCHAR NIGAM LIMITED

Consolidated Balance Sheet as at 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
(iii) Other financial liabilities	23	515,542	501,198
Provisions	24	60,934	71,015
Other non-current liabilities	25	45,510	50,798
Total non-current liabilities		2,480,230	3,223,632
Current liabilities			
Financial liabilities			
(i) Borrowings	26	1,200,103	1,716,050
(ii) Lease liabilities	49	64,977	66,310
(iii) Trade payables	27	48,191	71,231
-total outstanding dues of micro enterprises and small enterprises			
-total outstanding dues of creditors other than micro enterprises and small enterprises		587,789	832,621
(iv) Other financial liabilities	28	2,992,002	1,217,664
Other current liabilities	29	1,069,345	961,490
Provisions	30	10,625	84,751
Total current liabilities		5,973,032	4,950,117
Total liabilities		8,453,262	8,173,749
Total equity and liabilities		14,749,603	12,643,112

The accompanying notes are an integral part of these Consolidated financial statements. 1 to 78

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

In terms of our report attached

For Ramesh C Agrawal & Co.

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
Partner
Membership No. : 436238

UDIN: 23436238BGUTOY9234

Place : New Delhi
Date : 26-05-2023*For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited*

Sd/-
P.K. Purwar
Chairman and Managing Director
DIN: 06619060

Sd/-
Rajeev Singh
Principal General Manager
(Corporate Accounts)

Sd/-
Rajiv Kumar
Director (Finance)
DIN: 09811051

Sd/-
J.P Chowdhary
Company Secretary and
General Manager (Legal)
M. No. F- 3726

BHARAT SANCHAR NIGAM LIMITED**Consolidated Statement of Profit and Loss for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Revenue			
Revenue from operations	31	1,913,069	1,681,126
Other income	32	157,113	224,337
Total income (I)		2,070,182	1,905,463
Expenses			
License and spectrum fee	38	135,647	144,142
Employee benefits expense	33	795,193	716,867
Finance costs	34	256,237	261,729
Depreciation and amortisation expense	35	565,862	530,804
Other expenses	36	983,441	950,085
Total expenses (II)		2,736,380	2,603,626
Loss before exceptional items and tax (III = I - II)		(666,198)	(698,163)
Exceptional Items (IV)	58	(149,936)	-
Loss before tax (V = III - IV)		(816,134)	(698,163)
Tax expense: (VI)	50		
Current tax		6	-
Current tax pertaining to earlier year		-	0
Deferred tax		1	(1)
Loss for the year (VII = V - VI)		(816,141)	(698,162)
Other comprehensive income			
Items that will not be reclassified to the statement of profit and loss			
Remeasurement of post employment benefit obligation (net of tax)		4,500	(1,130)
Total other comprehensive income/ (expense) for the year, net of taxes (VIII)		4,500	(1,130)

**BHARAT SANCHAR NIGAM LIMITED****Consolidated Statement of Profit and Loss for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Total comprehensive income/ (expense) for the year (IX = VIII + VII)		(811,641)	(699,292)
Loss for the year attributable to:			
Owners of the Company		(816,141)	(698,162)
Non-controlling interest		-	-
Other comprehensive income for the year attributable to:			
Owners of the Company		4,500	(1,130)
Non-controlling interest		-	-
Total comprehensive income/(expense) for the year attributable to:		(811,641)	(699,292)
Owners of the Company		(811,641)	(699,292)
Non-controlling interest		-	-
Loss per equity share (INR)	43	(4.80)	(13.96)
Basic and diluted (nominal value of shares INR 10 each)			

The accompanying notes are an integral part of these Consolidated financial statements. 1 to 78 This is the Consolidated statement of profit and loss referred to in our report of even date.

In terms of our report attached

For Ramesh C Agrawal & Co.

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
Partner

Membership No. : 436238

UDIN: 23436238BGUTOY9234

Place : New Delhi
Date : 26-05-2023

For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Sd/-
P.K. Purwar
Chairman and Managing Director
DIN: 06619060

Sd/-
Rajeev Singh
Principal General Manager
(Corporate Accounts)

Sd/-
Rajiv Kumar
Director (Finance)
DIN: 09811051

Sd/-
J.P Chowdhary
Company Secretary and
General Manager (Legal)
M. No. F- 3726

**BHARAT SANCHAR NIGAM LIMITED****Consolidated Cash Flow Statement for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
A. Profit/ (loss) before tax	(666,205)	(698,162)
Adjustments for:		
Depreciation and amortisation expense	565,862	530,804
Bad-debt written off	22,605	41,119
Provision for obsolete inventory/short inventory	418	283
Loss allowance for trade receivables and disputed bills	17,004	20,138
Exceptional Items	(149,936)	-
Bad-debt provision other than services	1,711	1,735
Write off and losses other than bad debts	16,879	27,308
Write off of unrecovered service tax/ GST	3,185	2,007
Excess liabilities written back no longer required	99,109	(179,715)
Profit on termination of lease contract(s)	(369)	(755)
Unrealised Gain/Loss on Forex fluctuation (net)	(1)	(96)
Grant in aid (net)	7,436	(9,422)
Finance costs	253,518	257,247
Unwinding of discount on decommissioning liabilities	2,719	4,482
Interest income	(10,534)	(9,184)
Profit on sale of property, plant and equipment (net)	(5,623)	(1,926)
Capitalisation of overheads	(6,409)	(8,914)
Operating cash flows before working capital changes	151,369	(23,050)
Net change in working capital:		
Loans	54	37
Trade receivables	(7,395)	(75,914)
Inventories	48,925	55,259
Other financial assets	(327,948)	53,732
Other assets	(386,897)	(116,171)
Trade payables	(267,872)	(243,813)
Other financial liabilities	1,654,344	338,856
Provisions	(79,707)	43,981
Other liabilities	73,356	(169,403)
Cash from operating activities	858,229	(136,486)
Net income tax refund/(paid)	(16,020)	37,661
Net cash generated from/ (used in) operating activities	842,209	(98,825)

**BHARAT SANCHAR NIGAM LIMITED****Consolidated Cash Flow Statement for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,001,625)	(398,552)
Proceeds from sale of property, plant and equipment	-	380,729
Interest received	10,358	9,334
Proceeds from / (investment in) deposits with banks	20,441	149,863
Net cash generated from/ (used in) investing activities	(1,970,826)	141,375
C. Cash flows from financing activities		
Interest paid	(218,289)	(220,389)
Payments for principal portion of lease liability	(44,297)	(62,161)
Payments for Interest portion of lease liability	(35,229)	(36,858)
Issue of share capital net of expenses incurred for increase in authorised share capital	2,638,619	(25)
Proceeds from/ (repayment) of long term loans (net)	(1,044,894)	240,828
Net cash generated from/ (used in) financing activities	1,295,910	(78,605)
Net increase/ (decrease) in cash and cash equivalents	167,293	(36,055)
Cash and cash equivalents at the beginning of the year	(255,566)	(219,511)
Cash and cash equivalents at the end of the year	(88,273)	(255,566)
Cash and cash equivalents:		
Balances with banks in current account including sweep In deposit	70,613	88,976
Deposits with original maturity of less than three months	12	277
Cheques on hand	522	431
Cash on hand	510	571
Bank overdraft	(159,930)	(345,825)
Total cash and cash equivalents	(88,273)	(255,570)

Notes:

- (a) The cash flow statement has been prepared in accordance with "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) on "Cash flow statement", specified under section 133 of the Companies Act, 2013, as applicable.
- (b) Figures in the bracket represent cash outflow.
- (c) In the absence of adequate data regarding assets appearing in the disposals/ adjustments column of note no. 3 of property, plant and equipment, all deletions (except amount transferred as assets held for sale) have been assumed to be on cash basis for preparation of cash flow statement.
- (d) In the absence of adequate details regarding unreconciled inter circle remittances with the subsidiary records, all the 'intra/ inter circle remittances' have been treated as part of working capital changes.

**BHARAT SANCHAR NIGAM LIMITED****Consolidated Cash Flow Statement for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

- (e) Refer Note 51 for details of undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.
- (f) Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance as at 1 April 2022	2,944,188	2,703,360
Cashflow during the year	(1,044,894)	240,828
Interest expenses	228,589	186,392
Interest paid	(218,289)	(220,389)
Interest accrued but not due	(10,300)	33,997
Closing balance as at 31 March 2023	1,899,294	2,944,188

The accompanying notes are an integral part of these Consolidated financial statements.
 This is the Consolidated cash flow statement referred to in our report of even date.

1 to 78

In terms of our report attached

For Ramesh C Agrawal & Co.

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
 Partner
 Membership No. : 436238

UDIN: 23436238BGUTOY9234

Place : New Delhi
 Date : 26-05-2023

For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Sd/-
P.K. Purwar
 Chairman and Managing Director
 DIN: 06619060

Sd/-
Rajiv Kumar
 Director (Finance)
 DIN: 09811051

Sd/-
Rajeev Singh
 Principal General Manager
 (Corporate Accounts)

Sd/-
J.P Chowdhary
 Company Secretary and
 General Manager (Legal)
 M. No. F- 3726



BHARAT SANCHAR NIGAM LIMITED

Consolidated Statement of Changes in Equity for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

a. Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2021		500,000
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at 1 April 2021		500,000
Changes in equity share capital during the year ended 31 March 2022	20	-
Balance as at 31 March 2022		500,000
Changes in Equity Share Capital due to prior period errors		-
Restated Balance as at 1 April 2022		500,000
Changes in equity share capital during the year ended 31 March 2023	20	2,638,644
Balance as at 31 March 2023		3,138,644

b. Other equity

Particulars	Reserves and surplus				Total
	Capital reserve	General reserve	Retained earnings	Capital contribution from shareholder (Refer note 22)	
Balance as at 1 April 2021	4,021,116	490,075	59,170	98,318	4,668,679
Loss for the year			(698,162)		(698,162)
Expenses incurred for increase in authorised share capital	-	-	(25)	-	(25)
Other comprehensive income/(expense) for the year	-	-	(1,130)	-	(1,130)
Balance as at 31 March 2022	4,021,116	490,075	(640,147)	98,318	3,969,362
Balance as at 1 April 2022	4,021,116	490,075	(640,147)	98,318	3,969,362
Loss for the year			(816,141)		(816,141)
Expenses incurred for increase in authorised share capital			(25)		(25)
Other comprehensive income/(expense) for the year			4,500		4,500
Transaction with owners in their capacity as owners					
Amount received against the share application money					
Balance as at 31 March 2023	4,021,116	490,075	(1,451,812)	98,318	3,157,697

The accompanying notes are an integral part of these Consolidated financial statements.

1 to 78

This is the Consolidated statement of changes in equity referred to in our report of even date.

In terms of our report attached

For Ramesh C Agrawal & Co.

Chartered Accountants

Firm Registration No. : 001770C

Sd/-
Paritosh Agarwal
 Partner

Membership No. : 436238

UDIN: 23436238BGUTOY9234

Place : New Delhi

Date : 26-05-2023

For and on behalf of Board of Directors of Bharat Sanchar Nigam Limited

Sd/-
P.K. Purwar
 Chairman and Managing Director
 DIN: 06619060

Sd/-
Rajeev Singh
 Principal General Manager
 (Corporate Accounts)

Sd/-
Rajiv Kumar
 Director (Finance)
 DIN: 09811051

Sd/-
J.P. Chowdhary
 Company Secretary and
 General Manager (Legal)
 M. No. F- 3726



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR 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 (CIN: U74899DL2000GOI107739). The Company has been incorporated under the erstwhile Companies Act, 1956 with its registered corporate office in New Delhi. The consolidated financial statements comprise the financial statements of the Company and its subsidiary referred as "Group".

2.1 Basis of preparation

a) Statement of compliance

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

The Consolidated financial statements were authorized for issue by the Company's Board of Directors on 26 May 2023.

b) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is the Group's functional and presentation currency. All values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated. Amounts less than INR 100,000 have been presented as "0".

c) Basis of measurement

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

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

d) Critical accounting estimates and judgements

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

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Judgements

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

Note 2.2 (e), 2.2 (l) and 51 classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Note 2.2 (i) - assets held for sale classification

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

Note 2.2 (r) - whether an arrangement contains a lease; and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:

Note 2.2 (c) and 51 - fair value measurement of investment in preference shares

Note 2.2 (e) and 51 - impairment of financial assets and non-financial asset

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

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

Note 2.2 (m) and 39- measurement of defined benefit obligations and plan assets: key actuarial Assumptions

Note 2.2 (n), 2.2 (o), 47 and 48 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

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

Note 2.2 (r) - determination of lease term and estimate of amount payable under residual value guarantee

Note 2.1 (b) - which is the Group's functional and presentation currency

e) Basis of consolidation

The Group consolidates entity which it owns or controls. The consolidated financial statements comprise the financial statements of the Company and its subsidiary as disclosed in Note 55.

Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

consolidated from the date control commences until the date control ceases. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions are eliminated upon consolidation. These consolidated financial statements are prepared by applying uniform accounting policies in use at the Group.

2.2 Significant accounting policies

a) Current and non-current classification

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

Assets

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

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

All other assets are classified as non-current.

Deferred tax assets are classified as non-current assets.

Liabilities

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

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Operating cycle

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

b) Foreign currency transactions and translations

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Group initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

c) Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group.

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

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

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

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

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

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

Fair values of financial instruments at each reporting date are disclosed in note 51.

d) Investment in subsidiary

Investment in subsidiary is measured at cost.

e) Financial instruments

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

i. **Financial assets**

Recognition and initial measurement

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

Classification and subsequent measurement

Classification

The Group classifies financial assets in following categories:

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL:

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

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

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset at FVTPL.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

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

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

Derecognition

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

Impairment

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

Write-off

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



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

ii. Financial liabilities

Recognition and initial measurement

All financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are initially measured at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the liability.

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost.

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

Derecognition

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

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

iii. Offsetting

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

f) Equity share capital

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

g) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and for the purpose of statement of cash flows, includes cash at banks and on hand, short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

h) Property, plant and equipment

Recognition and measurement

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



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(All amounts are in INR lakh, unless otherwise stated)

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

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

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

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

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

Transition to Ind AS

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

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

Subsequent expenditure

Subsequent expenditure are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

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



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Depreciation methods, estimated useful lives and residual value

- i. Depreciation on property, plant and equipment has been provided as per guidance set out in Schedule II of the Companies Act, 2013 on written down value (WDV) method except in respect of the assets mentioned in (ii) and (iii) below.

Nature of assets	Useful lives (in years)
Buildings	60
Apparatus and plants	13
Motor vehicles and launches	8
Cables and lines and wires-telecom ducts cables and optical fiber	18
General plant and machinery- other than continuous process plant	15
Towers and satellites	18
Office machinery and equipment	5
Electrical fittings	10
Furniture and fixtures	10
Computer-end user devices	3
Computer-servers and networks	6

- ii. Assets costing up to INR 5,000 are depreciated fully in the year of purchase. Similarly, partition works and paintings costing up to INR 200,000 are depreciated fully in the year of construction/ acquisition.
- iii. The depreciation on machinery and tools used both for project and maintenance work is charged to the statement of profit and loss instead of capitalization.
- iv. All telephone exchange buildings, administrative offices and captive consumption assembling premises/workshops are considered as buildings (other than factory building). Accordingly, depreciation is charged uniformly.
- v. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.
- vi. Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.
- vii. Depreciation method, useful lives and residual values are reviewed at each reporting period end.



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i) Assets held for sale

Non-current assets are classified as assets held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Assets classified as held for sale are stated at the lower of carrying amount and the net realisable value. Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

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

j) Intangible assets

Recognition and measurement

Intangible assets are recognised if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably.

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

Transition to Ind AS

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

Subsequent expenditure

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

Amortisation

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

1) License fee

- i. Acquired licenses, including one time spectrum fee for telecom service operations, are initially recognised at cost.
- ii. The revenue-share fee on licenses and spectrum is computed as per the licensing agreement and is expensed as incurred.



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(All amounts are in INR lakh, unless otherwise stated)

iii. Amortisation is recognised in the statement of profit and loss on a straight-line basis over the unexpired period of the license commencing from the date when the related network is available for intended use

Intangible assets such as entry license fee, one-time Spectrum fee for telecom service operations are amortised over the license period (i.e. 20 years).

2) Computer software

Costs associated with maintaining software programs are recognised as an expense as incurred. Computer software applications are amortised over the license period (subject to maximum 10 years) using the straight line method.

k) Inventories

Inventory is valued at the lower of cost and net realizable value. Cost is determined on weighted average method.

Inventory costs include purchase price, freight inward and transit insurance charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

l) Impairment of non-financial assets

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

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

m) Employee benefits

i. Short-term obligations

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

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive



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obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefits expense in the statement of profit and loss in the periods during which the related services are rendered by employees. The Group makes specified contributions towards the following schemes:

Pension Contribution (including gratuity)

The employees of DoT who have opted for absorption / absorbed in the Group and the employees on deemed deputation from Government are eligible for pension, which is a defined contribution plan. The Group makes monthly contribution (including liability on account of gratuity) at the applicable rates as per Government Pension Rules, 1972 and Fundamental Rules and Supplementary Rules (FR & SR), to the Central Government which administers the same. These contributions are expensed in the statement of profit and loss as and when incurred.

Employees' provident fund

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

Contribution for leave salary

For employees on deemed deputation from Government, leave salary contribution is paid by the Group to DoT/ Government for the deputation period in accordance with FR 115 (b) of FR & SR Part I. Consequently, the liability for the leave salary payable for those on deputation/ deployment during the period of leave rests with the Government. Further, any leave encashment after quitting service is the responsibility of the Government. These contributions are expensed in the statement of profit and loss as and when incurred.

Contribution for superannuation fund

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

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



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iii. Defined benefit plans

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

Gratuity

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

The calculation of defined benefit obligation is performed annually by a qualified actuary separately for each plan using the projected unit credit method, which recognises each year of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

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

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

Other benefits including post-employment medical care

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

iv. Other long-term employment obligations

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



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

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

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

n) Provisions

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

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

Decommissioning liability

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

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

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

o) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient



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reliability. Information on contingent liabilities is disclosed in the notes to the Consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Information on contingent assets is disclosed in the notes to the Consolidated financial statements, unless the possibility of an inflow of economic benefit is virtually certain.

p) Revenue recognition

Effective 1 April 2018, the Group has applied Ind AS 115.

When the Group enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services don't meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

The Group allocates the transaction price to each performance obligation based on their relative stand-alone selling price. The stand-alone selling price of products and services are mainly based on observable selling prices. The Consolidated selling price of each point in the customer point rewards is based on its fair value. Revenue for each performance obligation is then recognized when the control of the promised goods or services transfers to the customer. Where goods and services have a functional dependency, this does not prevent those goods or services from being assessed as separate obligations. Revenue is recognized net of discounts and applicable taxes.

Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. The amount of variable consideration is estimated only to the extent, it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Gross versus net presentation

If the Group has control of goods or services when they are delivered to a customer, then the Group is the principal in that case; otherwise the Group is acting as an agent. Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its customer.



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Service revenues

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

Revenue from services are stated net of discounts and taxes. Prepaid revenue for the year from Subscriber Identity Modules (SIMs) recharge coupons of mobile, prepaid calling cards and prepaid internet connection cards are recognized basis the usage of cards/coupons or expiry, whichever is earlier.

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

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

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

Contract-related costs

When costs directly relating to a specific contract are incurred prior to recognising revenue for a related obligation, and those costs enhance the ability of the Group to deliver an obligation and are expected to be recovered, then those costs are recognised on the balance sheet as fulfilment costs and are recognised as expenses in line with the recognition of revenue when the related obligation is delivered.

The direct and incremental costs of acquiring a contract including, for example, certain commissions payable to staff or agents for acquiring customers on behalf of the Group, are recognised as contract acquisition cost assets in the balance sheet when the related payment obligation is recorded. Costs are recognised as an expense in line with the recognition of the related revenue that is expected to be earned by the Group; typically, this is over the customer contract period as new commissions are payable on contract renewal. Certain amounts payable to agents are deducted from revenue recognised.

Construction contracts

Revenue from cost plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

Revenue from fixed price contracts is recognized over time to the extent of performance obligation satisfied and control is transferred to the customer. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.



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

The Group becomes entitled to invoice customers for construction based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent an invoice for the related milestone payment. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Group recognises a contract liability for the difference.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity.

Impairment loss is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the Group expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Group recognises impairment loss on account of credit risk in respect of contract assets using expected credit loss model on similar basis as applicable to trade receivables.

Equipment sales

Revenues from equipment sales are recognised when control of equipment is transferred to the buyer.

Contract Asset is recognized when revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer. Contract Liability is recognized when amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Group receives an advance payment from a customer.

The Group has billed and accounted for the charges for telecommunication services and other infrastructural services provided by the Group to DoT.

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

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

Financing Components

The Group doesn't expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.



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Interest income

Interest income from debt instruments is recognised using the effective interest rate (EIR) method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

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

Other income

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

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

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

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

In case liquidated damages linked to loss of revenue:

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

q) **Government grants**

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

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

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

r) **Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract



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involves the use of an identified asset (2) the Customer has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Customer has the right to direct the use of the asset.

Group as a lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. The Group is considering low value lease if the value of an underlying asset, based on the value of the asset when it is new, regardless of the age of the asset being leased, is up to INR 2 lakh. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less costs of disposal and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments shall include fixed payments, variable lease payments that depend on an index or rate and extension options expected to be exercised. Variable lease payments not dependent on an index or rate are excluded from the calculation of lease liabilities. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised / option to terminate the lease will not be exercised.



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The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Group as a lessor

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the lease is classified as a finance lease. All other leases are classified as operating leases.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

s) Borrowing costs

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

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

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

t) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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



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Deferred tax

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

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

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

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

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

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

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

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

u) Earnings per share

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



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(All amounts are in INR lakh, unless otherwise stated)

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

v) Prior period items

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

w) Segment reporting

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

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

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

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

2.3 Changes in accounting policies and disclosures

There is no change in accounting policies during financial year 2022-23.

2.4 Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2023. Below is a summary of such amendments.

1. Ind AS 1 Presentation of financial statements

This amendment to Ind AS 1, providing guidance to help entities meet the accounting policy



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(All amounts are in INR lakh, unless otherwise stated)

disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

2. Ind AS 8 Accounting policies, changes in accounting estimates and errors

This amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments.



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Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

3. Property, plant and equipment
(i) Tangible assets

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023
Free hold land	6,345,051	72	(14,639)	6,359,762	-	-	-	6,359,762
Buildings	805,316	3,026	2,247	806,095	494,570	15,288	1,116	508,743
Apparatus and plants	6,357,310	48,572	173,353	6,232,529	5,277,057	196,249	161,106	5,312,199
Motor vehicles and launches	10,348	7	1,095	9,259	9,491	134	1,046	8,578
Cables and lines and wires-telecom ducts, cables and optical fibre	6,892,768	50,389	37,467	6,905,690	6,172,802	77,007	36,406	6,213,404
General plant and machinery- other than continuous process plant	364,912	1,331	9,019	357,225	328,120	4,544	8,296	324,368
Towers and satellites	689,925	2,737	3,722	688,941	569,322	18,192	3,672	583,841
Office machinery and equipment	18,363	84	211	18,236	17,324	123	194	17,252
Electrical fittings	538,639	1,598	9,366	530,870	490,063	7,406	8,901	488,568
Furniture and fixtures	23,042	23	718	22,347	21,830	70	684	21,216
Computer-end user devices	142,060	837	4,966	137,930	135,205	637	4,715	131,127
Computer-servers and networks	75,648	7,303	340	82,610	63,439	5,720	323	68,836
Total	22,263,382	115,979	227,865	22,151,494	13,579,223	325,369	226,459	13,678,132
								8,473,359
								8,684,157

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Notes to the Consolidated financial statements for the year ended 31st March 2023
 (All amounts are in INR lakh, unless otherwise stated)

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022
Free hold land	6,349,636	279	4,864	6,345,051	-	-	-	6,345,051
Buildings	806,005	581	1,271	805,316	479,425	16,086	941	494,570
Apparatus and plants	6,622,513	63,684	328,887	6,357,310	5,336,308	251,138	310,389	5,277,057
Motor vehicles and launches	10,838	6	496	10,348	9,778	188	475	9,491
Cables and lines and wires-telecom ducts, cables and optical fibre	6,880,371	39,605	27,208	6,892,768	6,111,976	85,859	25,033	6,172,802
General plant and machinery- other than continuous process plant	376,657	2,021	13,766	364,912	335,727	5,389	12,996	328,120
Towers and satellites	689,819	3,318	3,212	689,925	551,022	21,439	3,139	569,322
Office machinery and equipment	18,438	100	175	18,363	17,305	178	159	17,324
Electrical fittings	542,649	2,305	6,315	538,639	486,195	9,838	5,970	490,063
Furniture and fixtures	23,402	9	370	23,042	22,089	97	356	21,830
Computer-end user devices	145,469	212	3,621	142,060	136,817	1,908	3,520	135,205
Computer-servers and networks	67,597	9,803	1,752	75,648	58,953	6,015	1,529	63,439
Total	22,533,394	121,923	391,937	22,263,382	13,545,595	398,135	364,507	13,579,223
								8,987,799



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(ii) Capital work-in-progress

Particulars	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	1 April 2021	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022
Capital work-in-progress	66,550	99,331	119,449	46,432	95,845	137,403	166,699		66,550
Capital work-in-progress in store*	277,649	141,727	196,870	222,506	353,278	145,316	220,945		277,649
Less: Provision for capital work-in-progress	14,235	6,608	12,489	8,354	32,910	2,680	21,355		14,235
Less: Provision for capital work-in-progress in store	46,511	25,614	28,305	43,820	38,629	22,802	14,921		46,511
Total	283,452	208,836	275,525	216,764	377,584	257,237	351,368		283,453

*Capital work-in-progress in store includes materials which are primarily utilised for capital projects.

(iii) Capital work-in-progress aging schedule

Capital work-in-progress	As at 31 March 2023			
	Amount in CWIP for a period of	Less than 1 year	1-2 years	02-03 years
Projects in progress	16,872	12,325	8,891	3,531
Projects temporarily suspended	-	-	-	4,813
Total	16,872	12,325	8,891	46,432

Capital work-in-progress	As at 31 March 2022			
	Amount in CWIP for a period of	Less than 1 year	1-2 years	02-03 years
Projects in progress	20,534	22,320	10,136	8,695
Projects temporarily suspended	0	6	84	4,775
Total	20,534	22,326	10,220	13,470

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(iv) For capital-work-in-progress, whose completion is overdue or has exceeded its cost compared to its original plan.

Capital work-in-progress	As at 31 March 2023			
	Less than 1 year	1-2 years	02-03 years	More than 3 years
BTS	46	8	-	-
Cables/OFC Projects	48	50	3	167
GPON	35	-	-	-
MADM	38	-	-	-
MLLN	32	-	-	-
NGN	70	1	-	-
Passive Infra	8	-	-	-
Power Plant & Battery	28	6	-	-
Other Projects	1,060	504	7,827	475
				9,866

Capital work-in-progress	As at 31 March 2022			
	Less than 1 year	1-2 years	02-03 years	More than 3 years
NGN Projects	68	1	-	-
Cable/OFC Projects	20	86	-	94
LBS	243	-	-	-
Other Projects	75	359	8,247	461
				9,141

- a) During the year, the Group has not revalued any class of Property, Plant and Equipment.
- b) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during



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the year, in current year 7.59% (31 March 2022 : 7.53%). Accordingly, the Group has capitalised borrowing cost during the year ended 31 March 2023 amounting to INR 8,239 lakh (31 March 2022: INR 4,692 lakh). Refer note 34 for the details.

- c) Additions in gross block of property, plant and equipment and capital work in progress include INR 6,409 Lakh (31 March 2022: INR 8,914 lakh) of employee remuneration and directly attributable administrative expenses capitalised during the year. Refer note 33 and 36 for the details.
- d) The current year depreciation charged to statement of profit and loss excludes INR 7 lakh (31 March 2022: INR 14 lakh) which has been capitalised into the cost of assets under construction.
- e) For details of assets pledged/hypothecated as securities, refer note 22(d).
- f) Physical verification of capital work-in-progress in store has been conducted by the management [except 2 Circles (31 March 2022: 3 circles)] during the year and is reconciled with the detailed records for capital work-in-progress in store. Wherever differences are found, the same are provided for. Further in 1 Circle (31 March 2022: 1 circle) difference between the subsidiary ledger and the general ledger is identified and provided for in the current financial year.
- g) Refer to note 48 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- h) On transition to Ind AS, the Group has elected to measure certain items of its property, plant and equipment as at 1 April 2015 (date of transition to Ind AS) at its fair value and use that fair value as its cost at that date. Accordingly, the Group has elected to selectively fair value its freehold land. Hence, an increase of INR 6,986,449 lakh was recognised with a corresponding increase in retained earnings at the date of transition to Ind AS. All other remaining property, plant and equipment are carried at cost which is recomputed retrospectively as per principles of Indian Accounting Standard 16 (Property, plant and equipment).
- i) In some cases, the title deeds of land purchased/acquired on freehold from various authorities, are in the process of being executed as at 31 March 2023.
- j) The amount of compensation from third parties for items of property, plant and equipment that were lost or given up that is included in profit or loss for the year ended 31 March 2023 is INR 5,125 lakh (31 March 2022: INR 95 lakh).
- k) During the year, 3 land parcel (31 March 2022: Nil land parcel) has been derecognised where the Company intends to have direct sales.
- l) The Group has entered into non-cancellable lease arrangements to provide telecom towers on operating lease at passive infrastructure sharing model. Due to the nature of the transaction, it is not possible to compute gross carrying amount, depreciation for the year and accumulated depreciation of the asset given on operating lease as of March 31, 2023 and accordingly, the related disclosures are not provided.
- m) Encroachment in 141 land parcels with book value of INR 11,460 lakh has been reported by 11 circles.



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(All amounts are in INR lakh, unless otherwise stated)

4. Intangible assets

Particulars	Gross block			Accumulated amortisation			Net block	
	As at 1 April 2022	Additions	Disposals/adjustments	As at 31 March 2023	As at 1 April 2022	Additions	Disposals/adjustments	As at 31 March 2023
Entry license fees	846,782	1,980,800	-	2,827,582	412,391	153,788	-	566,178
Computer software	50,758	15,611	41	66,329	33,792	4,261	40	38,012
Total	897,540	1,996,411	41	2,893,911	446,183	158,049	40	604,190
								2,289,718
								451,358

Particulars	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2021	Additions	Disposals/adjustments	As at 31 March 2022	As at 1 April 2021	Additions	Disposals/adjustments	As at 31 March 2022
Entry license fees	846,782	-	-	846,782	353,425	58,966	-	412,391
Computer software	50,169	600	11	50,758	29,961	3,835	6	33,792
Total	896,951	600	11	897,540	383,387	62,801	6	446,183
								451,358
								513,564

Notes:

- (a) Allotment of Spectrum in 900 MHz band in 20 LSAs was made by DoT to BSNL with effective date being 29.02.2020 for spectrum valuing INR 16,39,420 Lakh and 27.10.2022 valuing INR 3,41,380 Lakh for 20 years i.e. expiring on 28.02.2040 and 26.10.2042 respectively.



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5. Right of use assets

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 1 April 2022	Additions	Disposals/ adjustments	As at 31 March 2023	As at 31 March 2023
Land	63,420	12,421	3,729	72,112	29,882	10,673	2,729	37,826	34,286
Leasehold Land	14,569	95	(737)	15,401	970	512	7	1,475	13,926
Building	103,831	22,457	6,552	119,736	57,137	20,434	4,799	72,772	46,964
Apparatus and Plant	237	-	-	237	78	26	-	105	132
Cables and Line & Wires	656	-	-	656	309	103	-	412	244
Towers & Satellites	349,840	15,996	11,699	354,137	134,551	50,666	4,155	181,062	173,076
Motor Vehicles	113	58	-	171	76	38	-	114	57
Total	532,665	51,027	21,243	562,450	223,003	82,452	11,690	293,765	268,685
Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022	As at 1 April 2021	Additions	Disposals/ adjustments	As at 31 March 2022	As at 31 March 2021
Land	57,232	8,967	2,779	63,420	21,116	9,525	759	29,882	33,538
Leasehold Land	12,532	689	(1,348)	14,569	386	480	(104)	970	13,599
Building	89,288	17,092	2,549	103,831	41,194	18,432	2,489	57,137	46,964
Apparatus and Plant	237	-	-	237	52	26	-	78	159
Cables and Line & Wires	656	-	-	656	206	103	-	309	347
Towers & Satellites	337,814	19,568	7,542	349,840	95,752	41,292	2,493	134,551	215,288
Motor Vehicles	113	-	-	113	53	23	-	76	37
Total	497,871	46,316	11,522	532,665	158,759	69,881	5,637	223,003	309,662

Note:

- a) In some cases, the lease agreements in respect of the right of use of land are in the process of being executed as on 31 March 2023.
- b) Right-of-use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

BHARAT SANCHAR NIGAM LIMITEDNotes to the Consolidated financial statements for the year ended 31st March 2023

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6 Non-current financial assets - Investment

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Investment at fair value through profit and loss (FVTPL)		
Unquoted investment		
Bharat Broadband Nigam Limited	**	**
1 (31 March 2022: 1) equity share of INR 10 each fully paid up		
Total	-	-
Aggregate book value of unquoted investment	**	**
** The absolute value is INR 10 only.		

7 Non-current financial assets - Loans

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured, considered good		
Loans to employees (refer note (a) below)	90	120
Unsecured, considered good		
Loans to employees	1	15
Total	91	121

(a) Assets (eg- house, vehicle, etc.) are hypothecated against the loans to employees.

8 Other non-current financial assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
At amortised cost		
Unsecured, considered good		
Security deposits	39,179	34,655
Call detail record based claims recoverable	659	273
Earmarked deposits with banks (refer note (a) below)	1,192	1,180
Total	41,030	36,108

(a) These earmarked deposits are for the purpose of margin money and securing various bank guarantees provided by the banks except for INR Nil lakh (31 March 2022: INR 2 lakh).

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

9 Deferred tax assets (net)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Deferred tax assets		
Loss allowance for trade receivables	79,100	81,870
Loss allowance for other assets	67,676	17,361
Carry forward tax losses including unabsorbed depreciation	2,689,373	2,555,756
Provision for half pay leaves	1,130	1,047
Provision for gratuity	2,086	16,529
Provision for decommissioned assets	27,892	21,269
Provision for obsolete inventory and capital work-in-progress	20,175	18,506
Disallowances under Section 43B of Income Tax Act, 1961	1,356	2,831
MAT Credit	-	0
	2,888,788	2,715,169
Deferred tax liabilities		
Difference in book written down value and tax written down value of property, plant and equipment	573,590	407,437
	573,590	407,437
Net deferred tax assets	2,315,198	2,307,732
Net deferred tax assets recognised	0	1

- (a) In the absence of reasonable certainty of future taxable profits, the Group has not recognised deferred tax assets (net) for the above periods.

10 Other non-current assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Unsecured, considered good		
Capital advances [Net of provisions INR 23,972 lakh (31 March 2022 : INR 23,972 lakh)]	68,627	45,029
Advances to contractors	8,483	16,163
Total	77,110	61,192



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(All amounts are in INR lakh, unless otherwise stated)

11 Inventories

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Building materials	2	2
Raw material and scrap (at factory)	3,471	3,562
Finished goods and work-in-progress (at factory)	6,364	6,285
Finished stock (at various circles)	189	188
Project related Inventory	66,965	115,597
Other stores	758	1,040
	77,749	126,674
Less: Provision for obsolete inventory/short inventory	3,051	2,633
Total inventories at the lower of cost and net realisable value	74,698	124,041

12 Current financial assets - Trade receivables

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Trade receivables		
Unsecured, considered good	369,385	401,599
Credit impaired	253,527	262,404
	622,912	664,003
Less: Provision for credit impaired trade receivables	253,527	262,404
Total	369,385	401,599

- (a) There are differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger. To the extent identified, the net differences between general ledger balances and subsidiary ledger balances are INR 22,923 lakh (31 March 2022: INR 23,416 lakh). The management is in the process of reconciling these differences.
- (b) The classification of the trade receivables as unsecured/considered good, to the extent available as per subsidiary ledger is as follows:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Unsecured, considered good	4,184	439,356
Credit impaired	253,527	248,352
Total	257,711	687,708

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- (c) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person nor any trade or other receivable are due from firms or private Companies respectively in which any director is a partner, a director or a member.
- (d) For terms and conditions relating to related party receivables, refer Note 45.
- (e) Refer note 51 for change in Provision for credit impairment of trade receivables.
- (f) Refer note 62 for ageing schedule.

13 Cash and cash equivalents

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Balances with banks		
In current account including sweep-in-deposit	70,613	88,976
Deposits with original maturity of less than three months	12	277
Cheques on hand (refer note (c) below)	522	431
Cash on hand	510	571
Total	71,657	90,255

- (a) For the purpose of statement of cash flows, Cash and cash equivalents comprise of the following:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Cash and cash equivalents as per balance sheet	71,657	90,255
Bank overdraft (refer note 26)	(159,930)	(345,825)
Total	(88,273)	(255,570)

- (b) Unlinked credit items amounting to INR 410 lakh (31 March 2022: INR 524 lakh) and unlinked debit items amounting to INR 42 lakh (31 March 2022: INR 142 lakh) are appearing in the bank reconciliation statements of 19 Circles (31 March 2022 : 18 circles) and 15 Circles (31 March 2022 : 17 circles) respectively. The management is in the process of reconciling all such items in due course.
- (C) Cheques on hand balance in 15 Circles amounting INR 522 lakhs (31 March 2022: 16 circles amounting INR 431 lakhs) pending to be deposited in bank as at 31 March 2023.

14 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Bank deposits with original maturity of more than three months but upto twelve months (refer note (a) below)	8,845	8,454
Balances with banks held as security against term loans (refer note 22) (refer note (b) below)	2,794	3,869
Balances in bank accounts maintained for Government Projects (refer note (c) below)	182,212	201,969
Total	193,851	214,292



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Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (a) These earmarked deposits are for the purpose of margin money and securing various bank guarantees provided by the banks.
- (b) The Group is free to use the amount to the credit of these accounts as long as there is no default in payment on interest and repayment of loan installment. There has been no default during the year.
- (c) The amount as on 31 March 2023 is excluding amount parked in Bank Overdraft account of Nil (31 March 2022: excluding Rs 4,000 lakh parked in Bank Overdraft).

15 Current financial assets - Loans

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured, considered good		
Loans to employees (refer note (b) below)	4	29
Unsecured but considered good		
Loans to employees	1	-
Total	5	29

- (a) In Nil Circle (31 March 2022: Nil circle) there are differences in the subsidiary ledger of loans with those appearing in general ledger. The management is in the process of reconciling these differences.
- (b) Assets (eg- house, vehicle, etc.) are hypothecated against the loans to employees.

16 Other current financial assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Unsecured, considered good		
Security deposits	5,703	8,634
Amount due from customers for construction contracts, others	20,674	32,429
Amount due from employees	402	322
Amount recoverable from DoT		
Other recoverable (refer note (a) below and note 45)	233,584	231,235
Amount recoverable from		
Government departments	3,319	3,301
Government companies	154,441	160,478
Claims recoverable from others	491,301	157,986
Taxes recoverable from customers	96,855	96,971
Interest accrued		
- on bank deposits	497	321
- on loans	2	2
Call detail record based claims recoverable	38,338	30,235

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
- on bank deposits	497	321
- on loans	2	2
Call detail record based claims recoverable Unsecured, Considered doubtful	38,338	30,235
Amount recoverable from Government Companies	216,909	215,734
Taxes recoverable from customers	19,170	18,117
	1,281,195	955,765
Less: Loss allowance on:		
Amount recoverable from Government Companies	216,909	215,734
Taxes recoverable from customer	19,170	18,117
Total	1,045,116	721,914

- (a) Refer note 3(k) for amount recoverable from DoT and other government departments against acquisition of land parcels.

17 Current tax assets (net)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Advance income-tax	31,697	15,677
[Net of provision for income tax INR 16,819 lakh continuing for earlier years (31 March 2022: INR 16,819 lakh). No provision has been recognised during the current financial year]		
Total	31,697	15,677

- (a) Pursuant to the decisions of the Appellate Authorities and the interpretations of other relevant provisions, the Company had updated the provision for income tax during the FY 2017-18 for earlier years. This led to reduction of provision for income tax related to earlier years by INR 80,249 lakh . This change in estimation of uncertain tax positions may also have an impact on future current tax expense, the amount of which is impracticable to determine.

18 Other current assets

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Unsecured, considered good		
Prepaid expenses	2,559	1,392
Balances with excise and other tax authorities (refer note (a) below)	393,875	147,615
Accrued revenue (refer note 54)	295,932	191,707



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Amount recoverable for National Optical Fiber Network project (net) (refer note 54)	63,916	97,200
Advances to contractors	129,297	76,594
Advances to employees (refer note (b) below)	365	457
Total	885,944	514,965

- (a) Input tax credit on account of Goods & Service tax, cenvat on account of service tax, excise duty and custom duty on capital goods and inputs is under reconciliation in some circles.
- (b) Refer note 45 for details of advances to related parties.

19 Assets held for sale

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
(A) Property plant and equipment held for sale - other than land	89,397	97,050
Less: Provision for diminution in the value of decommissioned asset	64,628	68,888
Total	24,769	28,162
(B) Property plant and equipment held for sale - Land	685,722	706,126
Total	685,722	706,126
Total (A+B)	710,491	734,288

- (a) Assets held for sale includes various classes of property, plant and equipment which are retired from active use and are held for the purpose of immediate sale. The Company intends to sell these assets through MSTC Limited, etc. as per defined procedures. The Company recognizes assets held for sale at the lower of carrying amount or net realisable value, accordingly the loss on the assets held for sale or reversal thereof is recorded in 'Write off and losses (other than bad debts)' under 'Other expenses' (refer note 36). These assets are included under respective segments under note 44 (also refer note 3(k)).
- (b) No land parcel has been identified for monetization through NLNC (earlier DIPAM). During the current year, Land parcel earlier identified for monetization with book value INR 22,387 lakh was reclassified as land asset from existing category of asset held for sale-land.
- (c) The company has completed the sale transaction in respect of 2 land parcels (2022: Nil) out of 3 land parcel identified in FY 22-23 for direct sale. Further, the company has sold Nil land parcel (2022: Nil) out of 1 land parcel identified for direct sale in FY 19-20."

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

20 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 10 each	142,500,000,000	14,250,000	32,500,000,000	3,250,000
9% non-cumulative preference shares of INR 10 each	7,500,000,000	750,000	7,500,000,000	750,000
Total	150,000,000,000	15,000,000	40,000,000,000	4,000,000
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	31,386,440,000	3,138,644	5,000,000,000	500,000
Total	31,386,440,000	3,138,644	5,000,000,000	500,000

Authorised equity share capital of the Company increased from 40,00,00,00,000 equity shares to 150,00,00,00,000 equity shares of INR 10 each with effect from 26 September 2022.

(a) Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares each having a par value of INR 10 per share.

Vote of members: Every member present in person and being a holder of equity share shall have one vote and every person either as a general proxy on behalf of a holder of equity share, shall have one vote or upon a poll, every member shall have one vote for every share held by him. On poll, the voting rights of holder of equity share shall be as specified in Section 47 of the Companies Act, 2013.

(b) Reconciliation of number of shares outstanding at the beginning and at the end of the year :

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Opening balance	5,000,000,000	500,000	5,000,000,000	500,000
Change during the year	26,386,440,000	2,638,644	-	-
Closing balance	31,386,440,000	3,138,644	5,000,000,000	500,000

(c) Shareholders holding more than 5% shares in the company *

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
President of India	31,386,439,993	99.99%	4,999,999,993	99.99%

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

(d) No shares have been issued for consideration other than cash pursuant to contract or allotted as fully paid bonus shares in the current reporting year and in the last five years immediately preceding the current reporting year. Further, there are no buy backs of any class of shares during the current reporting year and in the last five years immediately preceding the current reporting year.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (e) Division of profit : The profit of the Company, subject to any special rights relating thereto created or authorised to be created by the articles subject to the provisions of the articles and also subject to the provisions of Section 123 of the Companies Act, 2013 and, regarding transfer of the amount to reserve of the Company, shall be divisible among the members with the approval of the President of India, in the proportion of the amount of capital paid or credited as paid-up on the shares held by them respectively.

(f) Promoter's shareholding

Shares held by promoters as at 31 March 2023			% Change during the year
Promoter name	No. of shares	% of total shares	% of total shares
The President of India	31,386,439,993	99.99%	-

Shares held by promoters as at 31 March 2022			% Change during the year
Promoter name	No. of shares	% of total shares	% of total shares
The President of India	4,999,999,993	99.99%	-

(f) Rights issue

On 26 September 2022 and 13 February 2023, the company invited its shareholders to subscribe to a rights issue of 23,37,34,40,000 and 3,01,30,00,000 equity shares, respectively at an issue price of INR 10 per share. The issue was fully subscribed.

21 Other equity

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
a. Capital reserve		
Balance at the beginning of the year	4,021,116	4,021,116
Add: Addition/ (deletion) during the year	-	-
Balance at the end of the year	4,021,116	4,021,116
b. General reserve		
Balance at the beginning of the year	490,075	490,075
Add: Addition/ (deletion) during the year	-	-
Balance at the end of the year	490,075	490,075
c. Retained earnings		
Balance at the beginning of the year	(640,147)	59,170
Add: Loss for the year	(816,141)	(698,162)
Less: Expenses incurred for increase in authorised share capital	(25)	(25)
Items of other comprehensive income/ (expense) recognised directly in retained earnings		
Remeasurement of post employment benefit obligation, net of tax	4,500	(1,130)
Balance at the end of the year	(1,451,812)	(640,147)

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
d. Capital contribution from shareholder		
Balance at the beginning of the year	98,318	98,318
Add: Addition/ (deletion) during the year	-	-
Balance at the end of the year	98,318	98,318
Total other equity (a+b+c+d+e)	3,157,697	3,969,362

Nature and purpose of reserve**i. Capital reserve**

The capital reserve is created out of the difference between the total value of the assets taken over and the long term identified liabilities and the capital structure, as on 1 October 2000 as communicated by DoT. For details, refer note 37.

ii. General reserve

Under the erstwhile Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations.

iii. Retained earnings

Retained earning represents the amount of accumulated earnings of the company and remeasurement of post employment benefit obligation.

iv. Capital contribution from shareholder

During the year ended 31 March 2015, the loan from the Government of India amounting to INR 98,318 lakh was waived off vide letter no.1-43/2008-B, dated 11 April 2014 and the same was recorded as the capital contribution from the shareholder.

22 Non-current financial liabilities - Borrowings

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured loans		
Term loans from banks	638,843	2,101,934
Unsecured Bond		
6.79% BSNL Bond 2030 (Series-I)	842,239	842,254
7.72% BSNL Bond 2030 (Series-II)	418,212	-
Total loans and bond	1,899,294	2,944,188
Less: Current maturities of non current borrowings	290,173	620,225
	1,609,121	2,323,963



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
7,500,000,000 (31 March 2022: 7,500,000,000) 9% non-cumulative preference shares of INR 10 each	750,000	750,000
Less: Current maturities of 9% non-cumulative preference shares of INR 10 each	750,000	750,000
Total	-	-
	1,609,121	2,323,963

- (a) Refer note 45 for details of loans from related parties.
- (b) There were no defaults in repayment of principal and Interest during the FY 2022-23.
- (c) 9% non-cumulative preference shares

The capital structure conveyed through DoT UO No 1-2/2000-B(Pt.) - dated 13 December 2001 includes 9% non-cumulative preference shares of INR 750,000 lakh and were accounted for as ""preference share capital pending allotment"" during the FY 2000-01. The shares were issued to the Central Government of India as fully paid with a par value of INR 10 per share on 2nd May 2002. In terms of section 55(2) of the Companies Act, 2013, the preference shares are mandatorily redeemable at par not later than twenty years from the date of issue of such shares and the Company is obliged to pay holders of these shares dividends at the rate of 9% of the par amount per annum, subject to availability of distributable profits.

These preference shares were due for redemption on or before 2 May, 2022, i.e. within 20 years from the date of issue. The Company has not been able to redeem these preference shares on the due date, due to lack of funds and distributable profits. The reissuance of Preference shares was proposed and further approved by the Cabinet in its meeting on July 27, 2022. Further, the reissuance was approved in the Extra-ordinary General Meeting of the Company, held on September 26, 2022, and petition was filed before the NCLT. The matter has been heard by NCLT on March 31, 2023, and the order is reserved in the matter. Reissuance will be completed in due process accordingly. In view of pending issuance and NCLT approval, the liability of INR 7,50,000 lakh is classified as current.

Vote of members: The holder of preference share have a right to vote on resolutions placed before the Company which directly affect the rights attached to their preference shares and subject to aforesaid, the holder 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 holder of any preference shares have a right to vote as aforesaid on any resolution every such member personally present shall have one vote and on a poll his voting right in respect of such preference share bears to the total paid up equity capital of the Company.



BHARAT SANCHAR NIGAM LIMITED
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

d) Terms and repayment schedule of secured loans

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating/ Fixed Interest Rate (%)	Security	Amount	Floating/ Fixed Interest Rate (%)	Security
Union Bank of India	Term Loan I	Mar-23	Quarterly	-	-		10,368	7.20 - 8.00	Pari-passu charge on fixed assets of the Company other than land and buildings (both present and future)
Union Bank of India	Term Loan II	Mar-23	Quarterly	-	-		134,651	7.20 - 8.00	Pari-passu charge on all assets of the Company other than land and buildings (both present and future)
Punjab National Bank	Term Loan I	Mar-23	Quarterly	-	-		30,360	7.35 - 8.45	Pari-passu charge on movable fixed assets of the Company other than land and buildings (both present and future).
Punjab National Bank	Term Loan II	Jun-24	Quarterly	37,093	7.25 - 8.45	Pari-passu charge on movable fixed assets of the Company other than land and buildings (both present and future).	60,133	7.35 - 8.45	Pari-passu charge on movable fixed assets of the Company other than land and buildings (both present and future).

BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023
 (All amounts are in INR lakh, unless otherwise stated)

Particulars	Term Loan	Loan maturity date	Nature of installments	Amount	Floating/ Fixed Interest Rate (%)	As at 31 March 2023	Amount	Floating/ Fixed Interest Rate (%)	As at 31 March 2022	Security
Jammu and Kashmir Bank	Term Loan I	Mar-23	Quarterly	-	-		22,246	6.85 - 7.05		Pari-passu charge on assets of the Company other than land and buildings (both present and future)
Jammu and Kashmir Bank	Term Loan II	Mar-23	Quarterly	-	-		26,211	6.85 - 7.05		Pari-passu charge on entire movable assets of the Company other than land and buildings (both present and future).
United Bank of India (merged with Punjab National Bank)	Term Loan I	Mar-23	Quarterly	-	-		33,263	7.35 - 8.30		Pari-passu charge on assets of the Company other than land and buildings (both present and future).
United Bank of India (merged with Punjab National Bank)	Term Loan II	Mar-23	Quarterly	-	-		42,681	7.35 - 8.30		Pari-passu charge on all fixed assets of the Company other than land and buildings (both present and future).
State Bank of India	Term Loan I	Jun-25	Quarterly	251,357	7.65 - 7.90	Pari-passu charge on assets of the Company other than land and buildings (both present and future).	334,288	7.20 - 8.00		Pari-passu charge on assets of the Company other than land and buildings (both present and future).



BHARAT SANCHAR NIGAM LIMITED
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating/ Fixed In- terest Rate (%)	Security	Amount	Floating/ Fixed Interest Rate (%)	Security
State Bank of India	Term Loan III	Mar-23	Quarterly	-	-	-	108,617	7.30 - 7.90	Escrow on cash flow of 3 Circles
State Bank of India	Term Loan IV	Mar-29	Quarterly	67,753	7.70 - 9.70	Pari-passu charge on assets of the Company other than land and buildings (both present and future).	199,639	7.30 - 8.25	Pari-passu charge on assets of the Company other than land and buildings (both present and future).
Canara Bank	Term Loan I	Jun-25	Quarterly	54,431	7.25 - 8.20	Pari-passu charge on fixed assets of the Company other than land and buildings (both present and future).	75,447	7.35 - 8.20	Pari-passu charge on fixed assets of the Company other than land and buildings (both present and future).
Canara Bank	Term Loan II	Jun-26	Quarterly	33,772	7.35 - 8.45	Pari-passu charge on assets of the Company other than land and buildings (both present and future).	42,280	7.85 - 8.45	Pari-passu charge on assets of the Company other than land and buildings (both present and future).
Canara Bank	Term Loan IV	Mar-23	Quarterly	-	-	-	99,880	7.35	Escrow on cash flow of 2 Circles



BHARAT SANCHAR NIGAM LIMITED
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating/ Fixed In- terest Rate (%)	Security	Amount	Floating/ Fixed Interest Rate (%)	Security
Bank of Baroda	Term Loan I	Jun-26	Quarterly	1,319	7.30 - 8.50	Pari-passu charge on movable assets of the Company other than land and buildings (both present and future).	80,856	7.40 - 8.65	Pari-passu charge on movable assets of the Company other than land and buildings (both present and future).
Bank of Baroda	Term Loan II	Mar-23	Quarterly	-	-		49,752	7.4	Escrow on cash flow of 2 Circles.
Bank of Baroda (erstwhile Vijaya Bank)	Term Loan III	Mar-23	Quarterly	-	-		74,526	7.90 - 8.75	Pari-passu charge on all assets of the Company other than land and buildings (both present and future).
Bank of Baroda	Term Loan IV	Mar-23	Quarterly	-	-		199,002	7.3	Escrow on cash flow of 2 Circles.
Oriental Bank of Commerce (merged with Punjab National Bank)	Term Loan V	Mar-23	Quarterly	-	-		15,168	7.35 - 8.30	Escrow on collection of four Circles.
Punjab & Sind bank	Term Loan	Mar-23	Monthly	-	-		19,690	7.65 - 8.45	Escrow on collection of 3 Circles.



BHARAT SANCHAR NIGAM LIMITED
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

Particulars	Term Loan	Loan maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
				Amount	Floating/ Fixed Interest Rate (%)	Security	Amount	Floating/ Fixed Interest Rate (%)	Security
Bank of India	Term Loan I	Mar-28	Quarterly	854	7.25 - 8.50	Escrow on rental proceeds from Towers leased out to two of other telecom service providers.	152,920	7.35	Escrow on rental proceeds from Towers leased out to two of other telecom service providers.
Bank of India	Term Loan II	Mar-23	Quarterly	-	-	-	199,959	7.25	pari-passu charge on assets of the Company other than land and buildings (both present and future)
Indian Overseas Bank	Term Loan	Mar-23	Quarterly	-	-	-	49,998	7.45	Secured by equitable mortgage on immovable assets on pari-passu basis
IDBI Bank	Term Loan	Aug-24	Quarterly	29,998	7.55 - 8.25	Escrow on cash flow of 1 Circle	39,996	7.6	Escrow on cash flow of 1 Circle
Canara Bank	Term Loan V	Jun-24	Quarterly	74,817	7.4	Escrow on cash flow of 2 Circle	-	-	-
UCO Bank	Term Loan	Jun-24	Quarterly	87,450	7.65	Secured by equitable mortgage on immovable assets on pari-passu basis	-	-	-
Total				638,843			2,101,934		

BHARAT SANCHAR NIGAM LIMITED
Notes to the Consolidated financial statements for the year ended 31st March 2023
(All amounts are in INR lakh, unless otherwise stated)

e) Terms and repayment schedule of Bond

Particulars	Bond maturity date	Nature of installments	As at 31 March 2023			As at 31 March 2022		
			Amount	Interest Rate (%)	Security	Amount	Interest Rate (%)	Security
6.79% BSNL Bond 2030 (Series-I) (Issued on 23-09-2020)	23-09-30	Bullet re-payment	842,239	6.79%	The Bonds are secured by way of unconditional and irrevocable guaranteee and continuing obligation for payment of principal amount of the Bonds issued by the Company, normal Interest thereon as agreed to be guaranteed by the Government of India.	842,254	6.79%	The Bonds are secured by way of unconditional and irrevocable guaranteee and continuing obligation for payment of principal amount of the Bonds issued by the Company, normal Interest thereon as agreed to be guaranteed by the Government of India.
7.72% BSNL Bond 2032 (Series-II) (Issued on 22-12-2022)	22-12-2032	Bullet re-payment	418,212	7.72%	The Bonds are secured by way of unconditional and irrevocable guaranteee and continuing obligation for payment of principal amount of the Bonds issued by the Company, normal Interest thereon as agreed to be guaranteed by the Government of India.	-	-	

(f) The Company is not required to file quarterly returns or statements with any bank or financial institutions pursuant to the agreement.

(g) The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

23 Other non-current financial liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
At amortised cost		
Deposits from customers and others		
Security deposits	515,542	501,198
Total	515,542	501,198

24 Non-current provisions

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Provision for employee benefits (refer note 39)		
Half pay leaves	3,623	3,357
Decommissioning liabilities (refer note 47)	57,311	67,658
Total	60,934	71,015

25 Other non-current liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Deferred government grant (refer note 29 & 56)	45,510	50,798
Total	45,510	50,798

26 Current financial liabilities - Borrowings

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Secured Loans		
Current maturities of long term borrowings (refer note 22)	290,173	620,225
Unsecured loan repayable on demand		
Bank overdraft	159,930	345,825
Unsecured preference shares		
9% non-cumulative preference shares of INR 10 each (refer note 22)	750,000	750,000
Total	1,200,103	1,716,050

(a) Bank overdrafts carry interest rate ranging from 7.30% p.a. to 8.25% p.a.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

27 Current financial liabilities - Trade payables

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Total outstanding dues of Micro and Small enterprises	48,191	71,231
Total outstanding dues other than Micro and Small enterprises:		
Claims payable to Mahanagar Telephone Nigam Limited (MTNL)	99,739	100,954
Claims payable on interconnection usage charges (IUC)	13,770	25,688
Others	474,280	705,979
Subtotal	587,789	832,621
Total	635,980	903,852

- (a) The net claim receivable/payable as on 31 March 2023 from/to MTNL is subject to confirmation and reconciliation.
- (b) Refer note 64 for ageing schedule.
- (c) 31 Circles (31 March 2022:- 27 circles) of the Company have identified Micro and Small 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 are given below.

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:		
a) Principal	37,643	63,121
b) Interest thereon	10,549	8,110
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	8	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	1,492	3,736
The amount of interest accrued and remaining unpaid at the end of each accounting year	8,771	8,729
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	1,094	5,384

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

28 Other current financial liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
At Amortised Cost		
After connection deposits	94,453	108,560
Deposits from customers and others	19,327	16,311
Claims payable to		
DoT (Refer note no 45)	21,787	109,104
Other government departments	1,937	1,937
License fee, spectrum charges and transponder charges payable	2,453,171	573,559
Other payables towards		
Employees	14,397	34,081
Leave encashment of retired employees	2,278	2,545
Voluntary Retirement Scheme (refer note 60)	21,356	22,841
Subscribers	50,877	57,457
Construction account	32,235	58,340
Services and others	280,184	232,929
Total	2,992,002	1,217,664

29 Other current liabilities

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Deferred government grant (refer note 25 and 56)	7,056	9,204
Contract liabilities		
Advances received from customers (refer note 54)	701,369	508,934
Income received in advance against services (refer note 54)	160,839	153,220
Advance income booked but not collected (refer note 54)	100,182	129,680
Advances received for defence telecom network project (net) (refer note 54 and 45)	27,397	75,749
Statutory dues		
Tax deducted at source	15,204	11,708
Service tax (net)	14,303	13,544
GST (net)	13,162	32,476
Tax deducted at source on GST	3,031	4,401
Employees provident fund	7,426	6,922
Employees state insurance	150	137
Professional tax	112	104

BHARAT SANCHAR NIGAM LIMITEDNotes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Work contract tax and building and other construction workers welfare cess	343	265
Intra/inter circle remittances (refer note 42)	18,771	15,146
Total	1,069,345	961,490

a) The management is in the process of reconciling project wise balances for external projects.

30 Short-term provisions

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Provision for employee benefits		
Gratuity (refer note 39)	6,685	52,977
Compensated absences (refer note 39)	3,073	30,812
Half pay leaves (refer note 39)	270	258
Provision for wealth tax (refer note 47)	312	312
Provision for contingency (refer note 47)	285	392
Total	10,625	84,751

31 Revenue from operations

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Revenue from sale of services		
Telephones (other than Wireless in Local Loop (WLL))	101,936	135,646
Cellular	563,767	527,051
Leased Lines	341,672	315,681
Leasing of fiber infra	77,494	51,510
Others enterprise services	19,873	14,338
Broad band services	75,196	123,739
FTTH	207,116	159,016
Lease income from passive infrastructure	103,312	101,558
Interconnection usage charges (IUC) from other service providers	75,442	54,892
Other services	-	-
	1,565,808	1,483,431
Other operating revenue		
Sale to third party from telecom factories	1,625	208

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Profit from manufacturing activities of factories (refer note (d) below)	1,359	266
Other operating income (refer note (a), (b), (c) below)	326,088	182,451
Other	18,189	14,770
Total	347,261	197,695
	1,913,069	1,681,126
(a) Other operating income includes subsidies from Universal Service Obligation Fund amounting to (including funding for LWE) INR 50,038 lakh (31 March 2022: INR 17,271 lakh); income from BNP1 INR Nil (31 March 2022: INR 3,292 lakh), income from BNP2 INR 91,911 (31 March 2022: INR 1,22925 lakh), Viability Gap Funding i.r.o deficit in Rural Wireline Operations amounting to INR 120,000 lakh (31 March 2022: INR Nil lakh, refer Note 58 also), and Income for maintenance of Bharat Net Fibre INR 29,694 lakh (31 March 2022: Nil).		
(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.		
(c) Refer note 54 for disclosure in respect of Ind AS 115, 'Revenue from contracts with customers'.		
(d) Telecom factories manufacturing account :		
Internal transfer	7,349	6,148
Less :		
Cost of material consumed	11,260	6,622
Direct expenses	360	475
Change in inventory	(5,630)	(1,215)
Total	5,990	5,882
Profit/(Loss) from manufacturing activities	1,360	266

Prices for transfer of stock from telecom factories to circles for self- consumption are predetermined. The predetermined rates include direct costs including overhead allocation at a fixed rate. This practice has resulted in profit of INR 1,358 lakh (31 March 2022: INR 266 lakh) 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.

32 Other income

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Interest income on		
Financial assets at amortised cost:		
Deposits with banks	2,551	1,323
Loans	252	274

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Other	7,710	599
Income tax refund	21	6,988
	10,534	9,184
Other non-operating income		
Profit on sale of property, plant and equipment (net)	5,623	1,926
Income from liquidated damages	28	-
Excess liabilities written back no longer required	99,109	179,715
Profit on termination of lease contract(s)	369	755
Rent on staff quarters	25,813	21,777
Others (including sale of publications, forms, waste paper, etc.)	15,637	10,980
	146,579	215,153
Total	157,113	224,337

33 Employee benefits expense

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Salaries, wages, allowances and other benefits (refer note (c) below)	622,307	582,389
Expenses related to compensated absences (refer note (d) below)	15,532	22,227
Contribution towards pension	17,961	18,223
Contribution towards superannuation	15,878	13,989
Contribution towards employees provident fund	40,291	36,765
Contribution towards Employees State Insurance	191	181
Expense related to post-employment defined benefit plans (refer note 39)	27,038	11,290
Contribution towards leave salary	870	862
Half pay leaves	278	536
Medical expenses	60,336	37,878
Staff welfare expenses (refer note (a) below)	265	157
	800,947	724,497
Less : Allocated to capital work-in-progress and others (refer note 3(c))	5,754	7,630
Total	795,193	716,867

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (a) During the year, the Group has paid INR 5 lakh (31 March 2022: INR 25 lakh) to Staff Welfare Board and INR 44 lakh (31 March 2022: INR 2 lakh) to Sports and Cultural Board for promoting welfare activities at various circles.
- (b) Refer note 45 for employee benefit expenses pertaining to related parties.
- (c) Ex gratia for VRS optees amounting to INR 1,077 lakh (31 March 2022: INR 716 lakh) has been accounted as an expenditure (net of the budgetary support of the same amount provided by the Government) (refer note 61).
- (d) During the current year, leave encashment amounting to INR 13,870 lakh (31 March 2022: INR 14,306 lakh) has been directly paid by the Group to the employees.

34 Finance costs

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Interest expense on		
Financial liabilities at amortised cost:		
Bonds	75,059	67,448
Loans	149,851	152,890
Less: Capitalised (refer note 3 (b))	8,239	4,692
	216,671	215,646
Subscriber deposits	1	-
Others	1,617	4,743
Lease liabilities (refer note 49)	35,229	36,858
Unwinding of discount on decommissioning liabilities	2,719	4,482
Total	256,237	261,729

35 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Depreciation on property, plant and equipment	325,362	398,122
Amortisation on intangible assets	158,048	62,801
Depreciation on right of use assets	82,452	69,881
Total	565,862	530,804



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

36 Other expenses

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Rent	11,036	9,684
Lease charges	2,384	3,661
Rates and taxes	8,114	7,040
Power and fuel	191,594	191,102
Insurance	101	124
Bank charges	289	261
Repairs and maintenance on:		
Buildings	5,400	5,399
Plant and machinery	83,945	75,852
Cables	48,929	19,292
Consumption of stores and spare parts	16,988	18,222
Others	37,038	42,112
Professional and consultancy charges	3,134	2,029
Payment to auditors (refer note 46)	480	479
Printing and stationery	742	530
Commission on franchise services	38,004	31,444
Advertisement	34	31
Business promotion and marketing expenses	552	424
Travelling expenses	2,486	2,259
Postage and courier charges	231	200
Security services	7,378	8,756
Vehicle running expenses (including hired vehicles)	14,060	12,269
Interconnection usage charges (IUC) to other service providers	68,581	71,465
Lease expense on passive infrastructure	59,777	54,454
Expenditure on services and goods	149,701	116,005
Housekeeping charges	17,105	17,943
Transponder charges	52,959	37,378

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Expenditure on LWE operation	21,593	15,271
Penalty for customer application form (CAF) verification	221	240
Write off and losses (other than bad debts)	16,879	27,308
Bad debt provision other than services	1,711	1,735
Bad debt written off	22,605	41,119
Loss allowance for trade receivables and disputed bills	17,004	20,138
Write off of unrecovered service tax/ GST	3,185	2,007
Foreign exchange fluctuation gain/loss (net)	1	90
Expenditure on construction contracts	78,194	108,770
Hiring charges of machinery lines	53	63
Loss on sale of scrap	1,608	6,213
	984,096	951,369
Less : Allocated to capital project works and others (refer note 3(c))	655	1,284
Total	983,441	950,085

37 Assets and liabilities taken over from DoT

In pursuance of the Memorandum of Understanding (MOU), dated 30 September 2000 executed between Government of India and the Company, all assets and liabilities in respect of business carried on by Department of Telecom Services (DTS) and Department of Telecom Operations (DTO) were transferred to the Company with effect from 1 October 2000 at a provisional value of INR 6,300,000 lakh and up to the current financial year the Company has identified net assets of INR 6,325,201 lakh (31 March 2022: INR 6,325,201 lakh) against it

Particulars	Up to 31 March 2023
Assets	
Property, plant and equipment	5,406,575
Capital work-in-progress	690,353
Trade receivables	683,196
Advance to contractors	39,448
Deposit with electricity boards /others	2,184
Total- A	6,821,756



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Up to 31 March 2023
Liabilities	
Customer deposits	395,418
Earnest money deposits	12,078
Security deposits from contractors /suppliers	28,994
Working expense liability as on 01 October 2000	43,472
Contractors bills payable as on 01 October 2000	16,593
Total-B	496,555
Net assets taken over by the Company (A-B)	6,325,201

Note:

- (a) 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.
- (b) The capital structure for the Company concurred by the Ministry of Finance and conveyed by the Department of Telecommunications vide their U.O. No. 1-2/2000-B (Pt.) dated 13 December 2001 has been treated as consideration for transferring the above stated assets and liabilities and is as follows:

Particulars	Total structure as at 1 October 2000 (as on 31 March 2023)
Equity	500,000
9% Non-cumulative preference shares	750,000
15 year Government loan (interest at prevalent Government lending rate)	750,000
Loan from MTNL	305,600
Capital reserves – DoT [Note (c)]	4,021,118
Adjustment made to the statement of profit and loss	(1,517)
Total	6,325,201

- (c) 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.
- (d) 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.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the Consolidated financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

38 License and spectrum fee

- (a) Unified License for pan India operations has been issued by DoT on 10.12.2020, for a period of 20 years, covering, Access Services, NLD, ILD, VSAT etc (except ISP), effective from 29 February 2020. License and spectrum fee for the year ended 31 March 2023 is INR 135,647 lakh (31 March 2022: INR 144,142 lakh).

Further, on the basis of LF/SUC Assessment completed upto FY 2021-22 and inputs received from DoT, following provisional liability has been created during the year centrally and the same has been disclosed as exceptional item in the Statement of Profit & Loss.

Particulars	Amount
AGR dues of Rs. 5,83,585 lakh (31 March 2022 INR: Nil) as per Hon'ble Supreme Court Judgment dated 01.09.2020 in Civil Appeal No.6328-6399 of 2015 and an additional interest thereon amounting to INR 3,13,637 lakh (31 March 2022 INR Nil).	897,222
LF Assessment upto FY 2021-22 (31 March 2022 INR Nil)	533,685
SUC Assessment upto FY 2021-22 (31 March 2022 INR Nil)	337,929
Total	1,768,836

- (b) The distribution of the revenues between various components for UL Access, NLD, ILD etc are as per the following percentage:

For the year ended 31 March 2023

Service	UL Access	NLD	ILD
Leased circuits	30.00%	70.00%	-
Basic services (Wireline)	85.77%	14.16%	0.07%
CMTS services (Mobile)	88.40%	10.90%	0.70%

For the year ended 31 March 2022

Service	UL Access	NLD	ILD
Leased circuits	30.00%	70.00%	-
Basic services (Wireline)	82.45%	17.44%	0.11%
CMTS services (Mobile)	81.95%	16.60%	1.45%



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (c) In pursuance of Cabinet approval, communicated through DoT OM No. 20-28/2022-PR dated 02.08.2022, AGR dues upto FY 2021-22, have been calculated to be Rs. 22,52,081 lakh. The GoI infused INR 26,98,371 lakh (AGR dues INR 22,52,081 lakh plus GST INR 4,46,290 lakh) for funding of AGR dues and Equity Shares were duly allotted on May 12, 2023 to the President of India (existing shareholder of the Company) by way of right issue. The Company has paid AGR dues of INR 22,52,081 lakh to DoT on May 12, 2023 (Refer note 76).
- (d) Weighted Average Rate (WAR) of AGR based SUC has been changed in accordance with :
 - (i) DoT Letter No.L-14041/01/2020-NTG dated 27/10/2022 regarding re-assignment of Spectrum in 900MHz band and
 - (ii) DoT Letter No.L-14010/01/2021-NTG dated 21/06/2022 regarding computation of WAR.

39 Employee benefits

i) Defined contribution plans

Contributions to defined contribution plans i.e. employer's contribution to provident fund, Employees State Insurance, pension contribution paid/ payable to the Government of India and superannuation contribution paid/ payable to Life Insurance Corporation Of India for the year is charged to the statement of profit and loss. These amounts are shown as under:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Employer's contribution to provident fund	40,291	36,765
Pension contribution to the Government of India	17,961	18,223
Employer's contribution to Employees State Insurance	191	181
Superannuation contribution to Life Insurance Corporation of India	15,878	13,989
Total	74,321	69,158

ii) Defined benefit plans

The following table sets out the status of the assets and liabilities recognised in the Group's Consolidated financial statements as at balance sheet date relating to the defined employee benefit plans:

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Net defined benefit asset	-	-
Total employee benefit assets	-	-
Net defined benefit liability		
Liability for gratuity	6,685	52,977
Liability for leave encashment	3,073	30,812
Liability for half pay leaves	3,893	3,615
Total employee benefit liabilities	13,651	87,404
Non-current	3,623	3,357
Current	10,028	84,047
Total	13,651	87,404

A. Gratuity

The Group provides gratuity for employees in India as per the Payment of Gratuity Act, 1972 for employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The employees' gratuity fund scheme administered by the Group employees gratuity fund trust through fund manager namely Life Insurance Corporation (LIC) of India, is a defined benefit plan. The present value of obligation is determined on actuarial valuation done using projected unit credit method to arrive the final obligation.

a) Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	163,866	143,499
Benefits paid	(2,524)	-
Current service cost	11,669	8,532
Past service cost	-	-
Interest cost	11,733	9,758
Remeasurement (gains)/ losses recognised in other comprehensive income	-	-
Actuarial (gain)/ loss	(1,806)	2,077
Balance at the end of the year	182,938	163,866



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Reconciliation of the present value of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	110,889	102,942
Contributions during the year	54,736	-
Expected return on plan assets	7,940	7,000
Benefits paid	-	-
Actuarial gain/ (loss)	2,688	947
Balance at the end of the year	176,253	110,889
Net defined benefit liability (asset)	6,685	52,977

b) Defined benefits / expenses for gratuity recognised for the year

Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	11,934	8,532
Past service cost	-	-
Interest cost	11,733	9,758
Gratuity paid for earlier years	11,311	
Expected return on plan assets	(7,940)	(7,000)
	27,038	11,290

Remeasurement recognised in other comprehensive income

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	(1,806)	2,077
Actuarial (gain)/ loss on plan asset	(2,688)	(947)
Total	(4,494)	1,130

c) Plan assets

i. Gratuity fund investment details (Fund manager wise, to the extent funded) are as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Life Insurance Corporation of India	176,253	110,889
Total	176,253	110,889

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

The plan assets of the Group are managed by Life Insurance Corporation of India through a trust managed by the Group in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies. Information on categories of plan assets as at 31 March 2023 and 31 March 2022 has not been provided by Life Insurance Corporation of India.

ii. Expected contributions to post-employment benefit plans for the year ended 31 March 2023 are INR 6,679 lakh (31 March 2022: INR 52,977 lakh).

d) The expected maturity analysis of the obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Within the next 12 Months (next annual reporting period)	5,908	4,754
Between 1 and 2 years	4,756	4,157
Between 2 and 5 years	14,784	12,902
Beyond 5 years	157,491	142,053
Total	182,939	163,866

The weighted average duration of the defined benefit obligation is 14 years (31 March 2022: 15 years)

e) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.38%	7.16%
Expected rate of increase in compensation levels	6.50%	6.50%
Expected average remaining working lives of employees (years)	17	18
Mortality table	IALM (2012-14)	IALM (2012-14)

f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(10,441)	11,317	(9,903)	10,772
Expected rate of increase in compensation levels (0.50% movement)	4,342	(4,748)	4,762	(5,186)



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

B. Compensated absences

Compensated absences is also a defined benefit plan. The liability towards compensated absences has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done using projected unit credit method to arrive the final obligation.

a) Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	371,622	338,907
Benefits paid	(13,577)	(14,307)
Current service cost	13,836	12,328
Interest cost	26,608	23,046
Remeasurement (gains)/ losses recognised in other comprehensive income	-	-
Actuarial (gain)/ loss	(4,913)	11,648
Balance at the end of the year	393,576	371,622

Reconciliation of the present value of plan assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	340,810	346,232
Expected return on plan assets	24,402	23,544
Benefits paid	(22,703)	(30,300)
Actuarial gain/ (loss)	2,589	1,334
Balance at the end of the year	345,098	340,810
Net defined benefit liability (asset)	48,478	30,812

b) Defined benefits / expenses for compensated absences recognised for the year

Expense recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	13,836	12,328
Interest cost	26,608	23,046
Expected return on plan assets	(24,402)	(23,544)

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial (gain)/ loss on defined benefit obligation	(4,913)	11,648
Actuarial (gain)/ loss on Plan Assets	(2,589)	(1,334)
Total	8,540	22,144

c) Plan assets

- i Compensated absences fund investment details (Fund manager wise, to the extent funded) are as below:

Particulars	As at 31 March 2023	As at 31 March 2022
Life Insurance Corporation of India	345,098	340,810
Total	345,098	340,810

The plan assets of the Group are managed by Life Insurance Corporation of India with respect to its compensated absences plan. Information on categories of plan assets as at 31 March 2023 and 31 March 2022 has not been provided by Life Insurance Corporation of India.

- ii Expected contributions to post-employment benefit plans for the year ended 31 March 2023 is INR 3,072 lakh (31 March 2022: INR 30,812 lakh).

d) The expected maturity analysis of the obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Within the next 12 Months (next annual reporting period)	20,195	17,743
Between 1 and 2 years	19,930	16,737
Between 2 and 5 years	64,619	57,251
Beyond 5 years	288,832	279,891
Total	393,576	371,622

The weighted average duration of the defined benefit obligation is 11 Years (31 March 2022: 12 years).

e) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.38%	7.16%
Expected rate of increase in compensation levels	6.50%	6.50%
Expected average remaining working lives of employees (years)	13	14
Mortality table	IALM(2012-14) Ultimate	IALM (2012-14) Ultimate



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

f) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(18,052)	19,250	(17,892)	19,155
Expected rate of increase in compensation levels (0.50% movement)	19,354	(18,173)	19,198	(17,991)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

C. Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

a) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Group intends to maintain the above investment mix in the continuing years.

b) Changes in discount rate

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings.

c) Inflation risks

In the plans, the payments are not linked to the inflation so this is a less material risk.

d) Life expectancy

The plan obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Group's ALM objective is to match assets to the obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the Consolidated financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

D Half pay leaves

Half pay leaves is also a defined benefit plan. The liability towards half pay leaves has been determined through actuarial valuation using projected unit credit method. The present value of obligation is determined on actuarial valuation done using projected unit credit method to arrive the final obligation.

40 Property, plant and equipment / Intangible assets/ Depreciation and amortization/ Capital work-in-progress/ Right of use assets

- (a) Property, plant and equipment taken over from DoT as on 1 October 2000 are based on physical verification conducted by the management. The value of property, plant and equipment taken over including capital work-in- progress has been determined by the management using the original cost of the asset (wherever available) or alternatively the value arrived at by applying Strategic Business Plan ("SBP") rates, which is based on technical assessment, as reduced by the depreciation up to 30 September 2000 on straight line basis at the rates prescribed by DoT. Capital assets acquired by the Group 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 their original cost and depreciation has been provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 till financial year 2013-14 without reassessing the remaining useful life of such assets as on that date. Depreciation has been provided at the rates as stated above for all the assets acquired after 1 October 2000 except in the case of Subscribers Installations which are depreciated over the useful life of 5 years on written down value method. However, with the enactment of Companies Act, 2013 the depreciation has been provided as per the provisions of schedule II of the Companies Act, 2013 for financial year 2014-15 onwards for all assets including Subscribers Installations. For 3G & BWA Spectrum the amount paid to Government of India for acquiring these assets is being amortized over a period of 20 years on straight line basis.

- (b) The lease period for certain leasehold land 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.
- (c) Pending transfer of the immovable property in the name of the Group, documents in respect of certain land and buildings acquired during the period are under legal process/ execution. Further, in respect of assets taken over from DoT, formalities for vesting the assets in favour of the Group, wherever necessary/ applicable are under process.
- (d) 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 17 Circle (31 March 2022: 11 circles). The amount ascertained in respect of 17 Circles (31 March 2022: 10 circles) is INR 964 lakh (31 March 2022: INR 991 lakh).



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- (e) Directly attributable establishment and administration expenses incurred in units where project work is also undertaken are allocated to capital and revenue mainly on actual man-month basis.

41 DoT balances

Other recoverables from DoT, after netting off the claim payables to them INR 211,797 lakh (31 March 2022: INR 122,131 lakh) are included in other current financial assets and other current financial liabilities. It includes INR 1,31,901 lakhs in respect of claim recoverable from DoT towards excess paid LF/SUC. 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.

42 Inter/ intra circle remittances

There are certain Inter circle balances (both capital and revenue) which are incurred by one circle on behalf of other. These transactions are parked in Inter/ Intra-Circle Remittances account. As on 31 March 2023, there was balance of INR (18,770) lakh (31 March 2022: INR (15,146) lakh) in Inter/Intra-Circle Remittances account. This amount pertains mainly to assets and liabilities, and marginally to expenditure and revenue. The depreciation is not claimed in case of assets and expenses are not taken to the statement of profit and loss pending reconciliation. The reconciliation is done on continuous basis throughout the year and proper effect is taken in the books of accounts for reconciled amounts.

43 Earnings/ (loss) per share

Basic and diluted earnings/ (loss) per share is calculated by dividing the profit/ (loss) during the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Particulars	Unit	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit/ (loss) after tax attributable to equity shareholders	(INR in lakh)	(816,141)	(698,162)
Weighted average number of equity shares outstanding during the year	(in number)	17,001,651,616	5,000,000,000
Nominal value per share	INR	10	10
Basic and diluted earnings/ (loss) per share	INR	(4.80)	(13.96)

44 Segment information

A. Description of segments and principal activities

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Board of directors of the Company, which is defined as chief operating decision maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

For management purposes, the business is organized into business segments namely basic, cellular, broadband and enterprise based on its products and services identified.

B. Information about reportable segments

For the year ended 31 March 2023

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
Revenue						
Revenue from operations	300,386	743,551	335,617	533,225	290	1,913,069
Other income	112,847	10,351	993	22,376	11	146,578
Net segment revenue	413,233	753,902	336,610	555,601	301	2,059,648
Segment results						
Operating profit/(loss) before interest, depreciation and taxes	(559,591)	197,060	219,839	290,778	(2,718)	145,368
Depreciation and amortisation	(168,654)	(332,913)	(11,140)	(52,751)	(404)	(565,862)
Interest income	8,275	131	9	48	2,070	10,533
Interest expenses	(189,926)	(32,237)	(349)	(20,733)	(12,992)	(256,237)
Profit/(loss) before exceptional items and tax	(909,896)	(167,959)	208,359	217,342	(14,044)	(666,198)
Exceptional items	-	-	-	-	(149,936)	(149,936)
Profit/(loss) before tax	(909,896)	(167,959)	208,359	217,342	(163,980)	(816,134)
Tax expense	-	-	-	-	-	-
Profit/(loss) after tax	(909,896)	(167,959)	208,359	217,342	(163,980)	(816,134)
Other information						
Segment assets	1,544,122	3,378,047	2,768,303	2,663,608	4,395,523	14,749,603
Segment liabilities	(3,721,702)	(720,853)	(124,655)	(1,273,587)	(2,612,465)	(8,453,262)
Capital expenditure during the year	168,655	332,913	11,140	52,751	404	565,863
Non cash expense other than depreciation	43,304	12,850	369	7,798	-	64,321



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

For the year ended 31 March 2022

Particulars	Business Segments				Unallocable	Total
	Basic	Cellular	Broadband	Enterprise		
Revenue						
Revenue from operations	300,663	666,395	303,775	410,089	204	1,681,126
Other income	173,145	21,439	4,422	16,135	10	215,151
Net segment revenue	473,807	687,834	308,197	426,225	214	1,896,277
Segment results						
Operating profit/(loss) before interest, depreciation and taxes	(553,814)	159,657	229,636	250,233	(3,073)	82,639
Depreciation and amortisation	(182,412)	(272,746)	(13,832)	(61,434)	(379)	(530,804)
Interest income	1,134	75	40	70	7,865	9,185
Interest expenses	(198,307)	(38,357)	(5,901)	(16,104)	(513)	(259,182)
Profit/(loss) before tax	(933,399)	(151,372)	209,943	172,766	3,899	(698,162)
Tax expense	-	-	-	-	-	-
Profit/(loss) after tax	(933,399)	(151,372)	209,943	172,766	3,899	(698,162)
Other information						
Segment assets	852,184	3,217,921	2,398,027	2,406,840	3,768,139	12,643,111
Segment liabilities	2,360,393	868,923	93,571	1,248,179	3,602,684	8,173,747
Capital expenditure during the year	3,826	85,281	6,692	25,682	442	121,923
Non cash expense other than depreciation	54,024	14,539	1,668	21,519	-	91,750

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

C. Reconciliations of information on reportable segments

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenues		
Total revenue for reportable segments	2,059,347	1,896,063
Unallocable revenue	301	214
Total revenue	2,059,648	1,896,277
Profit before tax		
Total profit before tax for reportable segments	(652,155)	(702,062)
Profit before tax for unallocable	(163,980)	3,899
Profit before tax as per statement of profit and loss	(816,135)	(698,162)

Particulars	As at 31 March 2023	As at 31 March 2022
Assets		
Total assets for reportable segments	10,354,080	8,874,971
Unallocable assets	4,395,523	3,768,139
Total assets as per the balance sheet	14,749,603	12,643,111
Liabilities		
Total liabilities for reportable segments	(5,840,797)	4,571,064
Unallocable liabilities	(2,612,465)	3,602,684
Total liabilities as per the balance sheet	(8,453,262)	8,173,748

D. Geographic information

The Company caters only to the Indian market representing a singular economic environment with similar risks and returns and further there are no reportable geographical segments.

E. Information about major customers

For the year ended 31 March 2023 and 31 March 2022, revenue from any customer is not more than 10 percent of the Company's total revenue.

BSNL is executing various projects including Bharat Net I, Bharat Net II, Defence Network Project, Submarine Cable Project etc. entrusted by the Government, the revenue and expenditure thereto are aggregated under respective business segments.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

45 Related party transactions

a) List of related parties

i. Key Management Personnel

Designation	Name of incumbent	Remarks
CMD	Shri P. K. Purwar	From 01 July 2019 onwards
Director (Enterprise)	Shri V. Ramesh	From 03 June 2020 onwards
Director (CFA)	Shri Vivek Banzal	From 18 October 2018 onwards
Director (CM)	Shri Sandeep Govil	From 16 January 2023 onwards
Director (HRD)	Shri Arvind Vadnerkar	From 14 October 2019 onwards
Director (Finance & CFO)	Ms. Yojana Das	From 16 November 2020 to 30 November 2022
	Shri Rajiv Kumar	From 01 December 2022 onwards
Company Secretary	Shri J. P. Chowdhary	From 01 February 2021 onwards
Govt Directors	Shri Sanjeev Gupta	From 14 February 2022 to 31 March 2022
	Ms. Yashashri Shukla	From 14 February 2022 to 26 December 2022
	Shri Premjit Lal	From 17 May 2022 to 17 November 2022
	Shri Shivendu Gupta	From 26 December 2022 onwards
	Shri Sunil Kumar Verma	From 17 November 2022 onwards
Non-official part-time Director	Ms. Trupti Kamlesh Patel	From 01 November 2021 onwards
	Shri Manoj Kumar	From 01 November 2021 onwards
	Shri Ravindra Ramadas Boarawake	From 01 November 2021 onwards
	Shri Seikhojam Kipgen	From 01 November 2021 onwards

ii. Subsidiary

BSNL Tower Corporation Limited (BTCL) (incorporated w.e.f. 04 January 2018)

iii. Entities under the control of the same Government

The Group is a Central Public Sector Undertaking (CPSU) controlled directly or indirectly by Central Government. Pursuant to paragraph 25 and 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Group has applied the exemption available for government related entities and have made limited disclosures in the Consolidated financial statements. Such entities with which the Group has significant transactions include but not limited to Department of Telecom ('DoT'), Department of Posts, Mahanagar Telephone Nigam Limited, Indian Telephone Industries, Indian Oil Corporation Limited, Bharat Petroleum Corporation Limited, Union Bank of India, United Bank of India, State Bank of India, Bank of Maharashtra, Punjab National Bank, Canara Bank and Bank of Baroda.

iv. Post employment benefit plans

BSNL Employees Gratuity Fund Trust

BSNL Employees Superannuation Pension Fund Trust

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

45 Related party transactions (continued)**b) Transactions with the related parties are as follows:**

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
A. Compensation to Key Management Personnel #		
- Short term employee benefits		
Payment of salaries and allowances		
Shri P. K. Purwar	35	31
Shri Vivek Banzal	33	30
Shri Sandeep Govil	8	-
Shri Sushil Kumar Mishra	-	29
Shri Arvind Vadnerkar	32	29
Shri V. Ramesh	31	27
Ms. Yojana Das	21	29
Shri Rajiv Kumar	4	-
Shri J. P. Chowdhary	28	25
	191	199
Perquisites		
Shri Pravin Kumar Purwar	3	7
Shri Vivek Banzal	5	4
Shri Arvind Vadnerkar	4	4
Shri V Ramesh	8	4
Shri Sushil Kumar Mishra	-	5
Shri Sandeep Govil	1	-
Smt. Yojana Das	4	4
Shri Rajiv Kumar	2	-
Shri J. P. Chowdhary	4	3
	31	32
Sitting fee		
Shri Ravindra Ramdas Borawake	2	1
Shri Manoj Kumar	1	0
Ms. Trupti Kamlesh Patel	1	0
Shri Seikhijam Kipgen	2	1
	6	2

Remuneration does not include the expenditure towards gratuity and leave encashment as the incremental liability has been accounted for the Group as a whole and separate details for individual employee are not available.

* These advances are in the normal course of business.

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Sitting fee		
Shri Ravindra Ramdas Borawake	2	1
Shri Manoj Kumar	1	0
Ms. Trupti Kamlesh Patel	1	0
Shri Seikhijam Kipgen	2	1
	6	2
C. Transactions with post employment benefit plans		
Contribution made during the year		
- BSNL Employees Gratuity Fund Trust	12,938	11,290
- BSNL Employees Superannuation Pension Fund Trust	15,878	13,989
D. Transactions with the related parties under the control of the same government		
i. Revenue from sale of services		
DoT	24,339	2,551
Central government and central PSU's	110,416	89,992
	134,755	92,543
ii. Employee benefits expense		
DoT		
Contribution towards leave salary	870	862
Contribution towards pension	17,961	18,223
	18,831	19,085
Central government and central PSU's		
Contribution towards employees provident fund	40,291	36,765
iii. License and spectrum fee		
DoT	135,647	144,142
iv. Other expenses		
Central government and central PSU's		
Expenditure on capital items	302	267
Power and fuel	8,561	11,885
Repairs and maintenance	1,752	3,782
Others	22,139	28,288
	32,755	44,222
Subsidiaries		
Others	264	53
v. Exceptional items (AGR Dues)		
DoT	1,768,836	-

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

c) Outstanding balances with related parties are as follows:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
A. Amount recoverable from subsidiary		
BSNL Tower Corporation Limited	598	335
B. Post employment benefit plans		
Amount recoverable from BSNL Employees Gratuity Fund Trust	14,105	11,311
C. Related parties under the control of the same government		
i. Non-current borrowings		
Term loans from banks		
Union Bank of India	-	107,567
United Bank of India (merged with Punjab National Bank)	-	75,944
State Bank of India	206,610	326,417
Punjab National bank	10,093	90,493
Canara Bank	84,520	145,106
Jammu and Kashmir Bank	-	28,000
Oriental Bank of Commerce (merged with Punjab National Bank)	-	15,168
Bank of Baroda (erstwhile Vijaya Bank)	-	74,526
Bank of India	-	352,879
Indian Overseas Bank	-	37,498
IDBI Bank	9,998	29,996
Bank of Baroda	-	225,113
UCO Bank	37,450	-
	348,671	1,508,708
ii. Other current financial assets		
Amount recoverable from DoT		
Other recoverable	233,584	231,235
	233,584	231,235
iii. Current financial liabilities - Borrowings		
9% non-cumulative preference shares of INR 10 each		
The Central Government of India	750,000	750,000
Term loans from banks		
State Bank of India	112,500	193,499



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Punjab National Bank	27,000	122,628
Canara Bank	78,500	72,500
Bank of India	854	27,000
IOB	-	12,500
IDBI Bank	20,000	10,000
Bank of Baroda	1,319	104,498
J&K	-	20,458
Punjab Sind Bank	-	19,690
Union Bank of India	-	37,452
UCO Bank	50,000	-
	1,040,173	1,370,225

d) Outstanding balances with related parties are as follows:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
iii. Other current financial liabilities		
Claims payable to DoT	2,474,958	682,663
iv. Other current liabilities		
DoT		
Advance received for Defense telecom network project (net)	27,397	75,749
v. Amount receivables		
Central government and central PSU's	53,127	62,677

e) Terms and conditions of transactions with the related parties

Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

46 Auditor's remuneration (statutory/ branch auditors)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Statutory Auditor	Branch Auditors	Statutory Auditor	Branch Auditors
Statutory audit fee	26	384	28	375
Certification charges	8	-	2	8
Reimbursement of expenses	2	-	1	5
Others	1	-	0	0
Total (A)	37	384	31	389

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Statutory Auditor	Branch Auditors	Statutory Auditor	Branch Auditors
Other services	3	28	-	30
Tax audit fee	-	28	3	24
Total (B)	3	56	3.20	54
Total (A + B)	40	440	34	443

Note: Fees are exclusive of applicable taxes wherever applicable.

47 Provisions

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
Balance as at 1 April 2022	312	392	67,658	68,361
Provisions made during the year	-	-	3,762	3,762
Unwinding of discount	-	-	2,719	2,719
Provisions used during the year	-	-	-	-
Provisions reversed during the year	-	(107)	(7,015)	(7,122)
Balance as at 31 March 2023	312	285	67,124	67,720

Particulars	Wealth tax	Contingencies	Decommissioning liabilities *	Total
Balance as at 1 April 2021	312	179	90,893	91,384
Provisions made during the year	-	326	6,933	7,259
Unwinding of discount	-	-	-	-
Provisions used during the year	-	(90)	(19,454)	(19,544)
Provisions reversed during the year	-	(23)	(10,716)	(10,738)
Balance as at 31 March 2022	312	392	67,658	68,361

* The Company records a provision for decommissioning costs for those lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to that at the inception of lease. The Company is committed to decommission the site as a result of the construction of the towers, buildings and other assets.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

48 Contingent liabilities, commitments and contingent assets

A. Contingent liabilities

Claims against the company not acknowledged as debts are as follows:

Particulars	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
	No. of cases	Amount	No. of cases	Amount
TR billing	22	48	179	175
Enhanced sales tax in lieu of C/D forms	5	1,360	9	1,416
On account of service tax disputed	59	83,881	36	52,082
Sales tax disputed	32	2,299	28	2,734
Central excise claims	15	1,994	21	7,607
License fee and spectrum fee [note (a) below]	1	1,560,744	34	4,290,669
Others	453	42,634	580	40,801
Total	587	1,692,960	887	4,395,483

(a) Demand raised by DoT amounting to:

INR 1,560,744 lakh (31 March 2022: INR 1,560,744 lakh) on account of One Time Spectrum Charges (OTSC) for Global System for Mobile (GSM) spectrum held by the Company. The Company has taken up this matter with DOT for waiver of one time spectrum charges as the Company believes that the demand amounts to alteration of financial terms of the licenses issued in the past.

Further contingent liability of previous year (other than OTSC demand) has been crystallised during the year and accounted for (refer note 38 (a) & (c)).

- (b) The contingent liability in connection to 320 cases (31 March 2022: 544 cases) included under the head 'Others' in the above table is not ascertainable. Certain claims of MTNL on various accounts like duct charges, space charges, service connections, revenue share for network usage, etc. are under reconciliation and settlement process. Pending an ongoing reconciliation and settlement process, the estimate of these claims/outflows could not be ascertained.
- i) Claims pending in court related to Land acquisition, TR billing, Service tax, Central Excise and Sales tax, Arbitration cases and others.

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
No. of cases	4,876	4,518
Amount	939,331	908,195

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- ii) Demands raised by the Income-tax departments not acknowledged as debt are as follows:

Assessment for AY 2019-20 u/s 143(3) was completed during the FY 22-23. Contingent liability in relation to disputed direct tax demand is INR 3,310 Lakh.

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

Particulars	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
	With cash margin	Without cash margin	With cash margin	Without cash margin
No. of cases	-	-	29	148
Amount	-	-	557	6,215

- iv) As per Office Memorandum (OM) dated 19 November 2009, pension contribution was payable on the actual pay drawn as on 1 January 2007 (being the date of implementation of second pay commission for IDA). Whereas the Company was paying pension contribution on maximum of the scale as advised by DoT, from 1 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 2023 is INR 9,707 lakh (31 March 2022: INR 10,535 lakh).

B. Commitments**a) Capital commitments**

- i. The estimated amounts of contracts remaining to be executed on capital account and not provided for in relation to execution of works and purchase of equipment are INR 21,99,826 lakh (31 March 2022: INR 55,937 lakh).

b) Lease contracts that have not yet commenced

The Company has entered into lease contracts that have not yet commenced and future cash outflow of these lease contracts are INR 3,353 lakh.

c) Other commitments

The amount of other commitments amounting to INR 76,597 lakh (31 March 2022: INR 96,424 lakh) which was not ascertained in 14 Circle (31 March 2022: 2 circle)

C. Contingent asset

The Company has filed certain claims, namely, claim for interest on delayed refund of cost of the surrendered BWA spectrum, claims towards compensation of remaining period of validity against the surrendered 800 MHz spectrum, compensation for replacement of customer premises equipment, following carrier swapping

BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

as directed by DoT, claim for leave encashment paid to absorbed employees upon retirement against the accumulated leaves as on 01 October 2000 i.e. leave balances pertaining to their services rendered in DoT, refund of excess paid pension contribution for absorbed employees, reimbursement of establishment cost in respect of NFS Project, and claims in respect of services rendered to DoT. The total of such claims, in excess of INR 1,400,000 lakh (31 March 2022: INR 2,500,000 lakh) are under various stages of deliberation. The Management is hopeful that DoT will consider these claims on merit and BSNL would be suitably compensated. However, on a conservative basis, pending acceptance from DoT, these have not been recognised in the financial statements.

49 Leases**A. Company as a lessee**

The Company's lease asset classes primarily consist of leases for leasehold land, buildings and towers. The escalation clause generally ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements. There are several lease contracts that include the options to extend or terminate the lease before the end of the lease term. Right-of-use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

Amounts recognised in balance sheet and profit & loss account:

Particulars	Right of use asset As on 31 March 2023	Depreciation charged during the FY 2022-23	Right of use asset As on 31 March 2022	Depreciation charged during the FY 2021-22
Land	34,286	10,673	33,538	9,525
Leasehold land	13,926	512	13,599	480
Buildings	46,964	20,434	46,694	18,432
Equipment	132	26	159	26
Vehicles	244	103	37	23
Towers and satellites	173,076	50,666	215,288	41,292
Others	57	38	347	103
Total	268,686	82,452	309,662	69,881

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Lease Liability

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Current	64,977	66,310
Non-current	249,123	276,658
Total	314,100	342,968

The following are the amounts recognised in profit or loss:

Particulars

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Depreciation expense of right-of-use assets (Refer Notes 5 and 35)	82,452	69,881
Interest expense on lease liabilities (Refer Note 34)	35,229	36,858
Expense relating to short-term leases (Refer Note 36)	6,423	5,441
Expense relating to low value leases (Refer Note 36)	1,109	1,063
Total	125,213	113,243

Additions to the right-of-use assets during FY 2022-23 was INR 51,027 lakhs.

The total cash outflow for leases in FY 2022-23 was INR 1,15,039 lakhs.

B. Company as a lessor

The Company has entered into various agreements with infrastructure providers and other telecom operators wherein the Company agrees to share its own passive infrastructure with other operators. The escalation clause includes escalation ranging from 0 to 25% and includes option of renewal from 1 to 15 years. There are no restrictions imposed by lease arrangements.

Lease receipts amounting to INR 1,03,312 lakh (31 March 2022: INR 1,01,558 lakh) are included in Lease income on passive infrastructure in the statement of profit and loss during the current year.

Future minimum lease payments

Future minimum lease payments under non-cancellable operating leases are receivable as follows:

Particulars

	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Not later than one year (excluding applicable taxes)	67,435	37,500
Later than one year and not later than five years (excluding applicable taxes)	179,106	110,457
Later than five years (excluding applicable taxes)	42,852	38,188
Total	289,393	186,145



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

50 Income tax

A. Amounts recognised in statement of profit and loss

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Current income tax		
- For the year*	-	-
- Adjustment for prior periods	6	0
Deferred tax	1	(1)
Income tax expense reported in the statement of profit and loss	7	(1)

* 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 provisions of Income Tax Act, 1961 or special provisions under section 115JB (Minimum Alternate Tax) of the Income Tax Act, 1961.

B. Amounts recognised in other comprehensive Income/ (expense)

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Income tax		
Remeasurement of post employment benefit obligation	-	-
Income tax charges to other comprehensive income	-	-

C. Reconciliation of effective tax rate *

Reconciliation of tax expense and the accounting profit/ (loss) multiplied by India's domestic tax rate for the year ended 31 March 2023 and 31 March 2022:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Loss before tax	(816,141)	(698,162)
Income tax using the Company's domestic tax rate @ 31.2% (as at 31 st March, 2021 @ 31.2%) Tax Effect of :	(254,636)	(217,827)
Deferred tax asset not recognised	254,636	217,827
Tax effect of expenses disallowed	-	-
Carried forward loss utilized	-	-
DTA created for carried forward losses of earlier years	1	(1)
DTA created for expenses disallowed under section 43B of the Income-tax Act	1	-
Income tax recognised in Statement of Profit or Loss and Other Comprehensive Income at effective rate	-	-

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

* Unrecognised deferred tax assets (net) are reassessed at each reporting date. In the absence of reasonable certainty of future taxable profits at current reporting date, the Company has not recognised deferred tax asset (net) for the above periods, hence the effective tax rate is 0%.

D. Deferred tax assets/ liabilities

Particulars	Deferred tax assets		(Deferred tax liabilities)		Net deferred tax assets/ (liabilities)	
	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Loss allowance for trade receivables	79,100	81,870	-	-	79,100	81,870
Loss allowance for other assets	67,676	17,361	-	-	67,676	17,361
Carry forward tax losses including unabsorbed depreciation	2,689,373	2,555,755	-	-	2,689,373	2,555,755
Provision for half pay leaves	1,130	1,047	-	-	1,130	1,047
Provision for gratuity	2,086	16,529	-	-	2,086	16,529
Provision for decommissioned assets	27,892	21,269	-	-	27,892	21,269
Provision for obsolete inventory and capital work in progress	20,175	18,506	-	-	20,175	18,506
Disallowances under section 43B of Income Tax Act, 1961	1,356	2,831	-	-	1,356	2,831
Difference in book written down value and tax written down value of property, plant and equipment	-	-	573,590	407,437	(573,590)	(407,437)
Net deferred tax assets	2,888,787	2,715,168	573,590	407,437	2,315,197	2,307,731

Unrecognised deferred tax assets (net) are reassessed at each reporting date. Deferred tax assets are recognised to the extent of deferred tax liabilities. In the absence of reasonable certainty of future taxable profits at current reporting date, the Company has not recognised deferred tax assets (net) for the above periods.

BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023
 (All amounts are in INR lakh, unless otherwise stated)

E. Movement of temporary differences

Particulars	As at 1 April 2022	Unrecognised temporary dif- ferences	Unrec- ognised tax losses	As at 31 March 2023
Deferred tax assets				
Loss allowance for trade receivables	262,404	(8,877)	-	253,527
Loss allowance for other assets	55,643	161,266	-	216,909
Carry forward tax losses including unabsorbed depreciation	8,193,399	-	426,385	8,619,784
Provision for half pay leaves	3,357	266	-	3,623
Provision for gratuity	52,977	(46,292)	-	6,685
Provision for decommissioned assets	68,169	21,228	-	89,397
Provision for obsolete inventory and capital work in progress	59,314	5,349	-	64,663
Disallowances under section 43B of Income Tax Act, 1961	8,139	(3,792)	-	4,347
A	8,703,402	129,147	426,385	9,258,934
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment	1,304,409	534,021	-	1,838,430
B	1,304,409	534,021	-	1,838,430
Net deferred tax	(A)-(B)	7,398,993	(404,874)	426,385
Particulars	As at 1 April 2021	Unrecog- nised temporary dif- ferences	Unrec- ognised tax losses	As at 31 March 2022
Deferred tax assets				
Loss allowance for trade receivables	284,454	(22,050)	-	262,404
Loss allowance for other assets	229,603	(173,960)	-	55,643
Carry forward tax losses including unabsorbed depreciation	7,240,170	-	953,229	8,193,399
Provision for half pay leaves	3,080	277	-	3,357
Provision for gratuity	40,557	12,420	-	52,977
Provision for decommissioned assets	76,900	(8,731)	-	68,169

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	As at 1 April 2021	Unrecognised temporary dif- ferences	Unrec- ognised tax losses	As at 31 March 2022
Provision for obsolete inventory and capital work in progress	72,248	(12,934)	-	59,314
Disallowances under section 43B of Income Tax Act, 1961	13,375	(5,236)	-	8,139
A	7,960,386	(210,214)	953,229	8,703,402
Deferred tax liabilities				
Difference in book written down value and tax written down value of property, plant and equipment	1,357,837	(53,428)	-	1,304,409
B	1,357,837	(53,428)	-	1,304,409
Net deferred tax	(A)-(B)	6,602,549	(156,785)	953,229
				7,398,993

F. Tax losses and tax credits for which no deferred tax asset was recognised expire as follows:

Particulars	Expiry year	As at 31 March 2023 (Audited)		As at 31 March 2022 (Audited)	
		Gross amount	Unrecognised tax effect	Gross amount	Unrec- ognised tax effect
Business Loss					
For Assessment year 2015-16	2024	26,983	8,419	26,983	8,419
For Assessment year 2018-19	2027	433,635	135,294	433,635	135,294
For Assessment year 2019-20	2028	941,796	293,840	941,796	293,840
For Assessment year 2020-21	2029	793,212	247,482	793,212	247,482
For Assessment year 2021-22	2030	177,384	55,344	177,384	55,344
For Assessment year 2022-23	2031	345,321	107,740	380,480	118,710
For Assessment year 2023-24	2032	249,772	77,929	-	-
Unabsorbed depreciation	Never expire	6,098,029	1,902,585	5,438,032	1,696,666
Total		9,066,132	2,828,633	8,191,522	2,555,755



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Expiry year	As at 31 March 2022 (Audited)		As at 31 March 2021 (Audited)	
		Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Business Loss					
For Assessment year 2015-16	2024	26,983	8,419	26,983	8,419
For Assessment year 2018-19	2027	433,635	135,294	433,635	135,294
For Assessment year 2019-20	2028	941,796	293,840	941,796	293,840
For Assessment year 2020-21	2029	793,212	247,482	793,212	247,482
For Assessment year 2021-22	2030	177,384	55,344	7,948	2,480
For Assessment year 2022-23	2031	380,480	118,710	-	-
Unabsorbed depreciation	Never expire	5,438,032	1,696,666	5,036,316	1,571,331
Total		8,191,522	2,555,755	7,239,890	2,258,846

* The Company has recognised tax effect on unabsorbed depreciation amounting to INR Nil (31 March 2021: INR Nil).

51 Financial instruments – Fair values and risk management

A. Financial instruments – by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

i. As on 31 March 2023

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	-	-	-	-	-	-	-
Loans*	-	-	91	91	-	-	91
Other financial assets*	-	-	41,030	41,030	-	-	41,030
Current							
Trade receivables*	-	-	369,385	369,385	-	-	-
Cash and cash equivalents*	-	-	71,657	71,657	-	-	-

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Balances other than cash and cash equivalents*	-	-	193,851	193,851	-	-	-
Loans*	-	-	5	5	-	-	-
Other financial assets*	-	-	1,045,116	1,045,116	-	-	-
Total	-	-	1,721,135	1,721,135	-	-	41,121
Financial liabilities							
Non-current							
Borrowings#	-	-	1,609,121	1,609,121	-	-	1,609,121
Lease Liabilities	-	-	249,123	249,123	-	-	249,123
Other financial liabilities*	-	-	515,542	515,542	-	-	515,542
Current							
Borrowings#	-	-	1,200,103	1,200,103	-	-	-
Lease Liabilities	-	-	64,977	64,977	-	-	-
Trade payables*	-	-	635,980	635,980	-	-	-
Other current financial liabilities*	-	-	2,992,002	2,992,002	-	-	-
Total	-	-	7,266,848	7,266,848	-	-	2,373,786

ii. As on 31 March 2022

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets							
Non-current							
Investments	-	-	-	-	-	-	-
Loans*	-	-	121	121	-	-	121
Other financial assets*	-	-	36,108	36,108	-	-	36,108
Current							
Trade receivables*	-	-	401,599	401,599	-	-	-
Cash and cash equivalents*	-	-	90,255	90,255	-	-	-



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Carrying value				Fair value measurement using		
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3
Balances other than cash and cash equivalents*	-	-	214,292	214,292	-	-	-
Loans*	-	-	29	29	-	-	-
Other financial assets*	-	-	721,914	721,914	-	-	-
Total	-	-	1,464,318	1,464,318	-	-	36,229
Financial liabilities							
Non-current							
Borrowings#	-	-	2,323,963	2,323,963	-	-	2,323,963
Lease Liabilities	-	-	276,658	276,658	-	-	276,658
Other financial liabilities*	-	-	501,198	501,198	-	-	501,198
Current							
Borrowings#	-	-	1,716,050	1,716,050	-	-	-
Lease Liabilities	-	-	66,310	66,310	-	-	-
Trade payables*	-	-	903,852	903,852	-	-	-
Other current financial liabilities*	-	-	1,217,664	1,217,664	-	-	-
Total	-	-	7,005,695	7,005,695	-	-	3,101,819

The Company's borrowings have been contracted at floating rates of interest, which resets at short intervals. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

* The carrying amounts of trade receivables, trade payables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets and liabilities (except current lease liabilities), approximates the fair values, due to their short-term nature. The other non-current financial assets represents bank deposits (due for maturity after twelve months from the reporting date) and security deposits given to various parties, and other non-current financial liabilities (except non current lease liabilities), the carrying value of which approximates the fair values as on the reporting date.

There have been no transfers between Level 1, Level 2 and Level 3 for the years ended 31 March 2023 and 31 March 2022.

Valuation techniques used to determine fair value

Specific valuation techniques used to value non current financial assets and liabilities for whom the fair values have been determined based on present values and the appropriate discount rates at each balance sheet date. The discount rate is based on the weighted average cost of borrowings of the Company at each balance sheet date.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Valuation processes

The Company has an established control framework with respect to the measurements of the fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements and reports to Senior Management. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

51 Financial instruments – Fair values and risk management

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ;
- Market risk - Foreign exchange ; and
- Market risk - Interest rate

Risk management framework

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

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

As per ERM policy of the Company, the Company has constituted an ERM committee, with the overall objective of oversight, development and implementation of a risk identification and management process and the review and reporting of the same.

The Board of Directors has authorized Management Committee of the Board (MCB), the CMD and the Functional Directors and below Board functionaries, viz., the Executive Directors/ CGMs/ PGMs/ GMs/ TDMs/ DGMs etc., as the case be, to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the Functional Directors/ Business Heads periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

i. Credit risk

The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Trade receivables	369,385	401,599
Loans	96	150
Cash and cash equivalents	71,657	90,255
Bank balances other than cash and cash equivalents	193,851	214,292
Other financial assets	1,086,146	758,022

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. The Company does monitor the economic environment in which it operates. The Company manages its credit risk through credit approvals, establishing credit limits and continuously monitoring credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance, the company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when counterparty fails to make payments for receivables more than 2 years past due. However the Company based upon historical experience determines an impairment allowance for loss on receivables.

Majority of trade receivables are from domestic customers, which are fragmented and are not concentrated to individual customers. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount	
	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
1-90 days past due *	5,708	201,680
91 to 180 days past due	1,231	36,829
180 days to 2 years past due	5,535	136,267
More than 2 years past due #	245,237	312,932
Total	257,711	687,708

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- * The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.
- # The Company based upon past trends determines an impairment allowance for loss on receivables outstanding for more than two years past due.
- # Receivables more than two years past due pertaining to receivables from government departments and PSU's, which are fully realisable on historical payment behaviour and hence no loss allowance has been recognised. Impairment allowance has already been recognised on specific credit risk factor.

Movement in the loss allowance in respect of trade receivables

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Balance at the beginning of the year	262,404	323,354
Impairment loss recognised during the year(refer note(a) below)	55,376	33,340
Amount written off	(64,253)	(94,290)
Balance at the end of the year	253,527	262,404

- a) The Group, assessed that there is no major impact of Covid 19 on its business and accounting matters. The Company does not anticipate potential stress on probability of default and exposures at default due to COVID-19 global pandemic. During the previous years, the Group had recognised an impairment allowance of INR 38,900 lakhs on trade receivables other than government departments as an exception and due to abundant caution, allowance amounting to INR 10,000 lakhs (2022: INR 28,900 lakhs) have been reversed subsequently, in the view of improving pandemic situation and no significant impact noted.

51. B. ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalents and bank balances other than cash and cash equivalents of INR 300,784 lakh as at 31 March 2023 (31 March 2022: INR 284,364 lakh), anticipated future internally generated funds from operations, and its fully available, revolving undrawn credit facility will enable it to meet its future known obligations in the ordinary course of business. However, if liquidity needs were to arise, the Company believes it has access to financing arrangements based on the value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
From banks	-	-

b. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2023	Carrying amount	Contractual cash flows						Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years		
Non-current borrowings								
Term loans from banks *	348,670			253,704	95,396	-		349,100
Rupee Bonds	1,260,451	-	-	-	-	1,268,470		1,268,470
9% non-cumulative redeemable preference shares	750,000	750,000	-	-	-			750,000
Non current lease liabilities	249,123	-	-	70,554	71,049	107,520		249,123
Other non current financial liabilities	515,542	-	-	202,831	173,137	139,574		515,542
Current borrowings - Loans from banks *	159,930	159,930	-	-	-	-		159,930
Trade payables	635,980	325,317	191,419	20,203	76,851	22,191		635,980
Current lease liabilities	64,977	24,481	40,496	-	-	-		64,977
Current maturity of long term borrowings	290,173	141,672	148,501	-	-	-		290,173
Other current financial liabilities	2,992,002	1,838,689	1,044,258	-	-	109,051		2,991,998
Total	7,266,848	3,240,089	1,424,674	547,292	416,433	1,646,806		7,275,294

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

As at 31 March 2022	Carrying amount	Contractual cash flows						Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years		
Non-current borrowings								
Term loans from banks *	1,481,709	-	-	510,801	785,582	186,897	1,483,280	
Rupee Bonds	842,254	-	-	-	-	849,480	849,480	
9% non- cumulative redeemable preference shares	750,000	750,000	-	-	-	-	750,000	
Non current lease liabilities	276,658	-	-	76,230	148,375	134,003	358,608	
Other non current financial liabilities	501,198	-	-	272,626	169,165	59,407	501,198	
Current borrowings - Loans from banks *	345,825	345,825	-	-	-	-	345,825	
Trade payables	903,852	772,979	130,874	-	-	-	903,852	
Current lease liabilities	66,310	28,952	39,998	-	-	-	68,950	
Current maturity of long term borrowings	620,225	298,378	321,847	-	-	-	620,225	
Other current financial liabilities	1,217,664	551,508	666,156	-	-	-	1,217,664	
Total	7,005,695	2,747,642	1,158,875	859,657	1,103,122	1,229,787	7,099,082	

* Contractual maturities of these financial liabilities excludes interest payments.

51. B. iii Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. Exposure arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.



BHARAT SANCHAR NIGAM LIMITED

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(All amounts are in INR lakh, unless otherwise stated)

The Group is complying with the RBI guidelines with respect to unhedged foreign currency exposure and entering into forward contracts with authorised dealers as required from time to time.

Exposure to currency risk

The summary of quantitative data about the Group's exposure to currency risk, as expressed in Indian Rupees, as at 31 March 2023 and 31 March 2022 are as below:

Particulars	As at 31 March 2023 (Audited)					
	USD	EURO	GBP	AUD	JPY	NPR
Financial assets						
Trade receivables	1,290	1	0	0	1	-
	1,290	1	0	0	1	-
Financial liabilities						
Trade payables	836	0	0	-	-	-
	836	0	0	-	-	-

Particulars	As at 31 March 2022 (Audited)					
	USD	EURO	GBP	AUD	JPY	NPR
Financial assets						
Trade receivables	3,491	0	0	0	1	-
	3,491	0	0	0	1	-
Financial liabilities						
Trade payables	3,148	0	0	-	-	-
	3,148	0	0	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against below currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
1% depreciation / appreciation in Indian Rupees against following foreign currencies:				
For the year ended 31 March 2023				
USD	(4.54)	4.54	(4.54)	4.54
EUR	(0.01)	0.01	(0.01)	0.01

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
GBP	(0.00)	0.00	(0.00)	0.00
AUD	(0.00)	0.00	(0.00)	0.00
JPY	(0.01)	0.01	(0.01)	0.01
NPR	-	-	-	-
Total	(4.55)	4.55	(4.55)	4.55
For the year ended 31 March 2022				
USD	(3.43)	3.43	(3.43)	3.43
EUR	(0.00)	0.00	(0.00)	0.00
GBP	(0.00)	0.00	(0.00)	0.00
AUD	-	-	-	-
JPY	-	-	-	-
NPR	(0.00)	0.00	(0.00)	0.00
Total	(3.44)	3.44	(3.44)	3.44

USD: United States Dollar, EUR: Euro, GBP: Great British Pound, AUD: Australian Dollar, JPY: Japanese Yen, NPR: Nepalese Rupees

51 B. iv. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowings to interest rate changes as reported to the management at the end of the reporting period are as follows:

Variable-rate instruments	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Term loans from banks (Non current)	348,670	2,323,963
Bank overdraft	159,930	345,825
Current maturities of borrowings*	290,173	620,225
Total	798,773	3,290,013

* Current maturities of borrowings includes term loan.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

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Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Interest on term loans from banks				
For the year ended 31 March 2023	2,167	(2,167)	2,167	(2,167)
For the year ended 31 March 2022	2,156	(2,156)	2,156	(2,156)

52 Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to capital ratio, which is calculated as interest-bearing debts divided by total capital (equity attributable to owners of the parent plus interest-bearing debts).

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Borrowings	2,809,224	4,040,013
Less : Cash and cash equivalents	71,657	90,255
Adjusted net debt (A)	2,737,567	3,949,758
Total equity (B)	6,296,341	4,469,362
Adjusted net debt to adjusted equity ratio (A/B)	43.48%	88.37%

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

- 53** The Group has been entrusted for establishing an optical fibre based network to connect rural areas under Bharat Net Phase I. The project is in final stages and the Group is in the process of submitting final claims.

54 Revenue from contracts with customers

The telecom service revenue is recognized as and to the extent the underlying services are provided. Revenue is recognised to the extent the provision of the services is completed during the reporting period as a proportion of total units of services to be provided under the product/contract. The proportionate amount equal to the units of service remaining to be provided under such product / service is considered as advance revenue / deferred revenue. The customer onboarding and associated cost is recognized in the period of occurrence on upfront basis. Any revenue not yet billed but service having been provided is shown as accrued revenue. Collection in the excess of billing is classified as Advance from Customers.

In the following table, revenue is disaggregated by type of services and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Revenue from (Recognition over the period of time)		
Basic	300,386	300,663
Cellular	743,551	666,395
Broadband	335,617	303,775
Enterprise	533,225	410,089
Total Operating Revenue	1,912,779	1,680,922

ii. Assets and liabilities related to contracts with customers

For contracts where the aggregate of contract cost incurred to date plus recognised profits/ losses exceeds the progress billing, the surplus is shown as contract asset and termed as 'Accrued revenue' and 'Amount recoverable for National Optical Fibre Network project (net)'. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits/ losses, the surplus is shown as contract liability and termed as 'Income received in advance against services'. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as 'Advances received from customers'.

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

BHARAT SANCHAR NIGAM LIMITEDNotes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Contract assets		
Accrued revenue (refer note 18)	295,932	191,707
Amount recoverable for National Optical Fiber Network project (net) (refer note 18)	63,916	97,200
	359,848	288,907
Contract liabilities		
Income received in advance against services (refer note 29)	160,839	153,220
Advance received for defence telecom network project (refer note 29)	27,397	75,749
Advances received from customers (refer note 29)	701,369	508,934
Advance income booked but not collected (refer note 29)	100,182	129,680
	989,787	867,583

Significant changes in contract assets and liabilities

Due to ongoing project of BNP Phase II, VSAT Project, Fibre leasing, NFS implementation, O&M arrangement with BBNL etc. a considerable movement in Contract assets and liabilities has been observed during the period.

Changes in Contract Liabilities

Ind AS 115 also requires disclosure of major changes on account of revenue recognised in the reporting period from the contract liability balance at the beginning of the period and other changes, as summarised below:

Particulars	For the year ended 31 March 2023 (Audited)	For the year ended 31 March 2022 (Audited)
Contract liabilities at the beginning of the year	864,092	983,917
Less: performance obligations satisfied in current year	219,978	526,685
Add: advance received during the year	345,673	406,860
Contract liabilities at the end of the year	989,787	864,092

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

55 Disclosure as per Ind AS 112 'Disclosure of interest in other entities'**Subsidiary**

The Company subsidiary is set out below. The share capital constitutes solely of share capital that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business. Principal activity of the subsidiary is provision of passive infrastructure services which includes setting-up, operating and maintaining wireless communication towers, etc

Company Name	Country of incorporation	Proportion of ownership interest	
		As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
BSNL Tower Corporation Limited	India	100	100

* Equity investment in subsidiary is measured at cost as per the provisions of Ind AS 27 'Separate Financial Statements'.

56 Disclosure for government grant

- (a) During the current year, the Company has recognised income from revenue grants amounting to INR 18,08,978 lakh (31 March 2022: INR 43,247 lakh). It includes Viability Gap Funding amounting to INR 16,18,900 lakh for FY 2014-15 to FY 21-22 and INR 1,20,000 Lakh for FY 22-23.
- (b) Deferred government grant includes capital grant towards LWE project among others. For capital grant, the Group has recognised income during the current year amounting to INR 17,057 lakh (31 March 2022: INR 8,806 lakh).
- (c) During the FY 2022-23, the Group received INR Nil (FY 2021-22 - INR Nil lakh) from DoT towards part payment of ex-gratia payable to VRS optees, making the total allocation of INR 1,354,205 lakhs (refer note 61).
- (d) There are no unfulfilled conditions and other contingencies attaching to the government grants which are recognized in the Consolidated financial statements.

57 Tower business

On 12 September 2017, the Union Cabinet decided to hive off tower assets of the Group into a separate subsidiary Company wholly owned by BSNL. In pursuance of this decision and directions from Ministry of Communications, Department of Telecommunications (DoT) dated 25 September 2017, the Board of Directors of BSNL has given its approval for incorporation of a new Company as a wholly owned subsidiary of BSNL.

Accordingly, during the FY 2018-19, the Group has formed BSNL Tower Corporation Limited (wholly owned subsidiary of the Group) which was incorporated on 4 January 2018 with Authorised Share Capital of INR 1,000,000 lakh (Authorised Equity Share Capital of INR 750,000 lakh and Authorised Preference Share Capital of INR 250,000 lakh) and paid up capital of INR 0.17 lakh to take over the telecom tower infrastructure of BSNL.



BHARAT SANCHAR NIGAM LIMITED

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Meanwhile, the employees' union/ association of the Group has filed a case with Hon'ble High Court of Delhi which in turn has passed an interim order dated 25 May 2018 stating that decisions of the Board of Directors of the Group will be subject to the orders of High Court.

On 16th September 2022, the Group apprised the Hon'ble High Court that it no longer proposes to transfer its mobile towers to BSNL Towers Corporation Ltd. (BTCL).

In September 2020, the Management of BTCL has decided to carry out non-telecom activities so that it becomes commercially operational and accordingly, some of its field units started participating in bids for commercial activities identified by BTCL Board .

The information related to tower services are included under 'Cellular' segment in Note 44.

58 Exceptional items

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Audited)
Viability Gap Funding*	1,618,900	-
Provision for AGR Dues demand (refer note 38 (a))	(1,768,836)	-
Total	(149,936)	-

* Viability Gap Funding received from DoT for FY 14-15 to FY 21-22, in respect of deficit in Rural Wireline Operation (R.W.O).

59 Revival plan for the Company

The Union Cabinet in its meeting held on 23 October 2019 considered and approved the proposal of DoT for "Revival of BSNL and MTNL" (Cabinet Note dated 22 October 2019). The Union Cabinet has approved the revival package that includes reduction in employee cost by immediately offering Voluntary Retirement Scheme (VRS) to the employees of age 50 Years and above, with payment of ex-gratia to be supported through budgetary allocation of Government of India, administrative allotment of spectrum for providing 4G services through capital infusion by the Government, Sovereign bonds for a tenure of 10 years or more for the purpose of debt restructuring, monetization of land/ building following DIPAM guidelines, monetization of tower and fibre assets with the aim to maximize the return, in-principle approval of merger of BSNL and MTNL.

VRS has been implemented by the Group; the Group has successfully floated Sovereign guarantee Bonds of INR 850,000 lakh at competitive rates. Land monetization is in progress in keeping with DIPAM guidelines. Efforts are ongoing for monetisation of tower and fibre assets. As regards the matter of merger of MTNL into BSNL, the same is under deliberations with the Department of Telecom. The Spectrum for 4G services will be assigned in 2023-24.

**BHARAT SANCHAR NIGAM LIMITED****Notes to the Consolidated financial statements for the year ended 31st March 2023**

(All amounts are in INR lakh, unless otherwise stated)

Revival Package 2022

Union Cabinet in its meeting held on July 27, 2022, approved revival measures having focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet, and augmenting its fibre network by merging Bharat Broadband Nigam Limited (BBL) with BSNL. The important measures, inter-alia, are as follows: i) Allotment of Spectrum in 900/1800 MHz band through equity infusion ; ii) Financial support of INR 22,47,100 lakh for capex in the form of equity infusion; iii) The Viability Gap Funding of INR 13,78,900 lakh, for the period 2014-15 to 2019-20, and INR 7,20,000 lakh for 6 years (for FY 20-21 onwards); iv) Authorised Capital to be increased to INR 1,50,00,000 lakh to accommodate the infusion of capital; v) Sovereign Guarantee to be provided to BSNL to raise long term bonds for an amount of INR 22,82,800 lakh for debt restructuring; vi) AGR dues upto March 31, 2022, alongwith GST thereupon to be settled by conversion into equity, and AGR dues for next 5 years to be settled on same principle; vii) 9% Non-cumulative Preference Share of INR 7,50,000 lakh to be reissued to the Government; and viii) Merger of BBNL with BSNL.

Allotment of Spectrum frequencies of 106 MHz (with effect from February 29, 2020) and 22 MHz (with effect from October 27, 2022) in 20 LSAs in the band of 900 MHz has been done for a validity period of 20 years, on October 27th 2022, through equity capital infusion of INR 23,37,344 lakh (Cost of Spectrum being INR 19,80,800 lakh and the amount of GST being INR 3,56,544 lakh). Funding of INR 301,300 lakh has been received during the year in the form of equity infusion for Capital Expenditure. Viability Gap funding of INR 16,18,900 lakh has been received during the year for the period upto FY 21-22 and INR 1,20,000 lakh for FY 22-23 has been recognized in the books (Refer note 31 (a) & 58). The necessary compliance with Registrar of Companies, for increase of Authorised Share Capital was completed on October 04, 2022. The first tranche of the Bonds amounting to INR 4,18,470 lakh has been raised on December 22, 2022 with Sovereign Guarantee. The settlement of AGR dues upto 2021-22 has been done (refer note 38 (a) & 38 (c)). The approval of the administrative ministry has been received in the matter of merger of BBNL with BSNL.

60 Voluntary Retirement Scheme 2019

The Union Cabinet in its meeting held on October 23, 2019 considered and approved the proposal of DoT for "Revival of BSNL and MTNL" vide its Cabinet note dated October 22, 2019. The Union Cabinet has approved the revival package that includes inter alia Voluntary Retirement Scheme (VRS) for employees. BSNL launched its Voluntary Retirement Scheme 2019 ("BSNL VRS SCHEME-2019") for its employees and DoT recruited employees aged 50 years and above on 04 December 2019 to right size the manpower strength.

Out of total 78,570 employees of the Group who have opted for this Scheme, 78,325 employee's voluntary retirement have been accepted by the Group. The expenditure for the cost of ex-gratia payment is borne by the Government of India through budgetary allocation. The Group has incurred an expenditure of INR 1,342,084 lakhs (out of the total allocation of INR 1,354,205 lakhs) in respect of the already settled cases as on 31.03.2023. The amount corresponding to such employees whose ex-gratia could not be released due to various administrative reasons is grouped under other current financial liabilities.

VRS optees who were erstwhile Government Employees are entitled to Gratuity and Pension, these terminal benefits are disbursed by the DoT/GOI. VRS optees who were recruited by the BSNL directly, an amount INR 863 lakh (FY 2021-22 : INR 5,107 Lakhs) has been incurred for Gratuity out of the Fund maintained with LIC for the same. Such employees are eligible for other terminal benefits as per rules. The Group has made payment of Leave Encashment against Leaves Balance to the credit of Employees as on the date of retirement for INR 13,870 lakhs (FY 2021-22: INR 14,306 lakhs), which includes INR 742 lakhs for VRS optees (FY 2021-22: INR 237 lakhs).



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- 61** The code on Social Security, 2020 ("Code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However the date on which code will come into effect has not been notified. The Group will assess the impact of code when it comes into effect and will record any related impact in the period the code becomes effective.

62 Trade Receivables Ageing Schedule

Particulars	For the year ended 31 March 2023						Total
	Less than 90 days	90-180 days	180 days to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	-	672	-	162	-	-	834
Undisputed Trade Receivables – credit impaired	23	1	0	48	28,165	117,370	145,608
"Disputed Trade Receivables – considered good"	816	93	114	1,354	124	849	3,350
Disputed Trade Receivables – credit impaired	4,869	465	1,443	2,413	4,302	94,427	107,919
Total	5,708	1,231	1,557	3,978	32,592	212,645	257,711

Particulars	For the year ended 31 March 2022						Total
	Less than 90 days	90-180 days	180 days to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	184,083	32,990	40,225	79,041	26,235	62,772	425,346
Undisputed Trade Receivables – credit impaired	12,445	2,976	5,340	6,845	32,019	105,914	165,539
"Disputed Trade Receivables – considered good"	1,888	417	642	2,628	275	8,160	14,011
Disputed Trade Receivables – credit impaired	3,264	446	419	1,127	2,889	74,668	82,813
Total	201,680	36,829	46,626	89,641	61,418	251,514	687,708

(a) Ageing has been considered from the invoice date

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

63 Trade Payables Ageing Schedule

Particulars	For the year ended 31 March 2023				Total	
	Outstanding for following periods from due date of invoice					
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.		
(i) MSME	37,886	7,704	5,146	6,567	57,303	
(ii) Others	237,982	59,264	19,016	247,603	563,864	
(iii) Disputed dues- MSME	-	-	16	26	42	
(iv) Disputed dues- Others	(234)	622	381	10,880	11,650	
Unbilled					48,543	
Total	275,634	67,590	24,560	265,076	681,403	

Particulars	For the year ended 31 March 2022				Total	
	Outstanding for following periods from due date of invoice					
	Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.		
(i) MSME	54,166	10,155	3,194	1,976	69,491	
(ii) Others	293,902	70,453	109,671	285,480	759,507	
(iii) Disputed dues- MSME	830	4	10	30	874	
(iv) Disputed dues- Others	32	693	227	12,003	12,955	
Unbilled	-	-	-	-	61,025	
Total	348,930	81,306	113,102	299,489	903,851	

(a) Ageing has been considered from the invoice date.

64 Details of Benami Property

The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

67 Loans and Advances to KMP/directors/promoters

The Group has not granted any Loans or Advances to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.



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68 Undisclosed income in books of accounts details

The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

69 Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

70 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Group, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

The Group is running in net loss during all the three preceding financial years, hence there is no obligation on the Group to spend any amount on CSR activities.

71 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Name of struck off Companies

S. No.	Name of the struck off companies	Nature of transactions with struck off company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022
1	Panvel Medical Research Centre	Payables	-	-
2	Northern Lights Studio Private Limited	Payables	-	-
3	Jaiswal Soft Solutions Private Limited	Payables	-	-
4	Green Park Hotels & Resorts Limited	Receivables	1	-
5	Hotel Chandra Gupta Private Limited	Payables	-	-
6	Pandey Enterprises Private Limited	Payables	-	-
7	Fabriconn Communications Private Limited	Payables	-	-
8	Ve Associates (India) Private Limited	Payables	-	-
9	Connectwell Network Private Limited	Receivables	4	-
10	Jd Allday Netsol Private Limited	Payables	-	-
11	Data Pond Communications Private Limited	Receivables	1	-
12	Dighil Technologies Private Limited	Payables	(3)	-
13	Cellnet Teleservices Private Limited	Receivables	7	-
14	Rawati Communications Private Limited	Payables	(1)	-
15	Gtel Fiber Plus Private Limited	Payables	(4)	-
16	Rathi Personnel Training And Placement Services Private Limited	Payables	-	-

**BHARAT SANCHAR NIGAM LIMITED**Notes to the Consolidated financial statements for the year ended 31st March 2023

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S. No.	Name of the struck off companies	Nature of transactions with struck off company	Balance outstanding as on March 31, 2023	Balance outstanding as on March 31, 2022
17	Vedhika Broadcasting Private Limited	Payables	-	-
18	Star Club Cable And Broadband Private Limited	Payables	-	-
19	Gg Telecrest Private Limited	Payables	(1)	-
20	Shrey Infratel Private Limited	Payables	-	-
21	Oripol Industries Pvt. Ltd.	Receivables	-	-
22	Kidron Exim (Opc) Private Limited	Receivables	-	-
23	Vk Kadam Multi Services Private Limited	Receivables	-	-
24	Infinity Access Technologies Private Limited	Receivables	-	-
25	Wonderland Resorts Private Limited	Receivables	-	-
26	Yes India Digital Network Private Limited	Receivables	8	-
27	Chalmers Engineering (India) Private Limited	Receivables	-	-
28	Banaswarna Television Private Limited	Receivables	1	-
29	Navariya Satellite Services Private Limited	Receivables	3	-
30	Simplex Naigai Castings Private Limited	Receivables	1	-
31	Kusera Infotech Private Limited	Receivables	7	-
32	M. K. Educational And Immigration Services Private Limited	Receivables	-	-
33	Vajras Digital Netcom Private Limited	Receivables	1	-
34	Sri Laxmi Medi-Care Private Limited	Receivables	1	-

72 The Group has not been declared a wilful defaulter by any bank or financial institution or other lender.

73 Utilisation of Borrowed funds and share premium:

- (i) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



BHARAT SANCHAR NIGAM LIMITED

Notes to the Consolidated financial statements for the year ended 31st March 2023

(All amounts are in INR lakh, unless otherwise stated)

74 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

75 Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

The Group has not entered into scheme of arrangement under section 230 to 237 of the Companies Act, 2013

76 Events after the Reporting Period

(a) Infusion of capital for settlement of AGR Dues

In pursuance of Cabinet approval, communicated through DoT OM No. 20-28/2022-PR dated 02.08.2022, the GoI infused capital for settlement of AGR dues and subsequently Equity Shares were duly allotted on May 12, 2023 to the President of India (existing shareholder of the Company) by way of right issue. The Company has paid AGR dues to DoT on May 12, 2023 (Refer note 38 (a) & (c)).

(b) Settlement of AGR Dues

The company has made payment of INR 22,52,081 lakh towards settlement of LF/SUC liability (refer note 38 (a) & (c)).

77 There is no indication of any impairment of assets of the Company, on the basis of the company as a whole as a CGU under Indian Accounting Standards - 36 "Impairment of assets" as specified under Section 133 of the Companies Act, 2013.

78 No dividends have been paid during the period for equity shares and preference shares.

Sd/-
Paritosh Agarwal
Partner
Membership No. : 436238

Place : New Delhi
Date : 26-05-2023

Sd/-
P.K. Purwar
Chairman and Managing Director
DIN: 06619060

Sd/-
Rajeev Singh
Principal General Manager
(Corporate Accounts)

Sd/-
Rajiv Kumar
Director (Finance)
DIN: 09811051

Sd/-
J.P Chowdhary
Company Secretary and
General Manager (Legal)
M. No. F- 3726



Independent Auditors Report

To the Members of Bharat Sanchar Nigam Limited,

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying Consolidated Financial Statements of Bharat Sanchar Nigam Limited ("the Holding Company") and its one subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

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 other Auditors of the circles except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the State of Affairs (financial position) of the Holding Company as at 31st March 2023 and its Loss (financial performance including other comprehensive income), Consolidated Cash Flows and the Consolidated Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

1. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by other Auditors in terms of their reports referred in Qualified Opinion para is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

2. **Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT-**
 - a. As detailed in note 37 and 40(a) to the Consolidated 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. The consequential impact on the Consolidated Financial Statements, if any, as a result of the same is presently not ascertainable.



- b. As detailed in note 41 to the Consolidated Financial Statements, amounts due from and due to DoT, included in current assets and current liabilities aggregating to Rs. 2,33,584 lakhs (31st March 2022 Rs. 2,31,235 lakhs) and Rs. 21,787 (31st March 2022 Rs. 1,09,104 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the Consolidated Financial Statements is presently not quantifiable.

3. Revenue

- a. The Group has not applied definition of "Default" and "Assessment of Credit Risk" consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on Claim Recoverable from DoT and trade receivables from Other Government and/ or PSU sector entities. We have not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to conclude that claims recoverable from DoT, Trade Receivables, from Other Government and/ or PSUs sector entities, are having low credit risk.

We accordingly conclude that the credit risk on such financial instruments (i.e. claims recoverable from DoT, Trade Receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition.

We were not supplied the audit evidence to verify such balances as at 31st March 2023 and also about the write back of loss allowance in respect of such trade receivables as at March 31, 2023 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.

- b. Amount recoverable from Mahanagar Telephone Nigam Limited (MTNL) as per the Consolidated Financial Statements is Rs 3,66,555 lakhs (31 March 2022 Rs 3,66,077 lakhs), is subject to confirmation and reconciliation by MTNL. We were not supplied the audit evidence to verify such balances as at March 31, 2023 and reconciliation of differences have not been concluded. Hence in our opinion, based upon the MTNL's counter claim for recovery, its liquidity and financial position and the recovery pattern, the provision of Rs 1,77,995 lakhs standing in the books of the Holding Company is insufficient. In our opinion the loss of the Holding Company and the provision for loss allowance have been understated. However, in the absence of proper reconciliation the consequential impact of such understatement, if any, on the Consolidated Financial Statements is not quantifiable.
- c. North East I Circle Auditors have reported that adequate explanation with regard to application of provisions that Ind AS 115 'Revenue from Contracts with Customers', were not provided. In the absence of adequate details and documents the consequential impact of the adjustments/ disclosures, if any, due to non- compliance, on the Consolidated Financial Statements is presently not ascertainable.
- d. As reported by Circle Auditors of Karnataka Circle, reconciliation between Revenue and Amount Billed For has not been provided.
- e. As reported by Circle Auditors of Telangana Circle income from subsidy from USOF Rs. 340.04 Lakhs has been booked without fulfillment of terms and conditions of the agreement.



- f. As reported by the Auditors of Gujrat Circle balance with M/s. ITI Ltd. stands under the heads Capital Advance of Rs. 62.13 lakhs, this is due to non-issuance of invoices by them timely. This has led to under-statement of loss and over-statement of assets.

4. Government Projects

- a. The Group has booked total income of Rs 95 lakhs (Previous Year Rs 4,255 lakhs), in respect of BNP-1 and other projects and Rs. 91,911 lakhs (Previous Year Rs 1,22,925 lakhs) in respect of BNP-2 Project. Auditors of the circle, where such Government projects are running, have reported that Income on these government projects has been booked based upon the communication received from the Head Office. These Auditors have expressed their inability to verify the correctness of the Income booked in the absence of the calculations/ details. The consequential impact on the Consolidated Financial Statements, if any, as a result of the same is presently not ascertainable.
- b. In respect of 'Network For Spectrum Project' (NFS), the project balance at the year end is Rs 1,11,582 lakhs, whereas, as per these Financial Statements, the balance as at the year end is Rs 27,397 lakhs. There is a difference of Rs 84,185 lakhs, between the project balance and the balance shown in the Financial Statements. Management has represented us that the same is under reconciliation. The consequential impact on the Consolidated Financial Statements, if any, as a result of the same is presently not ascertainable.
- c. As per the information and explanations given to us, the Group has unutilized balance of Rs 2,78,235 lakhs out of the funds received from the Government of India for the execution of various Government Projects. The balance in Bank Accounts maintained for Government Projects as at 31st March 2023 are only Rs. 1,82,212 lakhs which signifies the utilization of funds by the Holding Company for the purposes other than the execution of Government Projects.

5. Property Plant & Equipment

- a. As reported by Auditors of CN (East), Jammu & Kashmir, West Bengal Network Circle, Sikkim, North East Task Force and North East I Circles Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if any, has not been worked out and quantified by the respective Circle Auditors.
- b. As reported by Circle Auditor of CN (South) and explained by Management Capital Work in Progress for one Business Area was wrongly classified by Rs. 42.61 lakhs.
- c. J&K, NE-I, Orrisa, Punjab, Uttarakhand, UP-East, Tamil Nadu and Chhattisgarh Circle Auditors have reported on the expired/ non-renewal of leases on lands on which the Holding Company had constructed buildings and the fact that management has not made any provision for the surrender value/ written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.



- d. As stated in note 3(i) and 40(c) to the Consolidated Financial Statements, Property Plant and Equipment, inter alia, includes land pertaining to purchased/ acquired on leasehold/ freehold basis through various authorities including DOT, the deeds of which are yet to be executed in the name of the Holding Company.
- e. The accounting policy of the Holding Company as stated in note 2.1(c) to the Consolidated Financial Statements with respect to Asset held for sale has not been uniformly applied across all circles. In Madhya Pradesh, NE-II, J&K, North East Task Force, Inspection and ALTTC have made specific reference of the same.

As per the Auditors of CN (North) Provision for Decommissioned Assets has not been correctly made as the Net Realizable Value was not ascertaining.

6. Inventories

Capital Work in Progress (Stores) amounting to Rs. 2,22,506 lakhs (Previous Year Rs. 2,77,649 lakhs) also includes Inventory items which are also being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidence, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.

7. Current Assets and Current Liabilities

- a. The Holding Company has initiated a system of obtaining balance confirmations of balances in respect of trade receivable, deposits with government departments/ companies (inter alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 27(a) and 41 of the Consolidated Financial Statements) or to/ from other government departments/ authorities, subscriber/ customer deposit accounts, trade payable and claims payable for the balances of Rs.25 lakhs and above. However, the said system is in a nascent stage. Confirmation letters have been issued in a very few cases and response is also very poor. Due to non- availability of confirmation and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, on the Financial Statements.
- b. Goods and Services Tax charged from customers should be booked under Trade Receivables, however, the same has been booked under Other Financial Assets. The total outstanding under this head is Rs. 1,16,025 lakhs (Previous Year Rs. 96,972 lakhs). This has also lead to inaccurate presentation of age-wise outstanding of Trade Receivables.
- c. As reported by Auditors of certain circles, there are differences between the general ledger and accounting records pertaining to loans and advances, current assets and current liabilities due to non-reconciliations. As the relevant information were not made available to them, the respective circle auditors could not quantify the impact of the above mentioned non reconciliations on the Consolidated Financial Statements.
- d. As detailed in Note 12, the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs 22,923 lakhs (Previous Year Rs 23,416 lakhs). The difference of balances is incorrectly stated since only the net differences have been stated. The gross differences amount to Rs. 38,513 lakhs (Previous Year Rs 40,455 lakh). The impact of such difference



on Revenues, Trade Receivables, License Fees and Spectrum Charges Payable, and GST liability on account of the same cannot be quantified.

- e. NE-II and Tamil Nadu Circle Auditors have reported delinquency in physical verification of inventory.

8. Inter/ Intra Circle Remittance Account

As detailed in note 42 to the Consolidated Financial Statements, Inter-Circle/ Unit remittance balances amounting to Rs 18,770 lakhs (Credit) (previous year Rs. 15,146 lakhs (Credit) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable.

9. License Fee, Spectrum Charges and Inter-Connect Usage Charges

Adjusted Gross Revenue (License Fee/Spectrum Usage Charges) is under reconciliation with Department of Telecom and the consequential impact, if any of the same is presently not ascertainable.

10. Provisions, Contingent Liabilities, Commitments and Contingent Assets

The provisions and the disclosures with regard to matters under Litigation, Commitments and Contingent Assets have been made by the management based upon their estimates. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the Litigations, Commitments and Contingent Assets, the impact of adjustments/ disclosure, if any, on the Consolidated Financial Statements is presently not ascertainable.

Miscellaneous

11. The Holding Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended)-

- a. The Holding Company has not carried out any techno-economic assessment during the year ended 31 March 2023 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Consolidated Financial Statements is currently not ascertainable.
- b. The Holding Company claims that it's accounting for capital and revenue grant is in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". However, in the absence of the relevant audit evidences being made available to us, we could not verify the veracity of the claim and its consequential impact on the Consolidated Financial Statements is presently not ascertainable.
- c. The accounting policy as referred to in Note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized on actual basis in respect of bills received by the Holding Company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis



of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the Consolidated Financial Statements is presently not ascertainable.

- d. The Holding Company has not complied with Ind AS 109 "Financial Instruments", for recognition at and measurement at fair value of financial assets. The consequential impact of adjustment, if any, owing to this non-compliance on the Consolidated Financial Statements is presently not ascertainable.
- e. The Holding Company has partly complied with Ind AS16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. The value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Value, nor calculated in appropriate method and the same has been calculated on estimated basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable.
- f. The Holding Company has not identified and restated the prior year Financial Statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. The prior period items identified and reported by Circle Auditors are as under-

Circle	Balance Sheet Head	Amount (in lakhs)
Head Office	Indirect Expenses (Provision for Gratuity)	11,196.20
Chennai- Telecom	Indirect Expenses	664.00
Tamil Nadu	Indirect Expenses	4,435.89
CN (West)	Indirect Expenses	4649.54
Chhattisgarh	Other Income	39.46
Haryana	Indirect Expenses	13.07
Punjab	Indirect Expenses	130.00
Uttarakhand	Assets	156.46
Uttarakhand	Indirect Expenses	64.75

In the absence of specific details, the consequential impact of adjustments, if any, on the Consolidated Financial Statements is presently not ascertainable.

- 12. The disclosure requirements of the Schedule III, Division II of the Act and the disclosure requirements of applicable Ind AS have not been properly adhered to in the presentation and disclosure of Consolidated Financial Statements of the Holding Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, where applicable; capital and other commitments and expenditure and earnings in foreign currency.
- 13. The Holding Company should establish a Standard Operating Procedure to reconcile the TDS and TCS available for BSNL. From the working provided to us it is evident that the Income Tax Credit available as per the Income Tax Portal exceeds the amount deducted from the Vendors balance. This implies that the balance in Trade Receivables is overstated and when Income Tax



Refund would be received the Income Tax Recoverable would show credit balance.

14. CN (North), Jammu & Kashmir, Orrisa, Sikkim, CN (South), Tamil Nadu, Chhattisgarh, UP (West), NE II and NE I Circle Auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these Consolidated Financial Statements.

As reported by Auditors of UP East last posting of invoices led to loss of ITC.

Auditor of Uttarakhand Circle has reported twice reversal of ITC of Rs. 22.41 lakhs in the book of accounts.

The different Circles of the Holding Company are constituted by multiple Business Areas. The GST Registrations are taken State-wise and different Circles cannot be directly attributed to a specific GST Registration. Hence, Registration-wise reconciliations shall be made to ascertain the financial impact on the Holding Company as a whole.

15. As detailed in notes (c) and (d) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement.
16. Certain subsequent events or circumstances may have occurred between the auditor's report date of the respective circles of the Holding Company and that of this audit report. Such events or circumstances could significantly affect the accompanying Consolidated Financial Statements or the related disclosures forming part of these Consolidated Financial Statements of the Holding Company. In the absence of sufficient appropriate audit evidence in respect of the other circles, the impact of adjustments, if any, or disclosures to be included in these Consolidated Financial Statements of the Holding Company cannot be ascertained.
17. The Consolidated Financial Statements for the previous year ended 31st March, 2022 were qualified in respect of the matters stated in paragraphs 2a, 2b, 3a, 3b, 3c, 4a, 4b, 4c, 5a, 5c, 5d, 5e, 6, 7a, 7c, 7d, 8, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12, 14, 15 and 16 above. The impact where ascertainable was reported there along-with.

Emphasis of Matter

18. Reference is invited to Note 59 of the Notes to Accounts, whereby in terms of the decision of the Union Cabinet, the Fiber Assets of the Holding Company are to be monetized. This monetization may have an adverse effect on the gross revenues and profitability of the Holding Company.
Our report is not qualified on that matter.
19. The Holding Company could not redeem 9% Preference Share Capital amounting to Rs. 7,500 Crores due on 2nd May 2022 before the appointed date (Refer Note No. 22 to the Consolidated Financial Statements) due to lack of funds and distributable profits. The issuance of preference shares has been approved in EGM of the Holding Company held in September, 2022 and the result of petition filed in National Company Law Tribunal for approval is awaited.



20. The Holding Company needs to strengthen its control and circulate uniform policies to the Circles towards dues to MSME and interest due on overdue balances to MSME.

Key Audit Matters

21. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1.	Consolidated Financial Results include Financial Statements of 37 circles audited by the respective Circle Auditors, 1 circle audited by us and one subsidiary audited by its Statutory Auditor. Hence, numbers in the Consolidated Financial Results are consolidated figures of 38 circles of the Holding company and one subsidiary.	The Holding Company has compiled and consolidated from the respective Financial Statements of 38 circles and one subsidiary in order to arrive at the numbers of Consolidated Financial Results. We have verified the compilation on test check basis and the figures have been reclassified, rearranged and regrouped wherever considered necessary.
2.	Auditors' Report on the Consolidated Financial Results include the comments and qualifications of 37 circles audited by the respective Circle Auditors, 1 circle audited by us and one subsidiary audited by its Statutory Auditor.	In compiling our audit report on the Consolidated Financial Results we have taken into consideration the reports of the Circle Auditors and subsidiary. The qualifications and comments of the respective Circle Auditors have been reviewed, rephrased and revisited after analyzing the same and obtaining explanation from those charged with governance.

Other Matters

22. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Report on Corporate Governance but does not include the Consolidated Financial Statements and our Auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and in doing so consider whether the other information is materially inconsistent with the Consolidated Financial Statements or



our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement of this other information we are required to report that fact.

When we read the other information if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibility of Management and those charged with Governance for Consolidated Financial Statements

23. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance, Consolidated changes in equity and Consolidated cash flows of the Holding Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Holding Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
24. In preparing the Consolidated Financial Statements, the Board of Directors of the Holding Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
25. The Board of Directors the Holding Company are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

26. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
27. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- a. Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.
 - c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
28. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

- 29. The Companies (Auditor's Report) Order 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act is not applicable for the consolidated financial statements in view of paragraph 2 of the said Order.
- 30. As required by section 143(5) of the Act, we give in "Annexure I" a statement based on the directions issued and matters specified by the Comptroller and Auditor General of India.
- 31. Further to our comments in Annexure I, as required by section 143 (3) of the Act, and based on the Auditors report of the circles, we report that:
 - a. We have sought and, except for the matters/ effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and



explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;

- b. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those books and reports of other Auditors;
- c. The matters described in the Basis for Qualified Opinion para above, in our opinion may have an adverse effect on the functioning of the Group;
- d. The reports on the accounts of the circles of the Holding Company audited under section 143(8) of the Act by the Circle Auditors have been sent to us and have been properly dealt with by us in preparing this report;
- e. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, the Consolidated Financial Statements dealt with this report are in agreement with the books of accounts;
- f. Except for the effects/ possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
- g. Since, the Holding Company is a Government Company, section 164(2) of the Companies Act, 2013 regarding obtaining written representations from the directors of the Holding Company, is not applicable to the respective companies in terms of notification no. GSR-463(E), issued by Ministry of Corporate Affairs;
- h. The qualification relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph
- i. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-II";
- j. As per notification number GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable, since the Holding Company is Government Company; and
- k. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the effects/ possible effects of the matters described in paragraph 11(a) of the Basis of Qualified Opinion above, as detailed in Note 48A to the Consolidated Financial Statements, the Group has disclosed the impact of pending litigations on its financial position;
 - ii. The Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Holding Company



iv.

1. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 2. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 3. Based on such audit procedures we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- v. No dividend has been declared or paid during the year by the Holding Company
- vi. The Holding Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention.

**For Ramesh C Agrawal & Co.
Chartered Accountants**
Firm's Registration No.: 001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238
UDIN: 23436238BGUTOY9234

Place : New Delhi
Date : 26-05-2023



Annexure I to the Independent Auditor's Report of even date to the members of Bharat Sanchar Nigam Limited on Consolidated Financial Statements for the year ended 31st March 2023

Directions and sub directions under Section 143(5) of the Companies Act 2013 issued by the Comptroller and Auditor General of India to the Statutory Auditors for conducting audit of accounts for the financial year 2022-23.

S. No	Directions and sub directions under Section 143(5)	Auditor's Comment
1.	<p>Whether the Group has system in place to process all the accounting transactions through IT system?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.</p>	<p>Yes, the Holding company has system in place to process all the accounting transactions through IT system namely, SAP.</p> <p>For the purpose of billing the company is using separate software namely, CDR, KENON FX, data wherefrom is thereafter migrated manually to SAP system. Differences in receivables as per General ledger and balances maintained as per Subsidiary Ledger have been noticed in various circles.</p> <p>UP (West):</p> <p>In case of revenue, ITPC Chandigarh generates the revenue reports which is then shared with respective circles to record revenue and GST in SAP, in absence of adequate information, we could not verify the same. It was observed that manual register, gate pass and delivery challan etc. are maintained in case of stores. In case of cash, cash register is also maintained. In case of stores, there is a mismatch in the quantity as the same is not regularly updated in IT system. In case of cash, closing balance of physical cash register is not matching with respective day cash as per IT system, as in IT system consolidated cash is shown of all collection unit while manual cash book is maintained only for a particular office. Further in case of debtors, one more IT system named CDR is maintained separately in which customer wise details and billing are maintained and we observed, there is a mismatch between the two i.e. debtors as per IT system and as per CDR are not matching. Apart from above, all other data is placed and routed through IT system. Therefore, there is no proper integrity between manual and software data maintenance and main IT System requires further improvement.</p> <p>Punjab</p> <p>The company has system in place to process all the accounting transaction through IT system called ERP SAP. There is no accounting transaction outside IT system. Further the material and other accounting transactions for USOF administrator under NOFN are not accounted as similar to BSNL vendor accounting. The non-accounting of liability vis-a-vis receipt of material of NOFN may have impact on accounts payable and recoverable from USOF administrator. In the absence of complete details financial implication could not be ascertained.</p>



S. No	Directions and sub directions under Section 143(5)	Auditor's Comment
		<p>Haryana</p> <p>Majority of the accounting transactions are done through the IT system except that store receipt/issued, CWIP, PPE is not accounted for on real time basis. Although manual intervention is prevalent. Adequate security measures for manual intervention need to be strengthened with supervisory sanction only and properly documented. Further the material and other accounting transactions for USOF administrator under NOFN are not accounted as similar to BSNL vendor accounting i.e., through GRIR. The non-accounting of liability vis-à-vis receipt of material of NOFN may have impact on accounts payable and recoverable from USOF administrator/ Bharat Broadband Network Limited. In the absence of complete details financial implication could not be ascertained.</p> <p>NE 1</p> <p>a) In case of stores, there is a mismatch in the quantity as the same is not regularly updated in IT system. During our test check it was observed that the accounting entries have not been passed through SAP, despite actual movement of items of Inventory/ CWIP and PPE, which might have implications on the integrity of the accounts along with financial implications.</p> <p>b) Cash collection and accounting for cash is done manually at the collection unit. A single entry for all the cash collection is posted in the IT System. So the manual intervention in this matter exists, and as such the limitations of manual accounting could not be ruled out</p>
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan. If yes, the financial impact may be stated. Whether such cases are properly accounted for?	As per the information and explanations given to us, there is no restructuring of any existing loan or cases of waiver/ write off of debts/ loans/ interest etc. by a lender to the holding company. Accordingly, reporting of financial implication on such restructuring/ waiver/write off of debts/loans/interest etc., by the lender to the Company does not arise.



S. No	Directions and sub directions under Section 143(5)	Auditor's Comment
3.	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	<p>As per the information provided to us, the Funds received/ receivable for specific schemes from Central/ state agencies, by the holding company, have been utilized as per the details given in Appendix-1.</p> <p>As per the balance in designated Bank accounts opened for such projects, the Balance as on 31st March 2023 is Rs 2,09,415 lakhs whereas Project Balance at the end of the year is Rs 3,13,099 lakhs which shows that, project funds have been utilised for purposes other than the specific schemes for which the funds have been given.</p> <p>Further, we have not been provided audit evidence by the management to verify the utilization of funds vis-a-vis the funds authorized by it to the various circles in respect of the Government Projects.</p>
4.	Whether the amounts of revenue share (License Fees and Spectrum Usage Charges) recognized in Financial statements is in accordance with the License conditions agreed by the company with DOT? If so detailed statements & calculations sheet may be attached.	All circles have confirmed that amounts of revenue share (License Fees and Spectrum Usage Charges) recognized in Consolidated Financial Statements are in accordance with the License conditions agreed by the company with DOT.

For **Ramesh C Agrawal& Co.**
Chartered Accountants
Firm's Registration No.: 001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238

Place : New Delhi
Date : 26-05-2023

Appendix I-Govt Project Balances as on 31.03.2023 (FY 2022-23)

Rs. in Cr.

SL No.	Name of Project	Net Project Balance at the Beginning of the year	Fund Received	Fund Utilized	Project Balance at the End of the year	Balance what we should have in Bank account	Fund Balance in Govt. Project bank Account
1	NFS	1952	1000	1836	1116	1116	1098
2	NOFN PH I	122	225	174	172	172	96
3	NOFN PH II	1247	133	437	943	943	1
4	CANI	91	129	189	32	32	32
5	LWE	143	352	319	176	176	176
6	4G Saturation	0	938	247	692	692	692
	Total	3555	2777	3202	3131	3131	2095



**Annexure II to the Independent Auditor's Report of even date to the members of
Bharat Sanchar Nigam Limited on Consolidated Financial Statements for the
year ended 31st March 2023**

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")

In conjunction with our audit of Consolidated Financial Statements of **Bharat Sanchar Nigam Ltd.** ("the Company"), comprising of 38 circles as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting (IFCoFR) of 1 circle and IFCoFR of remaining 37circles have been audited by the respective circle auditors appointed under Section 139 of the Act.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting (IFCoFR) based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred in the 'Other Matters' paragraph below, are sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's IFCoFR.



Meaning of Internal Financial Controls Over Financial Reporting

A Company's IFCOFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with Ind AS. A Company's IFCOFR includes those policies and procedures that -

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with Ind AS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Board of Directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCOFR to future periods are subject to the risk that the IFCOFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations provided to us and based on the consideration of the reports of circle auditors, following material weaknesses have been identified during the course of audit as at March 31, 2023:

Revenue

1. As reported by auditors of North East I, Uttarakhand and Odisha, controls with respect to recognition and adjustment of advance income need to be strengthened. This could potentially result in materially misstating its revenue and trade receivables statutory liability (GST) and other related items.
2. As reported by auditors of Andaman & Nicobar Circle, corresponding expenses is not booked in respect of booking of OPEX subsidy in revenue.
3. As reported by Bihar Circle and NTEF, The Circle 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 Circle materially misstating the current liabilities.
4. As reported by Chennai Telephones and Andaman & Nicobar Circle, the billing system is not integrated with the SAP to ensure that revenue and other adjustment are effected without any errors/ omissions and manual intervention. There is also no system or technical audit report verifying the authenticity of the data generated by the system which could potentially result in the Circle materially misstating its revenue and trade receivables.



5. As reported by Haryana Circle, partial integration between books and Call Data Record (CDR) software could result in wrong recognition of revenue and corresponding receivable.
6. As reported by Auditors of NTEF, Lack of proper internal Control over timely adjustment of liquidated damages, might have a potential material impact on various captions of the financial statement of the Circle. The same was also observed by the auditors of the previous financial year and are still persisting in the internal management of the concerned Circle.
7. As reported by auditors of Assam, Provision for expenses have not been accounted for by all the business areas. This has resulted in understatement of expenses.

Employee Benefits

8. As reported by auditors of UP (West), Chennai Telephones and NETF 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. In some case of Medical Advance, bill submitted by employee is not approved of period even more than 2 years as either bills has been lost or there is no dead line of time regarding accepting or rejecting the bill. There is a strong need to verify balance lying in above respective head and take action regarding write off or recovery or immediate adjustment by raising ATD where debit balance of employee is outstanding but shifted to new location.

Cash and Bank Transactions

9. As reported by auditors of NE-I, Circle, 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.
10. As reported by auditors of Maharashtra Circle, the internal financial controls defined for the process of payments made via bank through bank file generated from SAP are weak. The _____ file generated through SAP is prone to human intervention before the payments processed by the bank. This may result into potential financial loss.
11. Cash balance of Mizoram BA is showing a negative balance which shows weak internal control over financial reporting
12. As reported by Chennai Telephones, Scrutiny of pending bank guarantees reveals that there are some expired guarantees have not been updated in ERP which would enable better control.

Fixed Assets

13. As reported by auditors of Bihar, Orrisa, Jharkhand, Assam, UP (West), NETF, NE- I, Gujrat Circles, there is no regular program 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.
14. As reported by auditors of Chennai, Assam, Uttarakhand, UP (East), Chhattisgarh, NE-I, UP (West), West Bengal, and NETF Circle, the internal control system in respect of capitalization of capital work-in-progress which, inter-alia, include balances pending for long-periods of time with regard to status, value and non-availability of commissioning certificates could potentially result in the misappropriation Company Work-in-Progress, fixed assets and depreciation in its books.

15. As reported by auditors of NE1, an effective internal financial control may be evolved to ensure that there should not be any mismatch between fixed asset register and physical assets and lack of tagging the assets needs to be monitored.
16. As reported by auditors of Core Network North, NETF and Orrisa Circle, the circles do not have a process of identification of obsolete/ damaged assets together with the timely detection of pilferage of moveable assets, if any, and this could be potentially result in the Company materially misstating the fixed assets.
17. As reported by auditors of Odisha, Punjab, UP (East) circle there is no process to match the manual land records/ deeds with the land capitalized in the financial records which could potentially result in the Company materially misstating the fixed assets in the financial statements of the Company.
18. As reported by auditors of Andaman and Nicobar, UP (West), Core Network North, NE 1 and NETF Circle, the Company does not have appropriate internal controls for providing provisions in respect of decommissioned assets on fair value basis which could potentially result in the Company materially misstating the fixed assets in the financial statements of Company.
19. As reported by auditors Tamil Nadu, in respect of sixteen cases with an aggregate carrying cost of INR 6.96 lakhs, leasehold land have reportedly been classified as freehold lands as per Circle records. Currently excel templates are being used for accounting of lease liability, ROU assets and lease charges as per Ind AS 116. The same has not been carried out properly by the circle. Many mismatches were observed in the excel template with regard to lease amounts and balance lease periods as compared to SAP, leading to errors in accounting as per Ind AS 116 Leases. It is suggested that the SAP is configured to carry out lease accounting as per Ind AS 116 Leases.
20. As reported by auditors of Tamil Nadu Circle, the circle has not identified significant components to determine their useful life separately to ensure adherence to Ind AS 16 Property, Plant and Equipment.
21. As reported by auditors of Haryana, NE 1, and Punjab Circle, the internal controls over the process of renewal of lease agreement are weak. The system does not show any reminder for expiry and renewal date of lease agreements. It is observed that rent agreements are being renewed / extended in the system without executing physical agreements in order to process the rent provisions through ERP system. Not executing / renewing agreements in reasonable time may result in loss due to failure in ensuring business continuity and may attract other legal consequences with respect to leased property.
22. As reported by Assam Circle, There are many assets pending for capitalization in the Tezpur business area.
23. As reported by Auditors of Maharashtra Circle, Execution / Renewal of lease in and lease out agreements: In case of lease in agreements, the system does not show any reminder for expiry or renewal date of lease agreements. It is observed that lease agreements are being renewed / extended in the REM module without executing physical agreements with the owners in order to process the rent provisions through ERP system. Not executing / renewing agreements in reasonable time may result in loss due to failure in ensuring business continuity and may attract other legal consequences with respect to leased property. The internal controls over invoicing for lease out cases are week. We have observed that, there are instances of reversal of lease income booked more than once in earlier period. Moreover, The Company does not have a robust system for



recovery / collection of lease income from tenants other than company staff. There are multiple cases of outstanding for more than one year.

Inventory

24. As reported by auditors of Odisha, the internal control system need to be strengthened in respect of acquisition and maintenance of inventories and conducting physical verification thereof. This could potentially result in the Company materially misstating the inventory value in financial statements.
25. As reported by auditors of UP (West), The internal control system needs to be strengthened in respect of acquisition and maintenance of inventories and conducting physical verification thereof. As informed, an operation Samundra Manthan has been initiated with the target to verify the inventory and till date 76.12% has been verified. Moreover, quantity difference is found between IT System and manual register maintained for recording inwards and outwards, such difference should be updated in IT system timely. A process of perpetual inventory count can be used to timely identify slow moving, non-moving and obsolete stock. This process should be followed for inventories kept at all locations.
26. As reported by auditors of UP (East), Consumption of inventory (classified as Capital Work In Progress Stores) is not accounted for on real time basis. Hence the method of valuation of inventory is uncertain whether it is on weighted average method or not.
27. As reported by Auditors of Arunachal Pradesh and CN (East), a material weakness has been identified in the internal control system in respect of identifying separate values for the Stores which are being used in repairs & maintenance of the projects or Stores used in Capital Work in Progress.
28. As reported by auditors of Bihar, Tamil Nadu and NE1 Circle, in the absence of timely detection of slow moving, non-moving and obsolete stock on periodical basis at the circle level which in our opinion may result in material misstatement of inventory.
29. As reported by auditors of Bihar, Odisha and Maharashtra Circle, the process of accounting and issue of inventory relating to National Optical Fibre Network (NOFN) project needs to be strengthened. This could potentially result in the Company materially misstating the inventory in books. Also, the process of accounting and issue of inventory to CWIP and repairs and maintenance works need to be strengthened.
30. As reported by auditor of NE 1, Odisha, Punjab and Haryana, Control systems needs to be strengthened to ensure payment of MSME dues within the stipulated period of 45 days to avoid levy of penalties and further compliance.

Statutory Dues

31. As reported by auditors, Haryana, Assam, Uttarakhand, NE-I, Core Network North, and NETF Circle, the circle needs to improve the internal control system for reconciliation, timely payment and correct deduction of service tax, TDS, GST and other statutory dues recoverable/ payable. This could potentially result in material misstatement of statutory dues.
32. As reported by auditors of Haryana Circle, there is inadequate control over the reversal Input Tax Credit (ITC) under the provisions of Goods and Service Tax (GST) on which payment is not made within 180 days from the date of issue of invoice. This could potentially result in over claiming of ITC.



33. As reported by auditors of Madhya Pradesh Circle, it has been observed that the Income Tax TDS is deducted at the rate of 2% under section 194C in case of individual persons instead of 1%. It is also observed that in some cases Income Tax TDS is short deducted by the circle. The circle needs to improve the internal control system for deduction of TDS and paid to the respective department. This could result in misstatement of statutory dues.

Enterprise Resource Planning (ERP)

34. As reported by auditor of Chennai Telephone and NE-I Circle monitoring controls over old balances from legacy systems post transition to Systems Applications Products (SAP) at Circle level is not adequate. This could potentially result in material misstatement of various captions of the financial statements.
35. As reported by auditor of Odisha Circle, the controls over process of reconciling various clearing accounts needs to be strengthened. This could potentially result in material misstatement of current liabilities and current assets in the Ind-AS Financial Statements.
36. As reported by auditor of Haryana, NE 1 and Maharashtra Circle, all Open POs should be reviewed by the concerned vertical in charge of MM section and corresponding Delivery Schedule must be checked to ensure that whether actual goods have been received and corresponding MIGO entry has been passed in SAP. Currently All POs are raised through SAP, hence the PO process should also be implemented for IUC payments. Further, timely settlement of disputes must be done as per the agreement terms related to IUC billing, which are raised whenever there is a difference beyond the defined threshold as per partner operator declaration to internal computation for minutes / amount
37. As reported by auditor of Haryana, it was observed that circle has delayed in signing various work order contracts with the parties and accordingly the Purchase Order/Service Orders were not generated and fed in to the ERP System. The goods/services were purchased from vendors without executing the purchase/service order. Further, final payment to the vendor was done on final bills raised by the vendors and same was used as tag instead of PO. There is weakness in the control over the system of expenses booked under various heads like Repair & Maintenance.
38. As reported by auditors of Jharkhand Circle, GRIR accounts balances are not neutralized and transferred to Sundry Creditors on regular basis.
39. As reported by auditors of Madhya Pradesh Circle, ITPC Billing System Pune and Kenon FX BCCS Pune has not been provided to us for verification. The Circle needs to strengthen the process of using the information system under the IT Security Policy of the BSNL by conducting training programme and workshop for the users of the information system of the circle.

Current Assets and Liabilities

40. As reported by auditors of Haryana, Jharkhand, Himachal Pradesh, NE-I, Chhattisgarh, UP (West), Bihar, West Bengal, Chandigarh, Chennai Telephone, Sikkim, Odisha, Punjab, NETF, Andaman and Nicobar and Core Network North, the Company did not have appropriate internal controls for reconciling and obtaining balance confirmation from sundry debtors, sundry creditors and other parties. This could potentially result in Company materially misstating the debtors and creditors in the financial statements. The circle needs to strengthen the process of obtaining balance confirmations/reconciliations in respect of claims payable to and/ or receivable from various entities.



41. As reported by auditors of Core Network North Circle, the circle is required to strengthen internal control system for maintenance of subsidiary records in relation to the debtors as this could potentially materially misstate the current assets of the Company.
42. As reported by auditors of Tamil Nadu, Andhra Pradesh and Chennai Telephones Circles, process for classification of assets/ liabilities as current or non-current is weak. This could potentially result in Company materially misstating its assets and liabilities in the financial statements.
43. As reported by auditors of NETF Circle, the maker checker concept for voucher posting and authenticating in SAP needs to be strengthened which could potentially result in posting the entries in wrong heads/ wrong amounts/duplicates posting/ posting of purchase orders without manual approval/ non-posting of manual credits/ debit notes etc and this could potentially materially misstate various captions in the financial statements.
44. As reported by Auditors of Haryana, NE 2 and Himachal Pradesh circle, there is inadequate control for accounting entries on real time basis, due to this there is time lag between actual occurring and entry posting date.
45. As reported by auditors of Chennai Telephones, Haryana, Uttaranchal, NE 1 and NETF circles, the Company did not have appropriate internal controls for reconciliations and confirmation of earnest money deposit, security deposit, sundry creditors and other deposits which could potentially result in the Company materially misstating current assets and liabilities.
46. As reported by auditors of Tamil Nadu, UP (West), and Chennai Telephones Circle, there is inappropriate control system for timely reconciliation of un-reconciled inter-circle/ unit remittances. The un-reconciled amounts largely pertain to lack of appropriate supporting documentation and requisite approvals. The un-reconciled remittances could have a potential material impact on various captions of the financial statements of the Circle. The adjustment of various payments / deductions etc. made by controlling office are not transferred to respective BAs/ SSAs on real time basis.
47. As reported by auditors of Madhya Pradesh, Odisha, Assam, Tamil Nadu, Himachal Pradesh, Andaman, NE-I , NE-II and UP West circles, the Company did not have appropriate internal controls for reconciliations between subsidiary and general ledger in respect of revenue items, debtors and deposits which could potentially result in the Company materially misstating the aforementioned captions in the financial statements.

Miscellaneous

48. As reported by auditors of Odisha Circle, the Company has not defined any risk control matrix identifying the key risk areas of particular SSA. This could result in weak checks and balances and ineffectiveness in operations as well.
49. As reported by auditors of NTEF and Tamil Nadu Circle, there are inadequate controls for arriving at value for provision or showing contingent liability which could materially misstate the financials of the Company.
50. As reported by auditor of Haryana, Tamil Nadu, Assam Circle and Chennai Telephones, there is no control over the identification of prior period errors, which are required to be reinstated in the previous year.



51. As reported by Auditors of Assam, Instances have been observed wherein advances paid to contractor have remain unadjusted. There is balances lying with contractors from 2015-16 onwards without clearing the same. Moreover, as per required under amended Schedule III, BSNL Assam Circle has not given disclosures about promoters, loans and advances to KMP, directors etc., willful defaulters, relationship with struck off Companies, registration of charges with ROC, compliance with the number of layer of companies, different financial ratios, utilization of borrowed funds and corporate social responsibility. We have been informed that the same will be done at the corporate level.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, 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.

In our Opinion, because of the effect of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has adequate internal financial reporting but such internal financial control over financial reporting were not operating effectively as at 31-03-2023, based on the "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 issued by the Institute of Chartered Accountants of India".

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31-03-2023 financial statements of the Company and we have issued a qualified opinion on the financial statements.

The qualified opinion does not affect our opinion on the financial statements of the Company.

Other Matters

We did not audit the financial statements of 37circles and one subsidiary included in the standalone Ind AS financial statements of the Company. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the Ind AS financial statements in so far as it amounts and disclosures included in respect of these 37 circles is based solely on the reports of other auditors.

**For Ramesh C Agrawal & Co.
Chartered Accountants**
Firm's Registration No.: 001770C

Sd/-
**(Paritosh Agarwal
Partner**
Membership No.: 436238

Place : New Delhi
Date : 26-05-2023



**The Management replies to Independent Auditor's Report on
Consolidated Financial Statement for the Financial Year 2022-23 are given below:**

Audit Para	Management Reply
Assets and Liabilities taken over from Department of Telecommunication ('DoT') and the amounts receivable and payable to DoT	
2.a	<p>As detailed in note 37 and 41 to the Consolidated 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. The consequential impact on the Consolidated Financial Statements, if any, as a result of the same is presently not ascertainable.</p> <p>The Company has recorded all identified assets and liabilities taken over from DoT as on 01 October 2000. The value and classification of the assets has been recorded as per the relevant accounting standards and the available guidelines.</p> <p>The amount of net assets taken over from DoT as on 01.10.2000 is Rs. 6325201 lakhs. The same has been disclosed in the financial statements of FY 2022-23.</p>
2.b	<p>As detailed in note 41 to the Consolidated Financial Statements, amounts due from and due to DoT, included in current assets and current liabilities aggregating to Rs. 2,33,584 lakhs (31st March 2022 Rs. 2,31,235 lakhs) and Rs. 21,787 (31st March 2022 Rs. 1,09,104 lakhs), are subject to confirmation, reconciliation and consequential adjustment. The impact of the adjustments, if any, on the Consolidated Financial Statements is presently not quantifiable.</p> <p>Amount due from DoT taken in the books of BSNL are as per the subsidiary records maintained in the primary accounting units. Units are being directed to obtain necessary confirmation and carry out reconciliation on regular basis.</p>

Audit Para	Management Reply	
Revenue		
3.a	<p>The Group has not applied definition of "Default" and "Assessment of Credit Risk" consistently to all the financial instruments in terms of Ind AS 109 Financial Instruments. Further, there is no renegotiation or modification of the contractual cash flows on Claim Recoverable from DoT and trade receivables from Other Government and/ or PSU sector entities. We have not been provided with reasonable and supportable information about past events, current conditions, forecasts of future economic conditions including any demonstrable recovery pattern and indicators that led the management to conclude that claims recoverable from DoT, Trade Receivables, from Other Government and/ or PSUs sector entities, are having low credit risk.</p> <p>We accordingly conclude that the credit risk on such financial instruments (i.e. claims recoverable from DoT, Trade Receivables from Government and/ or PSU sector entities) has not decreased significantly since initial recognition.</p> <p>We were not supplied the audit evidence to verify such balances as at 31st March 2023 and also about the write back of loss allowance in respect of such trade receivables as at March 31, 2023 and accordingly we are unable to comment upon the impact of adjustments made for these amounts by the management.</p>	<p>The Group's credit risk policy is as below:</p> <p>'The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets.</p> <p>The Group has followed the above credit risk policy from the date of transition to Ind AS (1 April 2015) for all the financial instruments as per Ind AS 109 and have recognized appropriate loss allowance based on assessment of specific credit risk.</p> <p>As per the above credit risk policy, 'Receivables more than two years past due pertaining to receivables from government departments and PSU's, which are fully realizable on historical payment behavior and hence no loss allowance has been recognized. Impairment allowance has already been recognized on specific credit risk factor'.</p> <p>Generally, the Group makes provision for government departments and PSU's, the balances of which are outstanding for more than two years based on specific credit risk.</p> <p>Similar approach was followed by the circles in evaluating the adequacy of provisions for dues from government departments and PSU's and reversals were only made where found suitable by the circles based on estimation of the specific credit risks.</p> <p>Accordingly, the Group is in compliance with Ind AS 109 requirements for trade receivables from Government and/ PSU sector entities.</p> <p>Since the provisions are recognized at Circle level, the details of which are available at Circle level.</p>



Audit Para	Management Reply
3.b Amount recoverable from Mahanagar Telephone Nigam Limited (MTNL) as per the Consolidated Financial Statements is Rs. 3,66,555 lakhs (31 March 2022 Rs. 3,66,077 lakhs), is subject to confirmation and reconciliation by MTNL. We were not supplied the audit evidence to verify such balances as at March 31, 2023 and reconciliation of differences have not been concluded. Hence in our opinion, based upon the MTNL's counter claim for recovery, its liquidity and financial position and the recovery pattern, the provision of Rs. 1,77,995 lakhs standing in the books of the Holding Company is insufficient. In our opinion the loss of the Holding Company and the provision for loss allowance have been understated. However, in the absence of proper reconciliation the consequential impact of such understatement, if any, on the Consolidated Financial Statements is not quantifiable.	Amount recoverable and provision thereof from the MTNL is the aggregate of various receivables in the different accounting units of the company. Further, the management will review the sufficiency of the provision during FY 2023-24.
3.c North East – I Circle Auditor have reported that Ind AS 115 'Revenue from Contracts with Customers', provisions have not been complied with. In the absence of adequate details and documents the consequential impact of the adjustments/ disclosures, if any, due to non-compliance, on the Consolidated Financial Statements is presently not ascertainable.	The accounting guidelines, according to Ind AS 115, are in place in BSNL. The circle team has been instructed to provide necessary explanations to the auditors during the course of audit, to avoid such comments in circle audit reports.
3.d As reported by Circle Auditors of Karnataka Circle, reconciliation between Revenue and Amount Billed For has not been provided.	Karnataka Circle had replied to the Branch auditors that it relies on NDC CDR Trial Balance generated by NDC Chandigarh i/r/o LC Billing for booking of telecom revenue. It is a system generated report.



Audit Para		Management Reply
		Nevertheless, the circle has been instructed to reconcile between Revenue and Amount billed for as per the requirement of the auditors in the process of audit.
3.e	As reported by Circle Auditors of Telangana Circle income from subsidy from USOF Rs. 340.04 Lakhs has been booked without fulfillment of terms and conditions of the agreement.	The revenue has been booked according to the fulfilment of performance obligations as per the contract. Further, all 151 Hotspots are regularized and claim of 143 Hotspots has been already received and accounted. Sanction is pending for only 8 Hotspots.
3.f	As reported by the Auditors of Gujarat Circle balance with M/s. ITI Ltd. stands under the heads Capital Advance of Rs. 62.13 lakhs, this is due to non-issuance of invoices by them timely. This has led to under-statement of loss and over-statement of assets.	A joint committee of Officers from BSNL and ITI has been formed at Circle level to review and settle the pending Invoices. Partial adjustment of Advances has been done in the current financial year against the invoices received from ITI Limited. Necessary accounting adjustments will be made as per outcome of the joint committee.

Government Projects

4.a	The Group has booked total income of Rs. 95 lakhs (Previous Year Rs. 4,255 lakhs), in respect of BNP-1 and other projects and Rs. 91,911 lakhs (Previous Year Rs. 1,22,925 lakhs) in respect of BNP-2 Project. Auditors of the circle, where such Government projects are running, have reported that Income on these government projects has been booked based upon the communication received from the Head Office. These Auditors have expressed their inability to verify the correctness of the Income booked in the absence of the calculations/ details. The consequential impact on the Consolidated Financial Statements, if any, as a result of the same is presently not ascertainable.	The accounting guidelines, according to Ind AS 115, are in place in BSNL. The revenue from Projects has been accounted for in accordance with the completion of performance obligation as per the contract. Nevertheless, instructions have been issued that the circles must present adequate documents for verification of the auditor independent of the position that the corporate office has issued instructions to the circles in this regard.
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Audit Para	Management Reply
4.b In respect of 'Network For Spectrum Project' (NFS), the project balance at the year end is Rs. 1,11,582 lakhs, whereas, as per these Financial Statements, the balance as at the year end is Rs. 27,397 lakhs. There is a difference of Rs. 84,185 lakhs, between the project balance and the balance shown in the Financial Statements. Management has represented us that the same is under reconciliation. The consequential impact on the Consolidated Financial Statements, if any, as a result of the same is presently not ascertainable.	Necessary action for reconciliation is being taken to address them in a time bound manner.
4.c As per the information and explanations given to us, the Company has unutilized balance of Rs. 2,78,235 lakhs out of the funds received from the Government of India for the execution of various Government Projects. The balance in Bank Accounts maintained for Government Projects as at 31 st March 2023 are only Rs. 1,82,212 lakhs which signifies the utilization of funds by the Holding Company for purposes other than the execution of Government Projects.	The circles are being instructed to reconcile the receipt/utilization/ accounting of the funds received from the Government of India for the execution of various Government Projects.
Property, Plant and Equipment	
5.a As reported by Auditors of CN (East), Jammu & Kashmir, West Bengal Network Circle, Sikkim, North East Task Force and North East I Circles Capital Work-in-Progress, inter alia, includes balances pending capitalization for long-periods of time owing to pending analysis of status, value and obtaining of commissioning certificates. The consequential impact on the Capital Work-in-Progress, Property Plant and Equipment, depreciation and amortization and loss for the year, if	<p>CWIP includes various turnkey projects, completion of which takes relatively larger times. As per Company policy, capitalization is done on the basis of A/T /Completion Certificate issued by the concerned executing agencies.</p> <p>The matter is actively pursued by the Management as a result of which CWIP (i.e. CWIP in stores) come down from Rs. 2835 Cr (as on 1.4.2022) to Rs. 2168 Cr (as on 31.03.2023).</p> <p>Based on Management estimate provision</p>

Audit Para	Management Reply
any, has not been worked out and quantified by the respective Circle Auditors	<p>for impairment has been created for delayed projects pending capitalization wherever there were indicators of impairment.</p> <p>The circles are being instructed to account for such types of transactions as per accounting circulars / instructions issued in this regard.</p>
5.b As reported by Circle Auditor of CN (South) and explained by Management Capital Work in Progress for one Business Area was wrongly classified by Rs. 42.61 lakhs.	<p>The matter pertains to inter-circle transfer of material. The accounting for the same was not completed in FY 2022-23, however the same has been completed in FY 2023-24.</p>
5.c J&K, NE-I, Orrisa, Punjab, Uttarakhand, UP-East, Tamil Nadu and Chhattisgarh Circle Auditors have reported on the expired/ non-renewal of leases on lands on which the Holding Company had constructed buildings and the fact that management has not made any provision for the surrender value/written down value of the aforementioned buildings in the anticipation of the ultimate renewal of the leases, the consequential impact of adjustment on Property Plant and Equipment, depreciation and amortization and loss for the year, if any, is presently not ascertainable.	<p>The concerned circles are being instructed to expedite the process of getting the lease of lands renewed, where ever applicable.</p>
5.d As stated in note 3(i) and 40(c) to the Consolidated Financial Statements, Property Plant and Equipment, inter alia, includes land pertaining to purchased/ acquired on leasehold/ freehold basis through various authorities including DOT, the deeds of which are yet to be executed in the name of the Holding Company.	<p>The company is in the process of executing the title deeds of the lands purchased / acquired, wherever required.</p>



Audit Para	Management Reply
<p>5.e The accounting policy of the Holding Company as stated in note 2.1(c) to the Consolidated Financial Statements with respect to Asset held for sale has not been uniformly applied across all circles. In Madhya Pradesh, NE-II, J&K, North East Task Force, Inspection and ALTTC have made specific reference of the same.</p> <p>As per the Auditors of CN (North) Provision for Decommissioned Assets has not been correctly made as the Net Realizable Value was not ascertaining.</p>	<p>The circles are being instructed to adhere to the accounting instructions issued on the subject matter.</p>
Inventories	
<p>6 Capital Work in Progress (Stores) amounting to Rs. 2,22,506 lakhs (Previous Year Rs. 2,77,649 lakhs) also includes Inventory items which are also being used in the repair and maintenance of the projects. Such Inventories have not been separately classified under the head Current Assets. In the absence of sufficient audit evidence, we are unable to comment upon the impact of the same on the Capital Work in Progress (Stores) and Inventory in Current Assets.</p>	<p>The Capital work-in-progress includes assets under construction and cost attributable to construction of assets not ready for use before the year end.</p> <p>The nature of materials is such that the same material is utilized for both, the projects and repair and maintenance and there is no physical bifurcation of the items intended to be used for projects or for repair and maintenance.</p> <p>As per the management, these are to be majorly/primarily utilized for the project purposes. Accordingly, the same are presented as 'Capital work-in-progress in store' in the financial statements.</p> <p>Wherever they are utilized for maintenance, the same is charged to the P&L statement during the year.</p>



Audit Para	Management Reply
Current Assets and Current Liabilities	
7.a	<p>The Holding Company has initiated a system of obtaining balance confirmations of balances in respect of trade receivable, deposits with government departments/ companies (inter-alia, including Mahanagar Telephone Nigam Limited and Bharat Broadband Network Limited), claims recoverable from/ payable to DoT (including license fees payable as detailed in note 27(a) and 41 of the Consolidated Financial Statements) or to/ from other government departments/ authorities, subscriber/customer deposit accounts, trade payable and claims payable for the balances of Rs. 25 lakhs and above. However, the said system is in a nascent stage. Confirmation letters have been issued in a very few cases and response is also very poor. Due to non- availability of confirmation and reconciliations of the aforementioned account balances, we are unable to quantify the impact of the adjustments, if any, on the Financial Statements.</p>
7.b	<p>Goods and Services Tax charged from customers should be booked under Trade Receivables, however, the same has been booked under Other Financial Assets. The total outstanding under this head is Rs. 1,16,025 lakhs (Previous Year Rs. 96,972 lakhs). This has also lead to inaccurate presentation of age-wise outstanding of Trade Receivables</p> <p>According to Para 5.1.3 of Ind AS 109, the Trade Receivables are required to be presented at transaction price as defined under Ind AS 115.</p> <p>According to the Para 47 of Ind AS 115, the transaction price has been defined as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).</p>



Audit Para		Management Reply
		In view of the same, the Trade Receivables have been reported correctly in the Financial Statements.
7.c	As reported by Auditors of certain circles, there are differences between the general ledger and accounting records pertaining to loans and advances, current assets and current liabilities due to non-reconciliations. As the relevant information were not made available to them, the respective circle auditors could not quantify the impact of the above mentioned non reconciliations on the Consolidated Financial Statements.	The circles have been instructed to carry out the reconciliation and take necessary action to sort out the differences.
7.d	As detailed in Note 12, the differences in General Ledger Balance and Subsidiary ledger of Receivables is Rs. 22,923 lakhs (Previous Year Rs. 23,416 lakhs). The difference of balances is incorrectly stated since only the net differences have been stated. The gross differences amount to Rs. 38,513 lakhs (Previous Year Rs. 40,455 lakh). The impact of such difference on Revenues, Trade Receivables, License Fees and Spectrum Charges Payable, and GST liability on account of the same cannot be quantified.	<p>The Company has disclosed differences in the closing balance of trade receivables between the subsidiary ledger and the general ledger amounting to INR 23,923 lakh in note 12(a) on a net basis as there is no specific requirement to disclose such amounts on a gross basis.</p> <p>The circles have been instructed to carry out the reconciliation and take necessary action to sort out the difference between two sets of records.</p>
7.e	NE-II and Tamil Nadu Circle Auditors have reported delinquency in physical verification of inventory.	Circles have been instructed to take necessary action as per accounting circulars/ instructions issued in this regard.

Audit Para	Management Reply	
Inter / Intra Circle Remittance Account		
8	As detailed in note 42 to the Consolidated Financial Statements, Inter-Circle/ Unit remittance balances amounting to Rs. 18,770 lakhs (Credit) (previous year Rs. 15,146 lakhs (Credit) are yet to be reconciled. Pending such reconciliations, the possible cumulative impact of the adjustments, if any, on assets and liabilities and the current and prior year(s) income and expenditure is presently not ascertainable.	Continuous effort to reconcile the remittance items and accounting of the same under relevant head are being done by the circles. The circles are being instructed to clear intra circle balance in time bound manner and minimize the pendency.
License Fee, Spectrum Charges, Inter Connect Usage Charges		
9	Adjusted Gross Revenue (License Fee/ Spectrum Usage Charges) is under reconciliation with Department of Telecom and the consequential impact, if any of the same is presently not ascertainable.	Provision liability of INR 17,68,836 lakh has been taken in the books centrally in FY 2022-23, whereas the reconciliation of AGR dues is in advanced stage at the level of circles. The necessary impact will be taken in the books in the FY 2023-24 according to the outcome of the reconciliation.
Provisions, Contingent Liabilities, Commitments and Contingent Assets		
10	The provisions and the disclosures with regard to matters under Litigation, Commitments and Contingent Assets have been made by the management based upon their estimates. In the absence of the adequate details and documents and pending the responses to our confirmation requests in respect of the Litigations, Commitments and Contingent Assets, the impact of adjustments/ disclosure, if any, on the Consolidated Financial Statements is presently not ascertainable.	The concerned circles have been directed to provide the adequate details to the Auditors.



Audit Para	Management Reply
Miscellaneous	
11 The Holding Company has not complied in respect of the following Ind AS notified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).	<p>a. The Holding Company has not carried out any techno-economic assessment during the year ended 31 March 2023 and hence identification of impairment loss and provision thereof, if any, has not been made. The same is not in accordance with the notified Ind AS 36 "Impairment of Assets". The consequential impact of adjustment, if any, on the Consolidated Financial Statements is currently not ascertainable.</p> <p>b. The Holding Company claims that its accounting for capital and revenue grant is in accordance with the notified Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". However, in the absence of the relevant audit evidences being made available to us, we could not verify the veracity of the claim and its consequential impact on the Consolidated Financial Statements is presently not ascertainable.</p> <p>c. The accounting policy as referred to in note 2.2(m)(iii) to the statements with respect to the liability on account of post-retirement medical benefits of employees including retired employees, a defined benefit plan, is recognized</p> <p>a. The company has recently done an assessment of valuation of the company on the basis of future cashflows of the business. Basis, the same the valuation of the company is more than the book value. In view of the same there is no impact of Impairment to be taken in the books. The same report will be shared with the auditors also.</p> <p>b. Circles have been asked to submit required documents to the Auditors.</p> <p>c. 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>

Audit Para	Management Reply
<p>on actual basis in respect of bills received by the Holding Company instead of recognizing the liability for the same as the present value of the defined benefit obligation at the balance sheet date calculated on the basis of actuarial valuation in accordance with the notified Ind AS-19 "Employee Benefits". The consequential impact of adjustment, if any, owing to this non-compliance on the Consolidated Financial Statements is presently not ascertainable.</p> <p>d. The Holding Company has not complied with Ind AS 109 "Financial Instruments", for recognition at and measurement at fair value of financial assets. The consequential impact of adjustment, if any, owing to this non-compliance on the Consolidated Financial Statements is presently not ascertainable.</p> <p>e. The Holding Company has partly complied with Ind AS 16 "Property, Plant and Equipment" by not attributing the dismantling costs to each part of an item of Property, Plant and Equipment with the cost that is significant in relation to the total cost of the item. The value considered for Asset Retirement Obligation has been generated by internal department which is neither certified by any Certified Value, nor calculated in appropriate method and the same has been calculated on estimated</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> <p>d. As per Company's estimate the carrying value of the financial instruments approximates their fair value. Accordingly necessary compliance has been done.</p> <p>Company's accounting policy is given in Note 2.2(e) to the financial statements of FY 2022-23 and disclosure given in Note 52 to the financial statements prepared in accordance with the Companies Act.</p> <p>e. Asset Retirement Obligation (ARO) is required to be discharged at the end of lease period by dismantling the complete Asset and not every part or component separately. Hence ARO has been created for complete Asset.</p> <p>ARO is based on the technical evaluation carried out by civil/electrical wing and is not required to be certified from external agencies /valuers.</p>



Audit Para	Management Reply
<p>basis. The impact of the adjustment, if any, in respect thereof on asset, depreciation and loss for the year is presently not ascertainable.</p> <p>f. The Holding Company has not identified and restated the prior year Financial Statements with regard to prior period transaction recorded in the current financial year in violation of Ind AS-8 Prior Period items. In the absence of specific details, the consequential impact of adjustments, if any, on the Consolidated Financial Statements is presently not ascertainable.</p>	<p>f. Ind AS 8 requires that material prior period errors shall be corrected retrospectively.</p> <p>In view of the management, the prior period items during the current financial year are not material; hence no restatement has been carried out.</p>
<p>12 The disclosure requirements of the Schedule III, Division II of the Act and the disclosure requirements of applicable Ind AS have not been properly adhered to in the presentation and disclosure of Consolidated Financial Statements of the Holding Company in respect of classification of assets/ liabilities into current and non-current and secured and unsecured, where applicable; capital and other commitments and expenditure and earnings in foreign currency.</p>	<p>Current and non-current classification is given in accounting policy in the financial statements for FY 2022-23 and presentation is made in financials as per accounting policy.</p> <p>The circles have been instructed to strictly adhere to the accounting instructions issued on the subject matter.</p>
<p>13 The Holding Company should establish a Standard Operating Procedure to reconcile the TDS and TCS available for BSNL. From the working provided to us it is evident that the Income Tax Credit available as per the Income Tax Portal exceeds the amount deducted from the Vendors balance. This implies that the balance in Trade Receivables is overstated and when Income Tax Refund would be received the Income Tax Recoverable would show credit balance.</p>	<p>The balance of Trade Receivables has been adjusted by the amount of excess refund, and therefore, the balance in Trade Receivables is not overstated.</p> <p>Further, an in-house automation solution for the reconciliation has been developed and the management is hopeful that significant progress shall be made from 2023-24 onwards.</p>



Audit Para	Management Reply
<p>14 CN (North), Jammu & Kashmir, Orrisa, Sikkim, CN (South), Tamil Nadu, Chhattisgarh, UP (West), NE II and NE I Circle Auditors have reported non-compliance of Goods and Service Tax (GST) provisions with regard to charging, deposition, availing Input Tax Credit, reconciliation of GST returns with books of accounts. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment or disclosures to be included in these Consolidated Financial Statements.</p> <p>As reported by Auditors of UP East last posting of invoices led to loss of ITC.</p> <p>Auditor of Uttarakhand Circle has reported twice reversal of ITC of Rs. 22.41 lakhs in the book of accounts.</p> <p>The different Circles of the Holding Company are constituted by multiple Business Areas. The GST Registrations are taken State-wise and different Circles cannot be directly attributed to a specific GST Registration. Hence, Registration-wise reconciliations shall be made to ascertain the financial impact on the Holding Company as a whole.</p>	<p>The concerned circles have been instructed to make necessary compliances with regard to deposition, deduction, and reconciliation of GST and other statutory dues.</p>
<p>15 As detailed in notes (c) and (d) of the Cash Flow Statement, certain assumption have been made for the purpose of preparation of the Cash Flow Statement. In the absence of the appropriate details, we are presently unable to ascertain the impact, if any, on the adjustment/ disclosures in the Cash Flow Statement.</p>	<p>Noted.</p>



Audit Para	Management Reply
16 Certain subsequent events or circumstances may have occurred between the auditor's report date of the respective circles of the Holding Company and that of this audit report. Such events or circumstances could significantly affect the accompanying Consolidated Financial Statements or the related disclosures forming part of these Consolidated Financial Statements of the Holding Company. In the absence of sufficient appropriate audit evidence in respect of the other circles, the impact of adjustments, if any, or disclosures to be included in these Consolidated Financial Statements of the Holding Company cannot be ascertained.	Necessary compliance is being taken care of at Corporate Office level.

Emphasis of Matter

18	Reference is invited to Note 59 of the Notes to Accounts, whereby in terms of the decision of the Union Cabinet, the Fiber Assets of the Holding Company are to be monetized. This monetization may have an adverse effect on the gross revenues and profitability of the Holding Company. Our report is not qualified on that matter.	The Company is monetizing its fibre assets through various methods in keeping with the revival plan of the Group as per Union Cabinet Meeting held on 23 rd October 2019. Necessary action will be taken in the light of policy decision of Government of India.
19	The Holding Company could not redeem 9% Preference Share Capital amounting to Rs. 7,500 Crores due on 2 nd May 2022 before the appointed date (Refer Note No. 22 to the Consolidated Financial Statements) due to lack of funds and distributable profits. The issuance of preference shares has been approved in EGM of the Holding Company held in September, 2022 and the result of petition filed in National Company Law Tribunal for approval is awaited.	The matter is under pursuance with the Administrative Ministry i.e. Department of Telecom.



Audit Para	Management Reply
20 The Holding Company needs to strengthen its control and circulate uniform policies to the Circles towards dues to MSME and interest due on overdue balances to MSME.	Noted.

For and on behalf of the Board of Directors

Sd/-
(P.K. PURWAR)
Chairman & Managing Director
BHARAT SANCHAR NIGAM LIMITED

Place : New Delhi
Date : 12-09-2023



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **Bharat Sanchar Nigam Limited** for the year ended **31st March 2023** in accordance with the directions issued by 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 **Ramesh C Agrawal & Co.**
Chartered Accountants
Firm's Registration No.: 001770C

Sd/-
(Paritosh Agarwal)
Partner
Membership No.: 436238
UDIN: 23436238BGUTOY9234

Place : New Delhi
Date : 26-05-2023



क्रमांक रि.वि.ले/एफ-376/बी.एस.एल.(सी.एफ.एस.)/2022-23/48
No.

कार्यालय

**महानिदेशक लेखापरीक्षा, वित्त एवं संचार
शामनाथ मार्ग, (समीप पुराना सचिवालय) दिल्ली-110054**

**OFFICE OF THE
Director General Of Audit, Finance & Communication
SHAMNATH MARG, (NEAR OLD SECRETARIAT), DELHI-110054**

दिनांक:

Date: 13/09/2023

To

**The Chairman and Managing Director,
Bharat Sanchar Nigam Limited,
Bharat Sanchar Bhawan, Harish Chandra Mathur Lane,
Janpath New Delhi-110001**

Subject:- Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on Annual Accounts of BSNL (CFS) for the year 2022-23.

Sir,

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 (CFS) for the year 2022-23 are forwarded along with this letter for your information and further action.

Yours faithfully,

Sd/-
(Roli Shukla Malge)
Principal Director of Audit
(Finance & Communication)

Encl : As above.



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT SANCHAR NIGAM LIMITED FOR THE YEAR ENDED 31st MARCH 2023

The preparation of Financial Statements of Bharat Sanchar Nigam Limited (BSNL) for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is 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 26 May 2023.

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 the related audit report.

A. Comments on Profitability

Statement of Profit and Loss

Expenses

1. Expenses-Employees benefit expenses Rs.795193 lakh (Note No. 33)

The above head is understated by an amount of Rs.9707 lakh due to non-provisioning for pension contribution at maximum pay scale for the period from 01.12.2011 to 30.09.2014. This has also resulted in understatement of loss by the same amount. This issue was commented upon last year also.

2. Depreciation and Amortisation Expenses Rs.565862 lakh (Note No. 35)

The above head is understated by an amount of Rs.1,72,266.93 lakh due to non-inclusion of amortisation of leasehold lands in Core Network Tx North and Madhya Pradesh circles, which were treated as freehold lands by the Company in its books of accounts.

This has also resulted in understatement of loss and overstatement of Property, Plant and Equipment by the same amount. This issue was commented upon last year also.

3. Other expenses Rs.983441 (Note 36)

The above head is understated by an amount of Rs.20895.20 lakh due to non-inclusion of the penalty imposed by the TERM Cell of DoT on account of Customer Application Form (CAF) penalty and EMF penalty.

This has resulted in understatement of loss also by the same amount. This issue was commented upon last year also.

B. Comments on Financial Position

4. Assets



Non- Current Assets

Property, Plant and Equipment Rs.8473361 lakh [Note No. 3 (i)]

The above head is overstated by Rs.204670.94 lakh due to inclusion of assets that have been identified and approved by the Department of Telecommunication for monetisation in 2019 and 2020. This has also resulted in understatement of the 'Assets Held for Sale' by the same amount. This issue was commented upon in the previous year also.

5. Current Assets

Inventories Rs.74698 lakh (Note No. 11)

The above head is overstated by an amount of Rs.237.80 lakh due to inclusion of equipment pertaining to WLL CDMA that was closed in 2018. This has also resulted in understatement of provision for obsolete store by the same amount.

6. Current Assets-Financial Assets

Trade receivables: Rs.369385 lakh (Note No.12)

The above head is overstated by an amount of Rs.128.01 lakh due to non-provisioning of long pending receivables from DoT on account of subsidy towards Village Public Telephone scheme, out of which 87 percent of the amount has already been disallowed by DoT. This has also resulted in understatement of loss by the same amount.

7. Current Assets-

Other financials assets Rs.1045116 lakh (Note No.16)

The above head is overstated by inclusion of amount of Rs.4519.64 lakh shown recoverable from Hindustan Cables Limited which has been closed vide Union Cabinet's order in September 2016. This has also resulted in understatement of loss by the same amount.

8. Other Current Assets: Rs.885944 lakh (Note No.18)

The above head is overstated by inclusion of amount of Rs.3808.84 lakh on account of advances given to the contractors during the period of 2013 to 2019. These advances have neither been adjusted/reconciled or provided for in the books of accounts.

This has also resulted in understatement of loss by the same amount.

9. Liabilities-Current Liabilities

Financial Liabilities

Trade Payables: Rs.635980 lakh (Note 27)

The above head is overstated by including an amount of Rs.21453 lakh pertaining to vendors, time barred cheques. EMD and & Security deposit from contractors/Suppliers from more than three years.



This has also resulted in overstatement of loss by the same amount.

10. Current Liabilities

Other Current Financial Liabilities Rs.2992002 (Note No. 28)

The above head is understated by an amount of Rs.176.21 lakh due to not providing for commission payable to Telecommunication Infrastructure Providers for the month of March 2023.

This has also resulted in understatement of loss by the same amount.

11. Other Current Liabilities: Rs.1069345 lakh (Note No. 29)

The above head is understated by an amount of Rs.285.00 lakh due to non-provision of training expenditure for the months of February and March 2023, for which bills were also received from M/s Sterlite Technologies Limited in March 2023.

This has also resulted in understatement of loss by the same amount.

C. Comments on Cash Flow Statement

12. Net Change in working Capital

The Company has included change in Non-Current Financial Assets and Liabilities for calculating changes in Working Capital instead of showing the same under Cash Flow from Investing Activities. This depiction is not in line with the Ind AS 7. Thus, the Cash Flow Statement is deficient to that extent. This issue was commented upon last year also.

D. Comments on Disclosure

13. Notes to Standalone Financial Statements for the year ended 31 March 2023

M/s Vihaan Networks Limited served legal notice to BSNL in August 2020 for an amount of Rs.60000 lakh due to withdrawal of Advance Purchase Order by BSNL. The matter is in arbitration. This fact has not been disclosed in the books of accounts of BSNL for the year 2022-23.

For and on behalf of the
Comptroller and Auditor General of India

Sd/-

(Roli Shukla Malge)

Principal Director of Audit
(Finance & Communication)

Place: Delhi

Date: 13-09-2023



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT SANCHAR NIGAM LIMITED FOR THE YEAR ENDED 31 MARCH 2023 AND REPLY THEREON BY BSNL MANAGEMENT

No.	Comments by C&AG of India	Reply of the Management
A. Comments on Profitability		
1	Statement of Profit and Loss Expenses-Employees benefit expenses Rs.795193 lakh (Note No. 33)	<p>The above head is understated by an amount of Rs.9707 lakh due to non-provisioning for pension contribution at maximum pay scale for the period from 01.12.2011 to 30.09.2014. This has also resulted in understatement of loss by the same amount. This issue was commented upon last year also.</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 at the time of proceeding on foreign service or the upgraded pay during financial up gradation. Accordingly, for the period from 01.12.2011 to 30.09.2014 pension contribution was paid on the basis of actual basic drawn by the employee. Matter is in correspondence with in DOT for final decision on the matter.</p> <p>Accordingly, pending final decision, the difference between Pension Contribution on Maximum of pay scale and pension contribution paid on actual pay is shown as contingent liability in the BSNL's Financials, pending final decisions in the matter.</p>
2	Depreciation and Amortisation Expenses Rs.565862 lakh (Note No. 35)	<p>The above head is understated by an amount of Rs.1,72,266.93 lakh due to non-inclusion of amortisation of leasehold lands in Core Network Tx North and Madhya Pradesh circles, which were treated as freehold lands by the Company in its books of accounts.</p> <p>The status of these assets in books of accounts will be reviewed based on title records. Corrective steps will be taken in the current financial year based on factual position.</p>



	<p>This has also resulted in understatement of loss and overstatement of Property, Plant and Equipment by the same amount. This issue was commented upon last year also.</p>	
3	Other expenses Rs.983441 lakh (Note 36)	
	<p>The above head is understated by an amount of Rs.20895.20 lakh due to non-inclusion of the penalty imposed by the TERM Cell of DoT on account of Customer Application Form (CAF) penalty and EMF penalty.</p> <p>This has resulted in understatement of loss also by the same amount. This issue was commented upon last year also.</p>	<p>The penalties levied by TERM cell on account of alleged deficiencies in CAF verification are being actively represented and pursued rigorously by the circles.</p> <p>The method of CAF penalty imposition by DoT, rejoinders by BSNL Circles and further review at DoT end is a continuous process and expenditure is booked when the liability is confirmed. The Circles are well aware about this matter and booking of the expenditure in this regard is done after due diligence and verification.</p> <p>Accordingly, there is no understatement of liabilities by Rs.20895.20 lakh as well as overstatement of Contingent liability to the same amount.</p>
B. Comments on Financial Position		
4	Assets Non-Current Assets Property, Plant and Equipment Rs.8473361 lakh [Note No. 3 (i)]	
	<p>The above head is overstated by Rs.204670.94 lakh due to inclusion of assets that have been identified and approved by the Department of Telecommunication for monetisation in 2019 and 2020. This has also resulted in understatement of the 'Assets Held for Sale' by the same amount. This issue was commented upon in the previous year also.</p>	<p>DoT had conveyed the presidential approval for monetization of 38 land parcels, i.e. 14 land parcels in Phase I on 13.11.2019, and 24 land parcels in Phase II on 17.04.2020, as proposed by BSNL Board of Directors.</p> <p>So far IPCs (International Property Consultants) have been appointed for 11 properties from Phase I and 7 properties from Phase II, as per the decision taken by the IMG (Inter Ministerial Group) / AM (Alternate Mechanism) meeting. Accordingly, these 18 properties (11 from Phase I and 7 from Phase II) were classified as Assets held for Sale. Whereas other 20 Land Parcels</p>



	<p>were not classified as Assets held for sale as Ind AS 105 prohibits such classification in view of the facts that BSNL only intends to sell these in a distant future at this point of time.</p> <p>Further 1 land parcel (book value INR 22,387 lakh), out of 18 land parcels transferred to Assets held for sale, has been reclassified to PPE in FY 22-23, as it is not probable to sell this particular land parcel as per current status.</p> <p>Therefore, there is no understatement of "Asset held for sale".</p>
5	<p>Current Assets</p> <p>Inventories Rs.74698 lakh (Note No. 11)</p>
	<p>The above head is overstated by an amount of Rs.237.80 lakh due to inclusion of equipment pertaining to WLL CDMA that was closed in 2018. This has also resulted in understatement of provision for obsolete store by the same amount.</p>
6.	<p>Current Assets-Financial Assets</p> <p>Trade receivables: Rs.369385 lakh (Note No.12)</p>
	<p>The above head is overstated by an amount of Rs. 128.01 lakh due to non-provisioning of long pending receivables from DoT on account of subsidy towards Village Public Telephone scheme, out of which 87 percent of the amount has already been disallowed by DoT.</p> <p>This has also resulted in understatement of loss by the same amount.</p> <p>The claims were disallowed by CCA office without processing the claims and without considering the submission w.r.to their query/observation submitted by this office. This office had submitted all the compliances of CCA office's queries.</p> <p>The claims need to be reviewed and admitted by the CCA as per terms & conditions and there is no need to create provision.</p>
7.	<p>Current Assets</p> <p>Other financial assets Rs.1045116 lakh (Note No.16)</p>
	<p>The above head is overstated by inclusion of amount of Rs.4519.64 lakh shown recoverable from Hindustan Cables Limited which has been closed vide Union Cabinet's order in September 2016. This has also resulted in understatement of loss by the same amount.</p> <p>Under provisions of AMRCD one meeting has already taken place in DOT under the chairmanship of Advisor (Finance) another meeting is scheduled shortly. Matter will be reviewed after getting the outcome of AMRCD.</p>



8	Other Current Assets: Rs.885944 lakh (Note No.18)	
	<p>The above head is overstated by inclusion of amount of Rs.3808.84 lakh on account of advances given to the contractors during the period of 2013 to 2019. These advances have neither been adjusted/reconciled or provided for in the books of accounts.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>Provision for Expected Credit Loss (ECL) has been created on the Trade Receivables as per the Ind AS requirement. However, the matter will be reviewed in FY 2023-24 and necessary accounting will be ensured after reconciliation.</p>
9	Liabilities - Current Liabilities Financial Liabilities Trade Payables: Rs.635980 lakh (Note No.27)	
	<p>The above head is overstated by including an amount of Rs.21453 lakh pertaining to vendors, time barred cheques. EMD and & Security deposit from contractors/Suppliers from more than three years.</p> <p>This has also resulted in overstatement of loss by the same amount.</p>	<p>Regular pursuance is going on to settle the cases after necessary verification and due diligence in each case. Thus, in absence of proper procedure, amount is not transferred to Income head merely following the provisions of the law of limitation; it may invite litigation in future.</p> <p>Accordingly, there is no overstatement of liabilities and overstatement of loss.</p>
10.	Current Liabilities Other Current Financial Liabilities Rs.2992002 Lakh (Note No.28)	
	<p>The above head is understated by an amount of Rs.176.21 lakh due to not providing for commission payable to Telecommunication Infrastructure Providers for the month of March 2023.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>In the month of March, 2023 partial amounts were paid to the Telecom Infra Providers and provision also been made for unpaid cases. But provisions could not be created in four BAs due to procedural issues. However, the issue will be taken care and provisions will be made as per the requirements in FY 2023-24.</p>
11.	Other Current Liabilities: Rs.1069345 lakh (Note No.29)	
	<p>The above head is understated by an amount of Rs.285.00 lakh due to non-provision of training expenditure for the months of February and March 2023, for which bills were also received from M/s Sterlite Technologies Limited in March 2023.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>NFS is an external project awarded to BSNL by Dot on behalf of Defence. Regarding this project, the work is treated as completed only after the ATC/Other certificates signed by the actual beneficiary i.e. PICG/Defence Authorities. Hence there is no understatement of loss since it is cost plus basis external project.</p>



C. Comments on Cash Flow Statement

12	Net Change in working Capital <p>The Company has included change in Non-Current Financial Assets and Liabilities for calculating changes in Working Capital instead of showing the same under Cash Flow from Investing Activities. This depiction is not in line with the Ind AS 7. Thus, the Cash Flow Statement is deficient to that extent. This issue was commented upon last year also.</p>	<p>Cash Flow Statement has been prepared according to the IND AS 7 using indirect method.</p> <p>The changes in the non-current financial assets are attributable to movement in security deposits (Rs.4524 lakh), CDR claims recoverable A/c (Rs.386 lakh) and earmarked deposits with banks (Rs.12lakh), and these are operational in nature and therefore do not fall under investing or financing activities as per para 16 of the IND AS 7 quoted above.</p> <p>Basis above technical guidance, non-current financial assets and liabilities related to operations, does not fall under the investing or financial activities, accordingly the same are adjusted in cash flow from operating activities.</p> <p>Therefore, the accounting treatment done in relation to adjustment of operating non-current financial assets and liabilities is in line with the Ind AS 7.</p>
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D. Comments on Disclosure

13	Notes to Standalone Financial Statements for the year ended 31 March 2023 <p>M/s Vihaan Networks Limited served legal notice to BSNL in August 2020 for an amount of Rs. 60000 lakh due to withdrawal of Advance Purchase Order by BSNL. The matter is in arbitration. This fact has not been disclosed in the books of accounts of BSNL for the year 2022-23.</p>	<p>The Advance Purchase Order (APO) was issued for 2G BSS Network to M/s Vihan Network Limited (VNL) on 21.03.2018. M/s VNL was to submit unconditional/ unequivocal acceptance of APO & performance Bank Guarantee and other documents as per terms and condition of the APO within 14 days of issue of the APO. M/s VNL did not comply with the timelines. M/s VNL submitted the PBG on 12.12.2018, thereby violating the terms and conditions of the APO.</p> <p>Further in December 2019, USOF intimated BSNL that the Digital Communication Commission has decided to float the tender afresh and it also terminated the agreement signed between</p>
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	<p>USOF & BSNL. BSNL cancelled the APO in keeping with the above decision.</p> <p>BSNL has filed a petition in Delhi High Court on 11.09.2023 under section 34 of Arbitration and Conciliation Act 1966, challenging the decision of the Arbitrator in the matter.</p> <p>However, due to the matter of arbitration being pending in the case on the date of signing of financials and the assessment of the matter that the decision will be in the favour of BSNL, the case was not disclosed as contingent liability.</p> <p>The matter will be reviewed as per further developments in the case and the disclosure will be included in financial statements of FY 2023-24.</p>	
	<p>For and on behalf of the Comptroller & Auditor General of India</p> <p>Place: Delhi Date: 13-09-2023</p> <p>Sd/- (Roli Shukla Malge) Principal Director of Audit (Finance & Communication)</p>	<p>Sd/- (P.K. PURWAR) CMD, BSNL Date: 19-09-2023</p>



FORM NO. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures.

Part "A": Subsidiaries

(Amount in INR Lakh)

1	Name of the Subsidiary	BSNL Tower Corporation Limited
2	The date since when subsidiary was acquired	04 January 2018
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting Period is w.e.f. 01/04/2022 to 31/03/2023 Same as of Holding Company
4	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	INR
5	Share capital	0.17
6	Reserves & Surplus	(259.77)
7	Total assets	5043.62
8	Total Liabilities	5303.22
9	Investments	0
10	Turnover	292.01
11	Profit before Taxation	26.29
12	Provision for taxation	6.66
13	Profit after taxation	19.63
14	Proposed Dividend	0
15	% of shareholding	100%

Notes:

1.	Subsidiaries which are yet to commence operations	Nil
2.	Subsidiaries which have been liquidated or sold during the year	Nil



BSNL TOWER CORPORATION LIMITED

(A wholly owned subsidiary of BSNL)

Corporate Identity Number: U64203DL2018GOI328034

Registered and Corporate Office

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

BOARD'S REPORT

Dear Members,

Your Directors present the 5th Annual Report of your company, along with the Audited Statement of Accounts, Statutory Auditors' Report and Comments and Review of the Comptroller and Auditor General of India, on the Accounts for the financial year ended March 31, 2023. The Financial statements have been prepared as per the prescribed Format under Schedule III to the Companies Act 2013 and in accordance with Ind AS.

In furtherance of the Union Cabinet's decision, Your Company was incorporated on 04.01.2018 as a wholly owned subsidiary of the Bharat Sanchar Nigam Limited (BSNL). The Board of Directors of the Promoter and Holding Company BSNL appointed all the then Functional Directors and CMD BSNL as the first Directors.

Your Company has started its commercial operation to carrying out the non-telecom activities, which are at present being carried out by BSNL e.g. to participate in Smart City Projects, all EB works /business / EOI/Tender/Bids /RFPs where SI/Partner/External/Non Telecom component is substantial; Civil/BW Wing - Execution of external works as Project Management Consultant for clients such as State Governments, Public Sector Banks, Autonomous Bodies; Empanelment of solution provider under CFA vertical etc.

The company commenced commercial operations from the FY 2020-21. During the Financial Year 2022-23 Company has earned revenue from operation Rs. 29,023 Thousand.

SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORY AUTHORITIES/HON'BLE COURTS / TRIBUNALS ETC.

The Unions and Associations of employees of BSNL the Holding Company, while opposing the proposal for transferring the passive tower infra business to the subsidiary had filed petition before the Hon'ble Delhi High Court. The Hon'ble Court ordered that, "*if any decisions are taken hereafter by the Board of Directors of respondent No. 2 (BSNL) the same will subject to further orders of this Court*". Matter is still pending before the Hon'ble Delhi Court.

LOAN AND INVESTMENT BY THE COMPANY

DIVIDENDS

In the absence of adequate profit, the Board of Directors of your company has decided not to declare any dividend for the Financial Year 2022-23. Further, no Investment has been made by your company.

PERSONNEL

Your company has not appointed any regular employee on its rolls. Some officers of BSNL have been



nominated to take care of the work of BTCL in addition to their existing duties and responsibilities.

SHARE CAPITAL

There has been no change in the share capital and shareholding of the company. The paid up share capital of the company is Rs. 17,000 (1700 equity shares of Rs 10/- each). All the shares are held by BSNL and its nominees.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE, PHYSICAL PERFORMANCE, MARKET SHARE, SERVICES AND PLANS, CUSTOMER CARE, MEASURES TO IMPROVE OPERATIONAL PARAMETERS

Your Company has commenced commercial operations from the FY 2020-21. For the purpose of IndAS 108, the company operates under single reportable segment. The Company caters only to the Indian market representing a singular economic environment with similar risks and further there are no reportable geographic segments.

During the year 2022-23, the Company earned a profit of Rs. 1,963 Thousand. While the Revenue from projects is Rs. 29,023 Thousand, the Other Income is Rs. 178 Thousand.

INFORMATION SECURITY SYSTEM IN THE COMPANY, DIGITAL INDIA INTIATIVES AND IMPLEMENTATION OF GOVT. PROJECTS, SOCIAL MEDIA MANAGEMENT, HUMAN RESOURCES AND INDUSTRIAL RELATIONS, TRAINING

Your Company has recently started business and no provisions have been made for digital India initiatives and implementation of govt. projects, social media management, human resources and industrial relations, training.

RESERVATION POLICIES OF THE CENTRAL GOVERNMENT, BENEFITS TO FEMALE EMPLOYEES AND PERSONS WITH DISABILITIES, EMPLOYEES WELFARE

Your company has not appointed any regular employee on its rolls. Therefore no input on the subject is being provided.

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

Since there is no regular employees in the Company therefor during the financial year 2022-23, no case has been referred/ reported to the committee of sexual harassment.

VIGILANCE CASES

Your company has not appointed any regular employee on its rolls. Therefore no input on the subject is being provided.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE / AUDIT COMMITTEE / NOMINATION AND REMUNERATION COMMITTEE OF THE BOARD

Provisions mandating the constitution of CSR Committee (Section 135), Audit Committee (Section 177) and the Nomination and Remuneration Committee (Section 178) are not applicable to Your Company. Therefore, Your Board of Directors has not constituted the Committees.



CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION –FOREIGN EXCHANGE EARNINGS AND OUTGO - ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The provisions of section 134(m) of the companies act, 2013 do not apply to the company as your company is a service provider. During the year, there was no foreign exchange earnings and expenditure in foreign exchange.

DETAILS RELATING TO DEPOSITS COVERED UNDER CHAPTER V OF THE ACT

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

RISK MANAGEMENT

Your Company Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

EXTRACTS OF ANNUAL RETURN

Information required to be disclosed pursuant to Section 134(3)(a) of the Companies Act 2013, with respect of details being part of the extracts of the Annual Return, in Form MCT 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.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The Holding Company BSNL has nominated its CMD and all the Functional Directors as Nominee Directors on the Board of Directors of Your Company. They are not paid any remuneration or sitting fees. Besides above, no other employees has been appointed by the Company. Further provisions of Section 178 of the Act are not applicable to your Company.

Your Company being a Government Company [by virtue of its being a wholly owned subsidiary of a wholly owned Govt. Company in terms of Section 2(45)] , 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.

Being a wholly owned Subsidiary Company of BSNL , 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 in the Board of BSNL.

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Size of the Board

Being a wholly owned Subsidiary Company of BSNL , 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 in the Board of BSNL.

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 at present comprises 6 Directors. Pursuant to the Article No. 130 the CMD of the Holding Company BSNL acts as the Chairman of the Board of Directors of the Company.

Representation of Woman on the Board

Ms. Yojana das is a women Director on the Board of Your Company from 21.12.2020 to 30.11.2022.

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 the Company, as it is a Government Company as defined under the provisions of Section 2(45) of the Act.

Terms and conditions of Appointment of 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.

Number of Meeting of the Board of Directors in the Financial Year 2022-23



S. No.	Meeting No.	Date	Place
1	23	20.05.2022	New Delhi
2	24	10.08.2022	New Delhi
3	25	09.11.2022	New Delhi
4	26	06.02.2023	New Delhi

CHANGES THAT TOOK PLACE IN BOARD OF DIRECTORS AND KMPs

Pursuant to the provisions contained in Article No.110 of the Articles of Association of the Company the powers to appoint the Directors of the Company vest in the BSNL. Shri P. K Purwar, Shri Vivek Banzal, Shri Arvind Vadnerkar and Shri V Ramesh continue to be nominee Director of BSNL the holding Company. The following are the changes take place in composition of the Directors of the Company from the last annual report.

Shri Rajiv Kumar and Shri Sandeep Govil was nominated / appointed as nominee Director w.e.f. 29.12.2022 and 13.02.2023 respectively.

Ms. Yojana Das, Director of the Company ceased to be Director w.e.f. 30.11.2022 on attaining the age of Superannuation.

The Board placed on record its deep appreciation for the services rendered, valuable guidance and significant contribution made by Ms. Yojana Das, Director during his association with the Company.

Provisions contained in Article No.130 (a) of the Articles of Association of the Company also provide that:
(a) So long as the Company remains a subsidiary of BSNL, Chairman BSNL will also act as its Chairman.

STATUTORY AUDITORS

M/s Prakash K Prakash, Chartered Accountants, New Delhi were appointed as Statutory Auditors of the Company by the Comptroller & Auditor General of India. 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

Provisions contained in Section 148 of the Act are not applicable to Your Company.

SECRETARIAL AUDITORS

The provisions mandating Secretarial Audit as contained in Section 204 of the Companies Act 2013 read with Rule 9 thereof are not applicable to your Company.

GENERAL

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

- (i) Details relating to Deposits covered under Chapter V of the Act;



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

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere appreciation and gratitude to the Government of India Ministry of Communications, D/o Telecommunications and other Ministries/Departments, the Shareholders, and the bankers for their continued cooperation and invaluable support.

For and on behalf of the Board of Directors,

Sd/-
[P.K. PURWAR]
CHAIRMAN

Place : New Delhi

Date : 08-08-2023



ANNEXURE 1

FORM MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31.03.2023

[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	U64203DL2018GOI328034
(ii)	Registration Date	4 th January 2018
(iii)	Name of the Company	BSNL Tower Corporation Limited
(iv)	Category/Sub-category of the Company	Union Govt company
(v)	Address of the Registered office and contact details	Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi-110001.
(vi)	Whether listed company	Un-Listed

II. PRINCIPAL ACTIVITIES OF THE COMPANY

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

S. No	Name and Description of main products/ services	NIC code of the Product/Service	% of total turnover of the company
1	Telecom Tower Infrastructure Provider	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/subsidiary/ Associate	% of shares held	Section
1	Bharat Sanchar Nigam Limited	U74899DL2000GOI107739	HOLDING	100%	2(46)/2(87)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									

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	
(1) Indian									
(g) Individual/HUF	-	-	-	-	-	-	-	-	-
(h) Central Govt.	-	-	-	-	-	-	-	-	-
(i) State Govt(s)	-	-	-	-	-	-	-	-	-
(j) Bodies Corp	-	-	-	-	-	-	-	-	-
(k) Banks/FI	-	-	-	-	-	-	-	-	-
(l) Any other BSNL	-	Equity: 1700	Equity: 1700	100	-	Equity: 1700	Equity: 1700	100	-
Sub-Total (A)(1)	-	Equity: 1700	Equity: 1700	100%		Equity: 1700	Equity: 1700	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: 1700	Equity: 1700	100%		Equity: 1700	Equity: 1700	100%	-
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-



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	
(d) State Govt (s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(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)	-	1700	1700	100	-	1700	1700	100	-

(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	BHARAT SANCHAR NIGAM LIMITED	Equity: 1700	100%	NIL	Equity: 1700	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: 1700	100%	Equity: 1700	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 2022-23.				
	At the End of the Year	Equity: 1700		Equity: 1700		

(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	-	-	-	-
(ii)Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	-	-	-	-
Total (i) + (ii) + (iii)	-	-	-	-
C.Change in Indebtedness during the financial year	-	-	-	-
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebteness at the end of the financial year	-	-	-	-
(i)Principal Amount	-	-	-	-
(ii)Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	-	-	-	-
Total (i) +(ii)+(iii)	-	-	-	-



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 P.K. Purwar CMD, BSNL and Chairman [W.e.f. 21.08.2019]	Shri Vivek Banzal Director (CFA) BSNL & Director [W.e.f. 28.05.2019]	Shri Arvind Vadnerkar Director (HR) BSNL & Director [W.e.f. 13.11.2019]	Shri Sandeep Govil Director (CM) BSNL & Director [w.e.f. 13.02.2023]	Total In Rs.
1	Gross Salary	[Amount in Rupees]				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	-	-	-	-	-
	(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	Swat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	-as % of profit	-	-	-	-	-
	-others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-		
	Total(A)	-	-	-	-	-
Ceiling as per the Act:-						

S. No	Particulars of Remuneration	Shri. V. Ramesh Director (E) BSNL & Director [w.e.f. 28.07.2020]	Ms. Yojana Das Director (F) & CFO BSNL & Director [w.e.f. 21.12.2020 to 30.11.2022]	Shri Rajiv Kumar Director (F) & CFO & Director [w.e.f. 29.12.2022]	Total In Rs.	
1	Gross Salary	[Amount in Rupees]				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	-	-		-	
	(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	-	-		-	



S. No	Particulars of Remuneration	Shri. V. Ramesh Director (E) BSNL & Director [w.e.f. 28.07.2020]	Ms. Yojana Das Director (F) & CFO BSNL & Director [w.e.f. 21.12.2020 to 30.11.2022]	Shri Rajiv Kumar Director (F) & CFO & Director [w.e.f. 29.12.2022]	Total In Rs.
2	Stock option	-	-		-
3	Swat Equity	-	-		-
4	Commission	-	-		-
	-as % of profit	-	-		-
	-others, specify	-	-		-
5.	Others, please specify	-	-		
	Total(A)	-	-		-
	Ceiling as per the Act:-				

B. Remuneration to other Directors:

S. No	Particulars of Remuneration	Govt. Nominee Directors				Non official Independent Directors				Total Remuneration
	3.Independent Directors									
	-Fee for attending Board Committee meetings	-	-	-	-	-	-	-	-	-
	-Commission	-	-	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-	-	-
	Total(1)	-	-	-	-	-	-	-	-	-
	4.Other Non Executive Directors	-	-	-	-	-	-	-	-	-
	-Fee for attending Board Committee meetings	-	-	-	-	-	-	-	-	-
	-Commission	-	-	-	-	-	-	-	-	-
	-Others, please specify	-	-	-	-	-	-	-	-	-
	Total(2)	-	-	-	-	-	-	-	-	-
	Total(B) = (1 + 2)	-	-	-	-	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-	-	-	-	-
	Overall Ceiling as per the Act									

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

S. No	Particulars of Remuneration	-	-	-	-	-	Total Amount
1	Gross Salary						[Amount in Rupees]
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act 1961	-	-	-	-	-	-
	(b) Value of Perquisites u/s 17(2) Income-Tax Act 1961	-	-	-	-	-	-

S. No	Particulars of Remuneration	-	-	-	-	-	Total Amount
	(c) Profits in lieu of salary under Section 17(3) of Income Tax Act 1961	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Swat Equity	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	-as % of profit	-	-	-	-	-	-
	-others, specify	-	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total	-	-	-	-	-	-

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/-

[P.K. PURWAR]
CHAIRMAN



BSNL TOWER CORPORATION LIMITED

Balance sheet as at 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

Particulars	Note No.	As at 31.03.2023 (Audited)	As at 31.03.2022 (Audited)
ASSETS			
Non-current assets			
Deferred tax assets (net)	26	112	
Financial Assets:			
Bank Balances other than Cash and Cash Equivalents	3	170	170
Total current assets		196	282
Current assets			
Financial Assets			
Trade Receivables	4	834	7,738
Cash and cash equivalents	5	449,204	379,948
Other Receivable	6	54,128	8,640
Total current assets		504,166	396,326
Total assets		504,362	396,608
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	17	17
Other equity	8	(25,977)	(27,940)
Total equity		(25,960)	(27,923)
Liabilities			
Non-current liabilities			
Current liabilities			
Financial liabilities			
Trade payables	9		
- Total outstanding dues of micro enterprises and small enterprises		9,546	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		36,335	7,886
Other financial liabilities	10	484,441	416,645
Total current liabilities		530,322	424,531
Total equity and liabilities		504,362	396,608

The accompanying notes 1 to 36 form an integral part of these financial statements.

As per our Audit Report of even date

For Prakash K Prakash

Chartered Accountants

ICAI Firm Registration No. : 000415N

Sd/-
Dhiraj Gupta
 Partner
 (Membership No. 505205)

UDIN: 23505205BGSKUU2465

Place : New Delhi
 Date : 25-05-2023**For and on behalf of BSNL Tower Corporation Limited**

Sd/-
Rajiv Kumar
 Director
 DIN: 09811051

Sd/-
P.K. Purwar
 Director
 DIN: 06619060

Sd/-
Rajeev Singh
 Principal General Manager (Corporate Accounts)
 of BSNL (Holding Company)



BSNL TOWER CORPORATION LIMITED

Statement of profit and loss for the year ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

Particulars	Note No.	Quarter Ending			Year Ended 31.03.2023 (Audited)	Year Ended 31.03.2022 (Audited)
		31.03.2023 (Audited)	31.12.2022 (Unaudited)	31.03.2022 (Audited)		
Revenue						
Revenue from operations	11	12,894	7,790	8,474	29,023	20,368
Other income	12	34	64	54	178	87
Total revenue (I)		12,928	7,854	8,528	29,201	20,455
Expenses						
Cost of Goods Sold		-	-	5,609	-	14,935
Other expenses	13	15,320	5,193	5,456	26,572	5,590
Total expenses (II)		15,320	5,193	11,065	26,572	20,525
Profit before tax (I - II = III)		(2,392)	2,661	(2,537)	2,629	(70)
Tax expense (IV)						
Current tax		596	-	-	596	-
Earlier year tax (MAT)		-	-	-	-	16
MAT Credit entitlement		-	-	-	-	(16)
Deferred tax	14	70	-	-	70	(96)
Profit for the period (III - IV= V)		(3,058)	2,661	(2,537)	1,963	26
Other comprehensive income (VI)		-	-	-	-	-
Total comprehensive income/ (loss) for the period (V + VI =VII)		(3,058)	2,661	(2,537)	1,963	26
Earnings per equity share						
Weighted average number of equity shares outstanding during the period (in number)		1,700	1,700	1,700	1,700	1,700
Basic and Diluted (nominal value of shares INR 10 each) (In INR)		(1,799)	1,565	(1,492)	1,155	15

The accompanying notes 1 to 36 form an integral part of these financial statements.

As per our Audit Report of even date

For Prakash K Prakash

Chartered Accountants

ICAI Firm Registration No. : 000415N

Sd/-
Dhiraj Gupta
 Partner
 (Membership No. 505205)

UDIN: 23505205BGSKUU2465

Place : New Delhi
 Date : 25-05-2023

For and on behalf of BSNL Tower Corporation Limited

Sd/-
Rajiv Kumar
 Director
 DIN: 09811051

Sd/-
Rajeev Singh
 Principal General Manager (Corporate Accounts)
 of BSNL (Holding Company)

Sd/-
P.K. Purwar
 Director
 DIN: 06619060



BSNL TOWER CORPORATION LIMITED

Cash Flow Statement for the year ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

Particulars	As at 31.03.2023 (Audited)	As at 31.03.2021 (Audited)
A. Cash Flow From Operating Activities		
Profit/(Loss) before tax	2,629	(70)
Adjustments for:		
Interest income	(9)	(20)
Operating Profit/(Loss) before working capital changes	2,620	(90)
Increase/(decrease) in Trade Payable	37,995	4,414
Increase/(decrease) in Financial Liabilities	67,796	364,659
(Increase)/decrease in Deferred Tax Assets	-	-
(Increase)/decrease in Trade Receivables	6,904	(7,369)
(Increase)/decrease in Other Receivables	(44,167)	(5,301)
Cash generated from Operating activities	71,148	356,313
Income taxes (Paid)/refund	(1,892)	(2,430)
Net cash generated from operating activities (A)	69,256	353,883
B. Cash Flow From Investment Activities (B)		
Proceeds from/ (investment) in deposits with Banks	-	(170)
Interest Income received in cash	-	13
Net cash generated from Investment activities (B)	-	(157)
C. Cash Flow From Financing Activities		
Issue of share capital (Received against Cheque)	-	-
Net cash generated from financing activities (C)	-	-
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	69,256	353,726
Cash and cash equivalents at the beginning of the period	379,948	26,222
Cash and cash equivalents at the end of the period	449,204	379,948

The accompanying notes 1 to 36 form an integral part of these financial statements.

As per our Audit Report of even date

For Prakash K Prakash

Chartered Accountants

ICAI Firm Registration No. : 000415N

Sd/-
Dhiraj Gupta
 Partner
 (Membership No. 505205)

UDIN: 23505205BGSKUU2465

Place : New Delhi
Date : 25-05-2023**For and on behalf of BSNL Tower Corporation Limited**

Sd/-
Rajiv Kumar
 Director
 DIN: 09811051

Sd/-
P.K. Purwar
 Director
 DIN: 06619060

Sd/-
Rajeev Singh
 Principal General Manager (Corporate Accounts)
 of BSNL (Holding Company)



BSNL TOWER CORPORATION LIMITED

Statement of Changes in Equity for the year ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

(A) Equity Share Capital

Opening Balance as on 1 April 2021	17
Changes in Equity Share Capital during the year ended 31.03.2022	-
Balance as at 31.03.2022	17
Opening Balance as on 1 April 2022	17
Changes in Equity Share Capital during the year ended 31.03.2023	-
Balance as at 31.03.2023	17

(B) Other Equity

Retained Earning

Particulars	Retained earnings
Opening Balance as on 01 April 2021	(27,966)
Profit / (Loss) for the year ended 31 st March 2022	26
Balance as at 31.03.2022	(27,940)
Opening Balance as on 01 April 2022	(27,940)
Profit / (Loss) for the year ended 31 st March 2023	1,963
Balance as at 31.03.2023	(25,977)

The accompanying notes 1 to 36 form an integral part of these financial statements.

As per our Audit Report of even date

For Prakash K Prakash

Chartered Accountants

ICAI Firm Registration No. : 000415N

Sd/-
Dhiraj Gupta
 Partner
 (Membership No. 505205)

UDIN: 23505205BGSKUU2465

Place : New Delhi
 Date : 25-05-2023

For and on behalf of BSNL Tower Corporation Limited

Sd/-
Rajiv Kumar
 Director
 DIN: 09811051

**Sd/-
 Rajeev Singh**
 Principal General Manager (Corporate Accounts)
 of BSNL (Holding Company)

Sd/-
P.K. Purwar
 Director
 DIN: 06619060



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

1. Corporate information

On 12 September 2017, the Union Cabinet decided to hive off the mobile tower assets of the parent company into a separate subsidiary company wholly owned by BSNL. In pursuance of this decision and directions from Ministry of Communications, Department of Telecommunications (DoT) dated 25 September 2017, the Board of Directors of BSNL has given its approval for the incorporation of a new company as a wholly owned subsidiary of BSNL.

Accordingly, **BSNL Tower Corporation Limited** (the 'Company' or 'BTCL') a wholly owned subsidiary of Bharat Sanchar Nigam Limited ('BSNL') was incorporated on 4 January 2018 (CIN: U64203DL2018GOI328034). The Company is a public limited Company having Permanent Account No. AAICB6702D and Tax deduction Account No. DELB21450C incorporated in India with its corporate office registered at Bharat Sanchar Bhawan, Harish Chandra Mathur Lane, Janpath, New Delhi- 110001.

The Company was formed with the main objective of passive infrastructure services which includes:

1. To acquire on going concern basis, the control of Telecom Tower Infra Assets of Consumer Mobility Division of BSNL.
2. To work as infrastructure provider of infra assets i.e. Dark Fibre, Right of Way, Duct Space and Tower to licenses of Telecom Service provider.
3. To carry on the business of study and evaluation of all set ups, process, technique and methods for setting up of all types of infrastructure and telecommunication projects.
4. To plan, establish, develop, provide, operate, maintain, upgrade and modernize existing and future communication systems and network with in India and outside India.
5. To carry out the business of operating a cable television, broadcast television or radio station, setup platform for DTH Services, Cable feed, satellite or fibre optic cable.
6. To conceive design and execute infra works including Smart City Projects.

Meanwhile, the union association of employees of BSNL has filed a case with Hon'ble High Court of Delhi which in turn has passed an interim order dated 25 May 2018 stating that decisions of the BSNL Board of Directors with regard to the transfer of tower business will be subject to the orders of High Court. Further, on 28 June 2019, the Board of the holding company decided to operationalize the Company and decided to request DoT to take necessary action to disposing of this petition.

Further, in September 2020, the management of BTCL has decided to carry out non-telecom activities so that it becomes commercially operational, and accordingly, some of its field units started participating in bids for commercial activities identified by the BTCL Board some of which are as under:

1. Execution of external civil/ building works as Project Management Consultant for clients such as State Governments, Public Sector Banks, Autonomous bodies etc.
2. To conceive design and execute infra works including Smart City Projects.



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

3. Enterprise business works where nontelecom component is substantial.

Separately, in September 2022, BSNL apprised the Court that it no longer proposes to transfer its mobile towers to BTCL. In view of this, Hon'ble High Court disposed of the writ petition on 16.09.2022.

2.1. Basis of preparation

a) Statement of compliance

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

These financial statements were authorized by the Company's Board of Directors on 23rd May, 2023.

b) Functional and presentation currency

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

c) Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention. Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

d) Critical accounting estimates and judgments

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

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

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the period ended 31st March 2023 is included in the following note:

Note 2.2(c)-recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences can be used.

2.2. Significant accounting policies

The accounting policies set out below have been applied for the period from 1st April, 2022 to 31st



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

March 2023 presented in these financial statements & are consistent with previous year.

a) Financial instruments

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

i. Financial assets

Recognition and initial measurement

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

Classification and subsequent measurement

Classification

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

- Financial assets at amortized cost
- Financial assets at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset being 'debt instrument' is measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL:

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

A financial asset being an equity instrument is measured at FVTPL

All financial assets not classified as measured at amortized cost are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortised cost or at FVTOCI, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Subsequent measurement

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



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

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

Derecognition

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

Write-off

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

ii. Financial liabilities

Recognition and initial measurement

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

Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost.

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

Derecognition

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

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



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

Offsetting

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

b) Equity share capital

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

c) Income tax

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

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

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

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

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



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

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

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

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognized as deferred tax assets in the Balance Sheet to the extent that it is probable that future taxable profit will be available against which MAT credit can be utilized.

d) Earnings per share

The Company presents basic and diluted earnings/ (loss) per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

e) Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

f) Revenue Recognition

Effective 1 April 2018, the Holding Company (BSNL) has applied Ind AS 115. Therefore, the Revenue recognition of the Company (BTCL) is also based upon principles laid down in Ind AS 115.



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

When the Company enters into an agreement with a customer, goods and services deliverable under the contract are identified as separate performance obligations to the extent that the customer can benefit from the goods or services on their own and that the separate goods and services are considered distinct from other goods and services in the agreement. Where individual goods and services don't meet the criteria to be identified as separate obligations they are aggregated with other goods and/or services in the agreement until a separate obligation is identified.

The Company allocates the transaction price to each performance obligation based on their relative stand-alone selling price. The stand-alone selling price of products and services are mainly based on observable selling prices. The standalone selling price of each point in the customer point rewards is based on its fair value. Revenue for each performance obligation is then recognized when the control of the promised goods or services transfers to the customer. Where goods and services have a functional dependency, this does not prevent those goods or services from being assessed as separate obligations. Revenue is recognized net of discounts and applicable taxes.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. The amount of variable consideration is estimated only to the extent, it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Gross versus net presentation

If the Company has control of goods or services when they are delivered to a customer, then the Company is the principal in that case; otherwise the Company is acting as an agent. Whether the Company is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Company and its customer.

Service revenues

Revenue from the services is recognized to the extent of the provision of service or over the period of time according to the underlying performance obligations in the contract.

Construction contracts

Revenue from cost-plus contracts is recognized over time and is determined with reference to the extent performance obligations have been satisfied. The amount of transaction price allocated to the performance obligations satisfied represents the recoverable costs incurred during the period plus the margin as agreed with the customer.

Revenue from fixed price contracts is recognized over time to the extent of performance obligation satisfied. Contract revenue is recognized at allocable transaction price which represents the cost of work performed on the contract plus proportionate margin, using the percentage of completion method. Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs.



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

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

The Company becomes entitled to invoice customers for construction based on achieving a series of performance-related milestones. When a particular milestone is reached, the customer is sent an invoice for the related milestone payment. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Company recognises a contract liability for the difference.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. Impairment loss is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfill such remaining performance obligations). In addition, the Company recognises impairment loss on account of credit risk in respect of contract assets using expected credit loss model on similar basis as applicable to trade receivables.

Equipment sales

Revenues from equipment sales are recognized when control of equipment is transferred to the buyer.

Contract Asset is recognized when revenue recognized in respect of a customer contract exceeds amounts received or receivable from a customer. Contract Liability is recognized when amounts received or receivable from a customer exceed revenue recognized for a contract, for example if the Company receives an advance payment from a customer.

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

Financing Components

The Company doesn't expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Therefore, the Company does not adjust any of the transaction prices for the time value of money.

Other income

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

g) Segment Reporting

The Company operates under single reportable segment.



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

3 Bank balances other than Cash and Cash Equivalents

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
Balances with Bank held as security against Bank Guarantee	170	170
Total	170	170

4 Trade Receivables

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
Trade Receivables, Unsecured Considered Good	834	7,738
Total	834	7,738

5 Cash and Cash Equivalents

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
Cash at Bank	449,204	379,948
Total	449,204	379,948

6 Other Receivables

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
GST Input Tax Credit	18,232	2,518
Tax Deducted at Source	3,782	2,649
Advance Income-tax Paid (Net of Provision)	179	-
Accrued Income	31,935	3,473
Total	54,128	8,640

BSNL TOWER CORPORATION LIMITEDNotes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

7 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity shares of INR 10 each	7,500,000,000	75,000,000	7,500,000,000	75,000,000
Preference shares of INR 10 each	2,500,000,000	25,000,000	2,500,000,000	25,000,000
Issued, subscribed and not fully paid				
Equity shares of INR 10 each	-	-	-	-
Issued, subscribed and fully paid				
Equity shares of INR 10 each	1,700	17	1,700	17
Total	1,700	17	1,700	17

a. Reconciliation of number of shares outstanding at the beginning and at the end of the period :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares (refer note below)	1,700	17	1,700	17
Outstanding at the end of the period	1,700	17	1,700	17

b. Terms and rights attached to shares

The Company has one class of equity shares having a par value of INR 10 per share. 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.

c. Details of shareholders holding more than 5% shares in the Company:

Name of Shareholder	As at 31 March 2023		As at 31 March 2022	
	No. of shares	No. of shares	No. of shares	No. of shares
Bharat Sanchar Nigam Limited*	1,700	100%	1,700	100%

*includes shares held by eight nominees on behalf of Bharat Sanchar Nigam Limited



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

d. Details of Promoters Shareholding

Name of Shareholder	As at 31 st March 2023			As at 31 st March 2022		
	No. of shares	Percentage	% Change during the year	No. of shares	Percentage	% Change during the year
Bharat Sanchar Nigam Limited*	1,700	100%	-	1,700	100%	-

*includes shares held by eight nominees on behalf of Bharat Sanchar Nigam Limited

8 Other equity

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
Retained earnings*	(25,977)	(27,940)
Total	(25,977)	(27,940)

* Retained earning represents the amount of accumulated losses of the company. Reconciliation of retained earnings is as follows:

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
Opening Balance	(27,940)	(27,966)
Profit / (Loss) for the period	1,963	26
Balance at the end of the period	(25,977)	(27,940)

9 Trade payables

Particulars	Amount as at 31 st March 2023	Amount as at 31 st March 2022
Trade payable for goods and services		
Total outstanding dues of micro and small enterprises	9,546	-
Total outstanding dues of creditors other than micro and small enterprises	36,335	7,886
Total	45,881	7,886



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	Amount as at 31st March 2023	Amount as at 31st March 2022
(a) Amount remaining unpaid to any supplier:		
Principal amount	9,546	-
Interest due thereon	-	-
(b) Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	-	-
(c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) Amount of interest accrued and remaining unpaid	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	-	-
Total	9,546	-

10 Other financial liabilities

Particulars	Amount as at 31st March 2023	Amount as at 31st March 2022
Payable to holding company	59,779	33,358
TDS Payable	1,390	877
GST Payable	35	29,142
GST TDS Payable	1,169	289
Building and Construction Cess Payable	584	145
Advance from Customers (Net)	406,490	349,062
Security Deposits and EMD from Vendors	14,990	3,772
Expenses Payable	4	-
Total	484,441	416,645



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

11 Revenue from Operations

Particulars	Quarter Ended			Year Ended	Year Ended
	31.03.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2022 (unaudited)	31.03.2023 (audited)	31.03.2022 (audited)
Revenue from Projects	12,894	7,790	8,474	29,023	20,368
Total	12,894	7,790	8,474	29,023	20,368

12 Other Income

Particulars	Quarter Ended			Year Ended	Year Ended
	31.03.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2022 (unaudited)	31.03.2023 (audited)	31.03.2022 (audited)
Sale of Tender Documents	25	64	34	169	67
Interest received on deposits with bank	9	-	7	9	7
Interest received on Income-tax refund	-	-	13	-	13
Total	34	64	54	178	87

13 Other Expenses

Particulars	Quarter Ended			Year Ended	Year Ended
	31.03.2023 (Unaudited)	31.12.2022 (Unaudited)	31.03.2022 (unaudited)	31.03.2023 (audited)	31.03.2022 (audited)
Audit Fees	100	40	100	210	190
Professional Charges	-	-	-	-	-
ROC Fees	13	-	22	13	22
Interest & Penalty - Taxes	1	-	-	31	35
Bank Charges	2	2	4	7	10
Manpower Expenses	14,030	5,151	5,299	25,134	5,299
Rent	1,023	-	-	1,023	-
Electricity Expenses	147	-	-	147	-
Vehicle Hire Charges	-	-	27	-	27
Travel Expenses	4	-	-	4	-
General Expenses	-	-	4	3	7
Total	15,320	5,193	5,456	26,572	5,590



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

14 Income Tax

A. Amounts recognised in statement of profit and loss

Particulars	As at 31 March 2023	As at 31 March 2022
Current Tax	596	-
Deferred Tax	70	(96)
	<hr/>	<hr/>
	666	(96)

The reconciliation between the amount computed by applying the statutory income tax rate to the profit/(loss) before tax and the income tax charge is summarised below:

Particulars	As at 31 March 2023	As at 31 March 2022
Profit/(loss) before tax	2,629	(70)
Applicable tax rate	26.00%	26.00%
Tax Expense	684	(18)
Tax effect of expenses disallowed	8	35
Carried forward loss utilized	(96)	(17)
DTA created/charged for carried forward losses of earlier years	70	(70)
DTA created for expenses disallowed under section 43B of the Income-tax Act	-	(26)
Total tax expenses in statement of Profit and Loss	666	(96)
Deferred tax assets		
Carried forward losses of earlier years	0	70
Expenses of FY 2021-22 disallowed under Section 43B of the Income-tax Act	0	26
Expenses of FY 2022-23 disallowed under Section 43B of the Income-tax Act	26	-
MAT Credit (AY 2021-22)	0	16
Deferred Tax Assets	26	112

**BSNL TOWER CORPORATION LIMITED**Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

B. Amounts recognised in other comprehensive income

Particulars	As at 31 March 2023	As at 31 March 2022
Net deferred tax assets recognised	-	-
	-	-

C. Unrecognised deferred tax assets

Particulars	Gross amount	Unrecognised tax effect	Expiry year
Total	-	-	-

15 Trade Receivables Ageing Schedule

AS on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 180 days	180 to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	672			162		- 834
Undisputed Trade Receivables – credit impaired	-			-		- -
Disputed Trade Receivables – considered good	-			-		- -
Disputed Trade Receivables – credit impaired	-			-		- -



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

AS on 31.03.2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less Than 180 days	180 to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade receivables – considered good	7,721		-	17		7,738
Undisputed Trade Receivables – credit impaired	-		-	-		-
Disputed Trade Receivables – considered good	-		-	-		-
Disputed Trade Receivables – credit impaired	-		-	-		-

16 Trade Payables Ageing Schedule

AS on 31.03.2023

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	-	9,546	-	-	-	9,546
(ii) Others	2,645	33,691	-	-	-	36,336
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-

AS on 31.03.2022

Particulars	Unbilled	Outstanding for following periods from due date of payment				Total
		Less than 1 yr.	1-2 yrs.	2-3 yrs.	More than 3 yrs.	
(i) MSME	-	-	-	-	-	-
(ii) Others	5,148	2,738	-	-	-	7,886
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

17 Related party disclosures

a) List of related parties:

i) Holding company:

Bharat Sanchar Nigam Limited

ii) Key managerial personnel (Directors):

Shri Pravin Kumar Purwar	From 21 Aug 2019
Smt. Yojana Das	From 21 Dec 2020 to 30.11.2022
Shri Vivek Banzal	From 28 May 2019
Shri Arvind Vadnerkar	From 13 Nov 2019
Shri Ramesh Venuturumilli	From 28 July 2020
Shri Rajiv Kumar	From 29 Dec 2022
Shri Sandeep Govil	From 13 Feb 2023

All the Directors of the Company are nominee Directors and are appointed by holding Company (BSNL). The Board of Directors of BSNL, in their 220th meeting held on 13.02.2023, have approved the appointment of Sh. Sandeep Govil as the nominee director of BSNL on the Board of Directors of BSNL Tower Corporation Ltd. The Board of BSNL Tower Corporation Ltd. took note of the appointment of Sh. Sandeep Govil in the 27th board meeting held on 23.05.2023. Further, as per Articles of Association of the Company, the Board of Directors shall decide the fee payable to Directors for attending a meeting of the Board or Committee thereof. Pending such decision, sitting fees to Directors is not payable by the Company.

b) Transactions with the related parties are as follows:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Bharat Sanchar Nigam Limited		
Funds Recd (Net)	-	(1,661.00)
Advance Tax Paid on behalf	759.39	-
Manpower and Other Expenses	26,304.00	5,326.00

c) Outstanding balances with related parties are as follows:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Amount Payable to holding Company		
Bharat Sanchar Nigam Limited	59,779	33,358



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

d) Terms and conditions of transactions with the related parties:

Transactions with the holding Company is made on normal commercial terms and conditions. The holding company has incurred certain expenses on behalf of the Company which was incurred before BTCL had started its commercial activities and further to meet the funds requirement of BTCL. These expenses will be reimbursed by the Company to holding company out of cash accruals in future. BTCL does not have any employees on its payroll. Manpower services and other related expenses are charged by the BSNL for services rendered for BTCL during the year. These related party transactions are approved by the Board with annual accounts.

18 Earnings/ (loss) per share

Particulars		Year ended 31.03.2023
Profit/(Loss) attributable to equity shareholders [A]	(INR in thousand)	1,963
Weighted average number of equity shares		
Weighted average number of equity shares outstanding during the year	(in number)	1,700
Weighted average number of equity shares [B]	(in number)	1,700
Basic and diluted earnings/ (loss) per share of INR 10 each [A / B]	(INR)	1,155

Particulars		Year ended 31.03.2022
Profit/(Loss) attributable to equity shareholders [A]	(INR in thousand)	26
Weighted average number of equity shares		
Weighted average number of equity shares outstanding during the year	(in number)	1,700
Weighted average number of equity shares [B]	(in number)	1,700
Basic and diluted earnings/ (loss) per share of INR 10 each [A / B]	(INR)	15

- 19 Balance of Trade Payable, Receivables & advance from Customers are subject to Confirmation. Further, GST ITC balance as per financial books and Electronic Credit Ledger is subject to reconciliation for HP Division.



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

20 Operating segments

For the purpose of IndAS 108, the company operates under single reportable segment.

Geographic information: The Company caters only to the Indian market representing a singular economic environment with similar risks and further there are no reportable geographic segments.

Information about major customers: During FY 2022-23, there were four customers (PY 2021-22: two customers) who contributed more than 10% of revenue earned during the year and total revenue from these customers was Rs. 19303 thousand (PY 2021-22: Rs. 14027 thousand) during the year.

21 Contingent liabilities and commitments

A. Contingent Liabilities: .

- i) Claims against the Company not acknowledge as debts are NIL (PY-NIL)
- ii) Liability on account of bank guarantees given by the Company.

Particulars	As at 31 March 2023		As at 31 March 2022	
	With cash margin	Without cash margin	With cash margin	Without cash margin
Cases (in number)	1	-	1	-
Amount (INR in thousand)	170	-	170	-

B. Commitments: The estimated amount of contracts remaining to be executed and not provided for in relation to execution of works are Rs. 3746 lakhs (PY- 3456 lakhs)

22 Financial instruments

a. Financial instruments by category

Financial liabilities (trade payable and payable to holding company) of the Company are measured at amortised cost.

b. Financial risk management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks arising from financial instruments:

- Credit Risk
- Liquidity Risk

i. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the Balance Sheet:



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Receivables	834	7738
Cash and cash equivalents	449204	379948
Bank Balances other than Cash and Cash equivalents	170	170
Other Receivable	54128	8640

Trade receivable is unsecured but risk is limited as the same are receivable from Public Sector Undertaking.

Credit risk on Cash and cash equivalents is limited as the Company maintains the bank account with nationalised PSU Banks

Other receivable pertains to PSU and Government departments which are fully realizable on historical payment behaviour and hence no loss allowance has been recognised.

i. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company believes that its liquidity position, including total cash and cash equivalents, anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business.

ii. Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2023	Carrying amount	Contractual cash flows (amount)	
		6 months or less	6-12 months
Trade payables	45,881	45,881	-
Financial liabilities	484,441	484,441	-
Total	530,322	530,322	-

As at 31 March 2022	Carrying amount	Contractual cash flows (amount)	
		6 months or less	6-12 months
Trade payables	7,886	7,886	-
Financial liabilities	416,645	379,515	37,130
Total	424,531	387,401	37,130



BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023

(All amounts are in INR thousand, unless otherwise stated)

23 Ratios

Particulars	As at 31 March 2023	As at 31 March 2022
Debt Equity Ratio {Earnings before tax, depreciation, interest and exceptional item/ (Interest Expenses +Scheduled principal repayment of long term debt and lease liability during the period)}	0	0
Debt Service Coverage Ratio {Earnings before tax, depreciation, interest and exceptional item/ (Interest Expenses +Scheduled principal repayment of long term debt and lease liability during the period)}	NA	NA
Current ratio {Current Assets / Current Liabilities}	0.95	0.93
Trade Receivable turnover {Revenue from operation/Average debtors}	6.77	5.02
Net profit margin (%) {Profit After Tax / Revenue from operations}	6.76%	0.13%
Return on Equity {Net Profit/Average Shareholder's Equity}	9.76%	-0.25%
Net Capital Turnover Ratio {Revenue/Average working capital}	108%	72.91%
Return on Capital Employed {EBIT/Capital employed}	-10.13%	0.25%
Return on Investment {Net profit/Net Investment}	NA	NA
Trade payables turnover {Other expense/Average Trade Payables}	0.99	3.61

24 Capital management

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the Company.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

25 Revenue Recognition

Effective 1 April 2018, the Holding Company (BSNL) has applied Ind AS 115. Therefore, the Revenue recognition of the Company (BTCL) is also based upon principles laid down in Ind AS 115.

Revenue is recognised to the extent the provision of the services is completed during the reporting period as a proportion of total units of services to be provided under the product/contract. The proportionate amount equal to the units of service remaining to be provided under such product / service is considered as advance revenue / deferred revenue. The customer onboarding and associated cost is recognized in the period of occurrence on upfront basis. Any revenue not yet billed but service having been provided is shown as accrued revenue. Collection in the excess of billing done/accrued is classified as Advance from Customers.

Further, the company had entered into an agreement with Solar Energy Corporation Limited on 06.09.2021 for 3rd party inspection of Roof Top Solar installations and other related works. The company has booked revenue of Rs. 70 thousand (PY: Nil) during the year against inspection services carried in the previous year due to procedural delays.

26 Projects are being managed and executed by BTCL in its name whereas the initial agreements & documents relating to PBG are in the name of BSNL (holding company). The management is in the process of novating such agreements in the name of BTCL.

BSNL TOWER CORPORATION LIMITED

Notes forming part of the financial statements for the period ended 31st March 2023
(All amounts are in INR thousand, unless otherwise stated)

27 Details of Benami Property

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

28 Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

The Company has not entered into scheme of arrangement under section 230 to 237 of the Companies Act, 2013

28 Loans and Advances to KMP/directores/promoters

The Company does not have any Loans and Advances to KMP/Directors/Promoters.

29 Undisclosed income in books of accounts details

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

30 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

31 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

32 Corporate Social Responsibility

Provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

33 Wilful Defaulter

This company has not been declared Wilful defaulter.

34 Registration / Satisfaction of Charge

There was no requirement of registration/ satisfaction of charge during the year as there are no secured loans taken by the company.

35 The Company do not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

36 Comparative information

Previous year figures have been regrouped/ rearranged/ recast, wherever considered necessary to confirm to current year's classification.

In terms of our report attached

For Prakash K Prakash

Chartered Accountants

ICAI Firm Registration No. : 000415N

Sd/-
Dhiraj Gupta
 Partner
 (Membership No. 505205)

UDIN: 23505205BGSKUU2465

Place : New Delhi
 Date : 25-05-2023

For and on behalf of BSNL Tower Corporation Limited

Sd/-
Rajiv Kumar
 Director
 DIN: 09811051

Sd/-
P.K. Purwar
 Director
 DIN: 06619060

Sd/-
Rajeev Singh
 Principal General Manager (Corporate Accounts)
 of BSNL (Holding Company)



INDEPENDENT AUDITOR'S REPORT: 2022-23

To the members of **BSNL Tower Corporation Limited**

Opinion

We have audited the financial statements of **BSNL Tower Corporation Limited** ("the Company"), which comprises the balance sheet as at 31st March 2023, and the statement of Profit and Loss, the Statement for changes in Equity & the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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 March 31, 2023 and its Profit, change in Equity & its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements and Statement of Changes in Equity section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

1. We invite attention to below Point of the attached financial statement:

- Note 26 of the financial statements regarding agreements with the vendors. The relevant extract of Note 26 is reproduced below:

Projects are being managed and executed by BTCL in its name whereas the initial agreements & documents relating to PBG are in the name of BSNL (holding company). The management is in the process of novating such agreements in the name of BTCL.

Our opinion is not modified for the above matter.

Information other than Financial Statements and Auditors Report thereon-

The Company's Board of Directors is responsible for the other information. The other information comprises the "the management report and chairman's statement", but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the



other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Indian accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies



Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirement

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

As required by section 143(5) of the Act, we give in "**Annexure B**" a statement based on the directions issued and matters specified by the Comptroller and Auditor General of India.

As required by Section143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. However, the balance of Customers, and vendors are subject to confirmation & reconciliation as the same was not produced before us for our verification.
- b) 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.
- c) The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement, and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.



- e) 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.
- f) As per the notification number GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to directors is not applicable to the company, since it is a Government Company;
- g) With Respect to the Adequacy of the Internal Financial Controls over the financial reporting of the Company and the operating effectiveness of such Controls, refer to our separate Report in "Annexure -C".
- h) 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:
 - The Company does not have any pending litigation which would impact its financial position.
 - the Company is not required to make any provision under any law or Indian accounting standards as the company does not have any long terms contracts including derivatives contracts resulting into any material foreseeable losses.
 - The company is not required to transfer any amount to the Investor, Education & protection fund during the year.
 - (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.



- No dividend has been declared or paid during the year by the company.
- Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **PRAKASH K PRAKASH**
CHARTERED ACCOUNTANTS
ICAI FIRM REGN NO 000415N

Sd/-
DHIRAJ GUPTA
PARTNER
MEMBERSHIP NUMBER -505205
UDIN: 23505205BGSKUU2465

Place : New Delhi

Date : 25-05-2023



ANNEXURE-A REFERRED TO THE INDEPENDENT AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS BSNL TOWER CORPORATION LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023

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, we report that:

1. The Company does not own or possess any property, plant & Equipment or Intangible assets & hence provisions of this clause are not applicable.
2. The Company has not done any sale / purchase transactions during the year and has no stock. Further, it has not obtained any working capital loan from banks / financial institutions. Hence, provisions of this clause are not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the 2013 Act.
4. The company has not granted any loans or guarantees and made investments attracting provisions under section 185 & 186 of the Companies Act, 2013.
5. The company has not accepted public deposits and hence the provisions of this clause are not applicable.
6. Maintenance of Cost Records as specified under section 148(1) of the Companies Act, 2013 is not applicable on the company.
7. The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Labour Welfare Fund, and employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, GST, Cess and other material statutory dues as applicable with the appropriate authorities.

There are no dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty, Customs duty etc that have not been deposited on account of any dispute.

8. There are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
9. The company has not taken any loan from any financial institution or bank and hence the provisions of this clause are not applicable.
10. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, provisions of this clause are not applicable on the company.
11. We have neither come across any instance of material fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management. Further, no report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government. Similarly, no whistle-blower complaints are received during the year by the Company.



12. The company is not a Nidhi Company. Hence, the provisions of this clause are not applicable.
13. The company has complied with section 177 & Section 188 of the companies Act, 2013 for all the transactions with related parties, and the same has been disclosed in the financial statement.
14. The Provisions relating to Internal Audit as defined under the Companies Act, 2013 are not applicable to the company. Hence, the provisions of this clause are not applicable.
15. The company has not entered into any non-cash transaction with the director or any person connected with him. Hence, provisions of this clause are not applicable to the company.
16. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
17. The company has not incurred any cash loss in the financial year. However, there was a cash loss of Rs 70,000 in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Hence, the provisions of this clause are not applicable.
19. There are no material uncertainties that exist as of the date of the audit report that the company is capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date.
20. The provisions of Section 135 of the Companies Act, 2013 are not applicable to the company. Hence, provisions of this clause are not applicable on the company.
21. The Provision of this clause is not applicable to the attached financial statements.

For **PRAKASH K PRAKASH**
CHARTERED ACCOUNTANTS
ICAI FIRM REGN NO 000415N

Sd/-
DHIRAJ GUPTA
PARTNER
MEMBERSHIP NUMBER -505205
UDIN : 23505205BGSKUU2465

Place : New Delhi

Date : 25-05-2023



ANNEXURE-B REFERRED TO THE INDEPENDENT AUDITOR'S REPORT

Directions under Section 143(5) of the Companies Act, 2013 issued by the Comptroller and auditor general of India to the Statutory Auditors of BSNL Tower Corporation Limited (BTCL) for conducting an audit of accounts for the year 2022-23.

1. Whether the company has a system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

The accounting transactions are recorded in accounting Software namely "Tally Prime". All the financial records/transactions are posted/recorded in this software.

2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interests etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?

As per the books of accounts examined by us, the company has not raised any loan/debt that requires restructuring or waiver or write off.

3. Whether funds received/receivable for specific schemes from central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

As informed to us & as per the books of accounts examined by us, no funds have been received/receivable from Center / state agencies under any Scheme during the year.

For **PRAKASH K PRAKASH**
CHARTERED ACCOUNTANTS
ICAI FIRM REGN NO 000415N

Sd/-
DHIRAJ GUPTA
PARTNER
MEMBERSHIP NUMBER -505205
UDIN : 23505205BGSKUU2465

Place : New Delhi
Date : 25-05-2023



Annexure –C referred to the Independent Auditor’s Report to the Members BSNL TOWER CORPORATION LIMITED being report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **BSNL TOWER CORPORATION LIMITED** (“the Company”) as of March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management 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 controls stated in the Guidance Note on Audit of Internal Financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting bases on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial controls over Financial Reporting (the “Guidance Note”) and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that evaluating the design, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial controls over financial reporting 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 internal financial control over financial reporting includes those policies and procedures that:



1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition 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 expenditure of the company are being made only in accordance with authorizations of management and directors of the company.
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PRAKASH K PRAKASH**
CHARTERED ACCOUNTANTS
ICAI FIRM REGN NO 000415N

Sd/-
DHIRAJ GUPTA
PARTNER
MEMBERSHIP NUMBER -505205
UDIN : 23505205BGSKUU2465

Place : New Delhi
Date : 25-05-2023



COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of **BSNL Tower Corporation Limited** for the year ended **31st March 2023** in accordance with the directions issued by the C&AG of India under section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

For **PRAKASH K PRAKASH**
CHARTERED ACCOUNTANTS
ICAI FIRM REGN NO 000415N

Sd/-
DHIRAJ GUPTA
PARTNER
MEMBERSHIP NUMBER -505205
UDIN : 23505205BGSKUU2465

Place : New Delhi

Date : 25-05-2023



Management Reply to Independent Auditor's Report on Financial Statement of BSNL Tower Corporation Limited for the Financial Year 2022-23 is given below:-

S. No.	Emphasis of Matter	Management Reply
1.	We invite attention to Note 26 of the financial statements regarding agreements with the vendors as reproduced below: "Projects are being managed and executed by BTCL in its name whereas the initial agreements & documents relating to PBG are in the name of BSNL (holding company). The management is in the process of novating such agreements in the name of BTCL."	The management is in the process of novating such agreements in the name of BTCL.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 14.09.2023

Sd/-
(P.K. Purwar)
Chairman
BSNL Tower Corporation Limited



NOTES



Bharat Sanchar Nigam Limited

(A Govt. of India Enterprise)

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

Visit us at : www.bsnl.co.in

Corporate Identity Number (CIN) : U74899DL2000GOI107739