



No. E111338 Letter No. BSNLCO-CA/22/25/2020-CA-ERP-FICO-Part (1)

Dated: 04.02.2026

To
The CGMs / IFAs
All BSNL Circles

Subject: Monitoring of "Adjusted EBITDA" as a Critical Benchmark for Operational Cash Flow

While the **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)** remains a standard metric for assessing our financial performance, it is imperative to shift our focus toward **Adjusted EBITDA** to gain a realistic view of the actual cash generated from our operations.

As we strive for financial sustainability, traditional EBITDA can sometimes be obscured by non-cash accounting entries or specific Ind-AS treatments. To ensure that every Circle is contributing effectively to the company's liquidity, the Corporate Office will now be benchmarking performance based on the following calculation:

Adjusted EBITDA = Reported EBITDA – Lease Liability Payments (LLP) – Excess Provision Written Back – Capital Grant (Depreciation Component under Ind-AS)

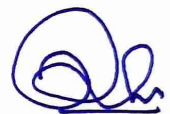
Focusing on this refined metric is essential for several reasons:

- **Cash Flow Reality:** Unlike reported EBITDA, Adjusted EBITDA accounts for Lease Liability Payments (LLP), which are a direct cash outflow despite their accounting classification as depreciation/amortization.
- **Excluding Non-Cash Gains:** Reversing Excess Provisions improves the books on paper but does not bring in fresh revenue. Similarly, Capital Grants treated as income via depreciation are non-cash accounting movements.
- **Operational Efficiency:** This benchmark reflects the "hard cash" generated by the Circle's core business activities, ensuring we can meet our operational liabilities independently.

Action Points for Circle Heads

1. **Rigorous Monitoring:** Review monthly financial statements through the lens of Adjusted EBITDA.
2. **Liability Management:** Closely track lease obligations and ensure that operational revenues are sufficient to cover these cash outflows.
3. **Provisioning Accuracy:** Ensure that provisions are realistic from the outset to avoid large "written back" distortions in future quarters.

Our goal is not just to show profitability on a ledger, but to ensure that BSNL remains cash-positive at the operational level. All Circles are expected to align their financial strategies with this benchmark effective immediately.



(RAJIV KUMAR)

Director (Fin) & CFO

Enclosure: Circle Wise EBIDTA & Adjusted EBIDTA

Copy to:-

- 1) All Vertical Heads Corporate office for information please.

Comparative Figures for 2025-26-Q3-YTD

Circle code	Circle name	RFS - CFA	RFS - CM	RFS - EB	Total Revenue from sale of services	Other operating Income	Income from Operations	Total Other income	Total Income	Network Operating Expenses	Access Charges	License and spectrum fee	Employee Benefits Expense	Sales & Marketing Expenses	Other expenses	Total Exp before Fin Cost & Depreciation	EBITDA	Lease Liability Payments (LLP)	Excess Provision written back	Capital Grant	EBITDA after LLP	Finance Costs	Dep and amortn expense	P&L before Tax	Tax Expense	P&L after tax
1011	A&N	22	20	17	60	87	147	2	149	87	0	5	15	0	13	120	28	0	0	7	21	2	18	8	0	8
1012	Telangana	80	194	152	427	33	460	30	490	124	15	37	240	9	41	465	25	3	11	24	-13	60	144	-179	0	-179
1013	ASSAM	32	65	105	201	31	233	17	250	65	1	17	129	1	26	239	11	3	9	16	-18	26	89	-104	0	-104
1014	BIHAR	48	114	130	292	57	349	30	379	91	10	27	184	13	42	366	13	11	14	10	-22	48	147	-182	0	-182
1015	CHATTISGARH	35	86	76	197	123	320	17	337	79	0	17	51	2	50	199	138	6	15	71	46	23	165	-50	0	-50
1016	GUJRAT	115	200	213	528	118	646	73	718	164	22	43	274	7	115	626	93	20	40	78	-45	43	357	-308	0	-308
1017	HARYANA	127	179	128	434	29	463	18	481	112	13	37	144	37	76	418	62	11	12	5	35	32	343	-313	0	-313
1018	HIMACHAL PRADESH	46	84	42	172	102	274	6	281	50	1	15	112	1	37	217	64	-1	2	87	-25	10	148	-94	0	-94
1019	J&K	23	54	44	121	101	222	41	263	48	2	11	68	0	30	160	103	18	21	70	-6	16	123	-35	0	-35
1020	JHARKHAND	26	43	68	137	103	241	30	271	49	0	12	85	4	30	180	91	11	27	82	-29	18	157	-84	0	-84
1021	KARNATAKA	245	378	252	874	130	1,005	97	1,102	232	11	75	146	11	140	616	486	56	74	44	312	97	351	39	0	39
1022	KERALA	371	669	160	1,200	108	1,308	72	1,380	369	26	103	374	16	64	952	428	44	40	55	289	81	375	-28	0	-28
1023	MADHYA PRADESH	86	139	166	391	243	634	49	683	156	4	36	220	8	82	507	176	8	22	119	27	32	280	-136	0	-136
1024	MAHARASHTRA	280	343	610	1,233	269	1,501	245	1,746	384	29	106	331	60	59	968	778	77	67	210	425	188	880	-290	0	-290
1025	NE-I	21	36	31	89	16	105	26	131	39	1	8	73	1	24	145	-15	0	19	9	-44	7	36	-58	0	-58
1026	NE-II	13	22	17	52	71	124	20	144	22	0	5	58	0	18	103	41	-1	19	48	-26	15	84	-58	0	-58
1027	ORISSA	62	206	198	467	189	655	40	696	99	3	40	122	4	47	316	380	20	34	149	178	33	308	40	0	40
1028	PUNJAB	164	193	114	471	59	530	66	596	188	41	39	238	6	65	576	20	17	44	14	-55	38	193	-211	0	-211
1029	RAJASTHAN	152	228	183	563	208	771	25	795	203	9	50	277	8	60	608	187	34	3	131	19	55	365	-232	0	-232
1030	TAMIL NADU	333	537	141	1,010	28	1,039	89	1,128	336	52	85	316	13	69	871	256	31	23	26	176	121	431	-295	0	-295
1031	UP EAST	82	349	136	568	148	716	214	930	206	17	54	293	14	79	663	267	28	89	12	139	41	261	-35	0	-35
1032	UP WEST	57	129	237	422	256	679	26	705	175	9	37	173	10	247	650	55	12	10	5	29	16	161	-122	0	-122
1033	UTTARANCHAL	32	68	41	141	72	213	25	238	58	0	13	66	2	32	171	68	9	6	50	3	15	104	-51	0	-51
1034	WEST BENGAL	52	136	67	254	30	285	13	298	100	24	22	173	3	19	341	-44	23	2	6	-75	62	146	-252	0	-252
1035	KOLKATA TELEPHONES	65	148	100	313	2	315	80	395	111	17	28	174	2	24	355	39	15	69	0	-44	33	218	-212	0	-212
1036	CHENNAI TELEPHONES	112	104	84	300	2	302	23	325	115	10	24	146	2	16	314	11	16	10	2	-17	25	86	-99	0	-99
1037	ANDHRA	148	333	118	600	166	765	28	793	191	4	52	298	14	85	642	151	19	6	145	-19	35	343	-227	0	-227
1038	SKKIM	4	1	5	9	3	12	2	14	4	0	1	12	0	1	18	-5	0	1	0	-6	2	6	-12	0	-12
1050	ETR	0	0	0	0	0	0	8	8	36	0	0	76	0	3	115	-107	0	9	0	-116	2	66	-175	0	-175
1051	WTR	0	0	1	1	0	1	43	44	85	0	0	92	0	14	191	-147	10	41	0	-198	10	143	-299	0	-299
1052	NTR	3	0	271	274	40	314	115	429	242	6	21	160	1	56	485	-56	1	43	0	-99	17	119	-192	0	-192
1053	STR	0	0	74	74	30	103	9	113	67	0	6	120	0	29	222	-109	0	10	0	-119	11	134	-254	0	-254
1064	NE TASK FORCE GHY	0	0	1	1	0	1	1	2	17	0	0	31	0	0	48	-46	0	0	0	-47	3	20	-69	0	-69
1065	ITPC PUNE	0	0	0	0	0	0	3	3	26	0	0	71	0	12	109	-106	0	0	0	-106	3	40	-150	0	-150
1080	ALTTC	0	0	0	0	0	0	19	19	1	0	0	19	0	2	21	-2	0	0	0	-2	1	1	-4	0	-4
1091	DATA NETWORK	0	0	0	0	0	0	2	2	9	0	0	55	0	7	71	-69	0	0	0	-69	3	22	-94	0	-94
1093	QA & INSPECTION	0	0	0	0	0	0	20	20	0	0	0	25	0	1	26	-6	0	0	0	-6	1	0	-7	0	-7