

The Cost Accounting Records (Telecommunication Industry) Rules, 2011

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The Cost Accounting Records (Telecommunication Industry) Rules, 2011¹

[7th December, 2011]

1. Short title and commencement.—(1) These rules may be called the Cost Accounting Records (Telecommunication Industry) Rules, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions and Interpretations.—In these rules, unless otherwise requires,—

- (a) “Act” means the Companies Act, 1956 (1 of 1956);
- (b) “compliance report” means the compliance report duly authenticated and signed by a cost accountant in the specified form of compliance report;
- (c) “Cost Accountant” for the purpose of these rules means a cost accountant as defined in clause (b) of sub-section (1) of Section 2 of the Cost and Works Accountants Act, 1959 (23 of 1959) and who is either a permanent employee of the company or holds a valid certificate of practice under sub-section (1) of Section 6 and who is deemed to be in practice under sub-section (2) of Section 2 of that Act and includes a firm of cost accountants;
- (d) “Cost Accounting Standards” means the standards of cost accounting, issued by the Institute;
- (e) “cost records” means books of account relating to utilization of materials, labour and other items of cost as applicable to the production, processing, manufacturing or mining activities of the company;
- (f) “Form-A” means the form specified in these rules for filing compliance report and other documents with the Central Government in the electronic mode;
- (g) “Form-B” means the form of the compliance report and includes Annexure to the compliance report;
- (h) “Generally Accepted Cost Accounting Principles” means the principles of cost accounting issued by the Institute;
- (i) “Institute” means the Institute of Cost and Works Accountants of India constituted under the Cost and Works Accountants Act, 1959 (23 of 1959);

1. *Vide* GSR 869(E), dt. 7-12-2011, published in the Gazette of India, Extra., Part II, Section 3(i), dated 7-12-2011, No. 657.

- (j) “product” means any tangible or intangible goods, material, substance, article, idea, know-how, method, information, object, service, etc. that is the result of human, mechanical, industrial, chemical, or natural act, process, procedure, function, operation, technique, or treatment and is intended for use, consumption, sale, transport, store, delivery or disposal;
- (k) “product group” in relation to tangible products means a group of homogenous and alike products, produced from same raw materials and by using similar or same production process, having similar physical or chemical characteristics and common unit of measurement, and having same or similar usage or application; and in relation to intangible products means a group of homogenous and alike products or services, produced by using similar or same process or inputs, having similar characteristics and common unit of measurement, and having same or similar usage or application;
- (l) “telecommunication activities” means any act, process, procedure, function, operation, technique, treatment or method employed in relation to telecasting, broadcasting, telecommunicating voice, text, picture, information, data or knowledge through any mode or medium and includes intermediate and allied activities thereof and these activities would, inter alia, include the following services or activities, including such services that require license or registration with the Ministry of Communications and Information Technology, Government of India, namely—
- (i) Basic Telephone Services;
 - (ii) National Long Distance Services;
 - (iii) International Long Distance Services;
 - (iv) Cellular Mobile Telephone Services;
 - (v) Wireless Local Loop (WLL) (Fixed or Mobile) Telephone Services;
 - (vi) Very Small Aperture Terminal Services;
 - (vii) Public Mobile Radio Trunk Services;
 - (viii) Global Mobile Personal Communication Services;
 - (ix) Internet or Broadband or Wireless Access Service;
 - (x) Infrastructure Provider (IP-1);
 - (xi) Passive Telecom Infrastructure including Telecom Tower Facilities;
 - (xii) Cable Landing Stations; and
 - (xiii) Any other related, allied, intermediate or support services in relation to telecommunication activities not indicated above.
- (m) “turnover” means total turnover made by the company from the sale or supply of all products or services during the financial year and it includes any turnover from job work or loan license operations and the subsidies

or grants or incentives received but does not include any non-operational income;

- (n) all other words and expressions used in these rules but not defined, and defined in the Act and rules made under clause (d) of sub-section (1) of Section 209 of the Act shall have the same meanings as assigned to them in the Act or rules, as the case may be.

3. Application.—These rules shall apply to every company, including a foreign company as defined under Section 591 of the Act, which is engaged in the production, processing, manufacturing, or rendering of telecommunication activities and wherein, the aggregate value of net worth as on the last date of the immediately preceding financial year exceeds five crores of rupees; or wherein the aggregate value of the turnover made by the company from sale or supply of all products or activities during the immediately preceding financial year exceeds twenty crores of rupees; or wherein the company's equity or debt securities are listed or are in the process of listing on any stock exchange, whether in India or outside India:

Provided that these rules shall not apply to a body corporate governed by any special Act.

4. Maintenance of records.—(1) Every company to which these rules apply, including all units and branches thereof shall, in respect of each of its financial year commencing on or after the date of this notification, keep cost records and the books of account so maintained shall contain, inter-alia, the particulars specified in Pro forma A to H mentioned in the Schedule annexed to these rules.

(2) The cost records referred to in sub-rule (1) shall be kept on regular basis in such manner so as to make it possible to calculate per unit cost of production or cost of operations, cost of sales and margin for each of its products and activities for every financial year on monthly or quarterly or half-yearly or annual basis.

(3) The cost records shall be maintained in accordance with the generally accepted cost accounting principles and cost accounting standards issued by the Institute; to the extent these are found to be relevant and applicable and the variations, if any, shall be clearly indicated and explained.

(4) The cost records shall be maintained in such manner so as to enable the company to exercise, as far as possible, control over the various operations and costs with a view to achieve optimum economies in utilization of resources and these records shall also provide necessary data which is required to be furnished under these rules.

(5) All such cost records and cost statements, maintained under these rules shall be reconciled with the audited financial statements for the financial year specifically indicating expenses or incomes not considered in the cost records or statements so as to ensure accuracy and to reconcile the profit of all product groups with the overall profit of the company and the variations, if any, shall be clearly indicated and explained.

(6) All such cost records, cost statements and reconciliation statements, maintained under these rules, relating to a period of not less than eight financial years immediately preceding a financial year or where the company had been in existence for a period less than eight years, in respect of all the preceding years shall be kept in good order.

(7) Every person, referred to in sub-sections (6) and (7) of Section 209 of the Companies Act, 1956 (1 of 1956), shall take all reasonable steps to secure compliance by the company with the provisions of these rules in the same manner as he is liable to maintain accounts required under sub-section (1) of Section 209 of the said Act.

5. Form of the Compliance Report.—Every company to which these rules apply shall submit a compliance report, in respect of each of its financial year commencing on or after the date of this notification, duly certified by a Cost Accountant, along with the Annexure to the Central Government, in the specified form.

6. Time limit for submission of Compliance Report.—Every company shall submit the compliance report referred to in Rule 5 to the Central Government within a period of one hundred and eighty days from the close of the company's financial year to which the compliance report relates.

7. Authentication of Annexure to the Compliance Report.—The Annexure to the compliance report shall be approved by the Board of Directors and certified by the Cost Accountant before submitting the same to the Central Government by the company.

8. Penalties.—(1) If default is made by the Cost Accountant in complying with the provisions of these rules, he shall be punishable with fine, which may extend to five thousand rupees.

(2) For contravention of these rules,—

- (a) the company shall be punishable as provided under sub-section (2) of Section 642 of the Act; and
- (b) every officer thereof who is in default, including the persons referred to in sub-section (6) of Section 209 of the Act, shall be punishable as provided under sub-sections (5) and (7) of Section 209 of Companies Act, 1956 (1 of 1956).

9. Savings.—The supersession of the Cost Accounting Records (Telecommunications) Rules, 2002, shall not in any way affect—

- (a) any right, obligation or liabilities acquired, accrued or incurred thereunder;
- (b) any penalty, forfeiture or punishment incurred in respect of any contravention committed thereunder; and
- (c) Any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and; any such investigation, legal proceeding or remedy may

be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if those rules had not been superseded.

FORM A	<i>Form for filing Compliance Report and other documents with the Central Government</i>
[Pursuant to Section 209(1)(d), 600(3)(b) of the Companies Act, 1956 and Rule 2 of the Cost Accounting Records (Telecommunication Industry) Rules, 2011]	

PART I
General Information

Note: All fields marked in * are to be mandatorily filled.

1. (a) *Corporate identity number (CIN) or foreign company registration number of the company

	Pre-Fill
--	----------
- (b) Global location number (GLN) of company

--
2. (a) *Name of the company

--
- (b) *Address of the registered office or of the principal place of business in India of the company

--
- (c) *E-mail Address of the company
3. (a) *Financial year covered by the compliance report

From		(DD/MM/YYYY)
To		(DD/MM/YYYY)
- (b) *Date of Board of directors' meeting in which annexure to the compliance report was approved

	(DD/MM/YYYY)
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4. Details of the cost accountant
 - (a) *Category of the cost accountant

<input type="radio"/> Individual	<input type="radio"/> Cost accountant's firm
----------------------------------	--
 - (b) In case of individual, whether the cost accountant is in permanent employment of the company or in practice

<input type="radio"/> In Employment	<input type="radio"/> In Practice
-------------------------------------	-----------------------------------
 - (c) *Name of the cost accountant or the cost accountant's firm who has certified the cost records of the company

--
 - (d) *Income tax permanent account number of the cost accountant or the cost accountant's firm

--

(e) *Membership number of cost accountant or cost accountant's firm's registration number

(f) Address of the cost accountant or cost accountant's firm

(i) Line I

Line II

(ii) City

(iii) State

(iv) Country

(v) Pin Code

(g) *E-mail ID of the cost accountant or cost accountant's firm

5. *Quantitative Information

Sl. No.	Name of the Product or Service Group	Unit	Annual Production (Quantity)	Net Sales	
				(Quantity)	(Value in Rupees)
A	Produced or Manufactured Product Groups				
	1.				
	2.				
	3. etc.				
B	Services Groups				
	1.				
	2.				
	3. etc.				
C	Trading Activities (Product Group-wise)				
	1.				
	2.				
	3. etc.				
D	Other Income				
Total Income as per Financial Accounts					
PART II					

Attachments:

1. Compliance report as per the Cost Accounting Records (Telecommunication Industry) Rules, 2011.
2. Optional attachments(s)-if any

List of attachments

Verification

To the best of my knowledge and belief, the information given in this form and its attachments is correct and complete.

☐ I have been authorized by the Board of directors' resolution number to sign and submit this form. ☐ dated ☐ (DD/MM/YYYY)

☐ I am authorized to sign and submit this form.

To be digitally signed by:

Managing Director or director or manager or secretary (in case of an Indian company) or an authorized representative (in case of a foreign company)

*Designation

*Director identification number of the Director or Managing Director;

or Income-tax PAN of the Manager or of authorized representative; or membership number, if applicable or income-tax PAN of the Secretary (Secretary of a company who is not a member of ICSI may quote his/her income-tax PAN)

Director of the company

Director identification number of the director

This e-form has been taken on file maintained by the Central Government through electronic mode and on the basis of statement of correctness given by the filing company

FORM B*Form of Compliance Report*

[See Rule 2 and Rule 5]

I or Webeing in permanent employment of the company or in practice, and having been appointed as cost accountant under Rule 5 of the Cost Accounting Records (Telecommunication Industry) Rules, 2011 of (mention name of the company) having its registered office at(mention registered office address of the Company) (hereinafter referred to as the company), have examined the books of account prescribed under clause (d) of sub-section (1) of Section 209 of the said Act, and other relevant records for the period/year (mention the financial year) and certify as under:

1. I or We have or have not obtained all the information and explanations, which to the best of my or our knowledge and belief were necessary for the purpose of this compliance report.
2. In my or our opinion, proper cost records, as per the Cost Accounting Records (Telecommunication Industry) Rules, 2011 prescribed under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956, have or have not been maintained by the company so as to give a true and fair view of the cost of production or operation, cost of sales and margin of all the products and activities of the company.
3. Detailed unit-wise and product or activity-wise cost statements and schedules thereto in respect of the product groups or activities are or are not kept in the company.
4. In my or our opinion, the said books and records give or do not give the information required by the Companies Act, 1956 in the manner so required.
5. In my or our opinion, the said books and records are or are not in conformity with the generally accepted cost accounting principles and cost accounting standards issued by The Institute of Cost and Works Accountants of India, to the extent these are found to be relevant and applicable.

Dated: this ... day of 20..... at (mention name of place of signing this report)

Signature and Seal of the Cost Accountant(s)

Membership Number(s)

Notes:

- (i) Delete words not applicable.
- (ii) If as a result of the examination of the books of account, the cost accountant desires to point out any material deficiency or give a qualified report, he shall indicate the same against the relevant para.
- (iii) Briefly give your observations and suggestions, if any, relevant to the maintenance of cost accounting records by the company.
- (iv) Cost accountant may use separate sheet(s) for (ii) and (iii) above, if required.

ANNEXURE TO THE COMPLIANCE REPORT

[See Rule 2 and Rule 5]

1. General:

- (a) Name of the company:

(b) Registered office address:

(c) Financial year to which the Compliance Report relates.

2. Quantitative information:

Sl. No.	Name of the Product or Service Group	Unit	Annual Production (Qty.)	Net Sales	
				(Qty.)	(Value in Rupees)
A	Produced or Manufactured Product Groups				
	1.				
	2.				
	3. etc.				
B	Services Groups				
	1.				
	2.				
	3. etc.				
C	Trading Activities (Product Group-wise)				
	1.				
	2.				
	3. etc.				
D	Other Income				
Total Income as per Financial Accounts					

3. Reconciliation Statement:

Net Margin (Profit or Loss) as per Cost Accounts	(In Rupees)
A. From Produced or Manufactured Product Groups	
B. From Services Groups	
C. From Trading Activities	
Total as per Cost Accounts	
Add: Incomes not considered in Cost Accounts (if any)	
Less: Expenses not considered in Cost Accounts (if any)	
Add/Less: Difference in Stock Valuation	
Profit or (Loss) as per Financial Accounts	

Notes:

- (i) For produced or manufactured product groups, use the nomenclature as used in the Central Excise Act or Rules, as applicable.
- (ii) For services groups, use the nomenclature as used in the Finance Act or Central Service Tax Rules, as applicable.

Signature
Name
Cost
Accountant (S)
Membership
Number (S)
Seal
Date

SCHEDULE

[See Rule 4]

Pro forma 'A'

Service-wise Costing Profit and Loss Statement

Name of the Company:	
Name of Service:	
Licensed Area (if any)	
Period:	

(Rs In Lacs)

Particulars	Current Year	Previous Year
Revenue (Net of Taxes)		
Sales or Services		
Advertisement		
Content Sale		
Rentals		
Others (specify)		
Total Revenue		
A. Employee cost:		
Salaries, Wages, Incentives and Allowances		
Contribution to Provident fund etc.		
Staff Welfare Expenses		
Medical Expenses		

Training and Recruitment		
Others		
Sub-total (A)		
B. Administration cost:		
Rent (Other than Switching and Cell sites rent)		
Rates and taxes		
Insurance charges (Other than Network Elements)		
Communication costs		
Electricity		
Travelling and conveyance expenses		
Legal and professional charges		
Printing and Stationery		
Audit fees		
Maintenance		
▸ Office Building		
▸ Others		
Outsourcing Charges		
▸ Billing Services		
▸ Other administrative activities		
Others		
Sub-total (B)		
C. Sales and Marketing cost:		
Advertisement and sales promotion expenses		
Sales commission and Incentive		
Provision for bad and doubtful debts		
Bad debts write off		
Outsourcing Charges for customer care services		
Others		
Sub-total I		
D. Government charges:		
License fee		
License fee penalty, if any		

WPC Charges		
▶ Radio Spectrum charges		
▶ Microwave charges		
Others		
Sub-total (D)		
E. Depreciation:		
Buildings		
Plant and Machinery		
Others		
Sub-total (E)		
F. Leased Rentals:		
Equipment		
Real estate		
IT related services		
Customer Care		
Others		
Sub-total (F)		
G. Network Operating cost:		
Leased Circuits and Gateway Charges		
Royalty or Fee for technical know how		
Switching and Cell sites rent		
Installation Charges		
Maintenance Charges (New Elements)		
Network Consumables and spares		
Power and fuel		
Interconnection:		
(a) Pass Through Charges		
(b) Port Charges		
(c) Others		
Passive Infrastructure Charges		
Insurance Charges (Network Elements)		
Outsourcing Charges		

Others		
Sub-total (G)		
H. Other Cost:		
Corporate office expenses		
Common cost		
Loss on sale of fixed assets (net)		
Others		
Sub-total (H)		
I. Finance Charges:		
Interest		
Bank Charges		
Others		
Sub-total (I)		
Total Cost (A to I)		
Profit or (loss) before tax		
Total Capital Employed		
Return on Capital Employed (%)		
Return on Turnover (%)		

Pro forma 'B'

Product or Network Service-Wise Costing Profit & Loss Statement

Name of the Company:

Name of Service:

Licensed Area (if any):

Period:

(Rs in Lacs)

Particulars	Products or Network Services against each service				
	A	B	C	etc.	Total
Revenue (Net of Taxes)					
Sales or Services					
Advertisement					
Content Sale					
Rentals					
Others					
Total Revenue					

(I) Direct Cost:					
A. Employee cost:					
Salaries, Wages, Incentives and Allowances					
Contribution to Provident fund etc.					
Staff Welfare Expenses					
Medical Expenses					
Training and Recruitment					
Others					
Sub-total (A)					
B. Administration cost:					
Rent (Other than Switching and Cell sites rent)					
Rates and taxes					
Insurance charges (Other than Network Elements)					
Communication costs					
Electricity					
Travelling and conveyance expenses					
Legal and professional charges					
Printing and Stationery					
Audit fees					
Maintenance					
▸ Office Buildings					
▸ Others					
Outsourcing Charges					
▸ Billing Services					
▸ Other administrative activities					
Others					
Sub-total (B)					
C. Sales and Marketing cost:					
Advertisement and Sales promotion expenses					
Sales commission and Incentive					
Provision for bad and doubtful debts					
Bad debts write off					
Outsourcing Charges for customer care services					

Others					
Sub-total I					
D. Government charges:					
License fee					
License fee penalty, if any					
Expenses on amortization (one time entry fee)					
WPC Charges					
▶ Radio Spectrum charges					
▶ Microwave charges					
Others					
Sub-total (D)					
E. Depreciation:					
Buildings					
Plant and Machinery					
Others					
Sub-total (E)					
F. Leased Rentals:					
Equipment					
Real estate					
IT related services					
Customer Care					
Others					
Sub-total (F)					
Total Direct Cost (A+B+C+D+E+F)					
(II) Network Element Operating Cost (as per Pro forma "C")					
X					
Y					
Z					
Etc.					
Total Network Element Operating Cost (II)					
(III) Support Function or Department Cost (as per Pro forma "D2")					
Total Support Function or Department Cost (III)					



COURT NO.4

Total (I) + (II) + (III)					
Capital Employed (as per Pro forma F)					
Return on Capital Employed (%)					
Return on Turnover (%)					

Pro forma 'C'
Cost Sheet - Network Elements

Name of the Company:

Name of Service:

Licensed Area (if any):

Period:

(Rs in Lacs)

Particulars	Network Elements				
	X	Y	Z	etc.	Total
(I) Network Direct Cost:					
A. Employee cost:					
Salaries, Wages, Incentives and Allowances					
Contribution to Provident fund etc.					
Staff Welfare Expenses					
Medical Expenses					
Training and Recruitment					
Others					
Sub-total (A)					
B. Administration cost:					
Rent (Other than Switching and Cell sites rent)					
Rates and taxes					
Insurance charges (Other than Network Elements)					
Communication costs					
Electricity					
Travelling and conveyance expenses					
Legal and professional charges					
Printing and Stationery					
Audit fees					
Maintenance					

Building					
Others					
Outsourcing Charges					
Billing Services					
Other administrative activities					
Others					
Sub-total (B)					
C. Network Operating cost:					
Leased Circuits and Gateway Charges					
Royalty or Fee for technical know how					
Rent (Network elements equipments and cell sites)					
Power and fuel					
Interconnection:					
(i) Port charges					
(ii) Others					
Passive Infrastructure Charges					
Outsourcing Charges for network element equipments					
Others					
Sub-total (C)					
D Government charges:					
WPC Charges - DOT (other than on revenue sharing)					
Paid to Government agencies other than DOT					
Sub-total (D)					
E Depreciation					
Building					
Plant and Machinery					
Others					
Sub-total (E)					
F Leased Rentals					
Equipment					
Real Estate					
Others					
Sub-total (F)					

G Total Network Direct Cost (A+B+C+D+E +F)					
H. Support Function cost as per Pro forma E					
Sub Total H					
Total (G+H)					

*Pro forma 'D1'

*Apportionment of Support Functions to various Services
(For Pro forma 'D2')*

(Rs in Lacs)

Support Function or Department Cost	Basis of Apportionment to Sub- Service specify	Service 1	Service 2	Service 3	Service 4	etc.	Total
Administration							
Billing							
Branch Office							
Corporate Office							
Customer Care							
Finance & Accounts							
HR							
Insurance							
IT or EDP							
Legal or Regulatory							
Maintenance							
Marketing and Sales							
Planning and Development							
Quality							
Stores or Logistics							
Total							

Pro forma 'D2'
Apportionment of Support Functions to various Products
(For Pro forma 'B')

(Rs in Lacs)

Support Function or Department Cost	Basis of subsequent apportionment to products specify	Service from Pro forma D1			Service from Pro forma D1			Total
		Product 1	Product 2	etc.	Product 1	Product 2	etc.	
Administration								
Billing								
Branch Office								
Corporate Office								
Customer Care								
Finance & Accounts								
HR								
Insurance								
IT or EDP								
Legal or Regulatory								
Maintenance								
Marketing and Sales								
Planning and Development								
Quality								
Stores or Logistics								
Total								

Pro forma 'E'
Statement of Capital Employed

Name of the Company:

Name of Service:

Licensed Area (if any):

Period:

(Rs in Lacs)

Particulars	Network Elements				Total
	X	Y	Z	etc.	
Fixed Assets - (Gross Book Value)					
Tangible Assets					
Land					
Building					
Plant and Machinery					
Computers					
Office equipment					
Furniture and fixtures					
Vehicles					
Others					
Intangible Assets					
License					
Patents or technical know how					
Total fixed assets					
Less: Accumulated depreciation					
Net Book Value (I)					
Capital Work-in-Progress (II)					
Current Assets					
Inventories					
Cash and bank balance					
Debtors					
Loans and advances					
Others					
Sub total					
Current Liabilities					
Sundry creditors					
Other Liabilities					
Provisions, etc.					
Security deposit					
Advance Rentals and Prepaid Card Revenue					

Sub total					
Net Working Capital (III)					
Total Capital Employed (I+II +III)					

Pro forma 'F'

*Statement of Allocation or Apportionment of Capital Employed to
Products or Network Services*

Name of the Company:

Name of Service:

Licensed Area (if any):

Period:

(Rs in Lacs)

Particulars	Products or Network Services				
	A	B	C	etc.	Total
(a) Network element wise Capital Employed					
Radio Network:					
X					
Y					
Z					
etc.					
Subtotal (A)					
(b) Support Function or Departments					
Administration					
Billing					
Branch Office					
Corporate Office					
Customer Care					
Finance and Accounts					
HR					
Insurance					
IT or EDP					
Legal or Regulatory					
Maintenance					
Marketing and Sales					

Planning and Development					
Quality					
Stores or Logistics					
Any Other Item (Specify)					
Subtotal (b)					
Total (a + b)					

Pro forma 'G'

Profit and Loss Reconciliation Statement

Name of the Company:

Period:

(Rs in Lacs)

Particulars	Revenue	Cost	Net Profit or (Loss)
Service 1			
Service 2			
Service 3			
etc.			
Total			
Adjustments:			
Return on capital employed on network elements			
Non regulated business			
Elimination of inter business transactions			
Non relevant items:			
- Return on investments			
- Non operating income			
- Interest costs and financial charges			
- Corporate Tax			
- Other taxes (if any)			
- Amortization of Goodwill			
- Extraordinary items - such as abnormal loss due to fire or theft etc.			
- Others			
Unallocated items			
Any other items (specify)			

Sub Total			
Total as per Audited Accounts			

Pro forma 'H'

Capital Employed Reconciliation Statement

Name of the Company:

Period:

(Rs in Lacs)

Item	Capital employed
Service 1	
Service 2	
Service 3	
etc.	
Total	
Adjustments:	
For non regulated business	
Elimination of inter business assets or liabilities	
Non relevant items	
- Investments	
- Deposits-Inter corporate. etc.	
- Goodwill	
- Provision for tax	
- Proposed dividend	
- Long term borrowings	
- Others:	
(i) Unallocated items	
(ii) Any other items (specify)	
Sub total (B)	
Total as per audited accounts (A-B)	

Notes:

1. Separate Pro forma shall be prepared for each service or product and network elements in the Pro forma prescribed for each area of operation or circle or licensed.
2. The cost shall be allocated or apportioned product wise as specified in appendix as far as possible.
3. Proper record shall be maintained explaining the basis of allocation or apportionment for various elements of cost in respect of product or service or network elements & supporting functions.

4. The items of the cost shown in the Pro forma are indicative and same shall be reflected keeping in mind the materiality of the item of the cost in the service or product or network service or network elements & support functions.
 5. Capital Employed means average of net fixed assets (excluding intangible assets, effect of revaluation of fixed assets, and capital work in progress) plus net current assets existing at the beginning and close of the financial year.
-