

CORPORATE ACCOUNTS SECTION,
Bharat Sanchar Bhawan , 1st Floor
Harish Chandra Mathur Lane, Janpath
NEW DELHI – 110 001 .
TEL: 23734106, 23734107(fax)



भारत संचार निगम लिमिटेड
(भारत सरकार का उपक्रम)
BHARAT SANCHAR NIGAM LIMITED
(A Govt. of India Enterprise)

No. 500-142/2011-12/CA-III/Cost Audit/BSNL

6th January 2012

To
Sh. M. Gopalakrishnan
President, Institute of Cost & Works Accountant of India
3, Institutional Area, Lodhi Road, New Delhi 110003

Sub: Empanelment of Cost Accountant Firms for appointment as Cost Auditors for 2011-12
Sir,

You are kindly aware that as per Order no. 52/26/CAB-2010 dated 02.05.2011 and Para (a) of the General Circular No. 15/2011 (F. No. 52/5/CAB-2011 dated 11.04.2011) of Ministry of Corporate Affairs, Govt. of India read with Sub Section (1) of Sec 233B of Companies Act 1956 and Sub Rule (3) of Rule 4 of Companies (Cost Audit Report) Rules 2011 the Companies providing Telecommunication services are required to get its cost records, which are maintained as per provisions of cost Accounting Records (Telecommunications) Rules 2002, audited through Cost Auditor.

You are also aware that BSNL, a fully Central Govt. owned company provides telecom services throughout the Nation (except Delhi and Mumbai Metro Districts) through its 24 Territorial Telecom Circles and 2 Metro Districts namely Chennai Phones and Kolkata Phones. As per Orders, Rules & Acts mentioned above BSNL will have to get its cost records audited through Cost Auditor and audited cost records along with Cost Auditor's Report are to be submitted by BSNL to appropriate authority. Since 24 Territorial Telecom Circles and 2 Metro Districts provide Telecom Service as per license granted by DOT, the cost records of BSNL are prepared and maintained by the Headquarter of said 24 Circles and 2 Districts. The cost records of Circles & Districts are consolidated at Corporate Office at New Delhi, for BSNL as a whole. To get the cost records audited, BSNL will have to appoint Circle-wise and Metro District-wise Cost Auditor as well as one Central Cost Auditor for audit of consolidated cost records of BSNL. So, as a whole 26 Cost Auditor for the Circles & Districts and one Central Cost Auditor are to be appointed by BSNL for the financial year 2011-12, the details of Territorial Telecom Circles, Metro Districts and Corporate along with their Headquarter are furnished in **Annexure 'A'**.

The issue of selection and appointment of Cost Auditor from among the practicing firm of Cost Accountant has been discussed by BSNL with Shri D. Chandru, Director, ICWAI. Since your esteemed Institute is having the State-wise and area-wise details of practicing Cost Accountant Firms and also your Institute is having full knowledge about the structure, capacity, capability and experience of all such practicing Cost Accountant Firm, BSNL Management would like to take Institute's help as an Apex Body of Cost Accountants to indicate / provide the panel of Cost Accountants who may be suitable for the job of Cost Auditor as per relevant Orders, Rules and provision of Act regarding Cost Audit and as per eligibility criteria prescribed by BSNL (furnished in **Annexure B**).

The total expenditure which is expected to be incurred by BSNL on account of cost audit fee, out of pocket expense for all the 24 Territorial Telecom Circles, 2 Metro District and Corporate Office are furnished in the **Annexure 'C'**.

Since time is very short and certain procedures as prescribed by the Ministry of Corporate Affairs, are to be complied with within a fixed time schedule, it is requested to prepare and send the panel of Cost Accountant Firms as mentioned above to the Corporate Office. BSNL Management looks forward a positive response from your Institute and for this BSNL Management will remain grateful to your Institute.

With regards,

Encl: As above.

Yours sincerely,

(Rajeev Singh)
General Manager (CA)

Copy to: Sri D. Chandru, Director, ICWAI for information with reference to discussion had with you on 23.12.2011