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CHARTERED ACCOUNTANTS
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has not been accounted for on actuarial basis rather the annual insurance premium paid for the policy for the purpose has been accounted for on year to year basis.

9. *The reconciliation of Subscribers' deposits, Sundry Debtors, Income from Recharge Coupons, ITC Cards, prepaid calling cards and stock of recharge coupons and leased circuits is under progress.*
10. *The Company had accounted for Rs. 2850.00 million during the previous year 2010-11, towards wet lease for infrastructure and other services provided in respect of Commonwealth Games of which Rs. 430 million is subject to acceptance and final settlement. Besides, a claim of Rs. 410 million has not been booked subject to final acceptance and settlement.*
11. *No impairment tests have been carried out on value of the fixed assets as at June 30, 2012. In our view, due to recurring losses incurred by the Company and uncertainty in the achievement of projections made by the Company, we are unable to comment on the provisions, if any, required in respect of impairment of carrying value of the fixed assets (including capital work in progress), other than land, and its consequential impact, if any, on the loss for the quarter, accumulated balance in the Profit and Loss Account and the carrying value of the fixed assets as at June 30, 2012.*
12. *Insurance claim for the fire loss in Data Center in July, 2009 amounting to Rs. 40 Millions has been considered as good despite of the uncertainty of the recoverability of the same*
13. *The dues from operators and on account of disputed cases for billing to customers which are outstanding for less than three years in Basic and less than six months in wireless services have not been considered for making provision for Bad and Doubtful debts. The impact thereof is unascertainable.*
14. *No service tax is being charged on the revenue sharing with BSNL for inward circuits for which no bills are being raised.*
15. *The overall impact of matters referred to in above paras on the results of the company is not determinable.*

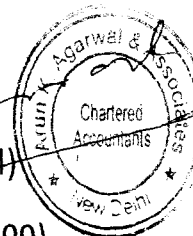
For Bansal Sinha & Co.
Chartered Accountants
FRN- 06184N

(Ravinder Khullar)
Partner
(Mem No. 082928)



For Arun K Agarwal & Associates
Chartered Accountants
FRN-003917N

(Arun Agarwal)
Partner
(Mem No. 082899)



Place : New Delhi
Date : August 14, 2012