



The Pr. Advisor ( FA & IFA ),  
Telecom Regulatory Authority of India,  
New Delhi - 110002.

31st January, 2012

Subject: Draft "The Reporting System on Accounting Separation Regulations, 2012 " -Views/ Suggestions regarding:

Ref: Your letter No.F.No.16-7/2010-FA (Vol.III) dated 17<sup>th</sup> January,2012

Dear Madam,

Telecom Regularity Authority of India, at the outset, is to be complimented for bringing out an up-dated, rationalized and standardized draft " Accounting Separation Reporting "Regulations, 2012 ( ASR-2012).

The draft ASR-2012 takes into account all relevant factors like recent regulatory and policy changes, technological changes, new business paradigms as also developments in the accounting, Cost Accounting and Reporting Systems.

We have, however, listed below a few suggestions on the draft ASR-2012 for your kind perusal and consideration:

1. Reporting System on Accounting Separation Regulations, 2012:  
The term GRCT-1 needs to be defined, in Chapter I, part 2 (xii) for computation of Holding Gain or Loss.
2. All policies related to Cost Accounting System followed by the Company, recording and generation of costs, allocation & apportionment of costs to products and network elements, determination of cost centres and their linkages to financial heads, determination of support functions and departments etc. needs to be brought under an overall heading of " An over view of Cost Accounting System " in Manual (chapter 3.2(g) of the " Reporting System on ASR, 2012).
3. ASR prepared by the Company needs to be adopted by the Board of Directors of the Company and not the " Audited ASR " as stated in Para 11.9 of TRAI letter No.16-07/2010-FA dated 16-01-2012 and Para 6(3) of draft notification, 2012. Our suggestion is also in line with the "Form of Audit Certificate on the ASR "as in Schedule IV of the draft.

**TATA COMMUNICATIONS**

**Tata Communications Limited**

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4. In Proforma " D " to Scheduled III, basis of apportionment may be indicated for function heads like;
- i) Marketing,
  - ii) Network Operation & Maintenance,
  - iii) General Administration and
  - iv) Other Departments etc. and not for each department like 'Billing', 'Customer care', Call centre etc. under the over all head "Marketing".

We trust that our suggestions will merit your consideration. In case any other assistance is required at our end, pl do let us know.

Thanking you.

Yours truly,

For Tata Communications Limited

A handwritten signature in black ink, appearing to be 'R. Gangadharan', with a horizontal line underneath.

Gangadharan R

VP-Finance