

**CONF CABLE OPERATORS UNITED FRONT (REGD.)**

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President : Virender Gaur  
Date : 8<sup>th</sup> April, 2003

To

Shri J.K. Puri,  
FICWA, ICAS,  
Addl. Chief Advisor (Cost),  
Ministry of Finance,  
Dept. of Expenditure,  
2<sup>nd</sup> Floor, 'C' Wing,  
Lok Nayak Bhawan,  
New Delhi - 110 003.

**Subject :- Revised Detailed Proposal for FTA Pricing**

Sir,

Please find enclosed the document presented to Task Force of CAS Implementation in the Ministry of I & B for FTA Pricing. The said document was discussed in the Task Force meeting held on 7<sup>th</sup> April, 2003. It was decided in the Task Force meeting that the document will be reviewed by your good office alongwith our representative. We are enclosing the same documents alongwith more explanation and documentary proof for your kind perusal and favourable response. Our representative will visit alongwith this letter for discussions on this proposal and to explain our view point.

Thanking you.

Yours faithfully,

  
Virender Gaur  
(President)

**Encls. :-**

1. Proposal (1 - 14)
2. Supporting Documents & Explanations (1 - 34)

**C.C. to :-** Shri Rakesh Mohan, I.A.S., Joint Secretary (I & B), Chairman : Task Force - CAS Implementation.

# PROPOSAL

(1 - 14)

**COSTING FOR FREE TO AIR CHANNELS**

**BASIC PARAMETERS FOR METROS**

| S.NO. | PARTICULARS   | AS TABLED                    | COMMENTS |
|-------|---|------------------------------|----------|
| 1.    | Number of Free to Air Channels                        | 60 Max                       |          |
| 2.    | Number of Pay to Air Channels                         |                              |          |
| 3.    | Total Number of Channels (Sr. No.1+Sr. No.2)          |                              |          |
| 4.    | Maximum Radius of Area for Headend Centre             | 7 k.m.                       |          |
| 5.    | Maximum Area for Headend (22/7x7x7)                   | 154 Sq.Km.                   |          |
| 6.    | Length of Cable Network (RG-11-Per Sq.Km.             |                              |          |
|       | Total Length of Cable Network per Headend Centre      |                              |          |
|       | Radial Length   |                              |          |
| 7.    | - Trunk Cable – 500 Series (6 Radials x Sl. No.4)     |                              |          |
| 8.    | - Sub-Trunk Cable – (RG11-Sr. No.5xSl. No.6)          |                              |          |
|       | Chargeable Length                                     |                              |          |
| 9.    | - Trunk Cable – 500 Series (Sl. No.7x1.25)            |                              |          |
| 10.   | - Sub Trunk Cable – RG11(Sl. No.8x1.25)               |                              |          |
| 11.   | Number of Homepass                                    |                              |          |
| 12.   | Number of Houses (Sl. No.5xSl. No.11)                 | 57,000                       |          |
| 13.   | Percentage of Houses having TVs                       | 80%                          |          |
| 14.   | Percentage of Cable Subscribers                       | 70% effectively<br>56%=32000 |          |
| 15.   | No. of subscribers / Headend Centre (Sl. No.12x13 14) |                              |          |
| 16.   | - Headend   | 7 year                       |          |
| 17.   | - Cable Network                                       | 5 year                       |          |
|       | Annual Rate of Depreciation                           |                              |          |
| 18.   | - Headend   |                              |          |
| 19.   | - Cable Network                                       |                              |          |
| 20.   | Average Debt-Equity Ratio                             |                              |          |
| 21.   | Rate of Interest on Debt                              |                              |          |
| 22.   | Post-Tax Rate of Return on Equity                     | 12%                          |          |
| 23.   | Tax Rate including Surcharge                          | 19%                          |          |
| 24.   | Pre-Tax Rate of Return on Equity                      | 12%                          |          |

COSTING FOR FREE TO AIR CHANNELS  
CABLE HEADEND - CAPITAL EXPENDITURE

| S.NO. | PARTICULARS   | AS TABLED           | COMMENTS |
|-------|---|---------------------|----------|
| 1.    | Civil Works   | Rs.10,000x8=80,000  |          |
| 2.    | Electrical Works  | Rs.10,000x8=80,000  |          |
| 3.    | Parabolic Dish Antenna 12 ft. Prof Grade with other Accessories     | 25kx8=2,00,000      |          |
| 4.    | Post Amplifier  | 1x40,000            |          |
| 5.    | 19 inch Equipment Rack & Wiring                                     | Lumpsum Rs.1,00,000 |          |
| 6.    | UPS with Batteries for one hour back-up                             | 1 Rs.2,50,000       |          |
| 7.    | Generator Set   | 1 Rs.2,50,000       |          |
| 8.    | Test and Measuring Equipments                                       | Lot Rs.2,50,000     |          |
| 9.    | Air Conditioners  | 2x40k Rs.80,000     |          |
| 10.   | Analog / Digital Receivers  | 60x9,000=5,40,000   |          |
| 11.   | Combiners (one for 16 channels)                                     | 4x3,000 = 12,000    |          |
| 12.   | Modulators  | 60x10,000=6,00,000  |          |
| 13.   | VHS/VCR/VCD Players   | 4x10,000=40,000     |          |
| 14.   | Amiga Logo and Tex Generator with Gen. Lock                         | 2x20,000=40,000     |          |
| 15.   | TV Monitors   | 4x7,000=28,000      |          |
| 16.   | Total Cable Headend Capital Expenditure (Sl. No.1 to 15)            | Rs.25,90,178        |          |
| 17.   | Total Capital Expenditure Per Channel (Sl. No.16 / No. of Channels) | 43,170              |          |

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**COSTING FOR FREE TO AIR CHANNELS  
CABLE NETWORK – CAPITAL EXPENDITURE**

| S.NO. | PARTICULARS   | AS TABLED         | COMMENTS    |              |
|-------|---|-------------------|-------------|--------------|
| 1.    | Trunk Cable – 500 Series Coaxial Cable                        | 52.5km @ 54,000   |             |              |
| 2.    | Sub-Trunk Cable – RG11 (Chargeable Length)                    | 288.75km @ 24,000 |             |              |
| 3.    | Messenger Wire for Trunk / Sub Trunk Cable (Sl. No. 1 + 2)    | 341.25km @5,000   |             |              |
| 4.    | 860 Mhz Line Extds for RG11 & other Accessories (Sl. No.2x3)  | 866 @8,000        |             |              |
| 5.    | Amplifiers for RG500 (Sl. No.1x5)                             | 263x18,000        |             |              |
| 6.    | 90V 10A Power Supplies plus Inseters etc. (Sl. No.3 / 2)      | 171 @ 3,700       |             |              |
| 7.    | UPS with Batteries  | 60 @ 8,000        |             |              |
| 8.    | Connectors / Splitters / Tap Offs etc. (BECIL Data)           | Lot 762812        |             |              |
| 9.    | Drop Cable RG-6/59BU (20 mtrs. Per Subscriber)                | 6446km @ 16,000   |             |              |
| 10.   | Installation and Commissioning                                | 341km @ 4,000     |             |              |
| 11.   | Tools, Caring Tools and Crimping Tools                        | 5 x 6,400         |             |              |
| 12.   | Total Network Capital Expenditure (Total for SL. No. 1 to 11) | 3,67,54,562       |             |              |
| 13.   | Total Network Capital Expenditure Per Subscriber              | 1137/-            |             |              |
| 14.   | Total Net Expenditure Not Considered                          |                   | 81,37,000   | Refer Para 1 |
| 15.   | Grand Total Cost  |                   | 4,48,91,562 |              |
| 16.   | Grand Total Network Capital Expenditure Per Subscriber        |                   | 1,388/-     |              |

**COSTING FOR FREE TO AIR CHANNELS  
OPERATING EXPENDITURE AND RETURN**

| S.NO. | PARTICULARS                              | AS TABLED  | COMMENTS  |              |  |
|-------|--|------------|-----------|--------------|--|
|       | <b>MANPOWER COST PER MONTH</b>           |            |           |              |  |
| 1.    | Business Manager                         |            |           |              |  |
| 2.    | Headend Operator                         |            |           |              |  |
| 3.    | Account Executive                        |            |           |              |  |
| 4.    | Receptionist                             |            |           |              |  |
| 5.    | Manager Technical                        |            |           |              |  |
| 6.    | Technicians                              |            |           |              |  |
| 7.    | Helper / Money Collectors                |            |           |              |  |
| 8.    | Security Guard - Headend                 |            |           |              |  |
| 9.    | Storekeeper                              |            |           |              |  |
|       | Total Manpower Cost Per Month            | 47 Persons | 382       | Ref. Para 2  |  |
|       | <b>TOTAL OPERATING COST PER MONTH</b>    | 2,32,800   | 19,61,500 | Ref. Para 2  |  |
| 1.    | Building Rent                            | 40,000     | 3,40,000  | Ref. Para 3  |  |
| 2.    | Electricity & Water Charge               | 45,000     | 2,25,000  | Ref. Para 4  |  |
| 3.    | Communication Cost                       | 14,000     | 1,15,000  | Ref. Para 5  |  |
| 4.    | Advertisement Expenses                   | 15,000     | 15,000    |              |  |
| 5.    | Transport Charges                        | 18,000     | 19,450    | Ref. Para 6  |  |
| 6.    | Manpower Cost                            |            |           | Ref. Para 2  |  |
| 7.    | Repairs and Maintenance @ 6% p.a.        | 1,96,724   | 3,12,227  | Ref. Sheet 7 |  |
| 8.    | Diesel (Genset Avg. running 4 Hrs / Day) | 7,500      | 39,900    | Ref. Para 8  |  |

|              |   |                                    |   |  |                              |
|--------------|---|------------------------------------|---|--|------------------------------|
| 9.           | Other Expenditures (Misc.)                        | 15,000                             | 15,000                                  |  |                              |
| 10.          | Depreciation - Headend                            | 30,835                             | 30,835                                  |  |                              |
| 11.          | Depreciation - Network Distribution               | 6,12,576                           | 7,48,192                                |  | Taken as 20%                 |
| 12.          | Provision for Bad Debts @ 2%                      | 29,688                             | 1,20,000                                |  | Aprox .2% rounded            |
| 13.          | Total per Month                                   | 12,56,123                          | 39,42,104                               |  | 3822104                      |
| 14.          | Less Other Income Per Month (Net)                 | 1,00,000                           | - 6,47,330                              |  | Ref. Para 9                  |
| 15.          | Net Operating Cost Per Month Per Subscriber       | 11,57,123                          | 45,89,434                               |  | 4469434                      |
| <b>S.NO.</b> | <b>PARTICULARS</b>                                | <b>As Tabled</b>                   | <b>Comments</b>                         |  |                              |
| 16.          | Net Operating Cost Per Month Per Subscriber       | 35.78                              | 141.91                                  |  |                              |
|              | <b>EXPENSE (NOT INCLUDED)</b>                     |                                    |   |  |                              |
| 17.          | Electricity Pole Rent                             |                                    | 6,71,504                                |  | Ref. Para 10                 |
| 18.          | Insurance & Staff Welfare                         |                                    | 1,61,908                                |  | Ref. Para 11                 |
| 19.          | Stationary & Audit and legal expense              |                                    | 37,916                                  |  | Ref. Para 12                 |
| 20.          | Net Grand Operating Expenses                      |                                    | 54,60,762                               |  |                              |
| 21.          | Grand Net Operating Cost Per Month Per Subscriber |                                    | 168.85                                  |  |                              |
|              | <b>RETURN ON CAPITAL EMPLOYED</b>                 |                                    |   |  |                              |
| 1.           | Average Capital Employed for Headend              |                                    |   |  |                              |
| 2.           | Average Capital Employed for Distribution         |                                    |   |  |                              |
| 3.           | Working Capital (2 Months)                        |                                    |   |  |                              |
| 4.           | Total Average Capital Employed                    |                                    |   |  |                              |
| 5.           | Total Return Per Annum on Equity                  |                                    |   |  |                              |
| 6.           | Total Return Per Month                            | 3,27,269 @ 45.90 on<br>32340 subs. | 62,69,109 @<br>193.85 on 32340<br>subs. |  |                              |
| 7.           | Return Per Subscriber Per Month                   | 10.12                              | 25.00                                   |  | Calculated<br>@<br>appox.15% |
| 8.           | Amount Chargeable - Per Subscriber Per Month      | 45.90                              | 193.85                                  |  |                              |

Para 1

CAPITAL EXPENDITURE NOT CONSIDERED

|   |                  |
|---|------------------|
| A. Generators for Ups installed in the Field Numbering 60<br>@ Rs. 20000/- each<br>(Required since every UPS can work for some time period<br>and break down of electricity can extend to many hours at a stretch ) | Rs. 12,00,000    |
| B. A Small car for Business Manager Maruti 800  | Rs. 2,50,000/-   |
| C. Scooters for Field and executives Numbering 9<br>@ Rs. 25,000/- Each<br>( Adv. Personal - 3 . Tech Sr. Tech - 3 . Store -1,<br>Accounts -1 ,Manager Tech -1)   | Rs. 2,25,000/-   |
| D. Cycles For Field Staff @ Rs. @2000/- Each numbering 181<br>( Collection - 53 , Field Jr. staff tech. - 128 )   | Rs 3,62,000/-    |
| E. Subscribers Management System<br>( computers and software )  | Rs. 5,00,000/-   |
| F. Db. Meters for signal measurement<br>(1 - high quality @ Rs. 3,50,000/-,<br>70 for field staff @ 75,000/- )  | Rs. 56,00,000/-  |
| Total Additional Capital Cost   | Rs. 81,37,000 /- |

Para 2

OPERATING EXPENSES AND RETURN

> Refer Point No. 1 to 9

Total Manpower required is not 47 persons but it is as follows : In 8 hours shift, Cable TV Network where as function 24 \* 7 \* 52 basis  
The manpower actually needed is, as following :-

| S. No. | Post/Designation  | Manpower | Salary per month per person | Total    |
|--------|---|----------|-----------------------------|----------|
| 1.     | Business Manager  | 1        | 25,000                      | 25,000   |
| 2.     | Head end Operator ( 3 Shifts)   | 4        | 4,500                       | 18,000   |
| 3.     | Advertisement / Computer Operator cum Player  | 1        | 8,000                       | 8,000    |
| 4.     | Advertisement Executive   | 3        | 6,000                       | 18,000   |
| 5.     | Reception   | 2        | 6,000                       | 12,000   |
| 6.     | Sr. Manager (Tech.) BE  | 1        | 22,000                      | 22,000   |
| 7.     | Sr. Technical officer ( 3 shifts)   | 3        | 12,000                      | 36,000   |
| 8.     | Field Technicians: @ one Tech for 500 Subs per shift for 2 shifts.                    | 128      | 5,000                       | 6,40,000 |
| 9.     | Helper Field Tech.@ one Helper for 500 Subs per shift for 2 shifts.                   | 128      | 3,500                       | 6,40,000 |
| 10.    | Collection Boys @ 1 Boy for 600 Subs.   | 53       | 4,500                       | 2,38,500 |
| 11.    | Headend Security Guard @ One Guard per shift for 3 shifts.                            | 3        | 4,000                       | 12,000   |
| 12.    | Network Security Services(2 Shifts)<br>1 guard @ 3.25 KM of main wire per shift for 2 | 32       | 4,000                       | 1,28,000 |

|     |   |            |        |                  |
|-----|---|------------|--------|------------------|
|     | shifts.                                 |            |        |                  |
| 13. | Store Keeper                            | 1          | 10,000 | 10,000           |
| 14. | Store Assistant. (2 Shifts)             | 2          | 5,000  | 10,000           |
| 15. | Sr. Accounts Officer                    | 1          | 22,000 | 22,000           |
| 16. | Accounts Executive                      | 3          | 8,000  | 24,000           |
| 17. | Cahier                                  | 1          | 8,000  | 8,000            |
| 18. | Computer Data Operator                  | 3          | 10,000 | 30,000           |
| 19. | Complaint Operator Services ( 3 Shifts) | 12         | 5,000  | 60,000           |
|     |   |            |        |                  |
|     | <b>TOTAL</b>                            | <b>382</b> |        | <b>19,61,500</b> |

Note :- Manpower allocation is with regard to 24 hours functioning of network S.No. (2) Head end Operators are required around the clock S.No. (4) one executive bring in the business of around Rs. 50,000/- and in total business of advertisement on cable VCR Channel can be 1,50,000/- which helps to lower the running cost of cable video channel which is a hall-mark of cable TV network., S.No.(7) Every Shift has one Sr. Technical officer to guide and control field technician .S.No (8)(9) comprise a team of technician and helper on every 500 connections / subscribers, in the field and work on 8 hours shift so there are two shifts .S.No. (10) For Every 600 subscribers one collection boy is required as he can make 70 calls a day (every call in approx. 5 min.) and in 25 days (in a month) he can make around 1750 calls to collect payment from 600 subscribers S.No. (12 ) There is a security personal every 3.25 KM average to safe guard the network property /wires. S.No.(16) Account executive 3 are required to control 53 collection boys and take there account . S. No. (16) To feed and prepare data in computer for subscribers management as to be furnished also to Govt. as statutory requirement. S.No. (19) Complaint are to be taken on 24 Hours basis on phone and otherwise so complaint operators will function for around the clock and also they will take care and control the field staff .

The Requirement of 382 employees is must as Cable TV network is service oriented and can not be compared with any other services like telephone . Any lower allocation will effect the services of the consumers and may result in breakdown litigations and disgruntled customs. The every change in weather condition make necessary to retune your circuit to suit the temperature. This also a serial kind of circuit and so every subscribers signal complaint can have multiple reasons and points from which it can get defective hence more points to be checked for rectification as compare to telecom where direct lines are fed through the exchange. The signal is micro volt along with low voltage electricity and it is difficult to maintain in tropical condition like India in the field.

Para 3.

RENT

Building Rent is not just only for premises of head end but for various other premises and office. All the UPS placed in the field for power pass system ( refer as per item 7 in capital expenditure UPS – Numbering 60) need not only back up Generator but a place to keep them at various 24 hours accessible places in the networks area . These places can and will also be a sitting place for the employees working in the areas. These places also have a rental value.

|   |   |                       |
|---|---|-----------------------|
| Places 60 @ Rs.5000 per month<br>(24 hours accessible)    | = | 3,00,000/-            |
| Head- end Premises 1 x Rs.40,000<br>alongwith main office | = | 40,000/-              |
| <b>Total</b>  |   | <b>Rs. 3,40,000/-</b> |

Para 4

ELECTRICITY CHARGES

|   |   |                      |
|---|---|----------------------|
| 1. Headend electricity expenses per month   | = | Rs.45,000/-          |
| 2. Electricity Expenses for 60 field premises<br>@ Rs.3000/- p.m. per premises<br>(For power pass of 866 line Amp.<br>And 263 main Amp. alongwith UPS, Powersupplies,<br>Fan / Exhaust, Light etc.) | = | Rs.1,80,000/-        |
|   |   | <b>Rs.2,25,000/-</b> |

Para 5

TELEPHONE AND COMMUNICATIONS EXPENSE

Require some charges as follows: -

- |    |  |                     |
|----|--|---------------------|
| 1. | Monthly Rent of – 10 telephones Phones   | Rs.2,500/-          |
| 2. | 1,000 out going Calls, per day @ Rs.1.20 and for one month<br>(1,000 x 1.20 x 30 days or every subscriber one call per month)          | Rs.36,000/-         |
| 3. | Walkie Talky numbering 70 (70 x 1100)<br>(@ Rs. 1100/- per month )<br>(for smother operation and will be used by field staff & Guard.) | Rs.77,000/-         |
|    |  | <hr/> Rs.1,15,500/- |

Para 6

CONVEYANCE

| S. No. | Item                              | Quantity             | Rate                                       | Amount   |
|--------|-----------------------------------|----------------------|--|----------|
| 1.     | Cycles to field staff             | 181<br>(53 + 64 +64) | @Rs.50/- per month maintenance             | Rs.9050  |
| 2.     | Scooters for Manager /Technicians | 9<br>(4 + 3+1 +1)    | Petrol = Rs.600/-<br>Per scooter per month | Rs.5,400 |
| 3.     | Car for Manager                   | 1                    | Petrol = Rs.5000/-<br>(per month)          | Rs.5,000 |
|        | Total                             |                      |  | Rs19450. |

Para 7

REPAIR AND MAINTENANCE

Repair and maintenance is taken at 6% on total investment, whereas it should not be less than 8% since all material is installed out side and is subjected to fast wear and tear. The material is also sensitive to temp. and weather condition. There is also a factor of damage caused by other agencies developing other infrastructure like metro rails, over head bridges etc.

We can consider maintenance cost 6% p.a. on material inside four walls but the network which is in open need to have maintenance cost of 8% p.a. as minimum.

|                                      |                        |
|--------------------------------------|------------------------|
| Repair Maintenance                   |                        |
| On head -end investment Rs.25,90,178 | Rs 12,950 per month    |
| @ 6% per annum                       |                        |
| On network investment Rs.4,48,91,562 | Rs.2,99,277 per month  |
| @ 8% per Annum                       |                        |
| TOTAL                                | Rs. 3,12,227 per month |

Para 8

DIESEL (Genset Avg. running 4 Hrs / Day)

Genset in field will have extra expense i.e. 60 Gensets being run at 1.5 hrs. a day on average . UPS can not take load for long duration and during summer when electricity condition is bad it also does not get time to charge fully, so time of it's operation suffers.

|   |   |                 |
|---|---|-----------------|
| Kerosene 1ltr. Per hour (@Rs.12/-) for 60 Gens. for 1.5hrs. a day | = | 32,400/- p.m.   |
| Diesel required for main genset at head-end                       | = | 7,500/-         |
| TOTAL   |   | <u>39,900/-</u> |

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Para 9

LESS OTHER INCOME PER MONTH (NET)

VCR Channels Advertisement Revenue is OK but VCR Operation expense is not considered , which as follows :-

|  |                      |
|--|----------------------|
| 1. Cable Master Royalty Fee (CVIL)<br>Rs.7/- per subs. Per month<br>(for 32340 subs) | Rs. 2,26,380/-       |
| 2. Ultra Video<br>Rs.7/- per month per subs.<br>(for 32340 subs)                     | Rs.2,26,380/-        |
| 3. Shemaro Video<br>Rs.8/- per month per subs.<br>(for 32340 subs)                   | Rs.2,58,720/-        |
| 4. T - Series<br>Rs.2.50/- per month per subs.<br>(for 32340 subs)                   | Rs.80,850/-          |
|  | <hr/>                |
|  | Rs.7,94,330.00       |
| <b>RENTAL COST</b>   |                      |
| 10 Cassettes per day for one month @ Rs.10/-<br>per cassette a day                   | Rs. 3000             |
|  | <hr/>                |
| <b>TOTAL</b>   | Rs.7,97,330/-        |
| <b>LESS</b>  |                      |
| Advertisement Revenue =  | Rs.1,50,000          |
|  | <hr/>                |
| <b>Net loss</b>  | <b>Rs.6,47,330/-</b> |

P.S. : For explanation, go to next sheet.

Note :- VCR Channel is conventional channel and is in existence since the inception of Cable TV network. This channel has been operational and is taken as expense of running cable TV network. This is channel which has brought cable TV industry to existence hence is must for industry .

This channel operation was one of major expense when cable TV was started at a rate of Rs100 – Rs150 varying as per area. Cable Video firms sold license for operation in any area and used to charge lumpsum as fee for a period of a year .

Para 10

ELECTRICITY POLE RENT

This expense is not appearing in your work sheet and seems to have been omitted . This is as fallows :-

|   |                |
|---|----------------|
| Trunk Cable 500 series  | 52.5 KM        |
| RG 11 Branch Cable  | 288.75KM .     |
| Total Wire Laid   | 341.25 KM      |
| Total wire attached to electric poles<br>(80% of (341.25KM)the wire laid is on electric poles)<br>(Drop cable is not assumed on poles ) | 273 KM         |
| Total poles used to attach cable is<br>(Distance in between two poles is 30 mtrs.)  | = 9100 poles   |
| Poles charges for a month to attach cable is<br>(@ Rs.885.5 per pole per year )   | = Rs. 6,71,504 |

Para 11

**B) INSURANCE AND STAFF WELFARE**

This expense is not appearing in your work sheet and seems to have been omitted . This is as follows .

|    |  |               |
|----|--|---------------|
| 1. | 2 Tea per employee per day<br>(382 @ Rs.3/- x 2)   | = Rs.68,760/- |
| 2. | ESI Expenses<br>(Contribution Employee – 1.75 % &<br>Company – 4.75% of salary)<br>(employees salaries is Rs. 19,61,500/-) | = Rs.93,148/- |
|    |  | <hr/>         |
|    |  | Rs.1,61,908/- |

Note :- PPF is taken in the wages and is reflected in cost to company .but ESI or medical expense is not accounted for in salary.

Para 12

**STATIONARY & AUDIT CHARGES**

This expense is not appearing in your work sheet and seems to have been omitted . This is as follows .

|  |   |            |
|--|---|------------|
| Bills and others stationary<br>( Rs. 1 /- per subscriber per month ) | = | Rs. 35,000 |
| Audit charges and legal charges<br>( Rs. 35,000/- per annum)         | = | Rs.2,916   |
| TOTAL  | = | Rs. 37,916 |