

BHARAT SANCHAR NIGAM LIMITED
AUDIT REPORT UNDER CARO [Clause 4 (xxi)] FOR THE FINANCIAL YEAR 2009-10
INSTANCES OF FRAUD ON OR AGAINST THE COMPANY DURING THE FINANCIAL YEAR 2009-10

S.NO.	DESCRIPTION	AMOUNT (RS.)	RECOVERY (RS.)	WRITE-OFF(RS.)	PROVISIONS (RS.)	Total (Rs.)
1	THEFT OF INVENTORY	8,133,601.00	-	3,420.00	8,130,181.00	8,133,601.00
2	THEFT OF ASSETS	3,012,000.00			3,012,000.00	3,012,000.00
3	FAKE NOTES	48,000.00		36,000.00	12,000.00	48,000.00
4	MISAPPROPRIATION OF REVENUE COLLECTIONS AT COUNTERS	8,375,000.00	28,000.00	-	8,347,000.00	8,375,000.00
5	SALARY FRAUD					-
6	NON-VERIFICATION OF GENUINENESS OF POSTPAID SUBSCRIBERS	6,825,000.00			6,825,000.00	6,825,000.00
7	MISUSE OF ADVANCES					-
8	CASH THEFT/ FRAUD					-
	TOTAL	26,393,601.00	28,000.00	39,420.00	26,326,181.00	26,393,601.00

Notes:-

- 1) In Himanchal Pradesh, at CMTS, discrepancies in respect of prepaid sales and inventory/assets and purchases etc. reported during previous year are still under investigation, amount unascertained.
- 2) In Himanchal Pradesh, neither reconciliation statement was made available to branch auditors nor any action report on the fraudulent sales of prepaid instruments to the extent of Rs 22.06 crores which is under reconciliation and Rs.87 lacs as less accounted relating to previous year. The matter is under investigation, amount unascertained.
- 3) In Andhra Pradesh, a total of 1,30,000 E-Pin CD's were found lost from inventory and FIR lodged with police on 2.6.2010. The face value of each E-pin's is Rs.100 and on primary verification, 1,29,066 E-pin's were found activated and 934 E-Pin's were not activated and same were blocked in IN 2.6.2010. The activation started from Nov 09 to May 10. The actual usage value could not be found out immediately and no accounting treatment was given in F.Y.2009-2010.