

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4701

ANSWERED ON:23.04.2010

MONEY LAUNDERING

Bavalia Shri Kuvarjibhai Mohanbhai;Nagorao Shri Dudhgaonkar Ganeshrao;Naranbhai Shri Kachhadia

Will the Minister of FINANCE be pleased to state:

- (a) whether the Securities and Exchange Board of India (SEBI) has received complaints against some listed telecom operators for fudging of accounts and under-reporting of revenue to the Government;
- (b) if so, the details thereof along with action taken thereon;
- (c) the details of fudging, mis-appropriation, under-reporting of revenue and money laundering indulged in by the telecom operators;
- (d) whether SEBI has investigated the matter;
- (e) if so, the outcome of the investigations; and
- (f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a): Yes, Sir.

(b): SEBI has received three complaints alleging fudging of accounts and under reporting of revenue to Government by Reliance Communications Ltd. (R-Com).

(c): The complaints allege that R-Com has under-reported revenue to Telecom Regulatory Authority of India (TRAI) to the tune of Rs.3000 crore in 2006-07 and 2007-08, and has evaded license fees in the range of Rs.315 crores to Rs.335 crores payable to TRAI.

(d): The complaints have arisen, prima facie, based on the report of the special audit commissioned by the Department of Telecommunications (DoT). It is primarily for the DoT who has commissioned the special audit to conclude on the findings of the special audit report. SEBI has pursued the matter with DoT and Ministry of Corporate Affairs (MCA) in this regard.

(e): The Department of Telecommunication has informed that it has ordered a Special Audit on specific terms of reference, of the accounts of five telecom operators to determine whether the correct License Fee / Spectrum Charges are being paid to the Government as per the terms of License Conditions. One audit report received by DoT, pertaining to M/s RCom is being examined by them.

(f): Does not arise in view of reply to (e) above.