

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:1108
ANSWERED ON:15.11.2010
AUDIT OF TELECOM COMPANIES
Aaron Rashid Shri J.M.;Mahant Dr. Charan Das

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Comptroller and Auditor General of India (CAG) has given recommendations to the Union Government to amend licence conditions of telecom operators so as to add a new clause relating the audit the accounts of private telecom operators that bagged 3-G spectrum in the country;
- (b) if so, the details thereof;
- (e) whether according to Article 149 of the Constitution of India, CAG have no powers to challenge or amend policy decisions of the Government;
- (d) if so, the reasons therefor; and
- (e) the step taken/being taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) & (b) Madam, Director General Audit, Post & Telegraph had suggested that since the Private Service Providers (PSPs) are resisting to submit their books of accounts for C&AG audit, the licence agreement between DoT and the PSPs may be amended in conformity with TRAI Rules 2002, enabling C&AG to audit PSPs in clear and plain manner. Director General Audit, Post & Telegraph has subsequently mentioned that with the allocation of 3G Spectrum lined up to start from September 2010, amendment to the existing license conditions to provide for roll out obligation of 3G services, payment of additional spectrum charges etc. are imperative. In view of the above, the Director General Audit, Post & Telegraph has reiterated for incorporating the enabling clauses for CAG audit in the licence terms and conditions of Telecom Operators.

However, the issue regarding powers of CAG to Audit accounts of PSPs is sub-judice before judicial foras. Therefore, as per legal advice, any change in the agreement may be considered only after the issue is finally adjudicated upon.

(c)to (e): The Ministry of Law & Justice has opined that the CAG has no duty or power to challenge policy decisions taken by the Government.

The above opinion of the Ministry of Law & Justice was conveyed to the Director General Audit, Post & Telegraph.