

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

UNSTARRED QUESTION NO:3321
ANSWERED ON:12.02.2014
AUDIT OF TELECOM COMPANIES
Ganpatrao Shri Jadhav Prataprao;Yadav Shri M. Anjan Kumar

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

- (a) whether the Government has conducted any audit of the companies providing telecommunication services during the last three years;
- (b) if so, the details thereof, company-wise and year-wise;
- (c) whether any shortcomings or irregularities have been found in the audit;
- (d) if so, the nature of these shortcomings or irregularities and the action taken by the Government in this regard along with the reaction of these companies in this regard;
- (e) whether the Government proposes to get their account audited from the Comptroller and Auditor General of India (CAG); and
- (f) if so, the details thereof and the action taken in this regard, so far?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MILIND DEORA
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(a) Yes Madam.

(b) Madam, the details are enclosed.

(c) & (d) Yes Madam. On the basis of Special Audit reports of the five telecom group companies, the Department had raised the demand of Rs.1846.51 Crores (Rs.896.05 Cr. Principal and Rs.950.46 Cr. (As interest up to Nov-2012 and February-2013) (Details are enclosed at Annexure I). All the Licensee Companies have obtained stay orders from the Hon`ble High Courts of Kerala, Madras & Guwahati as well as Hon`ble Telecom Disputes Settlement and Appellate Tribunal (TDSAT), against enforcement of the said demands.

(e) & (f) Yes Madam. The Government, while making the Telecom Regulatory Authority of India Service providers (Maintenance of Books of Accounts and other documents) Rules 2002, also provided for audit of the book of accounts of the licensee companies by the Comptroller and Auditor General Of India (C&AG) to secure an effective check on the assessment and proper collection of revenue. Copy of the Rule is placed at Annexure - II. This provision was challenged by the two main Associations of Telecom Service providers and some individual licensees before the Hon`ble High Court of Delhi, which has since been dismissed and the provisions for audit of the revenues of the Telecom Service Providers by the Comptroller and Auditor General Of India (C&AG) has been upheld. The Associations and Telecom Service Providers have filed a Special Leave Petition before the Hon`ble Supreme Court of India against the said order and the matter is subjudice.