

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

STARRED QUESTION NO:15

ANSWERED ON:24.02.2016

Audit of Accounts of Telecom Companies

Khairi Shri Chandrakant Bhaurao;Lakhanpal Shri Raghav

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

- (a) whether the Telecom Regulatory Authority of India (TRAI) has ordered audit of accounts of telecom companies;
- (b) if so, the details and outcome thereof;
- (c) the details of companies found to be misrepresenting and under-reporting of gross revenues, telecom operator-wise and the action taken penalties imposed on them;
- (d) whether the telecom companies are not cooperating with auditing agency/agencies and also delaying the account documents to the auditing agencies; and
- (e) if so, the details thereof and the action taken by the Government against such companies?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.15 FOR 24th FEBRUARY, 2016 REGARDING "AUDIT OF ACCOUNTS OF TELECOM".

(a) & (b) TRAI has not ordered for audit of account of any telecom company.

(c) The details of companies found to be misrepresenting and under-reporting of revenue as a result of special audit conducted by DoT in 2009 for the financial year 2006-07 and 2007-08 is as below:-

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S. No Group of Companies

1 Reliance Group

2 Bharti Group

3 TATA Group

4 Vodafone Group

5 Idea Group

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Taking into consideration the under-reporting revenue, license fee due has been calculated and demand notices for recovery of the same were issued. The demands are still subjudice because the telecom companies have challenged the same in various courts as detailed below:

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Sl.No Name of Company Demands Raised (in crores) Name of the court in which the case is subjudice

1 Reliance Group 623.18 The case is in the Hon'ble High Court of Kerala and the TDSAT. The enforcement of demand has been stayed by the High Court of Kerala and TDSAT.

2 Bharti Group 332.12 The case is in the Hon'ble High court of Kerala and there is a stay on enforcement of demands.

3 TATA Group 510.15 The case is in the Hon'ble High Court of Kerala and the Court has stayed the enforcement of demands.

4 Vodafone Group 246.89 The case is in the Hon'ble High court of Kerala and the Court has stayed the enforcement of demands.

5 Idea Group 134.17 The case is in the Hon'ble High court of Kerala and the Court has stayed the enforcement of demands.

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(d) & (e) No instance of non co-operation by Telecom Service Providers with Auditors was reported.
