

CAG pulls up DoT for favouring Reliance Communications, Tata Teleservices, others

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KOLKATA: The national auditor has accused the telecom department (DoT) of giving "undue benefits" to four dual-technology operators - [Reliance Communications](#), Tata Teleservices, Shyam Telelink and [HFCL Infotel Ltd](#) -- disregarding the recommendations of the sector regulator on computation of spectrum usage charges (SUC).

DoT failed to "implement Telecom Regulatory Authority of India's (Trai) recommendations to levy SUC for the combined total of spectrum allocated in different technology-specific bands, resulting in undue benefit to the extent of Rs 882.06 crore (from 2009-10 to 2013-14)," the Comptroller & Auditor General (CAG) said Friday in a report tabled in Parliament.

DoT allowed these telcos to pay SUC based on "separate allocated spectrum" for different technologies instead of "SUC on (their) combined spectrum" holdings, it added.

"Non-implementation of Trai's recommendation resulted in undue benefit of Rs 416.99 crore and Rs 465.07 crore to RCom (during 2009-10 to 2013-14) and [Tata Teleservices](#) (during 2010-11 to 2013-14) respectively after considering a one-year moratorium from the date of assignment of spectrum for the second technology," CAG said in its report.

The companies did not reply to ET's queries at press time.

The national auditor said Sunil Mittal-headed Bharti group was "a direct beneficiary" of DoT's "hasty" decision to merge the Chennai and Tamil Nadu circles "without proper cost-benefit analysis".

According to it, Bharti's Chennai mobile permit was "prematurely extended by seven years" from November 2014 to September 2021 at "no additional cost" following the merger of its Chennai and TN circles.

"Bharti's Chennai and TN circles were merged in January 2007, but had its Chennai permit been extended at the time of its expiry, i.e. November 2014, the cost of licence period extension would have been Rs 499.35 crore," it said.

The Rs 499.35 crore, it added, "was the cost of 9.2 MHz of spectrum (6.2 MHz in the 900 band and 3.2 in the 1800 MHz band) held by Bharti in Chennai for an extended seven years, including entry fees".

At press time, [Bharti Airtel](#) did not reply to ET's queries.

The national auditor also hauled up DoT for failing to penalise mobile carriers who allegedly flouted tower emission norms. The DoT's vigilance units "did not impose Rs 4,219.30 crore of penalties on telcos" despite "non-submission or delayed submission of mandatory self-certificates," it said.

According to CAG, audit scrutiny had revealed that of the 1,96,619 BTSs (read: base stations) installed post-May 8, 2010, self-certificates had not been submitted for as many as "76,575 sites," resulting in a failure to impose "Rs 3,828.75 crore in penalties". It noted that an additional "Rs 390.55 crore in penalties" had also not been slapped despite similar non-submissions for 7,811 sites commissioned before May 8.

This apart, CAG added that India's No 4 mobile carrier, RCom had launched GSM services in Delhi in February 2009 without prior DoT approval. "RCom launched GSM services in Delhi without prior demonstration of lawful interception and monitoring (LIM) capabilities," which it said was a breach of licence conditions.



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