

Govt raises demands for recovery of losses from telecom firms

A Comptroller and Auditor General report this year found that six telecom operators understated revenue by Rs 46,045.75 crore, for four financial years 2006-07, 2007-08, 2008-09 and 2009-10, the government said in Parliament today.

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NEW DELHI: Government has taken action against telecom firms who understated their revenue in the past and has issued regular demands to recover dues from them.

A Comptroller and Auditor General report this year found that six telecom operators understated revenue by Rs 46,045.75 crore, for four financial years 2006-07, 2007-08, 2008-09 and 2009-10, the government said in Parliament today.

"As per the report, the shortfall in licence fee amounts to Rs 3,752.37 crore, in spectrum usage charges amounts to Rs

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1,460.23 crore and interest on short fall up to March 2015 amounts to Rs 7,276.33 crore," Minister of State for Finance Santosh Kumar Gangwar said in a written reply to Rajya Sabha.

The CAG report which had come in March had said that there was a loss of Rs 12,488.93 crore on the government exchequer because six telecom firms had reported under-invoicing of their gross revenues.

As per the CAG report, which was tabled in Parliament, Reliance Communications, Tata Telecom, Vodafone, Airtel, Idea and Aircel had under reported their adjusted gross revenue by Rs 46,045.75 crore during the four fiscal years running from 2006-07 through 2009-10.

"The government has issued regular demands for all the four financial years and special audit demands for two financial years 2006-07 and 2007-08. These demands overlap the short falls pointed out in the CAG report," Gangwar said.

For these two financial years, the minister said CAG has pointed out a short fall of licence fees of Rs 1,269.36 crore.

"Department of Telecom (DoT) had already issued demands for license fee amounting to Rs 896.07 crore in 2012 itself based upon the report of special auditors," he added.

Besides, DoT conducted special audit of five major telecom companies in 2009.

"On the basis of special audit demands of Rs 1,846.51 crore and Rs 1,118.54 crore as license fees and spectrum usage charges were raised. These demands are subjudice," Gangwar said.

The minister also informed the house that whenever any information regarding evasion of taxes, including under reporting of revenue is received, appropriate action is taken under relevant laws.

Searches, surveys, enquiries, assessment of income, levy of taxes, penalties and filing of prosecution in criminal courts and show cause notices are the way through which the

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Government takes action, the minister said.

The financial impact due to understatement of revenues are of the order of Rs 3,728.54 crore for Reliance Communications; Rs 3,215.39 crore for Tata Teleservices; Airtel (Rs 2,651.89 crore); Vodafone (Rs 1,665.39 crore), Idea (Rs 964.89 crore) and Aircel (Rs 262.83 crore), as per CAG.

Romit Guha

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