



High Court seeks DoT, CAG responses to telecom service providers' understated income

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Raghav Ohri | ET Bureau | December 13, 2016, 12:34 IST

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NEW DELHI: The Punjab & Haryana High Court has sought responses from the government, the ministries of communications, electronics & information technology and the Comptroller and Auditor General of India (CAG) on steps they are taking to recover a 'loss' of over Rs 12,488 crore to the exchequer after six telecom companies allegedly underreported income.

Similar notices were also issued to the Director General of Audit (Post & Telecommunications) on Monday on a public

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interest litigation filed by Gurgaon resident Harinder Dhingra last month. The petitioner wants the telecom ministry to 'finalise and act' upon the CAG's audit report submitted on March 11. Responses to the notices need to be filed by February 2.

The audit report pertains to [Bharti Airtel](#), [Vodafone India](#), [Aircel](#), [Idea Cellular](#), [Tata Teleservices](#) and [Reliance Communications](#) "under-reporting understating" their revenue to the tune of Rs 46,045.7 crore over four years from 2006-07 to 2009-2010.

The companies had denied any wrongdoing, saying the issue was about the interpretation of adjusted gross revenue (AGR), which is crucial for calculating their annual licence fees and spectrum usage charges. The matter regarding the definition of AGR is pending in various courts.

The CAG's findings had prompted the government to start a special audit for the three years to FY11 to determine if telcos had any outstanding dues. Subsequently, the Department of Telecommunications sent out demand notices to the six companies for a cumulative Rs 12,488 crore.

According to the petitioner, the government is yet to recover this amount. The petitioner sought directions to the government "not to inordinately delay the process of recovery of actual loss caused to the public exchequer" by the companies. Meanwhile, the office of the Controller of Communication Accounts, Punjab & Haryana Telecom Circle, has issued demand notices on outstanding spectrum usage charges for pre-2009 cases, as pointed out by the CAG.

For the Punjab Circle, notices have been issued to Bharti Airtel on account of "outstanding spectrum amount" to the tune of Rs 222 crore (Rs 94 crore for 2006-07 and Rs 128 crore for 2007-08). Idea has been asked to pay up over Rs 10 crore. For the Haryana circle, Bharti Airtel has been issued notices for almost Rs 9 crore for 2006-08 and RCom for about Rs 6 crore for 2006-08.



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