



**Report of the
Comptroller and Auditor General of India**

**Sharing of
Revenue by Private Telecom Service Providers
upto 2014-15**



**Union Government
(Communications and IT Sector)
Report No. 35 of 2017**

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CONTENTS

Description	Paragraph	Page
Preface		vii
Executive Summary		ix
Chapter-I: Introduction		
Revenue sharing regime	1.1	1
Definition of Gross Revenue (GR)/Adjusted Gross Revenue (AGR) in the various licenses	1.2	1
Arrangements in DoT for collection, accounting and assessment of LF and SUC	1.3	2
About this Report	1.4	2
Audit methodology	1.5	4
Audit criteria	1.6	4
Acknowledgement	1.7	4
Chapter II: Revenue Shared by Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited		
Introduction	2.1	5
Licences Issued to TTSL and TTML	2.1.1	5
Spectrum Allotted to TTSL and TTML	2.1.2	6
Gross Revenue (GR) and Adjusted Gross Revenue (AGR) reported by TTSL and TTML	2.1.3	7
Under Reporting of Revenue	2.2	7
Under Reporting of Revenue due to Netting Off of Discounts/Commission given to Dealers/ Distributors	2.2.1	7
Under Reporting Of Revenue due to Netting Off Of Discounts/Free Air Time And Full Talk Time given to Subscribers	2.2.2	9
Under Reporting of Revenue Due to Netting Off of Waiver Allowed to Subscribers	2.2.3	11
Under Reporting of Revenue from Infrastructure Sharing	2.2.4	12
Non Consideration of Forex Gain	2.2.5	13
Under Reporting of Revenue in the Statements of Revenue and License Fee (AGR Statements) though reported in the Books of Accounts	2.3	14

Non Consideration of Profit on Sale of Investment	2.3.1	14
Non Consideration of Interest Income	2.3.2	15
Non Consideration of Profit on Sale of Fixed Assets	2.3.3	16
Non Consideration of Miscellaneous Income	2.3.4	17
Short/Non-Payment of Revenue Share due to other Issues	2.4	18
Irregular deduction Claimed for Bad Debts Written Off from GR to arrive at AGR	2.4.1	18
Irregular deduction claimed on account of Lease Line and Port Charges resulting in Understatement of AGR	2.4.2	19
Non Consideration of Revenue from Sharing /Leasing of Bandwidth Links	2.4.3	20
Non Consideration of Profit for computation of GR /AGR by TTML on sale of its holding in subsidiary having Passive Infrastructure Assets	2.4.4	21
Interest on short/non-payment of LF and SUC	2.4.5	22
Non Submission of Details as required under Annexure III of the UAS/CMTS Licence Agreement	2.4.6	22
Response of DoT/TTSL to the Audit Observations	2.5	23
Chapter III: Revenue Shared by M/s Telenor (India) Communication Ltd		
Introduction	3.1	25
Radio Frequency Spectrum held by Telenor group	3.1.1	25
Revenue Reported and Revenue share paid by Telenor group	3.1.2	26
Under Reporting of Revenue from Prepaid Services due to Netting off of Commission/Offer/Discounts to Dealers/Subscribers	3.2	26
Under Reporting of Revenue due to Netting off of Margin / Commission paid to Distributors:	3.2.1	27
Under Reporting of Revenue on account of Offers made to Subscribers/Dealers	3.2.2	28
Under Reporting of Revenue due to Netting off Waivers from Prepaid Revenue	3.2.3	29
Under Reporting of Roaming Revenue due to set-off of Inter Operator Traffic (IOT) Discounts paid/credited to other Operators	3.3	31

Under Reporting of Revenue from Forex Gain for GR/AGR by UWL/TW/Telenor	3.4	32
Non consideration of Interest Income for GR/AGR	3.5	34
Non consideration of Miscellaneous Income for AGR for computation of LF/ SUC	3.6	34
Non Payment of License Fee on Profit on Sale of Business by UWL to TWL/Telenor as per Business Transfer Agreement (BTA)	3.7	36
Interest on Short/Non-payment of LF and SUC	3.8	37
Disclosures in the Statement of Revenue and Licence fee (AGR statements)	3.9	37
Response of DoT/Telenor to the Audit Observations	3.10	39
Chapter IV: Revenue Shared by M/s Videocon Telecommunication Limited		
Introduction	4.1	41
Radio Frequency Spectrum held by VTL	4.1.1	41
Revenue Reported and Revenue Share paid by VTL	4.1.2	42
Under Reporting of Revenue from Prepaid Services due to Netting off of Commission/Discounts/Offer to Distributors/Subscribers	4.2	43
Under Reporting of Prepaid Revenue due to Netting off of Commission/Discount offered to Distributors	4.2.1	43
Under reporting of Revenue on account of Free Airtime to Prepaid Subscribers	4.2.2	45
Non-consideration of Revenue from Sale of Prepaid SIM cards	4.2.3	46
Incomes not offered for Revenue Share	4.3	47
Interest income not offered for Revenue Share	4.3.1	47
Forex gain not included in GR/AGR	4.3.2	48
Forex Gain not included in GR/AGR	4.4	49
Disclosures in the Statement of Revenue and Licence fee (AGR statements)	4.5	50
Response of DoT/VTL to the Audit Observations	4.6	51

Chapter V: Revenue Shared by M/s Quadrant Televentures Limited		
Introduction	5.1	53
Radio Frequency Spectrum held by QTL	5.1.1	53
Revenue Reported, Revenue Share paid by QTL	5.1.2	53
Under Reporting of Revenue from Prepaid Services due to Netting off of Commission/Discounts/Offers to Distributors/Subscribers	5.2	54
Under Reporting of Prepaid Revenue due to Set-off of Upfront Commission/Discount offered to Distributors	5.2.1	54
Under Reporting of Revenue on account of Free Airtime to Prepaid Subscribers	5.2.2	56
Non-consideration of Revenue from Sale of Prepaid SIM cards	5.2.3	57
Incomes not offered for Revenue Share	5.3	58
Forex Gain not included in GR/AGR	5.3.1	59
Non consideration of Profit on Sale of Fixed Assets in GR/AGR	5.3.2	60
Non Consideration of Revenue from Infrastructure Sharing for AGR for Payment of SUC	5.3.3	61
Interest income not considered for payment of LF and SUC	5.3.4	62
Miscellaneous income not considered for payment of LF and SUC	5.3.5	63
Interest on Short /Non Payment of LF and SUC	5.4	64
Disclosures in the Statement of Revenue and Licence fee (AGR statements)	5.5	65
Response of DoT/QTL to the Audit Observations	5.6	66
Chapter VI: Revenue shared by Reliance Jio Infocomm Limited (RJIL)		
Introduction	6.1	67
Licences granted to RJIL	6.1.1	67
Spectrum allotted to RJIL	6.1.2	67
Gross Revenue (GR), Deduction, Adjusted Gross Revenue (AGR) reported and revenue share paid by RJIL	6.1.3	68
Audit Observation	6.2	69

Non consideration of Forex Gain in GR/ AGR for payment of LF and SUC	6.2.1	69
Interest on revenue share short paid	6.2.2	69
Response of DoT/RJIL to the Audit Observations	6.3	70

Appendices and Annexures		
Appendix No.	Chapter No.	Page No.
I	Chapter I	71
II		72
III		75
Annexure No.	Chapter No.	Page No.
2.01 to 2.14	Chapter II	76
3.01 to 3.10	Chapter III	102
4.01 to 4.06	Chapter IV	121
5.01 to 5.09	Chapter V	131
6.01	Chapter VI	142
	Glossary	143

PREFACE

This Report has been prepared for submission to the President under Article 151 of the Constitution of India.

Comptroller and Auditor General of India has taken up verification of the basic accounting records and documents of private telecom service providers as mandated under Section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Rule 5 (ii) of Telecom Regulatory Authority of India, Service Providers (Maintenance of Books of Accounts and other Documents) Rules, 2002 as upheld by Hon'ble Supreme Court of India's Judgement dated 17 April 2014.

Accordingly, the books of accounts and other related records maintained by the DoT and Private Service Providers (PSPs) were examined by the audit with the objective of ensuring that the revenue earned by the PSPs is shared with the Government in accordance with the agreements signed by the PSPs with the Government.

Audit Report covering the period from 2006-07 to 2009-10 in respect of six operators (M/s Bharti Airtel, M/s Vodafone, M/s Idea, M/s Reliance, M/s Tata and M/s Aircel) was laid in the Parliament on 11 March 2016 (Report No. 4 of 2016). The report including findings of audit of six operators (M/s Bharti Airtel, M/s Vodafone, M/s Idea, M/s Reliance and M/s Aircel for the period from 2010-11 to 2014-15 and M/s Sistema for the period is from 2006-07 to 2014-15) was included in Report No. 11 of 2017.

The present Report includes Audit Findings on Revenue Share of five operators viz. M/s Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited (for the period from 2010-11 to 2014-15), M/s Quadrant Televentures Limited (for the period from 2006-07 to 2014-15), M/s Videocon Telecommunication Limited (for the period from 2009-10 to 2014-15), Telenor group (for the period from 2009-10 to 2014-15) and Reliance Jio Infocom Limited (for the period from 2012-13 to 2014-15).

This audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

1. Revenue share model in Indian Telecom Sector

The New Telecom Policy (NTP-99), which came into effect in April 1999, introduced the revenue sharing model in the Indian telecom sector. Under this system telecom licensees were required to share a percentage of their Adjusted Gross Revenue (AGR) with the Government as annual License Fee (LF). In addition, mobile telephone operators were also required to pay Spectrum Usage Charges (SUC) for the use of radio frequency spectrum allotted to them. The license agreements between the Department of Telecommunications and the service providers defined the components of the GR of the licensee company and the AGR was computed after allowing for certain deductions spelt out in the license agreements. The annual accounts of the service provider, audited by their Auditors appointed under Section 224 of the Companies' Act, 1956, are relied upon by DoT for assessing the revenue share due to the Government.

2. Audit by CAG on the correctness of revenue share paid by private telecom Service Providers

The revenue shared by Private Telecom Service Providers (PSPs) with the Government of India (GOI) as LF and SUC forms part of the Consolidated Fund of India. Section 16 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 make it obligatory on the part of CAG to satisfy himself that the Government of India has received its complete and correct share. Further, the 'Telecom Regulatory Authority of India, Service Providers (Maintenance of Books of Accounts and other Documents) Rules, 2002', promulgated by the Government in November 2002 contains enabling provisions for verification of all the accounting records and documents maintained by the service providers that has a bearing on the Gross Revenue (GR) of the service providers by the CAG of India. CAG had presented a report (Report No. 4 of 2016) on the Sharing of Revenue by six PSPs during the years 2006-07 to 2009-10 to the Parliament in March 2016 and the Report was considered by the Public Accounts Committee. Audit of five PSPs audited earlier (except M/s Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited) covering the period from 2010-11 to 2014-15 and in respect of M/s Sistema Shyam Teleservices Limited for the period from 2006-07 to 2014-15 was conducted in 2016 and audit findings are reported in a separate report (Report No. 11 of 2017).

The current Report presents the audit observations emanating from the verification of the accounting records of five¹ operators.

Structure of the Report

This report consists of six chapters and annexures. Chapter 1 gives an overview of the salient features of the revenue sharing regime and the arrangements in Department of Telecommunication (DoT) for collection of LF and SUC and their final assessment. It also explains the audit scope, methodology. Audit findings are narrated, operator wise in Chapters II to VI.

3. Summary of important audit findings

(i) Gross Revenue (GR)/AGR understated by all the PSPs by the amount of commission/discount paid to their distributors/dealers/agents/franchisees

PSPs employ distributors/dealers/agents/franchisees to sell their prepaid products as well as for customer acquisition. In return of these services, PSPs pay commission/discounts, etc. to them. All the PSPs whose accounts were verified had their GR/AGR reduced by the amount of commission/discounts, etc. paid to distributors/dealers/agents/franchisees.

Since commission/discounts etc. paid to distributors/dealers/agents/franchisees were in the nature of business expenses (marketing expenses), netting off or reducing it from revenue for the purpose of reporting GR/AGR was not in line with the conditions of license agreements. Amount of discount/commission etc. netted off from revenue worked out by audit was ₹ 3183.03 crore resulting in short payment of LF and SUC by ₹ 270.36 crore and ₹ 117.99 crore respectively.

(Paragraphs 2.2.1, 3.2.1, 4.2.1, 5.2.1)

(ii) GR/AGR understated by all the PSPs by the amount of promotional schemes like Free Talk Time/Free Air Time

Audit noticed that PSPs provide various offers like Free Talk Time/Free Air Time (FTT/FAT) to their prepaid subscribers on different occasions which were basically promotional schemes under various names. Unified Access Service Licence (UASL) agreements provide that operators should show service revenue (amount billable) gross and details of discount/rebate indicated separately. It was noticed that promotional offers were not recognised as revenue by the PSPs.

¹ 1. M/s Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited (2010-11 to 2014-15), 2. M/s Quaddrant Televentures Limited (2006-07 to 2014-15), 3. M/s Videocon Telecommunication Limited (2009-10 to 2014-15), 4. Telenor group (2009-10 to 2014-15) and 5. Reliance Jio Infocom Limited (2012-13 to 2014-15).

Since such promotional offers were in the nature of business expenses, in accordance with UASL agreements, they should be recognised as revenue for the purpose of GR/AGR for computation of revenue share to GOI. Audit worked out understatement of GR/AGR on this account at ₹ 3310.00 crore resulting in short payment of LF and SUC by ₹ 277.83 crore and ₹ 125.20 crore respectively.

(Paragraphs 2.2.2, 3.2.2, 4.2.2, 5.2.2)

(iii) Understatement of GR/AGR by netting-off of discounts/waivers given to post-paid/prepaid subscriber

Discounts/waivers given to post paid/prepaid subscribers over and above tariff plans submitted to TRAI which were in the nature of business expense were deducted from revenue in the accounts of Tata and Telenor. This practice was a deviation from the license agreement which stipulated recording of revenue without setting off related expenditures. This deviation led to understatement of ₹ 345.92 crore in GR/AGR reported by these companies resulting in short payment of LF and SUC by ₹ 29.06 crore and ₹ 13.25 crore respectively.

(Paragraphs 2.2.3, 3.2.3)

(iv) Understatement of GR/AGR by netting of discounts from revenue pertaining to roaming services

PSPs have arrangements with other International Operators for roaming services. It was observed that the Inter Operator traffic (IOT) discounts paid/credited to the accounts of these Operators were debited/deducted from the roaming revenue by Telenor. Having roaming arrangement with other national/ international operators is a matter of mutual agreement between two operators and giving discounts over and above the agreed charges for roaming is part of overall commercial strategy to enhance business between the two operators. As such, these discounts were in the nature of expenses and hence, in terms of license agreements, they are not permitted to be deducted from revenue. Audit worked out understatement of GR/AGR for computation of revenue share on this account as ₹ 3.27 crore resulting in short payment of LF and SUC by ₹ 0.32 crore and ₹ 0.11 crore respectively.

(Paragraphs 3.3)

(v) Understatement of GR/AGR by netting of revenue from infrastructure sharing

UASL agreements provide that GR shall be inclusive of revenue from infrastructure sharing without setting off of any related item of expenses. PSPs have arrangements with other PSPs for sharing of their passive infrastructure. Audit has noticed that amount received towards infrastructure sharing in the case of M/s Tata has not been

taken to revenue in full, instead, part of it has been credited to expenses. This has resulted in understatement of revenue from infrastructure sharing for computation of GR/AGR for the purpose of revenue share. Understatement of GR/AGR on this account was worked out by audit as ₹ 107.09 crore resulting in short payment of LF and SUC by ₹ 9.15 crore and ₹ 3.85 crore respectively.

(Paragraphs 2.2.4)

(vi) Understatement of GR/AGR due to short/non-inclusion of forex gain in GR

In terms of definition of GR, forex gain was to be a component of the GR for computation of revenue share. We observed that forex gains were either excluded completely or only partially included in GR by the PSPs. The exclusion of forex gain in GR of all the PSPs worked out to ₹ 1484.17 crore leading to short payment of LF and SUC by ₹ 125.07 crore and ₹ 15.91 crore respectively.

(Paragraphs 2.2.5, 3.4, 4.3.2, 5.3.1, 6.6.1)

(vii) Understatement of GR/AGR by all PSPs by non- inclusion of interest income

License agreements expressly provide that interest income of the licensee company should be included in its GR for computation of revenue share payable. Audit observed that the PSPs did not include interest income in GR/AGR leading to short payment of revenue share paid. Understatement of revenue reported by the PSPs during the period of audit coverage was ₹ 687.59 crore and consequent short payment of LF and SUC was worked out at ₹ 59.23 crore and ₹ 23.78 crore respectively.

(Paragraphs 2.3.2, 3.5, 4.3.1, 5.3.4)

(viii) Understatement of GR/AGR by all PSPs by non-inclusion of profit from sale of investment

License agreements provide that income from investments should be included in GR/AGR for computation of revenue share. Audit noticed that M/s Tata did not include income earned from investments in GR/AGR for computation of revenue share. Amount of non-inclusion of income from investments in GR/AGR was ₹ 257.07 crore resulting in short payment of LF and SUC by ₹ 21.52 crore and ₹ 9.50 crore respectively.

(Paragraphs 2.3.1)

(ix) Understatement of GR/AGR due to non-inclusion of miscellaneous revenue and profit on sale of fixed assets

Definition of revenue in the license agreements stipulates that GR of the licensee company should include miscellaneous revenue without any set-off for related item of expense, etc. Audit noticed that M/s Tata, M/s Telenor and M/s Quadrant did not include miscellaneous income like profit on sale of fixed assets in their GR leading to its understatement. The GR understated totalled to ₹ 165.39 crore resulting in short payment of LF and SUC by ₹ 13.64 crore and ₹ 5.60 crore respectively.

(Paragraphs 2.3.3, 2.3.4, 3.6, 5.3.2, 5.3.5)

(x) Understatement of AGR by amount of bad debts written off, claimed as deduction

The license agreements permit only three items of revenue to be deducted from GR to arrive at the AGR of service providers. Bad debts written off were not eligible to be claimed from GR to arrive at AGR. However, M/s Tata claimed deduction of bad debts written off from their GR to arrive at AGR. A total of ₹ 1026.01 crore was found deducted which led to short payment of LF and SUC of ₹ 88.59 crore and ₹ 39.49 crore respectively.

(Paragraphs 2.4.1)

(xi) Understatement of AGR for computation of SUC

In terms of UASL agreements, revenue from sale/lease of bandwidth/sharing of infrastructure should be considered in AGR for computation of SUC. Audit noticed that M/s Tata and M/s Quadrant did not include revenue from sale/lease of bandwidth/sharing of infrastructure for computation of SUC though the same was included for computation of LF. No such exclusion, however was made by PSPs providing only wireless services. Revenue not included in AGR for computation of SUC worked out to ₹ 2988.59 crore which had the impact of short payment of SUC of ₹ 105.95 crore.

(Paragraphs 2.4.3, 5.3.3)

(xii) Compliance to license conditions

The Gross Revenue of the licensee operator, as per the license agreement with DoT prohibits any set-offs of related expenditure from revenue and norms for preparation of the accounts for payment of revenue share are built into the license agreement. We observed non-conformities with conditions of license agreement in the accounts prepared by all the five operators covered in audit due to which their GR computed for sharing revenue with the Government was understated. Even though computation of the GR was not in compliance with the licence agreement, the Statutory Auditors had always certified that the accounts were prepared in accordance with the

guidelines/norms contained in the Licence Agreement and the companies always presented an affidavit to DoT affirming that their GR was as defined in the license agreements. These statements submitted by the operators appeared to be only a perfunctory practice as they consistently departed from the stipulations in the UASL agreements while computing GR/AGR. DoT on its part did not take any proactive steps to ensure that the licensees disclosed their revenue as stipulated in the licence agreements.

(Paragraphs 2.4.6, 3.8, 4.5, 5.5)

4. Consolidated statement of non-realisation of revenue noticed by Audit:

Short/non-payment of LF as per the licence agreements is given in the following table:-

Audit Observations	Non realisation of LF (₹ in crore)				
	Tata	Telenor	Videocon	Quadrant	Reliance Jio
Revenue netted off by the amount of commission/ discount etc. paid to distributors/dealers	182.20	79.19	5.82	3.15	-
Promotional Free Airtime given to subscribers not recognized as revenue for revenue share	158.39	111.31	7.88	0.25	-
Revenue netted off by the amount of waivers/ discount given to subscribers	15.95	13.11	-	-	-
Roaming revenue netted off by discount given to other operators	-	0.32	-	-	-
Infrastructure sharing revenue netted off	9.15	-	-	-	-
Non inclusion of forex gain	115.22	1.89	1.38	1.48	5.10
Non/short inclusion of interest income	29.50	24.84	4.80	0.09	-
Non inclusion of profit on sale of investment	21.52	-	-	-	-
Non-inclusion of miscellaneous revenue and profit on sale of assets	5.90	4.64	-	3.10	-
Ineligible deduction on account of bad debts written off claimed	88.59	-	-	-	-
Other issues	97.81	22.02	0.42	0.15	-
Total	724.23	257.32	20.30	8.22	5.10

Short/non-payment of SUC as per the licence agreements is given in the following table:-

Audit Observations	Non realisation of SUC (₹ in crore)				
	Tata	Telenor	Videocon	Quadrant	Reliance Jio
Revenue netted off by the amount of commission/ discount etc. paid to distributors/dealers	79.68	34.28	2.63	1.40	-
Promotional Free Airtime given to subscribers not recognized as revenue for revenue share	71.87	49.53	3.69	0.11	-
Revenue netted off by the amount of waivers/ discount given to subscribers	7.01	6.24	-	-	-
Roaming revenue netted off by discount given to other operators	-	0.11	-	-	-
Infrastructure sharing revenue netted off	3.85	-	-	-	-
Non inclusion of forex gain	14.16	0.85	0.43	0.47	0.00
Non/short inclusion of interest income	12.45	9.35	1.91	0.07	-
Non inclusion of profit on sale of investment	9.50	-	-	-	-
Non-inclusion of miscellaneous revenue and profit on sale of assets	2.54	2.05	-	1.01	-
Ineligible deduction on account of bad debts written off claimed	39.49	-	-	-	-
Revenue included in AGR for LF but not for SUC	104.26	-	-	1.69	-
Other issues	42.19	8.40	0.24	0.07	0.00
Total	387.00	110.81	8.90	4.82	0.00

Short/non-payment of LF, SUC and interest due thereon as on 31 March 2016 as per the licence agreements is depicted in the following table:-

	Short/non-payment of LF, SUC and interest (₹ in crore)					
	Tata	Telenor	Videocon	Quadrant	Reliance Jio	Total
LF	724.23	257.32	20.30	8.22	5.10	1015.17
SUC	387.00	110.81	8.90	4.82	0.00	511.53
Total (LF+SUC)	1111.23	368.13	29.20	13.04	5.10	1526.70
Interest	782.37	235.62	18.88	13.58	1.68	1052.13
Total (LF+SUC+Interest)	1893.60	603.75	48.08	26.62	6.78	2578.83

To sum up the verification of records of five PSPs by audit indicated total understatement of AGR of ₹ 14813.97 crore for the period upto 2014-15 and consequent short payment of revenue share to Government of India to the tune of ₹ 1526.70 crore. The interest due on the short paid revenue share, for the period up to March 2016 was ₹ 1052.13 crore.

5. Response of DoT and the PSPs to the audit observations

Audit observations on the sharing of revenue by the five PSPs were communicated to DoT during December 2016/January/February 2017 with copies endorsed to the PSPs concerned. PSPs submitted their replies to Audit during January-March 2017. Responses of the Ministry (except in case of Reliance Jio) on various audit observations were received in February 2017. Same has been appropriately included in this Report. Responses of the Ministry in respect of Reliance Jio audit observations are awaited.

CHAPTER I

Introduction

1.1 Revenue sharing regime

The New Telecom Policy-1999 (NTP-99), which came into effect from April 1999, introduced the revenue sharing regime in the Indian Telecom sector. Under this system, telecom service providers who hold licenses issued by the Department of Telecommunications (DoT) to provide telecom services viz., Unified Access Services (UAS), National Long Distance (NLD) services, International Long Distance (ILD) services, Very Small Aperture Terminal (VSAT) service and Internet Services are required to pay a percentage of their Adjusted Gross Revenue (AGR) as annual licence fee to the Government. The license agreement between the Department of Telecommunications (DoT) and the service providers defined the Gross Revenue (GR) and the AGR for payment of the revenue share. While the rates of license fee (LF) payable were linked to the type of service and the category of service area¹ where the service was offered till 2012-13, a uniform rate of LF for all services irrespective of the category of service area was introduced with effect from 1 April 2013.

The category of services and percentages of LF applicable are furnished in the Union Government (Communications and IT Sector) Report No. 11 of 2017 of the Comptroller and Auditor General of India (**Appendix I**).

1.2 Definition of Gross Revenue (GR)/Adjusted Gross Revenue (AGR) in the various licenses

The Licence Agreement signed between the Department of Telecommunication (DoT) and telecom service providers regulates the terms and conditions for provision of telecommunications service. As per the conditions of licence agreement, licensee companies were required to pay an annual licence fee to the DoT at an agreed percentage of the Adjusted Gross Revenue (AGR) reported for a licenced service. Definitions of Gross Revenue (GR), Deductions allowed and Adjusted Gross Revenue (AGR) under the various licenses² issued by DoT (**Appendix II**) are also included in the Union Government (Communications and IT Sector) Report No. 11 of 2017 of the Comptroller and Auditor General of India. Important requirements in the preparation

¹ The country was divided into 23 service areas consisting of 19 telecom circles and 4 metro circles. Subsequently, Chennai service area was merged (September 2005) with Tamil Nadu service area making the number of service areas as 22 .

² Unified Access Service License (UASL) and Unified License (UL), National Long Distance (NLD), International Long Distance, Internet Services and Very Small Aperture Terminal

of accounts and payment of license fee have also been furnished in the referred Report (Appendix III).

1.3 Arrangements in DoT for collection, accounting and assessment of LF and SUC

DoT has put in place the following arrangements for collection of revenue share paid by telecom service providers.

Table- 1.1

Process	Office involved
➤ Collection of license fee and spectrum charges	Office of the Controller of Communication Accounts (CCA) at LSAs
➤ Verification of proof documents submitted by PSPs for claiming deductions from GR to arrive at AGR	CCA offices
➤ Assessment of revenue share based on the annual audited accounts of the operator and the verification reports submitted by CCAs and issue of demand notes	License Finance Wing of DoT
➤ Assessment of SUC	Wireless Planning and Finance (WPF) division of DoT/CCA offices

1.4 About this Report

Comptroller and Auditor General of India had taken up verification of the basic accounting records and documents of six³ telecom service providers in 2014-15 covering the accounts of four years from 2006-07 to 2009-10 as mandated under Section 16 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Rule 5 (ii) of Telecom Regulatory Authority of India, Service Providers (Maintenance of Books of Accounts and other Documents) Rules, 2002 as upheld by Hon'ble Supreme Court of India's Judgement dated 17 April 2014. Audit findings featured in the Union Government (Communications and IT Sector) Report No. 4 of 2016 of the Comptroller and Auditor General of India.

Audit in respect of five telecom service providers audited earlier (excluding M/s Tata Tele Services Limited and its associated company M/s Tata Teleservices (Maharashtra) Limited) covering the accounts of four years from 2010-11 to 2014-15 and M/s Sistema Shyam Teleservices Limited for the period from 2006-07 to 2014-15 was taken up in 2016 and Audit findings included in the Union Government

³ M/s Bharti Airtel Limited and its subsidiary Bharti Hexacom Limited, M/s Vodafone India Limited and its subsidiaries, M/s Reliance Communications Limited and its subsidiary M/s Reliance Telecom Limited, M/s Idea Cellular Limited and its subsidiary Aditya Birla Telecom Limited, M/s Tata Tele Services Limited and its associated company M/s Tata Teleservices (Maharashtra) Limited and M/s Aircel Limited and its subsidiaries Aircel Cellular Limited and Dishnet Wireless Limited

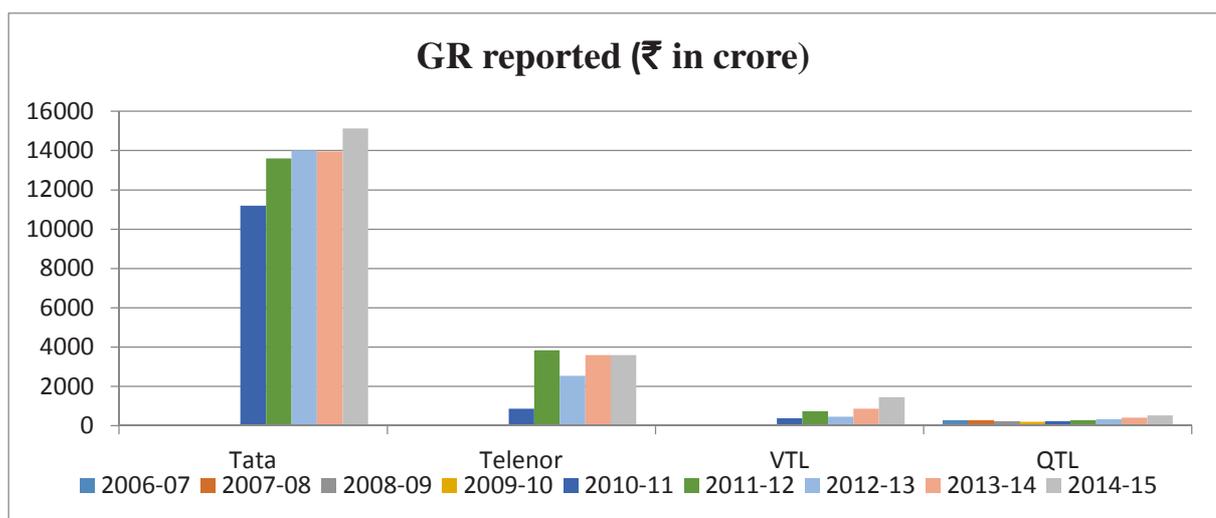
(Communications and IT Sector) Report No. 11 of 2017 of the Comptroller and Auditor General of India.

The details of five operators covered in this Report alongwith the period of coverage as well as market share are as shown in Table 1.2 below:

Table 1.2

S.No	Name of Operator	Accounting period covered in Audit	Market Share as on 31 March 2015 (No. of subscribers in crore)
1.	M/s Tata Tele Services Limited and its associated company M/s Tata Teleservices (Maharashtra) Limited (Tata)	2010-11 to 2014-15	6.80
2.	M/s Telenor (India) Communication Limited (Telenor)	2009-10 to 2014-15	4.56
3.	M/s Videocon Telecommunication Limited (VTL)	2009-10 to 2014-15	0.71
4.	M/s Quadrant Televentures Limited (QTL)	2006-07 to 2014-15	0.30
5.	M/s Reliance Jio Infocom Limited (RJIL)	2012-13 to 2014-15	The company had not started its commercial services relating to access services during 2012-2015
Total			12.37

The gross revenue reported by the five operators covered in audit are presented below:



Note: 1. GR of QTL is for all the nine years covered in audit
2. As GR of RJIL was NIL, not shown in the chart.

1.5 Audit methodology

All the operators provided access to General Ledger (GL) Enquiry Module of their financial system (Oracle Financial or SAP) to audit. Audit scrutinized the account codes which had a bearing on the GR on test check basis and the compliance by the operators to the norms prescribed by DoT for preparation of their accounts for reporting GR. The licensee also provided reconciliations between AGR statements and Service Revenue, Other income and Finance income of Profit & Loss Accounts duly mapped with Trial Balances (TBs). Additional data, information and clarifications, when required, were obtained through issue of Audit queries and discussion with the respective operators.

Exit meetings were held with all the operators where the preliminary audit findings/ observations were discussed in detail. Operator wise draft audit reports were issued to DoT with an advance copy to the operators concerned to elicit their views/responses to the audit observations. This Report has been prepared taking into account the responses/replies received from the operators and the Ministry.

1.6 Audit criteria

Important criteria used in audit are:

- Provisions of Licence agreements as amended from time to time
- Various instructions issued by DoT on collection of licence fee and spectrum usage charges

1.7 Acknowledgement

We place our sincere appreciation for the cooperation extended by the Management of all the five telecom service providers and the Department of Telecommunications in facilitating the audit.

CHAPTER – II

Revenue Shared by Tata Teleservices Limited and Tata Teleservices (Maharashtra) Limited

2.1 Introduction

Tata Teleservices Limited (TTSL) was incorporated as a company in 1996. It commenced operations as Basic Service Provider in the state of Andhra Pradesh in the year 1999. In December 2002, TTSL acquired 50.38 *per cent* of the paid up equity capital of Hughes Telecom India Limited (HTIL). On 13 February 2003, the name of HTIL was changed to Tata Teleservices (Maharashtra) Limited (TTML), which is an associated company of TTSL. Subsequently, the company migrated to *Unified Access Service license (UASL)* regime in November 2003. It had also got National Long Distance (NLD) Service Provider license (also called NLDO) on 30 July 2007 and it was launched effectively on 12 November 2007. The licensee was primarily providing services with Code Division Multiple Access (CDMA) technology under Tata Indicom brand. It started providing service on Global System for Mobile Communications (*GSM*) technology in March 2008 under Tata DOCOMO brand and launched services in 2009. TTSL and TTML hold UAS License in all Licensed Service Areas (LSAs).

TTSL and TTML were taken up for audit and the findings covering the period from 2006-07 to 2009-10 were included in Comptroller and Auditor General of India's Report No. 4 of 2016. It was pointed out in the Report that the Gross Revenue (GR)/Adjusted Gross Revenue (AGR) was understated by ₹ 12017.36 crore which resulted in short payment of Licence Fee and Spectrum Usage Charges by ₹ 1019.16 crore and ₹ 338.52 crore respectively. The findings of the present audit covers the period from 2010-11 to 2014-15.

2.1.1 Licences Issued to TTSL and TTML

Tata Teleservices Limited was allotted the Basic License in Andhra Pradesh LSA in September 1997 and in August 2001, it was awarded Basic Licenses for five more Service Areas viz., Delhi, Gujarat, Karnataka, Tamil Nadu and Chennai. Subsequently, during January 2004, 12 more licenses were granted to the company in West Bengal, Bihar, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Orissa, Punjab, Rajasthan, Uttar Pradesh – West, Uttar Pradesh – East and Kolkata. Three new UAS Licenses for Assam, Jammu & Kashmir and North East were obtained in 2008. The company obtained (March 2008) amendment to UAS license to use GSM technology. However, licenses in respect of Assam, J&K and North East were cancelled by Hon'ble

Supreme Court and services were terminated with effect from midnight of 18 January 2013. The original Basic License in Maharashtra and Mumbai LSAs were awarded to Tata Teleservices (Maharashtra) Limited (erstwhile HTIL) in September 1997 which migrated to UASL regime in November 2003.

2.1.2 Spectrum Allotted to TTSL and TTML

TTSL & TTML are operating on dual technology viz., Global System for Mobile communication (GSM) and Code Division Multiple Access (CDMA). LSA wise quantum of spectrum allotted to TTSL and TTML as on 31 March 2015 is furnished in Table 2.1 below:

Table 2.1

Sl. No	Names of LSA/Circle	GSM Spectrum	CDMA Spectrum	No of carrier of MW Access spectrum	No of carrier of MW Backbone spectrum
1	Andhra Pradesh	2x4.4	2x2.5	3	0
2	Assam	NA	NA	NA	NA
3	Bihar	2x4.4	2x2.5	4	1
4	Chennai,	2x4.4	2x2.5	4	-
5	Delhi	0	2x3.75	4	-
6	Gujarat	2x4.4	2x2.5	4	1
7	Haryana	2x4.4	2x2.5	3	1
8	Himachal Pradesh	2x4.4	2x2.5	3	2
9	Jammu & Kashmir	NA	NA	NA	NA
10	Karnataka	2x4.4	2x2.5	4	-
11	Kerala	2x4.4	2x2.5	4	-
12	Kolkata	2x4.4	2x2.5	5	-
13	Madhya Pradesh	2x4.4	2x2.5	3	2
14	North East	NA	NA	NA	NA
15	Orissa	2x4.4	2x2.5	3	2
16	Punjab	2x4.4	2x2.5	3	1
17	Rajasthan	2x4.4	2x2.5	3	2
18	Tamil Nadu	2x4.4	2x2.5	3	-
19	UP East	2x4.4	2x2.5	3	1
20	UP West	2x4.4	2x2.5	2	2
21	West Bengal	2x4.4	2x2.5	4	2
22	Maharashtra	2x4.4	2x2.5	5	2
23	Mumbai	2x4.4	2x3.75	8	-

TTSL had got 3G Spectrum in eight LSAs viz., Gujarat, Haryana, Karnataka, Kerala, Madhya Pradesh, Punjab, Rajasthan, UP (W) and TTML in one LSA of Maharashtra and it has launched 3G Services from November 2010.

2.1.3 Gross Revenue (GR) and Adjusted Gross Revenue (AGR) reported by TTSL and TTML

The combined GR/AGR reported and revenue share paid by TTSL and TTML for the five years from 2010-11 to 2014-15 is as shown in Table 2.2 below:

Table 2.2

(₹ in crore)

Year	Subscriber base at year end (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue share paid (LF+SUC)
2010-11	9.04	11192.20	2802.17	8390.03	74.96	1206.79
2011-12	8.32	13598.68	3724.71	9873.97	72.61	1247.44
2012-13	6.79	14008.86	5336.83	9575.98	64.21	1229.48
2013-14	6.45	13960.36	4644.03	9316.33	66.73	1127.27
2014-15	6.80	15132.20	4714.03	10418.18	68.85	1196.51
Total		68796.25	21221.76	47574.49	69.15	6007.49

Gross Revenue reported under all licenses of TTSL & TTML was in increasing trend during the years from 2010-11 to 2012-13 and 2014-15 when compared with the previous years.

M/s. TTSL claimed deductions on actually paid basis as per agreement and reported AGR on which Revenue Share (LF/SUC) had been computed for payment. Whereas M/s. TTML had claimed deductions on Accrual Basis instead of actual basis in contrary to the License Agreement conditions during the years 2010-11 to 2011-12 and on actually paid basis during 2012-13 to 2014-15 and reported AGR on which Revenue Share (LF/SUC) have been computed for payment.

2.2 Under Reporting of Revenue

Audit examination of records/Books of accounts of TTSL and TTML revealed that these companies had not adhered to the provisions of the License Agreement on the following issues:

2.2.1 Under Reporting of Revenue Due to Netting Off of Discounts/Commission Given to Dealers/ Distributors

During audit scrutiny of the records of TTSL for the years from 2010-11 to 2014-15, it was observed that the commission paid to the distributors/franchisees/agents/dealers, etc., was netted off from the revenue. Since the

commission/margin paid to the distributors/franchisees/dealers was in the nature of business expenses (marketing expenses), therefore, set-off of such expenses with revenue was against the licence condition. Further, commission paid to dealers/distributors was also netted off resulting in the revenue being understated by the same extent.

Total amount of discounts paid to dealers/distributors netted off from revenue during the years 2010-11 to 2014-15 was ₹ 1,701.63 crore and ₹ 263.96 crore in respect of TTSL and TTML respectively. Similarly, amount of commission paid to dealers/distributors netted off from revenue during the years 2010-11 was ₹ 161.96 crore and ₹ 4.86 crore in respect of TTSL and TTML respectively.

Management stated that

- The relationship with distributor is on Principal to Principal basis (P2P) and the company offers trade discount to distributors for the Recharge Voucher (RCV)/Electronic Recharge Value (EVD). The Invoice generated by the company is having the Maximum Retail Price (MRP) and trade discount offered on the same. Under the law, a person is entitled to sell a product at any price lower than but not exceeding MRP. Hence the trade discount or discount on bulk purchase on RCV/EVD and Start Up Kits (SUK) allowed to the distributors should not be added back for the purpose of computing license fee.
- For SUKs, the company receives the order from distributors and it offers trade discount to distributors for the sale of SUK's. The Invoice generated by the company is having the MRP and trade discount offered on the same. On sale of SUKs to the distributors, all rights, title, ownership and property in such SUK's are transferred to the distributors and all the risks including the risk of loss/damage are borne by the distributors.
- Accounting Standard 9 (AS 9) stipulates that discounts offered to customers be allowed for netting from Gross Revenue for determination of Revenue for the company.
- The definition under clause 19.1 of the UASL agreement is an inclusive definition and has specifically covered all the possible services which a UAS Licensee is supposed to provide. In this context it is worthwhile to make a mention of the regulation in regard to the pricing of the telecom services issued vide Tariff order No 303/8/2002- TRAI (Econ.) dated 6 September 2002. This regulation mentions that the cellular mobile telecom services, rental, airtime charges, roaming (includes regional and national roaming), refundable security deposit, International roaming, other matters related to roaming, tariff for prepaid service are placed on forbearance. It

is, therefore, left to the discretion of the licensee to decide the tariff for prepaid as well as post-paid service without any interference of the regulator. The discounts being given on the tariff, intimated to TRAI under the caption of forbearance is, therefore completely left to the discretion of the licensee.

Reply of the management is not convincing as

- The sale of prepaid products (RCV/EVD) and SUKs to distributors cannot be stated to be under Principal to Principal since the ultimate responsibility of rendering the service to the customer rests with licensee and not with the distributors. The distributors are mere channel partners between the service providers (licensee) and the service users (subscribers). Had TTL sold the cards directly to the subscribers, revenue would have been accounted for full value of service rendered and selling expenses would have been accounted as expenditure. On the same analogy, discount/commission given to distributors would be in the nature of Marketing Expenditure and thus, should not be deducted from Revenue for the computation of revenue share as stipulated under clause 19.1 of the UASL agreements.
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that discount/margin paid to the distributors/franchises/dealers is in the nature of marketing expenses; therefore, set-off of such expenses with revenue was against the license condition.

Thus, netting off of Discounts to Distributors / Dealers in respect of TTSL & TTML resulted in understatement of GR/AGR by ₹ 1965.60 crore resulted in short payment of LF and SUC to Government of India by ₹ 167.40 crore and ₹ 73.54 crore respectively (**Annexure-2.01**). Similarly, netting off of Commission paid to Distributors / Dealers in respect of TTSL & TTML resulted in understatement of GR/AGR by ₹ 166.82 crore resulted in short payment of LF and SUC to Government of India by ₹ 14.80 crore and ₹ 6.14 crore respectively (**Annexure-2.02**).

2.2.2 Under Reporting of Revenue due to Netting Off of Discounts/Free Air Time and Full Talk Time given to Subscribers

TTSL/TTML netted off the value of free airtime (FAT) allowed to prepaid subscribers and volume discount given to postpaid customers (except Lease Line) from revenue. Details of such discounts netted off from revenue are given in Table 2.3 below:

Table 2.3

(₹ in crore)

SL	DESCRIPTION	Product	TTSL	TTML	Total amount
1.	DIS - VOLUME	Postpaid	385.53	269.16	654.69
2.	DIS- Recharge card discount	Prepaid	1047.20	160.19	1207.39
3.	DIS-3G FULL TALK TIME	Prepaid	7.52	1.52	9.04
4.	DIS - CASH DISCOUNT	Prepaid	11.79	0.84	12.63
TOTAL			1452.04	431.71	1883.75

*Excluding Leased line discounts

Management stated that

- Discounts offered to customers were a routine telecom product offering in the ordinary course of business and does not result in gross inflow of cash, receivables or other consideration for the company and the discount offered cannot and shall not be considered as a receivable.
- Free and full talk time offered to subscriber is not business promotion activity. These offerings are in line with the products offered to subscriber by any other operator which were duly filed with TRAI.
- DoT also vide its inter office memo dated 24 September 2008 clarified that “if a company has given the net figures, details of rebate/discounts allowed should be asked for and the amount of such discount/rebates not approved by TRAI be added to Gross Revenue”.
- the issue is sub-judice and hence the company is justified in not including notional revenue on account of extra talk-time in computation of AGR since adding back of value of extra talk time in computation of AGR will lead to payment of LF on notional revenue which is neither billed nor received and which is also against the principle laid by TDSAT. The same was re-emphasised by TDSAT in their judgement of 23 April 2015

The reply of the Management is not convincing as

- Free talk time and volume discounts given to subscribers were in the nature of business promotion and relation building activities. Further, the details of FAT/FTT/Promo, etc. offered as per the tariff and that offered as promotion to customers/agents were not furnished. Audit contends that Airtime is not a free commodity, had an intrinsic value and by giving

FAT/FTT/Promo offers etc., the licensees were foregoing the revenue resulting in avoidance of LF and SUC.

- While the issue is sub-judice, Audit is of the view that netting-off of pre-paid revenue on account of FAT/FTT/Promo offers etc. from GR was in violation of the licence conditions.

Thus, set off of value of FAT/Volume Discount given to customers by TTSL and TTML resulted in understatement of GR/AGR by ₹ 1883.75 crore for the years 2010-11 to 2014-15 and consequent short payment of LF and SUC to Government of India by ₹ 158.39 crore and ₹ 71.87 crore respectively (**Annexure – 2.03**).

2.2.3 Under Reporting of Revenue Due to Netting Off of Waiver Allowed to Subscribers

As per UASL agreement, the Gross Revenue shall be inclusive of Installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.) revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible sharing of infrastructure and any other misc. revenue, without any set-off for related item of expense, etc.,

During the years 2010-11 to 2014-15, TTSL/TTML netted the amount of collection and settlement waivers as well as goodwill gestures waivers from the revenue. Total amount of such waivers netted off during these years by TTSL and TTML worked out to ₹ 159.12 crore and ₹ 27.25 crore respectively.

While confirming the above facts and figures, Management stated that

- such waivers do not form part of Revenue as per the definition of revenue as per Accounting Standard -9
- Waivers are not an expense and accordingly adjusted in Revenue.

The reply is not convincing as the waivers granted as collection and settlement waivers as well as goodwill waivers were rebates given to customers at post billing stage and cannot be netted off from revenue for the purpose of computation of revenue share in terms of clause 19.1 of the UASL agreement.

Thus, netting off of waivers by TTSL and TTML resulted in understatement of GR/AGR by ₹ 186.37 crore for the years from 2010-11 to 2014-15 leading to short payment of LF and SUC to Government of India by ₹ 15.95 crore and ₹ 7.01 crore respectively (**Annexure-2.04**).

2.2.4 Under Reporting of Revenue from Infrastructure Sharing

In terms of clause 19.1 of the UASL agreement, the Gross Revenue shall be inclusive of revenue from permissible sharing of infrastructure without any set-off for related item of expense, etc.,

Review of Audited AGR statements along with Notes on Statements of TTSL revealed that during the years from 2010-11 to 2014-15, the amount towards “Opex Receipt for Infra Sharing” from other operators amounting to ₹ 107.52 crore was not considered for Gross Revenue.

Management stated that

- the payment was made by TTSL for the operating expenditure as a single point of contact only to facilitate on-time payment to the local authorities and reduction in the coordination time involved through various operators;
- the recoveries are at cost and thus, in the nature of reimbursement and not in the nature of revenue since there are no services charges to other operators. Also, there were no services provided under the license terms and conditions and hence, the recoveries cannot be added to the AGR;
- These reimbursements are billed on a cost-to-cost basis and are not at a profit/mark-up and hence the company is of the view that reimbursement of Opex expenditure should not be part of AGR.
- As per AS-9 since the reimbursement by the operators does not result in gross inflow of cash to the Company arising in the course of the ordinary activities of an enterprise from the sale of goods, etc. such reimbursements cannot be considered as revenue and should not form part of AGR.
- Further, the Hon’ble TDSAT in its judgment dated 23 April 2015 held that “Reimbursement of Infrastructure Operating Expenses” has clearly laid down that a payment in the nature of reimbursement of an expense may not be taken as revenue.
- The figures as per audit observation is ₹ 107.52 crore while as per AGR certificate it was only ₹ 107.09 crore after considering reversal of Opex recovery of ₹ 0.43 crore.

Audit views on the reply are as follows:

- Based on the reply, the amount to be considered for revenue share has been modified to ₹ 107.09 crore;
- Definition of GR as per license agreement specifically include revenue from permissible sharing of infrastructure without any set-off for related item of expense;

- DoT filed an appeal before Hon'ble Supreme Court against the TDSAT Judgment dated 23 April 2015 as referred in the reply. While the matter is sub-judice at the Apex Court, Audit view is that as UASL does not provide for any deductions from revenue other than those permitted under Clause 19.2, deducting OPEX from infrastructure sharing revenue was not in conformity with the UASL agreement.

Thus, netting off infrastructure site sharing revenue by the amount of OPEX recovery during the years from 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 107.09 crore leading to short payment of LF and SUC to Government of India by ₹ 9.15 crore and ₹ 3.85 crore respectively (**Annexure-2.05**).

2.2.5 Non Consideration of Forex Gain for GR/AGR

Review of data/records furnished by TTSL/TTML for the period from 2010-11 to 2014-15 revealed that though there was realised gain under forex account codes on account of foreign exchange fluctuations accounted in the books of the accounts, the same was not considered for GR /AGR.

Considering only the realised gains of account heads operated for forex for the years 2010-11 to 2014-15, it was seen that realised forex gain amounting to ₹ 887.38 crore and ₹ 476.66 crore for TTSL and TTML respectively was not considered for AGR.

Management stated that

- Forex gain had not accrued from the primary or supplementary services of the company i.e. providing telecom services to its customers/subscribers. Foreign exchange fluctuations do not arise from licensed activity and, therefore, need not be included in AGR. Forex gains generally result on account of revaluation of foreign exchange assets & liabilities, revaluation of provisions made for overseas vendors/lenders etc. and their gains or losses are notional and remain unrealized and therefore should not be included in the AGR.
- The foreign exchange differences arise when rates differ from those at which they were initially recorded in the books. In case payments are to be made to the foreign vendor and rupee depreciates against the foreign currency then it is recognized as expense in the annual financial statement and if it appreciates, it is recognized as gain.
- Also, no set off is given in the eventuality of loss on account of foreign exchange fluctuation.

- Hon'ble TDSAT in its judgment dated 23.04.2015 held that any gain or loss due to foreign exchange fluctuation should have no bearing on the license fee.

The reply of the Management is not convincing as:

- Audit has considered only realized gains;
- In terms of the licence agreement GR shall be inclusive of any other miscellaneous revenue and audit is of the view that any gain incidental to PSPs should be considered for GR since Forex gain is accounted as income in P&L account;
- The judgement of TDSAT dated 23 April 2015 was challenged in Hon'ble Supreme Court by DoT. While the matter is sub-judice, audit view is that as forex gain is accounted as income in P&L account, realized gain arising from foreign exchange fluctuations should be included in GR/AGR for computation of revenue share as per the terms of Licence Agreement.

Thus, non consideration of realized forex gain resulted in understatement of GR/AGR by ₹ 1364.04 crore leading to short payment of LF and SUC to Government of India by ₹ 115.22 crore and ₹ 14.16 crore respectively (Annexure-2.06).

2.3 Under Reporting of Revenue in the Statements of Revenue and License Fee (AGR Statements) though reported in the Books of Accounts

2.3.1 Non Consideration of Profit on Sale of Investment

In terms of licence agreement, the Gross Revenue shall be inclusive of revenue accrued on all services offered by the licensee including interest, dividend, etc. and any other miscellaneous revenue without any set-off for related item of expense, etc. Scrutiny of AGR Statements, P&L Accounts and reports from SAP, revealed that Profit on Sale of Investments during the years from 2010-11 to 2014-15 in respect of TTSL and TTML works out to ₹ 240.67 crore and ₹ 16.40 crore respectively, which was not considered for computation of GR/AGR.

Management stated that

- The Company has earned profit on investment in debt mutual funds which was out of investment of undeployed funds borrowed from banks and temporarily invested in short term liquid investments, to minimize the interest cost burden which is payable to banks on loans, till such time the payments are required for construction of the network; and

- As per Accounting Standard 3 (AS-3), cash flows from the investing activities are treated separately from the cash flows from the operating activities. Following the dictum of AS-3, we can conclude that the income from such short term investments does not form part of the ordinary activities of the Company.

Reply of the Management is not convincing as the License agreement stipulates that Gross Revenue shall be inclusive of any other miscellaneous revenue without any set-off for related item of expense and Profit on Sale of Fixed Asset was accounted as income in P&L Account.

Thus, non-inclusion of Profit on Sale of Investments pertaining to period from 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 257.07 crore leading to short payment of LF and SUC to Government of India by ₹ 21.52 crore and ₹ 9.50 crore respectively (**Annexure-2.07**).

2.3.2 Non Consideration of Interest Income

As per the licence agreement, GR for the purpose of payment of Revenue Share shall be inclusive of revenue on account of interest. Scrutiny of AGR Statements, P&L Accounts and reports from SAP revealed that the Interest Income of ₹ 326.08 crore and ₹ 11.63 crore for the period from 2010-11 to 2014-15 accounted in the P&L accounts of TTSL and TTML respectively was not considered for computation of GR/AGR.

Management stated that

- The Company operates in a capital intensive industry which requires huge investment in the network which is funded partially by loan funds and partly by equity inflows. The funds drawn-down out of loan funds available which are not immediately required are invested temporarily in mutual funds and bank deposits to help the company minimize interest burden. Therefore such income should not be treated as revenue out of telecom activities of the Company;
- TTSL does not have surplus funds generated out of internal accruals and these are temporary balances of loan withdrawals yet to be deployed in the business;
- As per Accounting Standard 3 (AS-3), cash flows from the investing activities are treated separately from the cash flows from the operating activities. Following the dictum of AS-3, we can conclude that the income from such short term investments does not form part of the ordinary activities of the Company;

- Also, the interest income earned during the construction of the assets through investment of undeployed loan funds, was earlier also considered as a part of the indirect project cost and capitalized net of the interest cost incurred on the loan funds. This is also in line with the present accounting standard 16 – Borrowing cost, Para 10 which states that “To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset should be determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings.” Hence, the guidance under Indian accounting standards also consider the interest income on the undeployed funds out of project funding as a part of and linked to the interest cost incurred on the loan funds for the project;

The Company funds investment through a combination of loan funds and contribution from equity shareholders.

Reply of the Management is not convincing as the License agreement clearly prescribes the inclusion of interest, dividend and any other miscellaneous revenue for computation of GR/AGR for revenue share purpose.

Thus, non-inclusion of interest income pertaining to period from 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 337.71 crore leading to short payment of LF and SUC to Government of India by ₹ 29.50 crore and ₹ 12.45 crore respectively (**Annexure-2.08**).

2.3.3 Non Consideration of Profit on Sale of Fixed Assets

In terms of licence agreement, the Gross Revenue shall be inclusive of revenue accrued on all services offered by the licensee including interest, dividend, etc. and any other miscellaneous revenue without any set-off for related item of expense, etc. Audit observed that Profit on sale of Fixed Assets amounting to ₹ 8.11 crore and ₹ 41.71 crore during the years 2010-11 to 2014-15 was not considered for computation of GR/AGR by TTSL and TTML respectively leading to AGRs getting understated by the same extent.

Management stated that

- In terms of AS-9, profit on sale of assets/scrap is revenue and such incomes are also not in the nature of ordinary activity of an enterprise from the sale of goods and rendering of services. This is also supported by Accounting Standard 3 on Cash Flow Statements which consider the sale proceeds on disposal of fixed assets as an investing activity and not an operating activity.

- Since, these are mere replacement of older assets to maintain the productivity, such adjustments on sale of scrap, reflecting as book gains should not be subjected to AGR. The Company is not in the business of selling of scrap and as such not a part of normal operations of the company. Sale of scrap is an activity which does not require any license and anybody could carry such an activity.
- TDSAT in the Judgment dated 23 April 2015 held that “Gain on sale of capital asset and receipts from sale of scrap can be of two types, a gain over and above the gross book value and a gain over the net book value. A gain over and above the net book value may also be shown as income in the profit and loss account. Nonetheless, it cannot be considered for computation of gross revenue even if the stand of the respondent is to be accepted.”

The reply is not convincing due to the following:

- Definition of GR in license agreements expressly provides for inclusion of miscellaneous revenue in GR/AGR for computation of revenue share.
- Regarding TDSAT judgment of 23 April 2015, an appeal was filed by DoT before Hon’ble SC against the judgment. While the matter is sub-judice at the Hon’ble Supreme Court, Audit view is that profit from sale of fixed assets should be a part of the GR of the company as per the conditions of UASL agreement.

Thus, non-inclusion of Profit on Sale of Fixed Assets resulted in understatement of GR/AGR by ₹ 49.82 crore and short payment of LF and SUC to Government of India by ₹ 4.86 crore and ₹ 2.10 crore respectively (**Annexure-2.09**).

2.3.4 Non Consideration of Miscellaneous Income

In terms of licence agreement, the Gross Revenue shall be inclusive of revenue accrued on all services offered by the licensee including interest, dividend, etc. and any other miscellaneous revenue without any set-off for related item of expense, etc. Audit observed that Miscellaneous Income due to Sale of Scrap amounting to ₹ 9.08 crore and ₹ 2.54 crore during the years 2010-11 to 2014-15 was not considered for computation of GR/AGR by TTSL and TTML respectively leading to AGRs getting understated by the same extent.

Management stated that

- In terms of AS-9, sale of scrap is revenue and such incomes are also not in the nature of ordinary activity of an enterprise from the sale of goods and rendering of services. This is also supported by Accounting Standard 3 on Cash Flow Statements which consider the sale proceeds on disposal of fixed assets as an investing activity and not an operating activity.

- Since, these are mere replacement of older assets to maintain the productivity, such adjustments on sale of scrap, reflecting as book gains should not be subjected to AGR. The company is not in the business of selling of scrap and as such not a part of normal operations of the company. Sale of scrap is an activity which does not require any license and anybody could carry such an activity.
- TDSAT in the Judgment dated 23 April 2015 held that “Gain on sale of capital asset and receipts from sale of scrap can be of two types, a gain over and above the gross book value and a gain over the net book value. A gain over and above the net book value may also be shown as income in the profit and loss account. Nonetheless, it cannot be considered for computation of gross revenue even if the stand of the respondent is to be accepted.”

The reply is not convincing and Audit views are given in para 2.2.3 above.

Thus, non-inclusion Income from Sale of Scrap resulted in understatement of GR/AGR by ₹ 11.62 crore and short payment of LF and SUC to Government of India by ₹ 1.04 crore and ₹ 0.44 crore respectively (**Annexure-2.10**).

2.4 Short/Non-Payment of Revenue Share due to other Issues:

2.4.1 Irregular Deduction Claimed for Bad Debts Written Off from GR to arrive at AGR

In terms of Clause 19.2 of the UASL agreement, the following deductions shall be excluded from the Gross Revenue to arrive at Adjusted Gross Revenue.

- (i) Public Switched Telecom Network (PSTN) related call charges (Access Charges) actually paid to other eligible / entitled telecommunication service providers within India.
- (ii) Roaming revenues actually passed on to other eligible / entitled telecommunication service providers and
- (iii) Service Tax on provision of services and Sales Tax actually paid to the Government if Gross Revenue had included as component of Service Tax and Sales Tax.

Thus, Bad Debts are not eligible for deduction from the Gross Revenue.

Review of SAP ERP system as well as Annual Trial Balances of TTSL and TTML for the year 2010-11 to 2014-15, revealed that bad debts written off was adjusted from Revenue from Services while considering the preparation of the statements for the computation of AGR.

The total amount of Bad Debts adjusted from the respective revenues in respect of TTSL and TTML worked out to ₹ 664.79 crore and ₹ 361.22 crore respectively during the years 2010-11 to 2014-15.

Management stated that

- The license fee was paid on accrual basis without considering whether the subscriber ultimately pays for the services or not. While the Company makes earnest efforts to collect for services rendered, few subscribers fail to pay and the company ends up without realizing money for services genuinely rendered;
- The company therefore submits that such written off bad debts are not in any form revenue in the hand of the company, in fact, it amounts to loss of revenue to the company. As this amount which is not recovered has been considered for payment of revenue share, the company faces double jeopardy, one at the hand of subscriber who fails to pay and other at the hand of the licensor in not allowing deductions on such billing on which money has not been realized.

The contention of the Management is not convincing as the license agreement permits only three deductions from the Gross Revenue, deduction of bad debts from the Gross Revenue to arrive at AGR was not in conformity with the license conditions. Further, bad debts written off are not added back to revenue for computation of revenue share on the amounts being recovered at a future date.

Thus, adjustment of Bad Debts from the respective revenues pertaining to period from 2010-11 to 2014-15 has resulted in understatement of GR/AGR by ₹ 1026.01 crore and short payment of LF and SUC to Government of India by ₹ 88.59 crore and ₹ 39.49 crore respectively (**Annexure – 2.11**).

2.4.2 Irregular Deduction claimed on account of Lease Line and Port Charges resulting in Understatement of AGR

Leased Line and Port charges paid to other carriers are not eligible for deduction from the Gross Revenue to arrive at AGR in terms of Clause 19.2 of the UASL agreement.

Review of records of TTSL and TTML for the years 2010-11 and 2011-12 revealed that Access charges considered for computation of AGR did not include Leased Line charges and Port charges actually paid to other carriers as the company believed it to be wholesale interconnect cost. The total amount claimed as deduction works out to ₹ 123.61 crore in respect of TTSL and ₹ 38.65 crore in respect of TTML.

Management stated that

- As per definition, PSTN consists of telephone Lines, fiber optical cables, microwave transmission links, cellular networks, communications satellites, and undersea telephone cables, all inter-connected by switching centers, thus allowing any telephone in the world to communicate with any other. Port Charges means Charges payable for access points into a communication network and lease Line Charges are basically Charges paid for technology transparent transmission capacity between network termination points. Based on these definitions, the Company submits that PSTN Charges includes Port Charges and lease Line Charges as the same are in the nature of access Charges.
- Since, revenue earned from the subscriber for calling on BSNL network are offered for AGR, Port Charges should also be allowed as deduction from AGR as this is fees which has a direct linkage to the revenue and also similar to access Charges for terminating the calls to the other operators network. Lease Line is used by the Company for telephone, data and internet services. Since, the company has disclosed the telephone and data revenue in the AGR, the company submits that the Lease Line Charges which are directly related to service delivery should also be allowed as deduction in the similar way as that of access Charges.
- The payments on account of Port Charges and leased Lines for providing connectivity to the customers are a part of & similar to interconnection costs.

The contention of the Management is not convincing as Lease Line Charges and Port Charges are fixed cost in the nature of infrastructure cost and not related to inter-operators actual calls made. In view of this, Audit contends that Lease Line Charges and Port Charges are not permissible deductions.

Thus, deduction of Lease Line and Port charges from the Gross Revenue during the period from 2010-11 to 2011-12 resulted in understatement of GR/AGR by ₹ 162.26 crore and short payment of LF and SUC to Government of India by ₹ 14.32 crore and ₹ 6.20 crore respectively (**Annexure-2.12**).

2.4.3 Non Consideration of Revenue from Sharing /Leasing of Bandwidth Links

Format of Statement of Revenue and License Fee (AGR Statement) prescribed as Appendix II to Annexure II as referred in Clause 20.4 of the UASL agreement is an integral part of the License Agreement. In the Statement, item 1 A has been prescribed to reflect the “Revenue from Wire line Subscribers”, and item 8 has been prescribed to reflect the “Revenue from sale/lease of bandwidth, links, R&G

cases, turnkey projects, etc.” Clause 18.3 of UASL agreement provides that while calculating AGR for limited purpose of levying Spectrum Usage Charges based on revenue share, revenue from Wire line Subscribers shall not be taken into account.

Scrutiny of AGR statements of TTSL and TTML the year 2010-11 to 2014-15 revealed that revenue from sale/lease of bandwidth, links, R&G cases, turnkey projects, etc., amounting to ₹ 2461.47 crore and ₹ 470.75 crore were considered in the AGR Statements for computation of License Fee (LF) but not considered for payment of Spectrum Usage Charges (SUC).

Management stated that Lease Line Service was offered as part of Wire line Services and not a Wireless Service. It does not use any spectrum resource. SUC is paid on the wireless revenue which uses the spectrum. Hence, these revenues are not considered for the purpose of SUC.

The reply of the management is not convincing as revenue from sharing/leasing of bandwidth comes from transmission network which were generally common for both wireline and wireless network and hence, this item was kept separately in the AGR statement format. Further, in terms of license agreement, revenue from wireline subscribers only should be excluded for computation of SUC.

Thus non-inclusion of revenue from sale/lease of bandwidth, links, etc. amounting to ₹ 2932.22 crore in AGR for computation of SUC resulted in short payment of SUC to Government of India by ₹ 104.26 crore (**Annexure-2.13**).

2.4.4 Non Consideration of Profit for computation of GR /AGR by TTML on sale of its holding in subsidiary having Passive Infrastructure Assets

TTML sold its holding in subsidiary (21st Century Infra Tele Limited) to WTTIL for a net consideration of approximately ₹ 956 crore in May 2010 and accounted the profit of ₹ 834.93 crore earned on sale of its holding in 2010-11 accounts. However, this profit was not considered for computation of AGR for the year 2010-11 by TTML.

While confirming the above facts and figures the management stated that profit of Sale of Investment should not be included as part of Revenue Share since, it is a non-licensed activity supported by various pronounced Judgments & tax laws.

The reply of the management is not convincing as in terms of license agreement, miscellaneous revenue should be included in GR/AGR for computation of revenue share and profit on sale of its holding in the subsidiary was accounted as income in the P&L account.

Thus, non-inclusion of profit amounting to ₹ 834.93 crore for computation of AGR for the year 2010-11 by TTML resulted in short payment of LF and SUC to Government of India by ₹ 83.49 crore and ₹ 35.99 crore respectively.

2.4.5 Interest on Short/Non-payment of LF and SUC

On issues raised above (from Para 2.2.1 to 2.4.4), short/non-payment of LF and SUC worked out to ₹ 724.23 crore and ₹ 387.00 crore respectively. The interest on this short/non-payment of LF and SUC was ₹ 782.37 crore (**Annexure- 2.14**). The calculation of interest was based on the rate prescribed in the Licence agreement i.e. 2 per cent above the Prime Lending Rate of State Bank of India existing as on the beginning of the financial year and the period considered for the calculation was from the end of the concerned financial year up to March 2016. The interest has been compounded monthly as prescribed in the licence agreement.

2.4.6 Non Submission of Details as required under Annexure III of the UAS/CMTS Licence Agreement

Clause 20.7 of the UAS/CMTS license agreements provide that the Annual Financial Account and the Statements of Revenue and license Fee (AGR Statement) shall be prepared following the norms as prescribed in Annexure. Annexure III of the UAS/CMTS license agreement provides norms for preparation of Annual Financial statements. Scrutiny of AGR statements, Annual Financial statements and related accounting records furnished to audit indicates that all these norms had not been complied in full. In particular, norms relating to Service Tax, Sales Tax, Discount/rebate, Sale of goods, Inventory, Set off of income against expenditures and unbilled numbers had not been complied.

Management stated that they submit in their Notes on accounts forming part of audited AGR for respective years wherein it is mentioned that there are certain deviations from applicable disclosure norms as indicated in note 5 in annexure-I, notes to the statement of revenue and license fee as required by the Annexure-III to the UASL Agreement 842-1017/2008-AS-IV dated 20.10.2008. However, this does not have any impact on the computation of adjusted gross revenue and license fee dues.

Instances of understatement of revenue as brought out in the report would confirm that the revenue recognized for payment of license fee were not in line with the license conditions nor the preparation of accounts was fully compliant with the norms prescribed by DoT. Few such instances are given below:

- As per the norms, gross revenue was to be shown without any deductions. However, as detailed in paragraph of this report it can be seen that Discount/Commission/Waivers, Free airtime etc., were netted off from revenue and not disclosed to DoT.
- DoT was asked for its response on non-compliance of these conditions of the contract by the PSPs. DoT has not given any response till date (May 2017).
- In view of the above DoT has over the years failed to issue and enforce instructions to the Service Providers to comply with the norms for preparation of Annual Financial Statement as required under Annexure-III of the License Agreement which were vital. Consequently during the years 2010-10 to 2014-15, the Company understated its GR/AGR and DoT could not detect the same.

Further, Audit observed that during the years 2010-11 to 2014-15 the GR of Tata group was ₹ 68,796.25 crore, the deductions claimed were ₹ 21,221.76 crore and the average deduction percentage works out to 31 *per cent* of the GR. Though the deductions claimed by Tata Group were subject to verification by Offices of Controllers of Communications Accounts (CsCA), 69 *per cent* of the Gross Revenue is merely assessed based on self-declaration made by the Company at DoT Level.

Also, the LF Wing of DoT has failed to obtain the information as required to be maintained by the TSP in accordance with Annexure-III of the License Agreement and absence of these data would render the process of verification and assessment ineffective.

Thus, the entire verification and assessment of Revenue Share of the Service Provider is focused on the verification of deductions claimed by the Service Providers instead of on their GR.

2.5 Response of DoT/TTSL to the Audit Observations

Audit observations on the revenue share payable by M/s TTSL were communicated to DoT as well as TTSL and TTML during January 2017 for their further comments. TTSL and TTML reiterated once again (February 2017) most of their submissions made in reply to audit observations issued during the course of premises audit.

DoT stated (February 2017) that

- The basic definition of GR and AGR was challenged by the TSP's in 2002-03. Since then, there has been protracted litigation and is continuing till date.

- DoT is presently in appeal against the TSPs in the Supreme Court and as per the orders of the SC the department had been permitted to issue demands to the TSPs based on its understanding of the Licence Agreement.
- Demands would be raised based on the final figures reported by CAG, as per the Licence agreement and Policy decisions of DoT.

The response of DoT proves that though the revenue share regime was introduced as part of NTP-1999, the Department has not been able to realise its due revenue share as envisaged in the Licence agreement even after more than 17 years of its implementation.

It would be pertinent to mention here that when the Government decided to reduce the LF for all operators by two per cent effective from April 2004, DoT expected that the reduction would prompt operators to withdraw the challenges against the Government. However, the reduction in LF did not have the expected impact and the operators continue to institute litigations against the Government challenging the definition of GR/AGR and demand notes. Thus the PSP got the benefit of reduction in rate of LF but the Government didn't get the reciprocal benefit of reduction in litigations.

CHAPTER - III

Revenue Shared by M/s Telenor (India) Communication Ltd

3.1 Introduction

Unitech Wireless acquired GSM licenses for 22 Telecom Circles in the name of eight¹ different entities during the year 2008. National Long Distance (NLD) and International Long Distance (ILD) licenses were acquired by Unitech Long Distance Communication Service Private Limited (ULDCSPL) in April 2009. Telenor was the holding company of Unitech Wireless with 67.25 *per cent* shareholding as on 31 March 2010. Unitech Wireless (Tamil Nadu) Private Limited (the company) filed (April 2010) a scheme of arrangement and amalgamation of eight entities with effect from 1 April 2009 and the same was approved (September 2010) by Hon'ble Delhi High court. ULDCSPL merged with the company with effect from 01 April 2010.

Consequent on the Hon'ble Supreme Court of India judgement quashing the 2G Licenses allocated to the company along with others, Telenor group acquired (November 2012) spectrum in auction for six² Telecom circles through Telewing Communications Services Private Limited (TCSPL). In November 2013, Unified License (UL) was issued for aforesaid six Telecom circles in the name of TCSPL. Subsequently, in Feb 2014 auction, Telenor group acquired spectrum for Assam circle and in August 2014, UL was issued for Assam Telecom circle. In August 2015, name of the company was changed from Telewing Communication Service Pvt Ltd to M/s Telenor (India) Communications Private Limited with the approval of DoT.

3.1.1 Radio Frequency Spectrum held by Telenor group

LSA wise Main Radio spectrum in 1800 MHz band, MW Access and Backbone Spectrum held by Telenor group as of March 2015 are given as below:

Table 3.1

Sl. No.	LSA	Main Radio Spectrum (MHz)	MW Access Spectrum (MHz) ³
1	Andhra Pradesh	6.4	56
2	Assam	6	56
3	Bihar	7.2	56

¹ Adonis Projects Private Ltd, Aska Projects Private Ltd, Azare properties Ltd, Hudson Properties Ltd, Nahan properties private ltd, Unitech Builders & Estates private ltd, Unitech infrastructure private ltd and Volga properties private ltd.

² Andhra Pradesh, Bihar, Gujarat, Maharashtra, Uttar Pradesh-East and Uttar Pradesh - West.

³ One carrier = 56 MHz

Sl. No.	LSA	Main Radio Spectrum (MHz)	MW Access Spectrum (MHz) ³
4	Gujarat	5	56
5	Maharashtra	5	56
6	UP East	6.8	56
7	UP West	7	56

3.1.2 Revenue Reported and Revenue Share paid by Telenor group

Telecom Service Providers are required to pay Licence Fee (LF) and Spectrum Usage Charges (SUC) at a percentage of AGR on quarterly basis on self-assessment basis. Gross Revenue (GR), Deductions, Adjusted Gross Revenue (AGR) reported and revenue shared (LF and SUC) by the company during the period 2009-10 to 2014-15 are as follows:

Table 3.2

Year	Subscriber base at year end (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue Share paid
						(LF+SUC)
2009-10	0.42	36.81	19.24	17.57	48	8.89
2010-11	2.27	860.39	352.45	507.94	59	63.69
2011-12	4.24	3845.33	1459.77	2385.56	62	286.90
2012-13	4.01	2534.13	1025.50	1508.63	60	175.37
2013-14	3.56	3598.81	1444.53	2154.28	60	249.49
2014-15	4.56	4683.07	1804.27	2878.80	61	357.32
	Total	15558.54	6105.76	9452.78	61	1141.66

3.2 Under Reporting of Revenue from Prepaid Services due to Netting off of Commission/Offers/Discounts to Dealers/Subscribers

From the examination of data/records pertaining to prepaid services furnished by Unitech/Telenor group for the period from 2009-10 to 2014-15, it was observed that –

- The margin/commission given to distributors/agents was not included in revenue of prepaid services.
- Offers to the subscribers viz. Free Air Time (FAT) to customers, Promotional offers to customers, Full talk time offered to customers, waivers offered to customers, etc., were set-off from the revenue pertaining to prepaid services.

The item wise details are furnished below-

3.2.1 Under Reporting of Revenue due to Netting off of Margin / Commission paid to Distributors

Unitech/Telenor group markets various products in pre-paid segment through channel sales partners (Dealers/Distributors) for which they are paid margin/commission.

On a review of records/information furnished by Unitech/Telenor group for the FYs 2009-10 to 2014-15, it was observed that revenue booked in the accounts of the company was net of commission/margins given to the dealer/distributors. The aforesaid commission/margin given to the distributors were also not added back while arriving at GR/AGR. As the commission/margin paid to the distributor/dealers was in the nature of expenses, netting of such expenses with revenue was against the license conditions, which clearly stated that Gross Revenue shall be without any set-off for related item of expense. This resulted in reduction of actual revenue in the books of accounts of the company as well as in the AGR statements submitted by them to CCA/ DoT.

It was observed that during FYs 2009-10 to 2014-15, total commission/margin amounting to ₹ 944.38 crore was paid to the distributor/dealers and the same was not included in revenue for computation of GR/AGR.

Management replied that:

- The relationship between the company and distributors was on a Principal to Principal (P2P) basis.
- Further in terms of AS-9, issued by the Institute of Chartered Accountants of India, revenue is defined under para 4.1 as “Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods, from the rendering of services and from the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is measured by the charges made to customers or clients for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them...”
- Further, TDSAT in its judgment dated 23 April 2015 held that “In our view the definition of “gross revenue” cannot be construed as to bar the licensee from fixing a wholesale price for the service which is lower than its MRP. The test is how the actual transaction takes place. If the sale and invoicing is on MRP and any discount is given separately, then in terms of clause 19.1, such discount is not deductible even if the revenue booked in the Profit and Loss account is after netting off the discount. On the other hand, if the sale is on a stated/agreed price, invoiced at that agreed price and booked under the revenue in the Profit and Loss account accordingly without netting off any

discount, the actual selling price would be the revenue and the difference between the MRP and the selling price cannot be added to “gross revenue”.

- Appeals have been filed in the Hon’ble Supreme Court against the aforesaid TDSAT judgment.

Reply of the management is not convincing as -

- Unitech/Telenor group is rendering the services ultimately and hence, discount/commission accorded to distributors would be in the nature of Marketing Expenditure and thus, should not be deducted from Revenue. This is in accordance with stipulation in clause 19.1.
- Audit opines that this transaction is not covered under Principal to Principal since the ultimate responsibility of rendering the service to the customer rests with Unitech/Telenor group and not with the distributors.
- While the matter is sub-judice at Hon’ble Supreme Court, Audit view is of the view that commission/margin paid to the distributors/franchises/dealers is in the nature of marketing expenses, therefore, set-off of such expenses with revenue was against the licence condition.

Thus, netting off of margin/commission etc. amounting to ₹ 944.38 crore (**Annexure-3.01**) from pre-paid services has resulted in understatement of GR/AGR during the period from 2009-10 to 2014-15. Resultantly, LF and SUC amounting to ₹ 79.19 crore and ₹ 34.28 crore respectively were not paid on the said revenue by the company.

3.2.2 Under Reporting of Revenue on account of Offers made to Subscribers/Dealers

Unitech/Telenor group offers Free Airtime (FAT), Promotional offers, Full talk time (FTT) etc. to its customers/dealers.

A review of GL extracts and further verification of Journal Vouchers (JVs) extracted from Oracle Financials for the period from 2009-10 to 2014-15 revealed that the value of promotional offers extended to customers/dealers amounting to ₹ 1330.97 crore was not recognised in the GR/AGR. Since offers to customers like free air time was part of overall commercial strategy to enhance business, the costs of such offers/discounts/rebate were in the nature of expenses. Further, as per licence agreement, service revenue should be shown gross without any set-off. Thus, non-inclusion of value of FAT/FTT/Promo, etc. in prepaid revenue resulted in under reporting of revenue to the tune of ₹ 1330.97 crore for the purpose of LF/SUC during the period from 2009-10 to 2014-15.

Management stated that:-

- The company offered certain prepaid tariff schemes, in which free airtime was provided to subscribers on making recharge through specified recharge voucher denominations and the amounts which were actually paid by the subscribers were ultimately booked as revenue. In respect of tariff schemes which were within TRAI guidelines, it was not possible to treat free air time offer as an expense since it was not an expense incurred by the company. In order to be counted as "gross revenue", the item of inflow must not be notional but real.
- Irrespective, revenue in term of Accounting Standard-9 issued by Institute of Chartered Accounts of India is the gross inflow of cash, receivable or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods, from the rendering of services and from the use by others of enterprise resources yielding interest, royalties and dividends.

Reply of the management is not convincing as

- Since FAT/FTT/Promo, etc. was a part of overall commercial strategy to enhance business, therefore, they were in the nature of expenses and set-off for related items of expenses were not allowed as per the licence agreement. Further, the details of FAT/FTT/Promo, etc. offered as per the tariff and that offered as promotion to customers were not furnished.
- Audit contends that Airtime is not a free commodity, had an intrinsic value and by giving FAT/FTT/Promo offers, etc., the licensees were foregoing the revenue instead of booking these as expenses resulting in avoidance in payment of LF and SUC.

Thus, non-inclusion of value of offers/FTT/FAT etc. amounting to ₹ 1330.97 crore (**Annexure-3.02**) in revenue from pre-paid services resulted in understatement of GR/AGR during the period from 2009-10 to 2014-15 to that extent and ultimately resulted in short payment of LF and SUC to DoT by ₹ 111.31 crore and ₹ 49.53 crore respectively.

3.2.3 Under Reporting of Revenue due to Netting off Waivers from Prepaid Revenue

From the examination of data/records pertaining to pre-paid services of Unitech/Telenor group for the period from 2009-10 to 2014-15, it was observed that Adjustments/Waivers were offered to pre-paid customers by the company. It was also noticed that the company debited the cost of waivers to pre-paid revenue heads

instead of expense heads as a result of which the revenue considered for AGR was understated by ₹ 159.55 crore .

As per the license agreement, GR includes all revenue earned from services without netting off any related expenditure. Hence, debiting the cost of waivers to revenue heads instead of treating it as expense was in deviation from license agreement.

Management replied that:

- Waivers offered to subscribers include reversal of erroneous charging which were rectified by credit adjustment to the subscribers and free/extra talk time given to subscribers along with promotional packs. In the normal course of the business, revenue is recognized net of such waivers. For erroneous charging, it is customary in business to refund the amount (if any) and these waivers to customers are in accordance with TRAI guidelines.
- In term of AS 9, revenue is defined under para 4.1 as “Revenue is the gross inflow of cash, receivables or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods, from the rendering of services, and from the use by others of enterprise resources yielding interest, royalties and dividends. Revenue is measured by the charges made to customers or clients for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them...”. Hence, as mentioned above, adjustments to errors due to erroneous charging and free/ extra talk time given to subscribers along with promotional packs were a normal part of business activity and does not result in gross inflow of cash, receivables or other consideration. Consequently, reversal needs to be adjusted/set-off against the revenue and cannot be separately treated as an expense.

Reply furnished by the Management is not convincing as:

- The details of waivers offered to subscribers relating to reversal of erroneous charging to the subscribers and promotional offers (FAT etc.) given to subscribers were not furnished. The sample data furnished to audit (for FY 2014-15) was not in reconciliation with the value booked in the respective GL code and the company could not reconcile the same. Further, the company has not furnished any document in support of their contention that these waivers were due to erroneous charging to the subscribers.
- Audit contends that as per Norms of preparation of Annual Financial Statements under the Licence agreement, Service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately.

However, the Management netted off the discounts/rebate while preparing the annual financial statements which was against the licence agreement. Since this was a part of overall commercial strategy to enhance business, therefore, they were in the nature of expenses and set-off for related items of expenses were not allowed as per the licence agreement. Hence these should be added back to GR.

Thus, netting off waivers from prepaid services amounting to ₹ 159.55 crore (**Annexure-3.03**) resulted in reduction of GR/AGR and short payment of LF and SUC to Government of India by ₹ 13.11 crore and ₹ 6.24 crore respectively..

3.3 Under Reporting of Roaming Revenue due to set-off of Inter Operator Traffic (IOT) Discounts paid/credited to other Operators

Unitech/Telenor group have arrangements with other International Operators for providing roaming services and roaming agreements provide for volume discounts for bulk usage of the company network. Review of records of the operator revealed that during the period from 2009-10 to 2014-15, Inter Operator Traffic (IOT) Discounts paid to these Operators' accounts was deducted from the revenue. Such roaming arrangement with other operators was a matter of mutual agreement between two operators and was part of commercial strategy to enhance business between the two operators. These discounts were in the nature of expenses and hence, in terms of licence agreement, should not be deducted from revenue.

Review of data/records of the company revealed that an amount of ₹ 3.27 crore was debited to roaming revenue during the period from 2009-10 to 2014-15 which was in deviation from the license agreement.

Management stated that:-

- International/National roaming revenue was being generated based on negotiation adopted by business. In terms of the agreement, on achieving the agreed target/volume, the party achieving the same was entitled to avail the benefit of lower rate. As a practice, revenue was recognized based on regular TAP INs, the revised TAP INs file could not be regenerated after achieving the target/volume. Therefore, the benefit of lower rates on achieving the agreed target/volume was given to other party through Credit Note. Resultant Credit Notes were issued due to system constrains; hence the same could not be treated as expense.
- Further revenue recognition as per AS-9, which define revenue under Para 4.1 as "Revenue is the gross inflow of cash, receivable or other consideration arising in the course of the ordinary activities of an enterprise from the sale of goods, from rendering of services, from the use by others of enterprise

resources yielding interest, royalties and dividends. Revenue is measured by the charges made to customers or clients for goods supplied and services rendered to them and by the charges and rewards arising from the use of resources by them"

The reply of the Management is not convincing since-

- Discounts over and above the agreed charges were part of overall commercial strategy to enhance business and hence these discounts were in the nature of expenses.
- Audit contends that for the purpose of License fee, the revenue is to be recognized "Gross" without set-off of related expenses as mandated under license agreement.

Thus, netting off IOT discounts amounting to ₹ 3.27 crore (**Annexure-3.04**) in respect of international roaming operators resulted in reduction of GR/AGR. Resultantly, LF and SUC amounting to ₹ 0.32 crore and ₹ 0.11 crore respectively were not paid by the company.

3.4 Under Reporting of Revenue from Forex Gain for GR/AGR by UWL/TW/Telenor

In terms of licence agreement, GR shall be inclusive of any other miscellaneous revenue. Review of GL of Unitech/Telenor group for the period from 2009-10 to 2014-15 revealed that an amount of ₹ 22.58 crore was booked as realized gain on Forex transactions. However, on verification of reconciliation/mapping for AGR, it was noticed that the revenue earned on forex gain was not considered in the GR/AGR for the purpose of revenue share payable to DoT.

It is pertinent to mention here that the above realised gain calculated from the data extracted from the reports generated from Oracle Financial System did not represent the actual gain of that particular item since the company recasts the value of all the items included under the foreign exchange gains/losses head every year, the matured items are accounted under realised gains and the un-matured items remain under unrealised gains. Thus, the realised gain of a particular item in that year would not be the actual gain due to accounting of the gains /losses of that item during the intermediate period under unrealised gains. Audit could not arrive at the actual value of items accounted under realised gain every year for want of original value of each item. The operator should calculate the gain of each item with reference to its initial value of accounting and include the total forex gain in GR/AGR.

The company replied that

- Treatment of forex gain/loss was covered under Accounting Standard 11 (AS-11) issued by the Institute of Chartered Accountants of India. In term of AS-11, a foreign currency transaction should be recorded, on initial recognition in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Resultant forex gain/losses arise due to discharge of obligation of debtors/creditors and hence have no linkage with revenue.
- The income from fluctuations in foreign exchange(s) was notional in nature and not a realised revenue. It is reiterated that in respect of purchases or transactions like operating expense on account of consultancy, purchase of equipment or loan taken in foreign currency, the fluctuations due to foreign currency do not form part of revenue, as such fluctuations ultimately result in increase or reduction in cost or purchase price or liability and have no linkage with the revenue.
- Same has been re-iterated in TDSAT judgment of April 2015 that foreign exchange fluctuation should have no bearing on the license fee. The question of computation of “gross revenue” and “adjusted gross revenue” has been mired in controversy right from the beginning. The DoT and TSPs are in dispute for more than ten years over the elements that go into the computation of “gross revenue” and “adjusted gross revenue” and the whole matter has been in a flux for all this time. This is still pending before Hon’ble Supreme Court and yet to be finally settled. Hence, as mentioned above, Forex Gain cannot be part of gross revenue for the purpose of Licence fee.

The reply furnished by the Management is not convincing since-

- Audit contends that for the purpose of License fee, GR shall be inclusive of any other miscellaneous revenue and thus, forex gain (which is accounted as Income in P&L account) should be considered for GR.
- Audit has considered the realised gain only.
- TDSAT judgement dated 23 April 2015 referred in the reply was challenged in the Hon'ble Supreme court by DoT in July 2015. While the matter is sub-judice at Hon'ble Supreme court, Audit opines that non-consideration of forex gains in GR by the company was a deviation from the license condition.

Thus, non consideration of FOREX revenue amounting to ₹ 22.58 crore (**Annexure-3.05**) resulted in reduction of GR/AGR. Resultantly, LF and SUC amounting to ₹ 1.89 crore and ₹ 0.85 crore respectively was not paid.

3.5 Non consideration of Interest Income for GR/AGR

As per the license agreement, GR for the purpose of payment of Revenue Share to DoT shall be inclusive of revenue on account of interest. However review of data/records furnished by Unitech/Telenor group for the period from 2009-10 to 2014-15 revealed that interest income on FD and interest from loans and advances granted to Subsidiaries /Associate companies/ related parties of the company amounting to ₹ 285.16 crore and ₹ 2.16 crore respectively, accounted in the books of accounts of the company was not considered for the purpose of GR/AGR.

Management in its reply stated that

- Interest on FD was not related to telecom operations and cannot be included in AGR. Further, the interest income resulted from deployment of surplus fund/borrowed funds which cannot be termed as revenue. Funding in business results in mismatch of loans disbursed and final use of proceeds, thereby resulting in finance income as well as finance expense.
- The question of computation of "adjusted gross revenue" has been mired in controversy right from the beginning. DoT and TSPs are in dispute for more than ten years over the elements that go into the computation of "gross revenue" and "adjusted gross revenue" and the whole matter has been in a flux for all this time. This is pending before Hon'ble Supreme Court and yet to be finally settled.

Reply of the management is not convincing as -

- Definition of GR in licence agreement expressly provides for inclusion of interest income for GR/AGR for computation of revenue share.
- While the issue is *sub-judice* at the Hon'ble Supreme Court, non-inclusion of interest in GR was in violation of the licence conditions.

Thus, non-inclusion of Interest income pertaining to period from 2009-10 to 2014-15 resulted in understatement of GR/AGR by ₹ 287.32 crore as detailed in (Annexure-3.06). Resultantly, LF and SUC amounting to ₹ 24.84 crore and ₹ 9.35 crore respectively were not paid.

3.6 Non consideration of Miscellaneous Income for AGR for computation of LF/ SUC

In terms of conditions under licence agreement, the Gross Revenue shall be inclusive of revenue on account of interest, dividend and any other miscellaneous revenue without any set-off for related item of expense, etc. From the AGR statements and

data/records shared with audit, it was observed that during the FYs from 2009-10 to 2014-15, Miscellaneous Income such as income from Scrap Sale, Profit on sale of fixed asset, Other Income, etc. booked by the company amounting to ₹ 56.55 crore was not considered for payment of License fee and Spectrum Usage Charges.

Management replied that –

- Miscellaneous income was from non-licensed activity. These receipts were incidental to business such as scrap sale, sub lease and gain on sale of fixed assets etc. which did not have any connection with telecom operation under the license agreement.
- The company's accounting treatment and presentation of accounts were in accordance with Schedule VI of the Companies Act. Any loss/gain arising on account of sale of assets was in the nature of capital receipt. The investments made in assets were resulting in generation of revenue which was subject to licence fee. The sale proceeds from disposal of such assets resulting in either gain/loss were nothing but the recovery of the amount higher than the net value after depreciation and provision for diminution in the value of assets in the books. This gain was really not a gain since the benefit of depreciation and provision for diminution in the value of assets was not availed earlier. This would also tantamount to charging licence fee on revenue from operations as well as the capital expenditure portion earlier put for business.
- TDSAT also in their judgment of April 2015 held that as long as the sale value does not exceed the gross book value (actual or historical cost price), the sale proceeds though liable to income tax, cannot be taken into reckoning for computation of gross value.
- The question of computation of "adjusted gross revenue" has been mired in controversy right from the beginning. The DoT and the TSPs are in dispute for more than ten years over the elements that go into the computation of "gross revenue" and "adjusted gross revenue" and the whole matter has been in a flux for all this time. This is pending before Hon'ble Supreme Court and yet to be settled.

Audit view on the Management reply is as follows.

- Definition of GR expressly provided that miscellaneous revenue should be included in GR for computation of revenue share.
- While the issue is *sub-judice*, Audit view is that non-consideration of miscellaneous income in GR was in violation of the licence conditions.

As such, items of miscellaneous income as stated above amounting to ₹ 56.55 crore not considered in respective AGR (**Annexure- 3.07 & 3.08**) resulted in short payment of LF and SUC by ₹ 4.64 crore and ₹ 2.05 crore respectively.

3.7 Non Payment of License Fee on Profit on Sale of Business by UWL to TWL/Telenor as per Business Transfer Agreement (BTA)

Unitech Wireless (Tamil Nadu) Private Limited entered into a Business transfer Agreement (BTA) with M/s. Telewing Communications services private limited for transfer of its business as a going concern on a slump sale basis. Based on DoT approval (November 2013), Unitech Wireless (Tamil Nadu) Private Limited transferred its GSM business to M/s. Telewing Communications Services Private Limited during the financial year 2013-14 at a Profit of ₹ 251.50 Crore. This was not considered for calculation of License fee.

The non-recognition of profit on sale of GSM business for the calculation of License fee which comes within the ambit of Miscellaneous Income was a violation of the License agreement. Clause 19.1 of UAS License agreement defines Gross revenue which, inter alia states that, the revenue includes any other miscellaneous revenue without any set off for the related items of expenses.

Management replied that

- After cancellation of licenses of Unitech Wireless (Tamilnadu) Private Limited (Unitech Wireless), a new entity M/s Telewing Communications Services Pvt. Ltd (now Telenor (India) Communications Private Limited) (Telenor India) won spectrum in auction in six circles. Furthermore, for the continuity of services in the aforesaid circles, the transfer of business from Unitech Wireless to Telenor India was sought for and was approved by the DoT. It was during this process of transfer of business certain valuation of intangibles assets like customer relationship, work force, IPR, favorable leases, etc., which in fact not existed in the books of Unitech Wireless but was subsequently made and the said valuation amount was actually paid to Unitech Wireless by Telenor India. However, such a payment cannot be reckoned towards AGR for the reason that AGR is to be reckoned strictly in terms of clause 19.1 of UASL which does not take into account intangibles like customer relationship, work force, IPR, favourable leases, etc.
- The distinction between ‘revenue’ and ‘capital’ is never obliterated. It is nowhere suggested that revenue includes assets or the proceeds from the sale of assets. Revenue means income that an entity/organization receives from its normal business activities while the term ‘income’ is of much wider amplitude. Further, “any other miscellaneous revenue” does not mean “any

other miscellaneous income” and in order to form part of gross revenue, the miscellaneous inflow/entry must first qualify as “revenue”.

The reply furnished by the Management is not convincing since as per license agreement, Gross Revenue shall be inclusive of revenue on account of interest, dividend and any other miscellaneous revenue without any set-off for related item of expense, etc. Audit contends that profit recognised in the P&L account was part of Miscellaneous Income and thus, should be considered for computation of GR/AGR in accordance with the licence agreement.

Non-inclusion of the profit on sale of business resulted in understatement of GR/AGR for the year 2013-14 by ₹ 251.50 crore. Resultantly, LF and SUC amounting to ₹ 22.02 crore and ₹ 8.40 crore respectively were not paid on the said revenue (**Annexure-3.09**).

3.8 Interest on Short/Non-payment of LF and SUC

On issues raised above, (from paras 3.2.1 to 3.7) short/non-payment of LF and SUC worked out to ₹ 257.32 crore and ₹ 110.81 crore respectively. The interest on this short / non-payment of LF and SUC is ₹ 235.62 crore (**Annexure 3.10**). The calculation of interest was based on the rate prescribed in the License agreement i.e. 2 per cent above the Prime Lending Rate of State Bank of India existing on the beginning of the financial year and period considered for the calculation of was from the end of the concerned financial year up to March 2016. The interest has been compounded monthly as prescribed in the license agreement.

3.9 Disclosures in the Statement of Revenue and Licence fee (AGR statements)

Distinct and specific norms for recognition of revenue by the licensees, from the particular licenced activity are detailed in the Annexure –III of Licence agreement. The norms specified that the annual financial statements/Statement of Revenue and Licence fee (AGR statement) should show -

- Gross Revenue (amount billable/from service) with details of discount/rebates indicated separately and also
- Item-wise details of income that has been set-off against corresponding expenditure
- Any category of accrued revenue, the amount of which exceeds 5 per cent of the total accrued revenue, shall be shown separately and not combined with any other item

- Service Tax billed, collected and remitted to the Government shall be shown separately
- Sales Tax billed, collected and remitted to the Government shall be shown separately
- Income from interest and dividend shall be shown separately without any related expenses being set off against them on income side of P & L Account.
- Item-wise details of income that has been set off against corresponding expenditure

During the course of audit of UWL/TWL it was observed that some of the above norms have not been considered while preparation of annual financial statements. Instances of understatement of revenue as brought out in the report would confirm that the revenue recognised for payment of LF and SUC by UWL/TWL were neither entirely in line with the licence conditions nor the preparation of accounts was fully in compliance with the norms prescribed by DoT. The annual accounts of the entities even though generally contained information mandated by DoT, critical data which impact the correctness of the revenue recognized by the Companies for payment of revenue share were found missing in the annual accounts submitted along with the AGR statement. For instance, the details of discount/rebate to be indicated separately along with Gross Revenue, information on total Airtime Units for home and visiting subscribers and unbilled numbers which were required to be presented separately and credits in expenditure which affect the correctness of AGR etc., were not disclosed in the Annual accounts. Yet the Statutory Auditors had always certified that the accounts were prepared in accordance with the guidelines/norms contained in the Licence Agreement.

On being pointed out, Management stated that the above requirement have been complied with as they are either available in the billing system , book of accounts or disclosed in their annual financial statement / balance sheet. While the Management replied that no items of income have been set off against any corresponding expenditure, it was observed that in cases such as Margin / Offers etc revenue share have been netted off against expenditure resulting in under reporting of GR / AGR.

It is also pertinent to mention that in spite of non-compliance to above requirement, DoT never insisted on adherence to the above requirement. Audit feels that above disclosures as required by DoT shall facilitate agencies entrusted with the task of ascertaining the correctness of the GR reported by the licensee companies to ensure completeness in verification process.

3.10 Response of DoT/Telenor to the Audit Observations

Audit observations on the revenue share payable by M/s Telenor were communicated to DoT and Telenor during January 2017 for their further comments. Telenor had reiterated once again (February 2017) most of their submissions made in reply to audit observations issued during the course of premises audit.

The DoT stated (February 2017) that

- The basic definition of GR and AGR was challenged by the TSP's in 2002-03. Since then, there has been protracted litigation and is continuing till date.
- DoT is presently in appeal against the TSPs in the Supreme Court and as per the orders of the SC the department had been permitted to issue demands to the TSPs based on its understanding of the Licence Agreement.
- Demands would be raised based on the final figures reported by CAG, as per the Licence agreement and Policy decisions of DoT.

The response of DoT proves that though the revenue share regime was introduced as part of NTP-1999, the Department has not been able to realise its due revenue share as envisaged in the Licence agreement even after more than 17 years of its implementation.

It would be pertinent to mention here that when the Government decided to reduce the LF for all operators by two per cent effective from April 2004, DoT had expected that the reduction would prompt operators to withdraw the challenges against the Government. However, the reduction in LF did not have the expected impact and the operators continue to institute litigations against the Government challenging the definition of GR/AGR and demand notes. Thus the PSP got the benefit of reduction in rate of LF but the Government didn't get the reciprocal benefit of reduction in litigations.

CHAPTER - IV

Revenue Shared by M/s Videocon Telecommunication Limited

4.1 Introduction

Videocon Telecommunications Limited (VTL), formerly known as Datacom Solutions Private Limited, obtained Unified Access Services License (UASL) in 2008 for 21¹ licensed service areas (LSA) from Department of Telecommunications (DoT). VTL was allotted spectrum in 20 LSAs and started operations as a Global System of Mobile (GSM) service provider in 17 LSAs during the period from 2010-11 to 2011-12.

Besides the license mentioned above, VTL holds National Long Distance (NLD) and International Long Distance (ILD) license acquired since 2009. VTL launched NLD and ILD services in 2010 and 2012 respectively. Consequent to the judgement dated 12 February 2012 of the Hon'ble Supreme Court, all the 21 licences granted to VTL were declared illegal and quashed. However, as per order of Hon'ble Supreme Court, VTL continued their services under UASL till January 2013. Subsequently, VTL participated in the auction held by DoT in September 2012 and was a successful bidder in six service areas namely Bihar, Gujarat, Haryana, Madhya Pradesh, Uttar Pradesh (East) and Uttar Pradesh (West).

4.1.1 Radio Frequency Spectrum held by VTL

VTL was allotted GSM spectrum in 20 LSAs in 1800 MHz frequency band during 2008-09 and retained till 2012-13. Details of the Spectrum held by the Company are as shown in Table 4.1 below:

Table 4.1

Sl. No.	Technology	Spectrum	No. of MW Access Carriers*	No. of MW Backbone Carriers*#	LSA
1	GSM (UASL)	2 x 4.4 MHz	2	1	Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Himachal Pradesh Jammu & Kashmir, Karnataka, Kerala, Kolkata, Madhya Pradesh, Maharashtra, Mumbai, North East, Orissa, Rajasthan, Tamilnadu, UP(E) , UP(W) and West Bengal

* Each carrier is of 56 MHz

Backbone Carriers not allotted in Mumbai & Kolkata

¹ AP, Assam, Bihar, Delhi, Gujarat, Haryana, HP, J&K, Karnataka, Kerala, Kolkata, MP, MH, Mumbai, NE, Orissa, Rajasthan, TN & Chennai, UPE, UPW and WB

After cancellation of licences by Honourable Supreme Court of India for above mentioned service areas, VTL participated in the auction held by DoT in September 2012 and was a successful bidder in six service areas as shown in Table 4.2 below:

Table 4.2

Technology	Date of signing Unified Licence Agreement/Date of allotment of spectrum	Spectrum	No. of MW Access Carriers	No. of MW backbone Carriers	LSA
GSM (UL) Access services	04 March 2013/02 April 2013	2 x 5 MHz	2	1	Bihar, Madhya Pradesh, Gujarat, Haryana, UP(E) and UP(W)

4.1.2 Revenue Reported and Revenue Share paid by VTL

Telecom Service Providers are required to pay Licence Fee (LF) and Spectrum Usage Charges (SUC) at a percentage of AGR on quarterly basis on self-assessment basis. Gross Revenue (GR), Deductions, Adjusted Gross Revenue (AGR) reported and revenue shared (LF and SUC) by VTL during the period 2009-10 to 2014-15 are as follows:

Table 4.3

(₹ in crore)

Year	Subscribers' base at year end (in crore)	GR	Deduction	AGR*	Percentage of AGR to GR	Revenue Share (LF + SUC)
2009-10	0	0	0	0	0	0
2010-11	0.71	376.68	334.34	101.56	26.96	12.11
2011-12	0.60	730.16	454.46	278.26	38.10	30.76
2012-13	0.20	459.18	302.94	173.97	37.88	18.93
2013-14	0.50	872.14	503.93	368.33	42.23	40.50
2014-15	0.71	1447.30	966.77	480.83	33.22	51.17
Total		3885.46	2562.44	1402.95	36.10	153.47

*AGR figures are exclusive of negative AGR of LSAs

4.2 Under Reporting of Revenue from Prepaid Services due to Netting off of Commission/Discounts/Offers to Distributors/Subscribers

From the scrutiny of data/records pertaining to prepaid services furnished by VTL for the period from 2010-11 to 2014-15, it was observed that –

- The commission offered to distributors/agents as upfront discount was netted off from revenue pertaining to prepaid services.
- Offers to subscribers viz. Free Air Time (FAT) to customers, Free of Cost (FOC) SIMs to distributors etc, were set-off from the revenue pertaining to prepaid services.

The item wise details are furnished below:-

4.2.1 Under Reporting of Prepaid Revenue due to Netting off of Commission/Discount offered to Distributors

VTL markets various products/services in pre-paid segment through channel sales partners/agents/franchisees/dealers/distributors, etc. for which they are paid margin/commission. Such margin/commission etc. are in the nature of expense for the licensee.

On a review of accounts of VTL, it was observed that the commission/margin amounting to ₹ 66.91 crore paid to the distributor/franchises/agents/dealers during the FYs 2010-11 to 2014-15 was not considered in the revenue since actually billed amount was accounted. This resulted in understatement of pre-paid revenue and consequently, reduction of actual revenue considered in the AGR statements submitted by them to Controller of Communication Accounts (CCA)/Department of Telecommunications (DoT). As the commission/margin paid to the distributor/franchises/agents/dealers were in the nature of expenses, non-inclusion of the same in revenue was against the licence condition resulting in under reporting of GR to the extent of ₹ 66.91 crore.

Management replied as follows: –

- Company has always considered the revenue share on the basis of adjusted gross revenue arising from the telecom licensed activities only;
- Primary margin is offered to the distributors at the time of Primary Billing i.e. primary billing for Recharge voucher only and the assessable value has been furnished in all the invoices;
- The amount which is debited in the GL revenue ledger of Processing is of Trade discount offered to the Distributors at the time of primary billing. As per

the accounting policy followed, the actual inflow to the company i.e. amount paid by the distributor only is carried to the P&L account and not the MRP of the product sold through the distributor;

- It is further submitted that in term of Accounting Standard 9 (AS-9) “*Revenue is the Gross inflow of cash, receivable or consideration arising in the course of the ordinary activities of the enterprise from the sale of goods, from the rendering of services and...*” therefore keeping the same into consideration of the above points, the LF has been paid on the realized revenue. TDSAT vide its Judgment Dated 23 April 2015 also referred that in order to be counted “GR”, the meaning of inflow must not be notional and but realized;
- TDSAT vide its Judgment dated 23 April 2015 also referred that if the sale is on a agreed price, invoiced at that agreed price and booked under the revenue in the profit and loss account accordingly, without netting off any discount, the actual selling price would be revenue and the difference between the MRP and selling price cannot be added to “Gross Revenue”;
- Keeping in view of the above cited facts/details, VTL is not in a position to accept or consider the Audit point against the understatement of GR of VTL due to set off of commission paid as upfront discount to the distributors to the tune of ₹ 66.91 crore.

The above responses are not convincing to audit due to reasons given below:

- VTL is rendering the services ultimately and had VTL sold the cards directly to the customers, revenue would have been accounted for full value of service rendered and selling expenses would have been accounted as expenditure. On the same analogy, discount/commission accorded to distributors would be in the nature of Marketing Expenditure and thus, should not be deducted from Revenue.
- While the matter is sub-judice at Hon’ble Supreme Court, Audit view is that commission/margin paid to the distributors/franchises/dealers is in the nature of marketing expenses, therefore, set-off of such expenses with revenue was against the licence condition.

Thus, non-consideration of discount/ commission of ₹ 66.91 crore given to pre-paid distributors for computation of GR/GR resulted in understatement of GR/AGR, and consequent short payment of LF and SUC by ₹ 5.82 crore and ₹ 2.63 crore respectively (**Annexure-4.01**).

4.2.2 Under reporting of Revenue on account of Free Airtime to Prepaid Subscribers

VTL offered Free Airtime (FAT) to its prepaid subscribers. Audit observed that the value of FAT extended to customers amounting to ₹ 92.10 crore during the period from 2010-11 to 2014-15 was not recognised in the GR/AGR for computation of revenue share. Since offers to customers like free airtime was part of overall commercial strategy to enhance business, the costs of such offers were in the nature of expenses. Further as per licence agreement, service revenue should be shown gross without any set-off. Thus, non-inclusion of FAT for computation of revenue share resulted in under reporting of revenue to the tune of ₹ 92.10 crore .

VTL stated that:-

- In certain prepaid tariff scheme and such scheme offered based on market demand/management decision, if free airtime was provided to subscribers on making recharge through specified recharge vouchers denominations, the tariff amount which were actually paid by the subscribers were ultimately booked as revenue. These tariff schemes were within the TRAI Guidelines;
- The FAT was offered to VTL GSM prepaid customers only and the offer was over and above of the talk time. The FAT offered is a promotional activity with the motive of retaining the customer and decrease the churn;
- The company has recognized the revenue against the Free Airtime and there is no corresponding cash flow/receipt;
- FAT is in the nature of planned business strategy and part of tariff plan filed with TRAI. It is given upfront to the customers and such notional amount cannot be subject to LF;
- In terms of AS-9, “Revenue is the Gross inflow of cash, receivable or consideration arising in the course of the ordinary activities of the enterprise from the sale of goods, from the rendering of services and therefore keeping the same into consideration of the above points, the LF has been paid on the realised revenue;
- Keeping in view of the above facts and details, the amount of ₹ 92.10 crore towards FAT is already considered in revenue and accordingly LF has been calculated on the realised revenue. Hence VTL is not in a position to accept the point as the FAT has negative impact on Revenue.

Audit views on the reply of the Management are given below:-

- Audit contends that Airtime is not a free commodity, had an intrinsic value and by giving FAT, the licensee is foregoing the revenue instead of booking this as expenses resulting in avoidance of LF and SUC.
- The details of FAT offered as per the tariff and that offered as promotion to customers were not furnished.

Thus, netting off FAT amounting to ₹ 92.10 crore given to pre-paid customers resulted in understatement of GR/AGR and consequently short payment of LF and SUC by ₹ 7.88 crore and ₹ 3.69 crore respectively (**Annexure-4.02**).

4.2.3 Non-consideration of Revenue from Sale of Prepaid SIM cards

The company operated 1+1 scheme during 2013-14 and 2014-15. Under the scheme, two SIMs were delivered to distributor against price of one SIM. Audit observed from the General Ledger (GL) of VTL that revenue of one SIM was accounted while the cost of SIM given free amounting to ₹ 5.25 crore was not considered for computation of GR/AGR. As the scheme was promotional in nature, non-inclusion of the value of the SIM was in deviation of clause 19.1 of UASL/UL agreement.

VTL replied that:-

- The Company offers 1+1 SIM to its Distributors based on market demand /management decision as an 1+1 SIM against the order placed by distributors towards the SIM purchases;
- In the scheme of 1+1 SIM cards, the quantity of two SIMs has been delivered to distributors against the 1 SIM price and 1+1 SIM has been accounted as revenue by oversight and accordingly the revenue has been overstated and by passing the corrected entries, the revenue has been corrected and the diminished amount is purely of 1+1 SIM only and which do not carry any value;
- The 1+1 SIM is applicable for the period of 2013-14 to 2014-15 only as the UASL licenses were cancelled by the Hon'ble Supreme Court of India vide its judgment dated 2nd February 2012 and in order to retain existing customers and to get new customers, such marketing schemes were required by the company;
- It is further submitted that in term of AS-9 revenue is gross inflow of cash, receivable or consideration arising in the course of the ordinary activities of the enterprise from the sale of goods, from the rendering of services and therefore keeping the same into consideration of the above points the LF has been paid on the realized revenue;
- TDSAT vide its judgment dated 23 April 2015 also referred that in order to be counted "GR", the meaning of inflow must not be notional but realized;

- Keeping in view of the above cited facts/details, VTL is not in a position to accept or consider the audit point against the FOC of ₹ 5.25 crore.

Audit views on the comments of the VTL management are as follow:-

- Audit contends that 1+1 scheme was in nature of promotion and hence, sale value of SIM should have been accounted as revenue and the value of SIM given for free booked as expenditure. By non-accounting of free value of SIM, QTL had understated revenue by ₹ 1.90 crore.
- The reply that free SIM did not carry any value is not convincing since they could be sold separately by the dealers. Further, these SIM required to be activated separately by the company also;
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that 1+1 scheme is in the nature of marketing expenses and therefore, non-inclusion of the same in revenue was against the licence condition.

Thus, the action of the Management in non-considering the revenue of ₹ 5.25 crore was against the licence agreement and resulted in understatement of GR/AGR to that extent with consequent short payment of corresponding LF and SUC by ₹ 0.42 crore and ₹ 0.24 crore respectively (**Annexure-4.03**).

4.3 Incomes not offered for Revenue Share

The licence agreement while prescribing certification of the accounts of the licensee companies by their Auditors in accordance with the provisions of the Companies' Act 1956, also specified that reconciliation should be done between the revenue appearing in the revenue share statements and the annual accounts of the Company as certified by their Auditors.

Review of the reconciliation statements with the Trial Balances, Audited AGR statements prepared by the Statutory Auditors submitted along with Auditors Report and comparing them with primary accounting records of VTL for the years 2009-10 to 2014-15 showed that income/revenue under certain categories, appearing in the Company's accounts, were not considered for computation of GR/AGR and payment of revenue share. These revenues which should have been a part of AGR were not included in the AGR statements. Incomes which were excluded from GR/AGR are discussed below:

4.3.1 Interest Income not offered for Revenue Share

As per the licence agreement, GR for the purpose of payment of Revenue Share shall be inclusive of revenue on account of interest. Review of data/records furnished by VTL for the period from 2009-10 to 2014-15 revealed that interest income of ₹ 59.85 crore accounted in the books of accounts during the years from 2009-10 to 2014-15 was not considered for the purpose of payment of LF and SUC.

VTL Management stated that:

- Interest had not been earned as a part of the revenue from telecom services and hence was not being considered in the calculation of AGR.
- The issue was challenged before Hon'ble TDSAT and TDSAT vide its judgement dated 23 April 2015 decided against the operators. TDSAT judgement had been challenged by the company as well as by DoT in Hon'ble Supreme Court.
- Company ensure that once the issue will be finally decided by the Hon'ble Supreme Court, Company shall abide the same including the payment of LF and SUC on the revenue earned from interest income.

Response of the Management is not convincing on account of the following:-

- Definition of GR in licence agreement expressly provides for inclusion of interest income for GR/AGR for computation of revenue share; and
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that in terms of license agreement, interest income should be included in GR/AGR for computation of revenue share.

Non-inclusion of interest income for computation of GR/AGR resulted in understatement of GR/AGR by ₹ 59.85 crore and consequent short payment of LF and SUC by ₹ 4.80 crore and ₹ 1.91 crore respectively (**Annexure-4.04**).

4.3.2 Forex Gain not included in GR/AGR

In terms of licence agreement, GR shall be inclusive of any other miscellaneous revenue. Audit observed that an amount of ₹ 15.34 crore booked as realized gain on Forex transactions was not considered for GR/AGR for the purpose of revenue share payable to DoT.

Audit could not arrive at the actual value of items accounted under realised gain every year for want of original value of each item. The operator should calculate the gain of each item with reference to its initial value of accounting and include the total forex gain in GR/AGR.

Management replied that-

- Foreign Exchange fluctuation was a contingency which had impact on every business and such gain had not accrued from primary or supplementary services of the company i.e., providing Telecom services to its customers/subscribers. Forex gains result when liabilities for payment in foreign exchange decrease on account of appreciation of domestic currency vis-à-vis foreign currency and such exchange differences arise when rates differ from those at which they were initially recorded in the books.

- Audit has considered only notional gain ignoring the loss recorded in the head of accounts. The forex gain loss, unlike telecom expenditure, was not something where the notional gain was to be viewed in isolation of the loss, as these were not recorded on the same principles adopted to account for the exchange rate differences at the end of each books closing period. This gets actualized only at the time of payment to the vendor.
- TDSAT judgement dated 23 April 2015 passed that any gain or loss due to foreign exchange fluctuation should have no bearing on the License fee.

Contention of the Management is not convincing due to following reasons:-

- In terms of the licence agreement GR shall be inclusive of any other miscellaneous revenue and audit is of the view that any gain incidental to PSPs should be considered for GR.
- The company has been following mercantile method of accounting and as per commercial principle of accounting, “the profit/loss” is to be arrived after taking into account all accrued receipts and expenses and comparing of trading assets between two different dates. Under the mercantile system of accounting a forex gain (revenue)/loss (expenditure) incurred as a result of exchange differences are rational and cannot be considered as contingent/notional in nature. Further, audit has considered the realised gain only.
- While the matter is sub-judice at Hon’ble Supreme Court, Audit view is that in terms of license agreement gain arising from foreign exchange should be included in GR/AGR for computation of revenue share.

Non-inclusion of realised forex gain by QTL resulted in understatement of GR/AGR by ₹ 15.34 crore and consequent short payment of LF and SUC by ₹ 1.38 crore and ₹ 0.43 crore respectively (**Annexure-4.05**).

4.4 Interest on Short/Non payment of LF and SUC

On issues raised above (from para 4.2.1 to 4.3.2) short/non payment of LF and SUC worked out to ₹ 20.30 crore and ₹ 8.90 crore respectively. The interest on this short/non-payment of LF and SUC is ₹ 18.88 crore (**Annexure-4.06**). The calculation of interest was based on the rate prescribed in the Licence agreement i.e., *2 per cent* above the Prime Lending Rate of State Bank of India existing as on beginning of the financial year and the period considered for calculation was from the end of the concerned financial year to March 2016. The interest has been compounded monthly as prescribed in the Licence Agreement.

4.5 Disclosures in the Statement of Revenue and Licence fee (AGR statements)

The UASL Agreement stipulated that the accounts of the operator Company should be certified by its Statutory Auditor. Concurrently the Agreement also provided distinct and specific norms/guidelines for recognition and reporting of revenue by the licensees from the licenced activity. These norms, detailed in the Annexure–III of UAS Licence agreement, stipulated disclosure of important information like amount billable for the period, details of discounts/rebates, Total Airtime Units (Metered Units) for home and visiting subscribers and unbilled numbers (e.g. service connections) etc. The norms/guidelines read along with Clauses 20.2 and 20.6 of licence agreement would clearly indicate that while it was the prerogative of the licensee company to prepare their accounts complying with the provisions of the Companies Act, acceptable Accounting Standards etc., the AGR of the licensee company, for the purpose of payment of revenue share, would be computed as per the definition of revenue adopted in the UAS Licence.

- The Agreement also stipulated that the *Licensee shall be obliged to send to the Licensor a certified statement sworn on an affidavit, by authorised representative of the company, containing full account of Revenue as defined in Condition 19 for each quarter separately along with the payment for the quarter.* The Statutory Auditor of the licensee, preparing the accounts in accordance with the provisions in the Company’s Act/ relevant Accounting standards etc., should also give a confirmation to the effect that the Statement of Revenue and Licence Fee has been *prepared in accordance with the norms/guidelines contained in the Licence agreement (Appendix -1 to Annexure –II).*
- Instances of understatement of revenue as brought out in the report would confirm that the revenue recognised for payment of licence fee and SUC by VTL were not in line with the licence conditions nor the preparation of accounts was fully in compliance with the norms prescribed by DoT. Though it was stated by the Management that revenue was booked net of discounts its details were never seen indicated in the Annual Accounts of VTL as required by the licence agreement. The Management also informed that that billable revenue was shown as Gross in line with AS-9 and no discount was offered on the billable amount. The stand of the Management was not tenable because as per the guidelines for preparation of accounts the service income of the licensee had to be shown gross and details of discount/rebate indicated separately. Reluctance of the licensee to share/disclose all the requisite information with the licensor was not seen addressed by DoT. Even though computation of the GR was not in compliance with the licence agreement the

Statutory Auditors had always certified that the accounts were prepared in accordance with the guidelines/norms contained in the Licence Agreement. Moreover, the licence agreement stipulated that the licensee companies had to send to the DoT a certified statement sworn on an affidavit, by authorized representative of the company, containing full account of Revenue as defined in condition 19 for each quarter separately along with the payment which the company failed to comply with and DoT on its part did not take any proactive steps to ensure that the licensees disclose their revenue as stipulated in the licence agreements. Even though the Offices of Controllers of Communications Accounts have been established for confirming the correctness of deductions claimed by the Operators to arrive at their AGR, the systems put in place to ensure that the GR was reported in accordance with the license conditions needed strengthening.

4.6 Response of DoT/VTL to the Audit Observations

Audit observations on the revenue share payable by M/s VTL were communicated to DoT and VTL during December 2016 for their further comments. VTL had reiterated once again (January 2017) most of their submissions made in reply to audit observations issued during the course of premises audit.

DoT stated (February 2017) that

- The basic definition of GR and AGR was challenged by the TSP's in 2002-03. Since then, there has been protracted litigation and is continuing till date.
- DoT is presently in appeal against the TSPs in the Supreme Court and as per the orders of the SC the department had been permitted to issue demands to the TSPs based on its understanding of the Licence Agreement.
- Demands would be raised based on the final figures reported by CAG, as per the Licence agreement and Policy decisions of DoT.

The response of DoT proves that though the revenue share regime was introduced as part of NTP-1999, the Department has not been able to realise its due revenue share as envisaged in the Licence agreement even after more than 17 years of its implementation.

It would be pertinent to mention here that when the Government decided to reduce the LF for all operators by two per cent effective from April 2004, DoT expected that the reduction would prompt operators to withdraw the challenges against the Government. However, the reduction in LF did not have the expected impact and the operators continue to institute litigations against the Government challenging the definition of GR/AGR and demand notes. Thus, the PSP got the benefit of reduction in rate of LF but the Government didn't get the reciprocal benefit of reduction in litigations.

CHAPTER - V

Revenue Shared by M/s Quadrant Televentures Limited

5.1 Introduction

Quadrant Televentures Limited (QTL) formerly known as HFCL Infotel Limited obtained Unified Access Services License (UASL) in 2000 for Punjab Licensed Service Area (LSA) from Department of Telecommunications (DoT). QTL started its basic telephone service in October 2000. Subsequently, the Company migrated to the Unified Access (Basic and Cellular) Service License (UASL) with effect from November 2003 for Punjab circle and signed the UASL agreement in May 2004. QTL was allotted Code Division Multiple Access (CDMA) spectrum in August 2006 for Punjab Telecom Service Area and started operations in CDMA technology from 2007. It was allotted spectrum for Global System of Mobile (GSM) service in September 2008 and started operation in GSM technology from March 2010.

Besides these services QTL also held ISP license Service Area 'B' for Punjab Telecom Circle since June 2000 for providing internet service. On expiry of the ISP license, QTL was granted ISP Category –'A' (Pan India) Unified License in January 2015.

5.1.1 Radio Frequency Spectrum held by QTL

The details of Radio Frequency Spectrum held by QTL are furnished in Table 5.1 below:

Table 5.1

Sl. No.	Technology	Spectrum	No. of MW Access Carriers*	No. of MW backbone Carriers	LSA
1	GSM	2 x 4.4 MHz	3	Nil	Punjab
2	CDMA	2 x 1.23MHz	2	Nil	Punjab

*1 carrier equals to 56 MHz.

5.1.2 Revenue Reported and Revenue Share paid by QTL

Telecom Service Providers are required to pay Licence Fee (LF) and Spectrum Usage Charges (SUC) at a percentage of Adjusted Gross Revenue (AGR) on quarterly basis on self-assessment basis. Gross Revenue (GR), Deductions, AGR

reported and revenue shared (LF and SUC) by QTL during the period 2006-07 to 2014-15 furnished in Table 5.2 below:

Table 5.2

(₹ in crore)

Year	Subscribers Base at year end (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue Share (LF + SUC)
2006-07	0.03	276.49	62.43	183.03	74.56	16.11
2007-08	0.04	250.44	61.92	141.71	69.59	12.33
2008-09	0.06	224.42	40.42	130.08	76.31	11.67
2009-10	0.05	198.17	35.13	100.69	74.30	8.92
2010-11	0.17	238.49	28.36	136.90	82.83	13.69
2011-12	0.15	284.51	79.98	114.68	58.91	11.50
2012-13	0.16	338.73	92.35	221.36	65.35	17.49
2013-14	0.24	414.31	148.02	266.28	64.27	24.13
2014-15	0.30	528.68	261.17	267.52	50.60	23.31
Total		2754.24	809.60	1562.25	56.72	139.15

5.2 Under Reporting of Revenue from Prepaid Services due to Netting off of Commission/Discounts/Offers to Distributors/Subscribers

From the scrutiny of data/records pertaining to prepaid services furnished by QTL, it was observed that during the period from 2010-11 to 2014-15 –

- The commission offered to distributors/agents as upfront discount was not included in revenue of prepaid services;
- Free Air Time (FAT) to customers, was not included in the revenue from prepaid services for calculation of GR/AGR.

The item wise details are furnished below-

5.2.1 Under Reporting of Prepaid Revenue due to Set-off of Upfront Commission/Discount offered to Distributors

QTL markets various products/services in pre-paid segment through channel sales partners/agents/franchisees/dealers/distributors, etc. for which they are paid margin/commission. Such margin/commission etc. are in the nature of expense for the licensee.

On a review of accounts of QTL, it was observed that the commission/margin amounting to ₹ 39.32 crore paid to the distributor/franchises/agents/dealers during the FYs 2010-11 to 2014-15 was debited to the revenue heads of prepaid services

resulting in netting off of pre-paid revenue. This resulted in reduction of actual revenue considered in the AGR statements submitted by them to Controller of Communication Accounts (CCA)/Department of Telecommunications (DoT). As the commission/margin paid to the distributor/franchises/agents/dealers were in the nature of expenses, netting of such expenses with revenue was against the licence condition resulting in under reporting of GR to the extent of ₹ 39.32 crore.

Management replied that: –

- The amounts which were debited in the GL revenue ledger of Processing were of Trade discount offered to Distributors at the time of primary Billing. As per the accounting policy followed, the actual inflow to the company i.e. amount paid by the distributor only is carried to the P& L account and not the maximum retail price of the product sold through the distributor;
- Sale of product to the Distributor was on agreed price and that price was reflected in P & L account and there was no netting off of any Revenue with the expenses.;
- In Accordance with AS-9, the price at which the company sells the product to the distributors was the consideration received and hence only this amount should be recognized as revenue. There was no inflow of cash, receivables or other consideration;
- TDSAT vide its Judgment Dated 23 April 2015 also referred that if the sale was on an agreed price, invoiced at that agreed price and booked under the revenue in the profit and loss account accordingly, without netting off any discount, the actual selling price would be revenue and the difference between the MRP and selling price cannot be added to “Gross Revenue”.
- In view of the above, QTL was not in a position to accept or consider Audit point against the Understatement of GR of QTL due to Netting off of Trade Discount.

The above responses are not acceptable due to the reasons given below:-

- QTL is ultimately rendering the services and had QTL sold the cards directly to the customers, revenue would have been accounted for full value of service rendered and selling expenses would have been accounted as expenditure. On the same analogy, discount/commission accorded to distributors would be in the nature of Marketing Expenditure and thus, should not be deducted from Revenue

- While the matter is sub-judice at the Hon'ble Supreme Court, Audit view is that commission/margin paid to the distributors/franchises/dealers is in the nature of marketing expenses, therefore, set-off of such expenses with revenue was against the licence condition.

Thus, non-consideration of upfront discount/commission of ₹ 39.32 crore given to distributors for inclusion in GR/AGR for computation of revenue share resulted in understatement of GR/AGR to that extent with consequent short payment of LF and SUC by ₹ 3.15 crore and ₹ 1.40 crore respectively (**Annexure-5.01**).

5.2.2 Under Reporting of Revenue on account of Free Airtime to Prepaid Subscribers

QTL offers Free Airtime (FAT) to its prepaid subscribers. Audit observed that the value of FAT extended to customers amounting to ₹ 3.18 crore during the period from 2010-11 to 2014-15 was not recognised in the GR/AGR for computation of revenue share. Since offers to customers like free airtime was part of overall commercial strategy to enhance business, the costs of such offers were in the nature of expenses. Further as per licence agreement, service revenue should be shown gross without any set-off. Thus, non-inclusion of FAT for computation of revenue share resulted in under reporting of revenue to the tune of ₹ 3.18 crore.

QTL stated that:-

- The GL code 700841 is only for airtime discount, in this GL no revenue is booked and there is no question of netting this amount from revenue. While calculating the Airtime discount amount, Audit has not considered the credit entries of discounts in the same GL.
- Certain prepaid tariff scheme were offered based on market demand/management decision and free airtime was provided to subscribers on making recharge through specified recharge vouchers denominations. The tariff amount which were actually paid by the subscribers were ultimately booked as revenue. These tariff schemes were within the TRAI Guidelines.
- The FAT was offered to QTL GSM customers only and the offer was over and above the talk time. The FAT offered is a promotional activity with the motive of retaining the customer and decrease the churn.
- The company has recognized the revenue against the Free Airtime and there is no corresponding cash flow/receipt.

- FAT is in the nature of planned business strategy and part of tariff plan filed with TRAI. It is given upfront to the customers and such notional amount cannot be subject to LF.
- In terms of AS-9, “Revenue is the Gross inflow of cash, receivable or consideration arising in the course of the ordinary activities of the enterprise from the sale of goods, from the rendering of services and therefore keeping the same into consideration of the above points, the LF has been paid on the realised revenue.

Audit views on the reply of the Management are as given below:-

- Audit contends that revenue was net after considering the discount booked in the GL Code 700841 and since this was contrary to Licence agreement, revenue was understated to that extent;
- The details of FAT offered as per the tariff and that offered as promotion to customers were not furnished;
- Audit also contends that Airtime is not a free commodity, had an intrinsic value and by giving FAT, the licensee is foregoing the revenue instead of booking this as expenses resulting in avoidance of LF and SUC.

Thus, netting off FAT amounting to ₹ 3.18 crore given to pre-paid subscribers has resulted in understatement of GR/AGR, and consequently short payment of LF and SUC by ₹ 0.25 crore and ₹ 0.11 crore respectively (**Annexure - 5.02**).

5.2.3 Non-consideration of Revenue from Sale of Prepaid SIM cards

The company operated 1+1 scheme during 2013-14 and 2014-15. Under the scheme, two SIMs were delivered to distributor against price of one SIM. Audit observed from the General Ledger (GL) of QTL that revenue of one SIM was accounted while the cost of SIM given free amounting to ₹ 1.90 crore was not considered for computation of GR/AGR. As the scheme was promotional in nature, non-inclusion of the value of the SIM was in deviation of clause 19.1 of UASL/UL agreement.

QTL stated that:-

- SIM Activation Revenue gets credited to Revenue GL Code 700843 - GSM Processing Fee and debited to GL 500407 GSM common un-accrued liability. There was no separate GL for booking of revenue from activated SIM cards.

- The Company offers 1+1 SIM to its Distributors based on market demand and Management decision against the order placed by distributors for SIM purchase.
- In term of Accounting Standard AS-9 "Revenue is the Gross inflow of cash, receivable or consideration arising in the course of the ordinary activities of the enterprise from the sale of goods, from the rendering of services and therefore keeping the same' into consideration of the above points, the LF has been paid on the realized revenue.
- TDSAT vide its Judgment Dated 23 April 2015 also referred that in to order to be counted "GR", the meaning of inflow must not be notional and but realized.
- Keeping in view of the above cited facts, Audit point of FOC SIMs for ₹ 8.20 crore is not tenable.

Audit views on the comments of the QTL are as follows:-

- Audit contends that 1+1 scheme was in nature of promotion and hence, sale value of SIM should have been accounted as revenue and the value of SIM given for free booked as expenditure. By non-accounting of free value of SIM, QTL had understated revenue by ₹ 1.90 crore.
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that 1+1 scheme is in the nature of marketing expenses and therefore, non-inclusion of the value of free SIM in revenue for computation of GR/AGR was against the licence condition.

Thus, the action of the Management in non-considering the revenue of ₹ 1.90 crore was against the licence agreement. This resulted in understatement of GR/AGR by ₹ 1.90 crore and consequent short payment of LF and SUC by ₹ 0.15 crore and ₹ 0.07 crore respectively (**Annexure - 5.03**).

5.3 Incomes not offered for Revenue Share

The licence agreement, while prescribing certification of the accounts of the licensee companies by their Auditors in accordance with the provisions of the Companies' Act, 1956/Companies Act, 2013, also specified that reconciliation should be done between the revenue appearing in the revenue share statements and the annual accounts of the Company as certified by their Auditors.

Review of the reconciliation statements with the Trial Balances, Audited AGR statements prepared by the Statutory Auditors submitted along with Auditors' Report and comparing them with primary accounting records of QTL for the years from 2006-07 to 2014-15 showed that income/revenue under certain categories,

appearing in the Company's accounts, were not considered for computation of GR/AGR and payment of revenue share. These revenues which should have been a part of AGR were not included in the AGR statements. Incomes which were excluded from GR/AGR are discussed below:

5.3.1 Forex Gain not included in GR/AGR

In terms of licence agreement, GR shall be inclusive of any other miscellaneous revenue. During the scrutiny of GL of SAP ERP System made available to Audit, it was observed that an amount of ₹ 18.45 crore was booked as realized gain on Forex transactions. However, on verification of reconciliation/mapping for AGR, it was noticed that net forex gain of ₹ 0.01 crore was considered in GR/AGR in 2014-15. Thus, the balance revenue of ₹ 18.44 crore earned on forex gain was not considered for GR/AGR for the purpose of revenue share payable to DoT .

Audit could not arrive at the actual value of items accounted under realised gain every year for want of original value of each item. The operator should calculate the gain of each item with reference to its initial value of accounting and include the total forex gain in GR/AGR.

QTL replied that-

- Any foreign exchange fluctuation whether gain or loss is contingent in nature and the same is not generated from the telecom services being provided by the company;
- Foreign Exchange fluctuation was a contingency which had impact on every business and such gain had not accrued from primary or supplementary services of the company i.e. providing telecom services to its customers/subscribers. Forex gains result when liabilities for payment in foreign exchange decrease on account of appreciation of domestic currency vis-à-vis foreign currency and such exchange differences arise when rates differ from those at which they were initially recorded in the books;
- Audit has considered only notional gain ignoring the loss recorded in the head of accounts. The forex gain loss, unlike telecom expenditure, was not something where the notional gain was to be viewed in isolation of the loss, as these were not recorded on the same principles adopted to account for the exchange rate differences at the end of each books closing period. This gets actualized only at the time of payment to the vendor.
- TDSAT Judgment dated 23 April'2015 passed that "any gain or loss due to foreign exchange fluctuation should have no bearing on the License fee".

Contention of the Management is not acceptable due to following reasons:-

- In terms of the licence agreement GR shall be inclusive of any other miscellaneous revenue and audit is of the view that any gain incidental to PSPs should be considered for GR.
- The company has been following mercantile method of accounting and as per commercial principle of accounting, “the profit/loss” is to be arrived after taking into account all accrued receipts and expenses and comparing of trading assets between two different dates. Under the mercantile system of accounting a forex gain (revenue)/loss (expenditure) incurred as a result of exchange differences are rational and cannot be considered as contingent/notional in nature. Further, audit has considered the realised gain only.
- While the matter is sub-judice at Hon’ble Supreme Court, Audit view is that in terms of license agreement gain arising from foreign exchange should be included in GR/AGR for computation of revenue share.

Non-inclusion of realised forex gain by QTL resulted in understatement of GR/AGR by ₹ 18.44 crore and consequent short payment of LF and SUC by ₹ 1.48 crore and ₹ 0.47 crore respectively (**Annexure-5.04**).

5.3.2 Non consideration of Profit on Sale of Fixed Assets in GR/AGR

In terms of conditions under licence agreement, the Gross Revenue shall be inclusive of revenue on account of interest, dividend and any other miscellaneous revenue without any set-off for related item of expense, etc. Review of book of accounts of QTL for the period from 2006-07 to 2014-15 revealed that profit on sale of fixed assets amounting to ₹ 38.61 crore was not considered for GR/AGR .

QTL replied that:-

- The corporate incomes did not arise from the licensed activity and for doing this no license was required. Further, separate divisional books of accounts were maintained for the non-telecom businesses which had no nexus with the licensed activity of any telecom circles.
- The gain from sale of assets had not been earned as a part of the revenue from telecom service and hence was not considered in the calculation of AGR.
- The issue of inclusion the non telecom revenue in GR was challenged before Hon’ble TDSAT and TDSAT vide its judgment dated 23 April 2015 had excluded receipts of gain from sale of assets in considering the calculation of the AGR.

- Keeping in consideration of the above facts QTL was not in a position of accepting the query of gain from sale of assets.

The reply of the company is not convincing since

- In terms of definition of GR as per licence agreement, GR shall include all revenue accruing to the Licencee without any set-off for related item of expense;
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that in terms of license agreement profit on sale of fixed assets should be included in GR/AGR for computation of revenue share.

Non consideration of this amount resulted in understatement of GR/AGR by ₹ 38.61 crore and consequent short payment of LF and SUC by ₹ 3.09 crore and ₹ 0.83 crore respectively (**Annexure 5.05**).

5.3.3 Non Consideration of Revenue from Infrastructure Sharing for AGR for Payment of SUC

Format of statement of revenue and licence fee (AGR statement) prescribed as Appendix II to Annexure II as referred in Clause 20.4 of the UASL agreement is an integral part of the Licence Agreement. In the statement, item 1 A has been prescribed to reflect the “revenue from wire line subscribers”. Item 7 and Item 8 have been prescribed to reflect revenue from sharing/leasing of infrastructure and revenue from sale/lease of bandwidth, links, R&G cases, turnkey projects, etc. respectively. Further, Clause 18.3.1 of UASL agreement provides that “While calculating AGR for limited purpose of levying spectrum charges based on revenue share, revenue from wire line subscribers shall not be taken into account”.

During the review of the AGR Statements, it was noticed that QTL earned “Revenue from sharing of infrastructure (towers) and sharing of infrastructure (Dark Fibre) amounting to ₹ 8.25 crore and ₹ 48.12 crore in the years from 2006-07 to 2014-15. These items were included under Item 7 and 8 of the AGR statement in the years 2006-07 and 2007-08. But during the years from 2008-09 to 2014-15 these revenue were included in the AGR Statements under wire line subscribers in Item 1A instead of Item 7 and Item 8 for computation of LF violating conditions of licence. But these revenues not considered in the AGR for computation of SUC which was in contravention of the provisions of clause 18.3.1 of the Licence agreements.

QTL replied that:-

- Under QTL, there is one more Business stream i.e. Wire line business. Revenue generated from Lease Lines and Dark Fiber which are related to

wire line services and are non spectrum based Telecom activity has been shown under the AGR of UASL, but the portion of these revenue's doesn't fall under the Wireless, hence no SUC charges are applicable on the same. Further clause no. 18.3 of UASL agreement also substantiate the same which is reproduced as under "While calculating AGR for the limited purpose of levying spectrum charges based on revenue share, revenue from wireline subscribers shall not be taken into account".

- Regarding the query on Non-inclusion of SUC charges on revenue from Sharing of Infrastructure (Towers), as per the DoT notification the earning from the tower sharing never be treated as "Revenue" and it's purely the reimbursement of Expenses only and it's been facilitated with the set off.
- Tower sharing is not revenue but still we have ended up making the License fee and according to the facts furnished, there is no SUC charges applicable for the tower sharing earning.
- Keeping in view of the above and the facts furnished and justified of non applicability of SUC charges on the specified revenue streams and QTL was not in a position to accept the query of applicability of SUC charges.

Audit's views on the company's reply is as follows:

- The contention of the company that Revenue generated from Dark Fiber was related to wire line services is not acceptable since it was also in the nature of sharing of infrastructure and hence, was to be included in AGR for payment of SUC;
- Regarding sharing of infrastructure, expenditure incurred on infrastructure shared did not constitute reimbursement since they had to be incurred irrespective of whether the towers were shared or not. In fact, by sharing the expenditure, the Company benefited through additional income.

Due to non-consideration of infrastructure share revenue of ₹ 56.37 crore in AGR for SUC, revenue share of ₹ 1.69 crore was short paid to DoT (**Annexure-5.06**).

5.3.4 Interest Income not considered for Payment of LF and SUC

As per the licence agreement, GR for the purpose of payment of Revenue Share shall be inclusive of revenue on account of interest. Review of data/records furnished by QTL for the period from 2006-07 to 2014-15 revealed that interest income of ₹ 2.71 crore accounted in the books of accounts during the years 2006-07 to 2008-09 and 2014-15 was not considered for the purpose of payment of SUC. Further, interest income of ₹ 1.16 crore out of ₹ 2.71 crore was not included in AGR pertaining to the year 2014-15 was also not considered for the purpose of payment of LF.

QTL stated that:-

- Though the industry never considers of the Investment and Miscellaneous Income under GR, QTL has considered it as income and the LF has been paid.
- Regarding non-payment of the SUC on Investment and Miscellaneous income, it's not applicable for the period of 2006 -07 to 2008-09. The spectrum has been allotted to QTL with the year effect from 2009-10.
- The Interest have not been earned as a part of the revenue from telecom services and hence was not considered in the calculation of the AGR.
- It is also submitted that the said issue was challenged before Hon'ble TDSAT and Hon'ble TDSAT vide its Judgment dated 23 April 2015 decided against the operators. The said Judgment has been challenged by the Company as well as by DoT, Therefore the issue is Sub-Judice.
- Keeping in consideration the above facts, QTL is not in a position to accept the query on non-payment of LF and SUC on Interest income.

Management's reply is not acceptable due to following:-

- QTL was allotted CDMA spectrum in August 2006. QTL was providing service under CDMA technology from 2007 onwards. QTL submitted AGR for SUC and also paid SUC excluding interest income. This was not in accordance with Licence agreement.
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that in terms of license agreement, interest income should be included in GR/AGR for computation of revenue share.

Due to non-consideration of interest income in AGR, LF and SUC were short paid by ₹ 0.09 crore and ₹ 0.07 crore respectively by QTL (**Annexure-5.07**).

5.3.5 Miscellaneous Income not considered for Payment of LF and SUC

In terms of conditions under licence agreement, the Gross Revenue shall be inclusive of revenue on account of interest, dividend and any other miscellaneous revenue without any set-off for related item of expense, etc. Scrutiny of AGR statements for the year from 2006-07 to 2008-09 and 2014-15 of QTL revealed that miscellaneous income of ₹ 8.79 crore was excluded from the GR/AGR for SUC. In the year 2014-15 miscellaneous income of ₹ 0.10 crore out of ₹ 8.79 crore was not included in AGR for LF.

QTL stated that:-

- Though the industry never considers of the Investment and Miscellaneous Income under GR, QTL has considered it as income and the LF has been paid.
- Regarding non-payment of the SUC on Investment and Miscellaneous income, it's not applicable for the period of 2006 -07 to 2008-09. The spectrum has been allotted to QTL with the year effect from 2009-10.
- The Miscellaneous income and scrap sale gain have not been earned as a part of the revenue from telecom services and hence was not considered in the calculation of the AGR.
- It is also submitted that the said issue was challenged before Hon'ble TDSAT and Hon'ble TDSAT vide its Judgment dated 23 April 2015 decided against the operators. The said Judgment has been challenged by the company as well as by DoT, Therefore the issue is Sub-judice.
- Keeping in consideration the above facts, QTL is not in a position to accept the query on Non -payment of the LF and SUC on Miscellaneous income.

Management's reply is not acceptable due to following:-

- Regarding spectrum allotment, Audit views are furnished in para 5.3.4 above;
- While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that in terms of license agreement, Miscellaneous income should be included in GR/AGR for computation of revenue share.

Due to non-consideration of miscellaneous income in AGR, LF and SUC were short paid by ₹ 0.01 crore and ₹ 0.18 crore respectively by QTL (**Annexure-5.08**).

5.4 Interest on Short /Non Payment of LF and SUC

On issues raised above (from para 5.2.1 to 5.3.5) short/non-payment of LF and SUC worked out to ₹ 8.22 crore and ₹ 4.82 crore respectively. The interest on this short/non-payment of LF and SUC is ₹ 13.58 crore (**Annexure-5.09**). The calculation of interest was based on the rate prescribed in the Licence agreement i.e., 2 per cent above the Prime Lending Rate of State Bank of India existing as on beginning of the financial year and the period considered for calculation was from the end of the concerned financial year to March 2016. The interest has been compounded monthly as prescribed in the Licence Agreement.

5.5 Disclosures in the Statement of Revenue and Licence fee (AGR statements)

The UASL Agreement stipulated that the accounts of the operator Company should be certified by its Statutory Auditor. Concurrently the Agreement also provided distinct and specific norms/guidelines for recognition and reporting of revenue by the licensees from the licenced activity. These norms, detailed in the Annexure–III of UAS Licence agreement, stipulated disclosure of important information like amount billable for the period, details of discounts/rebates, Total Airtime Units (Metered Units) for home and visiting subscribers and unbilled numbers (e.g. service connections) etc. The norms/guidelines read along with Clauses 20.2 and 20.6 of licence agreement would clearly indicate that while it was the prerogative of the licensee company to prepare their accounts complying with the provisions of the Companies Act, acceptable Accounting Standards etc., the AGR of the licensee company, for the purpose of payment of revenue share, would be computed as per the definition of revenue adopted in the UAS Licence.

- The Agreement also stipulated that the *Licensee shall be obliged to send to the Licensor a certified statement sworn on an affidavit, by authorised representative of the company, containing full account of Revenue as defined in Condition 19 for each quarter separately along with the payment for the quarter.* The Statutory Auditor of the licensee, preparing the accounts in accordance with the provisions in the Company’s Act/ relevant Accounting standards etc., should also give a confirmation to the effect that the Statement of Revenue and Licence Fee has been *prepared in accordance with the norms/guidelines contained in the Licence agreement (Appendix -1 to Annexure –II).*
- Instances of understatement of revenue as brought out in the report would confirm that the revenue recognised for payment of licence fee and SUC by QTL were not in line with the licence conditions nor the preparation of accounts was fully in compliance with the norms prescribed by DoT. Though it was stated by the Management that revenue was booked net of discounts its details were never seen indicated in the Annual Accounts of QTL as required by the licence agreement. The Management also informed that that billable revenue was shown as Gross in line with AS-9 and no discount was offered on the billable amount. The stand of the Management was not tenable because as per the guidelines for preparation of accounts the service income of the licensee had to be shown gross and details of discount/rebate indicated separately. Reluctance of the licensee to share/disclose all the requisite information with the licensor was not seen addressed by DoT. Even though computation of the GR was not in compliance with the licence agreement the Statutory Auditors had always certified that the accounts were prepared in

accordance with the guidelines/norms contained in the Licence Agreement. Moreover, the licence agreement stipulated that the licensee companies had to send to the DoT a certified statement sworn on an affidavit, by authorized representative of the company, containing full account of Revenue as defined in condition 19 for each quarter separately along with the payment which the company failed to comply with and DoT on its part did not take any proactive steps to ensure that the licensees disclose their revenue as stipulated in the licence agreements. Even though the Offices of Controllers of Communications Accounts have been established for confirming the correctness of deductions claimed by the Operators to arrive at their AGR, the systems put in place to ensure that the GR was reported in accordance with the license conditions needed strengthening.

5.6 Response of DoT/QTL to the audit observations

Audit observations on the revenue share payable by M/s QTL were communicated to DoT and QTL during December 2016 for their further comments. QTL had reiterated once again (January 2017) most of their submissions made in reply to audit observations issued during the course of premises audit.

DoT stated (February 2017) that

- The basic definition of GR and AGR was challenged by the TSP's in 2002-03. Since then, there has been protracted litigation and is continuing till date.
- DoT is presently in appeal against the TSPs in the Supreme Court and as per the orders of the SC the department had been permitted to issue demands to the TSPs based on its understanding of the Licence Agreement.
- Demands would be raised based on the final figures reported by CAG, as per the Licence agreement and Policy decisions of DoT.

The response of DoT proves that though the revenue share regime was introduced as part of NTP-1999, the Department has not been able to realise its due revenue share as envisaged in the Licence agreement even after more than 17 years of its implementation.

It would be pertinent to mention here that when the Government decided to reduce the LF for all operators by two per cent effective from April 2004, DoT expected that the reduction would prompt operators to withdraw the challenges against the Government. However, the reduction in LF did not have the expected impact and the operators continue to institute litigations against the Government challenging the definition of GR/AGR and demand notes. Thus the PSP got the benefit of reduction in rate of LF but the Government didn't get the reciprocal benefit of reduction in litigations.

CHAPTER - VI

Revenue Shared by Reliance Jio Infocomm Limited (RJIL)

6.1 Introduction

Reliance Jio Infocomm Limited (RJIL), a subsidiary of Reliance Industries Limited (RIL), was initially incorporated as Infotel Broadband Services Private Limited (IBSPL) on 15 February 2007. In July 2010, the name was changed to Infotel Broadband Services Limited (IBSL) and again (January 2013) to Reliance Jio Infocomm Limited (RJIL). RJIL had two wholly owned subsidiaries viz. Infotel Telecom Services Limited and Rancore Technologies Private Limited. Both the subsidiaries were amalgamated with RJIL in April 2013 as per the scheme of Amalgamation approved by the Bombay High Court. As on date, RJIL has four¹ subsidiaries.

6.1.1 Licences granted to RJIL

Following are the details of licenses granted to RJIL (formerly IBSL) by DoT.

Table 6.1

Sl. No.	Type of licence	Service Area	Effective date	Remarks
1	ISP-IT	Pan India	15 November 2007	Licence obtained by IBSPL. License stands cancelled from 21 October 2013 post migration to Unified Licence by RJIL.
2	IP-1 Registration	Pan India	23 June 2011	Licence obtained by IBSL.
3	NLD	Pan India	14 February 2012	Licence obtained by Infotel Telecom Limited, a subsidiary of RJIL. Consequent to merger with RJIL, license stands cancelled.
4	ILD			
5	Unified Licence	Pan India	21 October 2013	All services except GMPCS ² service.

6.1.2 Spectrum allotted to RJIL

Following are the details of spectrum allotted to RJIL (formerly IBSL) as of March 2015:

¹ Reliance Jio Infocomm Pte Limited, Reliance Jio Infocomm USA Inc., Reliance Jio Infocomm UK Limited and Reliance Jio Global Resources LLC.

² Global Mobile Personal Communication by Satellite.

Table 6.2

SI No	Licensed Service Area	Main Radio Spectrum (MHz)	Broadband Wireless Access Spectrum (BWA) (MHz)	MW Access Spectrum (MHz) ³
1	Andhra Pradesh	11.60	20	224
2	Assam	10.80	20	168
3	Bihar	-	20	168
4	Delhi	10.80	20	224
5	Gujarat	12.00	20	224
6	Haryana	-	20	168
7	Himachal Pradesh	-	20	168
8	Jammu & Kashmir	-	20	168
9	Karnataka	10.00	20	224
10	Kerala	10.00	20	168
11	Kolkata	10.00	20	224
12	Madhya Pradesh	12.80	20	168
13	Maharashtra	10.00	20	224
14	Mumbai	13.20	20	224
15	North East	12.80	20	168
16	Orissa	10.00	20	168
17	Punjab	-	20	168
18	Rajasthan	-	20	168
19	Tamil Nadu (including Chennai)	12.40	20	224
20	Uttar Pradesh (East)	-	20	168
21	Uttar Pradesh (West)	-	20	168
22	West Bengal	11.20	20	168

6.1.3 Revenue Reported and Revenue Share paid by RJIL

Following are the details of the GR, Deductions and AGR of RJIL for their ISP, NLD and Access Services for the years 2012-13 to 2014-15.

Table 6.3

(₹ in crore)

Year	GR	Deduction	AGR	Percentage of AGR to GR	Revenue share (LF + SUC)
2012-13	0.37	0.05	0.32	85.61	0.02*
2013-14	3.07	0.02	3.04	99.23	0.24*
2014-15	8.79	0.01	8.78	99.85	16.86

*This includes only licence fee since the Company got access spectrum in 2014.

³ One carrier=56 MHz

RJIL had not started its commercial services relating to Access Services during 2012-15 and hence, there were no subscribers.

6.2 Audit Observation

6.2.1 Non consideration of Forex Gain in GR/ AGR for payment of LF and SUC

Scrutiny of the Annual financial statements and Revenue Reconciliation statements furnished by RJIL along with AGR statements for the years from 2012-13 to 2014-15 revealed that Realised Foreign Exchange Gain amounting to ₹ 63.77 crore (2012-13 – ₹ 1.29 crore, 2013-14 – ₹ 41.67 crore and 2014-15 – ₹ 20.81 crore) was not included in the AGR for the purpose of revenue share which resulted in short payment of licence fee.

Management stated that DoT had also raised a demand for payment of licence fee on the foreign exchange gains (both realised and unrealised). It was further added that the Company had filed a petition before the TDSAT challenging the demand notices and the TDSAT in their order had set aside (December 2015) the impugned demands for payment of additional Licence Fee on account of gains arising from foreign exchange fluctuations.

The reply of the Management is not convincing as:

- Audit has considered only realized gains;
- In terms of the licence agreement GR shall be inclusive of any other miscellaneous revenue and audit is of the view that any gain incidental to PSPs should be considered for GR since Forex gain is accounted as income in P&L account;
- While the matter is sub-judice, audit view is that, in terms of license agreements, realized gain arising from foreign exchange fluctuations should be included in GR/AGR for computation of revenue share.

Thus, non-inclusion of Forex gain in GR/AGR was in violation of the licence conditions and resulted in under-statement of AGR by ₹ 63.77 crore with consequent understatement of LF by ₹ 5.10 crore. (**Annexure 6.01**)

6.2.2 Interest on Short/ Non Payment of LF and SUC

The licence conditions provide for levy of interest @ 2 per cent above the prime lending rate of State Bank of India existing at the beginning of the financial year in respect of delay in payment of licence fee pertaining to the said financial year. Since the licensee paid revenue share in short by ₹ 5.10 crore for the years

2012-13, 2013-14 and 2014-15, the interest leviable on delayed payment worked out to ₹ 1.68 crore upto 31 March 2016 (**Annexure 6.01**).

6.3 Response of DoT/RJIL to the Audit Observations

Audit observations on the revenue share payable by M/s RJIL were communicated to DoT and RJIL during February 2017 for their further comments. RJIL had reiterated once again (March 2017) most of their submissions made in reply to audit observations issued during the course of premises audit. The response of DoT is awaited.

New Delhi
Dated : 14 July 2017



(P K Tiwari)
Director General of Audit
(Post and Telecommunications)

Countersigned

New Delhi
Dated : 17 July 2017



(Shashi Kant Sharma)
Comptroller and Auditor General of India

Appendices and Annexures

Appendix I

A. Statement showing category of services and percentages of LF applicable

Type of license	Category of service area	Name of service area	2010-11	2011-12	2012-13		2013-14 & 2014-15
					01.04.12 to 30.06.12	01.07.12 to 31.03.13	
UAS	A	Delhi, Mumbai, Kolkata, Tamil Nadu (incl. Chennai), Andhra Pradesh, Gujarat, Karnataka, Maharashtra	10	8	10	9	8
	B	Haryana, Kerala, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh (E), Uttar Pradesh (W), West Bengal			8	8	
	C	Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, North East, Odisha			6	7	
NLD	All India		₹1 only	₹1 only	4		
ILD	All India						
VSAT	All service areas						
ISP-IT	All service areas						
ISP	All service areas						

B. Statement showing rates of Spectrum Usage Charges (SUC)

Quantity of spectrum		Spectrum charges as percentage of AGR ¹
GSM (including 3G)	CDMA	
Up to 2 x 4.4 MHz	Up to 2 x 5.0 MHz	3
Up to 2 x 6.2 MHz	Up to 2 x 6.25 MHz	4
Up to 2 x 8.2 MHz	Up to 2 x 7.5 MHz	5
Up to 2 x 10.2 MHz	Up to 2 x 10.0 MHz	6
Up to 2 x 12.2 MHz	Up to 2 x 12.5 MHz	7
Up to 2 x 15.2 MHz	Up to 2 x 15.0 MHz	8

Note

- For spectrum acquired through auction during February 2014 in the bands 1800 MHz and 900 MHz, SUC was to be charged at 5 per cent of the AGR.
- In cases of combination of existing spectrum in 900 MHz and 1800 MHz bands and spectrum acquired through the auction, the weighted average rate was to be adopted.
- For BWA spectrum in the bands 2300 MHz acquired through auction in 2010, SUC was to be charged at 1 per cent of the AGR.

¹ SUC was not paid uniformly by all operators but SUC on spectrum acquired through auction process was being paid as per DoT orders.

Appendix II

Statement showing Definitions of Gross Revenue under the various Licences

Type of Licence	Definition of Gross Revenue (GR)
Unified Access Service License (UASL) and Unified License (UL)	<p>GR and permissible deductions to arrive at AGR was defined under clause 19 of the UASL Agreements. In terms of clause 19.1, the GR shall be inclusive of installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.</p> <p>Further, to arrive at AGR, following shall be excluded from the GR as mentioned in clause 19.2 of the agreement-</p> <ol style="list-style-type: none"> i. Public Switched Telecom Network (PSTN) related call charges (Access charges) actually paid to other eligible/entitled telecom service providers within India; ii. Roaming revenues actually passed on to other eligible/entitled telecom service providers, and iii. Service Tax on provision of service and Sales Tax actually paid to the Government, if Gross Revenue had included Service Tax and Sales Tax.
National Long Distance (NLD)	<p>The GR/AGR for NLD services was defined under clause 31 of Annexure II of the NLD Agreement which provides that “Revenue for the purpose of levying License Fee as a percentage of revenue shall mean the Gross total revenue income accruing to the licensee by way of providing NLD service under the license including the revenue on account of supplementary/value added services and leasing of infrastructure, interest, dividend etc. as reduced by the component part of a pass through nature payable to other service providers to whose network licensee’s NLD network is interconnect, for carriage of calls.</p>

International Long Distance	<p>For ILD services GR, as defined under clause 36 of definition and interpretation forming part of ILD Agreement, was “all revenue accruing to the licensee on account of goods supplied, services provided, leasing of infrastructure, use of its resources by others, application fee, installation charges, call charges, late fees, sale proceeds of instruments (or any terminal equipment including accessories), handsets, bandwidth, income from value added service, supplementary services, access or interconnection charges, any lease or rent charges for hiring of infrastructure etc, and any other miscellaneous items including interest, dividend etc., without any set-off for related item of expense, etc.</p> <p>AGR for the purpose of levying LF would mean the GR as reduced by:</p> <ol style="list-style-type: none"> i. Call charges (Access charges) actually paid to other telecom service providers for carriage of calls. ii. Service tax for provision of service and sales tax actually paid to the Government, if Gross Revenue had included the component of service tax and sales tax.
Internet Services	<p>GR for Internet Services including Internet Telephony (ISP-IT) was defined in the licence agreement as “GR shall be inclusive of Internet Access service, Internet Content service, Internet Telephony service, installation charges, late fees, sale proceeds of terminal equipment, revenue on account of interest, dividend, value added services, supplementary services, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.</p> <p>For the purpose of arriving AGR, the following shall be excluded from the GR-</p> <ol style="list-style-type: none"> i. Charges from Internet access, Internet content and Internet access related installation charges. ii. Service tax for provision of service and sales tax actually paid to the Government, if GR had included the component of service tax and sales tax.
Very Small Aperture Terminal (VSAT)	<p>In terms of the definition of GR specified in the VSAT License agreement, “The Gross Revenue shall include all revenues accruing to the LICENSEE on account of goods supplied, services provided, leasing/hiring of infrastructure, use of its resources by others, application fees, installation charges, call charges, late fees, sale proceeds of instruments (or any terminal equipment</p>

	<p>including accessories), VSAT hardware/software, fees on account of Annual Maintenance Contract/ Annual Comprehensive Maintenance Contract, income from value added services, supplementary services, access or interconnection charges, etc. and any other miscellaneous item including interest, dividend, etc. without any set-off of related item of expense etc.”</p> <p>Revenue for the purpose of levying licence fee as a percentage of revenue shall include the gross total revenue accruing to the licensee by way of providing VSAT service under this licence but excluding:</p> <ol style="list-style-type: none">i. Charges of pass through nature actually paid to other Telecom service provider to whose network, the licensee’s network is interconnected for carriage of data.ii. Service tax paid to the Government, if gross revenue had included the component of service tax.
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Appendix III

Statement showing Important specifications for reporting revenue for payment of license fee

Stipulations
➤ Accounts should be maintained separately for each telecom service operated by the licensee company
➤ Computation of revenue and License fee payable should be shown in a prescribed Statement (AGR Statement) and should be audited by the Auditors of the Licensee appointed under Section 224/139 of the Companies' Act, 1956/2013.
➤ While calculating AGR for limited purpose of levying Spectrum Usage Charges based on revenue share, revenue from Wireline Subscribers shall not be taken into account.
➤ Final adjustment of the License fee for the year shall be made based on the GR figures duly certified by the Auditors in accordance with the provisions of the Companies' Act 1956/2013.
<ul style="list-style-type: none"> ➤ Service revenue (amount billable) should be shown gross and details of discount/rebate indicated separately ➤ Service Tax and Sales Tax billed, collected and remitted to the Government shall be shown separately ➤ Sales to be shown gross and details of discount/rebate allowed and of sales returns be shown separately ➤ Income from interest and dividend to be shown separately, without any related expenses being set-off against them ➤ Item-wise details of income that has been set off against corresponding expenditure ➤ Roaming charges should indicate operator-wise receivables and payables, roaming commission received and paid and any other variable charges collected/passed on to other operators
➤ A reconciliation between the figures appearing in the quarterly statements with those appearing in annual accounts to be submitted along with a copy of the published annual accounts audit report and duly audited quarterly statements
➤ The licensor may, on forming an opinion that the statements or accounts submitted are inaccurate or misleading, order audit of the accounts of the licensee by appointing auditor, at the cost of the licensee and such auditor(s) shall have the same powers which the statutory auditors of the company enjoy under Section 227/143 of the Companies Act, 1956/2013. The licensor may also get conducted a 'Special Audit' of the licensee company's accounts/records
➤ LF shall be payable in four quarterly instalments during each financial year. This Fee shall be paid on the basis of actual revenue (on accrual basis)
➤ Any delay in payment of LF payable, beyond the stipulated period will attract interest at a rate which will be 2 per cent above the Prime Lending Rate (PLR) of State Bank of India existing as on the beginning of the Financial Year.
➤ The interest would be compounded monthly and a part of the month would be reckoned as a full month for the purposes of calculation of interest. A month shall be reckoned as an English calendar month.

ANNEXURE-2.01 (Para 2.2.1)

Statement showing the details of discounts allowed to Dealers / Distributors Netted off from the revenue for GR/AGR

(₹ In lakh)

SERVICE AREA / LSA	FINANCIAL YEAR								
	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	2834.46	283.45	100.62	4757.49	475.75	168.89	3917.75	362.39	139.08
Assam	28.78	1.73	1.01	93.80	5.63	3.28	52.84	3.57	1.85
Bihar	1684.24	101.05	62.32	2578.02	154.68	95.39	1899.04	128.18	70.26
Delhi	2520.69	252.07	95.79	3825.64	382.56	145.37	2430.51	224.82	92.36
Gujarat	1301.87	130.19	48.17	2534.25	253.42	93.77	1882.77	174.16	69.66
Haryana	852.92	68.23	29.85	1797.05	143.76	62.90	1685.25	134.82	58.98
Himachal Pradesh	114.19	6.85	4.23	250.65	15.04	9.27	162.72	10.98	6.02
Jammu & Kashmir	33.77	2.03	1.18	63.60	3.82	2.23	31.94	2.16	1.12
Karnataka	3264.95	326.50	120.80	5772.67	577.27	213.59	5214.84	482.37	192.95
Kerala	1146.50	91.72	44.71	2074.94	166.00	80.92	1844.14	147.53	71.92
Kolkata	1133.04	113.30	43.06	1742.27	174.23	66.21	1699.45	157.20	64.58
Madhya Pradesh	436.30	34.90	16.14	1765.24	141.22	65.31	1754.62	140.37	64.92
North East	25.79	1.55	0.90	98.13	5.89	3.43	70.19	4.74	2.46
Orissa	794.55	47.67	29.40	1471.38	88.28	54.44	1405.87	94.90	52.02
Punjab	844.11	67.53	29.54	1713.44	137.08	59.97	1581.51	126.52	55.35
Rajasthan	1150.60	92.05	42.57	2111.58	168.93	78.13	1524.27	121.94	56.40
Tamilnadu	2037.85	203.78	72.34	3738.09	373.81	132.70	4300.95	397.84	152.68
Uttar Pradesh (East)	1780.77	142.46	62.33	2952.78	236.22	103.35	2320.64	185.65	81.22
Uttar Pradesh (West)	1488.21	119.06	55.06	2982.54	238.60	110.35	2284.59	182.77	84.53
West Bengal	1473.38	117.87	57.46	1695.38	135.63	66.12	1062.40	84.99	41.43
Corporate Office	6.64	0.59	0.00	0.14	0.01	0.00	0.31	0.03	0.00
TOTAL TTSL	24953.61	2204.58	917.49	44019.10	3877.83	1615.63	37126.62	3167.93	1359.80
Maharashtra	1197.68	119.77	49.70	4391.64	439.16	182.25	3492.74	323.08	144.95
Mumbai	876.08	87.61	38.99	2541.85	254.18	113.11	2339.39	216.39	104.10
Total TTML	2073.76	207.38	88.69	6933.49	693.35	295.37	5832.13	539.47	249.05
GRAND TOTAL	27027.37	2411.96	1006.18	50952.58	4571.17	1910.99	42958.74	3707.40	1608.85

SERVICE AREA / LSA	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	2858.89	228.71	101.49	2767.93	221.43	98.26	17136.52	1571.73	608.35
Assam	0.00	0.00	0.00	0.00	0.00	0.00	175.43	10.92	6.14
Bihar	1452.46	116.20	53.74	1141.26	91.30	42.23	8755.02	591.42	323.94
Delhi	1882.65	150.61	71.54	1475.42	118.03	56.07	12134.91	1128.10	461.13
Gujarat	1663.84	133.11	61.56	1785.62	142.85	66.07	9168.35	833.72	339.23
Haryana	1620.43	129.63	56.71	1908.65	152.69	66.80	7864.30	629.14	275.25
Himachal Pradesh	88.38	7.07	3.27	53.91	4.31	1.99	669.86	44.26	24.78
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	129.31	8.00	4.53
Karnataka	4808.08	384.65	177.90	5503.24	440.26	203.62	24563.78	2211.04	908.86
Kerala	1623.63	129.89	61.91	1688.73	135.10	59.95	8377.94	670.24	319.42
Kolkata	1575.46	126.04	59.87	1418.98	113.52	53.92	7569.20	684.29	287.63
Madhya Pradesh	1815.09	145.21	67.16	2357.92	188.63	87.24	8129.18	650.33	300.78
North East	0.00	0.00	0.00	0.00	0.00	0.00	194.10	12.17	6.79
Orissa	1216.51	97.32	45.01	1391.15	111.29	51.47	6279.47	439.47	232.34
Punjab	1425.06	114.00	49.88	1659.15	132.73	58.07	7223.27	577.86	252.81
Rajasthan	723.21	57.86	26.76	562.72	45.02	20.82	6072.37	485.79	224.68
Tamilnadu	4208.73	336.70	149.41	4225.14	338.01	149.99	18510.75	1650.14	657.13
Uttar Pradesh (East)	2098.42	167.87	73.44	2090.38	167.23	73.16	11243.00	899.44	393.50
Uttar Pradesh (West)	1995.46	159.64	73.83	2079.68	166.37	76.95	10830.49	866.44	400.73
West Bengal	553.73	44.30	21.60	344.14	27.53	13.42	5129.02	410.32	200.03
Corporate Office	0.00	0.00	0.00	0.00	0.00	0.00	7.09	0.63	0.00
TOTAL TTSL	31610.02	2528.80	1155.08	32454.01	2596.32	1180.04	170163.36	14375.46	6228.05
Maharashtra	3415.05	273.20	141.72	3692.03	295.36	153.22	16189.15	1450.58	671.85
Mumbai	2210.99	176.88	98.39	2238.86	179.11	99.63	10207.17	914.17	454.22
TOTAL TTML	5626.04	450.08	240.11	5930.90	474.47	252.85	26396.31	2364.75	1126.07
GRAND TOTAL	37236.06	2978.88	1395.20	38384.91	3070.79	1432.89	196559.67	16740.21	7354.12

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	1701.63	143.75	62.28
TTML	263.96	23.65	11.26
GRAND TOTAL	1965.60	167.40	73.54

ANNEXURE-2.02 (Para 2.2.1)
Statement showing the details of commission netted off from the revenue

(₹ in lakh)

SERVICE AREA / LSA	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	2109.79	210.98	74.90
Assam	42.88	2.57	1.50
Bihar	1028.80	61.73	38.07
Delhi	1824.68	182.47	69.34
Gujarat	657.32	65.73	24.32
Haryana	735.54	58.84	25.74
Himachal Pradesh	63.48	3.81	2.35
Jammu & Kashmir	47.27	2.84	1.65
Karnataka	2097.92	209.79	77.62
Kerala	941.58	75.33	36.72
Kolkata	644.73	64.47	24.50
Madhya Pradesh	924.11	73.93	34.19
North East	48.54	2.91	1.70
Orissa	514.86	30.89	19.05
Punjab	677.85	54.23	23.72
Rajasthan	660.33	52.83	24.43
Tamilnadu	1175.85	117.59	41.74
Uttar Pradesh (East)	655.13	52.41	22.93
Uttar Pradesh (West)	911.83	72.95	33.74
West Bengal	393.85	31.51	15.36
Corporate Office	39.24	3.51	0.00
TOTAL TTSL	16195.59	1431.31	593.58
Maharashtra	305.93	30.59	12.70
Mumbai	180.05	18.00	8.01
TOTAL TTML	485.97	48.60	20.71
GRAND TOTAL	16681.56	1479.91	614.29

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	161.96	14.31	5.94
TTML	4.86	0.49	0.20
GRAND TOTAL	166.82	14.80	6.14

ANNEXURE - 2.03 (Para 2.2.2)

Statement showing the details of FAT/FTT given to subscribers not considered for GR/AGR

(₹in lakh)

SERVICE AREA / LSA	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	3469.81	346.98	123.18	4546.82	454.68	161.41	3677.08	340.13	130.54
Assam	95.31	5.72	3.34	127.73	7.66	4.47	37.78	2.55	1.32
Bihar	1746.86	104.81	64.63	3064.83	183.89	113.40	3773.67	254.72	139.63
Delhi	2478.64	247.86	94.19	2720.41	272.04	103.38	1531.24	141.64	58.19
Gujarat	1858.90	185.89	68.78	2389.94	238.99	88.43	2049.52	189.58	75.83
Haryana	1212.67	97.01	42.44	1439.00	115.12	50.36	1500.48	120.04	52.52
Himachal Pradesh	133.76	8.03	4.95	157.54	9.45	5.83	111.63	7.53	4.13
Jammu & Kashmir	158.33	9.50	5.54	169.20	10.15	5.92	92.90	6.27	3.25
Karnataka	2039.40	203.94	75.46	3069.45	306.94	113.57	3279.95	303.40	121.36
Kerala	913.39	73.07	35.62	1092.47	87.40	42.61	998.52	79.88	38.94
Kolkata	1276.82	127.68	48.52	1735.95	173.60	65.97	1915.72	177.20	72.80
Madhya Pradesh	928.75	74.30	34.36	1724.48	137.96	63.81	2506.19	200.49	92.73
North East	29.82	1.79	1.04	38.11	2.29	1.33	22.68	1.53	0.79
Orissa	476.64	28.60	17.64	657.00	39.42	24.31	1410.72	95.22	52.20
Punjab	1387.07	110.97	48.55	1529.83	122.39	53.54	1256.79	100.54	43.99
Rajasthan	535.88	42.87	19.83	868.75	69.50	32.14	603.61	48.29	22.33
Tamilnadu	1796.81	179.68	63.79	1893.33	189.33	67.21	2382.77	220.41	84.59
Uttar Pradesh (East)	907.43	72.59	31.76	1475.12	118.01	51.63	2016.00	161.28	70.56
Uttar Pradesh (West)	819.00	65.52	30.30	1204.98	96.40	44.58	1905.67	152.45	70.51
West Bengal	501.86	40.15	19.57	751.40	60.11	29.30	1859.09	148.73	72.50
TTSL TOTAL	22767.16	2026.97	833.49	30656.32	2695.34	1123.21	32932.00	2751.90	1208.70
Maharashtra	552.14	55.21	22.91	2468.95	246.90	102.46	3086.12	285.47	128.07
Mumbai	870.36	87.04	38.73	2698.13	269.81	120.07	2613.45	241.74	116.30
TTML TOTAL	1422.50	142.25	61.64	5167.08	516.71	222.53	5699.58	527.21	244.37
GRAND TOTAL	24189.66	2169.22	895.13	35823.40	3212.04	1345.74	38631.58	3279.11	1453.08

SERVICE AREA / LSA	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	3269.16	261.53	116.06	4318.59	345.49	153.31	19281.46	1748.81	684.49
Assam	-	-	-	-	-	-	260.82	15.93	9.13
Bihar	2058.25	164.66	76.16	1728.86	138.31	63.97	12372.48	846.39	457.78
Delhi	1410.38	112.83	53.59	1285.14	102.81	48.84	9425.81	877.19	358.18
Gujarat	2303.61	184.29	85.23	2893.05	231.44	107.04	11495.02	1030.20	425.32
Haryana	1396.13	111.69	48.86	1910.00	152.80	66.85	7458.29	596.66	261.04
Himachal Pradesh	79.69	6.38	2.95	59.76	4.78	2.21	542.37	36.17	20.07
Jammu & Kashmir	-	-	-	-	-	-	420.43	25.92	14.71
Karnataka	2707.11	216.57	100.16	4588.00	367.04	169.76	15683.91	1397.89	580.30
Kerala	810.34	64.83	30.90	1331.28	106.50	47.26	5145.99	411.68	195.33
Kolkata	1146.05	91.68	43.55	1525.46	122.04	57.97	7599.99	692.20	288.80
Madhya Pradesh	2892.79	231.42	107.03	3520.31	281.62	130.25	11572.51	925.80	428.18
North East	(879.22)	(70.34)	(26.38)	(197.81)	(15.82)	(5.93)	(986.42)	(80.56)	(29.14)
Orissa	272.49	21.80	10.08	620.95	49.68	22.98	3437.80	234.72	127.20
Punjab	(1602.54)	(128.20)	(56.09)	722.85	57.83	25.30	3294.01	263.52	115.29
Rajasthan	612.16	48.97	22.65	565.38	45.23	20.92	3185.78	254.86	117.87
Tamilnadu	1506.96	120.56	53.50	1048.88	83.91	37.24	8628.74	793.89	306.32
Uttar Pradesh (East)	3414.11	273.13	119.49	4240.07	339.21	148.40	12052.73	964.22	421.85
Uttar Pradesh (West)	3031.46	242.52	112.16	1869.51	149.56	69.17	8830.62	706.45	326.73
West Bengal	1902.10	152.17	74.18	487.37	38.99	19.01	5501.82	440.15	214.57
TTSL TOTAL	26331.02	2106.48	974.10	32517.65	2601.41	1184.53	145204.15	12182.09	5324.03
Maharashtra	6803.75	544.30	282.36	6365.18	509.21	264.15	19276.14	1641.09	799.96
Mumbai	9598.70	767.90	427.14	8114.24	649.14	361.08	23894.89	2015.63	1063.32
TOTAL TTML	16402.45	1312.20	709.50	14479.42	1158.35	625.24	43171.03	3656.72	1863.28
GRAND TOTAL	42733.48	3418.68	1683.60	46997.07	3759.77	1809.77	188375.18	15838.81	7187.31

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	1452.04	121.82	53.24
TTML	431.71	36.57	18.63
GRAND TOTAL	1883.75	158.39	71.87

ANNEXURE-2.04 (Para 2.2.3)

Statement showing the details of adjustments towards goodwill & collection settlement waivers netted off from the revenue

(₹ in lakh)

Name of the Service Area	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	266.74	26.67	9.47	258.56	25.86	9.18	428.70	39.65	15.22
Assam	4.05	0.24	0.14	10.12	0.61	0.35	15.20	1.03	0.53
Bihar	78.59	4.72	2.91	71.18	4.27	2.63	179.92	12.14	6.66
Delhi	398.69	39.87	15.15	197.74	19.77	7.51	598.60	55.37	22.75
Gujarat	177.46	17.75	6.57	243.18	24.32	9.00	321.82	29.77	11.91
Haryana	428.55	34.28	15.00	103.50	8.28	3.62	194.95	15.60	6.82
Himachal Pradesh	19.86	1.19	0.73	15.57	0.93	0.58	30.93	2.09	1.14
Jammu & Kashmir	54.03	3.24	1.89	43.52	2.61	1.52	65.95	4.45	2.31
Karnataka	165.17	16.52	6.11	181.47	18.15	6.71	536.53	49.63	19.85
Kerala	220.09	17.61	8.58	313.39	25.07	12.22	314.02	25.12	12.25
Kolkata	88.71	8.87	3.37	89.49	8.95	3.40	182.52	16.88	6.94
Madhya Pradesh	95.60	7.65	3.54	153.16	12.25	5.67	284.48	22.76	10.53
North East	1.98	0.12	0.07	14.42	0.87	0.50	12.95	0.87	0.45
Orissa	65.46	3.93	2.42	56.21	3.37	2.08	197.12	13.31	7.29
Punjab	346.51	27.72	12.13	145.66	11.65	5.10	373.20	29.86	13.06
Rajasthan	284.61	22.77	10.53	173.36	13.87	6.41	207.21	16.58	7.67
Tamilnadu	79.71	7.97	2.83	323.83	32.38	11.50	575.07	53.19	20.41
Uttar Pradesh (East)	133.37	10.67	4.67	89.16	7.13	3.12	173.32	13.87	6.07
Uttar Pradesh (West)	296.09	23.69	10.96	180.14	14.41	6.67	262.55	21.00	9.71
West Bengal	32.05	2.56	1.25	21.58	1.73	0.84	29.93	2.39	1.17
TTSL TOTAL	3237.31	278.04	118.32	2685.24	236.49	98.62	4984.98	425.56	182.74
Maharashtra	71.26	7.13	2.96	330.66	33.07	13.72	587.53	54.35	24.38
Mumbai	254.65	25.47	11.33	461.25	46.13	20.53	526.19	48.67	23.42
Total TTML	325.91	32.59	14.29	791.92	79.19	34.25	1113.73	103.02	47.80
Grand Total	3563.23	310.63	132.60	3477.16	315.68	132.87	6098.70	528.58	230.53

Name of the Service Area	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	256.21	20.50	9.10	116.85	9.35	4.15	1327.06	122.03	47.11
Assam	0.25	0.02	0.01	3.15	0.25	0.09	32.76	2.15	1.13
Bihar	131.30	10.50	4.86	81.42	6.51	3.01	542.42	38.15	20.07
Delhi	357.98	28.64	13.60	26.88	2.15	1.02	1579.90	145.80	60.04
Gujarat	79.28	6.34	2.93	37.00	2.96	1.37	858.74	81.13	31.77
Haryana	220.00	17.60	7.70	123.43	9.87	4.32	1070.45	85.64	37.47
Himachal Pradesh	18.35	1.47	0.68	14.59	1.17	0.54	99.30	6.85	3.67
Jammu & Kashmir	0.03	0.00	0.00	0.00	0.00	0.00	163.52	10.31	5.72
Karnataka	168.19	13.46	6.22	92.36	7.39	3.42	1143.73	105.14	42.32
Kerala	241.62	19.33	9.21	119.42	9.55	4.24	1208.55	96.68	46.51
Kolkata	341.46	27.32	12.98	479.48	38.36	18.22	1181.66	100.38	44.90
Madhya Pradesh	180.68	14.45	6.69	132.76	10.62	4.91	846.68	67.73	31.33
North East	0.00	0.00	0.00	0.00	0.00	0.00	29.35	1.86	1.03
Orissa	87.55	7.00	3.24	69.16	5.53	2.56	475.49	33.14	17.59
Punjab	280.77	22.46	9.83	246.14	19.69	8.61	1392.28	111.38	48.73
Rajasthan	149.23	11.94	5.52	69.28	5.54	2.56	883.69	70.70	32.70
Tamilnadu	188.79	15.10	6.70	77.52	6.20	2.75	1244.91	114.85	44.19
Uttar Pradesh (East)	90.96	7.28	3.18	149.14	11.93	5.22	635.95	50.88	22.26
Uttar Pradesh (West)	162.45	13.00	6.01	182.89	14.63	6.77	1084.12	86.73	40.11
West Bengal	26.55	2.12	1.04	0.73	0.06	0.03	110.83	8.87	4.32
TTSL TOTAL	2981.66	238.53	109.49	2022.21	161.78	73.80	15911.41	1340.39	582.97
Maharashtra	221.68	17.73	9.20	31.82	2.55	1.32	1242.96	114.82	51.58
Mumbai	211.73	16.94	9.42	28.53	2.28	1.27	1482.36	139.48	65.97
TOTAL TTML	433.42	34.67	18.62	60.35	4.83	2.59	2725.32	254.30	117.55
GRAND TOTAL	3415.08	273.21	128.12	2082.56	166.60	76.39	18636.73	1594.70	700.52

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	159.12	13.41	5.83
TTML	27.25	2.54	1.18
GRAND TOTAL	186.37	15.95	7.01

ANNEXURE-2.05 (Para 2.2.4)
Statement showing under reporting of revenue from Infrastructure sharing

(₹ in lakh)

SERVICE AREA / LSA	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	357.90	35.79	12.71	342.12	34.21	12.15	356.27	32.96	12.65
Assam	0.76	0.05	0.03	5.01	0.30	0.18	6.00	0.41	0.21
Bihar	8.78	0.53	0.32	36.75	2.20	1.36	200.32	13.52	7.41
Delhi	239.69	23.97	9.11	352.84	35.28	13.41	446.29	41.28	16.96
Gujarat	233.95	23.40	8.66	105.40	10.54	3.90	149.16	13.80	5.52
Haryana	0.00	0.00	0.00	12.60	1.01	0.44	15.88	1.27	0.56
Himachal Pradesh	6.09	0.37	0.23	4.43	0.27	0.16	0.57	0.04	0.02
Jammu & Kashmir	24.95	1.50	0.87	40.76	2.45	1.43	13.11	0.89	0.46
Karnataka	262.15	26.21	9.70	173.36	17.34	6.41	368.87	34.12	13.65
Kerala	32.45	2.60	1.27	38.94	3.12	1.52	72.15	5.77	2.81
Kolkata	0.00	0.00	0.00	46.92	4.69	1.78	144.81	13.40	5.50
Madhya Pradesh	254.65	20.37	9.42	119.41	9.55	4.42	190.26	15.22	7.04
North East	0.00	0.00	0.00	7.45	0.45	0.26	22.57	1.52	0.79
Orissa	49.62	2.98	1.84	43.28	2.60	1.60	75.69	5.11	2.80
Punjab	33.33	2.67	1.17	12.83	1.03	0.45	14.89	1.19	0.52
Rajasthan	0.00	0.00	0.00	76.04	6.08	2.81	37.29	2.98	1.38
Tamilnadu	141.49	14.15	5.02	102.73	10.27	3.65	188.71	17.46	6.70
Uttar Pradesh (East)	70.75	5.66	2.48	57.12	4.57	2.00	75.83	6.07	2.65
Uttar Pradesh (West)	0.00	0.00	0.00	36.94	2.96	1.37	83.64	6.69	3.09
West Bengal	1.62	0.13	0.06	108.97	8.72	4.25	133.93	10.71	5.22
NLD	0.00	0.00	0.00	0.00	0.00	0.00	80.80	5.45	0.00
TOTAL TTSL	1718.18	160.35	62.87	1723.90	157.63	63.54	2677.06	229.85	95.95

SERVICE AREA / LSA	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	161.20	12.90	5.72	375.71	30.06	13.34	1593.21	145.91	56.56
Assam	0.00	0.00	0.00	0.00	0.00	0.00	11.77	0.75	0.41
Bihar	191.08	15.29	7.07	130.87	10.47	4.84	567.79	42.01	21.01
Delhi	301.10	24.09	11.44	333.56	26.68	12.68	1673.48	151.31	63.59
Gujarat	149.60	11.97	5.54	178.33	14.27	6.60	816.46	73.97	30.21
Haryana	17.87	1.43	0.63	18.34	1.47	0.64	64.69	5.17	2.26
Himachal Pradesh	0.63	0.05	0.02	1.08	0.09	0.04	12.81	0.81	0.47
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	78.82	4.83	2.76
Karnataka	307.89	24.63	11.39	365.63	29.25	13.53	1477.89	131.55	54.68
Kerala	78.17	6.25	2.98	128.30	10.26	4.55	350.01	28.00	13.13
Kolkata	139.85	11.19	5.31	28.00	2.24	1.06	359.58	31.52	13.66
Madhya Pradesh	173.85	13.91	6.43	120.80	9.66	4.47	858.96	68.72	31.78
North East	0.00	0.00	0.00	0.00	0.00	0.00	30.02	1.97	1.05
Orissa	94.58	7.57	3.50	82.73	6.62	3.06	345.91	24.87	12.80
Punjab	12.95	1.04	0.45	13.31	1.07	0.47	87.31	6.98	3.06
Rajasthan	39.68	3.17	1.47	37.19	2.98	1.38	190.21	15.22	7.04
Tamilnadu	159.57	12.77	5.66	183.22	14.66	6.50	775.73	69.30	27.54
Uttar Pradesh (East)	63.22	5.06	2.21	53.78	4.30	1.88	320.70	25.66	11.22
Uttar Pradesh (West)	76.88	6.15	2.84	96.21	7.70	3.56	293.68	23.49	10.87
West Bengal	102.66	8.21	4.00	194.58	15.57	7.59	541.77	43.34	21.13
NLD	92.66	7.41	0.00	84.61	6.77	0.00	258.07	19.64	0.00
Total TTSL	2163.47	173.08	76.69	2426.26	194.10	86.19	10708.87	915.01	385.24

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	107.09	9.15	3.85

ANNEXURE-2.06 (Para 2.2.5)
Statement showing the details of realised forex gains not considered for GR/AGR

(₹ in lakh)

SERVICE AREA / LSA	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	597.70	59.77	21.22	966.83	96.68	34.32	287.46	26.59	10.20
Assam	51.27	3.08	1.79	7.14	0.43	0.25	1.35	0.09	0.05
Bihar	181.96	10.92	6.73	95.76	5.75	3.54	137.39	9.27	5.08
Delhi	538.28	53.83	20.45	734.27	73.43	27.90	439.72	40.67	16.71
Gujarat	348.66	34.87	12.90	244.71	24.47	9.05	288.58	26.69	10.68
Haryana	115.94	9.28	4.06	76.65	6.13	2.68	61.98	4.96	2.17
Himachal Pradesh	13.08	0.78	0.48	2.44	0.15	0.09	4.10	0.28	0.15
Jammu & Kashmir	13.95	0.84	0.49	29.73	1.78	1.04	23.65	1.60	0.83
Karnataka	451.93	45.19	16.72	334.21	33.42	12.37	111.91	10.35	4.14
Kerala	102.61	8.21	4.00	84.78	6.78	3.31	75.21	6.02	2.93
Kolkata	26.42	2.64	1.00	230.12	23.01	8.74	46.85	4.33	1.78
Madhya Pradesh	264.59	21.17	9.79	510.09	40.81	18.87	743.99	59.52	27.53
North East	33.28	2.00	1.16	4.45	0.27	0.16	8.35	0.56	0.29
Orissa	68.84	4.13	2.55	41.89	2.51	1.55	21.35	1.44	0.79
Punjab	141.06	11.29	4.94	124.27	9.94	4.35	22.48	1.80	0.79
Rajasthan	161.95	12.96	5.99	249.08	19.93	9.22	128.44	10.28	4.75
Tamilnadu	241.90	24.19	8.59	346.56	34.66	12.30	85.13	7.87	3.02
Uttar Pradesh (East)	206.09	16.49	7.21	156.69	12.54	5.48	44.83	3.59	1.57
Uttar Pradesh (West)	234.80	18.78	8.69	413.29	33.06	15.29	18.02	1.44	0.67
West Bengal	133.02	10.64	5.19	22.55	1.80	0.88	41.25	3.30	1.61
Corporate Office	6589.25	589.61	-	12893.43	1148.06	-	15683.50	1347.45	-
TOTAL TTSL	10516.60	940.65	143.97	17568.94	1575.60	171.41	18275.54	1568.11	95.74
Maharashtra	13.80	1.38	0.57	165.03	16.50	6.85	759.66	70.27	31.53
Mumbai	810.61	81.06	36.07	230.73	23.07	10.27	235.50	21.78	10.48
CORP	3129.94	312.99	-	3932.63	393.26	-	4482.77	414.66	-
TOTAL TTML	3954.36	395.44	36.65	4328.39	432.84	17.12	5477.93	506.71	42.01
GRAND TOTAL	14470.96	1336.09	180.61	21897.33	2008.44	188.52	23753.47	2074.81	137.75

SERVICE AREA / LSA	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	409.67	32.77	14.54	824.05	65.92	29.25	3085.71	281.74	109.54
Assam	46.47	3.72	1.39	0.53	0.04	0.02	106.76	7.36	3.50
Bihar	247.26	19.78	9.15	413.49	33.08	15.30	1075.86	78.80	39.81
Delhi	671.60	53.73	25.52	642.52	51.40	24.42	3026.39	273.06	115.00
Gujarat	149.33	11.95	5.53	1146.66	91.73	42.43	2177.94	189.71	80.58
Haryana	222.80	17.82	7.80	835.62	66.85	29.25	1313.00	105.04	45.95
Himachal Pradesh	58.19	4.66	2.15	79.94	6.40	2.96	157.75	12.26	5.84
Jammu & Kashmir	56.59	4.53	1.70	0.00	0.00	0.00	123.93	8.74	4.05
Karnataka	139.03	11.12	5.14	122.80	9.82	4.54	1159.88	109.91	42.92
Kerala	57.35	4.59	2.19	252.33	20.19	8.96	572.28	45.78	21.39
Kolkata	239.71	19.18	9.11	589.36	47.15	22.40	1132.46	96.31	43.03
Madhya Pradesh	200.37	16.03	7.41	603.23	48.26	22.32	2322.29	185.78	85.92
North East	3.03	0.24	0.09	5.31	0.42	0.16	54.42	3.49	1.86
Orissa	111.10	8.89	4.11	115.01	9.20	4.26	358.19	26.17	13.25
Punjab	193.56	15.48	6.77	273.45	21.88	9.57	754.82	60.39	26.42
Rajasthan	406.14	32.49	15.03	2416.85	193.35	89.42	3362.46	269.00	124.41
Tamilnadu	160.36	12.83	5.69	373.43	29.87	13.26	1207.38	109.42	42.86
Uttar Pradesh (East)	321.34	25.71	11.25	364.59	29.17	12.76	1093.54	87.48	38.27
Uttar Pradesh (West)	93.08	7.45	3.44	539.15	43.13	19.95	1298.33	103.87	48.04
West Bengal	200.45	16.04	7.82	408.89	32.71	15.95	806.16	64.49	31.44
Corporate Office	16726.72	1338.14	0.00	11655.63	932.45	0.00	63548.53	5355.71	0.00
TOTAL TTSL	20714.16	1657.13	145.84	21662.85	1733.03	367.15	88738.09	7474.52	924.10
Maharashtra	1766.31	141.31	73.30	409.28	32.74	16.99	3114.09	262.20	129.23
Mumbai	5700.66	456.05	253.68	1161.02	92.88	51.67	8138.53	674.85	362.16
CORP	22846.42	1827.71	0.00	2021.42	161.71	0.00	36413.19	3110.34	0.00
TOTAL TTML	30313.39	2425.07	326.98	3591.73	287.34	68.65	47665.80	4047.39	491.40
GRAND TOTAL	51027.55	4082.20	472.82	25254.58	2020.37	435.80	136403.89	11521.91	1415.50

(₹ in crore)

Company	Total amount of GR/AGR	LF	SUC
TTSL	887.38	74.75	9.24
TTML	476.66	40.47	4.91
Grand Total	1364.04	115.22	14.16

ANNEXURE-2.07 (Para 2.3.1)

Statement showing the details of profit on sale of investments not considered for computation of AGR

(₹ in lakh)

YEAR	2010-11			2011-12			2012-13		
Business Area	Amount	LF	SUC	Amount	LF	SUC	Amount	LF	SUC
Andhra Pradesh	336.44	33.64	11.94	356.36	35.64	12.65	771.11	71.33	27.37
Assam	11.37	0.68	0.40	16.55	0.99	0.58	24.78	1.67	0.87
Bihar	119.81	7.19	4.43	140.63	8.44	5.20	284.15	19.18	10.51
Delhi	257.28	25.73	9.78	273.77	27.38	10.40	574.70	53.16	21.84
Gujarat	123.26	12.33	4.56	178.82	17.88	6.62	360.86	33.38	13.35
Haryana	87.25	6.98	3.05	108.06	8.65	3.78	248.35	19.87	8.69
Himachal Pradesh	9.82	0.59	0.36	12.05	0.72	0.45	22.86	1.54	0.85
Jammu & Kashmir	11.69	0.70	0.41	13.03	0.78	0.46	18.43	1.24	0.64
Karnataka	270.53	27.05	10.01	348.43	34.84	12.89	815.42	75.43	30.17
Kerala	81.02	6.48	3.16	105.04	8.40	4.10	218.79	17.50	8.53
Kolkata	94.56	9.46	3.59	116.45	11.65	4.43	274.91	25.43	10.45
Madhya Pradesh	111.05	8.88	4.11	160.31	12.82	5.93	317.75	25.42	11.76
North East	7.90	0.47	0.28	9.21	0.55	0.32	12.95	0.87	0.45
Orissa	62.06	3.72	2.30	69.90	4.19	2.59	159.31	10.75	5.89
Punjab	98.50	7.88	3.45	134.38	10.75	4.70	306.83	24.55	10.74
Rajasthan	74.94	6.00	2.77	125.29	10.02	4.64	291.55	23.32	10.79
Tamil Nadu	164.28	16.43	5.83	205.20	20.52	7.28	558.98	51.71	19.84
Uttar Pradesh (East)	82.13	6.57	2.87	116.68	9.33	4.08	292.61	23.41	10.24
Uttar Pradesh (West)	103.15	8.25	3.82	139.61	11.17	5.17	313.45	25.08	11.60
West Bengal	52.47	4.20	2.05	63.54	5.08	2.48	120.12	9.61	4.68
TOTAL	2159.49	193.23	79.17	2693.32	239.82	98.74	5987.91	514.45	219.28

YEAR	2013-14			2014-15			TOTAL		
BUSINESS AREA	Amount	LF	SUC	Amount	LF	SUC	Amount	LF	SUC
Andhra Pradesh	847.23	67.78	30.08	822.65	65.81	29.20	3133.79	274.20	111.25
Assam	0.00	0.00	0.00	0.00	0.00	0.00	52.70	3.35	1.84
Bihar	251.94	20.16	9.32	210.67	16.85	7.79	1007.20	71.82	37.27
Delhi	596.27	47.70	22.66	593.70	47.50	22.56	2295.73	201.46	87.24
Gujarat	387.39	30.99	14.33	439.81	35.19	16.27	1490.15	129.76	55.14
Haryana	284.95	22.80	9.97	321.59	25.73	11.26	1050.20	84.02	36.76
Himachal Pradesh	20.44	1.64	0.76	19.58	1.57	0.72	84.76	6.06	3.14
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	43.14	2.73	1.51
Karnataka	939.93	75.19	34.78	1117.46	89.40	41.35	3491.75	301.91	129.19
Kerala	231.47	18.52	8.82	255.53	20.44	9.07	891.85	71.35	33.68
Kolkata	321.57	25.73	12.22	313.71	25.10	11.92	1121.21	97.35	42.61
Madhya Pradesh	372.05	29.76	13.77	447.37	35.79	16.55	1408.53	112.68	52.12
North East	0.00	0.00	0.00	0.00	0.00	0.00	30.05	1.90	1.05
Orissa	198.49	15.88	7.34	217.37	17.39	8.04	707.13	51.94	26.16
Punjab	306.65	24.53	10.73	327.40	26.19	11.46	1173.77	93.90	41.08
Rajasthan	213.84	17.11	7.91	187.89	15.03	6.95	893.51	71.48	33.06
Tamilnadu	680.67	54.45	24.16	715.89	57.27	25.41	2325.02	200.38	82.54
Uttar Pradesh (East)	362.24	28.98	12.68	373.38	29.87	13.07	1227.04	98.16	42.95
Uttar Pradesh (West)	340.33	27.23	12.59	350.14	28.01	12.96	1246.68	99.73	46.13
West Bengal	98.55	7.88	3.84	57.64	4.61	2.25	392.31	31.38	15.30
TOTAL	6454.02	516.32	235.97	6771.79	541.74	246.84	24066.53	2005.57	880.00

(₹ in crore)

Company	Total amount of GR/AGR	LF	SUC
TTSL	240.67	20.06	8.80
TTML	16.40	1.47	0.70
Grand Total	257.07	21.52	9.50

ANNEXURE-2.08 (Para 2.3.2)
Statement showing the details of interest income not considered for computation of AGR

(₹ in lakh)

YEAR	2010-11			2011-12			2012-13		
BUSINESS AREA	AMOUNT	LF IMPACT	SUC IMPACT	AMOUNT	LF IMPACT	SUC IMPACT	AMOUNT	LF IMPACT	SUC IMPACT
Andhra Pradesh	2028.00	202.80	71.99	1362.19	136.22	48.36	402.02	37.19	14.27
Assam	68.54	4.11	2.40	63.25	3.80	2.21	12.92	0.87	0.45
Bihar	722.18	43.33	26.72	537.56	32.25	19.89	148.14	10.00	5.48
Delhi	1550.84	155.08	58.93	1046.51	104.65	39.77	299.62	27.71	11.39
Gujarat	742.98	74.30	27.49	683.56	68.36	25.29	188.13	17.40	6.96
Haryana	525.91	42.07	18.41	413.08	33.05	14.46	129.48	10.36	4.53
Himachal Pradesh	59.18	3.55	2.19	46.08	2.76	1.70	11.92	0.80	0.44
Jammu & Kashmir	70.47	4.23	2.47	49.80	2.99	1.74	9.61	0.65	0.34
Karnataka	1630.68	163.07	60.34	1331.86	133.19	49.28	425.12	39.32	15.73
Kerala	488.35	39.07	19.05	401.51	32.12	15.66	114.07	9.13	4.45
Kolkata	569.99	57.00	21.66	445.15	44.52	16.92	143.33	13.26	5.45
Madhya Pradesh	669.36	53.55	24.77	612.79	49.02	22.67	165.66	13.25	6.13
North East	47.61	2.86	1.67	35.21	2.11	1.23	6.75	0.46	0.24
Orissa	374.11	22.45	13.84	267.21	16.03	9.89	83.06	5.61	3.07
Punjab	593.77	47.50	20.78	513.67	41.09	17.98	159.97	12.80	5.60
Rajasthan	451.75	36.14	16.71	478.94	38.32	17.72	152.00	12.16	5.62
Tamil Nadu Incl CHE	990.24	99.02	35.15	784.39	78.44	27.85	291.42	26.96	10.35
Uttar Pradesh (East)	495.05	39.60	17.33	446.01	35.68	15.61	152.55	12.20	5.34
Uttar Pradesh (West)	621.78	49.74	23.01	533.65	42.69	19.75	163.42	13.07	6.05
West Bengal	316.25	25.30	12.33	242.87	19.43	9.47	62.62	5.01	2.44
TOTAL	13017.05	1164.78	477.23	10295.28	916.71	377.44	3121.80	268.21	114.32
Mumbai	65.88	6.59	2.93	43.13	4.31	1.92	394.12	36.46	17.54
Maharashtra	56.83	5.68	2.36	37.20	3.72	1.54	339.95	31.44	14.11
TOTAL	122.71	12.27	5.29	80.34	8.03	3.46	734.06	67.90	31.65

YEAR	2013-14			2014-15			TOTAL		
Business Area	Amount	LF impact	SUC impact	Amount	LF impact	SUC impact	Amount	LF impact	SUC impact
Andhra Pradesh	433.13	34.65	15.38	349.12	27.93	12.39	4574.45	438.78	162.39
Assam	0.00	0.00	0.00	0.00	0.00	0.00	144.71	8.78	5.06
Bihar	128.80	10.30	4.77	89.41	7.15	3.31	1626.09	103.04	60.17
Delhi	304.83	24.39	11.58	251.96	20.16	9.57	3453.76	331.99	131.24
Gujarat	198.05	15.84	7.33	186.65	14.93	6.91	1999.36	190.83	73.98
Haryana	145.67	11.65	5.10	136.48	10.92	4.78	1350.61	108.05	47.27
Himachal Pradesh	10.45	0.84	0.39	8.31	0.66	0.31	135.93	8.62	5.03
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	129.87	7.86	4.55
Karnataka	480.51	38.44	17.78	474.23	37.94	17.55	4342.41	411.96	160.67
Kerala	118.33	9.47	4.51	108.44	8.68	3.85	1230.71	98.46	47.52
Kolkata	164.39	13.15	6.25	133.13	10.65	5.06	1456.00	138.57	55.33
Madhya Pradesh	190.20	15.22	7.04	189.86	15.19	7.02	1827.88	146.23	67.63
North East	0.00	0.00	0.00	0.00	0.00	0.00	89.57	5.42	3.13
Orissa	101.47	8.12	3.75	92.25	7.38	3.41	918.09	59.58	33.97
Punjab	156.77	12.54	5.49	138.94	11.12	4.86	1563.12	125.05	54.71
Rajasthan	109.32	8.75	4.04	79.74	6.38	2.95	1271.74	101.74	47.05
Tamil Nadu Incl CHE	347.98	27.84	12.35	303.81	24.30	10.79	2717.85	256.56	96.48
Uttar Pradesh (East)	185.19	14.82	6.48	158.46	12.68	5.55	1437.26	114.98	50.30
Uttar Pradesh (West)	173.99	13.92	6.44	148.59	11.89	5.50	1641.43	131.31	60.73
West Bengal	50.38	4.03	1.96	24.46	1.96	0.95	696.58	55.73	27.17
TOTAL	3299.46	263.96	120.64	2873.84	229.91	104.76	32607.42	2843.56	1194.39
Mumbai	121.58	9.73	5.41	0.06	0.00	0.00	624.77	57.09	27.80
Maharashtra	104.87	8.39	4.35	0.05	0.00	0.00	538.89	49.24	22.36
TOTAL	226.45	18.12	9.76	0.11	0.01	0.00	1163.66	106.33	50.17

(₹in crore)

Company	Total amount of GR/AGR	LF IMPACT	SUC IMPACT
TTSL	326.07	28.44	11.94
TTML	11.64	1.06	0.50
Grand Total	337.71	29.50	12.45

ANNEXURE-2.09 (Para 2.3.3)

Statement showing the details Of Miscellaneous Income (profit on sale of fixed assets) not considered for computation of AGR

(₹ in lakh)

Service Area / LSA	2010-11			2011-12			2012-13			2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	59.94	5.99	2.13	9.39	0.94	0.33	0.00	0.00	0.00	0.00	0.00	0.00	43.15	3.45	1.53	112.48	10.39	3.99
Assam	2.03	0.12	0.07	0.44	0.03	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.46	0.15	0.09
Bihar	21.35	1.28	0.79	3.70	0.22	0.14	0.00	0.00	0.00	0.00	0.00	0.00	11.05	0.88	0.41	36.10	2.39	1.34
Delhi	45.84	4.58	1.74	7.21	0.72	0.27	0.00	0.00	0.00	0.00	0.00	0.00	31.14	2.49	1.18	84.20	7.80	3.20
Gujarat	21.96	2.20	0.81	4.71	0.47	0.17	0.00	0.00	0.00	0.00	0.00	0.00	23.07	1.85	0.85	49.74	4.51	1.84
Haryana	15.54	1.24	0.54	2.85	0.23	0.10	0.00	0.00	0.00	0.00	0.00	0.00	16.87	1.35	0.59	35.26	2.82	1.23
Himachal Pradesh	1.75	0.10	0.06	0.32	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	1.03	0.08	0.04	3.09	0.21	0.11
Jammu & Kashmir	2.08	0.12	0.07	0.34	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.43	0.15	0.08
Karnataka	48.20	4.82	1.78	9.18	0.92	0.34	0.00	0.00	0.00	0.00	0.00	0.00	58.62	4.69	2.17	116.00	10.43	4.29
Kerala	14.43	1.15	0.56	2.77	0.22	0.11	0.00	0.00	0.00	0.00	0.00	0.00	13.40	1.07	0.48	30.61	2.45	1.15
Kolkata	16.85	1.68	0.64	3.07	0.31	0.12	0.00	0.00	0.00	0.00	0.00	0.00	16.46	1.32	0.63	36.37	3.31	1.38
Madhya Pradesh	19.79	1.58	0.73	4.22	0.34	0.16	0.00	0.00	0.00	0.00	0.00	0.00	23.47	1.88	0.87	47.48	3.80	1.76
North East	1.41	0.08	0.05	0.24	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.65	0.10	0.06
Orissa	11.06	0.66	0.41	1.84	0.11	0.07	0.00	0.00	0.00	0.00	0.00	0.00	11.40	0.91	0.42	24.30	1.69	0.90
Punjab	17.55	1.40	0.61	3.54	0.28	0.12	0.00	0.00	0.00	0.00	0.00	0.00	17.17	1.37	0.60	38.26	3.06	1.34
Rajasthan	13.35	1.07	0.49	3.30	0.26	0.12	0.00	0.00	0.00	0.00	0.00	0.00	9.86	0.79	0.36	26.51	2.12	0.98
Tamil Nadu	29.27	2.93	1.04	5.41	0.54	0.19	0.00	0.00	0.00	0.00	0.00	0.00	37.55	3.00	1.33	72.23	6.47	2.56

Service Area / LSA	2010-11			2011-12			2012-13			2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Uttar Pradesh (East)	14.63	1.17	0.51	3.07	0.25	0.11	0.00	0.00	0.00	0.00	0.00	0.00	19.59	1.57	0.69	37.29	2.98	1.31
Uttar Pradesh (West)	18.38	1.47	0.68	3.68	0.29	0.14	0.00	0.00	0.00	0.00	0.00	0.00	18.37	1.47	0.68	40.42	3.23	1.50
West Bengal	9.35	0.75	0.36	1.67	0.13	0.07	0.00	0.00	0.00	0.00	0.00	0.00	3.02	0.24	0.12	14.04	1.12	0.55
TOTAL TTSL	384.76	34.43	14.11	70.95	6.32	2.60	0.00	0.00	0.00	0.00	0.00	0.00	355.22	28.42	12.95	810.93	69.16	29.66
Mumbai	1570.01	157.00	69.87	669.30	66.93	29.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2239.31	223.93	99.65
Maharashtra	1354.20	135.42	56.20	577.30	57.73	23.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1931.50	193.15	80.16
TOTAL TTML	2924.21	292.42	126.06	1246.60	124.66	53.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4170.81	417.08	179.81
GRAND AMOUNT	3308.98	326.85	140.17	1317.54	130.98	56.34	0.00	0.00	0.00	0.00	0.00	0.00	355.22	28.42	12.95	4981.74	486.24	209.46

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	8.11	0.69	0.30
TTML	41.71	4.17	1.80
Grand Total	49.82	4.86	2.10

ANNEXURE-2.10 (Para 2.3.4)
Statement showing the details of misc. income not considered for GR/AGR

(₹ in lakh)

Service Area / LSA	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	40.03	4.00	1.42	37.54	3.75	1.33	46.49	4.30	1.65
Assam	1.35	0.08	0.05	1.74	0.10	0.06	1.49	0.10	0.05
Bihar	14.26	0.86	0.53	14.81	0.89	0.55	17.13	1.16	0.63
Delhi	30.61	3.06	1.16	28.84	2.88	1.10	34.65	3.21	1.32
Gujarat	14.67	1.47	0.54	18.84	1.88	0.70	21.76	2.01	0.81
Haryana	10.38	0.83	0.36	11.38	0.91	0.40	14.97	1.20	0.52
Himachal Pradesh	1.17	0.07	0.04	1.27	0.08	0.05	1.38	0.09	0.05
Jammu & Kashmir	1.39	0.08	0.05	1.37	0.08	0.05	1.11	0.07	0.04
Karnataka	32.19	3.22	1.19	36.70	3.67	1.36	49.16	4.55	1.82
Kerala	9.64	0.77	0.38	11.07	0.89	0.43	13.19	1.06	0.51
Kolkata	11.25	1.13	0.43	12.27	1.23	0.47	16.58	1.53	0.63
Madhya Pradesh	13.21	1.06	0.49	16.89	1.35	0.62	19.16	1.53	0.71
North East	0.94	0.06	0.03	0.97	0.06	0.03	0.78	0.05	0.03
Orissa	7.38	0.44	0.27	7.36	0.44	0.27	9.61	0.65	0.36
Punjab	11.72	0.94	0.41	14.16	1.13	0.50	18.50	1.48	0.65
Rajasthan	8.92	0.71	0.33	13.20	1.06	0.49	17.58	1.41	0.65
Tamil Nadu	19.55	1.95	0.69	21.62	2.16	0.77	33.70	3.12	1.20
Uttar Pradesh (East)	9.77	0.78	0.34	12.29	0.98	0.43	17.64	1.41	0.62
Uttar Pradesh (West)	12.27	0.98	0.45	14.71	1.18	0.54	18.90	1.51	0.70
West Bengal	6.24	0.50	0.24	6.69	0.54	0.26	7.24	0.58	0.28
TOTAL TTSL	256.96	22.99	9.42	283.73	25.26	10.40	361.03	31.02	13.22
Maharashtra	71.76	7.18	2.98	27.13	2.71	1.13	3.28	0.30	0.14
Mumbai	83.20	8.32	3.70	29.74	2.97	1.32	3.54	0.33	0.16
TOTAL TTML	154.97	15.50	6.68	56.87	5.69	2.45	6.82	0.63	0.29
GRAND TOTAL	411.92	38.49	16.10	340.59	30.95	12.85	367.85	31.65	13.51

Service Area / LSA	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	0.83	0.07	0.03	0.00	0.00	0.00	124.89	12.12	4.43
Assam	0.00	0.00	0.00	0.00	0.00	0.00	4.59	0.29	0.16
Bihar	0.25	0.02	0.01	0.00	0.00	0.00	46.45	2.92	1.72
Delhi	0.58	0.05	0.02	0.00	0.00	0.00	94.69	9.20	3.60
Gujarat	0.38	0.03	0.01	0.00	0.00	0.00	55.64	5.39	2.06
Haryana	0.28	0.02	0.01	0.00	0.00	0.00	37.02	2.96	1.30
Himachal Pradesh	0.02	0.00	0.00	0.00	0.00	0.00	3.84	0.24	0.14
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	3.87	0.24	0.14
Karnataka	0.92	0.07	0.03	0.00	0.00	0.00	118.97	11.51	4.40
Kerala	0.23	0.02	0.01	0.00	0.00	0.00	34.12	2.73	1.33
Kolkata	0.31	0.03	0.01	0.00	0.00	0.00	40.41	3.91	1.54
Madhya Pradesh	0.36	0.03	0.01	0.00	0.00	0.00	49.62	3.97	1.84
North East	0.00	0.00	0.00	0.00	0.00	0.00	2.69	0.17	0.09
Orissa	0.19	0.02	0.01	0.00	0.00	0.00	24.55	1.55	0.91
Punjab	0.30	0.02	0.01	0.00	0.00	0.00	44.68	3.57	1.56
Rajasthan	0.21	0.02	0.01	0.00	0.00	0.00	39.90	3.19	1.48
Tamil Nadu	0.66	0.05	0.02	0.00	0.00	0.00	75.53	7.29	2.68
Uttar Pradesh (East)	0.35	0.03	0.01	0.00	0.00	0.00	40.06	3.20	1.40
Uttar Pradesh (West)	0.33	0.03	0.01	0.00	0.00	0.00	46.21	3.70	1.71
West Bengal	0.10	0.01	0.00	0.00	0.00	0.00	20.27	1.62	0.79
TOTAL TTSL	6.29	0.50	0.23	0.00	0.00	0.00	908.01	79.78	33.27
Maharashtra	9.30	0.74	0.39	7.27	0.58	0.30	118.74	11.52	4.93
Mumbai	10.13	0.81	0.45	8.16	0.65	0.36	134.78	13.09	6.00
TOTAL TTML	19.44	1.55	0.84	15.43	1.23	0.66	253.52	24.60	10.93
GRAND TOTAL	25.73	2.06	1.07	15.43	1.23	0.66	1161.53	104.38	44.20

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	9.08	0.79	0.33
TTML	2.54	0.25	0.11
Grand Total	11.62	1.04	0.44

ANNEXURE-2.11 (Para 2.4.1)

Statement showing the details of bad debts written off adjusted from the respective components of the revenue from services

(₹ in lakh)

NAME OF SERVICE AREA	2010-11			2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	0.00	0.00	0.00	2096.80	209.68	74.44	0.00	0.00	0.00
Assam	0.00	0.00	0.00				0.00	0.00	0.00
Bihar	0.00	0.00	0.00	266.89	16.01	9.87	0.00	0.00	0.00
Delhi	0.00	0.00	0.00	2600.93	260.09	98.84	0.00	0.00	0.00
Gujarat	0.00	0.00	0.00	1258.83	125.88	46.58	0.00	0.00	0.00
Haryana	0.00	0.00	0.00	229.18	18.33	8.02	0.00	0.00	0.00
Himachal Pradesh	0.00	0.00	0.00	46.11	2.77	1.71	0.00	0.00	0.00
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	0.00	0.00	0.00	1022.15	102.22	37.82	0.00	0.00	0.00
Kerala	0.00	0.00	0.00	380.17	30.41	14.83	0.00	0.00	0.00
Kolkata	0.00	0.00	0.00	552.29	55.23	20.99	0.00	0.00	0.00
Madhya Pradesh	0.00	0.00	0.00	335.06	26.81	12.40	0.00	0.00	0.00
North East	0.00	0.00	0.00				0.00	0.00	0.00
Orissa	0.00	0.00	0.00	200.97	12.06	7.44	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	683.27	54.66	23.91	0.00	0.00	0.00
Rajasthan	0.00	0.00	0.00	350.50	28.04	12.97	0.00	0.00	0.00
Tamilnadu	0.00	0.00	0.00	1757.25	175.72	62.38	0.00	0.00	0.00
Uttar Pradesh (East)	0.00	0.00	0.00	539.14	43.13	18.87	0.00	0.00	0.00
Uttar Pradesh (West)	0.00	0.00	0.00	404.96	32.40	14.98	0.00	0.00	0.00
West Bengal	0.00	0.00	0.00	251.81	20.14	9.82	0.00	0.00	0.00
Corporate Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TTSL	0.00	0.00	0.00	12976.31	1213.59	475.86	0.00	0.00	0.00
Maharashtra	6465.23	646.52	268.31	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	17328.27	1732.83	771.11	0.00	0.00	0.00	0.00	0.00	0.00
Corporate Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TTML	23793.50	2379.35	1039.42	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	23793.50	2379.35	1039.42	12976.31	1213.59	475.86	0.00	0.00	0.00

Name of Service Area	2013-14			2014-15			TOTAL		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	8309.51	664.76	294.99	1422.08	113.77	50.48	11828.39	988.21	419.91
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	1636.82	130.95	60.56	386.55	30.92	14.30	2290.25	177.88	84.74
Delhi	7300.01	584.00	277.40	2046.97	163.76	77.78	11947.91	1007.85	454.02
Gujarat	2074.16	165.93	76.74	144.98	11.60	5.36	3477.97	303.41	128.68
Haryana	1017.13	81.37	35.60	364.33	29.15	12.75	1610.64	128.85	56.37
Himachal Pradesh	228.52	18.28	8.46	130.75	10.46	4.84	405.37	31.51	15.00
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	6322.62	505.81	233.94	1220.85	97.67	45.17	8565.63	705.69	316.93
Kerala	996.26	79.70	37.99	324.28	25.94	11.51	1700.71	136.06	64.33
Kolkata	2147.96	171.84	81.62	841.41	67.31	31.97	3541.66	294.38	134.58
Madhya Pradesh	927.59	74.21	34.32	397.59	31.81	14.71	1660.24	132.82	61.43
North East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa	508.10	40.65	18.80	131.06	10.48	4.85	840.12	63.19	31.08
Punjab	1629.11	130.33	57.02	832.24	66.58	29.13	3144.62	251.57	110.06
Rajasthan	1109.51	88.76	41.05	542.50	43.40	20.07	2002.52	160.20	74.09
Tamilnadu	3886.34	310.91	137.97	655.81	52.46	23.28	6299.40	539.10	223.63
Uttar Pradesh (East)	1330.70	106.46	46.57	295.21	23.62	10.33	2165.05	173.20	75.78
Uttar Pradesh (West)	1320.49	105.64	48.86	887.55	71.00	32.84	2613.00	209.04	96.68
West Bengal	429.71	34.38	16.76	395.26	31.62	15.42	1076.77	86.14	41.99
Corporate Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NLD	895.27	71.62	0.00	413.53	33.08	0.00	1308.80	104.70	0.00
TOTAL TTSL	42069.81	3365.58	1508.64	11432.96	914.64	404.81	66479.08	5493.81	2389.31
Maharashtra	8975.97	718.08	372.50	306.67	24.53	12.73	15747.88	1389.14	653.54
Mumbai	2620.88	209.67	116.63	425.30	34.02	18.93	20374.45	1976.52	906.66
Corporate Office	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TTML	11596.85	927.75	489.13	731.97	58.56	31.65	36122.33	3365.66	1560.20
GRAND TOTAL	53666.66	4293.33	1997.78	12164.94	973.19	436.46	102601.41	8859.47	3949.51

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	664.79	54.94	23.89
TTML	361.22	33.65	15.60
Grand Total	1026.01	88.59	39.49

ANNEXURE-2.12 (Para 2.4.2)

Statement showing the details of leased line and port charges treated as access charges and claimed as deduction from Gross Revenue

(₹ in lakh)

Service Area / LSA	2010-11			2011-12			TOTAL		
	Amount of GR/AGR (LL&PORT)	LF Impact	SUC Impact	Amount of GR/AGR (LL&PORT)	LF Impact	SUC Impact	Amount of GR/AGR (LL&PORT)	LF Impact	SUC Impact
Andhra Pradesh	237.57	23.76	8.43	1233.86	123.39	43.80	1471.42	147.14	52.24
Assam	283.54	17.01	9.92	154.82	9.29	5.42	438.37	26.30	15.34
Bihar	244.94	14.70	9.06	243.20	14.59	9.00	488.14	29.29	18.06
Delhi	460.73	46.07	17.51	405.43	40.54	15.41	866.16	86.62	32.91
Gujarat	370.37	37.04	13.70	361.87	36.19	13.39	732.24	73.22	27.09
Haryana	282.98	22.64	9.90	185.65	14.85	6.50	468.63	37.49	16.40
Himachal Pradesh	58.11	3.49	2.15	43.39	2.60	1.61	101.50	6.09	3.76
Jammu & Kashmir	164.26	9.86	5.75	117.73	7.06	4.12	282.00	16.92	9.87
Karnataka	474.41	47.44	17.55	418.26	41.83	15.48	892.67	89.27	33.03
Kerala	439.18	35.13	17.13	257.41	20.59	10.04	696.59	55.73	27.17
Kolkata	192.73	19.27	7.32	285.28	28.53	10.84	478.00	47.80	18.16
Madhya Pradesh	308.25	24.66	11.41	340.28	27.22	12.59	648.53	51.88	24.00
North East	389.50	23.37	13.63	351.06	21.06	12.29	740.56	44.43	25.92
Orissa	289.09	17.35	10.70	170.13	10.21	6.29	459.21	27.55	16.99
Punjab	215.76	17.26	7.55	148.29	11.86	5.19	364.06	29.12	12.74
Rajasthan	394.58	31.57	14.60	445.06	35.60	16.47	839.64	67.17	31.07
Tamilnadu	666.47	66.65	23.66	234.29	23.43	8.32	900.75	90.08	31.98
Uttar Pradesh (East)	252.76	20.22	8.85	225.59	18.05	7.90	478.35	38.27	16.74
Uttar Pradesh (West)	271.05	21.68	10.03	261.42	20.91	9.67	532.47	42.60	19.70
West Bengal	161.18	12.89	6.29	320.25	25.62	12.49	481.43	38.51	18.78
TOTAL TTSL	6157.47	512.05	225.15	6203.24	533.43	226.80	12360.71	1045.49	451.94
Maharashtra	1151.37	115.14	47.78	0.00	0.00	0.00	1151.37	115.14	47.78
Mumbai	2713.58	271.36	120.75	0.00	0.00	0.00	2713.58	271.36	120.75
TOTAL TTML	3864.95	386.49	168.54	0.00	0.00	0.00	3864.95	386.49	168.54
GRAND TOTAL	10022.41	898.55	393.68	6203.24	533.43	226.80	1225.65	1431.98	620.48

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
TTSL	123.61	10.46	4.52
TTML	38.65	3.86	1.68
Grand Total	162.26	14.32	6.20

ANNEXURE-2.13 (Para 2.4.3)

Statement showing the details of revenue considered for computation of AGR for LF but not considered for AGR for SUC

(₹ in lakh)

Service Area / LSA	2010-11		2011-12		2012-13	
	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact
Andhra Pradesh	6529.04	231.78	9531.06	338.35	5001.25	177.54
Assam	-	-	-	-	208.27	7.29
Bihar	5479.23	202.73	4169.13	154.26	1816.80	67.22
Delhi	1914.68	72.76	3319.51	126.14	2336.86	88.80
Gujarat	3373.90	124.83	4323.38	159.97	4261.18	157.66
Haryana	868.94	30.41	760.98	26.63	703.86	24.64
Himachal Pradesh	197.63	7.31	186.96	6.92	195.54	7.24
Jammu & Kashmir	-	-	-	-	773.71	27.08
Karnataka	11706.66	433.15	11458.37	423.96	8296.36	306.97
Kerala	2846.19	111.00	3388.43	132.15	882.86	34.43
Kolkata	2113.84	80.33	1750.57	66.52	1171.50	44.52
Madhya Pradesh	1771.21	65.53	2696.84	99.78	1826.64	67.59
North East	-	-	-	-	640.64	22.42
Orissa	1840.10	68.08	1701.03	62.94	781.85	28.93
Punjab	531.82	18.61	1182.19	41.38	900.70	31.52
Rajasthan	681.51	25.22	1150.82	42.58	1145.22	42.37
Tamilnadu	7163.89	254.32	9353.55	332.05	3175.21	112.72
Uttar Pradesh (East)	2672.59	93.54	3869.04	135.42	3090.58	108.17
Uttar Pradesh (West)	3015.36	111.57	3650.07	135.05	2526.30	93.47
West Bengal	4125.10	160.88	3587.96	139.93	1452.31	56.64
TOTAL TTSL	56831.69	2092.06	66079.91	2424.03	41187.64	1507.22
Maharashtra	-	-	-	-	7209.40	216.28
Mumbai	-	-	-	-	11837.57	355.13
TOTAL TTML	-	-	-	-	19046.96	571.41
GRAND TOTAL	56831.69	2092.06	66079.91	2424.03	60234.61	2078.63

Service Area / LSA	2013-14		2014-15		TOTAL	
	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact
Andhra Pradesh	4148.68	147.28	5320.01	188.86	30530.05	1083.82
Assam	389.73	11.69	196.37	5.89	794.37	24.87
Bihar	1573.86	58.23	2329.60	86.20	15368.62	568.64
Delhi	2256.27	85.74	3021.04	114.80	12848.36	488.24
Gujarat	4280.67	158.38	5581.95	206.53	21821.08	807.38
Haryana	656.64	22.98	778.07	27.23	3768.49	131.90
Himachal Pradesh	141.03	5.22	308.46	11.41	1029.63	38.10
Jammu & Kashmir	128.67	3.86	119.40	3.58	1021.78	34.52
Karnataka	6350.10	234.95	9556.00	353.57	47367.50	1752.60
Kerala	1044.15	39.81	1370.55	48.65	9532.17	366.05
Kolkata	867.60	32.97	1535.63	58.35	7439.14	282.69
Madhya Pradesh	1659.95	61.42	2021.35	74.79	9975.99	369.11
North East	426.29	12.79	106.75	3.20	1173.68	38.41
Orissa	568.83	21.05	1008.30	37.31	5900.10	218.30
Punjab	507.45	17.76	763.80	26.73	3885.96	136.01
Rajasthan	913.57	33.80	1305.91	48.32	5197.04	192.29
Tamilnadu	3284.73	116.61	4562.82	161.98	27540.20	977.68
Uttar Pradesh (East)	3002.06	105.07	3916.17	137.07	16550.45	579.27
Uttar Pradesh (West)	2039.28	75.45	2703.37	100.02	13934.37	515.57
West Bengal	435.59	16.99	867.38	33.83	10468.33	408.27
TOTAL TTSL	34675.15	1262.06	47372.92	1728.34	246147.31	9013.70
Maharashtra	5335.64	160.07	5634.24	169.03	18179.27	545.38
Mumbai	7687.17	230.62	9370.61	281.12	28895.35	866.86
TOTAL TTML	13022.81	390.68	15004.85	450.15	47074.62	1412.24
GRAND TOTAL	47697.96	1652.74	62377.76	2178.48	293221.93	10425.94

(₹ in crore)

Company	Amount of GR/AGR	SUC Impact
TTSL	2461.47	90.14
TTML	470.75	14.12
Grand Total	2932.22	104.26

ANNEXURE - 2.14 (Para 2.4.5)
Statement showing Interest on LF & SUC upto March 2016

(₹ in lakh)

SI No.	Para No.	ANNEX	No. of Months (upto March 16)		60	60	48	48	36	36	24	24	12	12	TOTAL
					15	15	16.75	16.75	16.45	16.45	16.75	16.75	16.75	16.75	
					2010-11		2011-12		2012-13		2013-14		2014-15		
Issues		Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC				
1	2.2.1	2.01	Discount to Dealers/Distributors	TTSL	2440.87	1015.83	3665.34	1527.10	2003.90	860.15	998.13	455.92	469.87	213.56	13650.67
				TTML	229.60	98.20	655.36	279.18	341.25	157.54	177.65	94.77	85.87	45.76	2165.17
	2.02	Commission paid to Dealers/Distributors	TTSL	1584.72	657.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2241.92
			TTML	53.81	22.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	76.73
2	2.2.2	2.03	FAT / FTT Discounts	TTSL	2244.22	922.82	2547.64	1061.66	1740.73	764.57	831.44	384.48	470.79	214.37	11182.75
				TTML	157.50	68.25	488.40	210.33	333.49	154.58	517.93	280.04	209.63	113.15	2533.31
3	2.2.3	2.04	Netting of Waiverrs	TTSL	307.84	131.00	223.53	93.22	269.19	115.59	94.15	43.22	29.28	13.36	1320.37
				TTML	36.08	15.82	74.85	32.37	65.17	30.24	13.69	7.35	0.87	0.47	276.91
4	2.2.4	2.05	Under reporting of Infra Sharing Revenue	TTSL	177.54	69.61	148.99	60.06	145.40	60.69	68.31	30.27	35.13	15.60	811.60
				TTML	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	2.2.5	2.06	Forex Revenue	TTSL	1041.47	159.40	1489.27	162.01	991.92	60.56	654.08	57.56	313.64	66.45	4996.35
				TTML	437.82	40.57	409.12	16.18	320.52	26.57	957.19	129.06	52.00	12.42	2401.46
6	2.3.1	2.07	Profit on sale of Investment	TTSL	213.94	87.66	226.68	93.33	325.42	138.71	203.80	93.14	98.04	44.67	1525.39
				TTML	71.01	30.46	9.30	3.99	3.05	1.41	17.57	9.42	4.22	2.26	152.69
	2.3.2	2.08	Interest Income on Investment	TTSL	1289.62	528.38	866.48	356.76	169.66	72.31	104.19	47.62	41.61	18.96	3495.58
				TTML	13.59	5.86	7.59	3.27	42.95	20.02	7.15	3.85	0.00	0.00	104.29
7	2.3.3	2.09	Profit on sale of Fixed Assets	TTSL	38.12	15.62	5.97	2.46	0.00	0.00	0.00	0.00	5.14	2.34	69.65
				TTML	323.76	139.58	117.83	50.80	0.00	0.00	0.00	0.00	0.00	0.00	631.97
	2.3.4	2.10	Miscellaneous Income	TTSL	25.46	10.43	23.88	9.83	19.62	8.36	0.20	0.09	0.00	0.00	97.87
				TTML	17.16	7.40	5.38	2.32	0.40	0.19	0.61	0.33	0.22	0.12	34.12

SI No.	Para No.	ANNEX	No. of Months (upto March 16)		60	60	48	48	36	36	24	24	12	12	TOTAL
					15	15	16.75	16.75	16.45	16.45	16.75	16.75	16.75	16.75	
					2010-11		2011-12		2012-13		2013-14		2014-15		
Issues		Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC		
8	2.4.1	2.11	Deduction of Bad Debt written off	TTSL	0.00	0.00	1147.09	449.78	0.00	0.00	1328.42	595.47	165.53	73.26	3759.55
				TTML	2634.37	1150.82	0.00	0.00	0.00	0.00	366.19	193.06	10.60	5.73	4360.77
9	2.4.2	2.12	Deduction of LL & Port charges	TTSL	566.94	249.28	504.20	214.37	0.00	0.00	0.00	0.00	0.00	0.00	1534.79
				TTML	427.92	186.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	2.4.3	2.13	Sale/lease of Bandwidth	TTSL	0.00	2316.29	0.00	2291.20	0.00	953.40	0.00	498.14	0.00	312.79	6371.82
				TTML	0.00	0.00	0.00	0.00	0.00	361.45	0.00	154.21	0.00	81.47	597.12
11	2.4.4		Sale of subsidiary	TTML	9244.19	3985.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13229.42
Total					23577.54	11915.22	12616.89	6920.23	6772.66	3786.36	6340.69	3078.01	1992.45	1236.74	78236.79

Say ₹ 782.37 crore

Annexure 3.01 [Para 3.2 1]
Statement showing impact of LF and SUC on GR/AGR due to non consideration of revenue on account of Margin

(₹ in lakh)

Services/LSA	2009-10			2010-11			2011-12		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	330.22	33.02	8.26	1379.89	137.99	46.23	2061.93	206.19	69.07
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.16	0.01	0.01
Bihar	315.03	18.90	7.88	1532.55	91.95	51.34	2050.89	123.05	68.70
Gujarat	0.00	0.00	0.00	1287.28	128.73	43.12	2195.76	219.58	73.56
Haryana	0.00	0.00	0.00	0.00	0.00	0.00	0.19	0.01	0.01
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.01	0.00
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.01	0.00
Karnataka	314.82	31.48	7.87	706.69	70.67	23.67	1102.98	110.30	36.95
Kerala	145.58	11.65	3.64	358.98	28.72	12.03	497.76	39.82	16.67
Kolkata	0.00	0.00	0.00	779.96	78.00	25.35	1006.05	100.61	32.70
Maharashtra	0.00	0.00	0.00	1313.46	131.35	44.00	2578.43	257.84	86.38
Madhya Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.30	0.02	0.01
Mumbai	0.00	0.00	0.00	815.05	81.51	26.49	1079.20	107.92	35.07
North East	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.01	0.00
Odisha	150.40	9.02	3.76	576.33	34.58	19.31	870.58	52.23	29.16
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.24	0.02	0.01
Rajasthan	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.02	0.01
Tamilnadu	310.52	31.05	7.76	820.01	82.00	27.47	1118.57	111.86	37.47
Uttar Pradesh (East)	327.92	26.23	8.20	2498.50	199.88	83.70	3293.45	263.48	110.33
Uttar Pradesh (West)	280.25	22.42	7.01	1655.24	132.42	55.45	2356.58	188.53	78.95
West Bengal	0.00	0.00	0.00	1154.09	92.33	38.66	1640.53	131.24	54.96
Total	2174.74	183.77	54.38	14878.03	1290.13	496.82	21854.16	1912.76	730.02

Services/LSA	2012-13			2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	1841.10	170.30	61.68	2166.53	173.32	79.05	2619.89	209.59	116.63
Assam	0.09	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	1671.19	112.81	55.98	2538.69	203.10	92.63	3216.08	257.29	144.48
Gujarat	2180.51	201.70	73.05	2565.25	205.22	93.60	2873.58	229.89	125.00
Haryana	0.16	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.09	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	262.12	24.25	8.78	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	173.89	13.91	5.83	0.00	0.00	0.00	0.00	0.00	0.00
Kolkata	443.78	41.05	14.42	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	2751.20	254.49	92.17	3194.85	255.59	116.57	4129.08	330.33	179.61
Madhya Pradesh	0.27	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	1310.33	121.21	42.59	0.00	0.00	0.00	0.00	0.00	0.00
North East	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	179.77	12.13	6.02	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.20	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	0.33	0.03	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	225.13	20.82	7.54	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (East)	2624.96	210.00	87.94	3882.65	310.61	141.66	5414.91	433.19	242.22
Uttar Pradesh (West)	1879.56	150.37	62.97	2767.15	221.37	100.96	3562.47	285.00	159.71
West Bengal	1055.26	84.42	35.35	0.00	0.00	0.00	0.00	0.00	0.00
Total	16600.00	1417.56	554.36	17115.12	1369.21	624.47	21816.01	1745.29	967.65

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	944.38	79.19	34.28

Annexure 3.02 [Para 3.2 2]

Statement showing impact of LF and SUC on GR/AGR due to non consideration of revenue on account of FAT/Promo etc offered to subscribers in the GR/AGR(UWL/TWL)

(₹ in lakh)

Services/LSA	2009-10			2010-11			2011-12		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	155.50	15.55	3.89	376.38	37.64	12.61	1989.01	198.90	66.63
Bihar	89.99	5.40	2.25	442.86	26.57	14.84	2006.79	120.41	67.23
Gujarat	0.00	0.00	0.00	882.44	88.24	29.56	2876.66	287.67	96.37
Karnataka	146.69	14.67	3.67	169.54	16.95	5.68	668.16	66.82	22.38
Kerala	70.27	5.62	1.76	101.63	8.13	3.40	245.57	19.65	8.23
Kolkata	0.00	0.00	0.00	330.79	33.08	10.75	828.84	82.88	26.94
Maharashtra	0.00	0.00	0.00	938.78	93.88	31.45	4256.73	425.67	142.60
Mumbai	0.00	0.00	0.00	684.49	68.45	22.25	2464.75	246.47	80.10
Odisha	53.16	3.19	1.33	97.02	5.82	3.25	729.93	43.80	24.45
Tamilnadu	133.66	13.37	3.34	235.56	23.56	7.89	830.15	83.01	27.81
Uttar Pradesh (East)	180.86	14.47	4.52	929.08	74.33	31.12	3027.63	242.21	101.43
Uttar Pradesh (West)	148.53	11.88	3.71	582.71	46.62	19.52	1502.55	120.20	50.34
West Bengal	0.00	0.00	0.00	457.69	36.61	15.33	1278.88	102.31	42.84
Grand Total	978.66	84.15	24.47	6228.97	559.88	207.65	22705.65	2040.00	757.35

Services/LSA	2012-13			2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	2883.02	266.68	96.58	4948.76	395.90	180.56	5911.01	472.88	263.15
Bihar	3071.34	207.32	102.89	4758.59	380.69	173.62	6079.35	486.35	273.10
Gujarat	4329.35	400.46	145.03	6419.36	513.55	234.22	8515.33	681.23	370.42
Karnataka	419.03	38.76	14.04	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	91.10	7.29	3.05	0.00	0.00	0.00	0.00	0.00	0.00
Kolkata	732.45	67.75	23.80	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	6614.26	611.82	221.58	7461.32	596.91	272.24	8928.83	714.31	388.40
Mumbai	3383.95	313.01	109.98	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	455.15	30.72	15.25	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	580.61	53.71	19.45	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (East)	6278.32	502.27	210.32	6652.93	532.23	242.74	6977.24	558.18	312.11
Uttar Pradesh (West)	1778.56	142.29	59.58	2206.49	176.52	80.51	2318.31	185.47	103.93
West Bengal	1388.77	111.10	46.52	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	32005.91	2753.18	1068.07	32447.45	2595.80	1183.89	38730.07	3098.42	1711.11

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	1330.97	111.31	49.53

Annexure 3.03 [Para 3.2 3]
Statement showing impact of LF and SUC on GR/AGR due to non consideration of adjustments/waivers on prepaid revenue

(₹ in lakh)

Services/LSA	2010-11			2011-12			2012-13		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	11.32	1.13	0.38	128.13	12.81	4.29	280.44	25.94	9.39
Bihar	1.68	0.10	0.06	2.20	0.13	0.07	211.58	14.28	7.09
Gujarat	30.72	3.07	1.03	371.25	37.12	12.44	404.00	37.37	13.53
Karnataka	14.83	1.48	0.50	66.59	6.66	2.23	13.59	1.26	0.46
Kolkata	3.75	0.38	0.12	67.40	6.74	2.19	70.79	6.55	2.30
Maharashtra	-8.55	0.00	0.00	139.39	13.94	4.67	496.91	45.96	16.65
Mumbai	7.31	0.73	0.24	80.15	8.01	2.60	173.16	16.02	5.63
Odisha	5.60	0.34	0.19	29.79	1.79	1.00	21.45	1.45	0.72
Tamilnadu	4.88	0.49	0.16	27.66	2.77	0.93	13.97	1.29	0.47
Uttar Pradesh (East)	69.97	5.60	2.34	219.55	17.56	7.36	849.20	67.94	28.45
Uttar Pradesh (West)	-6.04	0.00	0.00	236.60	18.93	7.93	423.51	33.88	14.19
West Bengal	2.15	0.17	0.07	53.33	4.27	1.79	162.21	12.98	5.43
Grand Total	137.62	13.49	5.09	1422.04	130.73	47.50	3120.81	264.92	104.31

Services/LSA	2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	390.28	31.22	14.24	835.65	66.85	37.20
Bihar	336.62	26.93	12.28	1366.97	109.36	61.41
Gujarat	356.31	28.51	13.00	892.75	71.42	38.83
Karnataka	0.00	0.00	0.00	0.00	0.00	0.00
Kolkata	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	564.22	45.14	20.59	783.69	62.70	34.09
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (East)	1691.77	135.34	61.73	1949.31	155.94	87.20
Uttar Pradesh (West)	941.97	75.36	34.37	1165.14	93.21	52.23
West Bengal	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	4281.17	342.50	156.21	6993.51	559.48	310.96

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	159.55	13.11	6.24

Annexure 3.04 [Para 3.3]
Statement showing impact of LF and SUC on GR/AGR on account of IOT discount being netted off from roaming revenue

(₹ in lakh)

Services/LSA	2010-11			2011-12			2012-13		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	32.38	3.24	1.08	18.92	1.89	0.63	-6.43	0.00	0.00
Bihar	1.11	0.07	0.04	1.24	0.07	0.04	0.55	0.04	0.02
Gujarat	2.80	0.28	0.09	7.20	0.72	0.24	2.93	0.27	0.10
Karnataka	45.20	4.52	1.51	38.48	3.85	1.29	2.53	0.23	0.08
Kerala	3.16	0.25	0.11	5.48	0.44	0.18	0.44	0.03	0.01
Kolkata	3.34	0.33	0.11	12.18	1.22	0.40	0.18	0.02	0.01
Maharashtra	4.17	0.42	0.14	10.15	1.02	0.34	4.13	0.38	0.14
Mumbai	4.99	0.50	0.16	15.13	1.51	0.49	3.40	0.31	0.11
Odisha	1.09	0.07	0.04	1.84	0.11	0.06	0.06	0.00	0.00
Tamilnadu	27.22	2.72	0.91	34.07	3.41	1.14	5.80	0.54	0.19
Uttar Pradesh (East)	3.15	0.25	0.11	2.80	0.22	0.09	0.24	0.02	0.01
Uttar Pradesh (West)	1.87	0.15	0.06	4.40	0.35	0.15	0.54	0.04	0.02
West Bengal	1.53	0.12	0.05	1.98	0.16	0.07	0.25	0.02	0.01
Grand Total	132.01	12.92	4.41	153.87	14.97	5.12	14.62	1.90	0.70

Services/LSA	2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	7.06	0.56	0.26	0.77	0.06	0.03
Bihar	2.24	0.18	0.08	-0.02	0.00	0.00
Gujarat	4.25	0.34	0.16	0.19	0.01	0.01
Karnataka	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	0.00	0.00	0.00	0.00	0.00	0.00
Kolkata	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	5.65	0.45	0.21	1.45	0.12	0.06
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (East)	1.35	0.11	0.05	-0.04	0.00	0.00
Uttar Pradesh (West)	3.50	0.28	0.13	0.08	0.01	0.00
West Bengal	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	24.05	1.92	0.89	2.43	0.20	0.10

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	3.27	0.32	0.11

Annexure 3.05 [Para 3.4]
Statement showing impact of LF and SUC on GR/AGR on account of revenue from forex gains

(₹ in lakh)

Services/LSA	2009-10			2010-11			2011-12		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	23.11	2.31	0.58	16.91	1.69	0.57	64.86	6.49	2.17
Assam	0.13	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	12.02	0.72	0.30	13.78	0.83	0.46	57.51	3.45	1.93
Delhi	0.24	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	0.24	0.02	0.01	17.45	1.75	0.58	72.67	7.27	2.43
Haryana	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	19.25	1.92	0.48	8.62	0.86	0.29	37.03	3.70	1.24
Kerala	7.49	0.60	0.19	3.14	0.25	0.11	9.74	0.78	0.33
Kolkata	0.28	0.03	0.01	7.89	0.79	0.26	30.08	3.01	0.98
Maharashtra	0.24	0.02	0.01	22.20	2.22	0.74	92.47	9.25	3.10
Madhya Pradesh	0.24	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	0.21	0.02	0.00	11.68	1.17	0.38	46.21	4.62	1.50
North East	0.13	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	5.53	0.33	0.14	3.70	0.22	0.12	19.38	1.16	0.65
Punjab	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	0.15	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	14.49	1.45	0.36	8.17	0.82	0.27	33.25	3.32	1.11
Uttar Pradesh (East)	23.16	1.85	0.58	33.71	2.70	1.13	119.37	9.55	4.00
Uttar Pradesh (West)	16.89	1.35	0.42	33.92	2.71	1.14	75.49	6.04	2.53
West Bengal	0.13	0.01	0.00	11.75	0.94	0.39	53.74	4.30	1.80
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ILD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	124.53	10.74	3.09	192.92	16.95	6.44	711.80	62.94	23.77

Services/LSA	2012-13			2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	1.81	0.17	0.06	4.52	0.36	0.16	131.79	10.54	5.87
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	1.10	0.07	0.04	18.96	1.52	0.69	157.28	12.58	7.07
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	1.73	0.16	0.06	3.03	0.24	0.11	167.20	13.38	7.27
Haryana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	1.75	0.16	0.06	3.80	0.30	0.08	0.77	0.06	0.00
Kerala	1.01	0.08	0.03	0.96	0.08	0.02	0.11	0.01	0.00
Kolkata	0.54	0.05	0.02	2.71	0.22	0.06	0.38	0.03	0.00
Maharashtra	2.66	0.25	0.09	3.46	0.28	0.13	202.47	16.20	8.81
Madhya Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	4.02	0.37	0.13	2.68	0.21	0.06	1.32	0.11	0.00
North East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	0.13	0.01	0.00	1.13	0.09	0.03	0.02	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	4.22	0.39	0.14	2.19	0.17	0.05	0.61	0.05	0.00
Uttar Pradesh (East)	2.46	0.20	0.08	3.57	0.29	0.13	260.08	20.81	11.63
Uttar Pradesh (West)	1.52	0.12	0.05	4.68	0.37	0.17	181.76	14.54	8.15
West Bengal	0.71	0.06	0.02	0.42	0.03	0.01	0.04	0.00	0.00
NLD	0.49	0.03	0.00	3.27	0.26	0.00	12.19	0.98	0.00
ILD	3.97	0.27	0.00	18.67	1.49	0.00	10.25	0.82	0.00
GRAND TOTAL	28.12	2.39	0.78	74.05	5.91	1.70	1126.27	90.11	48.80

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	22.58	1.89	0.85

Annexure 3.06 [Para 3.5]
Statement showing impact of LF and SUC on GR/AGR on account of revenue from interest income

(₹ in lakh)

Services/LSA	2009-10			2010-11			2011-12		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	829.79	82.98	20.74	978.28	97.83	32.77	799.22	79.92	26.77
Assam	4.69	0.28	0.12	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	431.55	25.89	10.79	766.17	45.97	25.67	718.79	43.13	24.08
Delhi	8.62	0.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	8.52	0.85	0.21	879.58	87.96	29.47	877.76	87.78	29.40
Haryana	5.22	0.42	0.13	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	5.22	0.31	0.13	0.00	0.00	0.00	0.01	0.00	0.00
Jammu & Kashmir	5.22	0.31	0.13	0.00	0.00	0.00	0.03	0.00	0.00
Karnataka	691.13	69.11	17.28	485.05	48.50	16.25	419.06	41.91	14.04
Kerala	269.02	21.52	6.73	181.82	14.55	6.09	110.76	8.86	3.71
Kolkata	10.01	1.00	0.24	446.85	44.69	14.52	367.82	36.78	11.95
Maharashtra	8.52	0.85	0.21	777.35	77.73	26.04	1130.49	113.05	37.87
Madhya Pradesh	8.52	0.68	0.21	0.00	0.00	0.00	0.05	0.00	0.00
Mumbai	7.59	0.76	0.18	586.43	58.64	19.06	561.74	56.17	18.26
North East	4.69	0.28	0.12	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	198.45	11.91	4.96	216.25	12.98	7.24	238.44	14.31	7.99
Punjab	5.22	0.42	0.13	0.00	0.00	0.00	0.03	0.00	0.00
Rajasthan	5.22	0.42	0.13	0.00	0.00	0.00	0.05	0.00	0.00
Tamilnadu	514.64	51.46	12.87	454.42	45.44	15.22	382.86	38.29	12.83
Uttar Pradesh (East)	831.76	66.54	20.79	1971.33	157.71	66.04	1487.19	118.98	49.82
Uttar Pradesh (West)	605.70	48.46	15.14	1192.65	95.41	39.95	941.52	75.32	31.54
West Bengal	4.69	0.38	0.12	686.82	54.95	23.01	669.17	53.53	22.42
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ILD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	4463.99	385.69	111.36	9623.00	842.36	321.33	8704.99	768.03	290.68

Services/LSA	2012-13			2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	276.81	25.60	9.27	158.81	12.70	5.79	199.76	15.98	8.89
Assam	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	243.25	16.42	8.15	172.88	13.83	6.31	241.72	19.34	10.86
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	339.85	31.44	11.39	203.18	16.25	7.41	253.43	20.27	11.02
Haryana	0.10	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	27.56	2.55	0.92	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	7.03	0.56	0.24	0.00	0.00	0.00	0.00	0.00	0.00
Kolkata	80.74	7.47	2.62	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	442.21	40.90	14.81	241.97	19.36	8.83	307.79	24.62	13.39
Madhya Pradesh	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	198.44	18.36	6.45	0.00	0.00	0.00	0.00	0.00	0.00
North East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	18.37	1.24	0.62	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.10	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	26.00	2.40	0.87	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (E)	528.83	42.31	17.72	313.65	25.09	11.44	393.18	31.45	17.59
Uttar Pradesh (W)	319.90	25.59	10.72	225.57	18.05	8.23	277.31	22.18	12.43
West Bengal	153.39	12.27	5.14	0.00	0.00	0.00	0.00	0.00	0.00
NLD	128.04	8.64	0.00	113.69	9.10	0.00	18.82	1.51	0.00
ILD	14.30	0.97	0.00	13.24	1.06	0.00	0.00	0.00	0.00
Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	2805.00	236.74	88.92	1442.99	115.44	48.01	1692.01	135.35	74.18

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	287.32	24.84	9.35

Annexure-3.07 [Para 3.6]
Statement showing impact of LF and SUC on GR/AGR on account of revenue from Miscellaneous income

(₹ in lakh)

Services/LSA	2010-11			2011-12			2012-13		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	0.24	0.02	0.01	0.85	0.09	0.03	105.74	9.78	3.54
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	0.19	0.01	0.01	4.32	0.26	0.14	92.84	6.27	3.11
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	0.21	0.02	0.01	1.41	0.14	0.05	130.36	12.06	4.37
Haryana	0.00	0.00	0.00	0.00	0.00	0.00	9.21	0.74	0.31
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Karnataka	0.35	0.03	0.01	1.00	0.10	0.03	10.65	0.98	0.36
Kerala	0.04	0.00	0.00	15.73	1.26	0.53	2.68	0.21	0.09
Kolkata	0.11	0.01	0.00	0.30	0.03	0.01	30.82	2.85	1.00
Maharashtra	0.19	0.02	0.01	5.55	0.56	0.19	169.92	15.72	5.69
Madhya Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Mumbai	0.37	0.04	0.01	0.35	0.03	0.01	77.95	7.21	2.53
North East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	0.05	0.00	0.00	1.62	0.10	0.05	7.01	0.47	0.23
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00
Rajasthan	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Tamilnadu	0.29	0.03	0.01	0.64	0.06	0.02	12.19	1.13	0.41
Uttar Pradesh (East)	1.03	0.08	0.03	0.44	0.04	0.01	201.96	16.16	6.77
Uttar Pradesh (West)	0.40	0.03	0.01	0.03	0.00	0.00	122.09	9.77	4.09
West Bengal	0.17	0.01	0.01	3.17	0.25	0.11	58.54	4.68	1.96
NLD	0.00	0.00	0.00	0.00	0.00	0.00	48.87	3.30	0.00
ILD	0.00	0.00	0.00	0.00	0.00	0.00	5.46	0.37	0.00
GRAND TOTAL	3.64	0.30	0.12	35.41	2.92	1.18	1086.36	91.70	34.46

Services/LSA	2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	126.00	10.08	4.60	258.81	20.70	11.52
Assam	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	89.99	7.20	3.28	302.63	24.21	13.60
Delhi	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	113.88	9.11	4.16	321.96	25.76	14.01
Haryana	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	1.22	0.10	0.03	0.00	0.00	0.00
Kerala	1.48	0.12	0.03	0.00	0.00	0.00
Kolkata	19.79	1.58	0.42	0.00	0.00	0.00
Maharashtra	122.56	9.81	4.47	386.44	30.92	16.81
Madhya Pradesh	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	15.11	1.21	0.32	0.00	0.00	0.00
North East	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	18.22	1.46	0.40	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	0.00	0.00	0.00	0.00	0.00	0.00
Tamilnadu	18.08	1.45	0.40	0.00	0.00	0.00
Uttar Pradesh (East)	157.73	12.62	5.76	493.78	39.50	22.09
Uttar Pradesh (West)	107.82	8.63	3.93	347.16	27.77	15.56
West Bengal	6.93	0.55	0.15	0.00	0.00	0.00
NLD	54.20	4.34	0.00	23.56	1.88	0.00
ILD	6.31	0.50	0.00	0.00	0.00	0.00
GRAND TOTAL	859.32	68.76	27.95	2134.34	170.74	93.59

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	41.19	3.34	1.57

Annexure 3.08 [Para 3.6]

Statement showing impact of LF and SUC on GR/AGR on account of revenue from Miscellaneous Income (Profit on sale of fixed assets)

(₹ in lakhs)

Services/LSA	2011-12			2012-13		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	0.00	0.00	0.00	11.00	1.02	0.37
Assam	0.00	0.00	0.00	0.13	0.01	0.00
Bihar	0.00	0.00	0.00	65.24	4.40	2.19
Delhi	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	0.00	0.00	0.00	54.77	5.07	1.83
Haryana	0.00	0.00	0.00	0.32	0.03	0.01
Himachal Pradesh	0.00	0.00	0.00	0.49	0.03	0.02
Jammu & Kashmir	0.00	0.00	0.00	0.19	0.01	0.01
Karnataka	0.00	0.00	0.00	91.09	8.43	3.05
Kerala	15.87	1.27	0.53	65.95	5.28	2.21
Kolkata	156.66	15.67	5.09	0.00	0.00	0.00
Maharashtra	113.04	11.30	3.79	0.00	0.00	0.00
Madhya Pradesh	0.00	0.00	0.00	0.12	0.01	0.00
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00
North East	0.00	0.00	0.00	0.03	0.00	0.00
Odisha	0.00	0.00	0.00	46.85	3.16	1.57
Punjab	0.00	0.00	0.00	16.77	1.34	0.56
Rajasthan	0.00	0.00	0.00	0.19	0.02	0.01
Tamilnadu	0.00	0.00	0.00	132.35	12.24	4.43
Uttar Pradesh (East)	0.00	0.00	0.00	66.59	5.33	2.23
Uttar Pradesh (West)	7.73	0.62	0.26	28.29	2.26	0.95
West Bengal	0.00	0.00	0.00	0.00	0.00	0.00
NLD	0.00	0.00	0.00	0.00	0.00	0.00
ILD	0.00	0.00	0.00	0.00	0.00	0.00
GRAND TOTAL	293.30	28.86	9.67	580.37	48.64	19.44

Services/LSA	2013-14			2014-15		
	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	19.12	1.53	0.70	8.38	0.67	0.37
Assam	9.86	0.79	0.22	0.00	0.00	0.00
Bihar	20.81	1.66	0.76	10.14	0.81	0.46
Delhi	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	24.46	1.96	0.89	10.63	0.85	0.46
Haryana	0.00	0.00	0.00	0.00	0.00	0.00
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	1.24	0.10	0.03	0.00	0.00	0.00
Karnataka	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	3.75	0.30	0.08	0.00	0.00	0.00
Kolkata	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	29.13	2.33	1.06	12.91	1.03	0.56
Madhya Pradesh	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	79.38	6.35	1.70	0.00	0.00	0.00
North East	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	20.36	1.63	0.45	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	4.87	0.39	0.11	0.00	0.00	0.00
Tamilnadu	204.30	16.34	4.52	0.00	0.00	0.00
Uttar Pradesh (East)	38.73	3.10	1.41	16.50	1.32	0.74
Uttar Pradesh (West)	48.41	3.87	1.77	11.63	0.93	0.52
West Bengal	71.36	5.71	1.58	0.00	0.00	0.00
NLD	13.68	1.09	0.00	0.79	0.06	0.00
ILD	1.59	0.13	0.00	0.00	0.00	0.00
GRAND TOTAL	591.05	47.28	15.28	70.98	5.67	3.11

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	15.36	1.30	0.48

Annexure 3.09 [Para 3.7]
Statement showing impact of LF and SUC on GR/AGR on account of revenue from BTA
 (₹ in lakh)

Services/LSA	2010-11		
	GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	2556.76	255.68	85.65
Assam	0.00	0.00	0.00
Bihar	2002.40	120.14	67.08
Delhi	0.00	0.00	0.00
Gujarat	2298.81	229.88	77.01
Haryana	0.00	0.00	0.00
Himachal Pradesh	0.00	0.00	0.00
Jammu & Kashmir	0.00	0.00	0.00
Karnataka	1267.69	126.77	42.47
Kerala	475.18	38.01	15.92
Kolkata	1167.87	116.79	37.96
Maharashtra	2031.62	203.16	68.06
Madhya Pradesh	0.00	0.00	0.00
Mumbai	1532.65	153.26	49.81
North East	0.00	0.00	0.00
Odisha	565.18	33.91	18.93
Punjab	0.00	0.00	0.00
Rajasthan	0.00	0.00	0.00
Tamilnadu	1187.65	118.77	39.79
Uttar Pradesh (East)	5152.14	412.17	172.60
Uttar Pradesh (West)	3117.02	249.36	104.42
West Bengal	1795.03	143.60	60.13
NLD	0.00	0.00	0.00
ILD	0.00	0.00	0.00
Corporate	0.00	0.00	0.00
GRAND TOTAL	25150.00	2201.50	839.83

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
Telenor	251.50	22.02	8.40

**Annexure 3.10 [Para 3.8]
Statement showing interest on LF & SUC upto Mar 16**

(₹ in lakh)

SI No.	Para No.	ANNEX	No. of Months(upto March 16)	72		60		48	
			Rate@ (PLR+2)%	13.75		15		16.75	
			Issues	2009-10		2010-11		2011-12	
				Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC
1	3.2.1	3.01	Margin	233.62	69.11	1428.39	550.07	1807.94	690.03
2	3.2.2	3.02	FAT	106.97	31.10	619.89	229.91	1928.22	715.85
3	3.2.3	3.03	Waivers	0.00	0.00	14.93	5.63	123.57	44.89
4	3.3	3.04	IOT	0.00	0.00	14.30	4.89	14.15	4.85
5	3.4	3.05	Forex	13.68	3.95	18.76	7.13	59.49	22.47
6	3.5	3.06	Interest Income	490.30	141.56	932.64	355.78	725.95	274.76
7	3.6	3.07	Misc. Income	0.00	0.00	0.36	0.13	2.76	1.12
8	3.6	3.08	Profit on sale of fixed assets	0.00	0.00	0.00	0.00	27.28	9.14
9	3.7	3.09	Profit on Business transfer	0.00	0.00	2437.47	929.84	0.00	0.00
			TOTAL	844.57	245.72	5466.74	2083.38	4689.36	1763.11

SI No.	Para No.	ANNEX	No. of Months(upto March 16)	36		24		12		Total
			Rate@ (PLR+2) %	16.45		16.75		16.75		
			Issues	2012-13		2013-14		2014-15		
				Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	
1	3.2 .1	3.01	Margin	896.67	350.66	540.43	246.48	315.85	175.12	7304.39
2	3.2.2	3.02	FAT	1741.54	675.62	1024.58	467.29	560.74	309.67	8411.38
3	3.2 .3	3.03	Waivers	167.57	65.98	135.18	61.65	101.25	56.28	776.95
4	3.3	3.04	IOT	1.21	0.44	0.76	0.35	0.04	0.02	41.00
5	3.4	3.05	Forex	1.51	0.50	2.34	0.67	16.31	8.83	155.63
6	3.5	3.06	Interest Income	149.76	56.25	45.56	18.95	24.50	13.43	3229.43
7	3.6	3.07	Misc. Income	58.01	21.80	27.13	11.04	30.90	16.94	170.19
8	3.6	3.08	Profit on sale of fixed assets	30.76	12.30	18.66	6.03	1.03	0.56	105.76
9	3.7	3.09	Profit on Business transfer	0.00	0.00	0.00	0.00	0.00	0.00	3367.31
TOTAL				3047.03	1183.55	1794.64	812.46	1050.62	580.85	23562.04

Say ₹ 235.62 crore

ANNEXURE-4.01 (Para-4.2.1)
Statement showing impact of LF and SUC on GR/AGR due to non consideration of commission/discount offered to distributors

(₹ in lakh)

Name of the LSA	2010-11			2011-12			2012-13		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	0.91	0.09	0.03	1.08	0.11	0.04	0.48	0.04	0.02
Assam		0	0		0	0	0	0	0
Bihar	0.57	0.03	0.02	2.35	0.14	0.08	1.81	0.13	0.06
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Gujarat	394.37	39.44	13.80	401.54	40.15	14.05	243.81	22.56	8.53
Haryana	129.66	10.37	4.54	148.83	11.91	5.21	195.16	15.61	6.83
Himachal Pradesh	6.88	0.41	0.24	7.29	0.44	0.26	1.59	0.10	0.06
ILD		0	0		0	0	0	0	0
Karnataka	1.00	0.10	0.03	2.00	0.20	0.07	2.23	0.21	0.08
Kerala	56.22	4.50	1.97	46.23	3.70	1.62	3.96	0.32	0.14
Kolkata	0.00	0.00	0.00	0.39	0.04	0.01	0.43	0.04	0.01
Maharashtra	0.73	0.07	0.03	3.72	0.37	0.13	5.68	0.52	0.20
Madhya Pradesh	120.29	9.62	4.21	205.11	16.41	7.18	183.27	14.67	6.41
Mumbai	330.14	33.01	11.06	374.92	37.49	12.56	158.16	14.63	5.30
North East	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Orissa	0.73	0.04	0.03	1.30	0.08	0.05	0.72	0.05	0.03
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Rajasthan	0.79	0.06	0.03	1.69	0.14	0.06	2.04	0.15	0.07
Tamilnadu	217.49	21.75	7.61	269.93	26.99	9.45	134.16	12.41	4.70
Uttar Pradesh (East)	0.84	0.07	0.03	1.42	0.11	0.05	0.80	0.07	0.03
Uttar Pradesh (West)	1.21	0.10	0.04	25.33	2.03	0.89	35.40	2.83	1.24
West Bengal	1.01	0.08	0.04	1.73	0.14	0.06	1.05	0.08	0.04
TOTAL	1262.84	119.74	43.71	1494.86	140.45	51.77	970.75	84.42	33.75

Name of the LSA	2013-14			2014-15		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	NO SERVICE			NO SERVICE		
Assam	NO SERVICE			NO SERVICE		
Bihar	0.66	0.05	0.03	1.48	0.12	0.07
Jammu & Kashmir	NO SERVICE			NO SERVICE		
Delhi	NO SERVICE			NO SERVICE		
Gujarat	345.61	27.65	15.55	635.60	50.85	28.60
Haryana	389.13	31.13	17.51	592.88	47.43	26.68
Himachal Pradesh	0			0		
ILD	0	0	0	0	0	0
Karnataka	NO SERVICE			NO SERVICE		
Kerala	NO SERVICE			NO SERVICE		
Kolkata	NO SERVICE			NO SERVICE		
Maharashtra	NO SERVICE			NO SERVICE		
Madhya Pradesh	337.36	26.99	15.18	653.04	52.24	29.39
Mumbai	NO SERVICE			NO SERVICE		
North East	NO SERVICE			NO SERVICE		
Orissa	NO SERVICE			NO SERVICE		
NLD	0	0	0	0	0	0
Rajasthan	NO SERVICE			NO SERVICE		
Tamilnadu	NO SERVICE			NO SERVICE		
Uttar Pradesh (East)	0.65	0.05	0.03	2.84		
Uttar Pradesh (West)	0.65	0.05	0.03	2.70		
West Bengal	NO SERVICE			NO SERVICE		
TOTAL	1074.06	85.92	48.33	1888.54	150.64	84.74

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
VTL	66.91	5.82	2.63

ANNEXURE-4.02 (Para-4.2.2)
Statement showing impact of LF and SUC on GR/AGR due to non consideration of FAT

(₹ in lakh)

Name of the LSA	2010-11			2011-12			2012-13		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	0.00	0.00	0.00	0.03	0.00	0.00	0.06	0.00	0.00
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	0.00	0.00	0.00	0.21	0.01	0.01	1.62	0.11	0.06
Jammu & Kashmir	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Delhi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	156.95	15.69	5.49	238.36	23.84	8.34	389.52	36.63	13.63
Haryana	152.77	12.22	5.35	214.06	17.12	7.49	379.61	30.37	13.29
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.17	0.01	0.01
ILD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	0.32	0.03	0.01	0.06	0.01	0.00	0.24	0.02	0.01
Kerala	54.72	4.38	1.92	61.32	4.91	2.15	0.42	0.03	0.01
Kolkata	0.00	0.00	0.00	0.34	0.03	0.01	0.04	0.00	0.00
Maharashtra	0.07	0.01	0.00	0.44	0.04	0.02	0.61	0.06	0.02
Madhya Pradesh	101.13	8.09	3.54	179.50	14.36	6.28	314.75	25.18	11.02
Mumbai	406.96	40.70	13.63	409.23	40.92	13.71	272.69	25.75	9.14
North East	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Orissa	0.04	0.00	0.00	0.01	0.00	0.00	0.09	0.00	0.00
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0.00
Rajasthan	0.00	0.00	0.00	0.14	0.01	0.01	0.28	0.03	0.01
Tamilnadu	323.90	32.39	11.34	417.50	41.75	14.61	197.75	18.78	6.92
Uttar Pradesh (East)	0.07	0.01	0.00	0.11	0.01	0.00	38.35	3.07	1.34
Uttar Pradesh (West)	0.26	0.02	0.01	8.09	0.65	0.28	37.59	3.00	1.32
West Bengal	0.00	0.00	0.00	0.12	0.01	0.00	0.11	0.01	0.00
TOTAL	1197.19	113.54	41.29	1529.52	143.67	52.91	1633.90	143.05	56.78

Name of the LSA	2013-14			2014-15		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	NO SERVICE			NO SERVICE		
Assam	NO SERVICE			NO SERVICE		
Bihar	0	0	0	0	0	0
Jammu & Kashmir	NO SERVICE			NO SERVICE		
Delhi	NO SERVICE			NO SERVICE		
Gujarat	744.34	59.55	33.50	1230.34	98.43	55.37
Haryana	579.17	46.33	26.06	658.42	52.67	29.63
Himachal Pradesh	0			0		
ILD	0	0	0	0	0	0
Karnataka	NO SERVICE			NO SERVICE		
Kerala	NO SERVICE			NO SERVICE		
Kolkata	NO SERVICE			NO SERVICE		
Maharashtra	NO SERVICE			NO SERVICE		
Madhya Pradesh	522.45	41.80	23.51	1115.10	89.21	50.18
Mumbai	NO SERVICE			NO SERVICE		
North East	NO SERVICE			NO SERVICE		
Orissa	NO SERVICE			NO SERVICE		
NLD	0	0	0	0	0	0
Rajasthan	NO SERVICE			NO SERVICE		
Tamilnadu	NO SERVICE			NO SERVICE		
Uttar Pradesh (East)	0	0	0	0	0	0
Uttar Pradesh (West)	0	0	0	0	0	0
West Bengal	NO SERVICE			NO SERVICE		
TOTAL	1845.96	147.68	83.07	3003.86	240.31	135.18

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
VTL	92.10	7.88	3.69

ANNEXURE-4.03 (Para-4.2.3)
Statement showing impact of LF and SUC on GR/AGR due to non consideration of FOC SIM

(₹ in lakh)

Name of the LSA	2013-14			2014-15		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Gujarat	62.21	4.98	2.80	133.63	10.69	6.01
Haryana	43.53	3.48	1.96	66.31	5.30	2.98
Madhya Pradesh	68.27	5.46	3.07	151.33	12.11	6.81
TOTAL	174.01	13.92	7.83	351.27	28.10	15.80

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
VTL	5.25	0.42	0.24

ANNEXURE-4.04 (Para-4.3.1)
Statement showing impact of LF and SUC on GR/AGR due to non consideration of Interest

(₹ in lakh)

Name of the LSA	2009-10			2010-11			2011-12		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	46.84	4.68	1.17	37.56	3.76	1.31	61.70	6.17	2.16
Assam	46.84	2.81	1.17	37.56	2.25	1.31	61.70	3.70	2.16
Bihar	46.84	2.81	1.17	37.56	2.25	1.31	61.70	3.70	2.16
Jammu & Kashmir	46.84	2.81	1.17	37.56	2.25	1.31	61.70	3.70	2.16
Delhi	46.84	4.68	1.10	37.56	3.76	1.26	61.70	6.17	2.07
Gujarat	46.84	4.68	1.17	37.56	3.76	1.31	61.70	6.17	2.16
Haryana	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
Himachal Pradesh	46.84	2.81	1.17	37.56	2.25	1.31	61.70	3.70	2.16
ILD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	46.84	4.68	1.17	37.56	3.76	1.31	61.70	6.17	2.16
Kerala	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
Kolkata	46.84	4.68	1.10	37.56	3.76	1.26	61.70	6.17	2.07
Maharashtra	46.84	4.68	1.17	37.56	3.76	1.31	61.70	6.17	2.16
Madhya Pradesh	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
Mumbai	46.84	4.68	1.10	37.56	3.76	1.26	61.70	6.17	2.07
North East	46.84	2.81	1.17	37.56	2.25	1.31	61.70	3.70	2.16
Orissa	46.84	2.81	1.17	37.56	2.25	1.31	61.70	3.70	2.16
NLD	0.00	0.00	0.00	0.00	0.00	0.00	61.70	3.70	0.00
Rajasthan	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
Tamilnadu	46.84	4.68	1.17	37.56	0.00	1.31	61.70	6.17	2.16
Uttar Pradesh (East)	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
Uttar Pradesh (West)	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
West Bengal	46.84	3.75	1.17	37.56	3.01	1.31	61.70	4.94	2.16
TOTAL	983.64	80.55	24.36	788.76	60.89	27.36	1357.40	109.84	45.09

NAME OF THE LSA	2012-13			2013-14			2014-15		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	40.96	3.79	1.43	NO SERVICE			NO SERVICE		
Assam	40.96	2.76	1.43	NO SERVICE			NO SERVICE		
Bihar	40.96	2.76	1.43	113.49	9.08	5.11	125.61	10.05	5.65
Jammu & Kashmir	40.96	2.76	1.43	NO SERVICE			NO SERVICE		
Delhi	40.96	3.79	1.37	NO SERVICE			NO SERVICE		
Gujarat	40.96	3.79	1.43	113.49	9.08	5.11	125.61	10.05	5.65
Haryana	40.96	3.28	1.43	113.49	9.08	5.11	125.61	10.05	5.65
Himachal Pradesh	40.96	2.76	1.43	0			0		
ILD	40.96	2.76	0.00	113.49	9.08	0.00	125.61	10.05	0.00
Karnataka	40.96	3.79	1.43	NO SERVICE			NO SERVICE		
Kerala	40.96	3.28	1.43	NO SERVICE			NO SERVICE		
Kolkata	40.96	3.79	1.37	NO SERVICE			NO SERVICE		
Maharashtra	40.96	3.79	1.43	NO SERVICE			NO SERVICE		
Madhya Pradesh	40.96	3.28	1.43	113.49	9.08	5.11	125.61	10.05	5.65
Mumbai	40.96	3.79	1.37	NO SERVICE			NO SERVICE		
North East	40.96	2.76	1.43	NO SERVICE			NO SERVICE		
Orissa	40.96	2.76	1.43	NO SERVICE			NO SERVICE		
NLD	40.96	2.76	0.00	113.49	9.08	0.00	125.61	10.05	0
Rajasthan	40.96	3.28	1.43	NO SERVICE			NO SERVICE		
Tamilnadu	40.96	3.79	1.43	NO SERVICE			NO SERVICE		
Uttar Pradesh (East)	40.96	3.28	1.43	113.49	9.08	5.11	125.61	10.05	5.65
Uttar Pradesh (West)	40.96	3.28	1.43	113.49	9.08	5.11	125.61	10.05	5.65
West Bengal	40.96	3.28	1.43	NO SERVICE			NO SERVICE		
TOTAL	942.08	75.36	29.85	907.92	72.64	30.66	1004.88	80.40	33.90

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
VTL	59.85	4.80	1.91

ANNEXURE-4.05 (Para-4.3.2)
Statement showing impact of LF and SUC on GR/AGR due to non consideration of Forex Gain

(₹ in lakhs)

NAME OF THE LSA	2009-10			2010-11			2011-12		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	14.61	1.46	0.37	2.63	0.26	0.09	0.03	0.00	0.00
Assam	14.61	0.88	0.37	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	14.61	0.88	0.37	0.03	0.00	0.00	0.01	0.00	0.00
Jammu & Kashmir	14.61	0.88	0.37	0.00	0.00	0.00	0.00	0.00	0.00
Delhi	14.61	1.46	0.34	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	14.61	1.46	0.37	36.81	3.68	1.29	2.63	0.26	0.09
Haryana	14.61	1.17	0.37	28.48	2.28	1.00	0.97	0.08	0.03
Himachal Pradesh	14.61	0.88	0.37	0.01	0.00	0.00	0.05	0.00	0.00
ILD	14.61	0.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	14.61	1.46	0.37	2.06	0.21	0.07	11.85	1.19	0.41
Kerala	14.61	1.17	0.37	119.95	9.60	4.20	10.71	0.86	0.37
Kolkata	14.61	1.46	0.34	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	14.61	1.46	0.37	18.76	1.88	0.66	0.02	0.00	0.00
Madhya Pradesh	14.61	1.17	0.37	41.10	3.29	1.44	2.36	0.19	0.08
Mumbai	14.61	1.46	0.34	0.31	0.03	0.01	2.38	0.24	0.08
North East	14.61	0.88	0.37	0.00	0.00	0.00	0.00	0.00	0.00
Orissa	14.61	0.88	0.37	0.00	0.00	0.00	0.01	0.00	0.00
NLD	14.61	0.88	0.00	0.13	0.01	0.00	2.65	0.16	0.00
Rajasthan	14.61	1.17	0.37	0.00	0.00	0.00	0.01	0.00	0.00
Tamilnadu	14.61	1.46	0.37	639.43	63.94	22.38	42.07	4.21	1.47
Uttar Pradesh (East)	14.61	1.17	0.37	1.83	0.15	0.06	22.63	1.81	0.79
Uttar Pradesh (West)	14.61	1.17	0.37	1.26	0.10	0.04	21.65	1.73	0.76
West Bengal	14.61	1.17	0.37	0.00	0.00	0.00	0.01	0.00	0.00
Total	336.03	26.91	7.68	892.79	85.43	31.24	120.04	10.73	4.08

NAME OF THE LSA	2012-13			2013-14			2014-15		
	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact	Amount of GR	LF Impact	SUC Impact
Andhra Pradesh	0.00	0.00	0.00	No Service			No Service		
Assam	0.00	0.00	0.00	No Service			No Service		
Bihar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Jammu & Kashmir	0.00	0.00	0.00	No Service			No Service		
Delhi	0.00	0.00	0.00	No Service			No Service		
Gujarat	0.00	0.00	0.00	0.45	0.04	0.02	0.36	0.03	0.02
Haryana	0.00	0.00	0.00	0.51	0.04	0.02	0.34	0.03	0.02
Himachal Pradesh	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ILD	2.09	0.14	0.00	32.10	2.57	0.00	144.82	11.59	0.00
Karnataka	0.00	0.00	0.00	No Service			No Service		
Kerala	0.00	0.00	0.00	No Service			No Service		
Kolkata	0.00	0.00	0.00	No Service			No Service		
Maharashtra	0.00	0.00	0.00	No Service			No Service		
Madhya Pradesh	0.00	0.00	0.00	0.44	0.04	0.02	0.37	0.03	0.02
Mumbai	0.00	0.00	0.00	No Service			No Service		
North East	0.00	0.00	0.00	No Service			No Service		
Orissa	0.00	0.00	0.00	No Service			No Service		
NLD	0.00	0.00	0.00	1.80	0.14	0.00	1.24	0.10	0.00
Rajasthan	0.00	0.00	0.00	No Service			No Service		
Tamilnadu	0.00	0.00	0.00	No Service			No Service		
Uttar Pradesh (East)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Uttar Pradesh (West)	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.02	0.01
West Bengal	0.00	0.00	0.00	No Service			No Service		
Total	2.09	0.14	0.00	35.30	2.83	0.06	147.38	11.80	0.07

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
VTL	15.34	1.38	0.43

ANNEXURE- 4.06 (Para 4.4)
Statement showing interest on short paid LF and SUC by VTL up to March 2016

(₹ in lakh)

Sl No.	Para No.	Annexure	No. of Months(upto March 2016)	72	72	60	60	48	48	36	36	24	24	12	12	Total						
				Rate@ (PLR+2)%		13.75		13.75		15		15		16.75			16.75		16.75		16.75	
				2009-10		2010-11		2011-12		2012-13		2013-14		2014-15								
Issues			Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC						
1	4.2.1	4.01	Processing fee(Commission/discount)			132.59	48.39	132.75	48.92	53.40	21.34	33.92	19.08	27.34	15.38	533.11						
2	4.2.2	4.02	FAT			125.71	45.72	135.80	50.02	90.49	35.92	58.29	32.79	43.49	24.46	642.69						
3	4.2.3	4.03	FOC SIM			0.00	0.00	0.00	0.00	0.00	0.00	5.49	3.09	5.09	2.86	16.53						
4	4.3.1	4.04	Interest Income	102.40	30.99	67.38	30.38	103.81	42.60	47.68	18.93	28.67	12.10	14.55	6.14	505.63						
5	4.3.2	4.05	Forex Gain	34.17	9.67	94.58	34.59	10.14	3.88	0.09	0.00	1.11	0.02	2.13	0.01	190.39						
			Total	136.57	40.66	420.26	159.08	382.50	145.42	191.66	76.19	127.48	67.08	92.60	48.85	1888.35						

Say ₹ 18.88 crore

Annexure-5.01 (Para-5.2.1)

Statement showing impact on payment of Revenue Share (LF and SUC) for non-consideration of revenue offered to distributors as discount and netted off from Processing fee by QTL

(₹ in lakh)

SL. NO.	NAME OF THE LSA	PUNJAB		
		Year	Amount of GR	LF Impact
1	2010-11	283.21	22.66	10.05
2	2011-12	533.79	42.70	18.95
3	2012-13	799.46	63.96	28.38
4	2013-14	1082.33	86.59	38.42
5	2014-15	1233.54	98.68	43.79
	Total	3932.33	314.59	139.59

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	39.32	3.15	1.40

Annexure-5.02 (Para-5.2.2)

Impact on payment of Revenue Share(LF and SUC) for non-consideration of revenue from Free Airtime (FAT)

(₹ in lakh)

SL. NO.	NAME OF THE LSA	PUNJAB		
	Year	Amount of GR	LF Impact	SUC Impact
1	2010-11	58.30	4.66	2.07
2	2011-12	54.83	4.39	1.95
3	2012-13	24.00	1.92	0.85
4	2013-14	94.35	7.55	3.35
5	2014-15	86.54	6.92	3.07
	Total	318.02	25.44	11.29

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	3.18	0.25	0.11

Annexure-5.03 (Para-5.2.3)

Impact on payment of Revenue Share(LF and SUC) for non-consideration of revenue from Free of Cost SIM (FOC SIM)

(₹ in lakh)

SL. NO.	NAME OF THE LSA	PUNJAB		
	Year	Amount of GR	LF Impact	SUC Impact
1	2013-14	104.04	8.32	3.69
2	2014-15	85.71	6.86	3.04
	Total	189.75	15.18	6.73

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	1.90	0.15	0.07

Annexure-5.04 (Para-5.3.1)
Impact on payment of Revenue Share(LF and SUC) for non-consideration of income from
Forex gain

(₹ in lakh)

SL. NO.	NAME OF THE LSA	PUNJAB		
	Year	Amount of GR	LF Impact	SUC Impact
1	2006-07	0.52	0.04	0.01
2	2007-08	568.95	45.52	11.38
3	2008-09	281.37	22.51	5.63
4	2009-10	435.21	34.82	10.23
5	2010-11	168.17	13.45	5.97
6	2011-12	34.34	2.75	1.22
7	2012-13	193.08	15.45	6.85
8	2013-14	155.74	12.46	5.53
9	2014-15	6.50	0.52	0.23
	Total	1843.88	147.52	47.05

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	18.44	1.48	0.47

Annexure-5.05 (Para-5.3.2)

Impact on payment of Revenue Share(LF and SUC) for non-consideration of gain from sale of asset by QTL
(₹ in lakh)

NAME OF THE LSA		PUNJAB		
SL. NO.	Year	Amount of GR	LF Impact	SUC Impact
1	2008-09	3372.35	269.79	67.45
2	2009-10	143.05	11.44	3.36
3	2010-11	247.52	19.80	8.79
4	2013-14	98.38	7.87	3.49
	Total	3861.30	308.90	83.09

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	38.61	3.09	0.83

Annexure-5.06 (Para-5.3.3)

Impact on payment of Revenue Share(SUC) for non-consideration of revenue from sharing infrastructure

(₹ in lakh)

NAME OF THE LSA - PUNJAB

SL. NO.	Year	Revenue from telecom services		Total Amount of GR	SUC Impact
		Sharing of Infrastructutre (Dark Fibre)	Sharing of infrastructure (Tower)		
1	2006-07	405.14	0.00	405.14	8.10
2	2007-08	497.20	0.00	497.20	.94
3	2008-09	590.17	126.25	716.42	4.33
4	2009-10	461.03	44.37	505.40	1.88
5	2010-11	588.14	45.57	633.71	2.50
6	2011-12	550.45	76.09	626.53	2.24
7	2012-13	550.90	97.10	648.00	3.00
8	2013-14	583.90	132.99	716.89	5.45
9	2014-15	585.67	302.40	888.072	1.53
	Total	4812.60	824.77	5637.35	168.97

(₹ in crore)

Company	Amount of GR/AGR	SUC Impact
QTL	56.37	1.69

Annexure-5.07 (Para-5.3.4)

Impact on payment of Revenue Share(LF and SUC) for non-consideration of income from investment(interest)
(₹ in lakh)

NAME OF THE LSA		PUNJAB		
SL. NO.	Year	Income from investment (interest)	LF Impact	SUC impact
1	2006-07	43.91	0.00	0.88
2	2007-08	50.41	0.00	1.01
3	2008-09	60.32	0.00	1.21
4	2014-15	116.24	9.30	4.13
Total		270.88	9.30	7.23

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	2.71	0.09	0.07

Annexure-5.08 (Para-5.3.5)

Impact on payment of Revenue Share(LF and SUC) for non-consideration of miscellaneous income
(₹ in lakh)

NAME OF THE LSA	PUNJAB			
SL. NO.	Year	Miscellaneous Income	LF Impact	SUC impact
1	2006-07	103.48	0.00	2.07
2	2007-08	742.56	0.00	14.85
3	2008-09	23.52	0.00	0.47
4	2014-15	9.62	0.77	0.34
	Total	879.18	0.77	17.73

(₹ in crore)

Company	Amount of GR/AGR	LF Impact	SUC Impact
QTL	8.79	0.01	0.18

Annexure-5.09 (Para 5.4)
Statement showing interest on short paid LF & SUC by QTL upto March 2016

(₹ in lakh)

Sl. No.	Para No.	ANNEX	No. of Months (upto March 2016)	108	108	96	96	84	84
				14.25	14.25	14.25	14.25	14.25	14.25
			Issues	2006-07		2007-08		2008-09	
			Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	
1	5.2.1	5.01	Processing fee (Commission/discount)	0	0	0	0	0	0
2	5.2.2	5.02	FAT	0	0	0	0	0	0
3	5.2.3	5.03	FOC SIM	0	0	0	0	0	0
4	5.3.1	5.04	Forex Gain	0.11	0.03	95.85	23.96	38.17	9.54
5	5.3.2	5.05	Sale of asset	0	0	0	0	457.45	114.36
6	5.3.3	5.06	SUC Not paid telecom revenue	0	20.89	0	20.94	0	24.30
7	5.3.4	5.07	LF and SUC on interest income	0	2.26	0	2.12	0	2.05
8	5.3.5	5.08	LF and SUC on Misc. income	0	5.34	0	31.27	0	0.8
			Total	0.11	28.52	95.85	78.29	495.62	151.05

(₹ in lakh)

Sl. No.	Para No.	ANNEX	No. of Months (upto March 2016)	72	72	60	60	48	48	
				Rate@ (PLR+2)%	13.75	13.75	15	15	16.75	16.75
				Issues	2009-10		2010-11		2011-12	
					Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC
1	5.2.1	5.01	Processing fee (Commission/discount)	0	0	25.08	11.13	40.36	17.91	
2	5.2.2	5.02	FAT	0	0	5.16	2.29	4.15	1.84	
3	5.2.3	5.03	FOC SIM	0	0	0	0	0	0	
4	5.3.1	5.04	Forex Gain	44.26	13	14.9	6.61	2.6	1.15	
5	5.3.2	5.05	Sale of asset	14.55	4.27	21.92	9.73	0	0	
6	5.3.3	5.06	SUC Not paid telecom revenue	0	15.10	0	24.91	0	21.02	
7	5.3.4	5.07	LF and SUC on interest income	0	0	0	0	0	0	
8	5.3.5	5.08	LF and SUC on Misc. income	0	0	0	0	0	0	
Total				58.81	32.37	67.06	54.67	47.11	41.92	

(₹ in lakh)

Sl. No.	Para No.	ANNE X	No. of Months (upto March 2016)	36	36	24	24	12	12	TOTAL	
				Rate@ (PLR+2)%	16.45	16.45	16.75	16.75	16.75		16.75
				Issues	2012-13		2013-14		2014-15		
					Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF		Interest on SUC
1	5.2.1	5.01	Processing fee (Commission/ discount)	40.46	17.95	34.18	15.17	17.86	7.93	228.03	
2	5.2.2	5.02	FAT	1.21	0.54	2.98	1.32	1.25	0.56	21.3	
3	5.2.3	5.03	FOC SIM	0	0	3.29	1.46	1.24	0.55	6.54	
4	5.3.1	5.04	Forex Gain	9.77	4.34	4.92	2.18	0.09	0.04	271.52	
5	5.3.2	5.05	Sale of asset	0	0	3.11	1.38	0	0	626.77	
6	5.3.3	5.06	SUC Not paid telecom revenue	0	14.55	0	10.05	0	5.71	157.47	
7	5.3.4	5.07	LF and SUC on interest income	0	0	0	0	1.68	0.75	8.86	
8	5.3.5	5.08	LF and SUC on Misc. income	0	0	0	0	0.14	0.06	37.61	
			Total	51.44	37.38	48.48	31.58	22.26	15.60	1358.10	

Say ₹ 13.58 crore

**Annexure-6.01 [Para 6.2.1 and 6.2.2]
Statement showing Interest on LF and SUC up to March 16**

(₹ in lakh)

Year	Gain on Forex	Revenue Share @ 8%	Interest payable period	No. of Months	Rate of Interest (%)	Interest compounded monthly
2012-13	129.22	10.34	April 2013 to March 2016	36	16.45	6.54
2013-14	4166.76	333.34	April 2014 to March 2016	24	16.75	131.57
2014-15	2080.93	166.47	April 2015 to March 2016	12	16.75	30.13
	6376.91	510.15				168.24

Say ₹ 1.68 crore

Glossary of Terms and abbreviations

1	Access Service	Access Services is the collection, carriage, transmission and delivery of voice and/or non-voice messages over Licensee's network by deploying circuit and/or packet switched equipment
2	AGR	Adjusted Gross Revenue - AGR is Gross revenue reduced by permissible deductions (i.e. PSTN related call charges paid to other telecom service providers for carriage of calls (IUC)/Roaming and service/sales tax actually paid to the Government, as per the license agreement
3	Basic Services	A Service Provider must offer customers the ability to place and receive voice-grade calls over all distances utilizing the public switched telephone network or successor network
4	BSOs	Basic Service Operators - They were permitted to offer "limited-mobility" services over Wireless Local Loop (WLL (M)) using CDMA technology in their coverage areas
5	BWA	Broadband wireless access
6	Call Charges	Call charges are variable and are used to pay for the cost of the equipment to route a call from the caller's exchange to the recipient's exchange.
7	CAPEX	Capital Expenditure
8	Carrier Service	Provision of wired or wireless facilities to originate, terminate or transit calls, charging for interconnection, settlement or termination of domestic or international calls, charging for jointly used facilities including pole attachments, charging for the exclusive use of circuits, a leased circuit or a dedicated link including a speech circuit, data circuit or a telegraph circuit
9	CDMA	Code Division Multiple Access (CDMA) is a technology for providing wireless services.
10	CMTS	Cellular Mobile Telephone Service - It is a type of short-wave analog or digital telecommunication service in which a subscriber has a wireless connection from a mobile phone to a relatively nearby transmitter. The transmitter's span of coverage is called a cell. As the cellular telephone user moves from one cell or area of coverage to another, the telephone is effectively passed on to the local cell transmitter.
11	Data Service	Provision of access to wired or wireless facilities and services specifically designed for efficient transmission of data
12	DoT	Department of Telecommunications
13	Entry fee	One time non-refundable Entry Fee fixed by DoT has to be paid by the Licensee prior to signing of the License agreement.
14	FAT	Free Air Time

15	Fixed license fee regime	During the National Telecom Policy-1994 regime, licensees were selected through a bidding process and were to pay to the Government a fixed amount of annual license fee, agreed during the bidding process.
16	FOC	Free of Cost
17	FTT	Full talk time
18	GR	GR - The Gross Revenue shall be inclusive of installation charges, late fees, sale proceeds of handsets (or any other terminal equipment etc.), revenue on account of interest, dividend, value added services, supplementary services, access or interconnection charges, roaming charges, revenue from permissible sharing of infrastructure and any other miscellaneous revenue, without any set-off for related item of expense, etc.
19	GSM	Global System for Mobile communication is a technology for providing wireless services.
20	ILD	International Long Distance - The ILD Service is basically a network carriage service (also called Bearer) providing International connectivity to the Network operated by foreign carriers.
21	Installation charges	Charges for installation of customer terminal equipment
22	Interconnection charges	A 'charge' levied by network operators on other service providers to recover the costs of the interconnection facilities (including the hardware and software for routing, signaling, and other basic service functions) provided by the network operators
23	Internet Services	Internet services provides for accessing, using, or participating in the Internet
24	Internet Telephony	Internet telephony offers digital telecommunications services based on Voice over Internet Protocol (VoIP) that are provisioned via the Internet
25	IOT	Inter Operator traffic
26	IP-I	Infrastructure provider category- I -No license is issued for IP-I. Companies registered as IP-I can provide assets such as Dark Fibre, Right of Way, Duct space and Tower.
27	IP-II	Infrastructure provider category- II - An IP-II license can lease / rent out /sell end to end bandwidth i.e. digital transmission capacity capable to carry a message. Issuance of IP-II License has been discontinued w.e.f. 14.12.05
28	ISP	Internet Service Provider
29	ISP (IT)	Internet Service Provider (including Internet Telephony)
30	IUC	Interconnection Usage Charges as defined at serial 16
31	License Fee	The Licensee shall pay Licence Fee as a percentage of Adjusted Gross Revenue (AGR) for providing telecom services on basis of licenses granted by DoT.
32	LSAs	Licensed Service Areas (Circle)

33	Microwave Access	Microwave (MW) Access is normally in the frequency band 10 GHz and beyond for GSM and CDMA based telecom service providers
34	Microwave Backbone	Microwave (MW) Backbone networks are generally below 10 GHz frequency band for GSM and CDMA based telecom service providers
35	MoC&IT	Ministry of Communications and IT
36	NLD	National Long Distance - National Long Distance (NLD) service refers to the carriage of switched-bearer telecommunications services over a long distance network i.e., a network connecting different short distance charging areas (SDCAs)
37	NTP-94	National Telecom Policy-1994
38	NTP-99	New Telecom Policy-1999
39	OPEX	Operating Expenditure
40	PSPs	Private Service Providers
41	PSTN charges	Public Switched Telecom Network charges
42	Revenue sharing regime	New Telecom Policy - 99 introduced the 'Revenue Share Regime' in which telecom service providers, in place of the fixed license fee were required to pay a percentage of their Adjusted Gross Revenue (AGR) as licence fee
43	Roaming charges	Roaming is the ability for a cellular customer to automatically make & receive voice calls, send & receive data, or access other services when traveling outside the geographical coverage area of the home network, by means of using a visited network. The charges for this facility is Roaming charges
44	Sales Tax	Sales tax is a consumption tax imposed by the government on the sale of goods and services
45	Service Tax	Service tax is a tax levied by the government on service providers on certain service transactions, but is actually borne by the customers. It is categorized under Indirect Tax and came into existence under the Finance Act, 1994
46	SUC	Spectrum Usage Charges - In addition to License Fee, wireless service providers are required to pay Spectrum Usage Charges as a percentage of AGR.
47	Supplementary services	GSM offers three basic types of services: Telephony services or teleservices, Data services or bearer services & Supplementary services. Supplementary services are additional services that are provided in addition to teleservices and bearer services. These services include caller identification, call forwarding, call hold, call waiting, conferencing, number identification, closed user group and barring of outgoing (international) calls
48	TB	Trial Balance
49	TDSAT	Telecom Disputes Settlement and Appellate Tribunal
50	Terminal equipment	A device that constitutes a point of termination of a communications circuit or channel. Terminal equipment includes all customer premises equipment (CPE), including voice terminal equipment and data terminal equipment (DTE)

51	TRAI	Telecom Regulatory Authority of India
52	UASL	Unified Access Services License - The UASL services cover collection, carriage, transmission and delivery of voice and/or non-voice messages over licensee's network in the designated service area and include provision of all types of access services. Access Service Provider can also provide Internet Telephony, Internet Services and Broadband Services. If required, access service provider can use the network of NLD/ILD service licensee. The access service includes but not limited to wireline and / or wireless and fixed wireless access.
53	UL	Unified License - The Licensee may establish, operate and maintain Telecommunication Networks and telecommunication services using any technology as per prescribed standards in the service area as per scope of services authorized under this License. In case, the Licensee obtains Access Spectrum, the terms and conditions of the allotment of spectrum regarding use of technology shall be applicable.
54	USO	Universal Service Obligation - NTP'99 provided that the resources for meeting the USO would be raised through a 'Universal Access Levy (UAL)', which would be a percentage of the revenue earned by the operators under various licenses.
55	Value added services	Value-added service (VAS) is a popular telecommunications industry term for non-core services, or in short, all services beyond standard voice calls and fax transmissions. In the telecommunication industry, on a conceptual level, value-added services add value to the standard service
56	VSAT	Very Small Aperture Terminal - VSAT License is to establish, install, operate and maintain VSAT Closed Users Group Domestic Data Network service via INSAT Satellite System on non- exclusive basis within territorial boundary of India
57	WFD	Wireless Finance Division of DoT
58	WLL (M)	Wireless in Local Loop (Mobile)
59	WPC Charges	Charges levied by the Wireless Planning & Coordination Wing of DoT

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