

**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)
No. 11 of 2017**

**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)
No. 11 of 2017**

CONTENTS

Description	Paragraph	Page
Preface		xi
Executive Summary		xiii
Chapter-I: Introduction		
Revenue sharing regime and its salient features	1.1	1
Definition of Gross Revenue (GR)/Adjusted Gross Revenue (AGR) in the various licenses	1.2	3
Important specifications for reporting revenue for payment of license fee	1.3	5
Revenue share collected	1.4	6
Arrangements in DoT for collection, accounting and assessment of LF and SUC	1.5	7
Scope of Audit	1.6	7
Audit methodology	1.7	8
Audit criteria	1.8	9
Acknowledgement	1.9	9
Chapter-II: Revenue shared by M/s Bharti Airtel Limited and M/s Bharti Hexacom Limited		
Brief Profile of M/s Bharti Airtel Limited and M/s Bharti Hexacom Limited	2.1	11
Licences granted to M/s Bharti Airtel Limited and M/s Bharti Hexacom Limited	2.1.1	11
Spectrum allotted to BAL/BHL	2.1.2	12
Gross Revenue, Deduction, Adjusted Gross Revenue reported and revenue share paid by BAL/BHL	2.1.3	13
Under reporting of revenue by BAL/BHL	2.2	13
Under reporting of revenue due to netting off of revenue pertaining to Commission/ offers/ discounts to dealers/ subscribers for prepaid services	2.2.1	14
Under reporting of revenue due to netting off of waivers granted to post-paid subscribers	2.2.2	17
Under reporting of Roaming Revenue due to set-off of Inter Operator traffic (IOT) Discounts paid/credited to other Operators	2.2.3	17

Description	Paragraph	Page
Under reporting of revenue from Infrastructure sharing with other telecom operators for GR/AGR by BAL/BHL	2.2.4	18
Under reporting of revenue from Forex gain for GR/AGR by BAL/ BHL	2.2.5	20
Non consideration of Interest Income for GR/AGR.	2.2.6	22
Non Consideration of revenue accounted under Global Operations (BILGO) for AGR/GR	2.2.7	23
Non consideration of dividend income by BAL/BHL for GR/AGR	2.2.8	25
Non consideration of income from sale of Investments for AGR	2.2.9	26
Non consideration of miscellaneous income for AGR for computation of LF/SUC by BAL	2.2.10	27
Non consideration of Income from profit on sale of fixed assets for AGR for payment of revenue Share by BAL	2.2.11	28
Irregular Deduction of Bad debts written off from GR to arrive at AGR by BAL/BHL	2.2.12	29
Non consideration of revenue from sale/lease of bandwidth charges for AGR for payment of SUC	2.2.13	30
Non Consideration of revenue of erstwhile SBEL	2.2.14	31
Non consideration of revenue accounted under Infrastructure Provider (IP)-1 service for computation of revenue share by BAL	2.2.15	32
Interest on short/non-payment of LF and SUC	2.2.16	33
Disclosures in the Statement of Revenue and License fee (AGR statements)	2.3	33
Response of DoT/BAL to the audit observations	2.4	34
Chapter-III: Revenue Shared by Vodafone India Limited		
Brief profile of M/s Vodafone India Ltd	3.1	37
Licences held by Vodafone Group	3.1.1	37
Spectrum held by Vodafone Group	3.1.2	37
Gross Revenue, Deductions, Adjusted Gross Revenue reported and revenue share paid by Vodafone group:	3.1.3	38
Under reporting of revenue by Vodafone India	3.2	38

Description	Paragraph	Page
Under reporting of revenue due to ‘netting off’ of revenue pertaining to discounts/ margins offered to dealers & free airtime offers to subscribers	3.2.1	39
Under reporting of Roaming Revenue due to set-off of Inter Operator traffic discounts paid/credited to other Operators	3.2.2	42
Under reporting of revenue from Infrastructure sharing revenue from other telecom operators for GR/AGR by VIL & its subsidiaries	3.2.3	43
Non consideration of forex gain in GR/AGR by VIL & its subsidiaries	3.2.4	44
Interest Income not considered for revenue share by Vodafone & its subsidiaries	3.2.5	45
Income from Dividends not considered for revenue share by Vodafone	3.2.6	46
Income from profit on sale of fixed assets not considered for revenue share by Vodafone & its subsidiaries	3.2.7	47
Miscellaneous income not considered for revenue share by Vodafone & its subsidiaries	3.2.8	48
Irregular Deduction claimed for ‘Bad debts written off’ from GR to arrive at AGR by Vodafone & its subsidiaries	3.2.9	49
Transfer of Passive infrastructure Assets by Vodafone licensee companies to its subsidiary at Nil value	3.2.10	50
Interest on revenue share short paid	3.2.11	52
Disclosures in the Statement of Revenue and License fee (AGR statements)	3.3	52
Response of DoT/ VIL to the audit observations	3.4	53
Chapter-IV: Revenue Shared by Idea Cellular Ltd (ICL)		
Brief Profile of ICL	4.1	55
Licenses granted to Idea Cellular Limited (ICL)	4.1.1	55
Spectrum allotted to ICL	4.1.2	55
Gross Revenue (GR), Deduction, Adjusted Gross Revenue (AGR) reported and revenue share paid by ICL	4.1.3	56
Under reporting of revenue by ICL	4.2	56

Description	Paragraph	Page
Under reporting of revenue due to netting off of revenue pertaining to Commission/offers/discounts to dealers/subscribers for prepaid services	4.2.1	57
Under reporting of revenue due to netting off of postpaid revenue	4.2.2	59
Netting off of roaming revenue	4.2.3	60
Non consideration of Infrastructure sharing revenue	4.2.4	61
Non consideration of revenue from Switch sharing between Idea (NLD) and Idea (LSAs) for GR/AGR	4.2.5	62
Non consideration of revenue by ICL from assets given on Indefeasible Right to Use (IRU) for inclusion in GR/AGR	4.2.6	63
Under reporting of revenue from Forex gain for GR/AGR	4.2.7	64
Under reporting of revenue in the Statement of Revenue and LF (AGR statements) though reported in the books of accounts	4.3	65
Non consideration of Interest Income for GR/AGR	4.3.1	65
Non consideration of Profit on sale of Investments for inclusion in GR/AGR	4.3.2	65
Non consideration of Miscellaneous receipts for inclusion in GR/AGR	4.3.3	66
Non consideration of Income from profit on sale of fixed assets for GR/AGR	4.3.4	67
Short /non-payment of revenue share due to other issues	4.4	67
Inadmissible deduction on account of bad debts written off	4.4.1	67
Interest on short/non-payment of LF and SUC	4.4.2	68
Non submission of details as required under Annexure III of the UAS/CMTS license agreement	4.4.3	68
Response of DoT/ICL to the audit observations	4.5	69
Chapter-V: Revenue shared by Reliance Communication Limited and Reliance Telecom Limited		
Brief profile of Reliance Communication Limited and Reliance Telecom Limited	5.1	71
Radio Frequency Spectrum held by RCL and RTL	5.1.1	71

Description	Paragraph	Page
Revenue Reported and revenue share paid by RCL and RTL	5.1.2	73
Audit findings	5.2	73
Avoidance of revenue share payment by passing on revenue earned from activities under UAS licence to ISP licence	5.2.1	73
Related expenditures netted off from Gross Revenue	5.3	80
Booking of Prepaid Revenue net of Free Air Time by RCL/RTL	5.3.1	80
Understatement of prepaid revenue of RCL due to set-off of commission/discount	5.3.2	81
Incomes not offered for revenue share	5.4	83
Interest income not offered for revenue share	5.4.1	83
Other income not offered for revenue share	5.4.2	83
Income from Forex gains	5.4.3	84
Revenue from lease of bandwidth not considered for SUC	5.4.4	85
Disclosures in the Statement of Revenue and Licence fee (AGR statements)	5.5	86
Interest on revenue share short paid	5.6	87
Response of DoT	5.7	87
Chapter-VI : Revenue Shared by Aircel Group		
Brief Profile of Aircel Group	6.1	89
Licenses granted to Aircel Group	6.1.1	89
Spectrum allotted to Aircel Group	6.1.2	89
Gross Revenue (GR), Adjusted Gross Revenue (AGR) and Revenue share paid by the Aircel Group	6.1.3	90
Under reporting of revenue by Aircel Group	6.2	90
Under reporting of prepaid revenue due to netting off of primary commission given to distributors/ dealers/franchisee	6.2.1	91
Under reporting of prepaid revenue on offers/discounts/rebates given to subscribers	6.2.2	93
Non consideration of revenue from infrastructure sharing from other telecom operators for GR/AGR	6.2.3	97

Description	Paragraph	Page
Non-consideration of forex gain in GR/AGR	6.2.4	98
Non consideration of revenue from VAS/advertisements accounted in corporate account	6.2.5	99
Under reporting of revenue in the Statements of Revenue and LF (AGR Statements) though reported in the books of accounts	6.3	100
Non consideration of Interest Income for GR/AGR	6.3.1	100
Non consideration of income from investment for GR/AGR	6.3.2	101
Non consideration of other miscellaneous income for GR/AGR	6.3.3	101
Non-inclusion of profit on sale of assets in GR/AGR for computation of revenue share	6.3.4	102
Other issues	6.4	103
Understatement of GR/AGR by the amount of “Bad debts written off	6.4.1	103
Transfer of passive infrastructure business of Aircel companies to Chennai Network Infrastructure Limited (CNIL) by means of a slump sale	6.4.2	104
Interest on short/non-payment of LF and SUC	6.5	104
Non submission of details as required under Annexure III of the UAS/CMTS license agreement	6.6	105
Response of DoT/Aircel to the audit observations	6.7	106
Chapter-VII : Revenue shared by M/s Sistema Shyam Teleservices Limited and Ms Shyam Internet Services Limited		
Brief Profile of SSTL and SISL	7.1	107
Licences granted to SSTL and SISL	7.1.1	107
Spectrum allotted to SSTL	7.1.2	108
Gross Revenue, Deduction, Adjusted Gross Revenue reported and revenue share paid by SSTL	7.1.3	109
Under reporting of revenue by SSTL	7.2	109
Under reporting of revenue due to netting off of revenue pertaining to Commission/discounts/waivers/Free Air Time	7.2.1	110
Under reporting of revenue from Forex gain for GR/AGR	7.2.2	111
Under reporting of revenue in the Statements of Revenue and LF (AGR Statements) though reported in the books of accounts.	7.3	113

Description	Paragraph	Page
Non consideration of other income in the AGR	7.3.1	113
Non consideration of certain revenue for calculation of SUC	7.3.2	114
Interest on short/non-payment of LF and SUC	7.4	115
Non-compliance to license agreement regarding norms for preparation of Annual Financial Statements by SSTL	7.5	115
Response of DoT/SSTL to the audit observations	7.6	118

ANNEXURES		
Annexure No.	Chapter No.	Page No.
2.01 to 2.18	Chapter II	119
3.01 to 3.14	Chapter III	136
4.01 to 4.14	Chapter IV	149
5.01 to 5.12	Chapter V	163
6.01 to 6.12	Chapter VI	186
7.01 to 7.10	Chapter VII	198
	Glossary	213

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 six 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.

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 on the Sharing of Revenue by PSPs during the years 2006-07 to 2009-10 to the Parliament in March 2016 and the Report is under the consideration of the Public Accounts Committee. The current Report presents the audit observations emanating from the verification of the accounting records of six operators, five of whom were covered in the first phase. The accounting years covered were from 2010-11 to 2014-15 except for the new operator included in the Report for whom the coverage was for the years from 2006-07 to 2014-15.

3. Structure of the Report

This report consists of seven 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 VII.

4. 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 and for customer acquisition and 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. However, the operators had adopted different methods for accounting these transactions. While Airtel, Vodafone and SSSL had booked the amount of commission/discounts etc. as a debit entry to revenue, Reliance, Idea and Aircel have booked the revenue after netting of discounts/commission.

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 ₹16862.22 crore resulting in short payment of LF and SUC by ₹ 1394.89 crore and ₹ 842.05 crore respectively.

(Paragraphs 2.2.1(A), 3.2.1(A), 4.2.1 (A), 5.3.2, 6.2.1, 7.2.1)

(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.

In the books of accounts of Airtel, Vodafone, Idea, Aircel and SSSL amount of promotional FAT/FTT given to subscribers were accounted as debit entries to revenue heads. But no such information could be obtained from the account of Reliance as the Company had eliminated the promotional FAT/FTT in the billing cycle without reflecting it in the financial systems and the books of accounts.

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 ₹ 7049.61 crore resulting in short payment of LF and SUC by ₹ 587.70 crore and ₹ 370.00 crore respectively.

(Paragraphs 2.2.1(B), 3.2.1(B), 4.2.1(B), 6.2.2, 7.2.1)

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

Discounts/waivers given to post paid subscribers over and above tariff plans submitted to TRAI which were in the nature of business expense were seen deducted from revenue in the accounts of Airtel, Vodafone, Idea and Aircel. 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 ₹ 417.60 crore in GR/AGR reported by these companies resulting in short payment of LF and SUC by ₹ 34.21 crore and ₹ 17.20 crore respectively.

(Paragraphs 2.2.2 and 4.2.2)

(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 Airtel, Vodafone and Idea. 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 ₹ 889.85 crore resulting in short payment of LF and SUC by ₹ 76.20 crore and ₹ 48.19 crore respectively.

(Paragraphs 2.2.3, 3.2.2, 4.2.3)

(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 Airtel, Vodafone, Idea, and Aircel 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 ₹ 1090.07 crore resulting in short payment of LF and SUC by ₹ 87.17 crore and ₹ 55.25 crore respectively.

(Paragraphs 2.2.4, 3.2.3, 4.2.4, 6.2.3)

(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 ₹ 2174.19 crore leading to short payment of LF and SUC by ₹ 176.54 crore and ₹ 78.15 crore respectively.

(Paragraphs 2.2.5, 3.2.4, 4.2.7, 5.4.3, 6.2.4, 7.2.2)

(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 either did not include interest income in GR/AGR or only partially included it in their GR leading to short payment of revenue share paid. Understatement of revenue reported by the PSPs during the period of audit coverage was ₹ 10207.46 crore and consequent short payment of LF and SUC was worked out at ₹ 880.19 crore and ₹ 467.99 crore respectively.

(Paragraphs 2.2.6, 3.2.5, 4.3.1, 5.4.1, 6.3.1, 7.3.1)

(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 Airtel, Idea, and Aircel have not included income earned from investments in GR/AGR for computation of revenue share. Audit worked out amount of non-inclusion of income from investments in GR/AGR as ₹ 5276.24 crore resulting in short payment of LF and SUC by ₹ 424.27 crore and ₹ 235.71 crore respectively.

(Paragraphs 2.2.9, 4.3.2, 6.3.2)

(ix) Evasion of revenue share payment by Reliance Communications Limited (RCL) through an arrangement with its subsidiary

RCL a Unified Access Service (UAS) Licensee had agreement with its wholly owned subsidiary Reliance Communications Infrastructure Limited (RCIL) holding Category “A” ISP license for providing Value Added Services (VAS) to its subscribers and selling/marketing products of RCL. RCIL was also the billing and collection agent for the services provided by RCL. Internet services including services with dongles availed by RCL customers were provided by RCIL under its ISP license and access was provided RCL. In accordance with the agreements between RCL and RCIL, revenue from services like VAS, Caller Ring Back Tunes, internet services availed by RCL subscribers etc., were accounted in the books of RCIL and only a portion of the total revenue was passed on to RCL. In addition

the revenue earned towards sale of handsets, SIM cards and installation charges from subscribers which should have been accounted in the GR of RCL, was booked in RCIL accounts. Thus revenue which should have been the revenue of the UAS licensee were accounted in the books of the ISP licensee. Since the ISP licensees were required to pay only a nominal license fee RCL, we observed, through the arrangements with RCIL, passed on revenue to RCIL and avoided payment of revenue share. Total understatement of GR/AGR by RCL owing to its arrangement with its subsidiary (RCIL) came to ₹ 3050.10 crore. Its impact on short payment of LF and SUC was worked out to ₹ 247.51 crore and ₹ 109.31 crore respectively.

(Paragraphs 5.2.1 (A) to 5.2.1 (E))

(x) 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 the PSPs did not include miscellaneous income like profit on sale of fixed assets in their GR leading to its understatement. The GR understated totalled to ₹ 2131.60 crore resulting in short payment of LF and SUC by ₹ 172.94 crore and ₹ 81.55 crore respectively.

(Paragraphs 2.2.10, 2.2.11, 3.2.7, 3.2.8, 4.3.3, 4.3.4, 5.4.2, 6.3.3, 6.3.4, 7.3.1)

(xi) Non-inclusion of dividend income in GR

The GR of the PSPs, as stipulated in the license agreement should include the component of dividend income also. We observed that the GR reported by Airtel, Vodafone and Aircel during the years 2010-11 to 2014-15 did not include income accrued as dividends. This deviation from the license agreement led to understatement of ₹ 4531.12 crore in the GR of the above PSPs. The short payment of LF and SUC on account of the omission was ₹ 367.98 crore and ₹ 219.63 crore respectively.

(Paragraphs 2.2.8, 3.2.6, 7.3.1)

(xii) 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, Airtel, Vodafone, Idea, and Aircel claimed deduction of bad debts written off from their GR to arrive at AGR. A total of ₹ 1984.65 crore was seen deducted which led to short payment of LF and SUC of ₹ 175.34 crore and ₹ 105.12 crore respectively.

(Paragraphs 2.2.12, 3.2.9, 4.4.1, 6.4.1)

(xiii) Understatement of AGR for computation of SUC

In terms of UASL agreements, revenue from sale/lease of bandwidth should be considered in AGR for computation of SUC. Audit noticed that Airtel and Reliance did not include revenue from sale/lease of bandwidth 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 ₹ 2671.02 crore which had the impact of short payment of SUC of ₹ 131.44 crore.

(Paragraphs 2.2.13, 5.4.4, 7.3.2)

(xiv) 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 six 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.

5. 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)					
	Airtel	Vodafone	Idea	Reliance	Aircel	SSTL
Revenue netted off by the amount of commission/ discount etc. paid to distributors/ dealers/ agents/ franchisees	462.01	351.77	285.95	155.10	125.31	14.75
Promotional Free Airtime given to subscribers not recognized as revenue for revenue share	195.17		234.65	-		11.23
Revenue netted off by the amount of waivers/discount given to post paid subscribers	20.01	116.66*	14.20	-	29.99*	-
Roaming revenue netted off by discount given to other operators	40.32	24.92	10.96	-	-	-
Infrastructure sharing revenue netted off	19.75	27.75	34.92	-	4.75	-

Non-inclusion of forex gain	42.65	13.55	21.30	60.37	38.12	0.55
Non/short inclusion of interest income	47.13	525.48	24.30	170.65	91.03	21.60
Non -inclusion of profit on sale of investment	368.95	-	48.02	-	7.3	-
Revenue booked in subsidiary's accounts instead of its own books of accounts by RCL	-	-	-	247.51	-	-
Non-inclusion of miscellaneous revenue and profit on sale of assets	35.09	54.49	2.78	75.89	4.5	0.19
Non-inclusion of Dividend Income	181.67	186.31	-	-	-	-
Ineligible deduction on account of bad debts written off claimed	117.74	44.48	9.09	-	4.03	-
Other issues	46.63	-	22.75	-	164.95	-
Total	1577.12	1345.41	708.92	709.52	469.98	48.32

* Promotional Free Airtime/ waivers/discount offered to Pre-paid and Post paid subscribers could not be segregated.

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

Audit Observations	Non realisation of SUC (₹ in crore)					
	Airtel	Vodafone	Idea	Reliance	Aircel	SSTL
Revenue netted off by the amount of commission/ discount etc. paid to distributors/ dealers/ agents/ franchisees	312.85	213.52	174.92	77.44	59.02	4.30
Promotional Free Airtime given to subscribers not recognized as revenue for revenue share	133.33		147.44	-		3.34
Revenue netted off by the amount of waivers/discount given to post paid subscribers	8.39	70.95	8.81	-	14.94	-
Roaming revenue netted off by discount given to other operators	26.86	15.00	6.33	-	-	-
Infrastructure sharing revenue netted off	13.23	16.12	24.03	-	1.87	-
Non inclusion of forex gain	22.25	6.58	10.97	28.38	9.82	0.15
Non/short inclusion of interest income	25.50	307.67	13.19	75.72	40.37	5.54
Non-inclusion of profit on sale of investment	205.76	-	26.70	-	3.25	-

Report No. 11 of 2017

Revenue booked in subsidiary's accounts instead of its own books of accounts by RCL	-	-	-	109.31	-	-
Non-inclusion of miscellaneous revenue and profit on sale of assets	13.21	30.49	1.64	34.34	1.82	0.05
Non- inclusion of Dividend Income	98.98	120.65	-	-	-	-
Ineligible deduction on account of bad debts written off claimed	72.20	26.56	6.21	-	0.15	-
Revenue included in AGR for LF but not for SUC	92.56	-	-	37.97	-	0.91
Other issues	0	-	7.13	-	69.63	-
Total	1025.12	807.54	427.37	363.16	200.87	14.29

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)						
	Bharti Airtel	Vodafone	Idea	Reliance	Aircel	SSTL	Total
LF	1577.12	1345.41	708.92	709.52	469.98	48.32	4859.27
SUC	1025.12	807.54	427.37	363.16	200.87	14.29	2838.35
Total (LF+SUC)	2602.24	2152.95	1136.29	1072.68	670.85	62.61	7697.62
Interest	1245.91	1178.84	657.88	839.09	555.80	54.10	4531.62
Total (LF+SUC+ Interest)	3848.15	3331.79	1794.17	1911.77	1226.65	116.71	12229.24

To sum up the verification of records of six PSPs by audit indicated total understatement of AGR of ₹ 61064.56 crore for the period from 2010-11 to 2014-15 (for five operators except SSTL for which the period is from 2006-07 to 2014-15) and consequent short payment of revenue share to Government of India to the tune of ₹ 7697.62 crore. The interest due on the short paid revenue share, for the period up to March 2016 was ₹ 4531.62 crore.

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

Audit observations on the sharing of revenue by the six selected PSPs were communicated to DoT during August/September 2016 with copies endorsed to the PSPs concerned. PSPs had submitted their replies to DoT copies of which were submitted to Audit also. Responses of the Ministry and PSPs on various audit observations were received in February 2017 and September 2016 respectively. Same has been appropriately included in this Report.

CHAPTER I

Introduction

1.1 Revenue sharing regime and its salient features

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 following table depicts the category of services and percentages of LF applicable.

Table-1.1

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		10	9	8
	B	Haryana, Kerala, Madhya Pradesh, Punjab, Rajasthan, Uttar Pradesh (E), Uttar Pradesh (W), West Bengal	8		8	8	
	C	Assam, Bihar, Himachal Pradesh, Jammu & Kashmir, North East, Odisha	6		6	7	
NLD	All India						
ILD	All India						
VSAT	All service areas						
ISP-IT	All service areas						
ISP	All service areas		₹1 only		₹1 only	4	

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 .

In addition to the LF, licensees offering mobile (wireless) services are required to pay Spectrum Usage Charges (SUC). The rates of SUC are linked to the frequency band and quantity of Radio Frequency Spectrum allotted to the operator. Till 2010, DoT followed an administrative allocation of radio frequency wherein

- Start-up spectrum of 2 x 4.4 MHz and 2 x 2.5 MHz were given to service providers intending to provide GSM services and CDMA services respectively and
- Additional allotment beyond the start-up spectrum was linked to subscribers' base.

But the process of administrative allocation was done away with in compliance with the directions of the Hon'ble Supreme Court of February 2012 and DoT introduced a system of auction of spectrum which among other things aimed at obtaining a market determined price for the natural resource through a transparent process.

SUC rates for subscriber access spectrum was revised upward in February 2010 effective from 1 April 2010 as shown below:

Quantity of spectrum		Spectrum charges as percentage of AGR²
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

However this rate was challenged by Telecom Service Providers (TSPs) on the ground that DoT had unilaterally increased the rates which was not in public interest. The matter is sub-judice in Hon'ble Supreme Court.

This revised rate was applicable to the TSPs who acquired 3G spectrum in auction. 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.

In addition to the main spectrum, Microwave Access and Microwave Backbone spectrum³ is also allotted to Cellular operators. Rate of SUC for Microwave Access and Microwave

² SUC was not paid uniformly by all operators but SUC on spectrum acquired through auction process was being paid as per DoT orders.

³ Microwave transmission refers to the technology of transmitting information using radio waves. Microwave technology is widely deployed in mobile communications to provide point-to-point (PTP) Radio Frequency (R.F.) links in mobile backhaul as well as in the backbone network. Mobile backhaul is that portion of the network infrastructure that provides interconnectivity between the access and core networks. The backbone network is used to interconnect different nodes situated at different geographical locations.

Backbone was revised by DoT with effect from 3 November 2006. The revision has been challenged by GSM operators) on the ground that DoT had unilaterally increased the rates which was not in public interest. The matter is sub-judice.

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. Definition of Gross Revenue (GR), Deductions and Adjusted Gross Revenue (AGR) in the various licenses issued by DoT are as follows-

a) **Unified Access Service License (UASL) and Unified License (UL)** - 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.

Further, to arrive at AGR, following shall be excluded from the GR as mentioned in clause 19.2 of the agreement-

- 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.

b) **National Long Distance (NLD)**- 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.

c) **International Long Distance**- 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.

AGR for the purpose of levying LF would mean the GR as reduced by:

- 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.
- d) Internet Services-** 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.

For the purpose of arriving AGR, the following shall be excluded from the GR-

- (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.
- e) Very Small Aperture Terminal (VSAT)-** 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 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.”

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:

- (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.

1.3 Important specifications for reporting revenue for payment of license fee

The licence agreement between DoT and the service providers stipulated the norms for the preparation and reporting of the accounts by the licensee companies and the method of payment of license fee to government. As per the stipulations revenue and license fee payable by the licensee company, computed in accordance with the licence conditions, are required to be audited by its Auditors appointed under Section 224 of the Companies Act, 1956 (Section 139 of the Companies Act, 2013 applicable with effect from 1 April 2014) and should contain a report from the Statutory Auditor of the Company to the effect that Statements have been prepared in accordance with the norms/guidelines contained in the Licence Agreement. These norms were important requirements built into the agreement to ensure that the licensee companies report their income in accordance with the licence conditions and nonconformities, if any, were disclosed fully.

Important requirements in the preparation of accounts and payment of license fee are:

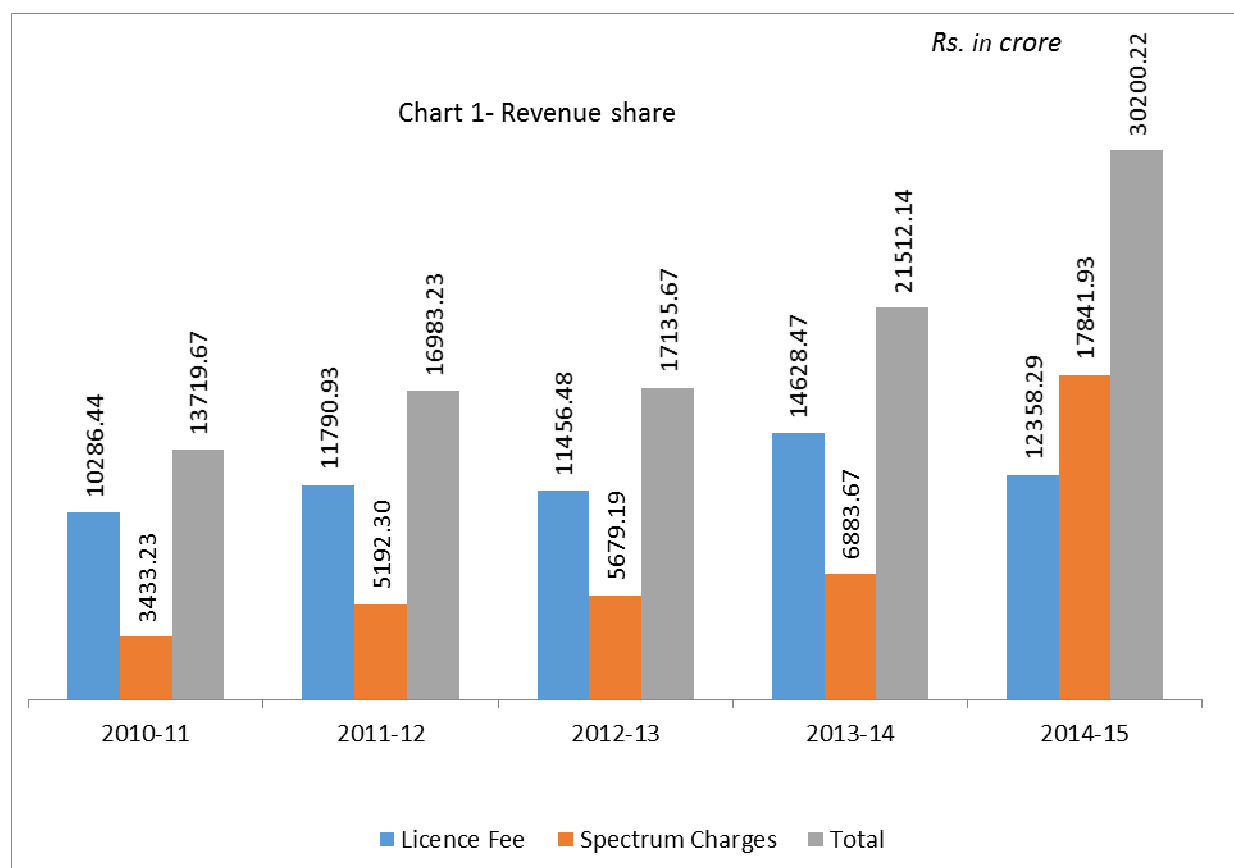
Table - 1.3

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.
➤ 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.

1.4 Revenue share collected

Details of revenue share collected by DoT during the years 2010-11 to 2014-15 are given below:



1.5. 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- 1.4

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	WPF division of DoT/CCA offices

1.6 Scope of Audit

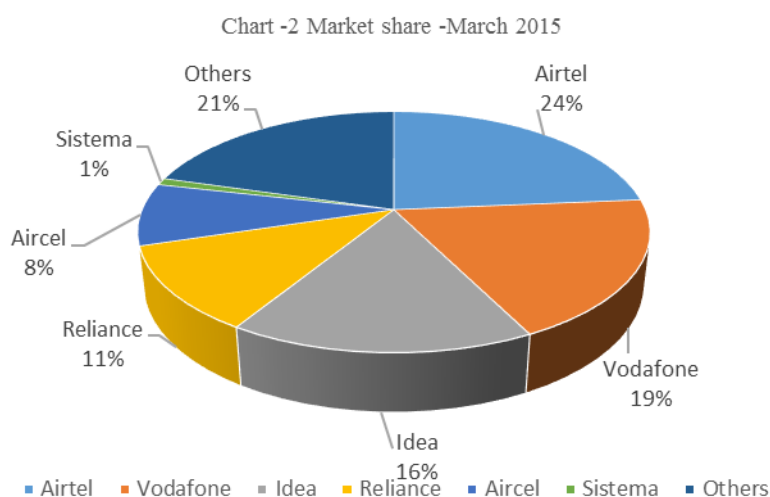
Comptroller and Auditor General of India had taken up verification of the basic accounting records and documents of six⁴ telecom service providers in 2014-15 covering the accounts of four years from 2006-07 to 2009-10 as mandated under Section 16 of the Comptroller and Auditor General's (Duties, Powers 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.

Comptroller and Auditor General of India conducted verification of the basic accounting records and documents of five telecom service providers audited earlier (excluding M/s Tata Tele Services Limited and its associated company M/s Tata Teleservices (Maharashtra) Limited) in 2016 covering the accounts of four years from 2010-11 to 2014-15 and for the period from 2006-07 to 2014-15 in respect of M/s Sistema Shyam Teleservices Limited. The verification was in accordance with the mandate under section 16 of the Comptroller and Auditor General's (Duties, Powers & 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.

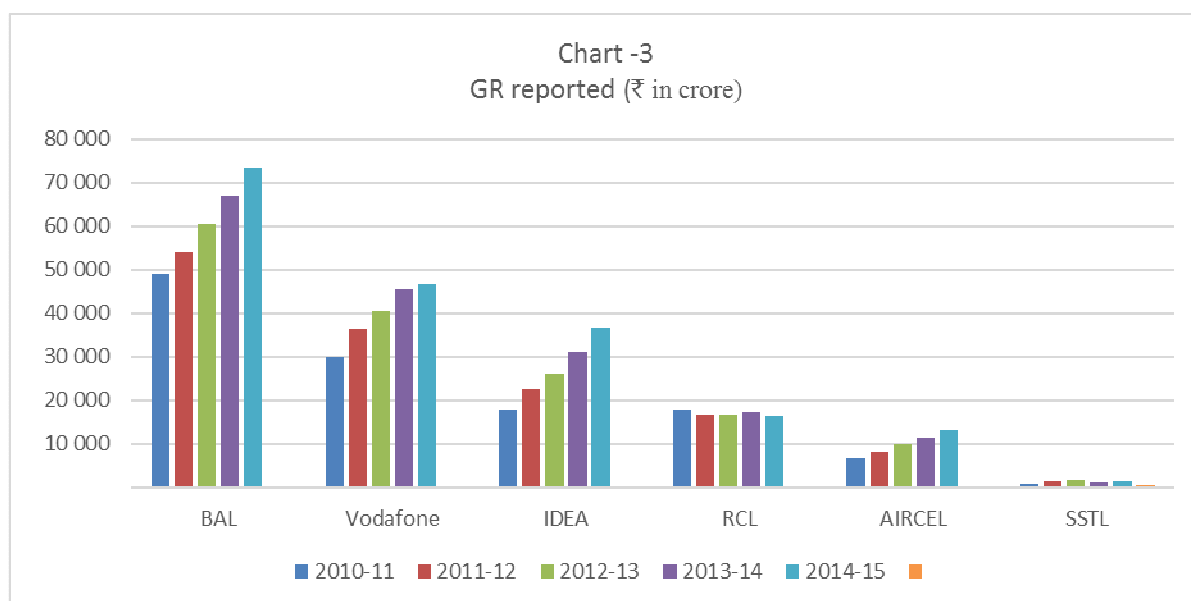
⁴ M/s Bharti Airtel Limited and its subsidiary Bharti Hexacom Limited, M/s Vodafone India Limited and its subsidiaries, M/s Reliance Communications Limited and its subsidiary M/s Reliance Telecom Limited, M/s Idea Cellular Limited and its subsidiary Aditya Birla Telecom Limited, M/s Tata Tele Services 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

This Report covers the accounts of all the above operators for years from 2010-11 to 2014-15 and in case of M/s Sistema Shyam Teleservices audit coverage was for the years from 2006-07 to 2014-15. The operators selected for this report account for nearly 80 percent of the telecom market in India.

The market share of the operators and the gross revenue reported by them are presented below:



Source: TRAI



Note: GR of SSTL is for all the nine years covered in audit.

1.7 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, if 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 a 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.

1.8 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

1.9 Acknowledgement

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

CHAPTER – II

Revenue shared by M/s Bharti Airtel Limited and M/s Bharti Hexacom Limited

2.1 Brief Profile of M/s Bharti Airtel Limited and M/s Bharti Hexacom Limited

Bharti Airtel Limited (BAL), formerly known as Bharti Televenture Limited (BTVL), was one of the first private telecom companies who was awarded licences for providing cellular services in November 1994 (licence was issued to the then entity named as “Bharti Cellular Limited”. BAL had only two CMTS licences till January 2000. By the year 2004 the company was having a pan India presence with licences in all 23 LSAs. BAL was the first Indian Telecom service provider (TSP) to obtain the Pan India CMTS/UAS licence. The turnover of the company also grew continuously. BAL maintained its leadership position in Indian private telecom sector since 2006.

2.1.1 Licences granted to M/s Bharti Airtel Limited and M/s Bharti Hexacom Limited

BAL was awarded licences for providing cellular services in metro Licenced Service Area (LSA) of Delhi in November 1994¹ and later on for Himachal Pradesh LSA in December 1995.

BAL further acquired CMTS licences as detailed below:

Table 2.1

Period	Details of licences acquired
1999-2002	CMTS licences in five service areas by acquiring three companies ²
2001	CMTS licences in eight ³ service areas
2004	UASL licences in six ⁴ service areas

M/s Bharti Hexacom Limited (BHL), a subsidiary of BAL, acquired CMTS licences in North East and Rajasthan service areas in 2004. Hence, by the year 2004, BAL/BHL was having a pan India presence with licences in all 23 LSAs.

The details of other licences held by BAL and its subsidiaries as on 31st March 2015 are given below.

¹ Licence was issued to the then entity named as “Bharti Cellular Limited”

² JT Mobile (Punjab, AP, Karnataka) , Skycell (Chennai) and Spice Cell (Kolkata)

³ UP(W), ,Maharashtra, Haryana, Gujarat, Kerala, Mumbai, MP and Tamil Nadu

⁴ Orissa, J & K, Bihar, UP(E), West Bengal and Assam

Table 2.2

Sl No	Services	Remark
1	NLD	Original licence issued to Bharti Telesonic Limited (BTSOL) which merged with BAL.
2	ILD	Original licence issued to Bharti Telesonic Limited (BTSOL) which merged with BAL.
3	ISP-IT	Original licence issued to Bharti BT Internet Limited which merged with BAL.
4	VSAT	Original licence issued to M/s Wipro Infotech Limited which merged with BAL. On expiry of the licence, converted into UL from September 2014
5	ISP	Original licence issued to M/s Bharti Acquanet Limited (BAqL) which merged with BAL. On expiry of the licence, the same was converted into UL from March 2014

2.1.2 Spectrum allotted to BAL/BHL

BAL/BHL are Global System for Mobile communication (GSM) operators. LSA wise Main Radio spectrum in 900, 1800 and 2100 MHz bands, MW Access and Backbone Spectrum held by BAL/BHL as of March 2015 were as given below:

Table 2.3

Sl. No.	Licenced Service Area	Main Radio Spectrum allotted (MHz)	MW Access Spectrum	MW Backbone Spectrum
			(in MHz) ⁵	
1	Andhra Pradesh	23.80	224	56
2	Assam	12.45	112	112
3	Bihar	14.20	168	112
4	Tamil Nadu (including Chennai)	19.20	336	112
5	Delhi	18.00	336	112
6	Gujarat	6.20	224	112
7	Haryana	6.20	168	56
8	Himachal Pradesh	21.40	112	112
9	Jammu & Kashmir	13.80	112	112
10	Karnataka	23.80	280	56
11	Kerala	11.20	224	56
12	Kolkata	12.00	280	0
13	Madhya Pradesh	12.00	224	56

⁵ One carrier= 56 MHz

14	Maharashtra	8.20	280	112
15	Mumbai	25.20	448	0
16	Orissa	13.00	112	112
17	Punjab	16.00	180	56
18	UP East	7.20	180	112
19	UP West	11.20	224	56
20	West Bengal	15.60	112	112
21	North East	18.20	112	56
22	Rajasthan	21.40	224	56

In addition to the above, through auction process held during 2010, the company acquired 20 MHz BWA spectrum (in 2300 MHz band) in four LSAs viz. Karnataka, Kolkata, Maharashtra and Punjab.

2.1.3 Gross Revenue, Deduction, Adjusted Gross Revenue reported and revenue share paid by BAL/BHL

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 BAL/ BHL during the period 2010-11 to 2014-15 are as follows:

Table 2.4

(₹ in crore)

Year	Customer base (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue share paid (LF+SUC)
2010-11	16.70	48,923	14,962	33,961	69.42%	3,674
2011-12	18.60	53,910	16,860	37,050	68.73%	4,723
2012-13	19.29	60,400	20,730	39,670	65.68%	4,830
2013-14	21.03	66,902	22,010	44,892	67.10%	5,631
2014-15	23.10	73,296	20,807	52,489	71.61%	6,471
Total		3,03,431	95,369	2,08,062		25,329

2.2 Under reporting of revenue by BAL/BHL

In terms of licence agreement, the GR shall be inclusive of all types of revenue stated therein without any set-off for related item of expense, etc., service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately.

Audit examination of records/Books of accounts (Vouchers, General Ledger, Trial Balance, Profit and Loss Accounts, Balance Sheet, etc.) of BAL/BHL revealed that these companies had not adhered to the provisions of the Licence Agreement as brought out in the succeeding paras:

2.2.1 Under reporting of revenue due to netting off of revenue pertaining to Commission/offers/discounts to dealers/subscribers for prepaid services

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

- The margin/commission given to distributors/agents was netted off from revenue pertaining to prepaid services.
- Offers to the subscribers viz. Free Air Time (FAT) to customers, Free of Cost (FOC) Coupons/Cards/SIMs to customers, Promotional offers to customers, Full talk time offered to customers, Adjustments offered to customers, etc., were set-off from the revenue pertaining to prepaid services.

The item wise details are furnished below-

A) Margin/Commission:

BAL/BHL 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 BAL/BHL and relevant extracts from Oracle Financials for the FYs 2010-11 to 2014-15, it was observed that the commission/margin amounting to ₹ 5579.23 crore paid to the distributor/franchises/agents/dealers 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 ₹ 5579.23 crore (**Annexure-2.01**).

Management replied (September 2016) that-

- The relationship between the company and distributors was on a Principal to Principal basis and accordingly the company was required to account for the transactions with such distributors as such on the amount realized from the distributors.
- TDSAT in its judgment dated 23 April 2015 held “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 this selling price cannot be added to “gross revenue”.

- Out of margin computed by audit, contra entries appearing in the primary Commission amounting to ₹ 0.96 crore needs to be excluded.

Reply of the Management is not tenable as –

- BAL is rendering the services ultimately and had BAL 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. This is in accordance with stipulation in clause 19.1. Further, 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 BAL/BHL and not with the distributors.
- 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.
- Further, regarding contra entries amounting to ₹ 0.96 crore, the contention of Management is not acceptable as the general ledger as well as journal voucher clearly shows that the said entries were “Revenue Entries Jan-13” and not as reversal of the primary commission.

Thus, netting off of commission/margin amounting to ₹ 5579.23 crore from pre-paid services resulted in understatement of GR/AGR and short payment of LF and SUC to Government of India by ₹462.01 crore and ₹312.85 crore, respectively (**Annexures – 2.01**).

B) Offers/Discount/Rebates to customers/dealers: -

BAL/BHL 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 2010-11 to 2014-15 revealed that the value of promotional offers extended to customers (under description FAT, Promo / Promotional Offer, FTT, IN Adjustments, Other airtime adjustments, upfront hit, etc.) amounting to ₹ 2385.35 crore was not recognised in the GR/AGR. Since offers to customers like free airtime is 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 deduction of FAT/FTT/Promo, etc. from prepaid revenue resulted in under reporting of revenue to the tune of ₹ 2385.35 crore for the purpose of LF/ SUC during the period 2010-11 to 2014-15.

Management stated (September 2016) that:-

- The company offers various promotional and relationship building schemes wherein additional talk time was provided to customers without any additional charge and such additional talk time was inbuilt in the tariff which was known to customers at the time of purchase. FAT was in the nature of Planned Discount and part of Tariff plan filed with TRAI. It was given upfront to customers and such notional amount cannot be subject to LF. Further, 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”
- DoT before Hon’ble Supreme Court took stand “all discounts mentioned in the price list before TRAI are excluded” which was recorded in the order passed by Supreme Court (August 2011). TDSAT’s judgment of April 2015 was also referred in this regard.
- Out of FAT/FTT/Promo offers, etc., computed by Audit, adjustment/partial entries in GL code 3132005 amounting to ₹ 20.60 crore needs to be considered/adjusted.

After verification of the reply of the company, the understated revenue on account of FAT/FTT/Promo offers, etc. has been revised to ₹ 2364.74 crore. As far as other issues, reply of the Management is not tenable since-

- The Management accepted that these are promotional and relationship building schemes wherein additional talk time is provided to customers. 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. Further, the details of FAT/FTT/Promo, etc. offered as per the tariff and that offered as promotion to customers/agents were not furnished. Further, Audit is not questioning the accounting in accordance with AS-9 but contends that Airtime is not a free commodity, had an intrinsic value and by giving FAT/FTT/Promo offers etc., the licencees were foregoing the revenue instead of booking these as expenses resulting in avoidance of LF and SUC.
- While the issue is sub-judice at the Hon’ble Supreme Court, Audit view is 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, netting-off of offers/FTT/FAT etc. amounting to ₹ 2364.74 crore from pre-paid services has resulted in understatement of GR/AGR and short payment of LF and SUC to Government of India amounting to ₹ 195.17 crore and ₹ 133.33 crore respectively (**Annexures – 2.02**).

2.2.2 Under reporting of revenue due to netting off of waivers granted to post-paid subscribers

From the examination of statement of reconciliation of revenue between AGR statements and Financial Statements of the company for the period from 2010-11 to 2014-15, it was observed that ₹ 243.34 crore booked under expenditure heads pertaining to ‘Waivers on account of goodwill gesture’ pertaining to post-paid services was deducted from GR *ab-initio* to arrive at AGR.

In terms of licence condition, the definition for GR includes all revenue earned from services without netting-off any related expenditure. Hence deduction of “waivers on account of goodwill gesture” from GR was in deviation from licence agreement.

Management replied (September 2016) that Goodwill waivers (₹ 243.34 crore) were in the nature of discounts offered for customer retention and since these benefits were passed on to the subscribers with no money being realised by the company, such waivers/discounts should be netted-off from revenue so that revenue should be restricted to actual realised value.

Audit view on Management’s reply is 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. This indicates that service revenue should be shown in gross. However, the Management netted off the discounts/rebate while preparing the annual financial statements which was against the licence agreement. Further, Management accepted that Goodwill waivers were in the nature of discounts offered for customer retention. 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 of waivers amounting to ₹ 243.34 crore in respect of post-paid subscribers resulted in understatement of GR/AGR and short payment of LF and SUC to Government of India amounting to ₹ 20.01 crore and ₹ 8.39 crore respectively (**Annexures – 2.03**).

2.2.3 Under reporting of Roaming Revenue due to set-off of Inter Operator traffic (IOT) Discounts paid/credited to other Operators

Volume discount is a financial incentive for individuals or businesses that purchase goods/service in multiple units or in large quantities. In telecommunications scenario, roaming agreements between operators provide for allowing discounts in case of the subscribers of a particular service provider using the ‘sellers’ network in bulk. Mutual allowance of discounts results in net payment of the incentive.

BAL and BHL have arrangements with other International Operators for providing roaming services and roaming agreements provide for volume discounts for bulk usage of BAL / BHL network. Review of data extracted from Oracle Financials of BAL/BHL revealed that during the period from 2010-11 to 2014-15, Inter Operator Traffic (IOT) Discounts paid to these Operators’ accounts were debited to/deducted from the revenue heads.

Roaming arrangement with other operators was a matter of mutual agreement between two operators and part of commercial strategy to enhance business between the two operators. As such 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 pertaining to BAL/BHL revealed that an amount of ₹ 467.77 crore have been debited to roaming revenue during the period from 2010-11 to 2014-15 which was in deviation from the licence agreement.

Management replied (September 2016) that:-

- International roaming transactions were in nature of agreed volume based discounts. International Roaming Revenue was generated based on negotiation adopted by business. Further, the Operators agree on volume of traffic to be provided amongst them on any of the methodology based on volume discount. It was in the nature of trade/volume discounts and the same should not be considered as an expense.
- As per Indian Accounting Standard AS-9 “Trade discounts and volume rebates given should be deducted in determining revenue”. As per International Accounting Standard IAS-18 “revenue arising on a transaction is usually determined between entity and buyer or user measured at fair value of consideration received or receivable taking into account amount of trade discount and volume rebates”

The response of Management is not tenable 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.
- Further, regarding revenue recognition as per AS-9/IAS-18 stated by Management, Audit is not challenging the accounting methodology adopted by the company but for the purpose of Licence fee, the revenue is to be recognized “Gross” without set-off of related expenses as mandated under licence agreement.

Thus, Netting off of IOT discounts amounting to ₹ 467.77 crore in respect of international roaming operators resulted in reduction of GR/AGR and short payment of LF and SUC by ₹40.32 crore and ₹ 26.86 crore respectively (**Annexure-2.04**).

2.2.4 Under reporting of revenue from Infrastructure sharing with other telecom operators for GR/AGR by BAL/BHL

In terms of licence agreement, the GR shall be inclusive of revenue from permissible sharing of infrastructure and any other miscellaneous revenue without any set-off for related item of expense, etc.

Telecom infrastructure (towers, network equipment’s etc.) owned by BAL/BHL were being shared with other telecom companies. BAL/BHL entered into agreements with other telecom companies for infrastructure (cell site) sharing. In terms of the agreements entered with the

other operators, charges for sharing sites recoverable from other operators was based on a percentage of CAPEX⁶ cost of the sites and OPEX⁷ cost incurred by BAL/BHL. CAPEX revenue comprises recovery towards cost of Room/Shelter, Air Conditioning, Diesel Generator Set, AMF panel, AC/DC Power Plant, Transmission Rack, Stabilizer Battery, other Electrical Towers, etc. and OPEX cost includes expenditure of recurring nature such as fuel, security, power, etc.

Review of book of accounts of BAL/BHL for the period from 2010-11 to 2014-15 revealed that while a portion of rental revenue on account of infrastructure sharing were booked under revenue heads operated for infrastructure sharing, some part of rental revenue along with revenue on account of fuel, power, maintenance, security, etc. was netted-off from the respective expense heads. This had adverse impact on GR/AGR as an amount of ₹ 246.44 crore credited to the expenditure account codes on account of site sharing revenue received/receivable from other telecom operators. Licence agreement doesn't provide for any set off of related expenses against the revenue. As this forms revenue on account of infrastructure sharing this amount should have been considered for GR/AGR for payment of LF and SUC.

Management replied (September 2016) that

- the “consideration for site sharing” has two elements-
 - (a) OPEX Reimbursement- Commercial Power, Fuel (Diesel), Security and AMC which was in the nature of reimbursement of actual expenses incurred was credited under the respective head.
 - (b) CAPEX Recovery- This amount which was in the nature of rent was recognized by Bharti Airtel under “Infrastructure Sharing Income” and this component is subject to LF and the company was duly paying LF on such income.
- TDSAT in its judgment of April 2015 held that “Payment towards usage of facility had to be taken as revenue and a payment in the nature of reimbursement of an expense and which is indicated separately in the invoice may not be taken as revenue provide that it is not booked in the P & L account as revenue”.

Reply of the Management is not tenable due to following reasons:

- In terms of licence agreement GR specifically includes revenue from permissible sharing of infrastructure without any set-off for related item of expense and licence agreements do not distinguish between CAPEX and OPEX revenue on account of sharing of infrastructure. Hence set-off of revenue from Infrastructure sharing against the expenses is not allowed.

⁶ Capital Expenditure

⁷ Operating Expenditure

- Further, licence agreement permitted only three permissible deductions and no such deduction (i.e. on account of reimbursement of costs of Infrastructure sharing) was allowed.
- While the issue is sub-judice at the Hon'ble Supreme Court, Audit view is that set-off of revenue from Infrastructure sharing against expenditure was in violation of the licence conditions.
- Audit is of the view that revenue towards diesel expenses, security expenses, repair and maintenance expenses and electricity charges 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.

Thus, netting off site sharing revenue received/receivable from other telecom operators from the cost during the period from 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 246.44 crore BAL/BHL and short payment of LF and SUC to Government of India amounting to ₹ 19.75 crore and ₹ 13.23 crore respectively by BAL/BHL (**Annexure-2.05**).

2.2.5 Under reporting of revenue from Forex gain for GR/AGR by BAL/ BHL

In terms of license agreement, GR shall be inclusive of any other miscellaneous revenue. Review of GL of BAL and BHL for the period from 2010-11 to 2014-15 revealed that an amount of ₹ 528.31 crore was booked as realized gain on Forex transactions (**Annexure-2.06**). However, on verification of reconciliation/mapping for AGR, it was noticed that the revenue earned on forex gain was not considered for 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 gain. 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. 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 (September 2016) that:-

- The company records its foreign currency liabilities at the exchange rate prevailing on the transaction date and at the end of the month reinstated at prevailing exchange rate as per AS-11. Such reinstatement results in gain or loss and at the time of discharge of liability, the company unwinds notional gain or loss and records such realised gain or loss.

- **Forex Gain was not Revenue:** As per the Accounting Standard 9 on Revenue Recognition, Foreign Exchange Gain has been specifically excluded from the definition of Revenue.
- **Forex Gain was Notional:** The realized forex was nothing but an overall business risk which each company would assume in foreign currency transactions. Such notional gains/losses on account of reduction/increase in the liabilities/loans cannot be considered to be revenue from operations and should not be included in the GR/AGR.
- **Forex Gains and losses was dynamic and indeterminable:** TRAI Recommendations dated 6 January 2015 on Definition of Revenue Base (AGR) states that the revenue/profit arising on account of fluctuation of foreign exchange should not be part of AGR for the purpose of computation of LF and SUC. Also TDSAT (August 2007) did not view forex gain/loss differently from TRAI.
- **Not related to Telecom activities:** The Notional foreign exchange fluctuation was a contingency which had impact on every business and was not specific and unique to telecom business. Also, as per TRAI recommendation dated 13 September 2006 on the AGR matter, forex was not related to telecom activities.
- The company had prepared AGR statement pursuant to TDSAT judgment (August 2007) and accordingly has not included forex gain in gross revenue.
- TRAI recommendation dated 6 January 2015 on definition of AGR states that revenue/profit arising on account of fluctuation of foreign exchange should not be part of AGR.
- While Audit considered quarterly gain on forex during the previous spell, during the period from 2010-11 to 2014-15 all gains on forex fluctuations have been taken into consideration.

Reply of the management is not tenable as -

- 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.

- Even as per accounting policy adopted by BAL/BHL, the resultant foreign exchange differences arising on payment or conversion of liabilities are recognized as income or expense in the year in which they arise. Further, company was reporting exchange differences (on net basis) in their financial statement.
- TDSAT judgment dated 30 August 2007 and TRAI recommendation dated 13 September 2006 referred in the reply has no relevance in the light of the Hon'ble Supreme Court judgement dated 11 October 2011 which stated "the TRAI and the Tribunal had no jurisdiction to decide on the validity of the definition of AGR in the licence agreement and to exclude certain items of revenue which were included in the definition of AGR in the licence agreement between the licensor and the licensee". Audit is of the view that forex gain is incidental to telecom activity for telecom operators.
- TRAI Recommendation dated 6 January 2015 referred to in the reply has not finally been accepted by DoT.
- Forex gain/loss result from individual transactions which cannot be clubbed. Further forex gain/loss can undergo changes depending upon the mechanism of individual contracts. Therefore loss cannot be netted off.

Thus, non-inclusion of foreign exchange gains pertaining to period from 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 528.31 crore. Resultantly, LF and SUC amounting to ₹ 42.65 crore and ₹ 22.25 crore respectively was not paid by BAL/BHL (**Annexure – 2.06**).

2.2.6 Non consideration of Interest Income for GR/AGR

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 BAL/BHL for the period from 2010-11 to 2014-15 revealed that interest income accounted in the books of accounts of BAL/BHL was not considered for the purpose of GR/AGR.

During the period from 2010-11 to 2014-15 an amount of ₹ 193.32 crore was accounted as income from interest on lease/bonds/non-investment and ₹ 395.32 crore was accounted as interest from loans and advances granted to Subsidiaries /Associate companies/JVs/ related parties in the books of BAL and BHL. Though the licence agreement provides for considering interest income for GR/AGR for the purpose of licence fee, BAL/BHL had not included the interest income earned during the period from 2010-11 to 2014-15 for GR/AGR.

Management in its reply stated (September 2016) that

- LF is payable only on income arising from telecom services and income included in the corporate office books was earned by the company from deployment of surplus funds/borrowed funds on which licence fee was already paid.

- The company prepared AGR statement considering the effect of TDSAT judgment of August 2007 and had impugned orders from Kerala and Tripura High courts on demands received from DoT and issue was pending in appeal before Supreme Court
- Interest Income-Interest received (GL Code 3418012) by BHL during the FY 2012-13 amounting to ₹ 3.91 crore has been offered for AGR and debit/contra/adjustment entries (GL code 341802) amounting to ₹ 0.12 crore need to be ignored as they are adjustment entries.
- Balance pertaining to other corporate code viz. BU code 192 & 201 amounting to ₹1.12 crore not considered.

After verification of the reply of the company, the understated income from interest on lease/bonds/non-investment has been revised to ₹ 189.29 crore after excluding ₹ 3.91 crore offered for AGR by BHL and contra entries amounting to ₹ 0.12 crore. Further, the understated interest from loans and advances granted to Subsidiaries /Associate companies/JVs/ related parties has also been revised to ₹ 394.20 crore. As far as other issues, reply of the Management is not tenable since-

- Definition of GR in licence agreement expressly provides for inclusion of interest income for GR/AGR for computation of revenue share.
- TDSAT judgement dated 30 August 2007 has become null and void after Hon'ble Supreme Court judgement dated 11 October, 2011. 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 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 583.49 crore. Impact on short payment of LF and SUC due to non-consideration of interest income in GR/AGR was ₹ 47.13 crore and ₹ 25.50 crore respectively (**Annexures – 2.07 and 2.08**).

2.2.7 Non Consideration of revenue accounted under Global Operations (BILGO) for AGR/GR

Bharti Airtel Ltd under brand name BILGO had set up its own branch at USA which carries the hubbing of traffic and does switching of traffic arising out of bilateral agreements between BAL (ILD division) and various other foreign operators located across the globe. BILGO switch hands over outgoing traffic originating from other operator's at USA to BAL-ILD's network for terminating anywhere in the world for which BILGO retains five *per cent* and transfers 95 *per cent* of the amount billed to the foreign telecom operators to BAL – ILD. For call traffic terminating in the USA – BILGO switch handles the call traffic from BAL-ILD and hands over the same to other operators in the USA. For this service BILGO charges to BAL-ILD at 105 *per cent* of what is payable by BILGO to the foreign terminating operators and retains five *per cent*.

BAL maintains a separate TB to account for income/expenses relating to global operations under BILGO. The service revenue/access charges booked under Trial Balance during the period from 2010-11 to 2014-15 were as under:

Table 2.5*(₹ in crore)*

Year	Total Service revenue	Total Access Charges	Excess revenue over access charge(Margin)
2010-11	464.89	442.00	22.89
2011-12	679.33	645.84	33.49
2012-13	841.06	799.57	41.48
2013-14	1089.55	1035.90	53.65
2014-15	890.04	846.32	43.72
Total	3964.87	3769.63	195.23

BILGO was only a technical arrangement made by BAL to manage its ILD traffic and as it was BAL which had got ILD licence from the Indian authorities, the transactions accounted in BILGO's books of accounts were part of telephone traffic of BAL's ILD network and thus, included in the financial statements of BAL. Since the definition of GR as per licence agreement include all revenue accruing to the licensee without any set-off for related item of expense the revenue accrued from services of BILGO to the tune of ₹ 195.23 crore should have been included under BAL's ILD AGR.

Management stated (September 2016) that –

- BILGO was set up by BAL in US and obtained licence under Communication Act issued by Federal Communication Commission of USA which carries hubbing of traffic and does switching of traffic arising out of bilateral agreements between Bharti Airtel and various foreign operators located across globe.
- BILGO was operating on a foreign soil (USA) as a gateway station (Point of Presence) for which licence/permission had been obtained from USA authorities not from Indian authorities and it had a separate identity from US Tax and regulatory perspective.
- This five per cent retention by BILGO was taxable in the USA as per Tax and regulatory laws. As such revenue and access charges accounted in BILGO's books of accounts should not be considered for GR/AGR for LF since licence/permission obtained from USA authorities.
- TDSAT's order dated 23 April 2015 on AGR matter stated "revenue from operating licence in USA arises not from licence granted by DoT and hence this revenue shall not be part of AGR unless DoT is able to establish that there is technical managerial and financial interconnection interlacing between company's operation in USA and in India".
- The company had impugned orders from Kerala and Tripura High courts on demands received from DoT and the matter was also pending in appeal before Supreme Court.

Management's contention is not tenable as:

- Setting up of the BILGO was only a technical arrangement made by BAL to manage its ILD traffic and BAL had got ILD licence from the Indian authorities. BAL was providing telecom service under the name of BILGO and was not a separate legal entity. Even the transactions accounted in BILGO's books of accounts were part of telephone traffic of BAL's ILD network and included in the financial statements of BAL. It is also pertinent to state that BAL had offered the Access charges booked in BILGO TB for revenue share under ILD Licence. Further as per the definition of GR, it shall include all revenue accruing to the Licensee without any set-off for related item of expense. Hence the revenue of BILGO should be included for GR.
- Audit does not dispute the taxability of five per cent retained by BILGO in USA as per Tax and regulatory laws but contends that since this constituted the income of BAL, the same should be a part of the sharable revenue under ILD licence.
- While the issue was sub-judice at the Hon'ble Supreme Court/ Kerala and Tripura High courts, Audit view is that non-inclusion of revenue of BILGO in GR was in violation of the licence conditions.

Accordingly BAL's ILD AGR was under reported by ₹ 195.23 crore during the period from 2010-11 to 2014-15 which should be added back to AGR for computation of LF for BAL's ILD licence. Impact on short payment of LF due to non-consideration of revenue of BILGO in GR/AGR was ₹ 13.97 crore (**Annexure – 2.09**).

2.2.8 Non consideration of dividend income by BAL/BHL for GR/AGR

As per licence agreement, the Gross Revenue shall include all service revenue, miscellaneous revenue and other income including dividend without any set-off for related item of expense, etc. Review of GL revealed that the income in the form of dividend received from subsidiaries of BAL and other investments during the period from 2010-11 to 2014-15 was ₹ 2265.08 crore. This was not included in GR for LF purpose in the respective years which was a deviation from the licence agreement.

Similarly, dividend income of ₹ 0.43 crore received and accounted by BHL during the year 2010-11 was also not offered for GR/AGR for the purpose of payment of LF.

Thus, even though the licence agreement clearly stipulates that dividend income received by the licensee shall be offered for GR/AGR, dividend income of ₹ 2265.51 crore was not offered for GR/AGR for payment of LF and SUC.

Management stated (September 2016) that:

- Dividend income cannot be attributed to any licenced activity and does not form part of income accrued from the licenced activity since the Corporate Income (Dividend) is generated from treasury function which was a separate and distinct activity from

that of licenced services which is not attributable to particular service area for which licence was granted. LF was payable only on income arising from the activities for which licence was granted and it was case of double charging of LF since income was accrued on investment of surplus funds which was generated from licenced revenue on which LF had already been paid.

- The company had prepared AGR statement in accordance with TDSAT judgment dated 30 August 2007 on the components of the revenue for computation of AGR and accordingly, the company had not considered dividend income for the years 2010-11 to 2014-15. The company had impugned orders from Kerala and Tripura High courts on demands received from DoT and the matter was also pending in appeal before Supreme Court.

The reply of the Management is not tenable as

- Licence agreement clearly prescribes the inclusion of interest, dividend and any other miscellaneous revenue in GR/AGR.
- TDSAT judgment dated 30 August 2007 was set aside by the Hon'ble Supreme Court in its judgment dated 11 October 2011 and while the issue is sub-judice at the Kerala and Tripura High courts, Audit view is that non-inclusion of dividend in GR was in violation of the licence conditions.

In view of the above non-inclusion of dividend income as stated above have resulted in understatement of GR/AGR by ₹ 2265.51 crore. Impact on short payment of LF and SUC due to non-consideration of dividend Income in GR/AGR was ₹ 181.67 crore and ₹ 98.98 crore respectively (**Annexure – 2.10**).

2.2.9 Non consideration of income from sale of Investments for AGR

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. Further item No. 4 of statement of Revenue and Licence Fee (AGR Statement) which was also an integral part of UASL agreement reflect the “Income from Investment”.

Review of book of accounts of BAL/BHL and data extracted from Oracle Financials for the period from 2010-11 to 2014-15 revealed that though the company had accounted income from sale of Investments amounting to ₹ 4636.34 crore in their book of accounts, the same was not considered for GR/AGR resulting in short payment of revenue share payable to Government.

Management stated (September 2016) that

- Corporate Income is generated from Treasury Income which was separate and distinct from licenced activity of the company and does not form part of AGR. Treasury

income cannot be attributed to any particular service area and since corporate income was accrued on investment of surplus funds generated after netting off operating cost from licenced revenue on which LF was already paid.

- TDSAT in its April 2015 Judgment, stated that "*proceeds of disinvestment in a company, should not form part of AGR unless it is proved that the stake was the company's stock-in-trade*". Since, the company is not in the business of trading in shares and stock the same would not be subject to LF and WPC. AGR statement was prepared pursuant to the August 2007 TDSAT judgment on components of AGR and have impugned orders from Kerala & Agartala High Court on the demands received from DoT on this account.
- Final amount related to sale of investment for BAL and BHL (after adjustment of contra & debit-credit adjustments) reported under financials are ₹ 4056.62 crore and ₹ 552.45 crore respectively.

After verification of the reply of the company, the understated income from sale of Investments was revised to ₹ 4609.07crore (₹ 4056.62 crore – BAL and ₹ 552.45 crore - BHL). As far as other issues, reply of the Management is not tenable since-

- licence agreement provides for inclusion of "Income from Investment" for GR/AGR
- TDSAT judgment of August 2007 has been set aside by Hon'ble Supreme Court in October 2011. While the issue is sub-judice at the Hon'ble Supreme Court/ Kerala and Tripura High courts, Audit view is that non-inclusion of "Income from Investment" in GR was in violation of the licence conditions.

Thus, BAL/BHL had not considered ₹ 4609.07 crore being income from sale of investments for GR/AGR during the period from 2010-11 to 2014-15. Impact on short payment of LF and SUC due to non-consideration of income from sale of investments for GR/AGR was ₹ 368.95 crore and ₹ 205.76 crore respectively (**Annexure – 2.11**).

2.2.10 Non consideration of miscellaneous income for AGR for computation of LF/SUC by BAL

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 2010-11 to 2014-15, other income grouped under miscellaneous income was partly considered for AGR. Miscellaneous income such as income from Infrastructure Network sharing, scrap sale, Management support service, miscellaneous receipt/income, Profit share on Blackberry sale, lease rental, etc. amounting to ₹ 403.98 crore (BAL - ₹ 392.86 crore and BHL- ₹ 11.12 crore) have not been considered for payment of LF.

Management replied (September 2016) that –

- Miscellaneous income includes scrap sale, Management support service and liabilities written back. It was in the nature of capital receipt and it cannot be termed as revenue in ordinary course of business. It was an income from non-licenced activity.
- Company prepared AGR statement as per TDSAT judgment of August 2007.
- The company had impugned orders from Kerala and Tripura High courts on demands received from DoT and the matter was also pending in appeal before Supreme Court.
- Miscellaneous income of ₹ 9.06 crore was offered for AGR, ₹ 403.98 crore includes ₹ 12.90 crore pertaining to liability written back, CENVAT reversals and contra/adjustment entries amounting which need to be excluded.

After verification of the reply of the company, the miscellaneous income understated has been revised to ₹ 382.02 crore. As far as other issues, reply of the Management is not tenable since-

- Licence agreement provides that miscellaneous income should be included in GR for computation of revenue share.
- TDSAT judgment of August 2007 was set aside by the Hon'ble Supreme Court of India (October 2011).
- While the issue is sub-judice at the Kerala and Tripura High courts, Audit view is that non-consideration of miscellaneous income in GR was in violation of the licence conditions.

Non-consideration of miscellaneous income of ₹ 382.02 crore for computation of GR/AGR resulted in short payment of LF and SUC by ₹ 30.48 crore and ₹ 10.46 crore respectively (**Annexure – 2.12**).

2.2.11 Non consideration of Income from profit on sale of fixed assets for AGR for payment of revenue Share by BAL

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 BAL/BHL for the period from 2010-11 to 2014-15 revealed that profit on sale of fixed assets of ₹ 57.34 crore was not considered for GR/AGR.

Management replied (September 2016) that –

- This revenue was in nature of capital revenue and it was not derived from licenced activity and hence it should not be included in AGR for computation of LF
- GR to be computed in accordance with generally accepted accounting principles and Accounting Standards and receipts which are in capital nature cannot possibly be treated as revenue for LF

- Assets are created from revenue on which LF has already been paid and while loss on sale of assets is not allowed to be set off from AGR for the purpose of LF, profit on sale of assets ought not to be included in such computation.
- Considering the TDSAT judgement dated 30 August 2007, the revenue on account of profit on sale of fixed assets had not been considered for AGR.

The contention of the BAL's Management is not tenable since-

- Licence agreements did not differentiate between licenced activity and non-licenced activity. 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 and the company had also considered profit on sale of fixed assets for computation of AGR in the year 2006-07.
- TDSAT judgement dated 30 August 2007 has become null and void after Hon'ble Supreme Court judgment dated 11 October 2011.

Thus, income of ₹ 57.34 crore on account of profit on sale of fixed asset accounted in the books of accounts of the company should be included in GR/AGR for computation of Revenue Share. Impact on short payment of LF and SUC due to non-consideration of profit on sale of fixed asset in GR/AGR was ₹ 4.61 crore and ₹ 2.75 crore respectively (**Annexure – 2.13**).

2.2.12 Irregular Deduction of Bad debts written off from GR to arrive at AGR by BAL/BHL

UASL agreement provides for deduction of only three items from GR viz. PSTN related call charges actually paid to other service providers within India Roaming revenue actually passed on and Service Tax/Sales Tax actually paid to government to arrive at "Adjusted Gross Revenue"

Review of data/records furnished by BAL/BHL for the period from 2010-11 to 2014-15 revealed that the amount of "Bad debts Written Off" accounted by the company to the tune of ₹ 1313.38 crore have been deducted from GR to arrive at AGR in contravention of the Licence Agreement.

Management replied (September 2016) that

- Bad debts refers to an amount which service provider does not recover from the subscriber/pass through operators and hence bad debts are revenue which are not realized by the company
- As per AS-9 revenue includes only the gross inflows of economic benefits received and receivable by the entity on its own account and as per AS-9 revenue is to be recognised only when "it is not unreasonable to expect ultimate collection"

- Basic principle is that licence fee should be payable on realised revenue capable of being realised and since bad debts are written off as unrealisable should not form part of revenue.
- Considering the TDSAT judgement dated 30 August 2007, the amount of “Bad debts Written Off” was deducted from GR.
- Demands received from DoT on this account have been impugned before Kerala and Tripura High Court and the issue is also pending in appeal before Supreme Court.

The reply of the company is not tenable since.

- The licence agreement does not provide deduction of bad debt from GR to arrive at AGR.
- While audit does not question accounting as per AS-9, it contends that any amount of revenue becoming unrecoverable is treated as bad debts which form part of Administrative and other expenses in the Profit and Loss Account.
- TDSAT judgement dated 30 August 2007 has become null and void after Hon’ble Supreme Court judgment dated 11 October 2011.
- While the issue is sub-judice at the Kerala and Tripura High courts, “Bad debts Written Off” was an expenditure and hence, deduction from GR was in violation of the licence conditions.

Thus, bad debts written off amounting to ₹1313.38 crore and deducted from GR to arrive at AGR for computation of Revenue Share payable by the companies to DoT resulted in short payment of LF and SUC by ₹ 117.74 crore and ₹ 72.20 crore respectively (**Annexure – 2.14**).

2.2.13 Non consideration of revenue from sale/lease of bandwidth charges 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” and item 8 has been prescribed to reflect the “Revenue from sale/lease of bandwidth links R&G cases turn key projects etc.”

For the purpose of AGR for Spectrum Usage Charges (SUC), revenue from Wire line Subscribers should not be taken into account.

Audit observed that during the period from 2010-11 to 2014-15, an amount of ₹ 1577.42 crore being revenue from sale of bandwidth/links was considered for computation of LF but not considered for computation of Spectrum Usage Charges which was in deviation from provisions of the licence agreement.

Management stated (September 2016) that DoT had established a principle according to which no spectrum charges shall be levied on wire line revenue. Further, it was also stated that format of AGR statement of licence agreement has an anomaly on separation of common revenue items as the respective group does not have a sub-group of wireline and wireless separately.

Management contention is not tenable as in terms of clause of 18.3 of UASL agreement, revenue from wireline subscribers only needs to be excluded for spectrum charges. As provided in the AGR statement, revenue from wireline subscriber was item 1A and Revenue from sale/lease of bandwidth, links, R and G cases, turn key projects, etc. was item 8. Thus, revenue from sale/lease of bandwidth was different from revenue from wireline subscribers. As such, above revenue should be considered for computation of spectrum charges also.

Thus, revenue from sale/lease of bandwidth, links, etc. amounting to ₹ 1577.42 crore should be added back in AGR for computation of SUC. Resultantly, SUC amounting to ₹ 92.56 crore was not paid on the said revenue by the company (**Annexure-2.15**).

2.2.14 Non Consideration of revenue of erstwhile SBEL

Satcom Broadband Equipment Limited (SBEL), a subsidiary of BAL, got amalgamated with BAL effective from 1 October 2005. During the year of amalgamation, a separate P&L account and Balance Sheet of SBEL was prepared and the revenue from SBEL had not been considered in GR/AGR for Licence Fee. From the year 2007-08 onwards, two trial balances bearing No 321 & 903 have been maintained for accounting transactions relating to erstwhile SBEL domestic and international transactions respectively.

Review of TBs, financial Statements and the mapping provided to audit revealed that an amount of ₹ 59.72 crore booked under Trial Balance No.321 & 903 during the period from 2010-11 to 2014-15 on account of bandwidth charges, installation charges, as well as sales of hardware to foreign/domestic telecom companies, etc.. However, this revenue was not offered for payment of licence fee for any segment during the period. As the said amount forms part of revenue of BAL as per the definition of GR, the said revenue should have been offered for GR/AGR.

Management stated (September 2016) that

- SBEL was incorporated as a separate legal entity and prior to its merger with BAL, it was engaged in activities not governed by telecom licence such as trading telecom/VSAT equipment and turn-key project for VSAT installations.
- Post-merger activities were continued to be carried on by Satcom under BAL as were being carried on prior to merger and the accounts of BAL included the accounts for activities undertaken by Satcom for which separate books of accounts were maintained

- The activities carried on by Satcom are not linked with the telecom services being provisioned by units of BAL.
- Merger changed the structure of the entity but it did not change the nature of transaction being carried on. An activity which was a non-licensed activity cannot become a telecom service post-merger. Thus just because two companies have merged does not make a non-telecom activity a telecom activity thereby subjecting it to LF. Post-merger its business (which is non-telecom in nature) was being carried on by BAL. Thus, the company is under no obligation to pay LF on such activities/transactions as were carried on by Satcom.
- ₹ 0.32 crore need to be excluded as they pertain to unrealised forex gain.

After verification of the reply, the understated revenue from Satcom has been revised to ₹ 59.40 crore. As far as other issues, reply of the Management is not tenable as SBEL was a separate legal entity prior to 1 October 2005 and it had not got any licence from Government of India for its activities which were primarily dealing in VSAT equipment. However it got merged with BAL with effect from 1 October 2005 and transactions recorded in its books of accounts show that revenue accounted was due to bandwidth charges, IRU charges, installation charges, data services, equipment rental, sales of hardware to foreign/domestic telecom companies, etc. and this income should be included for computation of GR as per the Licence Agreement.

Non-inclusion of ₹ 59.40 crore resulted in short payment of LF (VSAT) by ₹ 3.57 crore. **(Annexure-2.16)**

2.2.15 Non consideration of revenue accounted under Infrastructure Provider (IP)-1 service for computation of revenue share by BAL

BAL had obtained registration for Infrastructure Provider 1 (IP1) from DoT for providing infrastructure services such as Dark Fibre, Right of Way, Duct Space and Towers on lease/rent out/sale basis to Telecom licencees. BAL had maintained separate Trial Balances (TBs) for recording transactions of IP1 services. Revenues booked under IP1 include Service Revenue, Interest Income and Other Income which form part of P& L Account of BAL.

During the period from 2010-11 to 2014-15, an amount of ₹ 1073.12 crore had been booked as revenue under IP1. This included ₹ 0.07 crore being other miscellaneous income apart from service revenue of ₹ 1073.05 crore booked during the period. Further, it was also noticed that out of the above revenue, ₹ 669.98 crore was from NLD segment of BAL.

As revenue from NLD division included in IP1 revenue was not subject to LF, the remaining revenue from IP1 service amounting to ₹ 403.14 crore was required to be considered for LF but not considered by BAL.

Management stated (September 2016) that the IP1 registration had nothing to do with the licence agreement and the activities taken there under. The IP1 registration enables any

company incorporated in India to install and provide passive infrastructure to the Telecom Service Providers and as per the existing policy, there was no imposition of LF on the companies having IP1 registration. The income earned from these services was accounted for separately which therefore resulted in separate trial balances maintained by the company so as to distinguish the same from other licenced income.

Audit accepts that the revenue from NLD division included in IP1 revenue is not subject to LF but contends that income from ISP division and other operators should be considered for revenue sharing in accordance with Clause 31 of Annexure – II of the NLD Agreement. Accordingly, ₹ 403.14 crore should have been considered in AGR for the calculation of LF. Impact on short payment of LF (NLD) due to non-consideration of IP1 revenue was ₹ 29.09 crore (**Annexure-2.17**).

2.2.16 Interest on short/non-payment of LF and SUC

On issues raised above (from para 2.2.1 to 2.2.15) short / non-payment of LF and SUC worked out to ₹ 1577.12 crore and ₹ 1025.12 crore respectively. The interest on this short/non-payment of LF and SUC is ₹ 1245.91 crore (**Annexure- 2.18**). 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.

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

Distinct and specific norms for recognition of revenue by the licencees, from the particular licenced activity are detailed in the Annexure –III of UAS 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% 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 BAL/BHL 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 BAL/BHL were not 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 both 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 by audit, the 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 statements / 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 Commission/Margin/Offers, Infrastructure sharing etc. revenue have been netted off against expenditure resulting in under reporting of GR/AGR.

The Management also accepted that Roaming airtime charges collected for external network for home subscribers, Total Airtime Units for home and visiting subscribers and unbilled numbers, Roaming Commission Retained and Paid (Network wise) were not disclosed due to the fact that either they are non-financial data (Airtime Units) or since they could not be directly retrieved.

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

2.4 Response of DoT/BAL to the audit observations

Audit observations on the revenue share payable by M/s BAL were communicated to DoT and BAL during August 2016 for their further comments. BAL had reiterated once again (September 2016) their submission 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 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 Vodafone India Limited

3.1 Brief profile of M/s Vodafone India Ltd

Brand Vodafone was launched in India in 2007 when Vodafone Plc, the British multinational communications company, acquired majority stake in M/s Hutchinson Essar which was providing GSM based cellular mobile services in sixteen licensed service areas in the country. The decision of the Government of India in 2005 to raise the Foreign Direct Investment (FDI) in telecom sector to 74 *per cent* helped the British company to make major foray into the Indian telecom space. By 2007-08, the operator was allotted seven more licenses and had established pan India presence with operations in all existing twenty three Licensed Service Areas (Circle) in the country. Vodafone India provides wireless mobile telephone services which include voice/data and total high-quality, innovative communication solutions.

3.1.1 Licenses held by Vodafone Group

In addition to access service license in 23 service areas, Vodafone Group has carriage licenses i.e. National Long Distance (NLD) as well as International Long Distance (ILD) and Internet Service Provider (ISP) license.

The Circle wise service provision and related accounting activities are performed under the aegis of the Corporate Head Office of Vodafone India Limited (erstwhile Vodafone Essar Ltd) at Mumbai and its seven subsidiary Companies.

3.1.2 Spectrum held by Vodafone Group

License area-wise quantum of spectrum held as on 01 April 2010 and 31 March 2015 is as follows-

Table 3.1

Sl. No.	Names of Circles	GSM Spectrum held as on 1.4.2010 (in MHz)	GSM Spectrum held as on 31.3.2015 (in MHz)	MW Access spectrum	MW Backbone spectrum
				(in MHz) ¹	
1	Himachal Pradesh	4.4	5.65	112	56
2	Andhra Pradesh	6.2	6.8	224	56
3	Assam	4.4	6.9	112	56
4	North East	4.4	6.9	112	56
5	Orissa	4.4	6.9	112	56
6	Bihar	4.4	6.9	112	56
7	Jammu & Kashmir	4.4	6.9	112	56
8	Madhya Pradesh	4.4	6.9	112	56

¹ One Carrier = 56 MHz

9	Rajasthan	6.2	7	180	56
10	Punjab	6.2	8.05	224	-
11	UP West	6.2	8.7	112	56
12	Haryana	5	9.9	180	56
13	Tamil Nadu	7.2	12.2	180	112
14	Maharashtra	6.2	12.45	180	112
15	Chennai ²	8	13	224	-
16	Karnataka	8	13	224	56
17	West Bengal	6.2	13.7	112	112
18	Kerala	6.2	14.45	112	112
19	Delhi	5	18	392	-
20	UP East	8.2	18.45	180	112
21	Gujarat	9.8	19.2	224	56
22	Mumbai	5	24.2	392	-
23	Kolkatta	9.8	29.8	224	-

3.1.3 Gross Revenue, Deductions, Adjusted Gross Revenue reported and revenue share paid by Vodafone group:

Telecom Service Providers (TSPs) are required to pay LF and SUC at a percentage of AGR quarterly on self-assessment basis. The combined GR/AGR reported and revenue share paid by Vodafone India Limited (VIL) for the five years from 2010-11 to 2014-15 is as shown below:

Table 3.2

(₹ in crore)

Year	No. of Subscribers (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue share paid (LF+SUC)
2010-11	13.46	29971.54	8912.82	21058.72	70.26	3038.81
2011-12	15.04	36290.66	11336.42	24954.24	68.76	3262.96
2012-13	15.23	40367.11	12900.90	27466.21	68.04	3659.70
2013-14	16.67	45565.90	14083.80	31482.10	69.09	4394.70
2014-15	18.39	46650.36	13709.27	32941.09	70.61	5091.90
Total		198845.57	60943.21	137902.36	---	19448.07

As evident from the above, Vodafone had a subscriber base of 13.46 crore as on March 2011, which grew to 18.38 crore by March 2015, registering a growth of 36.55 *per cent* with a market share of 18.95 *per cent* and occupied second place behind Bharti Airtel Limited.

3.2 Under reporting of revenue by Vodafone India Limited

Audit examination of records/Books of accounts of VIL and its subsidiaries revealed that these companies had not adhered to the provisions of the Licence Agreement on the following issues:

² The migration process for merger of Chennai and Tamil Nadu LSAs was in progress as on 31 March 2015

3.2.1 Under reporting of revenue due to 'netting off' of revenue pertaining to discounts/margins offered to dealers and free airtime offers to subscribers

From the examination of data/records furnished by VIL and its subsidiaries for the period from FY 2010-11 to 2014-15, it was observed that –

- The discounts/ margins given to distributors/agents were netted off from the revenue
- Offers to the subscribers viz. Free Air Time (FAT), Free of Cost (FOC) Talk time, Promotional offers like Full talk time (FTT), Full pe Full (FPF) talk time, Bonus talk time and other charges were set-off from the revenue.
- As no separate General Ledgers (GLs) were maintained for pre-paid and post-paid services, no segregation of service wise understatement of revenue and revenue share impact was done.

Item wise details are furnished below:

A) Discount/Margin

The licensee company appoints distributors/franchises/dealers for selling telecom services on commission basis. The company supplies to its distributors/franchises/agents various prepaid products for sale to subscribers either at a discounted rate or with margin on MRP in lieu of commission.

During review of data/records furnished by VIL and its subsidiaries for the period from 2010-11 to 2014-15, it was observed that the prepaid products viz. re-charge coupons, e-top ups, etc. were supplied to the distributors/franchises/dealers either at a discounted rate or with margins vis-a-vis maximum retail price (MRP) which was in lieu of commission. The discount/margin offered to the distributors/franchises/dealers was netted off from revenue and as a result Net Revenue was considered in Financial Statements as well as AGR statements submitted to DoT.

Total amount netted off from revenue on account of discounts/margins to the distributor/franchisees/agents/dealers during 2010-11 to 2014-15, as confirmed by VIL, was ₹ 4196.21 crore. Since the discount/margin extended to the distributors/franchises/dealers were in the nature of business expenses (marketing expenses), set-off of such expenses with revenue was against the licence condition.

Vodafone management stated (November 2016) in reply that;

- The company's policy of appointing distributor/dealer/franchisees depends purely on the business need of the organization. The arrangement with distributors was on Principal-to-Principal basis. Discounts were given at the time of primary billing. Discount was configured in the prepaid billing system and discount accounting was done through interface from this billing system.

- The only inflow into the Company was the amount paid by the distributor i.e. distributors price and not the MRP.
- The sale is on agreed price which is stated on the invoice and the same is reflected in the Profit and Loss (P&L) account. Neither discount was shown as an expense nor was there netting off of any expense as the billing to the distributor was at the agreed/stated price.
- The company has preferred an appeal along with stay application on TDSAT's judgment dated 23 April 2015 before the Hon'ble Supreme Court. DoT has filed cross appeals challenging the said order of TDSAT and the matter is pending before the Hon'ble Supreme Court. Considering the above, VIL is under legal advice not to include discounts in computation of AGR subject to final outcome of the case.

The reply of the Management is not tenable as –

- VIL is rendering the services ultimately and had VIL 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 same analogy, 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 license agreement. Further, Audit opines that this transaction is not covered under Principal to Principal since the ultimate responsibility of rendering the service to the customer rest with VIL and not with the distributors.
- 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 license condition. For the purpose of licence fee, the revenue is to be recognised "Gross" without set-off of related expenses as mandated under licence agreement.

Thus, netting off of Discount/Margin resulted in understatement of GR/AGR by ₹ 4196.21 crore (**Annexure – 3.01**). Resultantly, LF and SUC amounting to ₹ 351.77 crore and ₹ 213.52 crore respectively were not paid on the said revenue by the Company (**Annexure – 3.01**).

B) Promotional offers to customers

During review of data/records furnished by VIL and its subsidiaries for the period from 2010-11 to 2014-15, it was observed that in order to accommodate promotional offers to the subscribers, debits under certain revenue account heads were found on account of expenses viz. Free Air Time (FAT)/Free of Cost (FOC) air time, Full talk-time (FTT), Full Pe Full (FPF) talk time, bonus talk time, etc. The value of above promotional offers was debited against service revenue received upfront and thus, was not recognised in the GR/AGR.

Since these promotional offers to customers were part of overall commercial strategy to enhance business, the cost of such promotional offers were in the nature of expenses. Further,

as per the conditions of the licence agreement, service revenue should be shown in gross without any set-off. Item wise details, as confirmed by Vodafone, are as follows:

Table 3.3

(₹ in crore)

Nature of Promotional Offer	Under reporting of GR	Remarks
Free Airtime (FAT)/ Free of Cost (FOC) airtime	728.23	Annexure-3.02
Full Talk Time (FTT)/ Full Pe Full (FPF) talk time	560.23	Annexure-3.03
Promotional Talk time (PTT)	127.15	Annexure-3.04
Bonus talk time	5.33	Annexure-3.05
Total	1420.94	

Vodafone Management stated (November 2016) in reply that;

- As per various marketing scheme, the Company offers full talk time to the selected prepaid customers. These schemes are generally informed to TRAI. All Telecom Companies offer such schemes. Generally, if customer has purchased recharge of ₹ 112.36, revenue was recognized to the extent of ₹ 100 and the recovery of service tax payable to government was credited to service tax liability account by ₹ 12.36.
- Similarly, with full talk time offer, in case a customer purchases recharge of ₹ 224.72 and gets the full talk time of ₹ 224.72, revenue was recognized to the extent of ₹ 200 and the recovery of service tax payable to government was credited to service tax liability account of ₹ 24.72.
- The service tax deposited by the Company with the Government was to be excluded under Clause 19.1 from definition of AGR. The balance amount was the amount which is received by the Company for the services rendered and the same is accounted as revenue.
- The Company does not receive anything over and above this amount and no deduction is being made from revenue contrary to Clause 19.1. This treatment was in accordance with AS-9.
- The talk-time offered for the amount received was not relevant as the receipt of the amount from customer was recorded in books as such and included in “revenue” and no additional revenue accrued/was received by the Company.

Audit view on the reply of the Management is as follows:

- Audit is not questioning the accounting in accordance with AS-9 but contends that Airtime is not a free commodity, had an intrinsic value and by giving FAT/FTT/ FOC etc., the licensees are foregoing the revenue instead of booking these separately as expenses resulting in avoidance of payment of LF and SUC.

- The details of FAT/FTT/FOC, etc. offered as per the tariff and that offered as promotion to customers/agents were not furnished.

Thus, netting off of FAT/FTT/FOC/PTT/Bonus talk time resulted in understatement of GR/AGR by ₹ 1420.94 crore (**Annexure – 3.02 to 3.05**). Resultantly, LF and SUC amounting to ₹ 116.66 crore and ₹ 70.95 crore respectively were not paid on the said revenue by the Company (**Annexure – 3.02 to 3.05**).

3.2.2 Under reporting of Roaming Revenue due to set-off of Inter Operator traffic discounts paid/credited to other Operators

VIL and its subsidiaries had arrangements with other International telecom Operators for continuation of services of the subscribers during roaming. It was noticed that the Inter Operator Traffic (IOT) discounts paid/credited to these operators' accounts were debited/deducted from the revenue heads.

Having roaming arrangement with other national/international operators was a matter of mutual agreement between two operators and giving discounts over and above the agreed charges for roaming was 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 licence agreements, should not be deducted from revenue.

It was observed that IOT Discounts amounting to ₹ 294.53 crore during the period 2010-11 to 2014-15, as confirmed by Vodafone, were debited from roaming revenue.

Vodafone management stated (November 2016) in reply that;

- The discounts, which are given by credit notes, are not in the nature of income/revenue as it does not result in any inflow of cash or recoverable or other consideration and also cannot be considered as an expense. It is to be noted that AS -9 itself excludes discounts from definition of revenue and therefore, discounts are not to be added under Clause 19.1 as revenue.
- TDSAT in the AGR case held that the discounts are to be added to the revenue, the Company had preferred an appeal along with stay application before the Hon'ble Supreme Court against the same. DoT too has filed cross appeals challenging the said order of the TDSAT. The matters are presently pending before the Hon'ble Supreme Court.
- In view of the long standing litigation on the subject which was pending before the Hon'ble Supreme Court, Vodafone was under legal advice not to include discounts by credit notes on international roaming in computation of the AGR subject to final decision by the Hon'ble Supreme Court in this regard.

Audit view on the reply of the Management is as follows:

- Giving discounts over and above the agreed charges for roaming was part of overall commercial strategy to enhance business between the two operators; hence these discounts were in the nature of expenses. Since the licence agreement does not permit any netting off, such expenditure cannot be deducted and therefore, have to be included in the GR.
- While the matter is sub-judice at the Hon'ble Supreme Court, Audit view is that for the purpose of licence fee, the revenue is to be recognised "Gross" without set-off of related expenses as mandated under licence agreement.

Thus, netting off of IOT discounts resulted in understatement of GR/AGR by ₹ 294.53 crore (**Annexure – 3.06**). Resultantly, LF and SUC amounting to ₹ 24.92 crore and ₹ 15.00 crore respectively were not paid (**Annexure – 3.06**).

3.2.3 Under reporting of revenue from Infrastructure sharing with other telecom operators

Telecom infrastructure (towers, network equipment etc.) owned by VIL and its subsidiaries were being shared with other telecom companies. VIL and its subsidiaries entered into agreements with other telecom companies for infrastructure sharing.

Review of data/records pertaining to Infrastructure Sharing Charges furnished by VIL and its subsidiaries for the period from 2010-11 to 2014-15 revealed that Infrastructure sharing charges recoverable/recovered on account of rent, fuel (Diesel), Electricity, Operation and Maintenance, Insurance, Security, etc. were netted off from the expense heads and hence not included in the revenue. Total amount netted off from the expenses was ₹ 381.91 crore as confirmed by Vodafone. This amount should have been considered for computation of GR/AGR.

Vodafone Management stated (November 2016) in reply that;

- The Company entered into arrangements with other Telecom Operators for sharing of infrastructural facilities and to proportionately bear the operational expenditure incurred in running and maintaining such facilities. After determining the actual cost incurred as operational expenditure, the company divides the costs between itself and the other Telecom Operators sharing the facilities with the Vodafone. It is pertinent to note that the Telecom operator sharing the facilities with the company pays its agreed share of operational expenditure actually incurred for running the sites to the Vodafone. The amount received by the Company represent certain proportion of the actual cost incurred for running the sites and did not include any margin of the Company.
- The operating expenditures were reimbursed on actual basis and thus, the amount received towards operations incurred for other Telecom operators cannot be considered as revenue from the sharing of infrastructure facilities as amounts received

are nothing but payments of the expenditure incurred on behalf of such telecom operators. It is also pertinent to note that since the amounts received from the other telecom operators are towards reimbursement of expenses incurred on their behalf, the same are deducted from the costs incurred by the Company.

- Payments made by other operators on account of capex are included in Gross Revenue and licence fee has already been paid on account of that.
- The Learned TDSAT held that the reimbursements are not to be included in the revenue and in our facts; the reimbursements are discernible from the invoice itself. Therefore, the reimbursements received cannot be added to the revenue under clause 19.1.

Reply of the Management is not tenable as:

- In terms of license agreement, GR specifically includes revenue from permissible sharing of infrastructure without any set-off for related item of expense and license agreements do not distinguish infrastructure sharing revenue between CAPEX and OPEX. Hence, set-off of revenue from infrastructure sharing against the expenses is not allowed. Revenue towards diesel expenses, security expenses, repair & maintenance expenses and electricity charges 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 benefitted through additional income.
- DoT had filed an appeal before Hon'ble Supreme Court against the TDSAT Judgement 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 (rent, Diesel, Electricity, Operational and Maintenance, Insurance, Security etc.) from the expenses during 2010-11 to 2014-15 resulted in understatement of GR/AGR by ₹ 381.91 crore (**Annexure – 3.07**). Resultantly, LF and SUC amounting to ₹ 27.75 crore and ₹ 16.12 crore respectively were not paid on the said revenue by the Company (**Annexure – 3.07**).

3.2.4 Non consideration of forex gain

Review of data/records furnished by VIL and its subsidiaries for the period from 2010-11 to 2014-15 revealed that the realised gain on the basis of individual transactions of foreign exchange (forex) rate fluctuations worked out to ₹ 169.07 crore. As confirmed by Vodafone, this amount of forex gain was not considered for computation of GR/AGR.

Further, 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. 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.

Vodafone Management stated (November 2016) in reply that;

- Income from fluctuations in foreign exchange(s) was notional in nature and not revenue. The accounting standards require this notional gain or loss on forex fluctuations to be accounted at the end of the year so that the profit/loss of the company was fairly stated as on the balance sheet date. It is reiterated that in respect of cost or purchase items 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 and have no linkage with the revenues.
- TDSAT (April 2015) had ruled that Forex gains were not to be included in the AGR. DoT has filed cross appeals challenging the said order of the TDSAT. The matters are presently pending before the Hon'ble Supreme Court.
- In view of the long standing litigation on the subject which is pending before the Hon'ble Supreme Court, Vodafone is under legal advice not to include income from interest and dividend in computation of the AGR subject to final decision by the Hon'ble Supreme Court in this regard.

Contention of the Management was not acceptable. Audit view on the treatment of forex gains for revenue share has been explained under Para 2.2.5 of this Report. Audit noted that DoT had gone on appeal against the TDSAT judgement of April 2015. While the matter is *sub-judice* at the Hon'ble Supreme Court, Audit view is that forex gains should be a part of the GR computed for payment of revenue share since it falls within the broad definition of GR given in the UASL agreement.

Non inclusion of the Forex gain amounting to ₹ 169.07 crore for computation of GR/AGR resulted in short payment of LF and SUC by ₹ 13.55 crore and ₹ 6.58 crore respectively (Annexure – 3.08).

3.2.5 Interest Income not considered for revenue share

Review of data/records furnished by VIL and its subsidiaries for the period from 2010-11 to 2014-15 revealed that interest income of ₹ 5971.24 crore was not considered in computation of AGR.

While confirming the facts and figures, Management stated (November 2016) that;

- “Adjusted Gross Revenue”- (AGR) relates only to the revenue directly derived from licensed telecom operations in a service area. The Licensor/DoT cannot claim any share in the incomes derived from activities which are neither covered nor have any

connection with the licenses granted by it and are in regard to non-telecom activities, for which no license was required.

- To the various intervening legal claims and counter claims made at various legal forums by Vodafone and DoT respectively, the TDSAT, vide its judgment (April 2015) sought to include the income from interest and dividend in the computation of AGR which has been challenged by Vodafone in the Hon'ble Supreme Court (September 2015).
- In view of the long standing litigation on the subject which is pending before the Hon'ble Supreme Court, Vodafone is under legal advice not to include income from interest and dividend in computation of the AGR subject to final decision by the Hon'ble Supreme Court in this regard.

Contention of the Management was not acceptable. Audit view on the treatment of interest income for revenue share has been explained under Para 2.2.6 of this Report.

Non-consideration of interest income resulted in understatement of GR/AGR by ₹ 5971.24 crore. Resultantly, LF and SUC amounting to ₹ 525.48 crore and ₹ 307.67 crore respectively were not paid (**Annexure – 3.09**).

3.2.6 Income from Dividends not considered

As per license agreement, the Gross Revenue shall include all service revenue, miscellaneous revenue and other income including dividend without any set-off for related item of expense, etc. Audit noticed that dividend income of ₹ 2265.56 crore during the three years from 2012-13 to 2014-15 was not considered for computation of GR/AGR.

While confirming the facts and figures, Management stated (November 2016) that

- The company was of the view “Adjusted Gross Revenue” (AGR) relates only to the revenue directly derived from licensed telecom operations in a service area. The Licensor/DoT cannot claim any share in the incomes derived from activities, which are neither covered nor have any connection with the licenses granted by it and are in regard to non-telecom activities, for which no license was required.
- To the various intervening legal claims and counter claims made at various legal forums by Vodafone and DoT respectively, the TDSAT, vide its judgment (April 2015) sought to include the income from interest and dividend in the computation of AGR which has been challenged by Vodafone in the Hon'ble Supreme Court (September 2015).
- In view of the long standing litigation on the subject which is pending before the Hon'ble Supreme Court, Vodafone is under legal advice not to include income from interest and dividend in computation of the AGR subject to final decision by the Hon'ble Supreme Court in this regard.

Contention of the Management was not acceptable. Audit view on the treatment of dividend income for revenue share has been explained under Para 2.2.8 of this Report.

Non-consideration of dividend income resulted in understatement of GR/AGR by ₹ 2265.56 crore. Resultantly, LF and SUC amounting to ₹ 186.31 crore and ₹ 120.65 crore respectively were not paid (**Annexure – 3.10**).

3.2.7 Income from profit on sale of fixed assets not considered for revenue share

In terms of conditions under license 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 examination of data/records furnished by Vodafone and its subsidiaries, it was noticed that gain on sale of fixed assets of ₹ 649.60 crore was not considered for computation of GR/AGR.

While confirming the facts and figures, Management stated (November 2016) that

- In the financials, the net of profit and loss on sale of capital assets during the year is shown as one net item.
- Such profits arising from sale of capital assets are in the nature of capital receipt. Capital gain is artificial income.
- The definition of “gross revenue” would include only revenue receipts and not capital receipts and para 3(i) of AS-9 specifically excludes capital gains from the ambit of revenue.
- It was also stated that TDSAT had upheld the views of the Company in its ruling of April 2015, which incidentally has been challenged by DoT vide an appeal which was taken up (September 2015) and the matter is presently pending before the Hon’ble Supreme Court.
- In view of the long standing litigation on the subject which is pending before the Hon’ble Supreme Court, Vodafone is under legal advice not to include gain on sale of assets in computation of the AGR subject to final decision by the Hon’ble Supreme Court in this regard.

Vodafone Management’s reply is not tenable since;

- Licence agreements expressly provide that miscellaneous revenue/income should be included in GR/AGR for computation of revenue share and profit on sale of assets/scrap falls in the nature of miscellaneous revenue/income. Also it is not only revenue receipts but receipts from capital is also subject to revenue share i.e. interest and dividend. Therefore capital gains are also subject to revenue share.
- Regarding TDSAT judgment of 23 April 2015, an appeal was filed by DoT before Hon’ble Supreme Court against the judgment.

While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that profit on sale of assets/scraps should be included in GR/AGR for computation of revenue share. Thus non inclusion of profit on sale of assets/scraps has resulted in understatement of GR/AGR by ₹ 649.60 crore. Resultantly, LF and SUC amounting to ₹ 53.35 crore and ₹ 29.76 crore respectively were not paid (**Annexure – 3.11**).

3.2.8 Miscellaneous revenue not considered for revenue share

In terms of conditions under license 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, it was found that miscellaneous income amounting to ₹ 13.72 crore was not considered for AGR in the years 2010-11 to 2014-15.

While confirming the facts and figures, Management stated (November 2016) that

- under the license agreement, miscellaneous income are not required to be added to the AGR
- TDSAT in the AGR case has upheld the contention of the company. Further, receipt of scrap sales, insurance claims etc. which do not accrue either from subscriber or from telecom service provisioning should not be part of the AGR.
- Miscellaneous income is not subject to LF as it is a capital receipt and it cannot be termed as revenue in ordinary course of business.
- Appeals were taken up by the Supreme Court on 30 September 2015 wherein it was submitted that DoT would not take any coercive action to enforce any demands
- In view of the longstanding litigation on the subject before the Hon'ble Supreme Court, the company is under legal advice not to include miscellaneous income in the computation of AGR, subject to the final decision that may be taken by the Hon'ble Supreme Court in this regard.

Vodafone Management's reply is not tenable since;

- Licence agreement provides that miscellaneous revenue should be included in GR for computation of revenue share.
- TDSAT judgment of April 2015 referred to in the reply has been challenged by DoT in the Hon'ble Supreme Court.

While the matter is sub-judice at Hon'ble Supreme Court, Audit view is that Miscellaneous Income should be included in GR/AGR for computation of revenue share in accordance with Licence Agreement. Non-consideration of miscellaneous income resulted in understatement of GR/AGR by ₹ 13.72 crore and non-payment of LF and SUC amounting to ₹ 1.14 crore and ₹ 0.73 crore respectively (**Annexure – 3. 12**).

3.2.9 Irregular Deduction claimed for ‘Bad debts written off’ from GR to arrive at AGR

Definition of GR/AGR does not permit for deduction of expenses on account of bad debts written off.

Review of data/records provided by Vodafone and its subsidiaries for the period from 2010-11 to 2014-15 revealed that an amount of ₹ 507.25 crore was deducted from GR on account of “Bad debts Written Off” while arriving at AGR.

While confirming the facts and figures, Management stated (November 2016) that

- Under the license agreement, bad debts are not required to be added to the AGR. Annexure-III appended to the License Agreement specifically provides the format under which “Details of reversal of previous years’ debits, if any, shall be shown component wise, under the miscellaneous heads (e.g. Bad Debts recovered etc.)”. The question of including bad debts recovered as part of revenue would arise only in a situation where the bad debt had been allowed as a reduction in an earlier period from the revenue. The Company has added to AGR bad debts recovered. The inclusion of bad debts again as proposed would lead to double charge which is not permissible. It is to be noted that bad debts represent income that has not been received and as such cannot be considered as revenue and is notional in nature.
- While the Learned TDSAT in the AGR case has held that the bad debts are to be added to the revenue, the Company has preferred an appeal along with stay application before the Hon’ble Supreme Court against the same. DoT too has filed cross appeals challenging the said order of the TDSAT. The matters are presently pending before the Hon’ble Supreme Court.
- Appeals were taken up by the Supreme Court on 30 September 2015, wherein it was submitted that DoT would not take any coercive action to enforce any demands.
- In view of the long standing litigation on the subject, the statement made by the learned Additional Solicitor General of India and pendency of the matter before the Hon’ble Supreme Court, VIL is under legal advice to not include Bad debts written off in computation of AGR. Needless to add that the above is subject to the final decision that may be taken by the Hon’ble Supreme Court in this regard.

The contention of the Management is not acceptable as;

- The license agreement does not provide for deduction of bad debt from GR to arrive at AGR.
- The Company had filed appeal against the TDSAT judgment and the matter was sub-judice at the Hon’ble Supreme Court.

While the matter is sub-judice at the Hon'ble Supreme Court, Audit view is that Bad debts written off was an expenditure and hence, should not be deducted from GR of the Company.

Thus, deduction of bad debts from GR to arrive at AGR resulted in understatement of AGR by ₹ 507.25 crore and non-payment of LF and SUC amounting to ₹ 44.48 crore and ₹ 26.56 crore respectively (**Annexure – 3.13**).

3.2.10 Transfer of Passive infrastructure Assets by Vodafone licensee companies to its subsidiary at Nil value:

There were eight telecom licensee companies under Vodafone India Group viz.

- i) Vodafone India Ltd. (VIL) {formerly known as Vodafone Essar Ltd}(VEL)
- ii) Vodafone Mobile Services Ltd (VMSL), {formerly known as Vodafone Essar Mobile Services Ltd.} (VEMSL)
- iii) Vodafone East Ltd. (VEL) {formerly known as Vodafone Essar East Ltd.} (VEEL)
- iv) Vodafone South Ltd. (VSL) {formerly known as Vodafone Essar South Ltd} (VESL)
- v) Vodafone Digilink Ltd. (VDL) {formerly known as Vodafone Essar Digilink Ltd} (VEDL)
- vi) Vodafone Cellular Ltd. (VCL) {formerly known as Vodafone Essar Cellular Ltd.} (VECL)
- vii) Vodafone West Ltd. (VWL) {formerly known as Vodafone Essar Gujarat Ltd} (VEGL)
- viii) Vodafone Spacetel Ltd. (VSpL) {formerly known as Vodafone Essar Spacetel Ltd.} (VESpL)

The last seven companies were wholly owned subsidiaries of the first company. Another wholly owned subsidiary of VIL namely Vodafone Infrastructure Limited {formerly known as Vodafone Essar Infrastructure Limited (VEIL)} was incorporated under Companies Act, 1956 on 19 January 2007 and got registered with DoT as IP-1 service provider on 17 June 2008.

Scheme of Arrangements (SoAs) for transfer of Passive infrastructure (PI) assets of first seven licensee companies (transferor) to Vodafone Infrastructure Limited (transferee) were approved by different High Courts and accordingly the PI Assets were transferred without any consideration. Book values of the PI assets were debited to Profit and Loss Account/ treated as expenditure to be amortised in the books of the transferor companies and these assets were also carried at NIL value in the books of the transferee company. Particulars of PI assets transferred were as under:

Table 3.4

Name of the transferor company	Date of Approval by High Court	Year in which transferred in the books of transferee company	Book Value of PI assets transferred (₹ In crore)
Vodafone East Ltd.	28 October 2009	2010-11	92.38
Vodafone Cellular Ltd.	17 November 2009	2010-11	619.53
Vodafone India Ltd.	17 December 2009	2010-11	97.80
Vodafone Mobile Services Ltd.	29 March 2011	2010-11	168.82
Vodafone South Ltd.	29 March 2011	2010-11	1730.21
Vodafone Digilink Ltd.	29 March 2011	2010-11	985.95
Vodafone West Ltd.	27 August 2012	2011-12	292.11
		Total	3986.80

These assets were ultimately transferred to Indus Tower Limited (Indus), a joint venture of Vodafone, Airtel and Idea, through a SoA approved by Delhi High Court on 18 April 2013. Indus recorded these PI assets at their fair value in its books of accounts whose details are not available with audit.

Transfer of PI assets by Vodafone licensee companies to its subsidiary without any consideration, which was ultimately transferred to a joint venture at their fair value (details of which was not available to audit) was not a transaction at arm's length. It is pertinent to mention that Bharti Airtel Limited (BAL), another partner in Indus, had similarly transferred its PI assets having book value of ₹ 5739.60 crore to its subsidiary {Bharti Infratel Limited (BIL)} at Nil value during 2007-08 and BIL recorded these assets at their fair value of ₹ 8235.97 crore (1.434 times of book value). Transfer of PI assets of Airtel at "nil" value was commented upon in C&AG's audit report No.4 of 2016.

Transfer of PI assets by Vodafone having book value of ₹ 3986.80 crore at 'Nil' value instead of its fair value has resulted in profit foregone with consequential non-payment of Licensee Fee and Spectrum Usage Charges as per licenses, amount of which could not be quantified by audit.

Vodafone Management stated in reply that:

- The scheme, which was approved by respective High Courts, provided for transfer and vesting of the PI assets of VIL group into another subsidiary VEIL from 1.4.2009 being the appointed date.
- The scheme was intended to restructure the holding of PI assets in the VIL Group in a more efficient manner consistent with the diverse needs of business within VIL Group and does not involve any movement of assets and liabilities to any party outside the VIL Group and accordingly the transfer was made without any consideration.

- Though the VIL Group companies wrote-off the value of assets from their books of account, they did not claim any deduction on account of such write-offs while calculating license fee.
- Gross revenue includes only revenue receipts and not capital receipts.
- In view of the long standing litigation on the subject, the statement made by the learned Additional Solicitor General of India and pendency of the matter before the Hon'ble Supreme Court, VIL is under legal advice to not include gain on sale of assets in computation of AGR. Needless to add that the above is subject to the final decision that may be taken by the Hon'ble Supreme Court in this regard.

The contention of the Management is not acceptable as transfer of PI assets by Vodafone licensee companies to its subsidiary without any consideration, which was ultimately transferred to a joint venture (Indus Towers Ltd) at their fair value, was not a transaction at arm's length. The difference between the book value and the value accounted by Indus Towers Ltd. was profit foregone on transfer of asset. This profit foregone on transfer of asset should be considered for computation of LF and SUC.

3.2.11 Interest on revenue share short paid

On issues raised above (from paras 3.2.1 to 3.2.09), short / non-payment of LF and SUC worked out to ₹ 1345.41 crore and ₹ 807.54 crore respectively. The interest on this short/non-payment of LF and SUC was ₹ 1178.84 crore (**Annexure-3.14**). 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 conditions.

3.3 Disclosures in the Statement of Revenue and License fee (AGR statements)

Clause 20.7 of the UAS/CMTS licence agreements provide that the Annual Financial Account and the Statements of Revenue and Licence Fee (AGR Statement) shall be prepared following the norms as prescribed in Annexure. Annexure III of the UAS/CMTS licence 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, it appears that 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.

On being pointed by audit the Management stated that they submitted in 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 recognised for payment of licence fee were not in line with the licence 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 revenue was to be shown as gross 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.
- 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 Vodafone group was ₹ 198846 crore, the deductions claimed was ₹ 60943 crore and the average deduction percentage works out to 31 *per cent* of the GR. Though the deductions claimed by Vodafone 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.

3.4 Response of DoT/ VIL to the audit observations

Audit observations on the revenue share payable by M/s VIL were communicated to DoT and VIL during August 2016 for their further comments. VIL had reiterated once again (September/November 2016) vide their submission made in reply to audit observations issued during the course of premises audit. DoT reply is as mentioned in the para 2.4.

CHAPTER – IV

Revenue Shared by Idea Cellular Limited

4.1 Brief Profile of ICL

M/s Idea Cellular Limited (ICL) is a Company under Aditya Birla Group. It was initially incorporated as M/s Birla Communications Limited in 1995 and changed its name to M/s Birla AT&T Communications Limited after a Joint venture with M/s AT&T Corporation in 1996. Again the Company changed its name to Birla Tata AT&T (BATATA) in 2000 on acquiring Andhra Pradesh circle License from TATA. In 2002, the Company finally changed its name to Idea Cellular Limited and launched the brand IDEA. The Company acquired Escotel (Uttar Pradesh West, Kerala and Haryana) and Escorts (Uttar Pradesh East, Rajasthan and Himachal Pradesh) during the year 2004 and 2006 respectively. The Company achieved the pan India footprint in 2009. Spice Communications Limited was merged with IDEA (Punjab and Karnataka LSAs) with effect from 01 March 2010.

4.1.1 Licenses granted to Idea Cellular Limited (ICL)

ICL, as on 31 March 2015 held access service Licenses in 22 service areas. It has two NLD Licenses, one ILD License, one ISP License as well as IP I registration.

4.1.2 Spectrum allotted to ICL

ICL is a GSM operator holding spectrum in multiple frequency bands of 900 MHz, 1800 MHz and 2100 MHz which includes quantum of Spectrum acquired from Spice Communications Limited and also won in open auction through successive bidding. License area-wise quantum of combined Radio/Microwave Access/Microwave Backbone spectrum held by IDEA as on 31 March 2015 was as follows:

Table 4.1

Sl. No.	License Service Area	Main Radio Spectrum Allotted (in MHz)	MW Access Spectrum	MW Backbone Spectrum
			(in MHz) ¹	
1	Andhra Pradesh	19.00	224	56
2	Assam	5.00	112	56
3	Bihar	5.65	112	56
4	Delhi	13.60	448	0
5	Gujarat	12.80	168	112
6	Haryana	12.20	112	56
7	Himachal Pradesh	9.40	112	56
8	Jammu & Kashmir	10.00	112	56
9	Karnataka (Spice)	11.20	112	56

¹ One carrier = 56 MHz.

10	Kerala	23.00	168	112
11	Kolkata	5.00	112	0
12	Madhya Pradesh	20.00	112	112
13	Maharashtra	23.80	168	112
14	Mumbai	6.40	168	0
15	North East	10.00	112	56
16	Orissa	5.00	112	56
17	Punjab (Spice)	20.80	112	56
18	Rajasthan	6.20	168	112
19	Tamil Nadu	5.00	112	56
20	Uttar Pradesh (East)	11.20	168	56
21	Uttar Pradesh (West)	13.00	168	56
22	West Bengal	6.25	112	56

4.1.3 Gross Revenue (GR), Deduction, Adjusted Gross Revenue (AGR) reported and revenue share paid by ICL:

Telecom Service Providers are required to pay License Fee (LF) and Spectrum Usage Charges (SUC) at a percentage of AGR on quarterly basis on self-assessment. GR, Deduction, AGR and Revenue shared (LF and SUC) by ICL along with subscriber base during the period under audit are as follows:

Table 4.2

(₹ in crore)

Year	Subscriber Base (as on 31 st of each year) (in crore)	Gross Revenue	Deduction	Adjusted Gross Revenue	License Fee (LF)	Spectrum Usage Charge (SUC)
2010-11	8.95	17,859	4,993	12,866	1,108.53	560.36
2011-12	11.27	22,610	6,617	15,993	1,410.03	747.36
2012-13	12.16	26,153	8,138	18,015	1,593.08	857.16
2013-14	13.58	30,964	9,147	21,817	1,785.28	1,033.00
2014-15	15.78	36,797	10,301	26,496	2,167.28	1,258.05
Total		1,34,383	39,196	95,187	8,064.20	4,455.93

4.2 Under reporting of revenue by ICL

As mentioned in Para 1.2 (a), the Gross Revenue shall be inclusive of all types of revenue stated therein without any set-off for related item of expense, etc. and as brought out in Para 1.3, service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately.

Audit examination of records/Books of accounts of ICL revealed that the Company had not adhered to the provisions of the License Agreement on the following issues:

4.2.1 Under reporting of revenue due to netting off of revenue pertaining to Commission/offers/discounts to dealers/subscribers for prepaid services

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

- The margin/commission/discount in the nature of commission given to distributors/agents was netted off from the revenue pertaining to prepaid services.
- Offers to the subscribers viz., Promotional Airtime, Bonus Talk Time, Promo Bucket, Free Airtime/Flexi recharge, Free Talk Time/Recharge fee, PCO promotional Air Time/Recharge fee, Admin Fee Refund-prepaid and PCO and Free SMS/Minutes/expired cards/Non-moving coupons were netted off from the revenue pertaining to prepaid services.

Item wise details are furnished below:

A. Margin/commission

The licensee company appoints distributors/franchises/dealers for selling telecom services on commission basis. The company supplies to the distributors/franchises/agents the prepaid recharge coupons/e-top up for sale to subscribers and pay commission/margin to them. But the rate at which the discounts were paid by the Company for prepaid services was not available either in the financial systems or in the distributor agreements provided to Audit. In the absence of the above information, taking into account the historic data available for the year 2009-10, Audit arrived at rate of discount as 4.34 *per cent* of its prepaid revenue. By applying this rate, the netted off amount was estimated at ₹ 3417.90 crore for the five years covered in Audit.

The Company stated (September 2016) that

- The Company sold the products to Distributor at a price after adjusting the Distributor margin and recognizes the revenue at the amount realized from the Distributor.
- As per AS9, “Gross inflow of cash” was the amount paid by the Distributor and not the MRP.
- TDSAT in its order dated 30 August 2007 held that the license fee was to be paid on the revenues actually realized by the Company. TDSAT in its order dated 23 April 2015 also held that the actual selling price would be the revenue and the difference between the MRP and selling price could not be added to GR.
- The difference between MRP and the agreed price with Distributor was a Trade discount and could not be called commission since the Distributor did not earn it.

The reply of the Company is not acceptable to the fact that:

- As per License agreement, GR should include revenues without any set off for related item of expense. Hence, Gross revenue should be reported and commission/margin/discount should be shown as expenditure separately.
- TDSAT judgment dated 30 August 2007 was set aside by the Supreme Court on 11 October 2011 and DoT appealed against the TDSAT order dated 23 April 2015 in the Supreme Court.

In view of the above, the GR/AGR of the Company was understated to the extent of ₹ 3417.90 crore resulting in short payment of LF and SUC amounting to ₹ 285.95 crore and ₹ 174.92 crore respectively (**Annexure 4.01**).

B. Netting off of offers on prepaid revenue

Scrutiny of the accounting system of ICL for the period from 2010-11 to 2014-15 in respect of prepaid revenue it was seen that offers were given to prepaid subscribers in the nature of Promotional Airtime, Bonus Talk Time, Promo Bucket, Free Airtime/Flexi recharge, Free Talk Time/Recharge fee, PCO promotional Air Time/Recharge fee, Admin Fee Refund-prepaid and PCO and Free SMS/Minutes/expired cards/Non-moving coupons. The value of these offers amounting to ₹ 2798.65 crore were found to be deducted from prepaid revenue resulting in non-recognition of such revenue for GR/AGR.

These offers to subscribers were part of overall commercial strategy to enhance business and such offers were in the nature of expenses. The action of the Company in setting off the offers from prepaid revenue was not in tune with the License Agreement.

The Company replied (September 2016) that

- In case of certain prepaid tariff scheme, if free airtime was provided to subscribers on making recharges through specified recharge vouchers, denominations, in all such tariff scheme amounts which were actually paid by the subscribers were ultimately booked as revenue. All such tariff schemes were within the TRAI guidelines.
- Since the revenue was overstated at the monthly cut off for the free airtime usage to keep it in sync with the IN, there were debits in the ledger to bring it to the amounts actually paid by the subscriber.
- In some cases, debits were arising out of need that the credit should be reflected in some other revenue head. As such intra-revenue adjustments had no bearing on the AGR.
- As per AS9, revenue should be measured by the charges made to the customers and realised in nature.
- The Company offers various promotional tariff plans to subscribers for building business relationship. However, the common factor in these schemes is that additional talk time was provided without any additional charge. Such schemes were part of

tariff plan and the additional/promotional talk time was in-built into the tariff itself. Such additional/promotional talk time was in the nature of trade discount only and thereby net realised rate from sale of particular recharge voucher was discounted. It would be inappropriate to charge license fees on free talk time or the additional talk time, which is notional and not realised by operators.

- TDSAT in its order dated 23 April 2015 held that ‘... in order to be counted as “gross revenue”, item of inflow must not be notional but real’.

The reply is not tenable to the fact that

- Promotional offers given to subscribers were a part of commercial strategy to enhance business and amount to expense. Further, Audit is of the view that Airtime is not a free commodity, had an intrinsic value and by giving FAT/FTT/ FOC etc., the licensees are foregoing the revenue instead of booking these separately as expenses resulting in avoidance of payment of LF and SUC.
- Intra revenue adjustments were not considered by Audit.
- The details of Promotional Airtime, Bonus Talk Time, Promo Bucket, Free Airtime/Flexi recharge, Free Talk Time/Recharge fee, PCO promotional Air Time/Recharge fee offered as per the tariff and that offered as promotion to customers/agents were not furnished.
- DoT appealed on the TDSAT order dated 23 April 2015 in the Supreme Court.

Non-consideration of an amount of being FAT/FTT/ FOC etc., resulted in understatement of GR/AGR by ₹ 2798.65 crore and short payment of LF and SUC by ₹ 234.65 crore and ₹ 147.44 crore respectively (**Annexure 4.02**).

4.2.2 Under reporting of revenue due to netting off of postpaid revenue

On Scrutiny of the accounting system of ICL for the period from 2010-11 to 2014-15 in respect of post-paid revenue, it was seen that the revenue GL codes were debited with the figures showing description as Adjustment, Waiver, promotional Air time P to P, Bulk SMS, SIMS billed to channels, Discount, BSCS adjustments, VAS discount, etc. These items were netted off from the revenue instead of booking the same separately as expenditure. The total amount so netted off from the revenue head worked out to ₹ 181.27 crore.

These offers/adjustments were part of overall commercial strategy to enhance business and were in the nature of expenses. The action of the Company in setting off the above items from post-paid revenue was not in line with the License Agreement and resulted in understatement of Gross Revenue.

The Company replied (September 2016) that

- Amounts which were credited in the bills on account of such waivers, discount and rebate are losses to the Company and could not be treated as revenue. The basic

principle is that license fees should be paid on realisable revenues and it would be inappropriate to add such amounts notionally for the purpose of calculation of AGR.

- The Company follows a basis of reflecting the credits passed on to the subscribers in subsequent billing due to the incorrect charging in the relevant ledgers. These items did not make the amounts “related items of set off of expenses”.
- As per AS 9 revenue is defined as the consideration received in cash from sale of goods or rendering services. There was no realisation of revenue in case of such rebate and waiver.
- Few contra entries, adjustments, reversal towards employee billing were also considered by audit for revenue share.
- As per TDSAT judgment dated 30 August 2007, ‘discount, waiver or similar adjustment’ should not form part of GR.

The reply of the Company is not convincing as Audit is of the view that waivers, discount and rebate were items of expense. TDSAT judgment dated 30 August 2007 was set aside by the Supreme Court on 11 October 2011.

Based on the reply, the understatement of GR/AGR was reworked as ₹ 174.26 crore and non-consideration of this amount for computation of revenue share resulted in short payment of LF and SUC by ₹ 14.20 crore and ₹ 8.81 crore respectively (**Annexure 4.03**).

4.2.3 Netting off of roaming revenue

Scrutiny of the accounting system of ICL for the period from 2010-11 to 2014-15 in respect of roaming revenue revealed that the revenue GL codes were debited/deducted with the Inter Operative tariff (IOT) discount. These items were netted off from the revenue instead of booking the same separately as expenditure. The total amount so netted off from the revenue amounting to ₹ 131.73 crore was not considered for GR/AGR.

Having roaming agreements with other national/international operators was a matter of mutual agreement between the two concerned operators and giving discounts over and above the agreed charges for roaming was part of overall commercial strategy to enhance business between the two operators. As such, these discounts were in the nature of expenses. The action of the Company in setting off the above discount from roaming revenue was against the conditions of the License Agreement.

The Company replied (September 2016) that

- Such discounts are volume based and linked to the quantum of roaming duration by their subscribers on the Company’s network. These discounts are slab based and the revenue actually realised by the Company from other operator is only after passing on the discounts. Hence such roaming discounts are trade discount and the Company’s

recognition of the roaming revenue net of trade discount was in line with the prescribed accounting standards.

- Discounts when passed on reduce the quantum of roaming revenue. Similarly, when received, they reduce the pass through payable for out roaming leading to higher AGR.
- The stand that such volume/trade discount netting off from revenue should be added back to GR was incorrect and against Accounting standards.

The reply of the Company is not tenable since giving discounts over and above the agreed charges for roaming was part of overall commercial strategy to enhance business between the two operators; hence these discounts were in the nature of expenses. Since the licence agreement does not permit any netting off, such expenditure cannot be deducted and therefore, have to be included in the GR.

Based on the reply, the amount of understatement of GR/AGR was reworked to ₹ 127.55 crore. Consequently, LF and SUC was short paid by ₹ 10.96 crore and ₹ 6.33 crore respectively (**Annexure 4.04**).

4.2.4 Non consideration of Infrastructure sharing revenue

Telecom infrastructure (towers, network equipment's etc.) owned by ICL were being shared with other telecom companies. ICL entered into agreement with other telecom companies for infrastructure sharing.

Review of data/records through Oracle accounting system pertaining to Infrastructure Sharing Charges for the period from 2010-11 to 2014-15 revealed that Infrastructure sharing charges recovered on account of Rent, Fuel (Diesel), Electricity, Operational and Maintenance, Insurance, Security and Corporate Tax amounting to ₹ 437.11 crore were netted off from the expense heads and hence not included in the Gross revenue.

The Company stated (September 2016) that:

- Charges for Capex Cost invoiced for infrastructure use and were based on capital cost. These were rental revenues as per AS 9 and form part of AGR.
- Reimbursement of expenses were expenses incurred for operating the sites as rent, fuel, security, AMC cost and repairs and maintenance which require to be proportionately recovered from the sharing party based on actual cost incurred. Such reimbursement of expenses covered under Paras 46 and 47 of AS 29 could not constitute income.
- Re-imburement of Operating Expenditure could not be considered as it was not a case where any revenue item and cost items were netted off and that revenue was short or not recorded. It was the case of reimbursement of incurred costs as operating costs paid by one operator but had to be shared by more than one operator and hence

such payment towards shared cost by one operator to another could not be treated as Revenue.

The reply is not tenable to the fact that:

- In terms of licence agreement GR specifically includes revenue from permissible sharing of infrastructure without any set-off for related item of expense and licence agreements do not distinguish between CAPEX and OPEX revenue on account of sharing of infrastructure. Hence set-off of revenue from Infrastructure sharing against the expenses is not allowed.
- Audit is of the view that revenue towards diesel expenses, security expenses, repair and maintenance expenses and electricity charges 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.
- In terms of License agreement, GR specifically includes revenue from permissible sharing of infrastructure without any set-off for related item of expense. Hence, set off of revenue from Infrastructure sharing against the expenses was not allowed. Further, License agreement permits only three permissible deductions and no such deduction on account of Infrastructure sharing is allowed.

Based on the reply, the amount of understatement of GR was revised to ₹ 403.14 crore and non-consideration of this amount for computation of revenue share resulted in short payment of LF and SUC by ₹ 34.92 crore and ₹ 24.03 crore respectively (**Annexure 4.05**).

4.2.5 Non consideration of revenue from Switch sharing between Idea (NLD) and Idea (LSAs) for GR/AGR

Calls from one license area/circle to another area/circle of IDEA were carried by the IDEA NLD licensee. IDEA UASL/CMTS licensee shared the switches with NLD licensee and NLD licensee made payments to respective LSAs for the same.

On scrutiny of Oracle Financial System for the year 2010-11 and 2011-12, it was found that IDEA NLD paid ₹ 161.19 crore to all the 22 LSAs for sharing the switches. However, credited the payments received from the NLD against switch sharing expenses the LSAs, instead of accounting as revenue. Netting off revenue against expenditure was not in compliance with the license conditions and resulted in understatement of GR of ICL by ₹ 161.19 crore for the above two years. From 2012-13 onwards, the Idea NLD was utilizing its own switches.

Management replied (September 2016) that

- The NLD services were using switches of other LSAs for routing the long distance traffic. Since these switches are capitalized in respective LSA books, all maintenance, repair and depreciation expenses were also incurred and accounted in related LSA

itself. Hence, to reflect the correct profitability of each segment, such LSAs were reimbursed for use of switches by NLD division.

- The Company added that the reimbursement could not be treated as revenue and it was not justified to mention that there was any contravention of licencing agreement by the Company.

The reply of the Management itself states that the LSAs were being reimbursed by NLD for utilizing their switches and hence was in the nature of infrastructure sharing. In terms of licence agreement, GR includes revenue from permissible sharing of infrastructure without any set-off for related item of expense. Thus, the actual amount received by LSAs from NLD division should be reflected in their accounts as revenue and taken into consideration of GR/AGR. Booking of revenue received from NLD division towards switch sharing as a credit under expenditure head of account by LSAs was not permissible under UASL agreement.

Non-consideration of the amount resulted in understatement of GR/AGR by ₹ 161.19 crore and consequent short payment of LF and SUC by ₹ 14.67 crore and ₹ 7.13 crore respectively (**Annexure 4.06**).

4.2.6 Non consideration of revenue by ICL from assets given on Indefeasible Right to Use (IRU) for inclusion in GR/AGR

Scrutiny of the Trial Balance pertaining to Passive Infrastructure (PI) division and accounting entries of ICL for the period from 2010-11 to 2014-15 in respect of NLD services it was found that an amount of ₹ 109.24 crore was booked as Indefeasible Right to Use (IRU) revenue. This revenue was accruing from the Optical Fibre Cable (OFC) given to various other operators on IRU basis. However, this revenue was not considered for inclusion in GR/AGR.

Management stated (September 2016) that it was holding Infrastructure Provider Category-I registration. The revenue highlighted was pertaining to PI Division of ICL and accounted from sale of Optical Fibre Cable (OFC) to other Telecom Operators under IRU. As per the licensing condition, the Company is maintaining separate set of books for all licenses and accordingly transactions pertaining to IP-I license were being accounted under separate books naming "Passive Infrastructure Division" in Oracle Financial System. Such IRU revenue was shown under Service Revenue for preparation of P&L account for ICL but since license fees was not applicable on this revenue, it was not considered in GR/AGR for computation of revenue share (LF).

The reply is not tenable considering the fact that revenue was from sale of OFC under IRU and hence akin to the activity covered under NLD licence.

Hence, non-consideration of IRU revenue of ₹ 109.24 crore is not in accordance with the license agreement and resulted in under reporting of GR/AGR and consequent short payment of LF of ₹ 8.08 crore (**Annexure 4.07**).

4.2.7 Under reporting of revenue from Forex gain for GR/AGR

In terms of license agreement, GR shall be inclusive of any other miscellaneous revenue. On scrutiny of the accounts through Oracle Financial system it was found that there was Realised Exchange Gain of ₹ 244.98 crore for the years 2010-11 to 2014-15. However, the gain on foreign exchange was not considered by the Company for inclusion in the GR/AGR computed for payment of revenue share as required under the license conditions.

As mentioned in para 2.2.5 of this report, 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 (September 2016)that:

- Audit referred Clause 19.1 of the License Agreement to construe that foreign exchange fluctuation gain should form part of GR. The words used in Clause 19.1 to define GR are those primarily from inflows of licensee i.e. revenue relating and inclusive of those charges, fees, proceeds and revenues which would go into invoicing of services and goods to get the consideration which form part of service revenue of the licensee.
- Foreign exchange gains arising out of difference between the foreign exchange rate as on the date of liability booking and date of payment could not form part of Gross Revenue mentioned under Clause 19.1.
- Foreign exchange fluctuations arising out of re-statement of payables towards capital equipment and foreign currency loans for mark to market or hedged closing rates as of the end of any closing date was not revenue. Fluctuations in foreign exchange rates have nothing to do with the revenue of the service provider. The impact of forex fluctuations, whether upward or downward, on AGR must be ignored. It was also stated that exchange gain and exchange loss in any given period could not be looked at isolation. If the term used was only gain, then mathematically losses must be recorded as negative gains.
- As per Accounting Standard 9 on revenue recognition, Foreign exchange gain was not revenue.

Reply of the Company is not tenable as:

- 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.

- AS-9 only states that realized or unrealized gains resulting from changes in foreign exchange rates and adjustments arising on the translation of foreign currency financial statements were not included within the definition of “revenue” for the purpose of AS-9. Treatment of forex gain/loss is covered under AS-11.

In view of the above, an amount of ₹ 244.98 crore was understated in GR/AGR resulting in short payment of LF and SUC by ₹ 21.30 crore and ₹ 10.97 crore respectively (**Annexure 4.08**)

4.3 Under reporting of revenue in the Statement of Revenue and LF (AGR statements) though reported in the books of accounts

4.3.1 Non consideration of Interest Income for GR/AGR

As per the license agreement, GR for the purpose of payment of Revenue Share shall be inclusive of revenue on account of interest. Scrutiny of accounts in Oracle system in respect of Interest Income GL codes of Corporate as well as LSAs for the period 2010-11 to 2014-15 revealed that an amount of ₹ 298.32 crore was booked as Interest Income but was not considered for inclusion in GR/AGR for computation of revenue share.

Management replied (September 2016) that these incomes earned by Corporate Office through Treasury function were not arising from subscribers of telecommunication activities. Separate accounts were maintained by the Company for Corporate Office transactions and these accounts were combined with accounts maintained for each service area for preparation of annual accounts as required by Companies Act. The Company further added that in line with the TDSAT judgment dated 30 August 2007, this amount was not included for computation of payment of LF and SUC.

Management’s contention for non-inclusion of interest income for AGR is not tenable as TDSAT judgement dated 30 August 2007 has become null and void after Hon’ble Supreme Court judgement dated 11 October 2011. Also, definition of GR in licence agreements provide for inclusion of interest income in GR/AGR for computation of revenue share.

Non-consideration of the revenue of ₹ 298.32 crore resulted in understatement of GR/AGR and short payment of LF and SUC by ₹ 24.30 crore and ₹ 13.19 crore respectively (**Annexure 4.09**).

4.3.2 Non consideration of Profit on sale of Investments for inclusion in GR/AGR

In terms of license 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. Further item No. 4 of statement of Revenue and License Fee (AGR Statement) which was also an integral part of UASL agreement reflect the “Income from Investment”.

On perusal of Schedules forming part of Annual Accounts of ICL for the period 2010-11 to 2014-15, it was seen that an amount of ₹ 593.25 crore was shown as profit on sale of investments. These incomes are mainly on account of profit on sale of investments in Mutual funds and Bonds. But, the income was not considered for inclusion in GR/AGR.

The Company replied (September 2016) that these income earned by Corporate Office through Treasury function were not arising from subscribers of telecommunication activities. Separate accounts are maintained by the Company for Corporate Office transactions and these accounts are combined with accounts maintained for each service area for preparation of annual accounts as required by Companies Act. The Company further added that in line with the TDSAT judgment dated 30 August 2007, the payment of LF and SUC on Profit on sale of investment was not made.

The Management’s contention for non-inclusion of income from investment for GR is not tenable as TDSAT judgement dated 30 August 2007 has become null and void after Honourable Supreme Court judgment dated 11 October 2011. Further, licence agreements provide for inclusion of income from investment in GR/AGR for computation of revenue share.

Non-consideration of the revenue of ₹ 593.25 crore on profit on sale of investments resulted in understatement of GR/AGR and also consequent short payment of LF and SUC amounting to ₹ 48.02 crore and ₹ 26.70 crore respectively (**Annexure 4.10**).

4.3.3 Non consideration of Miscellaneous revenue for inclusion in GR/AGR

In terms of conditions under license 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. On perusal of Schedules forming part of Annual Accounts for the period 2010-11 to 2014-15 and also scrutiny of the concerned GL codes in Oracle accounting system, it was found that under Miscellaneous income, Stale cheque credits, Miscellaneous receipts and Sales revenue-Inventory amounting to ₹ 19.39 crore were booked. However, this revenue was not considered for inclusion in the Gross Revenue for calculation of revenue share to Government of India.

Management replied (September 2016) that the Miscellaneous income was incidental to business such as scrap sale, stale cheque credit, etc. and did not have connection with telecommunications operations for which license was granted to the Company. The Company also stated that the TDSAT in its judgment dated 07 July 2006 held that the License fee could be paid only on revenue earned from licensed activities. The Company further added that as per TDSAT judgment dated 30 August 2007, Miscellaneous Income should not be a part of AGR.

The reply of the Company is not tenable since definition of GR provides that miscellaneous revenue should be included in GR for computation of revenue share. Further, the said TDSAT judgments were set aside by Supreme Court vide its judgment dated 11 October 2011.

Non consideration of miscellaneous income for revenue share resulted in under reporting of GR/AGR by ₹ 19.39 crore and consequent short payment of LF and SUC amounting to ₹ 1.70 crore and ₹ 0.98 crore respectively (**Annexure 4.11**).

4.3.4 Non consideration of Income from profit on sale of fixed assets for GR/AGR

In terms of conditions under license 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. An examination of data/records furnished by ICL for the period from 2010-11 to 2014-15 revealed that the gain on sale of fixed assets of ₹ 10.22 crore was not considered for computation of GR/AGR.

Management replied (September 2016) that as per TDSAT judgment dated 30 August 2007, "...revenue from sale of fixed assets which was in the nature of capital receipts and insurance claims should not be part of AGR..." and hence not accepting audit contention to treat the gain on sale of fixed assets to form part of GR. The Company also stated that it had duly recorded the gain/loss on sale of fixed assets and could be referred from respective years Annual Reports.

The reply of the Company is not tenable since Licence agreements provide that miscellaneous revenue/income should be included in GR/AGR for computation of revenue share and profit on sale of assets/scrap was in the nature of miscellaneous revenue. Further, the TDSAT judgment of 30 August 2007 was set aside by the Supreme Court vide its judgment dated 11 October 2011.

Non consideration of this amount resulted in understatement of GR/AGR by ₹ 10.22 crore and consequent short payment of LF and SUC by ₹ 1.08 crore and ₹ 0.66 crore respectively (**Annexure 4.12**).

4.4 Short /non-payment of revenue share due to other issues

4.4.1 Inadmissible deduction on account of bad debts written off

In terms license conditions stated in the Para 1.2, the bad debts written off was not allowable as deduction from GR to arrive at AGR.

On scrutiny of the audited Statements of Revenue and License Fee (AGR Statements) pertaining to the period from 2010-11 to 2014-15, it was found that during the year 2013-14, bad debts written off amounting to ₹ 113.68 crore was claimed as deduction from GR in 15 LSAs.

Management replied (September 2016) that based on TDSAT judgment dated 30 August 2007, the Company had taken deduction of Bad Debts written off during 2013-14 while preparing Annual Audited AGR for 15 LSAs. However, while making LF and SUC payment

to DoT, the Company had not taken deduction of Bad Debts written off and to that extent LF and SUC were paid in excess. Accordingly claiming bad debt written off in Audited AGR did not have any adverse implication on Government.

The reply of the Company is not acceptable as exemption has been claimed for bad debts written off in the audited AGR statement and assessment of DoT would be based on the audited AGR statement. Adhoc payments made cannot be treated as payment made against this item.

Hence, an amount of ₹ 113.68 crore was understated in GR/AGR and resulted in short payment of LF and SUC amounting to ₹ 9.09 crore and ₹ 6.21 crore respectively (**Annexure 4.13**).

4.4.2 Interest on short/non-payment of LF and SUC

On issues raised above (from para 4.2.1 to 4.4.1) short/non-payment of LF and SUC worked out to ₹ 708.92 crore and ₹ 427.37 crore respectively. The interest on this short/non-payment of LF and SUC is ₹ 657.88 crore (**Annexure 4.14**). 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 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 was compounded monthly as prescribed in the license agreement.

4.4.3 Non submission of details as required under Annexure III of the UAS/CMTS license 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 indicated that all these norms had not been complied in full. In particular, it appeared that 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.

On being pointed by audit, the item wise reply of the Company was furnished as under:

- Separate General Ledgers are maintained for Service Tax/Sales Tax Liabilities and Collection in Oracle Financial System (OFS).
- On Sale of goods, the Quantitative details as required by the Company's Act for goods traded in the respective financial year and the accounting policy of inventory valuation was already disclosed in the Annual Financial Statements.
- In respect of the item that Sales shall be shown gross and details of discount/rebate allowed and of sales returns shall be shown separately, the Company stated that the

accounts groups for service revenue reflect the requirements in their respective earmarked general ledger codes within that grouping.

Instances of understatement of revenue as brought out in the report would confirm that the revenue recognised 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.

For example, as per the norms revenue was to be shown as gross without any deductions. However, as detailed in paragraph of this report it could be seen that Discount/Commission/Waivers, Free airtime etc., were netted off from revenue and not disclosed to DoT though the Company replied that the service revenue reflect the requirements in their respective general ledger.

DoT had 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 2010-11 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 ICL was ₹ 134383 crore, the deductions claimed was ₹ 39196 crore and the average deduction percentage works out to 29.17 *per cent* of the GR. Though the deductions claimed by ICL were subject to verification by Offices of Controllers of Communications Accounts (CCA), 70.83 *per cent* of the Gross Revenue is merely assessed based on self-declaration made by the Company at DoT Level.

The LF Wing of DoT had 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.

4.5 Response of DoT/ICL to the audit observations

Audit observations on the revenue share payable by M/s ICL were communicated to DoT and ICL during September 2016 for their further comments. ICL had reiterated once again (September 2016) their submission made in reply to audit observations issued during the course of premises audit. DoT reply is as mentioned in para 2.4.

CHAPTER V

Revenue shared by Reliance Communication Limited and Reliance Telecom Limited

5.1 Brief profile of Reliance Communication Limited and Reliance Telecom Limited

Reliance Communications Limited (RCL) and Reliance Telecom Limited (RTL) are the two arms of Reliance Communications (RCOM) providing telecommunications services across India. While RTL started operations as a GSM service provider by obtaining Cellular Mobile Telephone Service (CMTS) licences in 1995 for seven¹ licenced service areas (LSA), RCL, the erstwhile Reliance Infocomm Limited (RIC), first acquired licence for Basic Services (Basic licence) in Gujarat in 1997. In 2001, RCL acquired licences for eighteen² more service areas all of which were migrated to Unified Access Service Licence (UASL) in November 2003. In September 2004, RCL acquired UASL for Jammu & Kashmir service area also which enabled it to extend its foot print to 20 LSAs. RTL added one more LSA to its operations by acquiring CMTS licence for Kolkata in 2001. Thus, in the six LSAs of Bihar, HP, Kolkata, MP, Odisha and West Bengal both RCL and RTL hold licences.

Besides the licences mentioned above, RCL holds NLD and ILD licences acquired in 2002. While these licences support the telecommunication services of RCL, its internet services were provided through Reliance Communications Infrastructure Limited (RCIL) which held an ISP 'A' licence. RCIL is also the billing and collection agent for RCL. The ISP licence had expired in November 2013 and consequently the internet business has been merged with the UASL of RCL on a going concern basis. Approval of DoT for the above arrangement was awaited (June 2016)

5.1.1 Radio Frequency Spectrum held by RCL and RTL

In 2008 RCL obtained GSM spectrum and RTL was allotted CDMA spectrum which enabled these Companies to offer services with both the technologies. Spectrum held by these Companies is as shown below:

Table 5.1

RCL				
LSA	Technology		MW Access Spectrum	MW Backbone Spectrum
	GSM	CDMA		
			(in MHz) ³	
Andhra Pradesh	2 x 4.4 MHz	2 x 5	112	56
Bihar		2 x 5	56	56

¹ Assam, Bihar, HP, MP, NE, Orissa and WB.

² AP, Bihar, Delhi, Haryana, HP, Karnataka, Kerala, Kolkata, MP, Maharashtra, Mumbai, Orissa, Punjab, Rajasthan, Tamil Nadu, UP (E), UP (W) and WB.

³ One Carrier = 56 MHz.

Gujarat	2 x 4.4 MHz	2 x 3.75	112	112
Haryana	2 x 4.4 MHz	2 x 3.75	112	56
HP		2 x 2.5	112	56
J &K	2 x 4.4 MHz	2 x 2.5	0	0
Karnataka	2 x 4.4 MHz	2 x 5	112	112
Kerala	2 x 4.4 MHz	2 x 5	168	56
MP		2 x 5	112	56
Maharashtra	2 x 4.4 MHz	2 x 5	168	56
Odisha		2 x 3.75	112	56
Punjab	2 x 4.4 MHz	2 x 3.75	112	56
Rajasthan	2 x 4.4 MHz	2 x 3.75	112	56
Tamil Nadu	2 x 4.4 MHz	2 x 5	112	56
UP (West)	2 x 4.4 MHz	2 x 5	168	56
UP (East)	2 x 4.4 MHz	2 x 5	112	56
West Bengal		2 x 3.75	112	56
Kolkata		2 x 5	112	0
Delhi	2 x 4.4 MHz	2 x 5	112	0
Mumbai	2 x 4.4 MHz	2 x 5	168	0
RTL				
LSA	Technology		MW Access Spectrum	MW Backbone Spectrum
	GSM	CDMA	(in MHz)	
Assam	2 x 6.2 MHz	2 x 2.5	168	56
Bihar	2 x 8 MHz		112	56
HP	2 x 6.2 MHz		112	56
Kolkata	2 x 6.2 MHz		112	
MP	2 x 6.2 MHz		112	56
NE	2 x 6.2 MHz	2 x 2.5	112	56
Odisha	2 x 6.2 MHz		112	56
WB	2 x 6.2 MHz		112	56

RTL had procured spectrum in the auction conducted by DoT in March 2015 for the seven LSAs viz., Assam, Bihar, Himachal Pradesh, Madhya Pradesh, North East, Odisha and West Bengal in December 2015 whose licences were expiring in December 2015. Details of spectrum bought in auction was as under:

Table 5.2

Circle	900 MHz	1800 MHz
Assam	6.2	
Bihar	6.2	1.8
Himachal Pradesh	6.2	
Kolkata		6.2
Madhya Pradesh	6.2	
North East	6.2	1.8
Odisha	6.2	
West Bengal	6.2	1.8

5.1.2 Revenue Reported and revenue share paid by RCL and RTL**Table 5.3****(₹ in crore)**

Year	Subscriber Base (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue Share (LF + SUC)
2010-11	13.70	17,717.15	6,869.30	10,847.85	61.23	1,167.64
2011-12	15.43	16,692.31	5,934.96	10,757.35	64.45	1,160.05
2012-13	12.42	16,660.36	6,289.02	10,371.33	62.25	1,114.28
2013-14	11.21	17,185.76	6,093.12	11,092.65	64.55	1,215.98
2014-15	11.07	16,460.26	6,221.74	10,238.52	62.2	1,098.50
Total		84,715.84	31,408.14	53,307.70	62.93	5,756.45

5.2 Audit findings

Review of the accounting records of RCL and RTL along with the AGR statements furnished to DoT for the years from 2010-11 to 2014-15 revealed instances of non-conformities to the license conditions impacting the revenue share paid to Government as discussed in the succeeding paragraphs:

5.2.1. Avoidance of revenue share payment by passing on revenue earned from activities under UAS licence to ISP licence

Reliance Communications Infrastructure Limited (RCIL) was a subsidiary of RCL which held an 'A' category ISP licence. As per the conditions of the ISP agreement, the licence fee payable by RCIL was only Rupee One (₹ 1) *per annum*. The activities of RCIL included providing internet, miscellaneous applications, content and other allied services under the brand names R Connect⁴, R World⁵, 1234, 2345 and SMS content services. While 'R Connect' was an internet service provider to RCL subscribers 'R world' was a one-stop-shop for applications and content which included mobile TV, videos, games, cricket updates, music and ring tones, etc.

RCL, the UAS licensee, had agreements with RCIL whereby RCIL would provide all the above services to RCL's subscribers and RCL would provide the access support required to facilitate the same. As per the agreements between RCL and RCIL, revenue was to be shared between the Companies for 'R Connect' services and for applications and content services (including 'SMS' or 'MMS' based applications and content services).

Scrutiny of the accounting records of both RCL and RCIL, with reference to the licensed activities of both the entities, revealed that services which should have been normal activities of RCL under its UAS licence, were categorised as services under ISP licence and revenue

⁴ R Connect- Internet services provided to RCL subscribers by RCIL.

⁵ R World, 1234, 2345- Applications, content and other allied services.

from them were accounted in RCIL (ISP licensee) and not included in computation of GR for revenue share. Categories of revenue accounted in RCIL which had the impact of understatement of GR reported by RCL are discussed below:

5.2.1 (A) Gross value of end users revenue on account of VAS of R world and SMS content

As per an agreement between RCL and RCIL, internet, miscellaneous applications, content and other allied services under brand names “R World” and “SMS Content Service” to RCL subscribers would be provided by RCIL. The agreement provided that 25 *per cent* of subscription fees payable by the RCL subscriber for Applications and Content services & ₹ 1 per event/entry/message was to be paid by RCIL to RCL. Consequently, the end users revenue (revenue from subscribers) on account of R world and SMS content services were booked in the accounts of RCIL and a share of revenue was transferred to RCL. The revenue share was mainly the access charge for infrastructure support provided by RCL.

It was seen that revenue on account of R world and SMS content services recorded by RCIL declined rapidly in 2012-13 and 2013-14 with no revenue recorded in the year 2014-15 whereas the corresponding revenue in RCL accounts exceeded the revenue booked in RCIL accounts. The change in trend presumably was caused by the fact that the ISP license of RCIL expired in 2013 and hence all revenue was accounted in RCL.

Audit observed that an amount of ₹ 1036.87 crore was accounted as revenue from R world and SMS content services in the books of RCIL and an amount of ₹ 327.28 crore was transferred to RCL. Since the services provided by RCIL were in the nature of value added services (VAS) to RCL subscribers, the entire revenue generated on this account should have been included in the Gross revenue of the RCL. Due to non-inclusion of entire amount, GR of RCL was understated by ₹ 709.59 crore for the two years 2010-11 and 2011-12.

Management stated (September 2016) that its subscribers had signed Customer Acquisition Form (CAF) agreeing to avail the services of both RCL as well as RCIL. The voice services were provided by RCL and Internet, Content and data services were provided by RCIL to the subscribers. Since Data and Content services were provided by RCIL, revenue from data services was booked by RCIL. Revenue booked by RCIL as SMS content was on account of providing Content to the subscribers through RCL network. It was also informed that provision of providing Content Services do not require telecom licence or even registration. The VAS service was marketed and provided directly by the content providers/ content aggregators in respect of “Off Deck Model” which was a principle accepted by TRAI. It was further informed that the arrangement with RCIL was scrutinised by TRAI/DoT also and no adverse findings were reported by them.

The response of the Management was not accepted due to the following reasons

- The arrangement between RCL and RCIL was to facilitate the provision of service and the accounting between the entities. Subscribers availing the service was not a

party to it and hence the consent of subscriber obtained in the CAF by RCL, agreeing to avail services of RCIL, cannot be a justification for not offering VAS revenue for revenue share.

- The content delivery to RCL subscribers was not over internet and hence was beyond the scope of ISP licence.

LF and SUC short paid by RCL due to understatement of GR on this account worked out to ₹ 57.85 crore and ₹ 25.48 crore respectively (**Annexure-5.01**).

5.2.1 (B) Charges for Caller Ring Back Tones

Caller Ring Back Tones (CRBT) was a VAS offered by RCL to its subscribers. But revenue amounting to ₹ 323.84 crore from CRBT services for the period from 2010-11 to 2012-13 was not booked in RCL accounts but accounted in RCIL. As these services were VAS availed by RCL subscribers, revenue on this account should have been included in GR of RCL in all the years for computation of revenue share. Understatement of GR by RCL owing to the above accounting treatment worked out to ₹ 323.84 crore.

Management replied (September 2016) that

- No telecom license or even registration was required for providing Content Services.
- RCIL was providing content services on standalone basis as separate legal entity. A subscriber when signs Customer Acquisition Form (CAF) agrees to avail the services of both RCL as well as RCIL. The voice services are provided by RCL and Internet and Content services are provided by RCIL to the subscriber. Hence, the revenue from data and content services are booked by RCIL.
- RCL and RCIL are issuing invoices to the customers for respective services i.e. RCL for voice and RCIL for data and content. RCIL was the billing and collection agent for RCL.
- The content provider leases the Access Services of the mobile operators on mutual agreement and is directly responsible to the customers for providing VAS services. The billing, collection and customer care are the other responsibilities of the VAS/ Content Providers. Thus, provision of VAS services by RCIL falls under the “Off Deck” Model.
- TRAI/DoT has also scrutinized the above arrangement of the Company in the past and no adverse findings have been reported by them.

The justification of the Management was not accepted for the same reasons as explained under Paragraphs 5.2.1 (A) above. LF and SUC short paid by RCL due to the above accounting treatment for period from 2010-11 to 2012-13 was worked out as ₹ 26.37 crore and ₹ 11.64 crore respectively. Details are in **Annexure-5.02**

5.2.1 (C) Revenue from Blackberry services of RCL

Revenue earned from the services availed by Blackberry subscribers of RCL for the period 2010-11 to 2013-14 was seen booked in RCIL accounts. Since such services were in the nature of value added services provided to RCL subscribers, income earned from them should have been considered by RCL for computation of revenue share. But it was observed that the above revenue was not offered for revenue share leading to understatement of its GR by ₹ 90.37 crore.

Management stated (September 2016) that the revenue booked in RCIL accounts was the income from internet/data services of Blackberry subscribers. Internet services were provided by RCIL and hence the revenue from them were booked under RCIL. The entire Voice revenue from Blackberry subscribers was booked in RCL and licence fee and spectrum fee were paid on the same. RCIL was a separate legal entity with all India ISP Licence and was providing internet services to subscribers under ISP Licence using infrastructure of RCL. As per terms of the ISP agreement, RCIL can lease or rent telecommunications resources from the other Telecom Service Providers for providing ISP services. As the revenue is pertaining to internet and Data services, RCIL has correctly recognized this revenue in its books of accounts and the same cannot be included in the revenue of RCL.

The above response was not accepted because as per the conditions of UASL, the provision of data services was part of the licenced activity and hence the revenue generated out of an activity falling under the ambit of the licence should form part of the GR of the licensee. Though the ISP licence permitted RCIL to lease or rent telecommunications resources from other telecom service providers for providing ISP services, the users of the service were essentially subscribers of RCL and not of RCIL. Revenue generated by the access licensee, by extending various services to its subscribers should form part of its GR.

Thus, non-inclusion of the revenue generated from data/internet services for computation of revenue share was not in compliance with the licence conditions leading to short payment of LF and SUC by ₹ 7.32 crore and ₹ 3.23 crore respectively. (Annexure-5.03)

5.2.1 (D) Revenue from R Connect services

Reliance Communications Limited (RCL), holding a UASL licence, entered into an agreement with Reliance Communications Infrastructure Limited (RCIL), a wholly owned subsidiary of RCL and having “Ä” category ISP Licence (April 2006) initially for three years which was subsequently extended up to 31.03.2012. As per the agreement, RCIL was to provide internet to RCL subscribers and pay to RCL Access charges at the rate of ₹ 0.16 per minute of usage.

From the records made available to Audit, it was noticed that revenue of ₹ 4179.55 crore was booked in the accounts of RCIL for the period from FY 2010-11 to FY 2013-14 as end users revenue (subscribers’ revenue) on account of R Connect services and ₹ 2925.96 crore was booked as Access charges on account of R Connect in the accounts of RCL.

In addition to the above, revenue of ₹ 612.61 crore was also booked in the accounts of RCIL as 'RGSM Data Administration charges' as Administrative Income towards 'Value Added Service-Data' and activation & deactivation charges for dongle services.

Audit contends that the services covered under UAS licence include internet services also and so provision of internet services to RCL subscribers was part of the licensed activity of RCL. Therefore revenue from internet services, availed by RCL subscribers through R Connect should have been included in the Gross revenue of the RCL.

Thus, the arrangement between RCL and RCIL by which the revenue of RCL from internet services was limited to access charges alone was not consistent with the conditions of licence agreement wherein all revenue from UAS licence was required to be offered for revenue share by the operator holding the licence. Non-inclusion of entire revenue resulted in understatement of GR by ₹ 1866.20 crore.

Management, quoting the provisions of ISP licence agreement which permitted the licensee to take on lease/rent telecommunication resources from other telecom service providers for providing internet services and the conditions of CAF signed by RCL subscriber, stated (September 2016) that

- R Connect services are dial up internet services provided by RCIL under "A" Category (All India) ISP licence. This license was issued in 1998 and no license fee was payable for ISP service provided under this license. As per terms of the ISP agreement, RCIL can lease or rent telecommunications resources from the other Telecom Service Providers for providing ISP services.
- A subscriber by signing the Customer Acquisition Form (CAF) agrees to subscribe to the services of both the companies i.e. RCL and RCIL and hence revenue from internet and data services belong to RCIL.
- Since the Licensor has permitted the ISP licensees to have access for their subscribers from the access providers, it necessarily means that the ISPs have to enter into an agreement with the access providers for getting the access. As per agreement between RCIL and RCL in this regard, RCIL has agreed to pay @16 paise per minute as access charges to RCL for use of infrastructure. ISP licence is a non-facility based licence and almost all ISPs ride on infrastructure of Access Provider by wire line/wireless means or through cable service provider. Hence such revenue cannot be accounted as the revenue accrued to Access Provider. Only access charges are payable to Access Provider for use of network which have been included in revenue of RCL and due licence fee has been paid.
- The said Admin income was earned by RCIL from prepaid internet subscribers, mainly internet Dongle subscribers. RCIL was providing internet services through Dial up services. The data plan for internet services had certain component of Admin

charges, which was booked by RCIL. The Admin income pertains to internet Data plans, hence RCIL only has to book this revenue and it cannot be considered as revenue of RCL.

The above response was not accepted because:

- The UASL agreement permits an access service provider to offer internet services also. The internet services provided by an ISP licensee are dial up services which are offered through wire line. But the mobile phone subscribers of RCL latch on to internet using the capabilities of radio frequency spectrum allotted to it as a UAS licensee. Even if a subscriber becomes a subscriber of both RCL and RCIL by signing CAF, as stated by the Management, RCL in no way could share its spectrum with RCIL for providing internet services to RCIL subscribers as spectrum sharing between them was not permitted. So the agreement between RCL and RCIL which permitted the latter to use the infrastructure of the former could at best be for providing dial up internet access to RCL subscribers using physical connectivity.
- Since RCIL as ISP could offer only dial up connections using physical infrastructure of RCL its internet income cannot include revenue from mobile subscribers. Hence the whole revenue collected from the end users also should have been included in the GR of RCL. Access charges shown in the AGR of RCL was the payment received for permitting RCIL to use the infrastructure and hence cannot be substituted for end user revenue.
- Dongles provide access to internet using the same technology as mobile phones and hence data revenue from subscribers using dongle services cannot be construed to mean as revenue from dial up services and classified as revenue pertaining to ISP licence. Hence, the components of Administrative charges, Rent from VAS-Data, activation/deactivation charges etc. should form part of the GR of RCL.

Thus non-considering of revenue earned from R Connect services by RCL despite the fact that services were availed by its wireless subscribers was not in compliance with UAS licence conditions and led to understatement of the GR by ₹ 1866.20 crore. Consequently, LF and SUC were short paid by ₹ 151.07 crore and ₹ 66.79 crore respectively. **(Annexure-5.04)**

5.2.1 (E) Revenue from installation of Fixed Wireless Phone/ Terminal (FWP/T) in subscriber's premises

Telephone instruments/Terminal equipment are integral to provision of fixed wireless services. As such, income from their installation and other upfront charges collected from the subscribers of the service would come under the ambit of GR as defined in clause 19.1 of licence agreement. But it was observed that “non- refundable upfront payment” of ₹ 23.16 crore received from the subscribers of RCL for installation of FWP/T in subscribers' premises was accounted in the books of RCIL and not considered for computation of GR by RCL.

Management stated (September 2016) that

- RCIL provided services of installation and recovery of FWP/Ts. The FWTs/Ps were not sold to the subscribers. They were only given on “for use” basis. Hence RCIL retained upfront charges received from FWP/T subscribers and the receipt by RCIL was not on behalf of the RCL. Therefore, in computation of AGR, such revenue was not liable to be included.
- RCIL provided services of installation of the instruments at subscribers’ premises for which RCIL received charges directly from the subscriber. Therefore, revenue accrued belonged to RCIL.
- The Hon’ble TDSAT in its judgment dated 28 May 2010 had held that the installation charges were given back to the person who did the installation work and hence it would not come in the purview of the AGR of the licensee.
- Installation of telecom equipment is a non-licence activity. It is possible for a UAS Licence holder to transfer out activities that do not require a UAS Licence to any other entity, in which case the revenues earned from the transferred services would not be included in the UAS Licence holder’s licence fee computation. The Hon’ble Supreme Court of India had also held that *it was open to the licensees not to undertake activities for which they do not require licence under Clause (4) of the Telegraph Act and transfer these activities to any other person, firm or company.*

The justification offered by the Management was not accepted for reasons given below:

- In terms of UASL agreement, GR of the licensee would include revenue from installation of terminal equipment (FWP/T). The fact that FWP/Ts were the property of RCL and it had only requested RCIL to install them was evident from the correspondence between RCL and RCIL. RCIL was only performing the role of an installation agency and hence charges paid to it should be expenditure to the Company. Non-inclusion of installation revenue tantamounts to setting it off against installation expenditure.
- TDSAT judgment of May 2010 referred in Management reply was not related to telecom operators but related to Direct to Home (DTH –related to TV broadcast) operators.
- Audit accepts that installation of telecom equipment was an activity which does not require a telecom licence. But the charges collected from the subscribers towards installation charges should form part of the GR as per the terms of the licence agreement. Expenditure on installation i.e., payment made to RCIL should have been a cost to RCL.

LF and SUC short paid by RCL on account of the above worked out to ₹ 1.89 crore and ₹ 0.84 crore respectively. (**Annexure-5.05**)

5.2.1 (F) Sale value of SIM cards

SIM cards supplied to the customers are integral part of mobile telecom service. As such, the value of the SIM cards sold should form part of the GR of the telecom service provider. The importance of income from sale of SIM was also confirmed by Hon'ble Supreme Court of India when it held (August 2011) that the amount received by the cellular telephone company from its subscribers towards SIM card will form part of the taxable value for levy of service tax because SIM cards are never sold as goods independent from services provided confirm that revenue. But it was observed that revenue of ₹ 36.94 crore earned through the sale of SIM cards in the years 2010-11 and 2011-12 was shown as the revenue of RCIL leading to understatement of RCL GR to that extent and short payment of Revenue share of ₹ 4.34 crore comprising of ₹ 3.01 crore as LF and ₹ 1.33 crore as SUC. (Annexure-5.06)

Revenue for the years 2012-13 to 2014-15 was not traceable either in the accounts of RCL or in RCIL and the Management did not provide information on how revenue from sale of SIM cards has been accounted in those years. In the absence of information Audit could not work out under statement of revenue for the above period.

Reply of the Management on the above audit observation was awaited (November 2016).

5.3 Related expenditures netted off from Gross Revenue

As per clause 19.1 of the licence agreement between DoT and the telecom service providers, the Gross Revenue of the operators 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. It was observed in Audit that the GR recorded under many revenue account heads in the books of accounts of RCL and RTL were net off the expenditures. Instances are discussed below:

5.3.1 Booking of Prepaid Revenue net of Free Air Time by RCL/RTL

Free talk time/free airtime provided to the subscribers were not accounted in the accounting systems of RCL and those Minutes of Usage (MoU) were eliminated in the billing cycle. RCL held the view that free talk time/free airtime were provided to subscribers along with product and/or tariff without any charges and hence were not rated and valued in the system. As the free talk time/free airtime were filtered at the Mediation level⁶ itself, they were not captured in the system and hence not considered as revenue for the purpose of revenue share.

Management also stated (September 2016) that free talk time/free air time/free minutes offered to subscribers were not in the nature of any discount or rebate. Since no revenue was

⁶ A mediation device is a network component in Telecom network that receives, processes, reformats and sends information to other formats between network elements and is commonly used for Billing and Customer Care Systems.

generated from the free minutes, they were not included in the bills issued to subscribers and so not included in the AGR statements.

In this connection, Audit opines that airtime is the actual talk time offered to a subscriber by using a natural resource (RF Spectrum). As the Government has a legitimate claim to share the worth derived out of the use of the natural resource, it is imperative that the free talk time/air time are valued and rated by the Company. This was significant because free talk time/air time need not always be given to subscribers alone but could be given to franchisees/distributors also in lieu of discount/commission which in turn would have been amortized by them. In a situation where the value of free talk time/airtime was not captured Audit could not confirm its impact on the GR.

5.3.2 Understatement of prepaid revenue of RCL due to set-off of commission/discount

As per the marketing agreement between RCL and RCIL, RCIL was an agent and authorized person for selling the product of RCL. As per the agreement, RCL would sell the prepaid vouchers to RCIL at the rate as agreed from time to time and RCIL would sell the same to its distributors at the same net price.

From the books of accounts of RCIL for the period from 2010-11 to 2014-15, it was found that the discount/commission received by RCIL from RCL amounting to ₹ 1284.27 crore for selling its product was shown as “Billing Income” which was in turn the commission paid to the distributors by RCIL. However, RCL had netted of the commission/discount paid to RCIL on sale of prepaid cards and only the net realized value was accounted as revenue that was considered for AGR.

The value of commission/discount given to distributors/agents for sale of pre-paid products (SIM cards/recharge vouchers) was to be treated as business expenses by RCL and the gross value of the prepaid cards i.e. the value of the telecommunications service being provided by the operator (RCL) was required to be considered as revenue without any set off.

RTL, the other UAS licensee of the Reliance Group had its own franchisees/distributors unlike RCL which had a selling and marketing arrangements with the subsidiary company RCL. It was observed that the revenue earned by RTL on sale of prepaid cards and recharge vouchers was accounted net of discounts given to distributors/dealers instead of their gross value. As the rate at which the discounts were offered by the Operator was not made available to Audit, based on the ratio between the prepaid revenue of RCL and discount allowed by it, Audit computed that the prepaid revenue of RTL for the period covered in audit was understated by ₹ 680.92 crore.

Management stated (September 2016) that

- RCL had appointed RCIL as billing and collection agent and RCIL had not paid any commission to distributors. It was discount amount which was offered to distributors

on prepaid vouchers. The relationship between the RCIL and Distributor was of **Principal to Principal** and not of Principal to Agent. Therefore, amount allowed to Distributors was discount and not commission and the same cannot be included in the AGR for the purpose of the Licence Fee and Spectrum Charges. Revenue was booked from prepaid vouchers net of discounts.

- The sale by RCL was on a stated/agreed price, invoiced at that agreed price and booked under the revenue in the profit and loss account without netting off any discount, the actual selling price would be the revenue and the difference between the MRP and this selling price cannot be added to gross revenue. This practice was in line with the TDSAT judgement of April 2015 which held that 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 this selling price cannot be added to “gross revenue”.
- AS-9 recognizes revenue which flow in form of cash/receivables. Notional income is not recognized as revenue. Discount offered to distributors is not accrued as revenue to the company and no cash inflow arises to the company hence the same cannot be construed as revenue of the Company.

The above responses were not acceptable due to reasons given below:

- RCIL was the billing and collection agent of RCL and not a reseller of RCL services. The role of RCIL was that of distributor acting on behalf of RCL and the products sold on MRP by RCIL had no intrinsic value and all its value was provided by RCL on the strength of its UAS licence. In other words, the SIM cards/recharge vouchers etc., sold by RCIL would not have any value if dissociated from the service to be provided by RCL. Service cannot be sold but only provided. The distributors only perform the role of agents in the chain of delivery of services to the end users. Therefore, Audit is of the view that the relationship between RCL and RCIL was only that of Principal to Agent and not Principal to Principal.
- The TDSAT judgement of April 2015 has been challenged by the DoT in the Hon'ble Supreme Court of India and hence cannot be considered as final.
- Audit is not questioning the accounting in accordance with AS-9 but contends that netting off of discount/commission was not in accordance with the conditions of Licence Agreement.

Thus, GR of both RCL and RTL were understated by ₹ 1284.27 crore and ₹ 680.92 crore respectively during the years 2010-11 to 2014-15. Consequently, LF of RCL was short paid by ₹ 103.77 crore and SUC by ₹ 45.95 crore while the short payment of LF and SUC by RTL was ₹ 51.32 crore and ₹ 31.49 crore respectively. (**Annexure 5.07**)

5.4 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 and Notes on Accounts prepared by the Statutory Auditors submitted along with Auditors Report and comparing them with primary accounting records of RCL and RTL for the years 2010-11 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. Moreover, the reconciliation statements also did not disclose the above income fully. Incomes thus excluded are discussed below:

5.4.1 Interest income not offered for revenue share

As per clause 19.1 of the license agreement, interest income was to be included in the GR of the licensee for computation of licence fee payable.

RCL had included ₹ 2093.02 crore as Interest income during 2011-12 to 2014-15 in the accounts but the said income was not included in the GR of the company for payment of revenue share. Interest income not offered for revenue share in the years 2010-11 to 2014-15 by RTL was ₹ 27.61 crore. Thus the total interest income excluded from the AGRs of both RCL and RTL worked out to ₹ 2120.63 crore.

Exclusion of interest income from the AGR meant short payment of LF amounting to ₹168.61 crore and SUC of ₹ 74.43 crore by RCL. Short payment of LF and SUC by RTL on this account worked out to ₹ 2.04 crore and ₹ 1.29 crore respectively. (**Annexure 5.08**)

5.4.2 Other income not offered for revenue share

It was observed that RCL and RTL had accounted ₹ 941.37 crore as other income in the years 2010-11 to 2014-15. Income classified as other income included 'miscellaneous income, rent received, sale of scrap, etc. However, this income was not seen included in the AGR for the above period leading to understatement of revenue.

RCL Management responded (September 2016) stating that:

- RCL has not paid Licence fee on interest income from Q4 of FY 2008-09 onwards in line with the TDSAT Judgment of August 2007. As TDSAT had pronounced that only Income related to Telecom activities was liable for Licence Fee, no licence fee was paid on interest income.

- UAS Licence Agreement talks about Revenue and not about income for Licence Fee purpose. Income” and “Revenue” are not analogous. Revenue essentially refers to that received from operation of a business whereas income is of much wider import than revenue.
- Further only interest and/or dividend income with direct nexus to provision of telecom services merits inclusion in computation of the “adjusted gross revenue”. In the case pointed out by Audit, this would essentially include – a) interest earned on/from debtors and interest and/or dividend earned from investments in telecom activities.

Response of the Management was not accepted 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.
- The August 2007 ruling of TDSAT had been set aside by the Hon’ble Supreme Court in October 2011 and hence the definition of revenue as contained in the UASL agreement remain unaltered.

Non-inclusion of incomes categorized as other income for payment of revenue share led to short payment of LF and SUC by RCL by ₹ 67.66 crore and ₹ 29.40 crore respectively while the same by RTL was ₹ 8.23 crore and ₹ 4.94 crore respectively. (**Annexure 5.09**)

5.4.3 Income from Forex gains

In terms of definition of Gross Revenue defined under clause 19 of Licence Agreement as stated above, all the revenues are to be taken into consideration for calculation of Gross Revenue for the purpose of payment of Revenue Share to DoT. Since Licence Agreement do not provide for set off or related expenses all gains arising from the exchange differences are to be included in the GR.

It was seen from the Annual Accounts for the years 2011-12, 2012-13, 2013-14 and 2014-15 that Forex gains under the relevant revenue accounts were seen set-off against Forex losses recorded under different expense accounts. Consequently the gains were netted off against losses making the GL balances NIL. Forex gains thus not included in the AGR worked out to ₹ 754.05 crore comprising ₹ 635.44 crore in respect of RCL and ₹118.61 crore for RTL.

Management stated (September 2016) that

- RCL paid Licence fee on realized Forex gain amounting to ₹ 500.96 crore till Q3 of FY 2008-09. From Q4 of FY 2008-09, RCL started paying Licence Fee in accordance with the TDSAT Judgment of August 2007. The said judgment was made applicable to RCL also vide TDSAT judgement of March 2009 and the Company has claimed refund from DoT of the Licence fee paid on such non-telecom revenue items.

- Further, Exchange Gains could only reduce the liability towards payment for capital goods. Since the cost of equipment had no impact on the licence fee, gains arising out of decrease in cost of capital goods cannot be treated as revenue.
- Telecom companies are obliged to comply with AS 9 which is also recognized and accepted by the Courts. AS 9 does not recognize Forex gain as revenue and thus, the Company was not liable to pay any Licence Fee to DoT.
- Hon'ble Supreme Court in its judgment dated 11 October 2011 permitted the Hon'ble TDSAT to decide as to which components/heads can be included in the company's AGR by the DoT. Accordingly, the Hon'ble TDSAT in its judgment of April 2015 had ruled that Forex gains were not liable for Licence Fee.
- The fluctuation of Forex accounted in the GL codes of similar nature of transactions the result should on net basis.
- Only RTL had realized Forex Gain of ₹ 13.29 crore in the year 2010-11 and in all other years it has been realized Forex Loss for RCL as well as RTL. Hence, the amount cannot be added back to the AGR.

Audit comments on the Management response are:

- TDSAT judgment of August 2007 was set aside by the Hon'ble Supreme Court in October 2011 and hence payment of LF and SUC based on a judgment which had become null and void was not justifiable
- Forex gain/loss results from individual transactions. Individual transactions cannot be clubbed.
- Recognising Forex gains after netting off for losses would be a deviation from the condition of licence agreement which stipulates that GR should be recorded without any set-off for related expenditure.

The understatement of GR of the above operators due to exclusion of forex gain led to short payment of ₹ 51.54 crore towards LF ₹ 22.82 crore as SUC by RCL and ₹ 8.83 crore and ₹ 5.56 crore towards LF and SUC respectively by RTL. (**Annexure-5.10**)

5.4.4 Revenue from lease of bandwidth not considered for SUC

UASL agreement provides that “while calculating AGR for limited purpose of levying spectrum charges based on revenue share, revenue from wireline subscribers shall not be taken into account”. The format of statement of revenue and licence fee (AGR Statement) prescribed for the UASL agreement depicts items which are to be classified as wireline income and hence it was evident that DoT had envisaged that all items of revenue which are outside the category mentioned as wireline income should be considered for payment of SUC.

In the AGR Statements of RCL for the years 2010-11 and 2011-12 revenue from sale/lease of bandwidth links, R&G cases, turnkey projects, etc., were not classified as exclusive wireline revenue. Yet revenue earned from the above amounting to ₹ 1053.38 crore was not considered while calculating the SUC payable by the Company leading to short payment of SUC by ₹ 37.97 crore (**Annexure- 5.11**)

Management stated (September 2016) that

- Licence Agreement very clearly mentioned that Spectrum fee shall be payable on AGR earned from wireless subscribers only. As Lease line revenue is not wireless revenue and no spectrum is used to provide Lease line services, the inclusion of lease line revenue in AGR for spectrum fee does not arise.
- DoT vide its letter dated 08 January 2013 has raised demand of Spectrum charges on Lease line revenue, which was challenged by the Company in the Hon'ble Madras High Court and has obtained a stay on the demand of Spectrum charges on lease line revenue raised by DoT amounting to ₹ 219 crore vide order dated 23 June 2016

The above response of the Management was not accepted because as per the format of AGR statement (Appendix II to Annexure –II of UASL agreement) only those revenue falling under line item 1A thereof were to be treated as revenue from wireline services. DoT had not classified revenue from sale/lease of bandwidth links, R&G cases, turnkey projects etc., as an item which is exclusive to land line services. Further, the stay granted by the Hon'ble Madras High Court on the demand raised by DoT cannot be interpreted as the final judicial pronouncement on the issue.

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 to facilitate DoT for easy assessment of the GR reported by the licensees. 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 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 -I 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 RCL and RTL 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 RCL and RTL 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 in line with the licence agreement because as per the guidelines the service income of the licensee had to be shown gross and details of discount/rebate indicated separately.

5.6 Interest on revenue share short paid

On issues raised above (from paras 5.2 to 5.4) short/non-payment of LF and SUC worked out to ₹ 709.52 crore and ₹ 363.16 crore, respectively. The interest on this short/non-payment of LF and SUC was ₹ 839.09 crore (**Annexure 5.12**). 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.

5.7 Response of DoT

Preliminary audit findings were communicated to DoT in the form of a draft audit report in September 2016 for eliciting response, with copy to Reliance Management. Response of the management to DoT, copy of which was endorsed to Audit was received in October 2016. The responses on the observations presented in this report generally reiterated the stance of the management on them communicated during the audit. The replies have been appropriately considered in this Report. DoT reply is as mentioned in the para 2.4.

CHAPTER-VI

Revenue shared by Aircel Group (Dishnet Wireless Limited, Aircel Limited and Aircel Cellular Limited)

6.1 Brief Profile of Aircel Group

Aircel group comprises of three licensee companies namely M/s Aircel Limited (AL), M/s Aircel Cellular Limited (ACL) and M/s Dishnet Wireless Limited (DWL). ACL, the erstwhile M/s RPG Cellular Ltd commenced its telecommunication services in Chennai in 1994. Subsequently AL promoted by Sterling group obtained CMTS License in Tamil Nadu (excluding Chennai) service area during 1998(erstwhile M/s Srinivasa Cellular Ltd. Coimbatore). Though the group obtained licenses by 2006 for pan India operation but it actually became pan India operator in 2010 only. Aircel group provides telecom services on GSM technology.

6.1.1 Licenses granted to Aircel Group

ACL obtained CMTS license in 1994 for Chennai service area. AL obtained CMTS license in Tamil Nadu service area during 1998. Subsequently, it also got UAS licenses in seven¹ service areas during 2006. DWL got UAS licenses in 14² service areas during 2004 and 2006. DWL also got NLD, ILD and ISP (IT) licenses. License for erstwhile Chennai service area expired on 29 November 2014.

6.1.2 Spectrum allotted to Aircel Group

LSA wise subscriber access spectrum allotted to Aircel group of companies as on 01 April 2010 and 31 March 2015 is detailed below:

Table 6.1

LSA	Spectrum as on 31 March 2015 (in MHz)	MW Access spectrum	MW Backbone spectrum
		(in MHz) ³	
Bihar, Himachal Pradesh, Orissa, Haryana, Kerala, Madhya Pradesh, Punjab, Uttar Pradesh (W), Andhra Pradesh, Gujarat, Karnataka, Maharashtra	2x4.4	112	56
Kolkata	2x4.4	112	0

¹ Andhra Pradesh, Delhi, Gujarat, Karnataka, Maharashtra, Mumbai and Rajasthan.

² Assam, Bihar, Himachal Pradesh, Haryana, Jammu & Kashmir, Kerala, Kolkata, Madhya Pradesh, North East, Punjab, Orissa, Uttar Pradesh (E), Uttar Pradesh (W) and West Bengal.

³ One Carrier = 56 MHz.

Delhi, Mumbai	2x4.4	168	0
West Bengal	2x5.6	112	112
Rajasthan	2x6.0	112	112
Jammu and Kashmir, Uttar Pradesh (E)	2x6.2	112	112
North East	2x6.2	112	112
Assam	2x6.2	112	112
Tamil Nadu	2x9.8	112	56
Chennai ⁴		224	0

Additional allotment of spectrum was made w.e.f. 08 September 2014.

In addition to above, Aircel group also obtained right to use 3G spectrum in 13⁵ LSAs through the auction held by DoT during April – May 2010 and right to use BWA (4G) spectrum in eight⁶ LSAs through the auction held by DoT during May – June 2010.

6.1.3 Gross Revenue (GR), Adjusted Gross Revenue (AGR) and Revenue share paid by the Aircel Group

Telecom Service Providers are required to pay License Fee (LF) and SUC (Spectrum Usage Charges) at a percentage of AGR on quarterly basis on self-assessment basis. GR, deductions, AGR reported and revenue share (LF and SUC) paid by Aircel Group during the five years from 2010-11 to 2014-15 are as follows:

Table 6.2

(₹ in crore)

Year	Subscribers (in crore)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue share (LF+SUC)
2010-11	5.48	6,671.33	2,083.42	4,587.91	68.77	500.22
2011-12	6.26	8,092.62	3,050.76	5,041.86	62.30	681.33
2012-13	6.01	9,803.26	4,053.17	5,750.09	58.65	718.76
2013-14	7.02	11,299.56	4,159.79	7,139.77	63.19	858.17
2014-15	8.14	13,072.31	4,637.16	8,435.14	64.53	1,007.56
Total		48,939.08	17,984.30	30,954.77		3,766.04

6.2 Under reporting of revenue by Aircel Group

In terms of clause 19.1 of CMTS/UAS licenses, 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.

⁴ The migration process for merger of Chennai and Tamil Nadu LSAs was in progress as on 31 March 2015

⁵ Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Karnataka, Kerala, Kolkata, Punjab, Orissa, North east, Uttar Pradesh (E), Tamilnadu and West Bengal.

⁶ Andhra Pradesh, Assam, Bihar, Jammu & Kashmir, Orissa, North East, Tamilnadu and West Bengal

Further, Annexure III of the agreements provides that Service Revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately.

Audit examination of records/Books of accounts (General Ledger, Journal Vouchers, Trial Balance, Profit and Loss Accounts, Balance Sheet, AGR statements, etc.) of Aircel Group revealed that these companies had not adhered to the provisions of the license agreement as brought out in the succeeding paras:

6.2.1 Under reporting of prepaid revenue due to netting off of primary commission given to distributors/ dealers/franchisee

From the examination of data/records pertaining to prepaid services furnished by Aircel Group for the period from 2010-11 to 2014-15, it was found that prepaid revenue reported in AGR statements (as well as in financial statements) for the years was net of margin/commission (primary) paid to dealers/distributors/franchise on sale of prepaid products (SUK/RCV/E-recharge, etc.). The agreements between the Aircel companies and distributors provide that the Aircel companies shall offer a commission per sale to the distributor. Further, distributor agreements do not mention any rate or amount of commission payable to the distributor but only provided that margins would be as decided by the company from time to time.

Management did not furnish the amount of primary commission/margins paid to distributors on sale of prepaid products or any rate (*per cent*) of commission/margins to prepaid revenue. In view of this, data for the years 2010-11 to 2014-15 accessed from SAP system was examined on test check basis by audit rate of margin/commission paid during these years was arrived at 5.85 *per cent* of the prepaid revenue. Amount of prepaid revenue as per AGR statements and commission thereon netted of from revenue for the years 2010-11 to 2014-15 company-wise was as follows-

Table 6.3

(₹ in crore)

Year	Amount (in crore) of prepaid revenue reported in AGR statements				Amount of commission
	AL	ACL	DWL	Total	
2010-11	1,827.62	290.76	1,836.12	3,954.50	231.34
2011-12	2,080.16	239.68	2,034.04	4,353.87	254.70
2012-13	2,457.52	246.55	2,202.63	4,906.71	287.04
2013-14	2,952.23	291.29	2,651.18	5,894.70	344.84
2014-15	3,690.22	207.62	3,168.19	7,066.02	413.36
Total	13,007.75	1,275.90	11,892.15	26,175.80	1,531.28

Commission/margin paid to the distributors/franchisees/dealers was in the nature of marketing expenses and netting off of such expenses with revenue was against the license condition.

Management stated (September 2016) that though the pre-paid vouchers carry a Maximum Retail Price (MRP), these vouchers were sold to the distributors on a lower price as per agreement between the parties. It was contended that the sale of pre-paid vouchers was a

Principal to Principal transaction. The sale transaction was complete with the realisation of the consideration and from that moment the ownership of the cards, their custody as well as all the attending risks arising from their loss, destruction etc. passed on to the distributors, regardless of when the distributors sell the cards to the retailers or the end users. It was stated that the distributors are invoiced at this sale price and the revenue was booked in the profit and loss account without any netting off as no discount was given on the price. It was also stated that as accounting was done on sale price as the relationship was P2P and varied from location to location, hence distributor agreements didn't contain percentage of the same.

It further stated that the TDSAT in its judgment dated 23 April 2015 held that the definition of "gross revenue" cannot be construed as to bar the licensee from fixing a wholesale price for the service which was lower than its MRP. The test was how the actual transaction took place. If the sale and invoicing was on MRP and any discount was given separately, then in terms of clause 19.1 such discount was not deductible even if the revenue booked in the profit and loss account was after netting off the discount. On the other hand, if the sale was 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 this selling price cannot be added to "gross revenue".

The reply of the management is not tenable as Aircel companies rendered the services ultimately and had they sold the recharge vouchers/e-recharge/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 accorded to distributors would be in the nature of Marketing Expenditure and thus, should not be deducted from Revenue. Further, Audit opines that this transaction is not covered under Principal to Principal since the ultimate responsibility of rendering the service to the subscribers rests with the licensee companies and not with the distributors. The TDSAT judgement of April 2015 is challenged in the Hon'ble Supreme Court by DoT.

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

Thus netting of Commission/margin paid to the distributors/franchisees/dealers resulted in understatement of GR/AGR of Aircel companies (AL, ACL, DWL) by ₹ 1531.28 crore for the years 2010-11 to 2014-15 and short payment of LF and SUC by ₹ 125.31 crore and ₹ 59.02 crore respectively (**Annexure-6.01**).

6.2.2 Under reporting of prepaid revenue on offers/discounts/rebates given to subscribers

A. Prepaid Service:

From the examination of data/records pertaining to prepaid services furnished by Aircel Group for the period from 2010-11 to 2014-15, it was observed that the Company offered various schemes/discounts viz. waiver, discount, Promo talk time, Free Air Time (FAT), Promotional offers, Full talk time, etc. to subscribers. It was noticed that to accommodate such offers, the value of the same was debited to service revenue heads. As and when the same was used by subscriber, the revenue was credited by the said amount. Resultantly, the revenue on account of these offers to subscribers was not recognised in the GR/AGR. Since offers made to customers were part of overall commercial strategy to enhance business, such offers/discounts amount to expenses. In terms of license agreement, service revenue shall be shown without any set-off for related item of expense, so they are not allowed to be deducted from GR. This was also in violation of the license agreement which clearly states that service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately. The item wise details are furnished below-

- **Waiver, Discount and Promo talk time to subscribers**

Review of data as accessed by audit in SAP system for the period from 2010-11 to 2014-15, it was noticed that the prepaid revenue account codes had been debited by the following items.

- i) Processing Fee (PF) Waiver/Customers Waiver (₹ 146.82 crore)
- ii) Discount (₹ 0.08 crore)
- iii) Promo Talk Time (₹ 0.15 crore)

Above waivers/discount/promo talk time provided to prepaid customers were offers given to prepaid customers and hence were in the nature of expenses. Netting of such expenses from revenue has resulted in understatement of GR/AGR of Aircel companies by ₹ 147.05 crore.

- **Free Airtime offered to subscribers**

The revenue from prepaid services account codes had been debited by the following items.

- i. Extra Talktime; etc.
- ii. FAT-Bonus / Free talk value;
- iii. FTT given on SRC Customers;
- iv. Addl talktime;

By debiting revenue heads to accommodate extra/free/additional talk time given to pre-paid subscribers, the GR/AGR was understated by ₹ 44.46 crore.

- **Full Talk Time Scheme offered to Subscribers by DWL**

On a review of data as accessed by audit in SAP system for the period from 2010-11 to 2014-15, it was noticed that in the books of Dishnet Wireless Limited, prepaid revenue (Processing charges/activation, etc.) was reduced by ₹ 45.18 crore by debiting these heads under description-Full Talk time transfer from Processing charges/activation, etc.

Debiting revenue heads to accommodate full talk time given to pre-paid subscribers was not in accordance with the provisions of license agreement. This resulted in understatement of GR/AGR by ₹ 45.18 crore.

- **Debit in revenue heads under description “Talk Time on PRE IN Recharges”**

Review of data as accessed by audit in SAP system for the period from 2010-11 to 2014-15, it was noticed that the revenue had been debited by an item of under description “Talk time on PRE IN Recharges”. The total amount of revenue debited (reduced) on this account works out to ₹ 74.00 crore and GR/AGR has been understated by this amount.

- **Netting of Promo TT/Usage booked as expenses from Revenue**

Review of data as accessed by audit in SAP system for the period from 2010-11 to 2014-15, it was noticed that some amount of Promo Talk time/Usage booked under the expense head in the Trial Balance had been netted from Service Revenue in the AGR statements.

The total amount of revenue netted off on this account was ₹ 3.89 crore.

Netting of promo talk time/usage booked as expenses from revenue has resulted in the understatement of GR/AGR by ₹ 3.89 crore. It may be noted here that debit balance under GL code 3330011-Promo TT/usage for the year 2010-11 in respect of Assam and North East LSAs amounting to ₹ 73.42 lakh were not netted off from revenue in the AGR statements.

B. Netting of revenue by waivers and discount allowed to postpaid subscribers

Review of data as accessed by audit in SAP system for the period from 2010-11 to 2014-15, it was noticed that the postpaid revenue account codes had been debited by various items of “Waivers” and “Discount”. The total amount of “Waivers” and “Discount” debited to revenue heads works out to ₹ 16.87 crore.

Waivers and discounts given to post paid subscribers are in the nature of expenses. Netting of such expenses from revenue has resulted in understatement of GR/AGR by ₹ 16.87 crore.

On audit observations made above, the Management stated that-

- The Company accounts for the revenue in compliance with the Accounting Standard (AS) 9 issued by the Institute of Chartered Accountants of India. AS 9 dealing with Revenue Recognition, in clause 4.1 provides 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”.

- TDSAT also upheld the above definition and passed an order to this effect on 23 April 2015 stating “There is no conflict between the definition of ‘revenue’ as provided in AS-9 and clause 19.1 and 19.2 of the license agreement defining gross revenue and adjusted gross revenue. As is evident from section 211 (3A), (3B) and (3C) a telecom company, the licensee is legally mandated to maintain its profit and loss account and the balance sheet in compliance with the Accounting Standards. Accounting Standards are given due importance by the Supreme Court as those are the codified recommendations by the Institute of Chartered Accountants of India which is an expert body in a specialised field”.
- From the definition of Revenue in AS-9 it is evident that Revenue is to be recognized to the extent of consideration received/receivable. Since, no consideration is received for discounts, waivers, free talk time, extra talk time, full talk time, promo talk time; the same should not be subjected to License Fee.
- In light of above, the company is justified in not including notional revenue on account of discounts and waivers in computation of AGR since adding back of value of the same in computation of AGR will lead to payment of LF on notional revenue which was neither received nor is receivable. Further as the waivers includes waivers on account of refund granted to the subscribers as per the TRAI directions dated 10 July 2013, which cannot be subjected to License Fee. This has also been re-emphasized by TDSAT in their judgment of 23 April 2015 wherein it has been held “In Order to be counted as “gross revenue”, the item of inflow must not be notional but real”
- Discounts/waivers amounting to ₹ 17.02 crores (postpaid/prepaid) given by the company were in the nature of discounts offered as part of tariff plan duly filed with TRAI hence the same are rightfully adjusted from Revenue considered for payment of license fee. Also, the waivers amounting to ₹ 146.82 crores (prepaid) given to subscribers were on account of inter-alia, wrong charging/wrong billing in the normal course of the business and revenue is recognized net of such waivers/discounts in accordance with AS 9.
- On analyzing the details credits given to the customers, it was observed that the credits are primarily on account of reasons given below:
 - (i) Inter Subscriber Balance Transfer: It is the service provided to the subscriber, whereby the Subscriber can transfer his balance to another subscriber. The

same is reflected as credit to one subscriber and debit to other subscriber. Hence the net impact on revenue is NIL.

- (ii) Employee Waiver (Postpaid): The average usage of the employee's connection is approx. ₹ 2.5 crore annually. This works out to be ₹ 7.5 crore for the above period. Employee usage is in the normal course of his office duties, and hence the same need not to be included in the gross revenue/AGR, and is not subject to license fee.
 - (iii) Waivers given to subscribers as per TRAI directive: Waivers given to the subscribers are primarily on account of wrong billing/incorrect charging (i.e. debits to the customer first and reversal of that charge) for which service has never been provided to the subscribers, which constitute 88 % of the total waiver passed amounting to ₹ 94 crore for the above period. Balance of ₹ 22 crore approx. (postpaid + prepaid) can be attributed towards waivers in the nature of Goodwill gesture.
- Also it is pertinent to note that, as per the provisions of section 67 of Finance Act (Service tax), where any service is rendered without consideration in money, no Service tax is payable on such services. Similarly, Services which are not rendered to another person but used for self-use are also not subject to levy of service tax, as no consideration is received/receivable.

Reply of the Management is not acceptable since–

- Audit furnished the details of GL dumps to the management with the related audit queries for verification but the management did not revert with itemized details of GL entries in support of their contentions. Further the amount of debits in revenue on account of “Inter Subscriber Balance Transfer” is based on approximation considering the current period data. Similarly, waivers stated to have been given on account of employee's usage (post paid) is also based on approximation and without proper detail. In case of postpaid, debits to postpaid revenue on account of “adjustments” appearing in the General Ledger were not objected by audit.
- The details of FAT/FTT/Promo, etc. offered as per the tariff and that offered as promotion to customers/agents were not furnished.
- There was no description in the system that indicates that debits to GL code “Prepaid-RC Processing Income”, were due to wrong charging (wrong decrement from the Subscriber accounts) on account of VAS, Talk Time, rental, etc. In absence of any segregated details as required under Annexure III of the License Agreement, entire debit under description “PF waiver” cannot be treated as debit due to wrong charging.

- Analysis of the data extracted from general ledgers pertaining to these waivers clearly indicated that these were on account of prepaid processing income, VAS, Talk Time, rental, etc. and not on account of wrong charging of VAS.
- Management accepted the fact that Free Airtime Time (FAT)/Goodwill waivers were debited to revenue.
- Discounts/waivers/offers/FAT given to the subscribers were in the nature of promotional business expenses.

Thus by not recognizing the value of discounts/waivers/offers/FAT given to the prepaid subscribers and by netting of waivers/discounts given to postpaid subscribers, the GR/AGR of the Aircel companies was understated by ₹ 331.45 crore. Consequently, there was short payment of LF and SUC by ₹ 29.99 crore and ₹ 14.94 crore respectively (**Annexure 6.02**).

6.2.3 Non consideration of revenue from infrastructure sharing from other telecom operators for GR/AGR

In terms of clause 19.1 of the CMTS/UAS license agreements, the GR shall be inclusive of revenue from permissible sharing of infrastructure and any other miscellaneous revenue without any set-off for related item of expense, etc.

Telecom infrastructure (towers, network equipment, etc.) owned by Aircel Group were shared with other telecom companies. They have entered into agreements with other telecom companies for infrastructure (site) sharing. In terms of the agreements entered with the other operators, charges for sharing cell site was recovered from other operators which was based on a percentage of CAPEX cost of the sites and OPEX cost incurred by Aircel group.

Review of data as accessed by audit in SAP system for the period from 2010-11 to 2014-15, it was noticed that Infrastructure/site sharing charges recoverable/recovered from other operators were not taken to Infrastructure/site sharing revenue in full rather, some part of it were credited to expenses on account of Rent, Fuel (Diesel), Electricity, Network Expenses, Repairs and Maintenance and Security.

Total amount credited in the expenditure heads (netted off from the cost) on account of site sharing revenue received/receivable from other telecom operators during 2010-11 to 2014-15 was ₹ 58.58 crore.

Since set off of related expenses against the revenue was not permitted under the license agreement, netting off of aforesaid site sharing revenue received/receivable from other telecom operators from the cost has resulted in understatement of GR/AGR.

The Company replied (September 2016) that –

- There were two type of payments received for sharing of infrastructure i.e., charges levied for the usage of the facility and reimbursement of expenditure incurred such as that on repairs and maintenance, electricity, diesel etc. The charge for the usage of the

facility was booked as revenue whereas the reimbursement of costs was booked as a reduction in related expenditure. Further, keeping the above in mind, both the components i.e. charge for the usage of the facility and the reimbursement of expenditures incurred were billed/ shown separately as per the terms of infrastructure sharing agreements and were also booked separately.

- The Company accounts for reimbursement of expenses in compliance with the AS 29.
- TDSAT vide its judgment on 23 April 2015 has held “while any payment made towards the usage of the facility was to be taken as revenue in the hands of the recipient, a payment in the nature of reimbursement of an expense and which was clearly indicated separately in the invoice as such, may not be taken as revenue provided that it was not booked in the profit and loss account as revenue.”

Reply of the Management is not acceptable as in terms of licence agreement GR specifically includes revenue from permissible sharing of infrastructure without any set-off for related item of expense and licence agreements do not distinguish between CAPEX and OPEX revenue on account of sharing of infrastructure. Hence set-off of revenue from Infrastructure sharing against the expenses is not allowed. Further, revenue received/receivable towards diesel expenses, security expenses, repair and maintenance expenses and electricity charges 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.

Thus, netting of infrastructure sharing revenue received/receivable from other telecom operators from the cost resulted in understatement of GR/AGR by ₹ 58.58 crore and short payment of LF and SUC by ₹ 4.75 crore and ₹ 1.87 crore respectively (**Annexure 6.03**).

6.2.4 Non-consideration of forex gain in GR/AGR

In terms of license agreement, GR shall be inclusive of any other miscellaneous revenue. During 2010-11 to 2014-15, there was realized forex gain of ₹ 471.37 crore as validated by the Management. However, no amount of forex gain was included in GR/AGR for computation of revenue share.

As mentioned in para 2.2.5 of this report, 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 (September 2016) that –

- “The definition of revenue as per AS 9 clearly states that 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. Foreign Exchange Gain does not fall into the definition of revenue, hence should be excluded in computation of AGR.”

- As per the TDSAT Judgment of 23 April 2015, “.....*any gain or loss due to foreign exchange fluctuation should have no bearing on the license fee.*” It was also stated that the matter was sub-judice at Madras High Court and as such the forex gain should not be added back to AGR for calculation of License Fees.
- Since license fee was paid on the revenue for the quarter as per the license agreement, the forex gain should also be computed for each quarter separately and thus forex gain should be ₹ 56.10 crore.
- Aircel Group had suffered the Net Cash loss of ₹357.85 crore for the period 2010-11 to 2014-15. Hence it would be incorrect to levy license fee only on the transactions where company has gained because of change in Forex rate.

The reply of the Management is not acceptable as:

- i) Forex gain/loss results from individual transactions
- ii) Individual transactions can't be clubbed
- iii) Further forex gain/losses can undergo changes depending on the mechanism of individual contracts. Therefore, losses can't be netted off
- iv) The judgement of TDSAT dated 23 April 2015 was challenged in Hon'ble Supreme Court by DoT.

As such while the matter is sub-judice, audit view is that in terms of license agreement, gain arising from foreign exchange fluctuations should be included in GR/AGR for computation of revenue share. Non-inclusion of it by Aircel companies resulted in understatement of GR/AGR by ₹ 471.37 crore. Consequently, there was short payment of LF and SUC by ₹ 38.12 crore and ₹ 9.82 crore respectively (**Annexure 6.04**).

6.2.5 Non consideration of revenue from VAS/advertisements accounted in corporate account

In terms of UAS/CMTS license agreements, revenue from VAS and other miscellaneous income should form part of GR/AGR for computation of revenue share (LF and SUC). Review of data/records furnished and as accessed by audit in SAP system for the period from 2010-11 to 2014-15 revealed that revenue on account of Value Added Service/advertisements amounting to ₹ 0.66 crore booked under Corporate account were not considered in GR/AGR for computation of revenue share

Management stated (September 2016) that advertisement Revenue did not accrue either from subscribers or from other telecom service providers for provisioning of telecom service and therefore, should not be part of AGR. These incomes do not require a Telecom License. Further, Separate divisional books of account were maintained for the corporate incomes

which had no nexus with the licensed activities of any telecom circles. It also stated that this matter was sub-judice in High Court of Madras.

The reply of Management is not acceptable as in terms of license agreement, any miscellaneous revenue accruing to the licensee company should be included in GR/AGR for computation of revenue share.

Thus non-inclusion of this for computation of revenue share resulted in understatement of GR/AGR by ₹ 0.66 crore and short payment of LF and SUC by ₹ 0.06 crore and ₹ 0.03 crore respectively (**Annexure 6.05**).

6.3 Under reporting of revenue in the Statements of Revenue and LF (AGR Statements) though reported in the books of accounts

6.3.1 Non consideration of Interest Income for GR/AGR

In terms of clause 19.1 of the UASL/CMTS agreements and relevant clauses defining GR in respect of other licenses, interest income should be included in GR for computation of revenue share payable to Government of India.

Review of data/records as submitted to audit and data accessed from SAP system for the period from 2010-11 to 2014-15 revealed that interest income booked in the accounts of Aircel companies were not included in GR in full. Total interest income depicted in schedule of "Other Income" of financial statements were under three categories viz. Interest from bank deposits, interest from Inter Corporate Deposits (ICD) and interest from customers on overdue amounts. While interest income from customers on overdue amounts (late payment surcharge) were included in GR/AGR, interest income from bank deposits and ICD were not included in GR/AGR for computation of revenue share. Amount of interest income not included in GR/AGR was ₹ 987.95 crore.

Management stated (September 2016) that-

- Interest earned on investment of any temporary surplus funds (arising out of borrowings made from the Banks, Equity infusion by the Shareholders) through fixed deposits, securities or mutual funds including Inter-Corporate Loans given by the Company cannot be termed as an income from telecom activity and hence should not be included in AGR for the purposes of computation of license fee. It is pertinent to note that the entity acts independent of its capacity of Licensee with respect to the Service Area while extending inter-corporate loan to a group company, which is akin to interest received by a bank (treasury function). Therefore, any interest there from does not fall under the meaning of interest or interest from investment under the license.
- Hon'ble Madras High Court by an order dated 22 June 2012 has directed as that "No coercive steps shall be taken, by the respondents (DoT), to recover the LF payable by

the petitioner, in respect of the non-telecom activities of the petitioner, until further orders.”

Audit view is that the definition of GR in license agreements expressly provides for inclusion of interest income for GR/AGR for computation of revenue share.

Thus non-inclusion of interest income pertaining to the years from 2010-11 to 2014-15 has resulted in understatement of GR/AGR by ₹ 987.95 crore and short payment of LF and SUC by ₹ 91.03 crore and ₹ 40.37 crore respectively (**Annexure-6.06**).

6.3.2 Non consideration of income from investment for GR/AGR

Format of Statement of Revenue and LF (AGR Statement) prescribed as Appendix II to Annexure -II as referred in Clause 20.4 of the UASL/CMTS agreement is an integral part of the License Agreement. In the Statement, item 4 has been prescribed to reflect the “Income from Investment”. Further, in terms of clause 19.1 of the agreements, dividend income should be included in GR for computation of revenue share payable to Government of India.

Review of data/records as submitted to audit and data accessed from SAP system for the period from 2010-11 to 2014-15 revealed that capital gain on redemption of investments in Mutual Fund and dividend received on Mutual Fund Investments amounting to ₹ 52.60 crore and ₹ 21.32 crore respectively booked in corporate accounts of AL and ACL were not included in GR/AGR for computation of revenue share.

Management stated (September 2016) that-

- The nature of the income, being dividend, was not attributable to any licensed activity. Hence, any dividend earned on account of investments of any nature whatsoever, was not part of income accrued from the licensed activity.
- The Hon’ble Madras High Court by an order dated 22 June 2012 has directed as follows:

“No coercive steps shall be taken, by the respondents, to recover the LF payable by the petitioner, in respect of the non-telecom activities of the petitioner, until further orders.”

Reply of the Management is not tenable as the definition of GR in license agreements expressly provides for inclusion of income from investment/dividend in GR/AGR for computation of revenue share.

Thus non-inclusion of Income on investment for the years from 2010-11 to 2014-15 has resulted in understatement of GR/AGR by ₹ 73.92 crore (₹ 52.60 crore and ₹ 21.32 crore) and short payment of LF and SUC by ₹ 7.30 crore and ₹ 3.25 crore respectively (**Annexure 6.07**).

6.3.3 Non consideration of other miscellaneous income for GR/AGR

Review of data/records as submitted to audit and data accessed from SAP system for the period from 2010-11 to 2014-15 revealed that other miscellaneous incomes booked under GL code 4900013 has been grouped under “miscellaneous income” of schedule of “Other

income” of Profit and Loss accounts. It was further noticed that part of this miscellaneous income was included in GR/AGR for computation of revenue share by different LSAs/licenses and part of it was not considered. Details of miscellaneous income as per accounts and amount included in GR/AGR were as follows–

Table 6.4

(₹ in crore)

Year	AL			ACL			DWL		
	Amount booked in accounts	Amount included in GR/AGR	Amount not included in GR/AGR	Amount booked in accounts	Amount included in GR/AGR	Amount not included in GR/AGR	Amount booked in accounts	Amount included in GR/AGR	Amount not included in GR/AGR
2010-11	2.57	0.36	2.21	0.76	0	0.76	6.59	4.55	2.04
2011-12	0.83	0.34	0.49	0.36	0.36	0	9.60	9.59	0.01
2012-13	3.24	0.08	3.16	0.40	0.40	0	8.34	3.21	5.40*
2013-14	1.05	0	1.05	0.54	0	0.54	1.55	0.20	1.39*
2014-15	0.57	0	0.57	0.25	0	0.25	0.24	0	0.25
Total	8.26	0.78	7.48	2.31	0.76	1.55	26.32	17.55	9.09

Note- *debit balances appearing under misc income head of some LSAs has been ignored for arriving at total amount of miscellaneous income not included in GR/AGR.

In terms of clause 19.1 of the UASL/CMTS agreements and relevant clauses in other agreements, miscellaneous income should be considered in GR/AGR and Aircel companies had done so in some cases. But miscellaneous income of ₹ 18.12 crore was not included in GR/AGR.

Management stated (September 2016) that “Miscellaneous income/other income” includes income from sale of scraps, insurance claim, reimbursement of cost, etc. which do not accrue either from subscribers or from other telecom service providers for provision of telecom service, and therefore, should not be part of AGR. Furthermore, these incomes do not require even a Telecom License. It also stated that this matter is sub-judice in High Court of Madras.

Audit view in this regard is that license agreements expressly provide that miscellaneous revenue/income should be included in GR/AGR for computation of revenue share.

Thus non-inclusion of miscellaneous income in GR/AGR in full has resulted in understatement of GR/AGR by ₹ 18.12 crore and short payment of LF and SUC by ₹ 1.46 crore and ₹ 0.60 crore respectively (Annexure 6.08).

6.3.4 Non-inclusion of profit on sale of assets in GR/AGR for computation of revenue share

In terms of conditions under license 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 data/records as submitted to audit and data accessed from SAP system for the period from 2010-11 to 2014-15 revealed that profit on sale of assets/scraps of ₹ 37.65 crore as validated by the Management was not considered for computation of GR/AGR.

Management stated (September 2016) that –

- “The revenue generated from Sale of Fixed Assets is Capital in nature, which is not derived from licensed activity hence it should not be included in AGR.”
- TDSAT in its recent judgment dated 23 April 2015 had held that profit on sale of fixed assets were different from revenue receipts and should not form part of GR. Also the matter is sub-judice in Madras High Court and as such above profit should not be added back to AGR for calculation of license fee.

Audit view is that license agreements expressly provide that miscellaneous revenue/income should be included in GR/AGR for computation of revenue share and profit on sale of assets/scraps falls in the nature of miscellaneous income and has to be included as per the Licence Agreement.

Non-inclusion of profit on sale of assets/scraps resulted in understatement of GR/AGR by ₹ 37.65 crore and short payment of LF and SUC by ₹ 3.04 crore and ₹ 1.22 crore respectively (Annexure 6.09).

6.4 Other issues

6.4.1 Understatement of GR/AGR by the amount of “Bad debts written off”

In terms of clause 19.2 of the UAS/CMTS license agreements, bad debts written off are not an eligible deduction from Gross Revenue. Review of data/records as submitted to audit and data accessed from SAP system for the period from 2010-11 to 2014-15 revealed that “Bad debts written off” amounting to ₹ 50.34 crore was deducted from Gross Revenue by Aircel companies for the computation of License Fee (LF) and Spectrum Usage Charges (SUC) for the year 2014-15.

Management stated (September 2016) that the bad debts written-off in the year 2014-15 were reduced from the AGR pursuant to the TDSAT judgment dated 30 August 2007 which stated that that “Bad debts are actual monies lost by the service provider. Therefore, such losses have to be excluded from AGR. Allowing amounts on account of such losses to be included in AGR would mean that while the party incurs loss it has to pay license fee on the loss also”. The above judgment still holds good since the new judgment of TDSAT dated 23 April 2015 had yet not attained the finality as the same was challenged by DoT before Supreme Court. It also stated that if bad debts were not allowed as deduction in calculating AGR, it would amount to adding insult to injury. Amounts which were lost on account of bad debts reduce the revenue causing loss to the operator. Such amount cannot be treated as revenue and the licensees cannot be asked to pay license fee thereon.

Reply of the Management is not tenable as amount of bad debts written off is an item of loss/expense and in terms of license agreements, no such loss/expenses are to be set off from

revenue. Further the TDSAT judgement of August 2007 became null and void after Hon'ble Supreme Court judgement of October 2011.

Thus deduction of "Bad Debts Written Off" of ₹ 50.34 crore from GR has resulted in understatement of GR/AGR by this amount. Consequently, there was non-payment of LF and SUC by ₹ 4.03 crore and ₹ 0.15 crore respectively on this amount (**Annexure 6.10**).

6.4.2 Transfer of passive infrastructure business of Aircel companies to Chennai Network Infrastructure Limited (CNIL) by means of a slump sale

During the year 2010-11, a Scheme of Arrangement (SoA) under Sections 391 to 394 of the Companies Act, 1956 between the Aircel Companies (AL, ACL, DWL) and Chennai Network Infrastructure Limited (CNIL) was filed with the Hon'ble High Court of Judicature at Madras for transfer of their passive infrastructure business by means of a slump sale. The SoA has been effective from 19 July 2010 and the Passive Infrastructure undertaking of the companies has been vested in the Transferee Company (CNIL) from this date.

As per financial statements for the year 2010-11, the above passive infrastructure assets were transferred to CNIL and profit of ₹ 1799.97 crore on transfer of these assets were booked as other income. However, this profit of ₹ 1799.97 crore was not considered in GR/AGR for computation of revenue share.

Management stated (September 2016) that the Passive infrastructure sale was in the nature of slump sale, where by the entire PI business was hived off to CNIL on a going concern basis. Hence the same cannot be treated akin to sale of Fixed Assets. 'Slump-sale' is a transfer of an 'undertaking' i.e. a part or a unit or a division of a company, which constitutes a business activity when taken as a whole. In simpler words slump sale means transfer of entire business unit for a single consideration without assigning value to individual assets and liabilities. In our view profit on sale of Undertaking is not covered under Para 19.1 of license agreement and hence should not be considered for computation of GR/AGR.

Audit view is that the profit on transfer of passive infrastructure assets was accounted as other income and hence in terms of license agreement, the profit of ₹ 1799.97 crore should be included in GR/AGR. Non-inclusion of this resulted in understatement of GR/AGR for the year 2010-11 by ₹ 1799.97 crore and non-payment of LF and SUC by ₹ 164.89 crore and ₹ 69.60 crore respectively (**Annexure 6.11**).

6.5 Interest on short/non-payment of LF and SUC

On the issues raised above (para 6.2 to 6.4) short/non-payment of LF and SUC worked out to be ₹ 469.98 crore and ₹ 200.87 crore respectively. The interest on this short/non-payment of LF and SUC is ₹ 555.80 crore (**Annexure 6.12**). The calculation of interest was based on the rate prescribed in the License Agreement i.e. two *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 upto March 2016. The interest has been compounded monthly as prescribed in the License Agreement.

6.6 Non submission of details as required under Annexure III of the UAS/CMTS license 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, it appears that 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.

On being pointed by audit the Management stated that it was pertinent to note that the statutory financial statements of the Company were governed by the Companies Act and hence these were prepared strictly in accordance with relevant provisions of the Companies Act. Accordingly, the company had been preparing the financial statements as per the disclosure requirements of Companies Act and applicable accounting standards. So far as the requirements contained in Clause 20.7 of the UAS/CMTS license agreements read with Annexure III are concerned, it was submitted that the statutory annual accounts of the Company included the disclosures strictly mandated by the Companies Act (Schedule VI) and other disclosures required by applicable Accounting Standards issued by the Institute of Chartered Accountants of India. Certain requirements contained in aforesaid Annexure III of the UAS/CMTS license agreement are either not required under Companies Act or are against the accounting principles laid down in the applicable Accounting Standards, particularly AS 9 and AS 29.

It was further submitted that the Company did maintain the requisite information contained in Annexure III of the License agreement, which can be furnished as and when directed by the Licensor.

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 was the preparation of accounts fully compliant with the norms prescribed by DoT. Few such instances are given below:

As per the norms, revenue was to be shown as gross without any deductions. However, as detailed in the paragraphs of this report, it can be seen that Discounts/Commission/Waivers, Free Airtime etc. were netted off from the revenue and not disclosed to DoT.

The 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.

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 2010-11 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 Aircel group was ₹ 48939.08 crore, the deductions claimed was ₹ 17984.30 crore and the average deduction percentage works out to 37 *per cent* of the GR. Though the deductions claimed by the Aircel group were subject to verification by Offices of Controllers of Communication Accounts, 67 *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.

Also, the demand notes for license fee on verifications and assessment have been raised by DoT in respect of some licenses (LSAs) only till 2012-13. Delays in assessment and issue of demand letters will further delay the recovery of dues from the Service Provider.

6.7 Response of DoT/Aircel to the audit observations

Audit observations on the revenue share payable by Aircel Group companies were communicated to DoT and Aircel Group during August 2016 for their further comments. Aircel had furnished (September 2016) very similar arguments and response as was made by the company in reply to audit observations issued during the course of premises audit. DoT reply is as mentioned in the para 2.4.

CHAPTER – VII

Revenue shared by M/s Sistema Shyam Teleservices Limited and M/s Shyam Internet Services Limited

7.1 Brief Profile of SSTL and SISL

Shyam Telelink Limited (STLL) was incorporated on 20 April 1995. During the financial year 2007-08, SISTEMA Joint Stock Financial Corporation of Russia acquired the controlling stake in STLL and the Company became subsidiary of SISTEMA. SISTEMA's shareholding in STLL was 73.74 percent as of 31st March 2008. The name of the company was changed from ShyamTelelink Ltd to Sistema Shyam Teleservices Ltd (SSTL) with effect from 22 January 2009. As on 31 March 2015, SISTEMA's shareholding is 56.68 percent and continues to be the holding company of SSTL.

Shyam Internet Services Limited (SISL) was incorporated on 10th May 2000 and was granted Category 'A' License in November 2000 for operating Internet Services throughout the country. The company has converted the License to Category 'B' License in December 2003 and has started its services commercially from November 2001. The company is a wholly owned subsidiary of SSTL.

7.1.1 Licences granted to SSTL and SISL

STLL was awarded Basic Telephony Service License by Department of Telecommunications (DoT) on 4 March 1998 for the Rajasthan service area and commenced its commercial operations in Jaipur under the Brand name 'Rainbow' from June 2000.

In accordance with the DoT guidelines on Unified Access (Basic and Cellular) Services License (UAS) dated 11 November 2003, the Company migrated to the UAS with effect from 14 November 2003.

On 25 January 2008, STLL acquired UAS for 21¹ telecom circles, thus becoming licensee to provide its services across the country.

The Supreme Court of India vide its judgment dated 2 February 2012 quashed 122 telecom licenses granted to various Telecom Operators on or after 10 January 2008. The licenses also included the license for 21 circles held by SSTL. The license held by SSTL (erstwhile STLL) for Rajasthan Circle was not covered by the said order as it was issued prior to 10 January 2008.

¹ AP, Assam, Bihar, Delhi, Gujarat, Haryana, HP, J&K, Karnataka, Kerala, Kolkata, MP, Maharashtra, Mumbai, NE, Orissa, Punjab, TN, UP (E), UP (W), West Bengal.

Subsequently, the Company participated in spectrum auction conducted by DoT in March 2013 and won the “ Right to Use of Spectrum” in eight telecom circles of India namely Delhi, Gujarat, Karnataka, Kerala, Kolkata, Tamil Nadu, Uttar Pradesh (West) and West Bengal for a period of 20 years. On 3 October 2013 DoT issued Unified License - Access Services to the Company for the above eight telecom circles for 20 years. On 9 October 2013, DoT allotted the right to use spectrum in the said telecom circles for 20 years as per terms of auction.

On 3 September 2014, the Company received authorization under the Unified License (UL) to provide National Long Distance (NLD) services.

Shyam Internet Services Ltd (SISL), a 100 percent subsidiary company of SSTL, was awarded ISP Category B license by DoT on 18 December 2003.

7.1.2 Spectrum allotted to SSTL

SSTL is basically a CDMA (Code Division Multiple Access) operator. The LSA wise spectrum allotted to SSTL as on 31 March 2015 is given below.

Table – 7.1
LSA-wise spectrum allotted

LSA	CDMA Spectrum allotted (in MHz)	MW Access Spectrum	MW Backbone Spectrum
		(in MHz) ²	
Delhi	3.75	112	Nil
Gujarat	3.75	56	Nil
Karnataka	3.75	112	Nil
Kerala	3.75	112	Nil
Kolkata	3.75	56	Nil
Rajasthan	3.75	56	Nil
Tamil Nadu	3.75	112	Nil
UP (West)	3.75	112	Nil
West Bengal	3.75	112	Nil

Note: (1) The company had 4.4 MHz GSM Spectrum in Rajasthan LSA.

(2) From 2008-09 to 2011-12 the company had 2.5 MHz CDMA spectrum in 21LSAs (except Rajasthan) which was cancelled by the Supreme Court of India in February 2012

² One carrier = 56 MHz

7.1.3 Gross Revenue, Deduction, Adjusted Gross Revenue reported and revenue share paid by SSTL

Telecom Service Providers are required to pay LF and SUC at a percentage of AGR on quarterly basis on self-assessment basis. GR, Deductions, AGR reported and revenue shared (LF and SUC) by SSTL during these years are as follows:

Table –7.2

(₹in crore)

Year	Subscriber Base* (In lakh)	GR	Deductions	AGR	Percentage of AGR to GR	Revenue share
						(LF+SUC)
2006-07	2.74	151.50	45.60	105.90	70	9.82
2007-08	2.67	128.11	48.09	80.01	62	7.45
2008-09	7.29	95.19	45.26	49.93	52	5.25
2009-10	38.50	237.03	84.60	152.43	64	15.94
2010-11	138.44	691.06	244.81	446.25	65	53.43
2011-12	207.00	1,390.02	366.99	1,023.04	74	124.79
2012-13	171.00	1,561.97	386.64	1,175.33	75	139.00
2013-14	90.90	1,192.21	326.53	865.68	73	96.79
2014-15	89.20	1,389.90	292.48	1,097.42	79	122.77
Total		6,836.99	1,841	4,995.99		575.24

Source: 1. Statements of Revenue and License Fee of SSTL.

2. TRAI Annual Reports 2007-08 to 2014-15.

Licenses in 21 circles were cancelled by Hon'ble Supreme Court in February 2012. SSTL filed curative petition before the Hon'ble Supreme Court and discontinued telecom services in 13 circles on 11 March 13.

7.2 Under reporting of revenue by SSTL

As mentioned in para 1.2 (a), the GR shall be inclusive of all types of revenue stated therein without any set-off for related item of expense etc. and as brought out in Para 1.3, service revenue shall be shown gross and details of discount/rebate indicated separately.

Audit examination of records/Books of accounts (Vouchers, General Ledger (GL), Trial Balance (TB), Profit and Loss Accounts (P&L account), Balance Sheets, etc.) of SSTL revealed that the Company had not adhered to the provisions of the License Agreement as brought out in the succeeding paras:

7.2.1 Under reporting of revenue due to netting off of revenue pertaining to Commission/discounts/waivers/Free Air Time

Scrutiny of TBs for the years 2006-07 to 2014-15 relating to SSTL revealed that certain revenue account heads such as Primary Revenue Waiver - Rev A, Primary Rev Waiver-Wireless - E-charge, Prepaid Revenue -FAT (free air time) wireless, Smartphone Free Air Time-PrP, Primary Rev Waiver - Wireless - Paper recharge, Revenue-Free Data (Rev-B) – Prepaid, Revenue-Free Data –Post Prepaid, Discount – Wireline, etc. had debit balances. These debit balances amounting to ₹ 306.24 crore for the years from 2008-09 to 2014-15 were set off adjusted service revenue. Set off of debit balances against revenue resulted in revenue getting netted-off in the books of accounts.

The consolidated amount of debit balances in the revenue heads and its impact on LF and SUC are given below:

Table – 7.3

(₹ in crore)

Revenue Account Heads	Debit balances in revenue heads	LF Impact	SUC Impact	Annexure Reference
Discount/Waivers to Dealers ³ (Waiver-Wireless-paper recharge, Waiver-Wireless-E-charge, Discounts to dealers, etc.)	172.41	14.75	4.30	7.01
Free Airtime ⁴ (Prepaid Revenue -FAT (Free Air Time) wireless, Smartphone Free Air Time-PrP etc.,)	133.01	11.15	3.32	7.02
Free data usage charges ⁵ (Revenue-Free data, Revenue-Data processing fee, Smartphone data usage charges etc.,)	0.82	0.08	0.02	7.03
Total	306.24	25.98	7.64	

Management stated (September 2016) that -

- The GLs were reclassified into two major categories for the purpose of brevity and proper explanations i.e. Extra talk time given to subscribers in line with tariff plans filed with TRAI amounting to ₹ 133.83 crore (covering Free airtime & Free data usage charges) and Discount to distributors amounting to ₹ 172.40 crore (covering waivers/discounts/distributor commission).
- The GLs as highlighted by audit were having debit balances only on account of accounting treatment of extra talk value given to subscribers as per the TRAI filings

³ For the years 2006-07 to 2007-08 SAP was not available and netting off of discount was not noticed by Audit in the TB provided.

⁴ For the years 2006-07 to 2007-08 SAP was not available and netting off of discount was not noticed by Audit in the TB provided.

⁵ For the years 2006-07 to 2008-09 SAP was not available and netting off of Free Data Usage Charge was not noticed by Audit.

only. In certain prepaid tariff scheme, if extra airtime was provided to subscribers on making recharge through specified recharge vouchers denominations, the tariff amounts which were actually paid by the subscribers were ultimately booked as revenue. The company had recognised the full value of Gross receipt from subscriber as revenue and accordingly the amount of LF payable was correctly declared in AGR filed to DoT. The amount of notional revenue sought to be included in AGR was not as per the license agreement.

- Regarding Discount to distributors, SSSL enters into separate agreement with the distributors on principal to principal basis (P2P) and hence, the trade margin on bulk purchase on recharge vouchers paid to the distributors should not be added back for the purpose of computing LF.

Contention of the Management was not acceptable. Audit view on the treatment of netting off of revenue pertaining to Commission/discounts/waivers/Free Air Time for revenue share has been explained under Para 2.2.1 (A & B) of this Report.

Thus, netting off of discount to distributors and FAT amounting to ₹ 306.24 crore resulted in short payment of LF and SUC by ₹ 25.98 and ₹ 7.64 crore respectively.

7.2.2 Under reporting of revenue from Forex gain for GR/AGR

In terms of license agreement, the 'Gross Revenue shall be inclusive of installation charges, late fees and any other miscellaneous revenue, without any set-off for related item of expense, etc.'. Hence, realised Forex gain should be considered for the purpose of revenue share without any set off of related item of expense.

Audit observed that the Company had a complex system of accounting Forex gain/loss. It had ten GL codes and on enquiry it was found that the segregated realised Forex gain was not directly available in the GL. Further, audit noticed that most of the exchange rate fluctuation gain/loss was on account of foreign loans taken by the Company.

In this regard the Management has also stated that:

- Nomenclature i.e., Exchange rate fluctuation-Gain, Unrealized- Exchange rate fluctuation-Gain etc., given in the GL account codes cannot be considered for any audit observation, as these were never confirmed by company.
- The accounting system "SAP" had multiple restriction and limitation and due to this various entries were not accounted as per their nomenclature.

Forex gain/losses result from individual transactions and hence, individual transactions cannot be clubbed. Also, forex gain/loss can undergo changes depending on the mechanism of individual contracts therefore losses cannot be netted off for the purpose of revenue share.

Hence, for quantification of realised forex gain, audit has considered the above constraints and based on the GL codes that impacted the P&L A/c, worked out the realised forex gain of

by picking up all the credits without any set off of forex losses during the years 2009-10 to 2014-15 and by deleting all credit entries relating to reclassification/rectification/re-valuation/duplications. After taking into account the documents, calculations and the reply submitted by the Management the amount of realised forex gains works out to ₹ 6.41 crore.

As mentioned at para 2.2.5 of this report, 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 (September 2016) that

- The Accounting Standard 9 of Revenue Recognition specifically excludes the foreign exchange gain from the definition of revenue.
- The gain/loss on account of exchange difference are notional in nature and such reduction of liabilities/loans cannot be treated as revenue from operations. The realised forex gain is towards overall business risk and company would assume in foreign currency transactions.
- TDSAT (April 2015) had ruled that Forex gains are not to be included in the AGR.

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

- AS-9 only states that realised or unrealised gains resulting from changes in foreign exchange rates and adjustments arising on the translation of foreign currency financial statements were not included within the definition of “revenue” for the purpose of this Standard (AS-9). Treatment of forex gain/loss is covered under AS-11.
- 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.
- Audit noted that DoT had gone on appeal against the TDSAT judgment of April 2015. While the matter is sub-judice at the Hon’ble Supreme Court, Audit is of the view that forex gains should be a part of GR computed for payment of revenue share since it fall within the broad definition of GR given in the License agreement.

Thus, non-reporting of forex gain for the purposes of revenue share in accordance with the License Conditions resulted in its understatement to the extent of ₹ 6.41 crore for the years 2009-10 to 2014-15 leading to short payment of LF & SUC amounting to ₹ 0.55 crore and ₹ 0.15 crore respectively (**Annexure-7.04**).

7.3 Under reporting of revenue in the Statements of Revenue and LF (AGR Statements) though reported in the books of accounts.

7.3.1 Non consideration of other income in the AGR

As per the terms of the license agreement, all revenue incomes have to be included in GR for the purpose of license fee. However, scrutiny of P&L Account, TBs and the AGR statements for the years 2006-07 to 2014-15 relating to SSSL revealed that certain revenue account heads such as interest income, miscellaneous income and dividend income were excluded from the GR for the purpose of LF and SUC.

Consequently, GR in the Statement of Revenue and License Fee submitted to DoT for the years 2006-07 to 2014-15 was short to the extent of ₹ 383.14 crore. The details are given below.

Table – 7.4

(₹ in crore)

Revenue Heads	Amount not considered for AGR
Interest Income	380.55
Miscellaneous Income	2.54
Dividend Income	0.05
Total	383.14

SSSL Management stated that -

- The company was having license for providing telecom services and it generates revenue by way of provision/delivery of services. The revenue not related to provisioning of services does not require license to operate and were not in the ordinary course of activity of the company.
- With respect to financial years 2006-07 to 2011-12, license fee on non-license activity (Treasury income, Other Income, profit on sale of assets etc.) was not payable by SSSL since accrual of these income of the company was mainly on account of treasury activities.
- The TDSAT passed judgement on 30 August 2007 stating that the interest earned on investment was to be excluded from the GR/AGR for the purpose of LF. The issue was settled with a decision of non-applicability of LF/SUC on treasury income. The TDSAT judgment was in force till the Judgment dated 11 October 2011 of the Supreme Court of India.
- After the Supreme Court judgment, SSSL has made payment of LF & SUC under protest on treasury income, etc. from financial year 2012-13 till date to avoid interest and penalty and currently the matter is sub-judice before the Supreme Court of India.

Audit view on the management reply is as follows:

- Licence agreement clearly prescribes the inclusion of interest, dividend and any other miscellaneous revenue in GR/AGR.
- TDSAT judgment 30 August 2007 has become null and void after Hon'ble Supreme Court judgment dated 11 October 2011.
- Audit has considered the payment of LF & SUC by SSTL during the years 2012-13 to 2014-15 on Interest income, Miscellaneous income, Dividend income, etc. amounting to ₹ 135.09 crore and has worked out the LF and SUC impact on the balance amount of ₹ 248.05 crore (₹ 383.14 - ₹ 135.09 = ₹ 248.05).

Thus, non-consideration of other income to the extent of ₹ 248.05 crore for the purposes of revenue share during the period from 2006-07 to 2011-12 resulted in under reporting of GR/AGR to that extent leading to short payment of LF and SUC by ₹ 21.79 crore and ₹ 5.59 crore respectively (**Annexures – 7.05, 7.06 and 7.07**).

7.3.2 Non consideration of certain revenue for calculation of SUC

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 Wireline Subscribers” and item 7,8,9 and 11 has been prescribed to reflect the revenue from “sharing/leasing of Infrastructure, 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 Charges based on revenue share, revenue from Wireline Subscribers shall not be taken into account”.

Audit scrutiny revealed that in respect of SSTL (Rajasthan LSA⁶) the following revenues other than ‘Revenue from Wireline Subscribers’ for the years 2006-07 to 2014-15 amounting to ₹ 40.22 crore (**Annexure 7.08**) were not considered for computation of Spectrum Usage Charges (SUC), in the respective years as given below which was in contravention of the provisions of the License agreements. This resulted in understatement of AGR to the extent of ₹ 40.22 crore and consequent under payment of SUC.

Management stated (September 2016) that Clause 18.3 of UASL agreement mandates that revenue only from wireless subscribers shall be taken into account for calculating SUC. Hence, revenue from lease line, revenue from sharing of infrastructure, IUC and treasury income was not to be considered for calculation of SUC.

The reply is not acceptable as in terms of clause 18.3 of UASL agreement, revenue from wireline subscribers (item 1A of the Statement) only needs to be excluded for spectrum

⁶ This observation was not noticed in other LSAs as wireline services were not provided in those LSAs by SSTL.

charges. Since revenue from sharing/leasing of Infrastructure, sale/lease of bandwidth, links, R&G cases, turn key projects, etc. was in item 7, 8, 9 and 11 of the statement, above revenue should be considered for computation of Spectrum charges also.

Thus, non-inclusion of revenue from lease line, revenue from sharing of infrastructure and treasury income resulted in understatement of GR/AGR to the extent of ₹ 40.22 crore and consequent short payment of SUC amounting to ₹ 0.91 crore.

7.4 Interest on short/non-payment of LF and SUC

On issues raised above (from paras 7.2 to 7.3) short/non-payment of LF and SUC worked out to ₹ 48.32 crore and ₹ 14.29 crore respectively. The interest on this short/non-payment of LF and SUC is ₹ 54.10 crore (**Annexure-7.09**). 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 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.

7.5 Non-compliance to license agreement regarding norms for preparation of Annual Financial Statements by SSTL

The Unified access Service License and the Unified License agreement, Annexure-III (Between DoT & SSTL) provides norms for preparation of Annual Financial Statement by the Service Provider for the purpose of Revenue Share.

Some of the salient requirements under the norms are as below:

- Service revenue (amount billable) shall be shown gross and details of discount/rebate indicated separately.
- Item-wise details of income that has been set off against corresponding expenditure.
- Security or any other Deposits taken from the subscribers shall be shown separately, for each category and the amount that has fallen due for refund but yet to be paid also disclosed under two categories, namely: (1) up to 45 days (2) more than 45 days.
- Details of reversal of previous years' debits, if any shall be shown component wise, under miscellaneous head (e.g. Bad debts recovered etc.)

The Management was requested to provide the records as required to be maintained under the license agreement. In reply, the Management stated that they have mapped the requisite information to their GLs/financials and has not given any separate information as required to be maintained as per the norms of the License agreement.

Report No. 11 of 2017

These Financial Statements/Books of Accounts (General Ledger, Trial Balance, Profit and Loss Accounts, Balance sheet) are prepared as per the Companies Act and the Indian Accounting Standards but do not directly provide the information as required to be maintained under the norms for preparation of Annual Financial Statement as per the License Agreement.

Instances of understatement of revenue as brought out in the report would confirm that the revenue recognised for payment of licence fee were not in line with the licence 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 revenue was to be shown as gross 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.
- In paragraph 2 it was mentioned that revenue was netted off by reclassification entries. This was due to non-compliance to the prescribed norms of providing figures of gross revenue without netting off.

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.

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 2006-07 to 2014-15, the Company netted off its revenue and DoT could not detect the same.

Further, Audit observed that during the years 2006-07 to 2014-15 the GR of SSTL was ₹ 6,837 crore, the deductions claimed was ₹ 1,841 crore and the average deduction percentage works out to 27 percent of the GR. Although the average deductions claimed by SSTL over a period of nine years from 2006-07 to 2014-15 was within 30 per cent of the GR still the verification of deductions claimed by the Company was done quarterly, LSA wise by the concerned Controllers of Communications Accounts (CsCA). However, correctness of majority of the revenue i.e. 70 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 SSTL 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.

Also, the verification, assessment and issue of demand letters for LF and SUC relating to SSTL have been completed by DoT only up to the year 2012-13 and 2011-12 respectively. Delays in assessment and issue of demand letters will further delay the recovery of dues from the Service Provider.

On this being pointed out by audit, it was stated by the Management:

- The Auditors conclusion that SSTL is not maintaining the financial statements in terms of the License Agreement is factually incorrect. It is stated that SSTL maintains the financial statements in terms of the License Agreement.
- The observations of the auditor is derived from the financial books of accounts maintained by the company and it has failed to appreciate the fact that the reason for such observation is purely on account of prolonged litigation on interpretation of component of gross revenue which is still pending adjudication before the Supreme Court.

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


- The Management reply is not tenable as the Company has maintained the books of accounts in compliance to the AS and the Companies act. The requirement of Annexure III is different such as netting off from revenue is not permitted except the permissible three deductions and hence, the company has not complied with the terms of the License Agreement.
- Audit had to therefore, examine in detail all the books of accounts to determine the AGR and in the process found under reporting of revenue and excess claim of deductions as pointed out in the earlier paras. Had the Company complied and maintained the books of accounts as per the License Agreement the entire revenue of the Company along with deductions from the same for the purposes of GR/AGR would have been readily available.

7.6 Response of DoT/SSTL to the audit observations

Audit observations on the revenue share payable by M/s SSTL were communicated to DoT and SSTL during September 2016 for their further comments. DoT has furnished (February 2017) a consolidated reply for all the TSPs as mentioned in para 2.4. SSTL had reiterated once again (September 2016) their submission made in reply to audit observations issued during the course of premise audit along with General Comments and Specific Comments on Audit observations.

Audit has considered all the submissions made by SSTL and has addressed the same in the respective paras.


New Delhi
Dated : 22 March 2017



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

Countersigned

New Delhi
Dated : 24 March 2017



(Shashi Kant Sharma)
Comptroller and Auditor General of India

ANNEXURES

Annexure-2.01 [Para 2.2.1 A]
Impact on payment of LF & SUC due to non consideration of revenue from margin/commission

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	5,695.35	569.54	287.62	7,206.38	720.64	472.02	10,489.29	970.26	687.05	12,078.39	966.27	791.13	13,112.76	1,049.02	832.33
Assam	1,260.68	75.64	49.80	1,643.91	98.63	89.59	2,725.54	183.97	148.54	3,407.58	272.61	185.71	3,825.68	306.05	208.50
Bihar	5,058.72	303.52	255.47	5,684.23	341.05	372.32	6,805.94	459.40	445.79	10,676.31	854.10	699.30	12,043.54	963.48	788.85
Delhi	3,302.49	330.25	160.17	4,445.04	444.50	282.26	6,396.09	591.64	406.15	7,054.79	564.38	447.98	9,121.59	729.73	521.98
Gujarat	2,981.78	298.18	116.29	3,135.53	313.55	145.80	4,424.09	409.23	205.72	4,748.22	379.86	220.79	4,610.22	368.82	214.38
Haryana	1,097.26	87.78	40.60	1,430.39	114.43	63.65	1,676.98	134.16	74.63	1,900.10	152.01	84.55	1,675.21	134.02	74.55
H.P.	1,041.43	62.49	38.53	1,282.89	76.97	57.09	1,500.31	101.27	66.76	1,832.58	146.61	81.55	1,949.01	155.92	91.99
J&K	1,567.86	94.07	58.01	1,713.21	102.79	76.24	2,076.53	140.17	92.41	2,371.39	189.71	105.53	2,624.06	209.92	119.59
Karnataka	8,855.61	885.56	456.06	10,698.44	1,069.84	711.45	12,049.09	1,114.54	801.26	14,151.73	1,132.14	941.09	15,357.75	1,228.62	990.19
Kerala	2,090.22	167.22	79.43	2,187.52	175.00	99.53	3,939.97	315.20	179.27	4,743.95	379.52	215.85	5,059.82	404.79	243.12
Kolkata	1,544.94	154.49	71.07	1,875.45	187.54	100.34	2,249.43	208.07	120.34	2,513.70	201.10	134.48	2,444.74	195.58	130.79
M.P.	3,493.22	279.46	174.66	3,964.31	317.14	227.95	5,094.92	407.59	292.96	6,142.56	491.40	353.20	6,270.71	501.66	302.72
Maharashtra	3,712.99	371.30	141.09	4,430.72	443.07	201.60	6,157.27	569.55	280.16	7,124.38	569.95	324.16	6,780.10	542.41	389.86
Mumbai	1,964.00	196.40	97.22	2,536.24	253.62	163.59	3,957.44	366.06	255.25	5,739.52	459.16	370.20	5,768.48	461.48	358.22
Orissa	1,887.17	113.23	88.70	2,312.52	138.75	126.03	3,615.67	244.06	197.05	4,338.43	347.07	236.44	4,846.37	387.71	264.13
Punjab	3,114.49	249.16	146.38	4,114.47	329.16	224.24	5,435.14	434.81	296.22	6,047.52	483.80	329.59	6,399.13	511.93	348.75
Tamil Nadu	8,839.85	883.98	472.93	9,875.74	987.57	676.49	10,182.03	941.84	697.47	12,274.63	981.97	840.81	13,362.89	1,069.03	895.98
UPE	2,839.62	227.17	136.30	3,739.13	299.13	207.52	6,411.52	512.92	355.84	7,924.79	633.98	439.83	8,560.42	684.83	475.10
UPW	2,225.35	178.03	84.56	2,714.46	217.16	123.51	3,451.71	276.14	157.05	4,385.99	350.88	199.56	5,214.94	417.20	237.28
West Bengal	2,204.88	176.39	81.58	2,544.81	203.58	113.24	4,249.64	339.97	189.11	5,467.13	437.37	243.29	5,762.02	460.96	265.92
Total BAL	64,777.92	5,703.86	3,036.47	77,535.37	6,834.17	4,534.45	102,888.58	8,720.85	5,949.03	124,923.69	9,993.89	7,245.05	134,789.41	10,783.15	7,754.24
NE	989.86	59.39	35.64	1,341.05	80.46	58.34	2,350.77	158.68	102.26	2,936.46	234.92	127.74	3,182.54	254.60	145.44
Rajasthan	6,202.10	496.17	297.70	7,379.26	590.34	409.55	8,433.79	674.70	468.08	9,667.31	773.38	536.54	10,525.17	842.01	584.15
Total BHL	7,191.96	555.56	333.34	8,720.31	670.80	467.88	10,784.56	833.38	570.33	12,603.77	1,008.30	664.27	13,707.71	1,096.62	729.59
G Total	71,969.88	6,259.42	3,369.80	86,255.68	7,504.97	5,002.33	113,673.14	9,554.23	6,519.36	137,527.46	11,002.20	7,909.32	148,497.12	11,879.77	8,483.83

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
BAL	5,049.15	420.36	285.19
BHL	530.08	41.65	27.66
Total UASL	5,579.23	462.01	312.85

Annexure-2.02 [Para 2.2.1 B]
Impact on payment of LF & SUC due to non consideration of revenue from FAT,FTT, Promo, etc.

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	1,255.77	125.58	63.42	3,085.59	308.56	202.11	6,587.40	609.33	431.47	6,740.62	539.25	441.51	7,219.04	577.52	458.23
Assam	409.85	24.59	16.19	574.55	34.47	31.31	781.99	52.78	42.62	925.48	74.04	50.44	1,454.13	116.33	79.25
Bihar	1,424.92	85.50	71.96	1,623.67	97.42	106.35	5,551.55	374.73	363.63	5,047.21	403.78	330.59	2,962.10	236.97	194.02
Delhi	809.73	80.97	39.27	1,386.10	138.61	88.02	1,971.63	182.38	125.20	2,380.11	190.41	151.14	3,956.09	316.49	226.39
Gujarat	949.26	94.93	37.02	965.83	96.58	44.91	2,762.47	255.53	128.45	3,060.73	244.86	142.32	2,189.83	175.19	101.83
Haryana	518.42	41.47	19.18	853.33	68.27	37.97	1,481.60	118.53	65.93	953.89	76.31	42.45	749.52	59.96	33.35
H.P.	199.71	11.98	7.39	181.07	10.86	8.06	817.80	55.20	36.39	720.16	57.61	32.05	651.64	52.13	30.76
J&K	281.09	16.87	10.40	341.59	20.50	15.20	741.15	50.03	32.98	1,216.65	97.33	54.14	425.95	34.08	19.41
Karnataka	2,131.90	213.19	109.79	2,595.69	259.57	172.61	4,242.21	392.40	282.11	6,415.50	513.24	426.63	6,017.33	481.39	387.97
Kerala	41.29	3.30	1.57	(837.82)	(67.03)	(38.12)	1,450.81	116.06	66.01	1,648.66	131.89	75.01	1,536.33	122.91	73.82
Kolkata	459.59	45.96	21.14	433.46	43.35	23.19	605.08	55.97	32.37	1,429.76	114.38	76.49	1,320.91	105.67	70.67
M.P.	1,582.80	126.62	79.14	1,337.07	106.97	76.88	1,487.87	119.03	85.55	2,433.78	194.70	139.94	2,603.28	208.26	125.67
Maharashtra	2,217.22	221.72	84.25	1,192.78	119.28	54.27	2,871.02	265.57	130.63	4,776.66	382.13	217.34	4,682.54	374.60	269.25
Mumbai	1,080.36	108.04	53.48	967.35	96.73	62.39	2,143.70	198.29	138.27	2,360.20	188.82	152.23	2,374.89	189.99	147.48
Orissa	748.92	44.94	35.20	695.04	41.70	37.88	1,069.95	72.22	58.31	1,467.74	117.42	79.99	1,215.97	97.28	66.27
Punjab	586.55	46.92	27.57	813.18	65.05	44.32	2,412.35	192.99	131.47	2,777.53	222.20	151.38	3,065.90	245.27	167.09
Tamil Nadu	4,422.56	442.26	236.61	2,199.18	219.92	150.64	5,810.47	537.47	398.02	4,391.44	351.32	300.81	7,720.81	617.66	517.68
UPE	2,827.16	226.17	135.70	963.23	77.06	53.46	2,234.67	178.77	124.02	4,303.47	344.28	238.84	5,763.72	461.10	319.89
UPW	720.32	57.63	27.37	795.86	63.67	36.21	1,667.58	133.41	75.88	2,271.53	181.72	103.35	3,069.98	245.60	139.68
West Bengal	853.65	68.29	31.59	835.92	66.87	37.20	1,348.05	107.84	59.99	2,913.10	233.05	129.63	3,291.92	263.35	151.92
Total BAL	23,521.08	2,086.92	1,108.24	21,002.68	1,868.42	1,244.87	48,039.35	4,068.54	2,809.31	58,234.23	4,658.74	3,336.30	62,271.88	4,981.75	3,580.63
NE	344.34	20.66	12.40	204.63	12.28	8.90	717.63	48.44	31.22	981.47	78.52	42.69	1,043.54	83.48	47.69
Rajasthan	767.13	61.37	36.82	1,386.32	110.91	76.94	7,102.34	568.19	394.18	5,564.80	445.18	308.85	5,293.07	423.45	293.77
Total BHL	1,111.48	82.03	49.22	1,590.94	123.18	85.84	7,819.97	616.63	425.40	6,546.27	523.70	351.54	6,336.61	506.93	341.46
G Total	24,632.56	2,168.96	1,157.46	22,593.62	1,991.60	1,330.71	55,859.32	4,685.17	3,234.71	64,780.50	5,182.44	3,687.84	68,608.49	5,488.68	3,922.08

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
BAL	2,130.69	176.64	120.79
BHL	234.05	18.53	12.54
Total UASL	2,364.74	195.17	133.33

Annexure-2.03 [Para 2.2.2]
Impact on payment of LF & SUC due to netting off of waiver granted to postpaid subscribers

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A. P.	95.23	9.52	3.48	53.59	5.36	2.19	162.40	15.02	7.25	370.68	29.65	15.93	452.67	36.21	26.10
Assam	0.36	0.02	0.01	0.63	0.04	0.03	2.37	0.16	0.13	5.39	0.43	0.29	19.55	1.56	1.07
Bihar	0.44	0.03	0.02	0.97	0.06	0.06	4.37	0.30	0.29	27.87	2.23	1.83	53.75	4.30	3.52
Delhi	624.53	62.45	7.68	377.32	37.73	6.99	610.85	56.50	16.99	1,497.03	119.76	51.05	2,848.45	227.88	120.43
Gujarat	24.55	2.45	0.21	28.33	2.83	0.75	76.21	7.05	2.95	202.13	16.17	8.12	246.36	19.71	9.80
Haryana	29.51	2.36	0.05	18.59	1.49	0.18	22.32	1.79	0.56	44.01	3.52	1.30	123.89	9.91	4.79
H. P.	0.50	0.03	0.02	1.01	0.06	0.04	6.58	0.44	0.29	13.10	1.05	0.58	25.94	2.08	1.22
J&K	0.43	0.03	0.02	3.17	0.19	0.14	36.17	2.44	1.61	28.32	2.27	1.26	65.60	5.25	2.99
Karnataka	218.60	21.86	5.50	229.14	22.91	9.01	279.30	25.84	7.20	713.71	57.10	27.21	1,191.45	95.32	58.17
Kerala	32.84	2.63	0.18	22.69	1.81	0.24	45.61	3.65	1.44	92.20	7.38	3.41	134.72	10.78	5.56
Kolkata	57.22	5.72	0.68	34.55	3.45	1.03	210.17	19.44	8.82	531.74	42.54	23.02	448.44	35.88	20.87
M. P.	253.45	20.28	0.33	136.56	10.92	0.17	157.92	12.63	0.80	259.68	20.77	5.11	222.94	17.84	4.76
Maharashtra	25.36	2.54	0.36	28.70	2.87	0.93	123.36	11.41	3.98	367.65	29.41	14.87	457.59	36.61	23.44
Mumbai	64.38	6.44	0.43	58.24	5.82	1.64	321.02	29.69	13.34	837.45	67.00	48.82	1,130.96	90.48	65.24
Orissa	1.89	0.11	0.09	1.77	0.11	0.10	6.83	0.46	0.37	27.11	2.17	1.48	40.98	3.28	2.23
Punjab	98.57	7.89	0.50	76.88	6.15	1.95	92.92	7.43	3.53	157.15	12.57	6.33	342.17	27.37	16.87
Tamil Nadu	91.12	9.11	0.41	139.34	13.93	0.98	439.27	40.63	13.17	988.74	79.10	41.53	1,176.91	94.15	56.68
UPE	43.64	3.49	0.11	32.21	2.58	0.23	47.78	3.82	1.17	37.84	3.03	1.21	86.03	6.88	3.85
UPW	23.55	1.88	0.20	18.95	1.52	0.43	32.78	2.62	1.15	32.55	2.60	1.06	72.48	5.80	3.01
West Bengal	2.09	0.17	0.08	0.62	0.05	0.03	6.73	0.54	0.30	28.39	2.27	1.26	46.17	3.69	2.13
UASL BAL	1,688.27	159.01	20.35	1,263.27	119.90	27.13	2,684.95	241.87	85.34	6,262.73	501.02	255.66	9,187.03	734.96	432.72
ISP BAL	-	-	-	-	-	-	1,233.11	83.24	-	897.15	71.77	-	657.52	52.60	-
Total BAL	1,688.27	159.01	20.35	1,263.27	119.90	27.13	3,918.06	325.11	85.34	7,159.88	572.79	255.66	9,844.55	787.56	432.72
NE	0.09	0.01	0.00	0.23	0.01	0.01	0.90	0.06	0.04	2.28	0.18	0.10	6.90	0.55	0.32
Rajasthan	56.68	4.53	0.25	30.00	2.40	0.33	56.46	4.52	1.91	132.41	10.59	6.09	173.96	13.92	8.41
Total BHL	56.77	4.54	0.25	30.24	2.41	0.34	57.36	4.58	1.95	134.69	10.78	6.19	180.86	14.47	8.73
G Total	1,745.04	163.55	20.60	1,293.51	122.31	27.48	3,975.42	329.69	87.29	7,294.57	583.57	261.85	10,025.41	802.03	441.45

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL BAL	210.86	17.57	8.21
ISP BAL	27.88	2.07	-
TOTAL BAL	238.74	19.64	8.21
TOTAL BHL	4.60	0.37	0.18
GRAND TOTAL	243.34	20.01	8.39

Annexure-2.04 [Para 2.2.3]

Impact on payment of LF & SUC due to non consideration of revenue from IOT discount

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	223.43	22.34	11.28	620.79	62.08	40.66	663.24	61.35	43.44	822.16	65.77	53.85	548.79	43.90	34.83
Bihar	0.86	0.05	0.04	29.19	1.75	1.91	34.14	2.30	2.24	46.93	3.75	3.07	(5.76)	-	-
Delhi	1,219.70	121.97	59.16	1,999.16	199.92	126.95	3,731.52	345.17	236.95	2,813.34	225.07	178.65	1,659.59	132.77	94.97
Gujarat	160.82	16.08	6.27	183.71	18.37	8.54	361.44	33.43	16.81	334.85	26.79	15.57	180.28	14.42	8.38
Haryana	42.50	3.40	1.57	52.81	4.22	2.35	45.64	3.65	2.03	44.14	3.53	1.96	32.93	2.63	1.47
H.P.	32.42	1.95	1.20	60.51	3.63	2.69	73.45	4.96	3.27	142.53	11.40	6.34	60.98	4.88	2.88
Karnataka	33.96	3.40	1.75	235.44	23.54	15.66	209.30	19.36	13.92	594.63	47.57	39.54	725.97	58.08	46.81
Kerala	560.90	44.87	21.31	1,531.28	122.50	69.67	1,811.83	144.95	82.44	1,695.07	135.61	77.13	1,316.41	105.31	63.25
Kolkata	78.03	7.80	3.59	83.29	8.33	4.46	137.08	12.68	7.33	187.95	15.04	10.06	138.51	11.08	7.41
M.P.	45.83	3.67	2.29	76.81	6.14	4.42	83.36	6.67	4.79	94.32	7.55	5.42	58.98	4.72	2.85
Maharashtra	364.61	36.46	13.86	551.61	55.16	25.10	809.63	74.89	36.84	1,028.31	82.27	46.79	579.66	46.37	33.33
Mumbai	508.12	50.81	25.15	1,240.15	124.02	79.99	1,760.26	162.82	113.54	2,475.03	198.00	159.64	2,114.27	169.14	131.30
Orissa	0.37	0.02	0.02	32.17	1.93	1.75	22.41	1.51	1.22	30.73	2.46	1.67	(5.22)	-	-
Punjab	99.72	7.98	4.69	128.05	10.24	6.98	157.76	12.62	8.60	349.76	27.98	19.06	165.43	13.23	9.02
Tamil Nadu	430.29	43.03	23.02	802.84	80.28	54.99	1,704.30	157.65	116.74	1,137.18	90.97	77.90	1,004.81	80.38	67.37
UPE	0.59	0.05	0.03	36.83	2.95	2.04	58.10	4.65	3.22	41.54	3.32	2.31	(9.59)	-	-
UPW	69.59	5.57	2.64	219.68	17.57	10.00	247.34	19.79	11.25	334.15	26.73	15.20	182.93	14.63	8.32
West Bengal	0.35	0.03	0.01	15.59	1.25	0.69	34.62	2.77	1.54	47.13	3.77	2.10	(8.48)	-	-
Total BAL	3,872.11	369.48	177.89	7,899.91	743.89	458.86	11,945.43	1,071.22	706.18	12,219.74	977.58	716.26	8,740.47	701.56	512.19
Rajasthan	207.41	16.59	9.96	425.28	34.02	23.60	559.81	44.78	31.07	595.38	47.63	33.04	311.48	24.92	17.29
Total BHL	207.41	16.59	9.96	425.28	34.02	23.60	559.81	44.78	31.07	595.38	47.63	33.04	311.48	24.92	17.29
G Total	4,079.52	386.07	187.84	8,325.19	777.92	482.46	12,505.23	1,116.00	737.25	12,815.12	1,025.21	749.31	9,051.96	726.48	529.47

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
BAL	446.78	38.64	25.71
BHL	20.99	1.68	1.15
Total UASL	467.77	40.32	26.86

Annexure-2.05 [Para 2.2.4]

Impact on payment of LF & SUC due to non consideration of revenue from Infrastructure sharing from other telecom operators

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Delhi	84.66	8.47	4.11	80.88	8.09	5.14	11.21	1.04	0.71	53.01	4.24	3.37	69.00	5.52	3.95
Gujarat	-	-	-	-	-	-	0.03	0.00	0.00	-	-	-	-	-	-
Kolkata	155.47	15.55	7.15	59.58	5.96	3.19	0.62	0.06	0.03	35.72	2.86	1.91	34.60	2.77	1.85
M.P.	-	-	-	-	-	-	-	-	-	-	-	-	1.76	0.14	0.08
Mumbai	47.37	4.74	2.34	-	-	-	66.07	6.11	4.26	203.23	16.26	13.11	165.03	13.20	10.25
Total	287.51	28.75	13.60	140.45	14.05	8.32	77.93	7.21	5.01	291.96	23.36	18.39	270.38	21.63	16.13
NE	113.20	6.79	4.08	191.07	11.46	8.31	10.32	0.70	0.45	99.58	7.97	4.33	216.99	17.36	9.92
Rajasthan	5,192.41	415.39	249.24	5,951.78	476.14	330.32	3,090.71	247.26	171.53	4,444.21	355.54	246.65	4,265.07	341.21	236.71
Total	5,305.61	422.18	253.31	6,142.85	487.61	338.64	3,101.03	247.95	171.98	4,543.79	363.50	250.99	4,482.06	358.56	246.63
G Total	5,593.12	450.94	266.91	6,283.30	501.65	346.96	3,178.96	255.16	176.99	4,835.75	386.86	269.37	4,752.44	380.20	262.76

(₹ in crore)

Services/ Company	Total amount of GR/AGR	LF Impact	SUC Impact
BAL	10.68	0.95	0.61
BHL	235.76	18.80	12.62
Total UASL	246.44	19.75	13.23

Annexure-2.06 [Para 2.2.5]

Impact on payment of LF & SUC due to non consideration of revenue from FOREX gains

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	Total Amount of GR/AGR	LF Impact	SUC Impact	Total Amount of GR/AGR	LF Impact	SUC Impact	Total Amount of GR/AGR	LF Impact	SUC Impact	Total Amount of GR/AGR	LF Impact	SUC Impact	Total Amount of GR/AGR	LF Impact	SUC Impact
A.P.	866.81	86.68	43.77	1,233.61	123.36	80.80	610.47	56.47	39.99	868.10	69.45	56.86	485.07	38.81	30.79
Assam	148.41	8.90	5.86	218.34	13.10	11.90	112.61	7.60	6.14	173.05	13.84	9.43	100.88	8.07	5.50
Bihar	584.16	35.05	29.50	838.84	50.33	54.94	433.69	29.27	28.41	679.53	54.36	44.51	383.50	30.68	25.12
Delhi	809.18	80.92	39.25	1,183.13	118.31	75.13	601.56	55.64	38.20	852.76	68.22	54.15	473.61	37.89	27.10
Gujarat	299.11	29.91	11.67	394.48	39.45	18.34	208.13	19.25	9.68	292.61	23.41	13.61	148.13	11.85	6.89
Haryana	98.66	7.89	3.65	144.66	11.57	6.44	77.21	6.18	3.44	106.91	8.55	4.76	55.84	4.47	2.49
H.P.	81.62	4.90	3.02	114.77	6.89	5.11	58.95	3.98	2.62	89.35	7.15	3.98	51.32	4.11	2.42
J&K	115.42	6.93	4.27	165.77	9.95	7.38	86.80	5.86	3.86	131.94	10.55	5.87	72.51	5.80	3.30
Karnataka	934.12	93.41	48.11	1,271.90	127.19	84.58	664.52	61.47	44.19	965.48	77.24	64.20	560.77	44.86	36.16
Kerala	213.10	17.05	8.10	279.10	22.33	12.70	145.98	11.68	6.64	207.48	16.60	9.44	109.60	8.77	5.27
Kolkata	185.12	18.51	8.52	267.78	26.78	14.33	137.29	12.70	7.35	209.73	16.78	11.22	105.55	8.44	5.65
M.P.	343.93	27.51	17.20	465.41	37.23	26.76	225.05	18.00	12.94	329.92	26.39	18.97	177.46	14.20	8.57
Maharashtra	414.81	41.48	15.76	618.58	61.86	28.15	327.13	30.26	14.88	492.53	39.40	22.41	249.93	19.99	14.37
Mumbai	358.24	35.82	17.73	507.64	50.76	32.74	264.62	24.48	17.07	402.45	32.20	25.96	230.80	18.46	14.33
Orissa	207.37	12.44	9.75	297.17	17.83	16.20	157.04	10.60	8.56	235.87	18.87	12.86	129.16	10.33	7.04
Punjab	386.03	30.88	18.14	546.02	43.68	29.76	268.94	21.52	14.66	379.23	30.34	20.67	203.42	16.27	11.09
Tamil Nadu	762.15	76.21	40.77	1,087.08	108.71	74.47	562.67	52.05	38.54	771.92	61.75	52.88	424.24	33.94	28.45
UPE	460.60	36.85	22.11	679.17	54.33	37.69	356.16	28.49	19.77	528.30	42.26	29.32	284.59	22.77	15.79
UPW	209.20	16.74	7.95	296.43	23.71	13.49	168.65	13.49	7.67	250.79	20.06	11.41	140.85	11.27	6.41
West Bengal	234.18	18.73	8.66	333.25	26.66	14.83	177.16	14.17	7.88	295.70	23.66	13.16	161.70	12.94	7.46
UASL BAL	7,712.22	686.83	363.79	10,943.13	974.04	645.72	5,644.62	483.16	332.48	8,263.66	661.09	485.66	4,548.94	363.91	264.19
NLD	1,661.34	99.68	-	2,379.69	142.78	-	1,237.47	83.53	-	1,762.64	141.01	-	870.10	69.61	-
ILD	514.72	30.88	-	820.93	49.26	-	432.96	29.22	-	746.64	59.73	-	366.89	29.35	-
ISP	374.68	22.48	-	675.85	40.55	-	386.46	26.09	-	429.88	34.39	-	244.77	19.58	-
VSAT	11.24	0.67	-	72.44	4.35	-	150.15	10.14	-	18.80	1.50	-	5.80	0.46	-
TOTAL BAL	10,274.20	840.55	363.79	14,892.04	1,210.97	645.72	7,851.66	632.14	332.48	11,221.62	897.73	485.66	6,036.49	482.92	264.19
NE	74.96	4.50	2.70	112.04	6.72	4.87	37.36	2.52	1.63	222.23	17.78	9.67	7.87	0.63	0.36
Rajasthan	407.98	32.64	19.58	567.60	45.41	31.50	165.10	13.21	9.16	925.20	74.02	51.35	34.75	2.78	1.93
Total BHL	482.94	37.14	22.28	679.64	52.13	36.38	202.46	15.73	10.79	1,147.42	91.79	61.02	42.62	3.41	2.29
GRAND TOTAL	10,757.14	877.68	386.07	15,571.67	1,263.10	682.10	8,054.12	647.87	343.27	12,369.04	989.52	546.67	6,079.11	486.33	266.47

(₹ in Crore)

Services/Company	Total	LF	SUC
UASL BAL	371.13	31.69	20.92
NLD	79.11	5.37	-
ILD	28.82	1.98	-
ISP	21.12	1.43	-
VSAT	2.58	0.17	-
TOTAL BAL	502.76	40.64	20.92
BHL	25.55	2.01	1.33
GRAND TOTAL	528.31	42.65	22.25

Annexure-2.07 [Para 2.2.6]
Impact on payment of LF & SUC due to non consideration of revenue from Interest income

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	86.10	8.61	4.35	28.51	2.85	1.87	151.60	14.02	9.93	133.18	10.65	8.72	675.60	54.05	42.88
Assam	14.68	0.88	0.58	5.03	0.30	0.27	27.96	1.89	1.52	26.55	2.12	1.45	140.51	11.24	7.66
Bihar	57.77	3.47	2.92	19.31	1.16	1.26	107.70	7.27	7.05	104.25	8.34	6.83	534.13	42.73	34.99
Delhi	90.17	9.02	3.95	41.60	4.16	1.75	158.70	14.68	9.49	137.51	11.00	8.31	669.45	53.56	37.75
Gujarat	29.81	2.98	1.16	9.10	0.91	0.42	51.68	4.78	2.40	44.89	3.59	2.09	206.32	16.51	9.59
Haryana	9.76	0.78	0.36	3.33	0.27	0.15	19.17	1.53	0.85	16.40	1.31	0.73	77.78	6.22	3.46
H.P.	8.07	0.48	0.30	2.64	0.16	0.12	14.64	0.99	0.65	13.71	1.10	0.61	71.47	5.72	3.37
J&K	12.32	0.74	0.46	4.54	0.27	0.20	22.28	1.50	0.99	20.96	1.68	0.93	102.86	8.23	4.69
Karnataka	92.38	9.24	4.76	29.28	2.93	1.95	165.02	15.26	10.97	148.12	11.85	9.85	804.37	64.35	51.86
Kerala	21.07	1.69	0.80	6.43	0.51	0.29	36.25	2.90	1.65	31.83	2.55	1.45	152.65	12.21	7.34
Kolkata	24.45	2.44	1.12	12.48	1.25	0.67	40.00	3.70	2.14	33.36	2.67	1.78	162.66	13.01	8.70
M.P.	82.22	6.58	1.77	39.19	3.13	0.74	61.05	4.88	3.51	52.05	4.16	2.98	247.32	19.79	11.93
Maharashtra	41.02	4.10	1.56	14.24	1.42	0.65	81.24	7.51	3.70	75.56	6.04	3.44	348.10	27.85	20.02
Mumbai	35.43	3.54	1.75	11.69	1.17	0.75	65.71	6.08	4.24	61.74	4.94	3.98	321.45	25.72	19.96
Orissa	20.53	1.23	0.96	6.87	0.41	0.37	39.00	2.63	2.13	36.19	2.89	1.97	179.88	14.39	9.80
Punjab	38.35	3.07	1.80	12.82	1.03	0.70	66.79	5.34	3.64	58.18	4.65	3.17	283.46	22.68	15.45
Tamil Nadu	75.38	7.54	4.03	25.03	2.50	1.71	142.53	13.18	9.76	119.69	9.58	8.20	595.21	47.62	39.91
UPE	46.41	3.71	2.20	16.10	1.29	0.87	88.56	7.09	4.91	81.65	6.53	4.50	397.12	31.77	22.00
UPW	20.69	1.66	0.79	6.82	0.55	0.31	41.88	3.35	1.91	38.48	3.08	1.75	196.18	15.69	8.93
West Bengal	23.24	1.86	0.86	7.88	0.63	0.35	44.12	3.53	1.96	45.47	3.64	2.02	225.33	18.03	10.40
UASL BAL	829.85	73.62	36.48	302.89	26.90	15.42	1,425.89	122.13	83.41	1,279.75	102.38	74.76	6,391.83	511.35	370.68
NLD	165.91	9.95	-	55.33	3.32	-	309.34	20.88	-	268.62	21.49	-	1,402.62	112.21	-
ILD	84.32	5.06	-	52.40	3.14	-	118.99	8.03	-	114.54	9.16	-	510.99	40.88	-
ISP-BAL	39.74	2.38	-	15.57	0.93	-	72.27	4.88	-	67.12	5.37	-	343.77	27.50	-
VSAT	1.11	0.07	-	0.36	0.02	-	2.34	0.16	-	1.78	0.14	-	8.07	0.65	-
TOTAL	1,120.93	91.08	36.48	426.55	34.32	15.42	1,928.83	156.08	83.41	1,731.82	138.55	74.76	8,657.28	692.58	370.68
NE	-	-	-	-	-	-	473.33	31.95	20.59	49.92	3.99	2.17	59.45	4.76	2.72
Rajasthan	70.32	5.63	3.38	1,106.67	88.53	61.42	2,166.82	173.35	120.26	376.58	30.13	20.90	760.67	60.85	42.22
TOTAL	70.32	5.63	3.38	1,106.67	88.53	61.42	2,640.16	205.30	140.85	426.51	34.12	23.07	820.13	65.61	44.93
G TOTAL	1,191.25	96.71	39.86	1,533.22	122.85	76.84	4,568.99	361.38	224.25	2,158.33	172.67	97.84	9,477.40	758.19	415.62

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL BAL	102.30	8.37	5.81
NLD	22.02	1.68	-
ILD	8.81	0.66	-
ISP	5.38	0.41	-
VSAT	0.14	0.01	-
TOTAL BAL	138.65	11.13	5.81
BHL	50.64	3.99	2.73
G TOTAL	189.29	15.12	8.54

Annexure-2.08 [Para 2.2.6]

Impact on payment of LF & SUC due to non consideration of revenue from Interest from related parties

(₹ in lakh)

Services/ LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	370.09	37.01	18.69	1,357.89	135.79	88.94	891.96	82.51	58.42	201.44	16.11	13.19	424.91	33.99	26.97
Assam	63.36	3.80	2.50	240.34	14.42	13.10	164.53	11.11	8.97	40.16	3.21	2.19	88.37	7.07	4.82
Bihar	249.41	14.96	12.60	923.35	55.40	60.48	633.67	42.77	41.51	157.68	12.61	10.33	335.93	26.87	22.00
Delhi	345.48	34.55	16.76	1,302.33	130.23	82.70	878.95	81.30	55.81	197.88	15.83	12.57	414.87	33.19	23.74
Gujarat	127.71	12.77	4.98	434.22	43.42	20.19	304.09	28.13	14.14	67.90	5.43	3.16	129.76	10.38	6.03
Haryana	42.12	3.37	1.56	159.24	12.74	7.09	112.81	9.02	5.02	24.81	1.98	1.10	48.92	3.91	2.18
H.P.	34.85	2.09	1.29	126.33	7.58	5.62	86.13	5.81	3.83	20.73	1.66	0.92	44.95	3.60	2.12
J&K	49.28	2.96	1.82	182.47	10.95	8.12	126.82	8.56	5.64	30.62	2.45	1.36	63.51	5.08	2.89
Karnataka	398.83	39.88	20.54	1,400.04	140.00	93.10	970.93	89.81	64.57	224.03	17.92	14.90	491.22	39.30	31.67
Kerala	90.98	7.28	3.46	307.22	24.58	13.98	213.29	17.06	9.70	48.14	3.85	2.19	96.01	7.68	4.61
Kolkata	79.04	7.90	3.64	294.76	29.48	15.77	200.60	18.56	10.73	48.67	3.89	2.60	92.46	7.40	4.95
M.P.	146.85	11.75	7.34	512.30	40.98	29.46	328.82	26.31	18.91	76.56	6.12	4.40	155.45	12.44	7.50
Maharashtra	177.11	17.71	6.73	680.91	68.09	30.98	477.97	44.21	21.75	114.29	9.14	5.20	218.93	17.51	12.59
Mumbai	152.95	15.30	7.57	558.78	55.88	36.04	386.63	35.76	24.94	93.39	7.47	6.02	202.17	16.17	12.55
Orissa	88.54	5.31	4.16	327.11	19.63	17.83	229.45	15.49	12.50	54.73	4.38	2.98	113.14	9.05	6.17
Punjab	164.82	13.19	7.75	601.03	48.08	32.76	392.95	31.44	21.42	88.00	7.04	4.80	178.19	14.25	9.71
Tamil Nadu	325.40	32.54	17.41	1,196.61	119.66	81.97	822.12	76.05	56.31	179.12	14.33	12.27	371.62	29.73	24.92
UPE	196.66	15.73	9.44	747.60	59.81	41.49	520.39	41.63	28.88	122.59	9.81	6.80	249.29	19.94	13.84
UPW	89.32	7.15	3.39	326.30	26.10	14.85	246.41	19.71	11.21	58.20	4.66	2.65	123.38	9.87	5.61
West Bengal	99.98	8.00	3.70	366.82	29.35	16.32	258.85	20.71	11.52	68.61	5.49	3.05	141.64	11.33	6.54
UASL BAL	3,292.79	293.25	155.32	12,045.64	1,072.17	710.78	8,247.36	705.95	485.79	1,917.52	153.40	112.69	3,984.74	318.78	231.42
NLD	709.32	42.56	-	2,594.50	155.67	-	1,808.07	122.04	-	403.69	32.30	-	762.18	60.97	-
ILD	219.76	13.19	-	760.80	45.65	-	632.59	42.70	-	173.25	13.86	-	321.38	25.71	-
ISP	159.92	9.60	-	620.14	37.21	-	408.58	27.58	-	99.75	7.98	-	214.41	17.15	-
VSAT	4.80	0.29	-	17.27	1.04	-	13.77	0.93	-	2.69	0.21	-	5.08	0.41	-
TOTAL BAL	4,386.60	358.88	155.32	16,038.35	1,311.73	710.78	11,110.36	899.20	485.79	2,596.90	207.75	112.69	5,287.79	423.02	231.42

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL BAL	294.88	25.43	16.96
NLD	62.78	4.14	-
ILD	21.07	1.41	-
ISP	15.03	1.00	-
VSAT	0.44	0.03	-
TOTAL BAL	394.20	32.01	16.96

(₹ in crore)

Issue	Total amount of GR/AGR	LF Impact	SUC Impact
Interest income (Annex-2.07)	189.29	15.12	8.54
Interest income from related parties (Annex-2.08)	394.20	32.01	16.96
Total Interest income	583.49	47.13	25.50

**Annexure-2.09 [Para 2.2.7]
Impact on payment of LF due to non consideration of revenue from BILGO**

(₹ in lakh)

Year	Total Service revenue	Total Access Charges	Excess revenue over access charge (Margin)	LF Impact
2010-11	46,488.75	44,199.88	2,288.87	137.33
2011-12	67,933.02	64,584.27	3,348.75	200.93
2012-13	84,105.68	79,957.20	4,148.48	280.02
2013-14	108,954.99	103,590.05	5,364.94	429.20
2014-15	89,004.19	84,631.84	4,372.35	349.79
Total	396,486.63	376,963.24	19,523.39	1,397.26

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact
BAL	195.23	13.97

Annexure-2.10 [Para 2.2.8]
Impact on payment of LF & SUC due to non consideration of revenue from Dividend income

(₹ in lakh)

Services/ LSA	2011-12			2012-13			2013-14			2014-15		
	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
A.P.	222.42	22.24	14.57	3,291.72	304.48	215.61	3,558.59	284.69	233.09	11,009.08	880.73	698.80
Assam	39.37	2.36	2.15	607.19	40.99	33.09	709.39	56.75	38.66	2,289.62	183.17	124.78
Bihar	151.24	9.07	9.91	2,338.50	157.85	153.17	2,785.59	222.85	182.46	8,703.75	696.30	570.10
Delhi	213.31	21.33	13.55	3,243.69	300.04	205.97	3,495.68	279.65	221.98	10,748.91	859.91	615.11
Gujarat	71.12	7.11	3.31	1,122.24	103.81	52.18	1,199.51	95.96	55.78	3,361.97	268.96	156.33
Haryana	26.08	2.09	1.16	416.31	33.30	18.53	438.24	35.06	19.50	1,267.40	101.39	56.40
H.P.	20.69	1.24	0.92	317.87	21.46	14.15	366.25	29.30	16.30	1,164.64	93.17	54.97
J&K	29.89	1.79	1.33	468.02	31.59	20.83	540.85	43.27	24.07	1,645.59	131.65	75.00
Karnataka	229.32	22.93	15.25	3,583.14	331.44	238.28	3,957.78	316.62	263.19	12,727.12	1,018.17	820.58
Kerala	50.32	4.03	2.29	787.14	62.97	35.81	850.50	68.04	38.70	2,487.55	199.00	119.53
Kolkata	48.28	4.83	2.58	740.29	68.48	39.61	859.73	68.78	46.00	2,395.61	191.65	128.17
M.P.	83.91	6.71	4.82	1,213.47	97.08	69.77	1,352.45	108.20	77.77	4,027.54	322.20	194.43
Maharashtra	111.53	11.15	5.07	1,763.92	163.16	80.26	2,019.01	161.52	91.87	5,672.38	453.79	326.16
Mumbai	91.53	9.15	5.90	1,426.84	131.98	92.03	1,649.76	131.98	106.41	5,238.11	419.05	325.29
Orissa	53.58	3.21	2.92	846.76	57.16	46.15	966.91	77.35	52.70	2,931.26	234.50	159.75
Punjab	98.45	7.88	5.37	1,450.14	116.01	79.03	1,554.59	124.37	84.72	4,616.67	369.33	251.61
Tamil Nadu	196.00	19.60	13.43	3,033.96	280.64	207.83	3,164.31	253.14	216.75	9,628.41	770.27	645.58
UPE	122.45	9.80	6.80	1,920.45	153.64	106.58	2,165.65	173.25	120.19	6,458.89	516.71	358.47
UPW	53.45	4.28	2.43	909.38	72.75	41.38	1,028.08	82.25	46.78	3,196.74	255.74	145.45
West Bengal	60.08	4.81	2.67	955.28	76.42	42.51	1,212.14	96.97	53.94	3,669.79	293.58	169.36
UASL BAL	1,973.01	175.62	116.42	30,436.30	2,605.25	1,792.77	33,875.00	2,710.00	1,990.84	103,241.01	8,259.28	5,995.87
NLD	424.97	25.50	-	6,672.54	450.40	-	7,131.67	570.53	-	19,747.44	1,579.79	-
ILD	124.62	7.48	-	2,334.53	157.58	-	3,060.66	244.85	-	8,326.80	666.14	-
ISP	101.58	6.09	-	1,507.82	101.78	-	1,762.20	140.98	-	5,555.20	444.42	-
VSAT	2.83	0.17	-	50.80	3.43	-	47.47	3.80	-	131.55	10.52	-
TOTAL BAL	2,627.00	214.86	116.42	41,002.00	3,318.43	1,792.77	45,877.00	3,670.16	1,990.84	137,002.00	10,960.16	5,995.87
NE	7.01	0.42	0.30	-	-	-	-	-	-	-	-	-
Rajasthan	35.51	2.84	1.97	-	-	-	-	-	-	-	-	-
Total BHL	42.52	3.26	2.28	-	-	-	-	-	-	-	-	-
G TOTAL	2,669.52	218.12	118.70	41,002.00	3,318.43	1,792.77	45,877.00	3,670.16	1,990.84	137,002.00	10,960.16	5,995.87

Services/Company	Total amount of GR/AGR (Rs in Crore)	LF Impact (Rs in Crore)	SUC Impact (Rs in Crore)
UASL BAL	1,695.25	137.50	98.96
NLD	339.76	26.26	-
ILD	138.47	10.76	-
ISP	89.27	6.94	-
VSAT	2.33	0.18	-
TOTAL BAL	2,265.08	181.64	98.96
TOTAL BHL	0.43	0.03	0.02
G TOTAL	2,265.51	181.67	98.98

**Annexure-2.11 [Para 2.2.9]
Impact on payment of LF & SUC due to non consideration of revenue from Sale of investment**

(₹ in lakh)

Services/ LSA	LSA 2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	1,307.67	130.77	66.04	859.08	85.91	56.27	969.60	89.69	63.51	1,625.49	130.04	106.47	27,882.48	2,230.60	1,769.84
Assam	223.89	13.43	8.84	152.05	9.12	8.29	178.85	12.07	9.75	324.04	25.92	17.66	5,798.87	463.91	316.04
Bihar	881.27	52.88	44.50	584.16	35.05	38.26	688.82	46.50	45.12	1,272.40	101.79	83.34	22,043.80	1,763.50	1,443.87
Delhi	1,220.73	122.07	59.21	823.93	82.39	52.32	955.45	88.38	60.67	1,596.76	127.74	101.39	27,223.55	2,177.88	1,557.87
Gujarat	451.24	45.12	17.60	274.71	27.47	12.77	330.56	30.58	15.37	547.91	43.83	25.48	8,514.80	681.18	395.94
Haryana	148.84	11.91	5.51	100.74	8.06	4.48	122.63	9.81	5.46	200.18	16.01	8.91	3,209.91	256.79	142.84
H.P.	123.13	7.39	4.56	79.92	4.80	3.56	93.63	6.32	4.17	167.30	13.38	7.44	2,949.66	235.97	139.22
J&K	174.13	10.45	6.44	115.44	6.93	5.14	137.86	9.31	6.13	247.05	19.76	10.99	4,167.74	333.42	189.94
Karnataka	1,409.23	140.92	72.58	885.75	88.57	58.90	1,055.44	97.63	70.19	1,807.84	144.63	120.22	32,233.72	2,578.70	2,078.27
Kerala	321.48	25.72	12.22	194.36	15.55	8.84	231.86	18.55	10.55	388.49	31.08	17.68	6,300.18	504.01	302.72
Kolkata	279.28	27.93	12.85	186.48	18.65	9.98	218.06	20.17	11.67	392.71	31.42	21.01	6,067.31	485.39	324.60
M.P.	518.86	41.51	25.94	324.11	25.93	18.64	357.44	28.59	20.55	617.77	49.42	35.52	10,200.46	816.04	492.43
Maharashtra	625.79	62.58	23.78	430.78	43.08	19.60	519.57	48.06	23.64	922.25	73.78	41.96	14,366.32	1,149.31	826.06
Mumbai	540.45	54.04	26.75	353.52	35.35	22.80	420.28	38.88	27.11	753.58	60.29	48.61	13,266.46	1,061.32	823.85
Orissa	312.83	18.77	14.70	206.95	12.42	11.28	249.42	16.84	13.59	441.67	35.33	24.07	7,423.94	593.92	404.60
Punjab	582.36	46.59	27.37	380.25	30.42	20.72	427.15	34.17	23.28	710.11	56.81	38.70	11,692.55	935.40	637.24
Tamil Nadu	1,149.78	114.98	61.51	757.04	75.70	51.86	893.67	82.66	61.22	1,445.39	115.63	99.01	24,385.67	1,950.85	1,635.06
UPE	694.87	55.59	33.35	472.97	37.84	26.25	565.68	45.25	31.40	989.23	79.14	54.90	16,358.30	1,308.66	907.89
UPW	315.60	25.25	11.99	206.44	16.51	9.39	267.86	21.43	12.19	469.61	37.57	21.37	8,096.33	647.71	368.38
West Bengal	353.28	28.26	13.07	232.07	18.57	10.33	281.38	22.51	12.52	553.68	44.29	24.64	9,294.40	743.55	428.94
UASL BAL	11,634.71	1,036.15	548.81	7,620.76	678.32	449.68	8,965.20	767.39	528.07	15,473.45	1,237.88	909.38	261,476.47	20,918.12	15,185.61
NLD	2,506.31	150.38	-	1,641.43	98.49	-	1,965.44	132.67	-	3,257.61	260.61	-	50,013.94	4,001.12	-
ILD	776.51	46.59	-	481.33	28.88	-	687.65	46.42	-	1,398.05	111.84	-	21,089.12	1,687.13	-
ISP	565.08	33.90	-	392.33	23.54	-	444.14	29.98	-	804.94	64.40	-	14,069.55	1,125.56	-
VSAT	16.95	1.02	-	10.93	0.66	-	14.96	1.01	-	21.68	1.73	-	333.16	26.65	-
TOTAL	15,499.56	1,268.05	548.81	10,146.78	829.88	449.68	12,077.40	977.46	528.07	20,955.73	1,676.46	909.38	346,982.26	27,758.58	15,185.61
NE	63.53	3.81	2.29	649.21	38.95	28.24	1,646.70	111.15	71.63	1,128.26	90.26	49.08	6,780.16	542.41	309.85
Rajasthan	345.77	27.66	16.60	2,702.86	216.23	150.01	7,277.62	582.21	403.91	4,697.28	375.78	260.70	29,953.95	2,396.32	1,662.44
TOTAL	409.30	31.47	18.88	3,352.07	255.18	178.25	8,924.32	693.36	475.54	5,825.54	466.04	309.78	36,734.10	2,938.73	1,972.30
G TOTAL	15,908.86	1,299.52	567.70	13,498.84	1,085.06	627.93	21,001.72	1,670.83	1,003.61	26,781.27	2,142.50	1,219.16	383,716.36	30,697.31	17,157.91

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL BAL	3,051.71	246.38	176.22
NLD	593.85	46.43	-
ILD	244.33	19.21	-
ISP	162.76	12.77	-
VSAT	3.98	0.31	-
TOTAL BAL	4,056.62	325.10	176.22
BHL	552.45	43.85	29.54
G TOTAL	4,609.07	368.95	205.76

Annexure-2.12 [Para 2.2.10]

Impact on payment of LF & SUC due to non consideration of revenue from Miscellaneous income

(₹ in lakh)

Services/ LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	88.32	8.83	1.82	145.99	14.60	5.56	184.49	17.07	8.81	810.13	64.81	47.90	746.55	59.72	44.31
Assam	5.34	0.32	0.21	15.98	0.96	0.87	26.43	1.78	1.44	101.45	8.12	5.53	153.98	12.32	8.39
Bihar	56.11	3.37	2.83	53.17	3.19	3.48	43.24	2.92	2.83	477.63	38.21	31.28	551.90	44.15	36.15
Delhi	553.97	55.40	1.67	514.31	51.43	4.90	394.80	36.52	8.08	852.69	68.22	34.17	1,450.04	116.00	43.28
Gujarat	25.75	2.57	0.47	40.99	4.10	1.25	71.87	6.65	2.53	250.00	20.00	10.51	340.85	27.27	14.20
Haryana	28.45	2.28	0.14	65.62	5.25	0.48	36.64	2.93	1.14	109.76	8.78	4.88	96.49	7.72	4.29
H.P.	3.29	0.20	0.12	7.77	0.47	0.35	16.85	1.14	0.75	68.40	5.47	3.04	75.64	6.05	3.57
J&K	4.39	0.26	0.16	11.60	0.70	0.52	17.07	1.15	1.23	101.96	8.16	4.54	103.82	8.31	4.73
Karnataka	274.94	27.49	2.08	357.94	35.79	7.28	337.37	31.21	10.92	883.57	70.69	45.26	1,146.57	91.73	62.30
Kerala	115.90	9.27	0.49	20.22	1.62	0.92	32.20	2.58	1.39	173.55	13.88	7.90	172.75	13.82	8.22
Kolkata	54.73	5.47	0.31	61.62	6.16	0.91	116.58	10.78	6.24	228.03	18.24	12.11	211.81	16.94	10.52
M.P.	163.19	13.05	2.74	86.85	6.95	1.98	169.78	13.58	4.74	390.15	31.21	17.87	454.36	36.35	18.42
Maharashtra	47.24	4.72	0.68	90.84	9.08	3.47	94.04	8.70	2.81	298.69	23.89	12.68	360.76	28.86	19.84
Mumbai	364.00	36.40	7.48	125.27	12.53	2.10	258.05	23.87	10.01	574.61	45.97	29.10	774.67	61.97	42.06
Orissa	11.81	0.71	0.56	18.84	1.13	1.03	30.88	2.08	1.68	160.21	12.82	8.73	276.69	22.14	15.08
Punjab	35.09	2.81	0.81	40.63	3.25	2.21	124.07	9.93	5.43	347.65	27.81	16.85	401.83	32.15	19.66
Tamil Nadu	166.31	16.63	2.25	340.51	34.05	6.13	346.71	32.07	13.14	835.53	66.84	43.92	863.82	69.11	47.32
UPE	74.15	5.93	2.10	93.13	7.45	3.38	217.09	17.37	11.36	377.87	30.23	20.89	594.32	47.55	32.74
UPW	12.59	1.01	0.29	18.79	1.50	0.85	46.93	3.75	1.51	145.06	11.60	6.46	194.41	15.55	8.85
West Bengal	8.42	0.67	0.31	21.12	1.69	0.94	30.53	2.44	1.36	160.13	12.81	7.13	245.30	19.62	11.32
UASL BAL	2,094.00	197.41	27.50	2,131.20	201.90	48.62	2,595.62	228.52	97.39	7,347.05	587.76	370.75	9,216.55	737.32	455.24
NLD	59.90	3.59	-	149.40	8.96	-	241.01	16.27	-	979.84	78.39	-	1,487.83	119.03	-
ILD	2,196.38	131.78	-	1,258.27	75.50	-	873.74	58.98	-	1,480.96	118.48	-	3,519.96	281.60	-
ISP	23.06	1.38	-	35.78	2.15	-	164.99	11.14	-	245.78	19.66	-	1,223.06	97.84	-
VSAT	0.40	0.02	-	0.99	0.06	-	1.85	0.13	-	6.55	0.52	-	8.00	0.64	-
TOTAL	4,373.74	334.19	27.50	3,575.65	288.57	48.62	3,877.20	315.02	97.39	10,060.18	804.81	370.75	15,455.40	1,236.43	455.24
NE	-	-	-	0.89	0.05	0.04	6.85	0.46	0.30	1.62	0.13	0.07	15.71	1.26	0.72
Rajasthan	16.77	1.34	0.46	27.36	2.19	0.88	(19.38)	-	-	440.05	35.20	23.72	369.93	29.59	19.85
TOTAL	16.77	1.34	0.46	28.25	2.24	0.92	(12.53)	0.46	0.30	441.68	35.33	23.79	385.64	30.85	20.57
G TOTAL	4,390.52	335.53	27.97	3,603.90	290.81	49.54	3,864.67	315.49	97.69	10,501.86	840.15	394.54	15,841.03	1,267.28	475.81

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL BAL	233.84	19.53	10.00
NLD	29.18	2.26	-
ILD	93.29	6.66	-
ISP	16.93	1.32	-
VSAT	0.18	0.01	-
TOTAL BAL	373.42	29.78	10.00
BHL	8.60	0.70	0.46
G TOTAL	382.02	30.48	10.46

Annexure-2.13 [Para 2.2.11]

Impact on payment of LF & SUC due to non consideration of revenue from Profit on sale of fixed assets

(₹ in lakh)

Services/ LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	1.74	0.17	0.09	0.07	0.01	0.00	1.80	0.17	0.12	38.53	3.08	2.52	2.43	0.19	0.15
Assam	0.30	0.02	0.01	0.02	0.00	0.00	0.34	0.02	0.02	7.56	0.61	0.41	0.66	0.05	0.04
Bihar	1.18	0.07	0.06	2.98	0.18	0.20	1.38	0.09	0.09	29.85	2.39	1.95	1.83	0.15	0.12
Delhi	8.56	0.86	0.42	21.02	2.10	1.33	14.38	1.33	0.91	38.19	3.06	2.43	2.84	0.23	0.16
Gujarat	0.74	0.07	0.03	0.09	0.01	0.00	0.57	0.05	0.03	12.87	1.03	0.60	1.06	0.08	0.05
Haryana	0.20	0.02	0.01	0.01	0.00	0.00	0.21	0.02	0.01	4.67	0.37	0.21	0.25	0.02	0.01
H.P.	0.16	0.01	0.01	0.01	0.00	0.00	0.16	0.01	0.01	3.90	0.31	0.17	0.23	0.02	0.01
J&K	0.23	0.01	0.01	0.12	0.01	0.01	0.24	0.02	0.01	5.76	0.46	0.26	0.33	0.03	0.01
Karnataka	1.19	0.19	0.10	3.47	0.35	0.23	2.09	0.19	0.14	42.65	3.41	2.84	2.82	0.23	0.18
Kerala	0.43	0.03	0.02	0.18	0.01	0.01	0.40	0.03	0.02	9.17	0.73	0.42	0.58	0.05	0.03
Kolkata	98.54	9.85	4.53	2.70	0.27	0.14	0.38	0.03	0.02	9.16	0.73	0.49	0.48	0.04	0.03
M.P.	0.70	0.06	0.03	0.42	0.03	0.02	0.89	0.07	0.05	14.68	1.17	0.84	5.75	0.46	0.28
Maharashtra	0.83	0.08	0.03	0.07	0.01	0.00	0.97	0.09	0.04	1,148.23	91.86	52.24	1.13	0.09	0.06
Mumbai	0.93	0.09	0.05	0.11	0.01	0.01	0.73	0.07	0.05	2,138.10	171.05	137.91	1.48	0.12	0.09
Orissa	10.08	0.61	0.47	4.82	0.29	0.26	0.43	0.03	0.02	10.32	0.83	0.56	0.61	0.05	0.03
Punjab	0.78	0.06	0.04	0.03	0.00	0.00	0.74	0.06	0.04	16.56	1.32	0.90	1.10	0.09	0.06
Tamil Nadu	1.53	0.15	0.08	2.50	0.25	0.17	1.59	0.15	0.11	539.35	43.15	36.95	2.13	0.17	0.14
UPE	0.94	0.08	0.05	0.12	0.01	0.01	6.09	0.49	0.34	23.36	1.87	1.30	1.58	0.13	0.09
UPW	0.42	0.03	0.02	0.02	0.00	0.00	0.46	0.04	0.02	10.95	0.88	0.50	2.52	0.20	0.11
West	0.47	0.04	0.02	4.04	0.32	0.18	0.49	0.04	0.02	12.91	1.03	0.57	2.87	0.23	0.13
UASL BAL	129.97	12.51	6.06	42.81	3.87	2.59	34.33	3.00	2.07	4116.78	329.34	244.07	32.66	2.61	1.80
NLD	3.34	0.20	-	8.71	0.52	-	12.52	0.84	-	109.77	8.78	-	119.94	9.60	-
ILD	7.62	0.46	-	0.04	0.00	-	2.42	0.16	-	613.75	49.10	-	34.58	2.77	-
ISP	0.75	0.05	-	2.52	0.15	-	7.34	0.50	-	106.20	8.50	-	7.28	0.58	-
VSAT	0.02	0.00	-	0.00	0.00	-	0.03	0.00	-	0.51	0.04	-	2.02	0.16	-
TOTAL	141.70	13.21	6.06	54.08	4.54	2.59	56.64	4.50	2.07	4947.00	395.76	244.07	196.48	15.72	1.80
Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NE	-	-	-	0.00	0.00	0.00	0.01	0.00	0.00	-	-	-	0.00	0.00	0.00
Rajasthan	0.16	0.01	0.01	-	-	-	263.29	21.06	14.61	-	-	-	74.22	5.94	4.12
Total BHL	0.16	0.01	0.01	0.00	0.00	0.00	263.30	21.06	14.61	-	-	-	74.23	5.94	4.12
G TOTAL	141.87	13.23	6.06	54.08	4.54	2.59	319.94	25.57	16.68	4947.00	395.76	244.07	270.70	21.66	5.92

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL BAL	43.57	3.51	2.57
NLD	2.54	0.20	-
ILD	6.58	0.52	-
ISP	1.24	0.10	-
VSAT	0.03	0.00	-
TOTAL BAL	53.96	4.34	2.56
TOTAL BHL	3.38	0.27	0.19
GRAND TOTAL	57.34	4.61	2.75

Annexure-2.14 [Para 2.2.12]
Impact on payment of LF & SUC due to deduction of bad debts written off from GR

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
A.P.	516.42	51.64	26.08	8799.80	879.98	576.39	1917.57	177.37	125.60	1777.13	142.17	116.40	2064.79	165.18	131.06
Assam	40.78	2.45	1.61	0.00	0.00	0.00	206.09	13.91	11.23	115.77	9.26	6.31	6.77	0.54	0.37
Bihar	43.82	2.63	2.21	0.00	0.00	0.00	0.03	0.00	0.00	8.23	0.66	0.54	32.26	2.58	2.11
Delhi	13712.28	1371.23	665.05	1516.96	151.70	96.33	4193.25	387.88	266.27	3884.70	310.78	246.68	4008.67	320.69	229.40
Gujarat	721.57	72.16	28.14	324.84	32.48	15.11	840.05	77.70	39.06	618.47	49.48	28.76	807.92	64.63	37.57
Haryana	239.69	19.18	8.87	27.93	2.23	1.24	72.95	5.84	3.25	536.58	42.93	23.88	147.54	11.80	6.57
H.P.	385.47	23.13	14.26	44.85	2.69	2.00	97.19	6.56	4.33	145.01	11.60	6.45	62.69	5.02	2.96
J&K	502.76	30.17	18.60	73.02	4.38	3.25	29.08	1.96	1.29	0.63	0.05	0.03	0.35	0.03	0.02
Karnataka	61.84	6.18	3.18	11054.53	1105.45	735.13	4046.46	374.30	269.09	2264.53	181.16	150.59	3278.58	262.29	211.39
Kerala	465.46	37.24	17.69	17.38	1.39	0.79	109.17	8.73	4.97	58.87	4.71	2.68	130.28	10.42	6.26
Kolkata	3756.93	375.69	172.82	298.94	29.89	15.99	234.61	21.70	12.55	1346.16	107.69	72.02	1643.41	131.47	87.92
M.P.	788.85	63.11	39.44	534.19	42.73	30.72	629.21	50.34	36.18	824.96	66.00	47.44	549.44	43.96	26.52
Maharashtra	3505.54	350.55	133.21	1100.35	110.03	50.07	104.06	9.63	4.73	1807.01	144.56	82.22	983.85	78.71	56.57
Mumbai	760.22	76.02	37.63	233.01	23.30	15.03	284.41	26.31	18.34	4658.52	372.68	300.47	6231.35	498.51	386.97
Orissa	7.66	0.46	0.36	0.00	0.00	0.00	0.06	0.00	0.00	1.44	0.12	0.08	45.50	3.64	2.48
Punjab	345.18	27.61	16.22	8.00	0.64	0.44	9.39	0.75	0.51	353.13	28.25	19.25	112.97	9.04	6.16
Tamil Nadu	8662.17	866.22	463.43	668.27	66.83	45.78	2799.33	258.94	191.75	2085.38	166.83	142.85	2632.37	210.59	176.50
UPE	158.13	12.65	7.59	50.12	4.01	2.78	84.23	6.74	4.68	96.37	7.71	5.35	113.51	9.08	6.30
UPW	541.94	43.36	20.59	306.26	24.50	13.93	273.07	21.85	12.42	249.61	19.97	11.36	171.96	13.76	7.82
West Bengal	68.92	5.51	2.55	0.00	0.00	0.00	210.05	16.80	9.35	108.79	8.70	4.84	11.38	0.91	0.53
UASL BAL	35285.63	3437.18	1679.54	25058.45	2482.25	1604.96	16140.28	1467.31	1015.62	20941.29	1675.30	1268.18	23035.58	1842.85	1385.47
ISP	11.66	0.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2757.78	220.62	0.00	3260.50	260.84	0.00
VSAT	32.01	1.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	35329.29	3439.80	1679.54	25058.45	2482.25	1604.96	16140.28	1467.31	1015.62	23699.07	1895.93	1268.18	26296.08	2103.69	1385.47
NE	0.00	0.00	0.00	0.00	0.00	0.00	1.27	0.09	0.06	0.00	0.00	0.00	7.88	0.63	0.36
Rajasthan	92.84	7.43	4.46	430.92	34.47	23.92	3195.07	255.61	177.33	756.09	60.49	41.96	331.17	26.49	18.38
TOTAL BHL	92.84	7.43	4.46	430.92	34.47	23.92	3196.34	255.69	177.38	756.09	60.49	41.96	339.05	27.12	18.74
G TOTAL	35422.13	3447.23	1684.00	25489.37	2516.73	1628.87	19336.62	1723.00	1193.00	24455.16	1956.41	1310.15	26635.12	2130.81	1404.21

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
BAL	1265.23	113.89	69.54
BHL	48.15	3.85	2.66
Total UASL	1,313.38	117.74	72.20

Annexure-2.15 [Para 2.2.13]

Impact on payment of SUC due to non consideration of revenue from Sale/Lease of bandwidth and links

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR									
	2010-11		2011-12		2012-13		2013-14		2014-15	
	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact
A.P.	623.72	31.50	1565.93	102.57	1807.42	118.39	2096.15	137.30	3051.56	193.70
Assam	37.00	1.46	39.31	2.14	39.31	2.14	33.54	1.83	26.59	1.45
Bihar	190.03	9.60	197.08	12.91	193.04	12.64	243.01	15.92	282.73	18.52
Delhi	2183.71	105.91	6757.44	429.10	7792.14	494.80	8713.07	553.28	11243.42	643.40
Gujarat	463.79	18.09	786.93	36.59	800.56	37.23	929.45	43.22	1047.65	48.72
Haryana	122.42	4.53	258.08	11.48	274.33	12.21	311.15	13.85	328.92	14.64
H.P.	73.07	2.70	88.50	3.94	91.56	4.07	102.86	4.58	82.20	3.88
J&K	45.84	1.70	54.02	2.40	63.94	2.85	79.69	3.55	103.68	4.73
Karnataka	1561.15	80.40	4049.95	269.32	515.43	34.28	564.54	37.54	6794.09	438.05
Kerala	251.32	9.55	504.06	22.93	4698.93	213.80	5738.02	261.08	658.73	31.65
Kolkata	164.77	7.58	615.33	32.92	788.25	42.17	1187.43	63.53	958.55	51.28
M.P.	552.35	27.62	2062.91	118.62	2159.78	124.19	2296.43	132.04	2548.94	123.05
Maharashtra	862.86	32.79	1328.89	60.46	1601.66	72.88	2013.57	91.62	2066.22	118.81
Mumbai	1630.52	80.71	2915.60	188.06	3610.25	232.86	4244.71	273.78	6921.26	429.81
Orissa	81.58	3.83	102.96	5.61	102.03	5.56	127.05	6.92	129.64	7.07
Punjab	179.40	8.43	764.62	41.67	834.99	45.51	992.92	54.11	1019.87	55.58
Tamil Nadu	2019.91	108.07	4641.47	317.94	5178.56	354.73	5682.94	389.28	7777.59	521.49
UPE	223.67	10.74	506.57	28.11	574.47	31.88	827.08	45.90	1037.73	57.59
UPW	221.69	8.42	418.40	19.04	433.41	19.72	649.10	29.53	673.13	30.63
West Bengal	102.88	3.81	93.11	4.14	83.40	3.71	140.88	6.27	137.68	6.35
Total BAL	11591.69	557.43	27751.16	1709.97	31643.47	1865.61	36973.59	2165.13	46890.18	2800.39
NE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	348.64	16.73	479.84	26.63	529.93	29.41	757.39	42.04	776.35	43.09
Total BHL	348.64	16.73	479.84	26.63	529.93	29.41	757.39	42.04	776.35	43.09
G Total	11940.32	574.16	28231.00	1736.60	32173.40	1895.02	37730.98	2207.17	47666.53	2843.48

(₹ in crore)

Services/Company	Total amount of GR/AGR	SUC Impact
BAL	1,548.50	90.98
BHL	28.92	1.58
Total UASL	1,577.42	92.56

Annexure-2.16 [Para 2.2.14]

Impact on payment of LF & SUC due to non consideration of revenue from SATCOM (Erstwhile SBEL)

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR											
	2010-11			2011-12			2012-13			2014-15		
	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
VSAT	3,697.20	221.83	-	2,198.23	131.89	-	43.46	2.93	-	0.67	0.05	-

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
VSAT BAL	59.40	3.57	-

Annexure-2.17 [Para 2.2.15]

Impact on payment of LF due to non consideration of revenue from IP-1

(₹ in lakh)

Services/ LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
IP-1	5,284.57	317.07	-	5,828.39	349.70	-	7,476.70	504.68	-	10,422.69	833.82	-	11,301.43	904.11	-
TOTAL BAL	5,284.57	317.07	-	5,828.39	349.70	-	7,476.70	504.68	-	10,422.69	833.82	-	11,301.43	904.11	-

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IP-1	403.14	29.09	-
TOTAL BAL	403.14	29.09	-

**Annexure-2.18 [Para 2.2.16]
Statement showing interest on LF & SUC upto Mar 16**

(₹ in lakh)

Sl No.	Para No.	Annex	No. of Months(upto March 16)	60		48		36		24		12		TOTAL
			Rate@ (PLR+2)%	15		16.75		16.45		16.75		16.75		
			Issues	2010-11		2011-12		2012-13		2013-14		2014-15		
			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 A	2.01	Margin / Commission	6,930.31	3,730.98	7,093.73	4,728.23	6,043.60	4,123.88	4,342.63	3,121.85	2,149.96	1,535.37	43,800.55
2	2.2.1B	2.02	FAT / FTT / Promo	2,401.43	1,281.52	1,882.47	1,257.80	2,963.64	2,046.14	2,045.54	1,455.61	993.32	709.81	17,037.27
3	2.2.2	2.03	Waivers	181.08	22.81	115.61	25.97	208.55	55.22	230.34	103.35	145.15	79.89	1,167.96
4	2.2.3	2.04	IOT Discounts	427.45	207.98	735.29	456.02	705.94	466.35	404.66	295.76	131.48	95.82	3,926.74
5	2.2.4	2.05	Infrastructure sharing revenue	499.27	295.52	474.16	327.95	161.40	111.96	152.70	106.32	68.81	47.55	2,245.64
6	2.2.5	2.06	Forex	971.75	427.45	1,193.89	644.72	409.81	217.14	390.57	215.77	88.01	48.23	4607.35
7	2.2.6	2.07	Interest Income	107.07	44.13	116.12	72.63	228.59	141.85	68.15	38.62	137.22	75.22	1,029.60
8		2.08	Interest Income from subsidiaries/associates	152.05	-	189.92	-	177.13	-	169.41	-	63.30	-	751.81
9	2.2.7	2.09	BILGO Revenue	-	-	206.16	112.19	2,099.10	1,134.03	1,448.63	785.80	1,983.53	1,085.11	8,854.56
10	2.2.8	2.10	Dividend income	1,438.80	628.54	1,025.60	593.52	1,056.89	634.84	845.66	481.21	5,555.50	3,105.18	15,365.75
11	2.2.9	2.11	Sale of Investments	397.34	171.97	1,239.86	671.83	568.80	307.29	82.00	44.48	76.56	41.88	3,602.00
12	2.2.10	2.12	Misc. Income	371.50	30.96	274.87	46.82	199.56	61.80	331.61	155.73	229.35	86.11	1,788.31
13	2.2.11	2.13	Profit on sale of fixed assets	14.64	6.71	4.29	2.45	16.17	10.55	156.21	96.34	3.92	1.07	312.35
14	2.2.12	2.14	Deduction of Bad Debt written off	3,816.71	1,864.49	2,378.82	1,539.62	1,089.90	754.64	772.21	517.12	385.63	254.13	13,373.26
15	2.2.13	2.15	Sale/lease of Bandwidth	-	635.70	-	1,641.44	-	1,198.71	-	871.18	-	514.60	4,861.64
16	2.2.14	2.16	Satcom Broadband	245.61	-	124.67	-	1.86	-	-	-	0.01	-	372.14
17	2.2.15	2.17	IP-1 Revenue	351.06	-	330.54	-	319.24	-	329.11	-	163.62	-	1,493.57
			TOTAL	18,306.06	9,348.77	1,7386	12,120.59	16,250.18	11,264.39	11,769.42	8,289.14	12,175.36	7,679.99	1,24,590.50

Say ₹ 1,245.91 Crore

Annexure - 3.01(Para 3.2.1 A)

Impact on payment of LF & SUC due to netting off of revenue on account of Discount/ Margin paid to distributors/dealers

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	4,089.32	408.93	227.37	4,353.12	435.31	242.03	4,664.39	431.46	259.34	6,897.16	551.77	383.48	7,318.41	585.47	383.18
Maharashtra	4,093.26	409.33	204.66	6,835.23	683.52	341.76	9,861.77	912.21	493.09	9,139.29	731.14	456.96	9,126.25	730.10	456.31
TN	5,493.37	549.34	274.67	6,799.80	679.98	339.99	7,273.67	672.81	363.68	7,787.91	623.03	389.40	8,429.27	674.34	421.46
Kerala	3,339.33	267.15	166.97	4,305.82	344.47	215.29	5,885.64	470.85	294.28	6,791.53	543.32	339.58	7,536.11	602.89	376.81
UP (East)	1,733.67	138.69	104.02	2,841.59	227.33	170.50	5,547.13	443.77	332.83	7,562.22	604.98	453.73	8,220.49	657.64	483.16
Rajasthan	1,932.67	154.61	57.98	2,715.50	217.24	81.47	4,440.16	355.21	133.20	5,436.72	434.94	163.10	5,915.81	473.26	183.81
Haryana	3,830.24	306.42	229.81	2,737.36	218.99	164.24	3,165.62	253.25	189.94	3,519.90	281.59	211.19	3,767.28	301.38	222.29
Kolkata	2,208.16	220.82	122.55	2,084.49	208.45	115.69	2,533.87	234.38	140.63	2,535.39	202.83	140.71	3,006.28	240.50	156.30
Delhi	2,819.22	281.92	159.85	3,363.70	336.37	190.72	5,793.87	535.93	328.51	5,914.41	473.15	335.35	5,788.13	463.05	305.55
West Bengal	5,090.22	407.22	305.41	5,527.25	442.18	331.63	5,871.67	469.73	352.30	7,686.10	614.89	461.17	7,263.88	581.11	435.83
Andhra Pradesh	2,704.58	270.46	81.14	2,848.51	284.85	85.46	6,368.62	589.10	191.06	4,128.59	330.29	123.86	3,420.59	273.65	104.68
Karnataka	-	-	-	4,212.13	421.21	168.49	4,552.82	421.14	182.11	5,077.52	406.20	203.10	4,694.08	375.53	196.07
Chennai	1,499.93	149.99	75.00	1,771.98	177.20	88.60	1,770.17	163.74	88.51	1,846.79	147.74	92.34	1,926.36	154.11	96.32
Punjab	2,399.45	191.96	119.97	1,165.99	93.28	58.30	3,458.29	276.66	172.91	3,814.12	305.13	190.71	3,987.42	318.99	199.37
UP (West)	-	-	-	1,014.19	81.14	60.85	4,848.42	387.87	290.91	4,439.31	355.15	266.36	4,013.45	321.08	240.81
Orissa	878.70	52.72	43.93	1,348.84	80.93	67.44	1,678.48	113.30	83.92	1,934.88	154.79	96.74	2,104.33	168.35	105.22
Assam	834.44	50.07	41.72	1,486.39	89.18	74.32	1,869.22	126.17	93.46	2,320.44	185.63	116.02	2,621.34	209.71	131.07
Northeast	593.36	35.60	29.67	473.98	28.44	23.70	894.89	60.40	44.74	1,040.53	83.24	52.03	1,155.03	92.40	57.75
Bihar	1,753.41	105.20	70.14	870.57	52.23	34.82	3,232.56	218.20	129.30	3,699.55	295.96	147.98	3,848.19	307.86	153.93
Jammu & Kashmir	176.78	10.61	8.84	166.14	9.97	8.31	499.58	33.72	24.98	531.07	42.49	26.55	607.14	48.57	30.36
Madhya Pradesh	2,626.61	210.13	131.33	2,109.12	168.73	105.46	287.76	23.02	14.39	4,622.80	369.82	231.14	5,003.42	400.27	250.17
Himachal Pradesh	21.67	1.30	0.87	-	-	-	583.01	39.35	23.32	562.10	44.97	22.48	463.46	37.08	18.54
Gujarat	3,827.40	382.74	229.64	4,161.51	416.15	249.69	7,215.22	667.41	432.91	9,211.46	736.92	552.69	5,468.17	437.45	321.27
Total	51,945.78	4,605.20	2,685.54	63,193.21	5,697.15	3,218.75	92,296.84	7,899.71	4,660.34	106,499.80	8,519.98	5,456.68	105,684.88	8,454.79	5,330.25

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	4196.21	351.77	213.52

Annexure - 3.02 (Para 3.2.1 B)
Impact on payment of LF & SUC due to Non consideration of revenue from Bonus FAT/FOC

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	2577.39	257.74	143.30	876.34	87.63	48.72	5287.68	489.11	294.00	0.00	0.00	0.00	7241.71	579.34	379.16
Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.64	0.00	2.03	5892.46	471.40	294.62
TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	207.32	16.59	10.37	0.00	0.00	0.00	0.00	0.00	0.00	3242.00	259.36	162.10	0.00	0.00	0.00
UP (East)	0.00	0.00	0.00	191.95	15.36	11.52	0.00	0.00	0.00	0.00	0.00	0.00	3809.47	304.76	223.90
Rajasthan	76.98	6.16	2.31	0.00	0.00	0.00	277.52	22.20	8.33	1058.69	84.70	31.76	4214.83	337.19	130.96
Haryana	97.81	7.83	5.87	178.33	14.27	10.70	171.25	13.70	10.28	0.00	0.00	0.00	720.39	57.63	42.51
Kolkata	0.00	0.00	0.00	17.63	1.76	0.98	839.78	77.68	46.61	1124.17	89.93	62.39	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	0.00	0.00	0.00	8162.79	653.02	430.91
W.B.	210.26	16.82	12.62	210.75	16.86	12.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.P.	0.00	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chennai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	859.73	68.78	42.99	0.00	0.00	0.00
Punjab	1083.09	86.65	54.15	797.22	63.78	39.86	16.50	1.32	0.82	0.00	0.00	0.00	0.00	0.00	0.00
UP (West)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa	0.00	0.00	0.00	228.90	13.73	11.44	318.29	21.48	15.91	1923.02	153.84	96.15	2136.72	170.94	106.84
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	766.77	61.34	38.34
Northeast	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	474.38	37.95	23.72
Bihar	0.00	0.00	0.00	1360.33	81.62	54.41	0.00	0.00	0.00	51.69	4.14	2.07	3273.74	261.90	130.95
J & K	73.07	4.38	3.65	223.88	13.43	11.19	180.99	12.22	9.05	13.73	1.10	0.69	50.75	4.06	2.54
M.P.	11.22	0.90	0.56	7.49	0.60	0.37	6.66	0.53	0.33	775.36	62.03	38.77	0.00	0.00	0.00
H.P.	7.78	0.47	0.31	6.45	0.39	0.26	13.57	0.92	0.54	3.97	0.32	0.16	0.00	0.00	0.00
Gujarat	2821.77	282.18	169.31	4815.94	481.59	288.96	0.00	0.00	0.00	3792.31	303.38	227.54	0.00	0.00	0.00
Total	7166.68	679.70	402.45	8915.19	791.02	491.07	7112.24	639.16	385.87	12885.32	1027.57	666.64	36744.01	2939.52	1804.44

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	728.23	60.77	37.50

Annexure - 3.03 (Para 3.2.1 B)
Impact on payment of LF & SUC due to Non consideration of revenue from FTT/FPF

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00	387.34	35.83	21.54	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5376.37	430.11	268.82	1444.44	115.55	72.22
TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3200.02	256.00	160.00	0.00	0.00	0.00
Kerala	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP (East)	0.00	0.00	0.00	1688.47	135.08	101.31	2020.89	161.67	121.25	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	0.00	0.00	0.00	881.95	70.56	26.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Haryana	785.46	62.84	47.13	1298.86	103.91	77.93	1067.51	85.40	64.05	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	0.00	0.00	0.00	1124.17	89.93	62.39	0.00	0.00	0.00
Delhi	139.87	13.99	7.93	0.00	0.00	0.00	2.73	0.25	0.15	0.00	0.00	0.00	0.00	0.00	0.00
W.B.	539.28	43.14	32.36	0.00	0.00	0.00	1544.88	123.59	92.69	3161.03	252.88	189.66	889.53	71.16	53.37
A.P.	359.10	35.91	10.77	1518.30	151.83	45.55	1665.83	154.09	49.97	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	1660.91	166.09	66.44	325.48	32.55	13.02	380.53	35.20	15.22	486.91	38.95	19.48	0.00	0.00	0.00
Chennai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP (West)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa	722.18	43.33	36.11	0.00	0.00	0.00	0.00	0.00	0.00	139.97	11.20	7.00	0.00	0.00	0.00
Assam	219.13	13.15	10.96	381.29	22.88	19.06	2196.91	148.29	109.85	0.00	0.00	0.00	0.00	0.00	0.00
Northeast	0.00	0.00	0.00	103.12	6.19	5.16	0.00	0.00	0.00	1494.61	119.57	74.73	0.00	0.00	0.00
Bihar	2973.55	178.41	118.94	2868.21	172.09	114.73	1606.99	108.47	64.28	6095.53	487.64	243.82	0.00	0.00	0.00
J & K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55.76	4.46	2.79	0.00	0.00	0.00
M.P.	0.00	0.00	0.00	34.83	2.79	1.74	2641.85	211.35	132.09	2538.27	203.06	126.91	0.00	0.00	0.00
H.P.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	7399.47	556.86	330.63	9100.52	697.86	404.96	13515.47	1064.14	671.10	23672.66	1893.81	1155.60	2333.96	186.72	125.59

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	560.23	44.00	26.88

Annexure - 3.04(Para 3.2.1 B)
Impact on payment of LF & SUC due to Non consideration of revenue from Promotional Talk Time

(₹ in lakh)

Name of Company/ LSA	Financial Year											
	2010-11			2011-12			2012-13			2013-14		
	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
Vodafone Cellular Ltd./ Maharashtra	1353.46	135.35	67.67	2475.15	247.52	123.76	5001.20	462.61	250.06	3324.90	265.99	166.24
Vodafone SpaceTel Ltd / Himachal Pradesh	306.31	18.38	12.25	0.00	0.00	0.00	254.24	17.16	10.17	0.00	0.00	0.00
Total	1659.78	153.73	79.93	2475.15	247.52	123.76	5255.44	479.77	260.23	3324.90	265.99	166.24

(₹ in Crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	127.15	11.47	6.30

Annexure - 3.05 (Para 3.2.1 B)
Impact on payment of LF & SUC due to Non consideration of revenue from Bonus Talk Time

(₹ in lakh)

Name of Company/ LSA	Financial Year					
	2011-12			2012-13		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Vodafone South Ltd / Punjab	487.30	38.98	24.36	0.00	0.00	0.00
Vodafone SpaceTel Ltd / Madhya Pradesh	21.72	1.74	1.09	24.18	1.45	1.21
Vodafone West Ltd						
Total	509.02	40.72	25.45	24.18	1.45	1.21

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	5.33	0.42	0.27

Annexure - 3.06 (Para 3.2.2)
Impact on payment of LF & SUC due to netting off of revenue on account of IOT Roaming Discount

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	398.41	39.84	22.15	649.25	64.93	36.10	145.74	13.48	8.10	1083.08	86.65	60.22	1148.03	91.84	60.11
Maharashtra	212.85	21.29	10.64	776.53	77.65	38.83	193.57	17.91	9.68	3180.88	254.47	159.04	3357.77	268.62	167.89
TN	40.29	4.03	2.01	111.89	11.19	5.59	80.30	7.43	4.01	560.28	44.82	28.01	743.59	59.49	37.18
Kerala	0.00	0.00	0.00	102.89	8.23	5.14	0.00	0.00	0.00	388.63	31.09	19.43	511.11	40.89	25.56
UP (East)	8.83	0.71	0.53	26.05	2.08	1.56	109.78	8.78	6.59	228.63	18.29	13.72	318.64	25.49	18.73
Rajasthan	55.96	4.48	1.68	56.21	4.50	1.69	95.20	7.62	2.86	435.29	34.82	13.06	402.50	32.20	12.51
Haryana	13.62	1.09	0.82	20.83	1.67	1.25	18.23	1.46	1.09	69.61	5.57	4.18	83.49	6.68	4.93
Kolkata	27.27	2.73	1.51	57.52	5.75	3.19	19.26	1.78	1.07	194.73	15.58	10.81	304.17	24.33	15.81
Delhi	567.10	56.71	32.15	1146.09	114.61	64.98	310.83	28.75	17.62	1617.80	129.42	91.73	1250.47	100.04	66.01
W.B.	15.70	1.26	0.94	26.19	2.09	1.57	16.92	1.35	1.02	61.26	4.90	3.68	75.86	6.07	4.55
A.P.	156.35	15.63	4.69	435.09	43.51	13.05	42.86	3.96	1.29	182.90	14.63	5.49	211.35	16.91	6.47
Karnataka	214.76	21.48	8.59	233.48	23.35	9.34	68.97	6.38	2.76	288.86	23.11	11.55	386.65	30.93	16.15
Chennai	171.85	17.19	8.59	163.63	16.36	8.18	53.80	4.98	2.69	964.87	77.19	48.24	908.26	72.66	45.41
Punjab	25.80	2.06	1.29	105.46	8.44	5.27	34.70	2.78	1.74	121.05	9.68	6.05	130.06	10.40	6.50
UP (West)	286.17	22.89	17.17	75.14	6.01	4.51	56.25	4.50	3.37	167.46	13.40	10.05	213.98	17.12	12.84
Orissa	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.32	2.51	1.57	30.83	2.47	1.54
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.80	0.22	0.14	3.04	0.24	0.15
Northeast	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.61	0.05	0.03	0.84	0.07	0.04
Bihar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	79.49	6.36	3.18	132.55	10.60	5.30
J & K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.01	0.05	0.00	0.00
M.P.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.91	4.63	2.90	75.21	6.02	3.76
H. P.	0.00	0.00	0.00	0.00	0.00	0.00	16.58	1.12	0.66	33.32	2.67	1.33	38.64	3.09	1.55
Gujarat	423.09	42.31	25.39	270.77	27.08	16.25	263.00	24.33	15.78	604.16	48.33	36.25	369.34	29.55	21.70
Total	2618.06	253.68	138.16	4257.03	417.45	216.51	1525.97	136.60	80.33	10355.05	828.40	530.66	10696.44	855.72	534.69

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	294.53	24.92	15.00

Annexure-3.07 (Para 3.2.3)

Impact on payment of LF & SUC due to Non consideration of revenue from Infrastructure sharing charges.

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	588.85	58.89	32.74	-	-	-	-	-	-	-	-	-	-	-	-
Maharashtra	-	-	-	-	-	-	-	-	-	113.37	9.07	5.67	207.86	16.63	10.39
TN	99.63	9.96	4.98	173.10	17.31	8.66	81.96	7.79	4.10	45.59	3.65	2.28	60.33	4.83	3.02
Kerala	76.96	6.16	3.85	66.85	5.35	3.34	48.58	3.89	2.43	52.41	4.19	2.62	32.98	2.64	1.65
UP (East)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rajasthan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Haryana	68.25	5.46	4.10	60.20	4.82	3.61	39.55	3.16	2.37	-	-	-	-	-	-
Kolkata	-	-	-	-	-	-	-	-	-	62.76	5.02	3.48	59.22	4.74	3.08
Delhi	20.85	2.09	1.18	33.34	3.33	1.89	34.36	3.26	1.95	21.44	1.71	1.22	44.26	3.54	2.34
W.B.	234.62	18.77	14.08	-	-	-	54.42	4.35	3.27	-	-	-	-	-	-
A.P.	296.55	29.66	8.90	92.38	9.24	2.77	43.33	4.12	1.30	352.98	28.24	10.59	138.22	11.06	4.23
Karnataka	201.05	20.11	8.04	261.09	26.11	10.44	584.09	55.49	23.36	387.71	31.02	15.51	170.78	13.66	7.13
Chennai	513.53	51.35	25.68	41.34	4.13	2.07	131.93	12.53	6.60	41.74	3.34	2.09	53.16	4.25	2.66
Punjab	477.92	38.23	23.90	333.08	26.65	16.65	330.08	26.41	16.50	274.70	21.98	13.73	130.56	10.45	6.53
UP (West)	57.38	4.59	3.44	20.99	1.68	1.26	-	-	-	23.00	1.84	1.38	45.85	3.67	2.75
Orissa	294.02	17.64	14.70	521.39	31.28	26.07	504.92	32.82	25.25	528.23	42.26	26.41	475.12	38.01	23.76
Assam	349.24	20.95	17.46	505.63	30.34	25.28	559.33	36.36	27.97	719.18	57.53	35.96	779.93	62.39	39.00
Northeast	200.00	12.00	10.00	333.82	20.03	16.69	462.47	30.06	23.12	506.73	40.54	25.34	566.51	45.32	28.33
Bihar	3,905.41	234.32	156.22	4,834.42	290.07	193.38	6,037.02	392.41	241.48	1,606.16	128.49	64.25	3,822.96	305.84	152.92
J & K	38.91	2.33	1.95	-	-	-	-	-	-	943.12	75.45	-	411.27	32.90	20.56
M.P.	-	-	-	-	-	-	-	-	-	313.41	25.07	-	418.47	33.48	20.92
H.P.	36.82	2.21	1.47	125.35	7.52	5.01	144.00	9.36	5.76	234.98	18.80	9.40	496.10	39.69	19.84
Gujarat	64.09	3.85	3.85	31.94	3.19	1.92	15.63	1.02	0.94	13.09	1.05	0.79	5.94	0.48	0.35
Total	7,524.09	538.57	336.52	7,434.92	481.05	319.04	9,071.68	623.02	386.39	6,240.60	499.25	220.70	7,919.53	633.56	349.45

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	381.91	27.75	16.12

Annexure - 3.08 (Para 3.2.4)
Impact on payment of LF & SUC due to Non consideration of Forex Gain

(₹ in lakh)

Services / LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	Amount of GR/AG	LF Impact	SUC Impact	Amount of GR/AG	LF Impact	SUC Impact	Amount of GR/AG	LF Impact	SUC Impact	Amount of GR/AG	LF Impact	SUC Impact	Amount of GR/AG	LF Impact	SUC Impact
Mumbai	13.50	1.35	0.75	180.67	18.07	10.05	44.83	4.15	2.49	441.46	35.32	24.55	829.20	66.34	43.42
Maharashtra	29.14	2.91	1.46	252.70	25.27	12.63	595.43	55.08	29.77	181.46	14.52	9.07	11.17	0.89	0.56
TN	36.82	3.68	1.84	686.03	68.60	34.30	29.33	2.71	1.47	90.65	7.25	4.53	311.95	24.96	15.60
Kerala	18.29	1.46	0.91	240.65	19.25	12.03	152.22	12.18	7.61	55.45	4.44	2.77	560.87	44.87	28.04
UP (East)	65.30	5.22	3.92	503.57	40.29	30.21	17.99	1.44	1.08	51.35	4.11	3.08	123.18	9.85	7.24
Rajasthan	9.91	0.79	0.30	92.85	7.43	2.79	42.73	3.42	1.28	6.11	0.49	0.18	212.64	17.01	6.61
Haryana	0.55	0.04	0.03	34.33	2.75	2.06	0.14	0.01	0.01	16.54	1.32	0.99	222.56	17.81	13.13
Kolkatta	39.78	3.98	2.21	433.26	43.33	24.05	26.26	2.43	1.46	117.53	9.40	6.52	367.99	29.44	19.13
Delhi	129.49	12.95	7.34	319.22	31.92	18.10	220.74	20.42	12.52	119.29	9.54	6.76	37.05	2.96	1.96
WB	29.20	2.34	1.75	461.92	36.95	27.71	84.73	6.78	5.08	60.16	4.81	3.61	178.14	14.25	10.69
A.P.	14.35	1.43	0.43	98.21	9.82	2.95	0.17	0.02	0.01	3.08	0.25	0.09	182.67	14.61	5.59
Karnataka	65.01	6.50	2.60	159.08	15.91	6.36	39.15	3.62	1.57	88.20	7.06	3.53	346.27	27.70	14.46
Chennai	14.35	1.43	0.72	88.51	8.85	4.43	41.57	3.85	2.08	50.27	4.02	2.51	115.83	9.27	5.79
Punjab	8.06	0.64	0.40	14.84	1.19	0.74	7.69	0.62	0.38	24.20	1.94	1.21	174.42	13.95	8.72
UP (West)	63.71	5.10	3.82	278.17	22.25	16.69	55.65	4.45	3.34	26.47	2.12	1.59	249.55	19.96	14.97
NLD	423.40	25.40	0.00	105.03	6.30	0.00	123.13	8.31	0.00	224.17	17.93	0.00	125.19	10.02	0.00
ILD	306.54	18.39	0.00	1710.90	102.65	0.00	275.97	18.63	0.00	407.89	32.63	0.00	496.31	39.71	0.00
Orissa	15.78	0.95	0.79	48.98	2.94	2.45	10.06	0.68	0.50	10.00	0.80	0.50	108.32	8.67	5.42
Assam	8.50	0.51	0.43	129.51	7.77	6.48	24.61	1.66	1.23	16.06	1.28	0.80	133.52	10.68	6.68
Northeast	2.28	0.14	0.11	10.30	0.62	0.52	7.79	0.53	0.39	4.76	0.38	0.24	83.39	6.67	4.17
Bihar	24.42	1.47	0.98	45.61	2.74	1.82	30.74	2.07	1.23	66.24	5.30	2.65	50.58	4.05	2.02
J & K	6.24	0.37	0.31	46.09	2.77	2.30	15.29	1.03	0.76	13.10	1.05	0.66	50.06	4.01	2.50
M.P.	39.10	3.13	1.95	38.57	3.09	1.93	24.82	1.99	1.24	23.97	1.92	1.20	144.43	11.55	7.22
H. P.	2.26	0.14	0.09	10.23	0.61	0.41	4.08	0.28	0.16	2.33	0.19	0.09	16.50	1.32	0.66
Gujarat	40.57	4.06	2.43	77.47	7.75	4.65	52.53	4.86	3.15	45.79	3.66	2.75	227.78	18.22	13.38
Total	1406.55	104.40	35.58	6066.71	489.11	225.66	1927.66	161.19	78.81	2146.54	171.72	79.89	5359.59	428.77	237.96

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	169.07	13.55	6.58

Annexure - 3.09 (Para 3.2.5)
Impact on payment of LF & SUC due to Non consideration of Interest Income

(₹ in lakh)

Name of Company LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	45649.59	4564.96	2538.12	66965.03	6696.50	3723.26	78561.14	7266.91	4368.00	70865.84	5669.27	3940.14	81862.70	6549.02	4286.15
Maharashtra	34.92	3.49	1.75	0.00	0.00	0.00	822.99	76.13	41.15	1855.84	148.47	92.79	1185.58	94.85	59.28
TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Kerala	4.11	0.33	0.21	0.27	0.02	0.01	0.77	0.06	0.04	0.40	0.03	0.02	5.88	0.47	0.29
UP (East)	50.08	4.01	3.00	1221.81	97.74	73.31	1201.90	96.15	72.11	366.30	29.30	21.98	43.31	0.00	2.55
Rajasthan	3.65	0.29	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Haryana	1.11	0.09	0.07	408.51	32.68	24.51	0.00	0.00	0.00	493.17	39.45	29.59	425.25	34.02	25.09
Kolkata	7347.63	734.76	407.79	8545.28	854.53	474.26	7212.32	667.14	400.28	558.78	44.70	31.01	5190.86	415.27	269.87
Delhi	25207.74	2520.77	1429.28	18867.50	1886.75	1069.79	11546.74	1068.07	654.70	4175.86	334.07	236.77	7865.26	629.22	415.20
WB	6.09	0.49	0.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	1140.30	114.03	45.61	7811.05	781.11	312.44	19464.21	1800.44	778.57	24240.75	1939.26	969.63	29674.41	2373.95	1239.50
Chennai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.64	0.13	0.08	4.77	0.38	0.24
UP (West)	3.07	0.25	0.18	1.04	0.08	0.06	1.53	0.12	0.09	1.89	0.15	0.11	2.04	0.16	0.12
NLD	0.53	0.03	0.00	17737.06	1064.22	0.00	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	2174.31	130.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa	2.97	0.18	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	211.00	16.88	10.55
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Northeast	0.00	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.93	0.06	0.05	0.90	0.05	0.05	0.44	0.03	0.02	0.00	0.00	0.00	0.71	0.06	0.04
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HP	69.53	4.17	2.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	1483.54	148.35	89.01	1724.34	172.43	103.46	1273.17	117.77	76.39	3375.85	270.07	202.55	38168.08	3053.45	2242.51
Total	81005.79	8096.26	4518.47	125457.09	11716.59	5781.15	120085.21	11092.82	6391.36	105936.33	8474.91	5524.68	164639.85	13167.72	8551.39

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	5971.24	525.48	307.67

Annexure - 3.10 (Para 3.2.6)
Impact on payment of LF & SUC due to Non consideration of Dividend Income

(₹ in lakh)

Name of Company/ LSA	Financial Year								
	2012-13			2013-14			2014-15		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
VODAFONE INDIA LTD. (VIL)									
Mumbai	40498.38	3746.10	2251.71	21999.12	1759.93	1223.15	164058.66	13124.69	8589.75

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	2265.56	186.31	120.65

Annexure - 3.11(Para 3.2.7)
Impact on payment of LF & SUC due to Non consideration of Profit on sale of Fixed Assets

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	101.90	10.19	5.67	21.28	2.13	1.18	57.42	5.31	3.19	58.77	4.70	3.27	1388.49	111.08	72.70
VIL Corporate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.83	3.03	0.00	26.52	2.12	0.00
Maharashtra	1677.18	167.72	83.86	2090.62	209.06	104.53	311.59	28.82	15.58	750.69	60.06	37.53	987.50	79.00	49.37
TN	929.92	92.99	46.50	19.56	1.96	0.98	309.26	28.61	15.46	260.63	20.85	13.03	782.54	62.60	39.13
Kerala	46.83	3.75	2.34	726.82	58.15	36.34	538.07	43.05	26.90	146.63	11.73	7.33	252.67	20.21	12.63
UP (East)	222.60	17.81	13.36	2562.31	204.99	153.74	201.27	16.10	12.08	1343.71	107.50	80.62	1587.61	127.01	93.31
Rajasthan	12.93	1.03	0.39	2069.47	165.56	62.08	363.17	29.05	10.90	652.38	52.19	19.57	2697.59	215.81	83.82
Haryana	89.49	7.16	5.37	1159.13	92.73	69.55	109.04	8.72	6.54	116.82	9.35	7.01	324.12	25.93	19.13
Kolkata	0.00	0.00	0.00	29.91	2.99	1.66	12.91	1.19	0.72	19.86	1.59	1.10	56.20	4.50	2.92
Delhi	24.35	2.43	1.38	34.66	3.47	1.97	1616.59	149.53	91.66	35.19	2.82	2.00	538.04	43.04	28.40
W.B.	561.80	44.94	33.71	195.82	15.67	11.75	1099.08	87.93	65.94	742.57	59.41	44.55	1050.86	84.07	63.05
A.P.	776.49	77.65	23.29	1288.43	128.84	38.65	22.00	2.03	0.66	625.79	50.06	18.77	1973.80	157.90	60.40
Karnataka	59.57	5.96	2.38	666.57	66.66	26.66	317.94	29.41	12.72	755.50	60.44	30.22	3227.70	258.22	134.82
Chennai	65.53	6.55	3.28	29.29	2.93	1.46	2.11	0.20	0.11	6.42	0.51	0.32	10.58	0.85	0.53
Punjab	13.94	1.11	0.70	8.90	0.71	0.44	22.23	1.78	1.11	42.51	3.40	2.13	554.86	44.39	27.74
UP (West)	110.91	8.87	6.65	1489.60	119.17	89.38	24.67	1.97	1.48	56.56	4.53	3.39	1853.32	148.27	111.20
NLD	1393.47	83.61	0.00	156.54	9.39	0.00	2323.07	156.81	0.00	140.57	11.25	0.00	486.32	38.91	0.00
ILD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17.67	1.41	0.00
Orissa	5.75	0.35	0.29	128.62	7.72	6.43	1796.52	121.27	89.83	533.45	42.68	26.67	1326.44	106.12	66.32
Assam	0.02	0.00	0.00	0.00	0.00	0.00	221.53	14.95	11.08	122.52	9.80	6.13	1088.80	87.10	54.44
Northeast	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.66	7.33	4.58	323.55	25.88	16.18
Bihar	2.20	0.13	0.09	38.74	2.32	1.55	737.55	49.78	29.50	92.85	7.43	3.71	750.95	60.08	30.04
J & K	176.66	10.60	8.83	0.00	0.00	0.00	3.65	0.25	0.18	21.64	1.73	1.08	333.88	26.71	16.69
M.P.	0.00	0.00	0.00	194.28	15.54	9.71	2.49	0.20	0.12	357.31	28.59	17.87	143.31	11.46	7.17
H.P.	0.17	0.01	0.01	0.00	0.00	0.00	35.04	2.37	1.40	9.22	0.74	0.37	217.41	17.39	8.70
Gujarat	263.50	26.35	15.81	2018.66	201.87	121.12	420.59	38.90	25.24	201.17	16.09	12.07	3725.31	298.02	218.87
Total	6535.20	569.22	253.90	14929.19	1311.84	739.19	10547.78	818.24	422.40	7222.23	577.78	343.34	25726.04	2058.08	1217.57

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	649.60	53.35	29.76

Annexure - 3.12(Para 3.2.8)
Impact on payment of LF & SUC due to Non consideration of Miscellaneous Income

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00	190.26	17.60	10.58	14.83	1.19	0.82	2.45	0.20	0.13
Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	271.49	21.72	13.57
Kerala	45.45	3.64	2.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UP (East)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.53	0.00	3.56
Rajasthan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.00
Haryana	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.01	0.00	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	49.57	4.59	2.75	0.00	0.00	0.00	0.60	0.05	0.03
Delhi	95.67	9.57	5.42	78.90	7.89	4.47	26.92	2.49	1.53	5.83	0.47	0.33	4.40	0.35	0.23
W.B.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A.P.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.05	0.02
Karnataka	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.35	0.03	0.01
Chennai	4.54	0.45	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	43.85	3.51	2.19
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.63	0.05	0.03	0.00	0.00	0.00	37.09	2.97	1.85
UP (West)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.15	0.09	0.07
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ILD	16.61	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Orissa	0.00	0.00	0.00	7.44	0.45	0.37	0.00	0.00	0.00	0.00	0.00	0.00	163.57	13.09	8.18
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Northeast	0.00	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	34.00	2.72	1.36	0.05	0.00	0.00
J & K	0.00	0.00	0.00	0.00	0.00	0.00	8.53	0.58	0.43	3.37	0.27	0.17	0.06	0.01	0.00
M.P.	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00
H.P.	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	49.13	4.91	2.95	94.11	9.41	5.65	0.16	0.01	0.01	45.22	3.62	2.71	14.45	1.16	0.85
Total	211.40	19.57	10.87	180.46	17.75	10.49	276.38	25.34	15.34	103.25	8.26	5.40	600.81	43.22	30.71

(₹ in Crore)

Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	13.72	1.14	0.73

Annexure - 3.13 (Para 3.2.9)
Impact on payment of LF & SUC due to netting off of Bad Debts written off from GR

(₹ in lakh)

Name of Company/ LSA	Financial Year														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
Mumbai	3034.28	303.43	168.71	1566.13	156.61	87.08	1818.45	168.21	101.11	1639.86	131.19	91.18	3927.30	314.18	205.62
Maharashtra	905.76	90.58	45.29	252.70	25.27	12.64	612.43	56.65	30.62	645.96	51.68	32.30	800.49	64.04	40.02
TN	251.38	25.14	12.57	149.85	14.99	7.49	234.61	21.70	11.73	270.11	21.61	13.51	362.45	29.00	18.12
Kerala	333.77	26.70	16.69	231.73	18.54	11.59	232.23	18.58	11.61	102.03	8.16	5.10	178.89	14.31	8.94
UP (East)	286.00	22.88	17.16	258.18	20.65	15.49	296.35	23.71	17.78	567.06	45.37	34.02	488.09	39.05	28.69
Rajasthan	371.28	29.70	11.14	112.42	8.99	3.37	248.99	19.92	7.47	107.11	8.57	3.21	410.99	32.88	12.77
Haryana	61.67	4.93	3.70	82.61	6.61	4.96	175.93	14.07	10.56	228.75	18.30	13.73	335.47	26.84	19.79
Kolkata	458.22	45.82	25.43	430.30	43.03	23.88	377.88	34.95	20.97	526.55	42.12	29.22	605.08	48.41	31.46
Delhi	3640.39	364.04	206.41	830.39	83.04	47.08	1732.05	160.21	98.21	1954.59	156.37	110.83	2679.87	214.39	141.47
W.B.	171.35	13.71	10.28	147.92	11.83	8.88	188.84	15.11	11.33	140.69	11.26	8.44	208.96	16.72	12.54
A.P.	819.96	82.00	24.60	158.88	15.89	4.77	334.87	30.98	10.05	291.28	23.30	8.74	382.10	30.57	11.69
Karnataka	942.76	94.28	37.71	196.03	19.60	7.84	370.89	34.31	14.84	370.27	29.62	14.81	480.11	38.41	20.05
Chennai	222.56	22.26	11.13	254.90	25.49	12.75	319.57	29.56	15.98	374.01	29.92	18.70	382.03	30.56	19.10
Punjab	192.25	15.38	9.61	178.17	14.25	8.91	213.33	17.07	10.67	231.91	18.55	11.60	482.93	38.63	24.15
UP (West)	285.12	22.81	17.11	168.94	13.51	10.14	182.42	14.59	10.94	171.96	13.76	10.32	236.70	18.94	14.20
Orissa	22.76	1.37	1.14	7.27	0.44	0.36	20.30	1.37	1.01	531.20	42.50	26.56	119.27	9.54	5.96
Assam	6.99	0.42	0.35	2.92	0.18	0.15	24.36	1.64	1.22	297.32	23.79	14.87	96.67	7.73	4.83
Northeast	1.92	0.12	0.10	5.19	0.31	0.26	11.19	0.76	0.56	264.45	21.16	13.22	64.48	5.16	3.22
Bihar	0.00	0.00	0.00	0.00	0.00	0.00	14.73	0.99	0.59	362.44	28.99	14.50	76.98	6.16	3.08
J & K	50.73	3.04	2.54	17.75	1.07	0.89	5.90	0.40	0.29	46.35	3.71	2.32	45.34	3.63	2.27
M.P.	0.00	0.00	0.00	1.99	0.16	0.10	8.79	0.70	0.44	96.88	7.75	4.84	181.14	14.49	9.06
H.P.	1.64	0.10	0.07	3.30	0.20	0.13	10.37	0.70	0.41	243.94	19.52	9.76	16.40	1.31	0.66
Gujarat	859.75	85.98	51.59	651.89	65.19	39.11	712.69	65.92	42.76	849.27	67.94	50.96	1071.69	85.74	62.97
Total	12920.52	1254.66	673.30	5709.46	545.85	307.85	8147.17	732.11	431.15	10314.02	825.12	542.72	13633.42	1090.67	700.68

(₹ in Crore)

Services/ Company	Total amount of GR/AGR	LF Impact	SUC Impact
Vodafone Group	507.25	44.48	26.56

**Annexure- 3.14 [3.2.11]
Statement showing interest on LF & SUC upto Mar 16**

(₹ in lakh)

S.No.	Para No.	Annex	No. of Months(upto March 16)	60		48		36		24		12		TOTAL
			Rate@ (PLR+2)%	15		16.75		16.45		16.75		16.75		
			Issues	2010-11		2011-12		2012-13		2013-14		2014-15		
				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	3.2.1A	3.01	Margin / Commission	5098.79	2973.38	5384.97	3042.38	4997.02	2947.93	3362.89	2153.78	1530.12	964.65	32455.92
2	3.2.1B	3.02 to 3.05	FAT / FTT / Promo / Bonus Talk time	1539.30	900.14	1679.75	987.96	1381.84	833.97	1258.08	784.87	565.78	349.29	10280.97
3	3.2.2	3.06	IOT Discounts	280.87	152.97	394.57	204.65	86.41	50.81	326.98	209.45	154.86	96.77	1958.35
4	3.2.3	3.07	Infrastructure sharing revenue	596.29	372.59	454.69	301.56	394.10	244.42	197.06	87.11	114.66	63.24	2825.71
5	3.2.4	3.08	Forex	115.58	39.40	462.31	213.29	101.96	49.85	67.78	31.53	77.60	43.07	1202.37
6	3.2.5	3.09	Interest Income	8964.03	5002.77	11074.57	5464.37	7016.85	4042.90	3345.09	2180.62	2383.05	1547.60	51021.85
7	3.2.6	3.10	Dividend income	0.00	0.00	0.00	0.00	2369.63	1424.34	694.65	482.78	2375.26	1554.54	8901.21
8	3.2.7	3.11	Profit on sale of fixed assets	630.23	281.11	1239.95	698.69	517.58	267.19	228.05	135.52	372.46	220.35	4591.14
9	3.2.8	3.12	Misc. Income	21.66	12.04	16.78	9.92	16.03	9.70	3.26	2.13	7.82	5.56	104.90
10	3.2.9	3.13	Deduction of Bad Debt written off	1389.14	745.46	515.94	290.98	463.10	272.73	325.68	214.21	197.39	126.81	4541.44
Total				18635.89	10479.86	21223.53	11213.8	17344.52	10143.84	9809.52	6282	7779	4971.88	117883.86

Say ₹ 1178.84 Crore

ANNEXURE-4.01 [Para 4.2.1(A)]

Impact on payment of LF & SUC due to netting off of revenue on account of margin/commission/discount paid to dealers/distributors

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	4,960.93	496.09	259.58	5,819.20	581.92	328.78	6,467.80	598.27	365.43	7,820.73	625.66	441.87	9,218.38	737.47	520.84
Assam	107.08	6.42	2.52	160.70	9.64	5.38	200.11	13.51	6.70	54.25	4.34	2.04	393.84	31.51	17.72
Bihar	1,533.38	92.00	36.03	1,867.35	112.04	48.55	2,207.25	148.99	73.94	2,726.96	218.16	111.81	3,239.32	259.15	140.91
Delhi	2,506.91	250.69	111.56	3,303.31	330.33	180.03	3,699.43	342.20	201.62	4,185.44	334.84	228.11	4,664.47	373.16	254.21
Gujarat	3,418.66	341.87	141.36	3,891.26	389.13	177.05	4,294.86	397.27	195.42	5,292.49	423.40	240.81	6,850.35	548.03	318.20
Haryana	1,469.99	117.60	57.81	1,913.10	153.05	83.22	2,135.77	170.86	92.91	2,552.27	204.18	111.02	3,031.35	242.51	138.61
Himachal Pradesh	194.27	11.66	5.78	225.06	13.50	7.54	289.65	19.55	9.70	364.49	29.16	12.21	481.07	38.49	16.12
J&K	47.57	2.85	1.42	105.59	6.34	3.54	152.94	10.32	5.12	166.41	13.31	5.57	341.11	27.29	13.64
Karnataka	1,866.75	186.67	67.20	2,612.25	261.22	113.63	3,077.75	284.69	133.88	3,851.65	308.13	167.55	4,732.17	378.57	216.50
Kerala	5,037.06	402.96	258.78	5,743.87	459.51	318.78	6,226.13	498.09	345.55	7,591.06	607.28	421.30	9,123.27	729.86	506.34
Kolkata	198.02	19.80	4.46	375.68	37.57	12.21	503.86	46.61	16.38	509.92	40.79	18.64	631.98	50.56	27.49
Madhya Pradesh	5,470.59	437.65	275.31	6,490.00	519.20	353.71	6,972.99	557.84	380.03	8,767.23	701.38	477.81	10,899.62	871.97	594.03
Maharashtra	7,674.42	767.44	445.12	9,313.12	931.31	610.01	9,267.19	857.22	607.00	11,450.87	916.07	750.03	14,374.92	1,149.99	916.22
Mumbai	1,379.70	137.97	31.04	1,954.59	195.46	63.52	2,193.31	202.88	71.28	2,598.43	207.87	84.45	2,945.22	235.62	100.36
North East	60.40	3.62	1.42	134.25	8.06	4.50	175.80	11.87	5.89	200.02	16.00	7.53	301.11	24.09	14.22
Orissa	251.28	15.08	5.91	311.78	18.71	10.44	391.04	26.40	13.10	391.37	31.31	14.74	532.42	42.59	23.96
Punjab	2,289.87	183.19	101.90	2,826.30	226.10	154.03	3,300.87	264.07	179.90	3,663.19	293.06	199.64	3,945.36	315.63	215.02
Rajasthan	1,380.40	110.43	49.00	1,903.28	152.26	86.60	2,362.53	189.00	107.50	3,266.75	261.34	148.64	3,855.37	308.43	175.42
Tamil Nadu	380.20	38.02	8.93	886.79	88.68	29.71	1,200.56	111.05	40.22	1,271.43	101.71	48.95	2,096.57	167.73	91.20
UPE	2,396.60	191.73	94.67	2,975.96	238.08	132.43	3,159.85	252.79	140.61	3,710.03	296.80	165.10	4,243.50	339.48	188.84
UPW	4,208.59	336.69	213.59	5,024.31	401.94	273.83	5,070.42	405.63	276.34	6,342.60	507.41	345.67	7,318.73	585.50	398.87
West Bengal	301.59	24.13	7.09	499.45	39.96	16.73	712.48	57.00	23.87	906.16	72.49	37.88	1,351.65	108.13	74.34
TOTAL	47,134.26	4,174.57	2,180.46	58,337.20	5,174.01	3,014.233	64,062.60	5,466.111	3,292.38	77,683.77	6,214.70	4,041.38	94,571.77	7,565.74	4,963.06

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	3,417.90	285.95	174.92

ANNEXURE-4.02 [Para 4.2.1(B)]

Impact on payment of LF & SUC due to non consideration of revenue from PAT / FAT / PROMO etc.

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	-	-	-	-	-	-	13.34	1.23	0.75	109.97	8.80	6.21	-	-	-
Assam	-	-	-	45.10	2.71	1.51	33.61	2.27	1.13	16.25	1.30	0.61	75.45	6.04	3.40
Bihar	211.17	12.67	4.96	1,876.05	112.56	48.78	1,265.92	85.45	42.41	53.92	4.31	2.21	31.69	2.54	1.38
Delhi	96.39	9.64	4.29	94.55	9.46	5.15	-	-	-	-	-	-	-	-	-
Gujarat	853.54	85.35	35.29	1,079.14	107.91	49.10	1,017.34	94.10	46.29	-	-	-	-	-	-
Haryana	23.75	1.90	0.93	715.72	57.26	31.13	-	-	-	-	-	-	-	-	-
Himachal Pradesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J&K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Karnataka	3,153.75	315.38	113.54	737.52	73.75	32.08	79.90	7.39	3.48	29.75	2.38	1.29	307.12	24.57	14.05
Kerala	11,216.37	897.31	576.24	4,509.62	360.77	250.28	953.52	76.28	52.92	5,590.81	447.26	310.29	13,827.11	1,106.17	767.40
Kolkata	-	-	-	274.35	27.44	8.92	180.29	16.68	5.86	-	-	-	26.56	2.13	1.16
Madhya Pradesh	390.80	31.26	19.67	-	-	-	-	-	-	-	-	-	-	-	-
Maharashtra	11,109.91	1,110.99	644.37	13,150.55	1,315.05	861.36	26,160.18	2,419.82	1,713.49	24,447.47	1,955.80	1,601.31	39,258.51	3,140.68	2,502.24
Mumbai	528.05	52.80	11.88	3,463.93	346.39	112.58	4,425.10	409.32	143.82	3,829.89	306.39	124.47	4,151.90	332.15	141.48
North East	-	-	-	38.94	2.34	1.30	40.28	2.72	1.35	-	-	-	58.58	4.69	2.77
Orissa	-	-	-	69.47	4.17	2.33	61.76	4.17	2.07	1.72	0.14	0.06	33.29	2.66	1.50
Punjab	-	-	-	-	-	-	-	-	-	243.92	19.51	13.29	-	-	-
Rajasthan	14,185.17	1,134.81	503.57	16,620.77	1,329.66	756.24	17,152.62	1,372.21	780.44	20,010.75	1,600.86	910.49	21,447.61	1,715.81	975.87
Tamil Nadu	99.07	9.91	2.33	1,448.75	144.88	48.53	1,423.88	131.71	47.70	-	-	-	-	-	-
UPE	-	-	-	-	-	-	52.42	4.19	2.33	27.93	2.23	1.24	-	-	-
UPW	249.68	19.97	12.67	6,590.63	527.25	359.19	-	-	-	9.56	0.76	0.52	-	-	-
West Bengal	69.33	5.55	1.63	284.76	22.78	9.54	228.20	18.26	7.64	-	-	-	-	-	-
TOTAL	42,186.99	3,687.55	1,931.38	50,999.83	4,444.37	2,578.03	53,088.36	4,645.80	2,851.68	54,371.95	4,349.76	2,972.01	79,217.83	6,337.43	4,411.23

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	2,798.65	234.65	147.44

ANNEXURE-4.03 [Para 4.2.2]

Impact on payment of LF & SUC due to setting off of business promotional expenses from postpaid revenue.

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	-	-	-	12.44	1.24	0.70	39.88	3.69	2.25	50.47	4.04	2.85	44.80	3.58	2.53
Assam	0.60	0.04	0.01	0.33	0.02	0.01	3.04	0.21	0.10	26.29	2.10	0.99	34.41	2.75	1.55
Bihar	36.80	2.21	0.86	44.19	2.65	1.15	24.34	1.64	0.82	17.06	1.37	0.70	39.86	3.19	1.73
Delhi	-	-	-	13.03	1.30	0.71	271.24	25.09	14.78	1,710.09	136.81	93.20	1,870.15	149.61	101.92
Gujarat	201.31	20.13	8.32	84.47	8.45	3.84	80.29	7.43	3.65	48.55	3.88	2.21	19.62	1.57	0.91
Haryana	99.94	8.00	3.93	350.57	28.05	15.25	220.63	17.65	9.60	603.28	48.26	26.24	364.46	29.16	16.66
Himachal Pradesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
J&K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Karnataka	176.20	17.62	6.34	244.71	24.47	10.64	313.22	28.97	13.63	372.74	29.82	16.21	436.04	34.88	19.95
Kerala	558.49	44.68	28.69	585.27	46.82	32.48	428.08	34.25	23.76	518.92	41.51	28.80	668.84	53.51	37.12
Kolkata	13.44	1.34	0.30	15.28	1.53	0.50	30.57	2.83	0.99	22.30	1.78	0.82	59.34	4.75	2.58
Madhya Pradesh	74.25	5.94	3.74	166.67	13.33	9.08	345.26	27.62	18.82	705.59	56.45	38.45	442.17	35.37	24.10
Maharashtra	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mumbai	35.85	3.58	0.81	49.17	4.92	1.60	43.26	4.00	1.41	7.68	0.61	0.25	-	-	-
North East	0.67	0.04	0.02	0.04	0.00	0.00	0.47	0.03	0.02	3.32	0.27	0.12	3.34	0.27	0.16
Orissa	0.11	0.01	0.00	0.59	0.04	0.02	1.86	0.13	0.06	3.71	0.30	0.14	-	-	-
Punjab	407.45	32.60	18.13	402.14	32.17	21.92	319.54	25.56	17.41	259.91	20.79	14.17	17.04	1.36	0.93
Rajasthan	73.45	5.88	2.61	85.61	6.85	3.90	195.37	15.63	8.89	231.38	18.51	10.53	154.73	12.38	7.04
Tamil Nadu	36.45	3.65	0.86	5.46	0.55	0.18	20.46	1.89	0.69	25.32	2.03	0.97	86.38	6.91	3.76
UPE	19.87	1.59	0.79	12.25	0.98	0.55	8.76	0.70	0.39	8.46	0.68	0.38	72.34	5.79	3.22
UPW	632.50	50.60	32.10	340.56	27.24	18.56	464.65	37.17	25.32	497.34	39.79	27.11	392.85	31.43	21.41
West Bengal	4.11	0.33	0.10	2.91	0.23	0.10	2.62	0.21	0.09	2.43	0.19	0.10	3.58	0.29	0.20
TOTAL	2,371.50	198.22	107.61	2,415.69	200.84	121.19	2,813.56	234.70	142.67	5,114.83	409.19	264.24	4,709.94	376.80	245.77

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	174.26	14.20	8.81

**ANNEXURE-4.04 [Para 4.2.3]
Impact on payment of LF & SUC due to netting off of Roaming Discount**

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	209.14	20.91	10.94	98.07	9.81	5.54	322.11	29.79	18.20	-	-	-	-	-	-
Assam	0.04	0.00	0.00	9.29	0.56	0.31	25.98	1.75	0.87	-	-	-	1.27	0.10	0.06
Bihar	-	-	-	61.38	3.68	1.60	187.70	12.67	6.29	12.61	1.01	0.52	0.09	0.01	0.00
Delhi	195.51	19.55	8.70	408.53	40.85	22.27	389.85	36.06	21.25	1,035.82	82.87	56.45	263.92	21.11	14.38
Gujarat	5.98	0.60	0.25	172.14	17.21	7.83	146.37	13.54	6.66	306.29	24.50	13.94	87.29	6.98	4.05
Haryana	2.02	0.16	0.08	30.38	2.43	1.32	67.99	5.44	2.96	79.39	6.35	3.45	6.34	0.51	0.29
Himachal	0.88	0.05	0.03	15.94	0.96	0.53	58.59	3.96	1.96	6.20	0.50	0.21	6.79	0.54	0.23
J&K	-	-	-	0.40	0.02	0.01	1.66	0.11	0.06	0.30	0.02	0.01	-	-	-
Karnataka	-	-	-	330.73	33.07	14.39	124.80	11.54	5.43	380.12	30.41	16.54	84.64	6.77	3.87
Kerala	136.97	10.96	7.04	86.53	6.92	4.80	32.04	2.56	1.78	5.67	0.45	0.31	0.38	0.03	0.02
Kolkata	-	-	-	24.13	2.41	0.78	0.31	0.03	0.01	27.23	2.18	1.00	1.57	0.13	0.07
Madhya Pradesh	-	-	-	111.99	8.96	6.10	190.93	15.27	10.41	14.31	1.14	0.78	59.13	4.73	3.22
Maharashtra	-	-	-	589.53	58.95	38.61	162.84	15.06	10.67	1,432.26	114.58	93.81	400.81	32.06	25.55
Mumbai	-	-	-	665.20	66.52	21.62	1,043.97	96.57	33.93	266.83	21.35	8.67	-	-	-
North East	-	-	-	2.78	0.17	0.09	5.51	0.37	0.18	-	-	-	0.35	0.03	0.02
Orissa	-	-	-	12.94	0.78	0.43	47.20	3.19	1.58	1.37	0.11	0.05	3.21	0.26	0.14
Punjab	13.53	1.08	0.60	43.78	3.50	2.39	76.78	6.14	4.18	129.41	10.35	7.05	40.08	3.21	2.18
Rajasthan	20.13	1.61	0.71	134.32	10.75	6.11	199.68	15.97	9.09	94.01	7.52	4.28	12.43	0.99	0.57
Tamil Nadu	-	-	-	20.89	2.09	0.70	19.27	1.78	0.65	64.69	5.18	2.49	-	-	-
UPE	75.05	6.00	2.96	94.71	7.58	4.21	252.77	20.22	11.25	14.98	1.20	0.67	24.02	1.92	1.07
UPW	15.51	1.24	0.79	296.21	23.70	16.14	145.60	11.65	7.93	153.45	12.28	8.36	169.68	13.57	9.25
West Bengal	-	-	-	83.01	6.64	2.78	92.26	7.38	3.09	2.90	0.23	0.12	2.85	0.23	0.16
TOTAL	674.74	62.17	32.10	3,292.88	307.56	158.59	3,594.23	311.07	158.41	4,027.84	322.23	218.71	1,164.86	93.19	65.13

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	127.55	10.96	6.33

ANNEXURE-4.05 [Para 4.2.4]

Impact on payment of LF & SUC due to non consideration of revenue from Infrastructure sharing from other Telecom Operators.

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	155.27	15.53	8.12	176.15	17.62	9.95	53.38	4.94	3.02	185.69	14.85	10.49	149.88	11.99	8.47
Assam	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bihar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delhi	-	-	-	44.63	4.46	2.43	12.35	1.14	0.67	43.31	3.47	2.36	48.66	3.89	2.65
Gujarat	22.94	2.29	0.95	23.12	2.31	1.05	-	-	-	26.41	2.11	1.20	15.59	1.25	0.72
Haryana	144.82	11.59	5.69	92.86	7.43	4.04	46.08	3.69	2.00	49.80	3.98	2.17	-	-	-
Himachal	343.48	-	-	376.20	22.57	12.60	66.75	-	2.24	405.81	32.46	13.59	-	30.	12.95
J&K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Karnataka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Kerala	120.83	9.67	6.21	78.07	6.25	4.33	62.77	5.02	3.48	133.34	10.67	7.40	93.19	7.46	5.17
Kolkata	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Madhya	1,233.24	98.66	62.06	1,086.99	86.96	59.24	1,541.10	123.29	83.99	3,215.90	257.27	175.27	2,639.00	211.12	143.83
Maharashtra	3,972.33	397.23	230.40	5,684.04	568.40	372.30	6,314.69	584.11	413.61	6,259.13	500.73	409.97	4,267.93	341.43	272.03
Mumbai	-	-	-	40.33	4.03	1.31	-	-	-	42.34	3.39	1.38	-	-	-
North East	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Orissa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Punjab	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rajasthan	21.19	1.70	0.75	11.23	0.90	0.51	9.53	0.76	0.43	81.70	6.54	3.72	110.79	8.86	5.04
Tamil Nadu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UPE	5.30	0.42	0.21	-	-	-	-	-	-	-	-	-	-	-	-
UPW	67.36	5.39	3.42	60.40	4.83	3.29	59.22	4.74	3.23	109.71	8.78	5.98	123.06	9.84	6.71
West Bengal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	6,086.77	563.08	328.03	7,674.03	725.76	471.07	8,165.87	732.19	512.68	10,553.14	844.25	633.53	7,834.65	626.77	457.57

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	403.14	34.92	24.03

ANNEXURE-4.06 [Para 4.2.5]

Impact on payment of LF & SUC due to non consideration of Switch Sharing Revenue

(₹ in lakh)

Services/LSA	FINANCIAL YEAR					
	2010-11			2011-12		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	506.07	50.61	26.48	64.02	6.40	3.62
Assam	31.02	1.86	0.73	13.90	0.83	0.47
Bihar	238.42	14.31	5.60	71.76	4.31	1.87
Delhi	3,131.41	313.14	139.35	2,003.48	200.35	109.19
Gujarat	1,113.39	111.34	46.04	95.66	9.57	4.35
Haryana	714.88	57.19	28.11	154.29	12.34	6.71
Himachal Pradesh	205.33	12.32	6.11	28.18	1.69	0.94
J&K	35.78	2.15	1.06	17.02	1.02	0.57
Karnataka	196.20	19.62	7.06	99.04	9.90	4.31
Kerala	209.14	16.73	10.74	113.30	9.06	6.29
Kolkata	63.00	6.30	1.42	76.29	7.63	2.48
Madhya Pradesh	866.57	69.33	43.61	123.12	9.85	6.71
Maharashtra	764.55	76.45	44.34	184.16	18.42	12.06
Mumbai	995.42	99.54	22.40	162.02	16.20	5.27
North East	22.92	1.38	0.54	9.64	0.58	0.32
Orissa	73.99	4.44	1.74	32.03	1.92	1.07
Punjab	391.99	31.36	17.44	116.45	9.32	6.35
Rajasthan	697.40	55.79	24.76	118.48	9.48	5.39
Tamil Nadu	120.94	12.09	2.84	98.70	9.87	3.31
UPE	582.32	46.59	23.00	164.16	13.13	7.31
UPW	1,008.18	80.65	51.17	309.17	24.73	16.85
West Bengal	48.86	3.91	1.15	46.67	3.73	1.56
TOTAL	12,017.79	1,087.09	505.70	4,101.56	380.34	206.99

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	161.19	14.67	7.13

ANNEXURE-4.07 [Para 4.2.6]

Impact on payment of LF & SUC due to non inclusion of revenue on account of Indefeasible Right to Use (IRU)

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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
NLD	621.26	37.28	-	1,271.81	76.31	-	2,279.78	153.89	-	3,274.15	261.93	-	3,476.71	278.14	-

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	109.24	8.08	-

**ANNEXURE-4.08 [Para 4.2.7]
Impact on payment of LF & SUC due to non consideration of revenue from Forex Gain**

(₹ in lakhs)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	176.65	17.67	9.24	6,540.45	654.05	369.54	526.55	48.71	29.75	290.75	23.26	16.43	110.51	8.84	6.24
Assam	0.59	0.04	0.01	3.75	0.23	0.13	9.87	0.67	0.33	12.37	0.99	0.47	5.93	0.47	0.27
Bihar	193.99	11.64	4.56	284.50	17.07	7.40	282.71	19.08	9.47	1,204.46	96.36	49.38	357.93	28.63	15.57
Delhi	139.06	13.91	6.19	255.29	25.53	13.91	430.70	39.84	23.47	175.96	14.08	9.59	59.24	4.74	3.23
Gujarat	59.53	5.95	2.46	87.01	8.70	3.96	291.36	26.95	13.26	81.86	6.55	3.72	54.75	4.38	2.54
Haryana	26.43	2.11	1.04	103.12	8.25	4.49	182.85	14.63	7.95	130.73	10.46	5.69	30.83	2.47	1.41
Himachal Pradesh	0.95	0.06	0.03	3.85	0.23	0.13	16.56	1.12	0.55	5.04	0.40	0.17	2.93	0.23	0.10
J&K	10.13	0.61	0.30	2.21	0.13	0.07	9.64	0.65	0.32	8.52	0.68	0.29	2.60	0.21	0.10
Karnataka	768.15	76.82	27.65	98.79	9.88	4.30	263.70	24.39	11.47	80.79	6.46	3.51	44.73	3.58	2.05
Kerala	148.34	11.87	7.62	337.36	26.99	18.72	520.41	41.63	28.88	324.58	25.97	18.01	79.66	6.37	4.42
Kolkata	53.14	5.31	1.20	24.26	2.43	0.79	33.65	3.11	1.09	25.58	2.05	0.93	8.99	0.72	0.39
Madhya Pradesh	16.23	1.30	0.82	86.47	6.92	4.71	392.97	31.44	21.42	103.78	8.30	5.66	36.20	2.90	1.97
Maharashtra	76.14	7.61	4.42	357.44	35.74	23.41	694.10	64.20	45.46	220.69	17.65	14.45	225.64	18.05	14.38
Mumbai	10.10	1.01	0.23	58.94	5.89	1.92	181.54	16.79	5.90	99.78	7.98	3.24	36.55	2.92	1.25
North East	3.89	0.23	0.09	2.18	0.13	0.07	7.99	0.54	0.27	5.20	0.42	0.20	11.72	0.94	0.55
Orissa	50.45	3.03	1.19	27.16	1.63	0.91	19.85	1.34	0.66	23.50	1.88	0.89	19.94	1.60	0.90
Punjab	87.23	6.98	3.88	93.58	7.49	5.10	201.57	16.13	10.99	68.04	5.44	3.71	45.87	3.67	2.50
Rajasthan	5.31	0.43	0.19	31.91	2.55	1.45	147.48	11.80	6.71	57.61	4.61	2.62	14.85	1.19	0.68
Tamil Nadu	101.42	10.14	2.38	90.34	9.03	3.03	74.50	6.89	2.50	87.99	7.04	3.39	24.98	2.00	1.09
UPE	139.74	11.18	5.52	411.13	32.89	18.30	300.54	24.04	13.37	96.54	7.72	4.30	48.84	3.91	2.17
UPW	140.18	11.21	7.11	511.74	40.94	27.89	568.55	45.48	30.99	235.31	18.82	12.82	104.27	8.34	5.68
West Bengal	16.46	1.32	0.39	37.75	3.02	1.26	45.64	3.65	1.53	73.87	5.91	3.09	55.04	4.40	3.03
NLD-Idea	13.70	0.82	-	93.17	5.59	-	518.44	34.99	-	116.46	9.32	-	36.44	2.91	-
NLD-18 Spice	0.07	0.00	-	0.05	0.00	-	1.15	0.08	-	0.57	0.05	-	0.16	0.01	-
ILD	102.14	6.13	-	308.10	18.49	-	393.64	26.57	-	804.85	64.39	-	407.13	32.57	-
ISP	-	-	-	0.16	-	-	24.94	0.75	-	2.07	0.17	-	3.93	0.31	-
TOTAL	2,340.01	207.37	86.52	9,850.72	923.80	511.48	6,140.89	505.48	266.35	4,336.90	346.95	162.56	1,829.67	146.37	70.52

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	244.98	21.30	10.97

ANNEXURE-4.09 [Para 4.3.1]
Impact on payment of LF & SUC due to non consideration of revenue from Interest Income

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	572.88	57.29	29.98	87.11	8.71	4.92	104.44	9.66	5.90	846.70	67.74	47.84	895.49	71.64	50.60
Assam	10.75	0.64	0.25	2.10	0.13	0.07	2.88	0.19	0.10	29.21	2.34	1.10	35.67	2.85	1.61
Bihar	302.12	18.13	7.10	29.61	1.78	0.77	36.71	2.48	1.23	308.94	24.72	12.67	331.93	26.55	14.44
Delhi	355.71	35.57	15.83	55.99	5.60	3.05	65.92	6.10	3.59	533.66	42.69	29.08	549.03	43.92	29.92
Gujarat	432.96	43.30	17.90	65.74	6.57	2.99	77.49	7.17	3.53	591.99	47.36	26.94	658.92	52.71	30.61
Haryana	175.34	14.03	6.90	29.07	2.33	1.26	35.57	2.85	1.55	288.65	23.09	12.56	310.79	24.86	14.21
Himachal Pradesh	23.57	1.41	0.70	3.62	0.22	0.12	4.82	0.33	0.16	40.18	3.21	1.35	46.48	3.72	1.56
J&K	6.65	0.40	0.20	2.17	0.13	0.07	3.01	0.20	0.10	24.64	1.97	0.83	31.70	2.54	1.27
Karnataka	230.00	23.00	8.28	40.96	4.10	1.78	50.47	4.67	2.20	408.43	32.67	17.77	447.97	35.84	20.49
Kerala	560.54	44.84	28.80	89.38	7.15	4.96	109.10	8.73	6.05	843.43	67.47	46.81	913.99	73.12	50.73
Kolkata	24.42	2.44	0.55	6.49	0.65	0.21	9.06	0.84	0.29	71.95	5.76	2.63	78.11	6.25	3.40
Madhya Pradesh	570.12	45.61	28.69	94.26	7.54	5.14	112.12	8.97	6.11	905.65	72.45	49.36	1,000.19	80.01	54.51
Maharashtra	964.73	96.47	55.95	145.10	14.51	9.50	160.05	14.81	10.48	1,304.15	104.33	85.42	1,428.44	114.28	91.05
Mumbai	194.64	19.46	4.38	33.61	3.36	1.09	40.61	3.76	1.32	330.05	26.40	10.73	346.17	27.69	11.80
North East	5.99	0.36	0.14	1.68	0.10	0.06	2.32	0.16	0.08	22.38	1.79	0.84	23.86	1.91	1.13
Orissa	26.64	1.60	0.63	4.50	0.27	0.15	5.86	0.40	0.20	47.43	3.79	1.79	51.71	4.14	2.33
Punjab	324.37	25.95	14.43	48.56	3.88	2.65	58.10	4.65	3.17	440.82	35.27	24.02	466.75	37.34	25.44
Rajasthan	169.29	13.54	6.01	32.51	2.60	1.48	40.50	3.24	1.84	342.93	27.43	15.60	357.51	28.60	16.27
Tamil Nadu	46.77	4.68	1.10	13.16	1.32	0.44	18.39	1.70	0.62	151.44	12.11	5.83	189.06	15.13	8.22
UPE	275.69	22.06	10.89	47.19	3.77	2.10	56.61	4.53	2.52	428.17	34.25	19.05	438.71	35.10	19.52
UPW	495.22	39.62	25.13	75.54	6.04	4.12	83.16	6.65	4.53	698.20	55.86	38.05	729.13	58.33	39.74
West Bengal	32.81	2.62	0.77	7.28	0.58	0.24	11.41	0.91	0.38	112.17	8.97	4.69	136.01	10.88	7.48
NLD- Idea	664.01	39.84	-	116.57	6.99	-	150.37	10.15	-	1,188.25	95.06	-	1,173.18	93.85	-
NLD-18 Spice	3.35	0.20	-	0.06	0.00	-	0.33	0.02	-	5.86	0.47	-	5.30	0.42	-
ILD	63.01	3.78	-	11.78	0.71	-	18.19	1.23	-	154.41	12.35	-	170.85	13.67	-
ISP	-	-	-	0.20	-	-	1.19	0.04	-	21.14	1.69	-	39.27	3.14	-
TOTAL	6,531.59	556.85	264.61	1,044.22	89.04	47.18	1,258.69	104.41	55.95	10,140.85	811.27	454.95	10,856.22	868.50	496.30

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	298.32	24.30	13.19

ANNEXURE-4.10 [Para 4.3.2]

Impact on payment of LF & SUC due to non consideration of revenue from profit on sale of Investment

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	401.27	40.13	21.00	208.59	20.86	11.79	479.29	44.33	27.08	1,025.05	82.00	57.92	2,841.93	227.35	160.57
Assam	7.45	0.45	0.18	5.02	0.30	0.17	13.25	0.89	0.44	35.30	2.82	1.33	112.41	8.99	5.06
Bihar	124.38	7.46	2.92	68.18	4.09	1.77	166.58	11.24	5.58	373.68	29.89	15.32	1,051.84	84.15	45.75
Delhi	249.08	24.91	11.08	133.96	13.40	7.30	304.69	28.18	16.61	646.43	51.71	35.23	1,742.89	139.43	94.99
Gujarat	301.36	30.14	12.46	152.97	15.30	6.96	350.72	32.44	15.96	710.12	56.81	32.31	2,073.35	165.87	96.31
Haryana	122.81	9.83	4.83	69.64	5.57	3.03	164.05	13.12	7.14	349.61	27.97	15.21	986.55	78.92	45.11
Himachal Pradesh	16.48	0.99	0.49	8.50	0.51	0.28	22.09	1.49	0.74	48.60	3.89	1.63	147.38	11.79	4.94
J&K	4.28	0.26	0.13	3.75	0.23	0.13	11.44	0.77	0.38	29.23	2.34	0.98	98.84	7.91	3.95
Karnataka	160.84	16.08	5.79	96.22	9.62	4.19	227.74	21.07	9.91	491.79	39.34	21.39	1,413.16	113.05	64.65
Kerala	392.14	31.37	20.15	206.51	16.52	11.46	483.30	38.66	26.82	1,014.33	81.15	56.30	2,880.30	230.42	159.86
Kolkata	17.02	1.70	0.38	13.73	1.37	0.45	39.24	3.63	1.28	86.10	6.89	3.15	245.20	19.62	10.67
Madhya Pradesh	397.95	31.84	20.03	219.20	17.54	11.95	511.62	40.93	27.88	1,094.91	87.59	59.67	3,165.52	253.24	172.52
Maharashtra	674.76	67.48	39.14	343.88	34.39	22.52	733.22	67.82	48.03	1,577.75	126.22	103.34	4,528.20	362.26	288.62
Mumbai	135.75	13.57	3.05	78.19	7.82	2.54	185.53	17.16	6.03	397.90	31.83	12.93	1,094.65	87.57	37.30
North East	4.12	0.25	0.10	4.03	0.24	0.13	10.72	0.72	0.36	27.12	2.17	1.02	75.81	6.06	3.58
Orissa	18.46	1.11	0.43	10.29	0.62	0.34	26.22	1.77	0.88	57.25	4.58	2.16	163.22	13.06	7.34
Punjab	227.13	18.17	10.11	115.14	9.21	6.28	266.82	21.35	14.54	533.62	42.69	29.08	1,480.77	118.46	80.70
Rajasthan	118.18	9.45	4.20	77.22	6.18	3.51	185.39	14.83	8.44	415.20	33.22	18.89	1,134.61	90.77	51.62
Tamil Nadu	32.62	3.26	0.77	30.58	3.06	1.02	81.34	7.52	2.72	182.17	14.57	7.01	592.95	47.44	25.79
UPE	192.76	15.42	7.61	111.69	8.94	4.97	259.36	20.75	11.54	518.10	41.45	23.06	1,391.90	111.35	61.94
UPW	346.88	27.75	17.60	181.00	14.48	9.86	384.59	30.77	20.96	845.27	67.62	46.07	2,312.69	185.02	126.04
West Bengal	22.98	1.84	0.54	17.45	1.40	0.58	52.81	4.22	1.77	135.92	10.87	5.68	432.13	34.57	23.77
NLD-Idea	465.11	27.91	-	279.30	16.76	-	695.91	46.97	-	1,439.90	115.19	-	3,727.44	298.20	-
NLD-18 Spice	2.35	0.14	-	0.14	0.01	-	1.54	0.10	-	7.11	0.57	-	16.85	1.35	-
ILD	44.13	2.65	-	28.23	1.69	-	84.18	5.68	-	187.12	14.97	-	542.83	43.43	-
ISP	-	-	-	0.48	-	-	5.50	0.17	-	25.62	2.05	-	124.76	9.98	-
TOTAL	4,480.30	384.14	182.98	2,463.90	210.09	111.24	5,747.15	476.62	255.08	12,255.21	980.42	549.67	34,378.18	2,750.25	1,571.08

₹ in crore

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	593.25	48.02	26.70

ANNEXURE-4.11 [Para 4.3.3]

Impact on payment of LF & SUC due to non consideration of revenue from Miscellaneous Income

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2012-11			2011-12			2012-13			2013-14			2014-15		
	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	2.96	0.30	0.15	1.22	0.12	0.07	88.48	8.18	5.00	14.46	1.16	0.82	0.27	0.02	0.02
Assam	0.04	0.00	0.00	0.01	0.00	0.00	0.09	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Bihar	9.55	0.57	0.22	2.57	0.15	0.07	5.05	0.34	0.17	0.26	0.02	0.01	7.55	0.60	0.33
Delhi	70.85	7.09	3.15	62.91	6.29	3.43	43.04	3.98	2.35	19.69	1.57	1.07	5.83	0.47	0.32
Gujarat	90.19	9.02	3.73	30.30	3.03	1.38	38.13	3.53	1.73	11.98	0.96	0.55	14.98	1.20	0.70
Haryana	14.91	1.19	0.59	8.18	0.65	0.36	9.49	0.76	0.41	4.24	0.34	0.18	4.83	0.39	0.22
Himachal Pradesh	0.10	0.01	0.00	0.02	0.00	0.00	2.91	0.20	0.10	0.00	0.00	0.00	0.01	0.00	0.00
J&K	0.50	0.03	0.01	0.01	0.00	0.00	0.08	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Karnataka	0.92	0.09	0.03	62.10	6.21	2.70	19.88	1.84	0.86	14.54	1.16	0.63	0.13	0.01	0.01
Kerala	32.55	2.60	1.67	27.38	2.19	1.52	10.41	0.83	0.58	2.51	0.20	0.14	3.34	0.27	0.19
Kolkata	2.42	0.24	0.05	5.36	0.54	0.17	0.59	0.05	0.02	0.00	0.00	0.00	0.02	0.00	0.00
Madhya Pradesh	45.84	3.67	2.31	44.20	3.54	2.41	55.53	4.44	3.03	24.94	2.00	1.36	11.27	0.90	0.61
Maharashtra	16.68	1.67	0.97	145.90	14.59	9.56	137.59	12.73	9.01	50.25	4.02	3.29	0.43	0.03	0.03
Mumbai	17.96	1.80	0.40	25.80	2.58	0.84	15.32	1.42	0.50	0.00	0.00	0.00	0.10	0.01	0.00
North East	0.01	0.00	0.00	0.01	0.00	0.00	0.08	0.01	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Orissa	4.02	0.24	0.09	1.18	0.07	0.04	0.18	0.01	0.01	0.00	0.00	0.00	0.02	0.00	0.00
Punjab	163.24	13.06	7.26	60.60	4.85	3.30	123.08	9.85	6.71	8.09	0.65	0.44	1.45	0.12	0.08
Rajasthan	13.51	1.08	0.48	30.39	2.43	1.38	7.47	0.60	0.34	4.53	0.36	0.21	3.74	0.30	0.17
Tamil Nadu	11.95	1.20	0.28	3.80	0.38	0.13	2.60	0.24	0.09	0.00	0.00	0.00	0.51	0.04	0.02
UPE	14.52	1.16	0.57	29.06	2.33	1.29	4.90	0.39	0.22	3.15	0.25	0.14	1.23	0.10	0.05
UPW	30.05	2.40	1.53	16.11	1.29	0.88	9.84	0.79	0.54	26.62	2.13	1.45	10.86	0.87	0.59
West Bengal	0.29	0.02	0.01	0.16	0.01	0.01	0.51	0.04	0.02	0.00	0.00	0.00	0.04	0.00	0.00
NLD-Idea	1.44	0.09	0.00	0.48	0.03	0.00	4.89	0.33	0.00	1.72	0.14	0.00	0.35	0.03	0.00
NLD-18 Spice	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ILD	0.14	0.01	0.00	0.05	0.00	0.00	0.84	0.06	0.00	1.85	0.15	0.00	0.05	0.00	0.00
ISP	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
TOTAL	544.65	47.53	23.53	557.78	51.28	29.53	581.01	50.62	31.68	188.82	15.11	10.29	67.07	5.37	3.34

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	19.39	1.70	0.98

ANNEXURE-4.12 [Para 4.3.4]

Impact on payment of LF & SUC due to non consideration of revenue from profit on sale of Fixed Assets

(₹ in lakh)

Services/LSA	FINANCIAL YEAR														
	2010-11			2011-12			2012-13			2013-14			2014-15		
	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	21.55	2.16	1.13	31.72	3.17	1.79	5.24	0.48	0.30	35.59	2.85	2.01	16.17	1.29	0.91
Assam	0.01	0.00	0.00	0.00	0.00	0.00	4.20	0.28	0.14	0.06	0.01	0.00	0.04	0.00	0.00
Bihar	15.38	0.92	0.36	2.51	0.15	0.07	4.91	0.33	0.16	24.88	1.99	1.02	15.05	1.20	0.65
Delhi	3.29	0.33	0.15	14.49	1.45	0.79	12.81	1.19	0.70	41.02	3.28	2.24	20.71	1.66	1.13
Gujarat	(94.08)	-	-	0.05	0.01	0.00	2.37	0.22	0.11	1.27	0.10	0.06	0.77	0.06	0.04
Haryana	0.84	0.07	0.03	4.37	0.35	0.19	8.24	0.66	0.36	34.81	2.78	1.51	33.13	2.65	1.51
Himachal Pradesh	2.54	0.15	0.08	0.54	0.03	0.02	0.90	0.06	0.03	10.02	0.80	0.34	0.05	0.00	0.00
J&K	2.14	0.13	0.06	0.79	0.05	0.03	0.08	0.01	0.00	0.05	0.00	0.00	3.92	0.31	0.16
Karnataka	5.27	0.53	0.19	8.18	0.82	0.36	7.06	0.65	0.31	12.03	0.96	0.52	2.14	0.17	0.10
Kerala	23.73	1.90	1.22	10.72	0.86	0.59	18.12	1.45	1.01	9.94	0.80	0.55	6.48	0.52	0.36
Kolkata	0.01	0.00	0.00	1.75	0.17	0.06	1.35	0.13	0.04	0.43	0.03	0.02	0.37	0.03	0.02
Madhya Pradesh	14.05	1.12	0.71	17.17	1.37	0.94	59.82	4.79	3.26	159.47	12.76	8.69	15.82	1.27	0.86
Maharashtra	75.13	7.51	4.36	102.21	10.22	6.69	12.17	1.13	0.80	21.09	1.69	1.38	37.54	3.00	2.39
Mumbai	5.20	0.52	0.12	0.32	0.03	0.01	3.09	0.29	0.10	6.11	0.49	0.20	5.28	0.42	0.18
North East	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.07	0.03	0.05	0.00	0.00	0.03	0.00	0.00
Orissa	2.24	0.13	0.05	0.00	0.00	0.00	0.18	0.01	0.01	0.10	0.01	0.00	0.06	0.00	0.00
Punjab	6.92	0.55	0.31	22.73	1.82	1.24	3.08	0.25	0.17	30.32	2.43	1.65	43.28	3.46	2.36
Rajasthan	12.91	1.03	0.46	0.96	0.08	0.04	6.23	0.50	0.28	10.12	0.81	0.46	7.20	0.58	0.33
Tamil Nadu	0.39	0.04	0.01	1.61	0.16	0.05	2.26	0.21	0.08	14.90	1.19	0.57	0.50	0.04	0.02
UPE	1.63	0.13	0.06	0.81	0.06	0.04	2.01	0.16	0.09	14.02	1.12	0.62	20.38	1.63	0.91
UPW	3.48	0.28	0.18	20.83	1.67	1.14	18.43	1.47	1.00	(131.60)	-	-	(30.32)	-	-
West Bengal	0.02	0.00	0.00	0.01	0.00	0.00	0.36	0.03	0.01	0.24	0.02	0.01	0.16	0.01	0.01
NLD-Idea	0.35	0.02	-	0.10	0.01	-	4.70	0.32	-	2.57	0.21	-	1.38	0.11	-
NLD-18 Spice	0.00	0.00	-	0.00	0.00	-	0.01	0.00	-	0.01	0.00	-	0.01	0.00	-
ILD	0.03	0.00	-	0.01	0.00	-	0.57	0.04	-	0.33	0.03	-	0.20	0.02	-
ISP	-	-	-	0.00	0.00	-	0.04	0.00	-	0.05	0.00	-	0.05	0.00	-
TOTAL	103.02	17.53	9.47	241.88	22.48	14.04	179.24	14.71	8.99	297.88	34.36	21.87	200.40	18.46	11.94

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	10.22	1.08	0.66

**ANNEXURE-4.13 [Para 4.4.1]
Impact on payment of LF & SUC due to netting off Bad debts written off from GR.**

(₹ in lakh)

Services/LSA	FINANCIAL YEAR		
	2013-14		
	Amount of GR/AGR	LF Impact	SUC Impact
Andhra Pradesh	907.22	72.58	51.26
Assam	-	-	-
Bihar	0.02	0.00	0.00
Delhi	2,138.94	171.12	116.57
Gujarat	667.99	53.44	30.39
Haryana	286.78	22.94	12.48
Himachal Pradesh	5.46	0.44	0.18
J&K	-	-	-
Karnataka	1,011.18	80.89	43.99
Kerala	785.84	62.87	43.61
Kolkata	-	-	-
Madhya Pradesh	598.50	47.88	32.62
Maharashtra	2,428.68	194.29	159.08
Mumbai	209.17	16.73	6.80
North East	-	-	-
Orissa	-	-	-
Punjab	1,473.70	117.90	80.32
Rajasthan	285.32	22.83	12.98
Tamil Nadu	-	-	-
UPE	40.24	3.22	1.79
UPW	529.19	42.34	28.84
West Bengal	-	-	-
TOTAL	11,368.23	909.46	620.91

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
IDEA	113.68	9.09	6.21

**Annexure-4.14 (Para 4.4.2]
Statement showing interest on LF & SUC upto Mar 16**

(₹ in lakh)

SI No.	Para No.	Annex	No. of Months (upto March 16)	60		48		36		24		12		TOTAL		
				Rate@ (PLR+2)%		15		16.75		16.45		16.75			16.75	
				Issues	2010-11		2011-12		2012-13		2013-14		2014-15			
					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(A)	4.01	Prepaid Margin	4622.01	2414.16	4890.49	2849.07	3457.63	2082.62	2452.98	1595.16	1369.22	898.20	26631.54		
2	4.2.1(B)	4.02	Prepaid Netting	4082.79	2138.39	4200.84	2436.77	2938.74	1803.85	1716.87	1173.07	1146.93	798.33	22436.58		
3	4.2.2	4.03	Postpaid	219.47	119.14	189.84	114.55	148.46	90.25	161.51	104.30	68.19	44.48	1260.19		
4	4.2.3	4.04	Roaming	68.84	35.54	290.71	149.90	196.77	100.21	127.19	86.33	16.86	11.79	1084.13		
5	4.2.4	4.05	Infrastructure sharing revenue	623.43	363.19	685.99	445.26	463.15	324.30	333.23	250.06	113.43	82.81	3684.86		
6	4.2.5	4.06	Switch sharing	1203.61	559.90	359.50	195.65	0.00	0.00	0.00	0.00	0.00	0.00	2318.66		
7	4.2.6	4.07	IRU	41.27	0.00	72.13	0.00	97.34	0.00	103.39	0.00	50.34	0.00	364.46		
8	4.2.7	4.08	Forex	229.59	95.79	873.18	483.45	319.74	168.48	136.94	64.16	26.49	12.76	2410.60		
9	4.3.1	4.09	Interest Income	616.53	292.97	84.16	44.60	66.05	35.39	320.21	179.57	157.18	89.82	1886.48		
10	4.3.2	4.10	Profit on sale of Investment	425.32	202.59	198.58	105.15	301.49	161.35	386.98	216.96	497.73	284.33	2780.48		
11	4.3.3	4.11	Misc. Income	52.63	26.05	48.47	27.91	32.02	20.04	5.96	4.06	0.97	0.60	218.72		
12	4.3.4	4.12	Gain on sale of Fixed Assets	19.41	10.48	21.25	13.27	9.30	5.68	13.56	8.63	3.34	2.16	107.09		
13	4.4.1	4.13	Bad debts written off	0.00	0.00	0.00	0.00	0.00	0.00	358.97	245.08	0.00	0.00	604.04		
	TOTAL			12204.9	6258.2	11915.14	6865.58	8030.69	4792.17	6117.79	3927.38	3450.68	2225.28	65787.83		

Say ₹ 657.88 crore

ANNEXURE 5.01 (Para 5.2.1 A)

Impact on payment of LF and SUC due to non consideration of revenue on account of VAS (R world and SMS content) for GR by RCL.

(₹ in lakh)

RCL LSA	2010-11						2011-12					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	1990.35	199.03	2351.31	87.00	725.75	25.40	1828.57	182.86	2162.29	75.68	718.96	25.16
Bihar	921.77	55.31	1457.69	48.10	0.00	0.00	827.90	49.67	1335.37	44.07	0.00	0.00
Delhi	3163.23	316.32	2770.29	92.80	1554.52	55.19	3047.92	304.79	2533.89	84.89	1639.04	58.19
Gujarat	1527.26	152.73	1417.36	52.44	911.53	31.90	1377.09	137.71	1318.09	48.77	837.35	29.31
Haryana	494.06	39.52	451.87	16.72	357.96	12.53	390.00	31.20	393.23	13.76	266.39	9.32
HP	79.46	4.77	113.72	4.21	0.00	0.00	76.84	4.61	106.30	3.72	0.00	0.00
J&K	141.32	8.48	2.99	0.09	231.29	8.10	189.76	11.39	2.12	0.06	324.97	11.37
Karnataka	1815.03	181.50	1535.44	56.81	873.72	30.58	1807.40	180.74	1457.53	53.93	777.88	27.23
Kerala	750.40	60.03	1013.90	39.54	151.36	5.60	604.45	48.36	814.29	30.13	141.50	5.24
Kolkata	679.94	67.99	977.73	32.75	0.00	0.00	601.02	60.10	906.69	30.37	0.00	0.00
Maharashtra	2083.06	208.31	1884.43	73.49	1328.42	46.49	1880.52	188.05	1804.76	66.78	1192.58	41.74
MP	1010.21	80.82	1554.30	57.51	0.00	0.00	983.16	78.65	1508.26	52.79	0.00	0.00
Mumbai	3058.66	305.87	2912.87	103.41	1076.90	40.92	2959.32	295.93	2725.02	96.74	1075.81	40.88
Orissa	234.32	14.06	332.81	12.31	0.00	0.00	208.13	12.49	274.22	9.60	0.00	0.00
Punjab	682.76	54.62	548.70	20.30	528.66	18.50	595.17	47.61	482.64	16.89	483.46	16.92
Rajasthan	980.27	78.42	948.23	35.08	650.87	24.08	825.56	66.04	790.35	27.66	596.31	22.06
Tamil Nadu	1741.30	174.13	1894.78	70.11	586.60	21.70	1689.39	168.94	1865.58	65.30	562.65	20.82
UP(E)	1688.73	135.10	1772.60	65.59	983.09	36.37	1588.41	127.07	1626.20	56.92	1056.94	39.11
UP(W)	1320.93	105.67	1256.68	49.01	923.64	34.17	1168.93	93.51	1103.85	40.84	896.87	33.18
WB	398.47	31.88	590.24	21.84	0.00	0.00	368.77	29.50	505.69	17.70	0.00	0.00
NLD	9272.03	556.32	0.00	0.00	0.00	0.00	8450.74	507.04	0.00	0.00	0.00	0.00
ILD	2638.70	158.32	0.00	0.00	0.00	0.00	2818.02	169.08	0.00	0.00	0.00	0.00
TOTAL	36672.26	2989.21	25787.94	939.12	10884.33	391.55	34287.05	2795.36	23716.36	836.59	10570.70	380.53

(₹ in crore)

Amount of GR/AGR		LF Impact	SUC Impact
RCL	709.59	57.85	25.48

ANNEXURE 5.02 (Para 5.2.1 B)

Impact on payment of LF and SUC due to non consideration of revenue from Caller Ring Back Tone for GR by RCL

(₹ in lakh)

RCL LSA	2010-11						2011-12						2012-13					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDM	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDM A	Impact on SUC-CDM	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDM A	Impact on SUC-CDM	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	982.91	98.29	1161.1	42.96	358.40	12.54	640.26	64.03	757.11	26.50	251.74	8.81	115.88	10.72	129.15	4.52	57.97	2.03
Bihar	455.21	27.31	719.87	23.76	0.00	0.00	289.88	17.39	467.57	15.43	0.00	0.00	54.55	3.68	93.11	3.07	0.00	0.00
Delhi	1562.1	156.21	1368.0	45.83	767.68	27.25	1067.2	106.7	887.22	29.72	573.90	20.37	182.86	16.91	150.91	5.06	127.1	4.51
Gujarat	754.22	75.42	699.95	25.90	450.15	15.76	482.18	48.22	461.52	17.08	293.19	10.26	94.64	8.75	80.87	2.99	71.06	2.49
Haryana	243.99	19.52	223.15	8.26	176.78	6.19	136.56	10.92	137.69	4.82	93.27	3.26	25.52	2.04	24.07	0.84	19.04	0.67
HP	39.24	2.35	56.16	2.08	0.00	0.00	26.90	1.61	37.22	1.30	0.00	0.00	4.14	0.28	6.53	0.23	0.00	0.00
J&K	69.79	4.19	1.48	0.04	114.22	4.00	66.44	3.99	0.74	0.02	113.78	3.98	15.22	1.03	0.45	0.01	25.66	0.90
Karnataka	896.34	89.63	758.26	28.06	431.48	15.10	632.85	63.28	510.34	18.88	272.37	9.53	115.26	10.66	92.87	3.44	51.70	1.81
Kerala	370.58	29.65	500.71	19.53	74.75	2.77	211.64	16.93	285.12	10.55	49.54	1.83	37.50	3.00	48.59	1.80	11.54	0.43
Kolkata	335.78	33.58	482.84	16.18	0.00	0.00	210.44	21.04	317.47	10.64	0.00	0.00	35.84	3.31	54.24	1.82	0.00	0.00
Maharashtr	1028.7	102.87	930.61	36.29	656.03	22.96	658.45	65.85	631.92	23.38	417.57	14.62	123.33	11.41	116.09	4.30	82.87	2.90
MP	498.88	39.91	767.58	28.40	0.00	0.00	344.25	27.54	528.11	18.48	0.00	0.00	55.62	4.45	93.59	3.28	0.00	0.00
Mumbai	1510.4	151.05	1438.4	51.07	531.82	20.21	1036.1	103.6	954.14	33.87	376.69	14.31	176.84	16.36	172.22	6.11	76.53	2.91
Orissa	115.72	6.94	164.36	6.08	0.00	0.00	72.88	4.37	96.02	3.36	0.00	0.00	9.10	0.61	15.25	0.53	0.00	0.00
Punjab	337.17	26.97	270.97	10.03	261.07	9.14	208.39	16.67	168.99	5.91	169.28	5.92	38.13	3.05	26.23	0.92	36.24	1.27
Rajasthan	484.10	38.73	468.28	17.33	321.43	11.89	289.06	23.13	276.74	9.69	208.79	7.73	55.69	4.45	42.81	1.50	50.79	1.88
Tamil	859.93	85.99	935.72	34.62	289.69	10.72	591.53	59.15	653.22	22.86	197.01	7.29	123.45	11.42	125.15	4.38	63.37	2.34
UP(E)	833.96	66.72	875.38	32.39	485.49	17.96	556.17	44.49	569.40	19.93	370.08	13.69	102.38	8.19	96.30	3.37	76.30	2.82
UP(W)	652.33	52.19	620.60	24.20	456.13	16.88	409.29	32.74	386.50	14.30	314.03	11.62	69.46	5.56	62.08	2.30	56.45	2.09
WB	196.78	15.74	291.49	10.78	0.00	0.00	129.12	10.33	177.06	6.20	0.00	0.00	18.31	1.47	31.24	1.09	0.00	0.00
NLD	4578.9	274.73	0.00	0.00	0.00	0.00	2958.9	177.5	0.00	0.00	0.00	0.00	591.43	39.92	0.00	0.00	0.00	0.00
ILD	1303.1	78.19	0.00	0.00	0.00	0.00	986.71	59.20	0.00	0.00	0.00	0.00	223.24	15.07	0.00	0.00	0.00	0.00
TOTAL	18110.	1476.1	12735.	463.7	5375.1	193.3	12005.	978.7	8304.1	292.9	3701.2	133.2	2268.3	182.3	1461.7	51.55	806.6	29.04

(₹ in crore)

Amount of GR/AGR		LF Impact	SUC Impact
RCL	323.84	26.37	11.64

ANNEXURE 5.03 (Para 5.2.1 C)

Impact on payment of LF and SUC due to non consideration of revenue from Blackberry services for GR by RCL.

(₹ in lakh)

RCL LSA	2010-11						2011-12					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM
A.P.	130.44	13.04	154.10	5.70	47.56	1.66	154.79	15.48	183.04	6.41	60.86	2.13
Bihar	60.41	3.62	95.53	3.15	0.00	0.00	70.08	4.20	113.04	3.73	0.00	0.00
Delhi	207.31	20.73	181.55	6.08	101.88	3.62	258.01	25.80	214.50	7.19	138.75	4.93
Gujarat	100.09	10.01	92.89	3.44	59.74	2.09	116.57	11.66	111.58	4.13	70.88	2.48
Haryana	32.38	2.59	29.61	1.10	23.46	0.82	33.01	2.64	33.29	1.17	22.55	0.79
H.P.	5.21	0.31	7.45	0.28	0.00	0.00	6.50	0.39	9.00	0.31	0.00	0.00
J&K	9.26	0.56	0.20	0.01	15.16	0.53	16.06	0.96	0.18	0.01	27.51	0.96
Karnataka	118.95	11.90	100.63	3.72	57.26	2.00	153.00	15.30	123.38	4.57	65.85	2.30
Kerala	49.18	3.93	66.45	2.59	9.92	0.37	51.17	4.09	68.93	2.55	11.98	0.44
Kolkata	44.56	4.46	64.08	2.15	0.00	0.00	50.88	5.09	76.75	2.57	0.00	0.00
M.P.	66.21	5.30	101.86	3.77	0.00	0.00	83.23	6.66	127.68	4.47	0.00	0.00
Maharashtra	136.52	13.65	123.50	4.82	87.06	3.05	159.19	15.92	152.77	5.65	100.95	3.53
Mumbai	200.45	20.05	190.90	6.78	70.58	2.68	250.51	25.05	230.67	8.19	91.07	3.46
Orissa	15.36	0.92	21.81	0.81	0.00	0.00	17.62	1.06	23.21	0.81	0.00	0.00
Punjab	44.75	3.58	35.96	1.33	34.65	1.21	50.38	4.03	40.86	1.43	40.93	1.43
Rajasthan	64.24	5.14	62.14	2.30	42.66	1.58	69.88	5.59	66.90	2.34	50.48	1.87
Tamil Nadu	114.12	11.41	124.18	4.59	38.44	1.42	143.01	14.30	157.92	5.53	47.63	1.76
UP(E)	110.67	8.85	116.17	4.30	64.43	2.38	134.46	10.76	137.66	4.82	89.47	3.31
UP(W)	86.57	6.93	82.36	3.21	60.53	2.24	98.95	7.92	93.44	3.46	75.92	2.81
West Bengal	26.11	2.09	38.68	1.43	0.00	0.00	31.22	2.50	42.81	1.50	0.00	0.00
NLD	607.66	36.46	0.00	0.00	0.00	0.00	715.36	42.92	0.00	0.00	0.00	0.00
ILD	172.93	10.38	0.00	0.00	0.00	0.00	238.55	14.31	0.00	0.00	0.00	0.00
TOTAL	2403.37	195.90	1690.05	61.55	713.32	25.66	2902.43	236.63	2007.61	70.82	894.82	32.21

(₹ in lakh)

RCL LSA	2012-13						2013-14					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Impact on SUC- GSM	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Impact on SUC- GSM	Impact on SUC- GSM
A.P.	157.01	14.52	174.98	6.12	78.54	2.75	34.48	2.76	32.37	1.13	22.61	0.79
Bihar	73.91	4.99	126.15	4.16	0.00	0.00	16.08	1.29	27.09	0.89	0.00	0.00
Delhi	247.75	22.92	204.46	6.85	172.25	6.12	57.77	4.62	37.85	1.27	47.90	1.70
Gujarat	128.23	11.86	109.57	4.05	96.28	3.37	27.73	2.22	19.08	0.71	25.00	0.87
Haryana	34.57	2.77	32.62	1.14	25.79	0.90	7.57	0.61	5.77	0.20	6.85	0.24
H.P.	5.60	0.38	8.84	0.31	0.00	0.00	0.93	0.07	1.45	0.05	0.00	0.00
J&K	20.63	1.39	0.61	0.02	34.76	1.22	5.49	0.44	0.08	0.00	9.21	0.32
Karnataka	156.16	14.45	125.83	4.66	70.05	2.45	34.67	2.77	23.19	0.86	19.06	0.67
Kerala	50.81	4.06	65.83	2.44	15.63	0.58	10.42	0.83	11.99	0.44	4.54	0.17
Kolkata	48.56	4.49	73.49	2.46	0.00	0.00	8.90	0.71	13.14	0.44	0.00	0.00
M.P.	75.36	6.03	126.80	4.44	0.00	0.00	14.11	1.13	23.43	0.82	0.00	0.00
Maharashtra	167.10	15.46	157.28	5.82	112.28	3.93	33.07	2.65	29.81	1.10	22.78	0.80
Mumbai	239.59	22.16	233.33	8.28	103.69	3.94	54.55	4.36	45.81	1.63	31.19	1.19
Orissa	12.33	0.83	20.66	0.72	0.00	0.00	2.13	0.17	3.49	0.12	0.00	0.00
Punjab	51.66	4.13	35.54	1.24	49.10	1.72	13.68	1.09	5.94	0.21	16.35	0.57
Rajasthan	75.45	6.04	58.00	2.03	68.81	2.55	20.08	1.61	10.06	0.35	23.38	0.86
Tamil Nadu	167.26	15.47	169.57	5.93	85.85	3.18	39.98	3.20	32.76	1.15	28.20	1.04
UP(E)	138.71	11.10	130.48	4.57	103.37	3.82	25.96	2.08	22.97	0.80	20.28	0.75
UP(W)	94.10	7.53	84.11	3.11	76.48	2.83	15.89	1.27	13.24	0.49	13.45	0.50
West Bengal	24.81	1.99	42.32	1.48	0.00	0.00	4.58	0.37	7.71	0.27	0.00	0.00
NLD	801.32	54.09	0.00	0.00	0.00	0.00	167.75	13.42	0.00	0.00	0.00	0.00
ILD	302.46	20.42	0.00	0.00	0.00	0.00	62.17	4.97	0.00	0.00	0.00	0.00
TOTAL	3073.37	247.06	1980.48	69.85	1092.89	39.35	658.01	52.64	367.24	12.94	290.78	10.47

(₹ in crore)

Amount of GR/AGR		LF Impact	SUC Impact
RCL	90.37	7.32	3.23

ANNEXURE 5.04 (Para 5.2.1 D)

Impact on payment of LF and SUC due to non consideration of revenue from RConnect services for GR by RCL

(₹ in lakh)

RCL LSA	2010-11						2011-12					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	3443.01	344.30	4067.41	150.49	1255.44	43.94	2267.92	226.79	2681.83	93.86	891.71	31.21
Bihar	1594.52	95.67	2521.59	83.21	0.00	0.00	1026.82	61.61	1656.22	54.66	0.00	0.00
Delhi	5471.93	547.19	4792.19	160.54	2689.09	95.46	3780.25	378.02	3142.71	105.28	2032.85	72.17
Gujarat	2641.94	264.19	2451.82	90.72	1576.82	55.19	1707.97	170.80	1634.79	60.49	1038.54	36.35
Haryana	854.65	68.37	781.66	28.92	619.22	21.67	483.71	38.70	487.71	17.07	330.39	11.56
H.P.	137.45	8.25	196.72	7.28	0.00	0.00	95.30	5.72	131.84	4.61	0.00	0.00
J&K	244.47	14.67	5.17	0.16	400.11	14.00	235.35	14.12	2.63	0.08	403.05	14.11
Karnataka	3139.74	313.97	2656.09	98.28	1511.41	52.90	2241.66	224.17	1807.73	66.89	964.78	33.77
Kerala	1298.09	103.85	1753.90	68.40	261.84	9.69	749.68	59.97	1009.94	37.37	175.50	6.49
Kolkata	1176.19	117.62	1691.33	56.66	0.00	0.00	745.43	74.54	1124.55	37.67	0.00	0.00
M.P.	1747.52	139.80	2688.72	99.48	2297.97	80.43	1219.39	97.55	1870.65	65.47	1479.12	51.77
Maharashtra	3603.38	360.34	3259.78	127.13	0.00	0.00	2332.35	233.24	2238.40	82.82	0.00	0.00
Mumbai	5291.03	529.10	5038.83	178.88	1862.88	70.79	3670.36	367.04	3379.76	119.98	1334.30	50.70
Orissa	405.34	24.32	575.72	21.30	0.00	0.00	258.14	15.49	340.11	11.90	0.00	0.00
Punjab	1181.07	94.49	949.17	35.12	914.51	32.01	738.17	59.05	598.60	20.95	599.62	20.99
Rajasthan	1695.72	135.66	1640.30	60.69	1125.91	41.66	1023.92	81.91	980.25	34.31	739.59	27.36
Tamil Nadu	3012.20	301.22	3277.68	121.27	1014.74	37.55	2095.30	209.53	2313.83	80.98	697.84	25.82
UP(E)	2921.25	233.70	3066.33	113.45	1700.61	62.92	1970.06	157.60	2016.93	70.59	1310.89	48.50
UP(W)	2285.01	182.80	2173.86	84.78	1597.76	59.12	1449.79	115.98	1369.07	50.66	1112.36	41.16
WB	689.30	55.14	1021.04	37.78	0.00	0.00	457.38	36.59	627.19	21.95	0.00	0.00
NLD	16039.25	962.35	0.00	0.00	0.00	0.00	10481.22	628.87	0.00	0.00	0.00	0.00
ILD	4564.56	273.87	0.00	0.00	0.00	0.00	3495.11	209.71	0.00	0.00	0.00	0.00
TOTAL	63437.62	5170.89	44609.34	1624.55	18828.29	677.32	42525.29	3467.01	29414.74	1037.60	13110.55	471.96

(₹ in lakh)

RCL LSA	2012-13						2013-14					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM
A.P.	2205.67	204.02	2458.19	86.04	1103.36	38.62	1963.96	157.12	1843.72	64.53	1287.81	45.07
Bihar	1038.37	70.09	1772.23	58.48	0.00	0.00	916.10	73.29	1543.30	50.93	0.00	0.00
Delhi	3480.42	321.94	2872.30	96.22	2419.87	85.91	3290.74	263.26	2156.18	72.23	2728.36	96.86
Gujarat	1801.43	166.63	1539.21	56.95	1352.56	47.34	1579.61	126.37	1086.59	40.20	1423.80	49.83
Haryana	485.68	38.85	458.19	16.04	362.36	12.68	431.46	34.52	328.43	11.50	390.30	13.66
H.P.	78.71	5.31	124.25	4.35	0.00	0.00	53.14	4.25	82.68	2.89	0.00	0.00
J&K	289.77	19.56	8.63	0.26	488.31	17.09	312.65	25.01	4.79	0.14	524.40	18.35
Karnataka	2193.82	202.93	1767.62	65.40	984.04	34.44	1974.99	158.00	1321.05	48.88	1085.48	37.99
Kerala	713.73	57.10	924.83	34.22	219.64	8.13	593.65	47.49	682.71	25.26	258.66	9.57
Kolkata	682.12	63.10	1032.35	34.58	0.00	0.00	507.18	40.57	748.72	25.08	0.00	0.00
M.P.	1058.61	84.69	1781.33	62.35	1577.30	55.21	803.87	64.31	1334.65	46.71	1297.50	45.41
Maharashtra	2347.43	217.14	2209.57	81.75	0.00	0.00	1883.72	150.70	1698.25	62.84	0.00	0.00
Mumbai	3365.84	311.34	3277.92	116.37	1456.64	55.35	3107.38	248.59	2609.58	92.64	1776.47	67.51
Orissa	173.25	11.69	290.28	10.16	0.00	0.00	121.47	9.72	198.67	6.95	0.00	0.00
Punjab	725.67	58.05	499.29	17.48	689.78	24.14	779.23	62.34	338.09	11.83	931.35	32.60
Rajasthan	1059.89	84.79	814.78	28.52	966.66	35.77	1143.80	91.50	572.97	20.05	1331.67	49.27
Tamil Nadu	2349.74	217.35	2382.13	83.37	1206.07	44.62	2277.42	182.19	1866.28	65.32	1606.09	59.43
UP(E)	1948.62	155.89	1833.02	64.16	1452.20	53.73	1478.71	118.30	1308.49	45.80	1155.30	42.75
UP(W)	1321.99	105.76	1181.62	43.72	1074.45	39.75	904.99	72.40	754.22	27.91	765.89	28.34
WB	348.58	27.89	594.58	20.81	0.00	0.00	260.86	20.87	439.08	15.37	0.00	0.00
NLD	11257.10	759.85	0.00	0.00	0.00	0.00	9555.09	764.41	0.00	0.00	0.00	0.00
ILD	4249.10	286.81	0.00	0.00	0.00	0.00	3541.53	283.32	0.00	0.00	0.00	0.00
TOTAL	43175.53	3470.79	27822.31	981.22	15353.22	552.78	37481.55	2998.52	20918.46	737.07	16563.10	596.64

(₹ in crore)

Amount of GR/AGR		LF Impact	SUC Impact
RCL	1866.20	151.07	66.79

ANNEXURE 5.05 (Para 5.2.1 E)

Impact on payment of LF and SUC due to non consideration of Revenue from installation of FWP/T in subscriber's premises by RCL

(₹ in lakh)

RCL LSA	2010-11						2011-12						2012-13					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM
A.P.	90.32	9.03	106.70	3.95	32.93	1.15	30.79	3.08	36.41	1.27	12.11	0.42	3.40	0.31	3.79	0.13	1.70	0.06
Bihar	41.83	2.51	66.15	2.18	0.00	0.00	13.94	0.84	22.48	0.74	0.00	0.00	1.60	0.11	2.74	0.09	0.00	0.00
Delhi	143.54	14.35	125.71	4.21	70.54	2.50	51.32	5.13	42.66	1.43	27.60	0.98	5.37	0.50	4.43	0.15	3.74	0.13
Gujarat	69.30	6.93	64.32	2.38	41.36	1.45	23.19	2.32	22.19	0.82	14.10	0.49	2.78	0.26	2.38	0.09	2.09	0.07
Haryana	22.42	1.79	20.50	0.76	16.24	0.57	6.57	0.53	6.62	0.23	4.49	0.16	0.75	0.06	0.71	0.02	0.56	0.02
H.P.	3.61	0.22	5.16	0.19	0.00	0.00	1.29	0.08	1.79	0.06	0.00	0.00	0.12	0.01	0.19	0.01	0.00	0.00
J&K	6.41	0.38	0.14	0.00	10.50	0.37	3.19	0.19	0.04	0.00	5.47	0.19	0.45	0.03	0.01	0.00	0.75	0.03
Karnataka	82.36	8.24	69.67	2.58	39.65	1.39	30.43	3.04	24.54	0.91	13.10	0.46	3.39	0.31	2.73	0.10	1.52	0.05
Kerala	34.05	2.72	46.01	1.79	6.87	0.25	10.18	0.81	13.71	0.51	2.38	0.09	1.10	0.09	1.43	0.05	0.34	0.01
Kolkata	30.85	3.09	44.37	1.49	0.00	0.00	10.12	1.01	15.27	0.51	0.00	0.00	1.05	0.10	1.59	0.05	0.00	0.00
M.P.	45.84	3.67	70.53	2.61	0.00	0.00	16.55	1.32	25.39	0.94	0.00	0.00	1.63	0.13	2.75	0.10	0.00	0.00
Maharashtra	94.52	9.45	85.51	3.33	60.28	2.11	31.66	3.17	30.39	1.06	20.08	0.70	3.62	0.34	3.41	0.13	2.43	0.09
Mumbai	138.79	13.88	132.18	4.69	48.87	1.86	49.83	4.98	45.88	1.63	18.11	0.69	5.20	0.48	5.06	0.18	2.25	0.09
Orissa	10.63	0.64	15.10	0.56	0.00	0.00	3.50	0.21	4.62	0.16	0.00	0.00	0.27	0.02	0.45	0.02	0.00	0.00
Punjab	30.98	2.48	24.90	0.92	23.99	0.84	10.02	0.80	8.13	0.28	8.14	0.28	1.12	0.09	0.77	0.03	1.06	0.04
Rajasthan	44.48	3.56	43.03	1.59	29.53	1.09	13.90	1.11	13.31	0.47	10.04	0.37	1.64	0.13	1.26	0.04	1.49	0.06
Tamil Nadu	79.02	7.90	85.98	3.18	26.62	0.98	28.44	2.84	31.41	1.10	9.47	0.35	3.63	0.34	3.68	0.13	1.86	0.07
UP(E)	76.63	6.13	80.44	2.98	44.61	1.65	26.74	2.14	27.38	0.96	17.80	0.66	3.01	0.24	2.83	0.10	2.24	0.08
UP(W)	59.94	4.80	57.02	2.22	41.91	1.55	19.68	1.57	18.59	0.69	15.10	0.56	2.04	0.16	1.82	0.07	1.66	0.06
West Bengal	18.08	1.45	26.78	0.99	0.00	0.00	6.21	0.50	8.51	0.30	0.00	0.00	0.54	0.04	0.92	0.03	0.00	0.00
NLD	420.74	25.24	0.00	0.00	0.00	0.00	142.28	8.54	0.00	0.00	0.00	0.00	17.38	1.17	0.00	0.00	0.00	0.00
ILD	119.74	7.18	0.00	0.00	0.00	0.00	47.45	2.85	0.00	0.00	0.00	0.00	6.56	0.44	0.00	0.00	0.00	0.00
TOTAL	1664.10	135.64	1170.19	42.62	493.90	17.77	577.29	47.07	399.31	14.08	177.98	6.41	66.65	5.36	42.95	1.51	23.70	0.85

(₹ in lakh)

RCL LSA	2013-14						2014-15					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
Andhra Pradesh	0.26	0.02	0.24	0.01	0.17	0.01	0.13	0.01	0.11	0.00	0.10	0.00
Bihar	0.12	0.01	0.20	0.01	0.00	0.00	0.06	0.00	0.11	0.00	0.00	0.00
Delhi	0.43	0.03	0.28	0.01	0.36	0.01	0.25	0.02	0.14	0.00	0.25	0.01
Gujarat	0.21	0.02	0.14	0.01	0.19	0.01	0.11	0.01	0.06	0.00	0.12	0.00
Haryana	0.06	0.00	0.04	0.00	0.05	0.00	0.03	0.00	0.02	0.00	0.03	0.00
Himachal Pradesh	0.01	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00
J&K	0.04	0.00	0.00	0.00	0.07	0.00	0.02	0.00	0.00	0.00	0.04	0.00
Karnataka	0.26	0.02	0.17	0.01	0.14	0.00	0.15	0.01	0.08	0.00	0.10	0.00
Kerala	0.08	0.01	0.09	0.00	0.03	0.00	0.04	0.00	0.04	0.00	0.03	0.00
Kolkata	0.07	0.01	0.10	0.00	0.00	0.00	0.03	0.00	0.04	0.00	0.00	0.00
Madhya Pradesh	0.11	0.01	0.17	0.01	0.00	0.00	0.05	0.00	0.08	0.00	0.00	0.00
Maharashtra	0.25	0.02	0.22	0.01	0.17	0.01	0.13	0.01	0.11	0.00	0.09	0.00
Mumbai	0.41	0.03	0.34	0.01	0.23	0.01	0.25	0.02	0.18	0.01	0.20	0.01
Orissa	0.02	0.00	0.03	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00
Punjab	0.10	0.01	0.04	0.00	0.12	0.00	0.06	0.00	0.02	0.00	0.08	0.00
Rajasthan	0.15	0.01	0.07	0.00	0.17	0.01	0.09	0.01	0.04	0.00	0.13	0.00
Tamil Nadu	0.30	0.02	0.24	0.01	0.21	0.01	0.16	0.01	0.12	0.00	0.13	0.00
UP(E)	0.19	0.02	0.17	0.01	0.15	0.01	0.09	0.01	0.07	0.00	0.09	0.00
UP(W)	0.12	0.01	0.10	0.00	0.10	0.00	0.06	0.00	0.04	0.00	0.06	0.00
West Bengal	0.03	0.00	0.06	0.00	0.00	0.00	0.02	0.00	0.03	0.00	0.00	0.00
NLD	1.25	0.10	0.00	0.00	0.00	0.00	0.71	0.06	0.00	0.00	0.00	0.00
ILD	0.46	0.04	0.00	0.00	0.00	0.00	0.31	0.02	0.00	0.00	0.00	0.00
TOTAL RCL	4.90	0.39	2.74	0.10	2.17	0.08	2.76	0.22	1.31	0.05	1.46	0.05

(₹ in crore)

Amount of GR/AGR		LF Impact	SUC Impact
RCL	23.16	1.89	0.84

ANNEXURE 5.06 (Para 5.2.1 F)

Impact on payment of LF and SUC due to non consideration of revenue from sale of SIM cards for GR by RCL

(₹ in lakh)

RCL LSA	2010-11						2011-12					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM
A.P.	153.06	15.31	180.82	6.69	55.81	1.95	46.61	4.66	55.12	1.93	18.33	0.64
Bihar	70.89	4.25	112.10	3.70	0.00	0.00	21.11	1.27	34.04	1.12	0.00	0.00
Delhi	243.26	24.33	213.04	7.14	119.55	4.24	77.70	7.77	64.60	2.16	41.78	1.48
Gujarat	117.45	11.74	109.00	4.03	70.10	2.45	35.11	3.51	33.60	1.24	21.35	0.75
Haryana	37.99	3.04	34.75	1.29	27.53	0.96	9.94	0.80	10.02	0.35	6.79	0.24
H.P.	6.11	0.37	8.75	0.32	0.00	0.00	1.96	0.12	2.71	0.09	0.00	0.00
J&K	10.87	0.65	0.23	0.01	17.79	0.62	4.84	0.29	0.05	0.00	8.28	0.29
Karnataka	139.58	13.96	118.08	4.37	67.19	2.35	46.08	4.61	37.16	1.37	19.83	0.69
Kerala	57.71	4.62	77.97	3.04	11.64	0.43	15.41	1.23	20.76	0.77	3.61	0.13
Kolkata	52.29	5.23	75.19	2.52	0.00	0.00	15.32	1.53	23.11	0.77	0.00	0.00
M.P.	77.69	6.21	119.53	4.42	0.00	0.00	25.06	2.01	38.45	1.42	0.00	0.00
Maharashtra	160.19	16.02	144.92	5.65	102.16	3.58	47.94	4.79	46.01	1.61	30.40	1.06
Mumbai	235.22	23.52	224.00	7.95	82.82	3.15	75.44	7.54	69.47	2.47	27.43	1.04
Orissa	18.02	1.08	25.59	0.95	0.00	0.00	5.31	0.32	6.99	0.24	0.00	0.00
Punjab	52.51	4.20	42.20	1.56	40.65	1.42	15.17	1.21	12.30	0.43	12.32	0.43
Rajasthan	75.38	6.03	72.92	2.70	50.05	1.85	21.05	1.68	20.15	0.71	15.20	0.56
Tamil Nadu	133.91	13.39	145.71	5.39	45.11	1.67	43.07	4.31	47.56	1.66	14.34	0.53
UP(E)	129.87	10.39	136.32	5.04	75.60	2.80	40.49	3.24	41.46	1.45	26.94	1.00
UP(W)	101.58	8.13	96.64	3.77	71.03	2.63	29.80	2.38	28.14	1.04	22.86	0.85
WB	30.64	2.45	45.39	1.68	0.00	0.00	9.40	0.75	12.89	0.45	0.00	0.00
NLD	713.04	42.78	0.00	0.00	0.00	0.00	215.43	12.93	0.00	0.00	0.00	0.00
ILD	202.92	12.18	0.00	0.00	0.00	0.00	71.84	4.31	0.00	0.00	0.00	0.00
TOTAL	2820.16	229.88	1983.14	72.22	837.02	30.11	874.07	71.26	604.59	21.31	269.47	9.70

(₹ in crore)

	Amount of GR/AGR	LF Impact	SUC Impact
RCL	36.94	3.01	1.33

ANNEXURE 5.07 (Para 5.3.2)
Impact on payment of LF and SUC due to setting off commission/discount by RCL/RTL

(₹ in lakh)

RCL LSA	2010-11						2011-12						2012-13					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	1939.26	193.93	2290.96	84.77	707.12	24.75	1405.92	140.59	1662.50	58.19	552.78	19.35	1156.44	106.97	1288.83	45.11	578.49	20.25
Bihar	898.11	53.89	1420.28	46.87	0.00	0.00	636.54	38.19	1026.72	33.88	0.00	0.00	544.42	36.75	929.18	30.66	0.00	0.00
Delhi	3082.04	308.20	2699.18	90.42	1514.62	53.77	2343.43	234.34	1948.21	65.27	1260.19	44.74	1824.79	168.79	1505.95	50.45	1268.74	45.04
Gujarat	1488.06	148.81	1380.98	51.10	888.14	31.08	1058.79	105.88	1013.43	37.50	643.80	22.53	944.49	87.37	807.01	29.86	709.15	24.82
Haryana	481.38	38.51	440.27	16.29	348.78	12.21	299.86	23.99	302.34	10.58	204.82	7.17	254.64	20.37	240.23	8.41	189.98	6.65
H.P.	77.42	4.65	110.80	4.10	0.00	0.00	59.08	3.54	81.73	2.86	0.00	0.00	41.27	2.79	65.15	2.28	0.00	0.00
J&K	137.69	8.26	2.91	0.09	225.36	7.89	145.90	8.75	1.63	0.05	249.85	8.74	151.93	10.26	4.53	0.14	256.02	8.96
Karnataka	1768.45	176.84	1496.03	55.35	851.30	29.80	1389.64	138.96	1120.64	41.46	598.08	20.93	1150.22	106.40	926.77	34.29	515.93	18.06
Kerala	731.14	58.49	987.88	38.53	147.48	5.46	464.73	37.18	626.07	23.16	108.79	4.03	374.21	29.94	484.89	17.94	115.16	4.26
Kolkata	662.49	66.25	952.63	31.91	0.00	0.00	462.10	46.21	697.12	23.35	0.00	0.00	357.63	33.08	541.26	18.13	0.00	0.00
M.P.	984.28	78.74	1514.41	56.03	0.00	0.00	755.91	60.47	1159.64	40.59	0.00	0.00	555.03	44.40	933.95	32.69	0.00	0.00
Maharashtra	2029.59	202.96	1836.06	71.61	1294.32	45.30	1445.86	144.59	1387.61	51.34	916.93	32.09	1230.76	113.85	1158.48	42.86	826.98	28.94
Mumbai	2980.15	298.02	2838.10	100.75	1049.26	39.87	2275.31	227.53	2095.16	74.38	827.15	31.43	1764.72	163.24	1718.62	61.01	763.72	29.02
Orissa	228.31	13.70	324.27	12.00	0.00	0.00	160.02	9.60	210.84	7.38	0.00	0.00	90.84	6.13	152.20	5.33	0.00	0.00
Punjab	665.23	53.22	534.61	19.78	515.09	18.03	457.60	36.61	371.08	12.99	371.71	13.01	380.47	30.44	261.78	9.16	361.65	12.66
Rajasthan	955.11	76.41	923.90	34.18	634.16	23.46	634.74	50.78	607.67	21.27	458.48	16.96	555.70	44.46	427.19	14.95	506.82	18.75
Tamil Nadu	1696.61	169.66	1846.14	68.31	571.55	21.15	1298.90	129.89	1434.38	50.20	432.60	16.01	1231.97	113.96	1248.95	43.71	632.34	23.40
UP(E)	1645.39	131.63	1727.10	63.90	957.86	35.44	1221.27	97.70	1250.32	43.76	812.64	30.07	1021.67	81.73	961.06	33.64	761.39	28.17
UP(W)	1287.02	102.96	1224.42	47.75	899.93	33.30	898.74	71.90	848.71	31.40	689.57	25.51	693.12	55.45	619.52	22.92	563.33	20.84
West Bengal	388.25	31.06	575.09	21.28	0.00	0.00	283.54	22.68	388.80	13.61	0.00	0.00	182.76	14.62	311.74	10.91	0.00	0.00
NLD	9034.04	542.04	0.00	0.00	0.00	0.00	6497.45	389.85	0.00	0.00	0.00	0.00	5902.12	398.39	0.00	0.00	0.00	0.00
ILD	2570.97	154.26	0.00	0.00	0.00	0.00	2166.66	130.00	0.00	0.00	0.00	0.00	2227.81	150.38	0.00	0.00	0.00	0.00
TOTAL	35731.00	2912.48	25126.04	915.02	10604.96	381.50	26362.00	2149.25	18234.60	643.22	8127.40	292.57	22637.00	1819.74	14587.28	514.46	8049.72	289.82

(₹ in lakh)

RCL LSA	2013-14						2014-15					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM
A.P.	1197.61	95.81	1124.29	39.35	785.30	27.49	982.29	78.58	804.21	28.15	759.91	26.60
Bihar	558.63	44.69	941.09	31.06	0.00	0.00	458.87	36.71	804.23	26.54	0.00	0.00
Delhi	2006.67	160.53	1314.82	44.05	1663.74	59.06	1872.85	149.83	1029.73	34.50	1901.32	67.50
Gujarat	963.24	77.06	662.60	24.52	868.23	30.39	821.22	65.70	488.57	18.08	904.25	31.65
Haryana	263.10	21.05	200.27	7.01	238.00	8.33	206.92	16.55	129.03	4.52	218.90	7.66
H.P.	32.40	2.59	50.42	1.76	0.00	0.00	27.06	2.16	40.13	1.40	0.00	0.00
J&K	190.65	15.25	2.92	0.09	319.78	11.19	172.22	13.78	2.02	0.06	294.12	10.29
Karnataka	1204.34	96.35	805.57	29.81	661.92	23.17	1114.11	89.13	632.71	23.41	738.31	25.84
Kerala	362.00	28.96	416.31	15.40	157.73	5.84	321.16	25.69	299.80	11.09	210.88	7.80
Kolkata	309.28	24.74	456.56	15.29	0.00	0.00	259.84	20.79	336.36	11.27	0.00	0.00
M.P.	490.20	39.22	813.86	28.49	0.00	0.00	383.07	30.65	629.72	22.04	0.00	0.00
Maharashtra	1148.68	91.89	1035.58	38.32	791.21	27.69	958.92	76.71	799.98	29.60	696.13	24.36
Mumbai	1894.86	151.59	1591.30	56.49	1083.28	41.16	1907.65	152.61	1389.03	49.31	1531.84	60.05
Orissa	74.07	5.93	121.15	4.24	0.00	0.00	59.31	4.75	90.16	3.16	0.00	0.00
Punjab	475.17	38.01	206.17	7.22	567.93	19.88	468.42	37.47	155.36	5.44	640.25	22.41
Rajasthan	697.48	55.80	349.40	12.23	812.04	30.05	684.14	54.73	282.08	9.87	956.50	35.39
Tamil Nadu	1388.76	111.10	1138.04	39.83	979.38	36.24	1239.32	99.15	913.15	31.96	1010.54	37.39
UP(E)	901.71	72.14	797.91	27.93	704.49	26.07	715.81	57.26	537.04	18.80	667.95	24.71
UP(W)	551.86	44.15	459.92	17.02	467.04	17.28	424.02	33.92	285.38	10.56	448.14	16.58
West Bengal	159.07	12.73	267.75	9.37	0.00	0.00	121.18	9.69	213.24	7.46	0.00	0.00
NLD	5826.63	466.13	0.00	0.00	0.00	0.00	5321.13	425.69	0.00	0.00	0.00	0.00
ILD	2159.60	172.77	0.00	0.00	0.00	0.00	2321.50	185.72	0.00	0.00	0.00	0.00
TOTAL	22856.00	1828.48	12755.93	449.46	10100.07	363.83	20841.00	1667.28	9861.96	347.21	10979.04	398.24

(₹ in lakh)

RTL LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC-GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM
Assam	2336.45	140.19	109.81	1883.82	113.03	88.54	1751.71	118.24	82.33	1569.25	125.54	73.75	1421.86	113.75	66.83
Bihar	2920.12	175.21	160.61	2183.03	130.98	120.07	2439.72	164.68	134.18	2473.85	197.91	111.32	2495.26	199.62	112.29
H.P.	706.89	42.41	31.81	523.40	31.40	23.55	583.65	39.40	26.26	644.32	51.55	28.99	619.21	49.54	27.86
Kolkata	1381.40	138.14	60.09	882.20	88.22	38.38	1095.49	101.33	47.65	1159.65	92.77	50.44	1229.07	98.33	53.46
M.P.	4004.81	320.38	180.22	3495.94	279.67	157.32	4037.27	322.98	181.68	4177.05	334.16	187.97	3663.23	293.06	164.85
North East	564.49	33.87	25.40	507.29	30.44	22.83	533.54	36.01	24.01	472.94	37.84	21.28	376.61	30.13	16.95
Orissa	1794.58	107.68	80.76	1217.44	73.05	54.78	1193.02	80.53	53.69	1284.76	102.78	57.81	1191.67	95.33	53.62
West Bengal	1566.26	125.30	70.48	1627.89	130.23	73.25	1997.58	159.81	89.89	2185.18	174.81	98.33	1900.09	152.01	85.50
	15275.00	1083.18	719.18	12321.00	877.02	578.72	13632.00	1022.98	639.70	13967.00	1117.36	629.91	12897.00	1031.76	581.37

(₹ in crore)

	Amount of GR/AGR	LF Impact	SUC Impact
RCL	1284.27	103.77	45.95
RTL	680.92	51.32	31.49
Total	1965.19	155.10	77.44

ANNEXURE 5.08 (Para 5.4.1)
Impact on payment of LF and SUC due to non consideration of Interest Income for GR by RCL/RTL

(₹ in lakh)

RCL LSA	2011-12						2012-13					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
Andhra Pradesh	3263.60	326.36	3859.22	135.07	1283.19	44.91	3159.17	292.22	3520.85	123.23	1580.33	55.31
Bihar	1477.63	88.66	2383.35	78.65	0.00	0.00	1487.25	100.39	2538.35	83.77	0.00	0.00
Delhi	5439.88	543.99	4522.45	151.50	2925.33	103.85	4984.97	461.11	4113.97	137.82	3465.96	123.04
Gujarat	2457.82	245.78	2352.50	87.04	1494.49	52.31	2580.18	238.67	2204.60	81.57	1937.26	67.80
Haryana	696.07	55.69	701.83	24.56	475.45	16.64	695.64	55.65	656.26	22.97	519.00	18.16
Himachal Pradesh	137.14	8.23	189.71	6.64	0.00	0.00	112.73	7.61	177.97	6.23	0.00	0.00
J&K	338.68	20.32	3.79	0.11	580.00	20.30	415.03	28.01	12.36	0.37	699.41	24.48
Karnataka	3225.81	322.58	2601.38	96.25	1388.35	48.59	3142.19	290.65	2531.75	93.67	1409.43	49.33
Kerala	1078.81	86.30	1453.33	53.77	252.54	9.34	1022.27	81.78	1324.63	49.01	314.59	11.64
Kolkata	1072.70	107.27	1618.26	54.21	0.00	0.00	976.99	90.37	1478.63	49.53	0.00	0.00
Madhya Pradesh	1754.73	140.38	2691.92	94.22	0.00	0.00	1516.24	121.30	2551.39	89.30	0.00	0.00
Maharashtra	3356.32	335.63	3221.11	119.18	2128.50	74.50	3362.21	311.00	3164.75	117.10	2259.16	79.07
Mumbai	5281.76	528.18	4863.57	172.66	1920.10	72.96	4820.87	445.93	4694.94	166.67	2086.33	79.28
Orissa	371.47	22.29	489.42	17.13	0.00	0.00	248.15	16.75	415.77	14.55	0.00	0.00
Punjab	1062.25	84.98	861.41	30.15	862.87	30.20	1039.37	83.15	715.14	25.03	987.97	34.58
Rajasthan	1473.45	117.88	1410.61	49.37	1064.29	39.38	1518.08	121.45	1167.00	40.85	1384.54	51.23
Tamil Nadu	3015.19	301.52	3329.67	116.54	1004.21	37.16	3365.52	311.31	3411.91	119.42	1727.44	63.92
UP(E)	2834.97	226.80	2902.42	101.58	1886.41	69.80	2791.00	223.28	2625.43	91.89	2079.97	76.96
UP(W)	2086.29	166.90	1970.13	72.89	1600.72	59.23	1893.48	151.48	1692.42	62.62	1538.92	56.94
West Bengal	658.18	52.65	902.54	31.59	0.00	0.00	499.27	39.94	851.62	29.81	0.00	0.00
NLD	15082.78	904.97	0.00	0.00	0.00	0.00	16123.47	1088.33	0.00	0.00	0.00	0.00
ILD	5029.56	301.77	0.00	0.00	0.00	0.00	6085.95	410.80	0.00	0.00	0.00	0.00
TOTAL RCL	61195.08	4989.12	42328.63	1493.13	18866.44	679.16	61840.01	4971.19	39849.71	1405.40	21990.31	791.74

(₹ in lakh)

RCL LSA	2013-14						2014-15					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	3189.58	255.17	2994.31	104.80	2091.48	73.20	1196.95	95.76	979.95	34.30	925.97	32.41
Bihar	1487.80	119.02	2506.41	82.71	0.00	0.00	559.14	44.73	979.98	32.34	0.00	0.00
Delhi	5344.35	427.55	3501.75	117.31	4431.02	157.30	2282.11	182.57	1254.75	42.03	2316.81	82.25
Gujarat	2565.38	205.23	1764.69	65.29	2312.34	80.93	1000.67	80.05	595.34	22.03	1101.85	38.56
Haryana	700.71	56.06	533.39	18.67	633.88	22.19	252.14	20.17	157.23	5.50	266.73	9.34
H.P.	86.30	6.90	134.28	4.70	0.00	0.00	32.97	2.64	48.90	1.71	0.00	0.00
J&K	507.76	40.62	7.78	0.23	851.66	29.81	209.85	16.79	2.47	0.07	358.39	12.54
Karnataka	3207.50	256.60	2145.46	79.38	1762.89	61.70	1357.57	108.61	770.97	28.53	899.65	31.49
Kerala	964.12	77.13	1108.76	41.02	420.08	15.54	391.34	31.31	365.31	13.52	256.97	9.51
Kolkata	823.70	65.90	1215.96	40.73	0.00	0.00	316.62	25.33	409.86	13.73	0.00	0.00
M.P.	1305.54	104.44	2167.55	75.86	0.00	0.00	466.78	37.34	767.33	26.86	0.00	0.00
Maharashtra	3059.27	244.74	2758.05	102.05	2107.21	73.75	1168.47	93.48	974.80	36.07	848.25	29.69
Mumbai	5046.56	403.73	4238.11	150.45	2885.09	109.63	2324.52	185.96	1692.57	60.09	1866.59	73.17
Orissa	197.28	15.78	322.66	11.29	0.00	0.00	72.27	5.78	109.87	3.85	0.00	0.00
Punjab	1265.51	101.24	549.08	19.22	1512.57	52.94	570.78	45.66	189.32	6.63	780.16	27.31
Rajasthan	1857.60	148.61	930.54	32.57	2162.71	80.02	833.64	66.69	343.73	12.03	1165.52	43.12
Tamil Nadu	3698.67	295.89	3030.94	106.08	2608.38	96.51	1510.14	120.81	1112.70	38.94	1231.37	45.56
UP(E)	2401.51	192.12	2125.07	74.38	1876.27	69.42	872.23	69.78	654.39	22.90	813.91	30.11
UP(W)	1469.76	117.58	1224.89	45.32	1243.86	46.02	516.68	41.33	347.74	12.87	546.06	20.20
West Bengal	423.65	33.89	713.10	24.96	0.00	0.00	147.65	11.81	259.84	9.09	0.00	0.00
NLD	15518.02	1241.44	0.00	0.00	0.00	0.00	6483.92	518.71	0.00	0.00	0.00	0.00
ILD	5751.65	460.13	0.00	0.00	0.00	0.00	2828.80	226.30	0.00	0.00	0.00	0.00
TOTAL	60872.21	4869.78	33972.78	1197.04	26899.43	968.97	25395.26	2031.62	12017.04	423.08	13378.22	485.26

(₹ in lakh)

RTL LSA	2013-14			2014-15		
	Amt LF GR	Impact on LF	Impact on SUC-GSM	Amt LF GR	Impact on LF	Impact on SUC-GSM
Assam	24.73	1.98	1.16	42.87	3.43	2.01
Bihar	38.99	3.12	1.75	75.23	6.02	3.39
HP	10.15	0.81	0.46	18.67	1.49	0.84
Kolkatta	18.28	1.46	0.79	37.05	2.96	1.61
MP	65.83	5.27	2.96	110.44	8.84	4.97
NE	7.45	0.60	0.34	11.35	0.91	0.51
Orissa	20.25	1.62	0.91	35.93	2.87	1.62
WB	34.44	2.75	1.55	57.28	4.58	2.58
	220.11	17.61	9.93	388.82	31.11	17.53

(₹ in crore)

Amount of GR/AGR		LF Impact	SUC Impact
RCL	2093.02	168.61	74.43
RTL	27.61	2.04	1.29
Total	2120.63	170.65	75.72

ANNEXURE 5.09 (Para 5.4.2)
Impact on payment of LF and SUC due to non consideration of Other Income for GR by RCL/RTL

(₹ in lakh)

RCL LSA	2010-11						2011-12						2012-13					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC- CDMA	Amt SUC GSM GR	Impact on SUC- GSM
A.P.	2497.70	249.77	2950.67	109.17	910.74	31.88	744.19	74.42	880.01	30.80	292.60	10.24	631.55	58.42	703.85	24.63	315.92	11.06
Bihar	1156.73	69.40	1829.27	60.37	0.00	0.00	336.94	20.22	543.47	17.93	0.00	0.00	297.32	20.07	507.44	16.75	0.00	0.00
Delhi	3969.56	396.96	3476.45	116.46	1950.77	69.25	1240.44	124.04	1031.24	34.55	667.06	23.68	996.55	92.18	822.42	27.55	692.88	24.60
Gujarat	1916.57	191.66	1778.65	65.81	1143.89	40.04	560.45	56.04	536.44	19.85	340.78	11.93	515.80	47.71	440.72	16.31	387.28	13.55
Haryana	620.00	49.60	567.05	20.98	449.21	15.72	158.72	12.70	160.04	5.60	108.41	3.79	139.06	11.13	131.19	4.59	103.75	3.63
H.P.	99.71	5.98	142.71	5.28	0.00	0.00	31.27	1.88	43.26	1.51	0.00	0.00	22.54	1.52	35.58	1.25	0.00	0.00
J&K	177.35	10.64	3.75	0.11	290.25	10.16	77.23	4.63	0.86	0.03	132.26	4.63	82.97	5.60	2.47	0.07	139.82	4.89
Karnataka	2277.70	227.77	1926.84	71.29	1096.44	38.38	735.57	73.56	593.18	21.95	316.58	11.08	628.15	58.10	506.12	18.73	281.76	9.86
Kerala	941.68	75.33	1272.35	49.62	189.95	7.03	246.00	19.68	331.40	12.26	57.59	2.13	204.36	16.35	264.81	9.80	62.89	2.33
Kolkata	853.26	85.33	1226.96	41.10	0.00	0.00	244.60	24.46	369.01	12.36	0.00	0.00	195.31	18.07	295.59	9.90	0.00	0.00
M.P.	1267.72	101.42	1950.50	72.17	0.00	0.00	400.13	32.01	613.83	21.48	0.00	0.00	303.11	24.25	510.05	17.85	0.00	0.00
Maharashtra	2614.04	261.40	2364.78	92.23	1667.04	0.00	765.33	76.53	734.50	27.18	485.36	16.99	672.14	62.17	632.66	23.41	451.63	15.81
Mumbai	3838.33	383.83	3655.37	129.77	1351.41	51.35	1204.38	120.44	1109.03	39.37	437.83	16.64	963.74	89.15	938.56	33.32	417.08	15.85
Orissa	294.05	17.64	417.65	15.45	0.00	0.00	84.71	5.08	111.60	3.91	0.00	0.00	49.61	3.35	83.12	2.91	0.00	0.00
Punjab	856.80	68.54	688.56	25.48	663.42	23.22	242.22	19.38	196.42	6.87	196.76	6.89	207.78	16.62	142.96	5.00	197.51	6.91
Rajasthan	1230.14	98.41	1189.94	44.03	816.78	30.22	335.99	26.88	321.66	11.26	242.69	8.98	303.48	24.28	233.30	8.17	276.78	10.24
Tamil Nadu	2185.17	218.52	2377.76	87.98	736.13	27.24	687.55	68.75	759.26	26.57	228.99	8.47	672.80	62.23	682.07	23.87	345.33	12.78
UP(E)	2119.20	169.54	2224.44	82.30	1233.69	45.65	646.45	51.72	661.83	23.16	430.15	15.92	557.95	44.64	524.85	18.37	415.81	15.38
UP(W)	1657.64	132.61	1577.01	61.50	1159.08	42.89	475.73	38.06	449.24	16.62	365.01	13.51	378.53	30.28	338.33	12.52	307.65	11.38
West Bengal	500.05	40.00	740.70	27.41	0.00	0.00	150.08	12.01	205.80	7.20	0.00	0.00	99.81	7.98	170.25	5.96	0.00	0.00
NLD	11635.52	698.13	0.00	0.00	0.00	0.00	3439.29	206.36	0.00	0.00	0.00	0.00	3223.24	217.57	0.00	0.00	0.00	0.00
ILD	3311.32	198.68	0.00	0.00	0.00	0.00	1146.88	68.81	0.00	0.00	0.00	0.00	1216.64	82.12	0.00	0.00	0.00	0.00
TOTAL	46020.21	3751.17	32361.41	1178.51	13658.80	433.01	13954.15	1137.66	9652.09	340.48	4302.06	154.87	12362.43	993.79	7966.35	280.95	4396.08	158.28

(₹ in lakh)

RCL LSA	2013-14						2014-15					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	152.96	12.24	143.59	5.03	100.30	3.51	382.44	30.60	313.11	10.96	295.86	10.36
Bihar	71.35	5.71	120.19	3.97	0.00	0.00	178.65	14.29	313.12	10.33	0.00	0.00
Delhi	256.29	20.50	167.93	5.63	212.49	7.54	729.17	58.33	400.91	13.43	740.26	26.28
Gujarat	123.02	9.84	84.63	3.13	110.89	3.88	319.73	25.58	190.22	7.04	352.06	12.32
Haryana	33.60	2.69	25.58	0.90	30.40	1.06	80.56	6.45	50.24	1.76	85.22	2.98
H.P.	4.14	0.33	6.44	0.23	0.00	0.00	10.53	0.84	15.63	0.55	0.00	0.00
J&K	24.35	1.95	0.37	0.01	40.84	1.43	67.05	5.36	0.79	0.02	114.51	4.01
Karnataka	153.82	12.31	102.89	3.81	84.54	2.96	433.77	34.70	246.34	9.11	287.45	10.06
Kerala	46.23	3.70	53.17	1.97	20.14	0.75	125.04	10.00	116.72	4.32	82.10	3.04
Kolkata	39.50	3.16	58.31	1.95	0.00	0.00	101.16	8.09	130.96	4.39	0.00	0.00
M.P.	62.61	5.01	103.94	3.64	0.00	0.00	149.14	11.93	245.17	8.58	0.00	0.00
Maharashtra	146.71	11.74	132.26	4.89	101.05	3.54	373.34	29.87	311.46	11.52	271.03	9.49
Mumbai	242.01	19.36	203.24	7.21	138.35	5.26	742.72	59.42	540.80	19.20	596.40	23.38
Orissa	9.46	0.76	15.47	0.54	0.00	0.00	23.09	1.85	35.10	1.23	0.00	0.00
Punjab	60.69	4.85	26.33	0.92	72.54	2.54	182.37	14.59	60.49	2.12	249.27	8.72
Rajasthan	89.08	7.13	44.62	1.56	103.71	3.84	266.36	21.31	109.83	3.84	372.40	13.78
Tamil Nadu	177.37	14.19	145.35	5.09	125.08	4.63	482.51	38.60	355.52	12.44	393.44	14.56
UP(E)	115.16	9.21	101.91	3.57	89.98	3.33	278.69	22.30	209.09	7.32	260.06	9.62
UP(W)	70.48	5.64	58.74	2.17	59.65	2.21	165.09	13.21	111.11	4.11	174.48	6.46
West Bengal	20.32	1.63	34.20	1.20	0.00	0.00	47.18	3.77	83.02	2.91	0.00	0.00
NLD	744.16	59.53	0.00	0.00	0.00	0.00	2071.71	165.74	0.00	0.00	0.00	0.00
ILD	275.82	22.07	0.00	0.00	0.00	0.00	903.85	72.31	0.00	0.00	0.00	0.00
TOTAL	2919.11	233.53	1629.16	57.40	1289.96	46.47	8114.18	649.13	3839.63	135.18	4274.55	155.05

(₹ in lakh)

RTL LSA	2013-14			2014-15		
	Amt LF GR	Impact on LF	Impact on SUC-GSM	Amt LF GR	Impact on LF	Impact on SUC-GSM
Assam	609.29	48.74	28.64	127.76	10.22	6.00
Bihar	960.52	76.84	43.22	224.22	17.94	10.09
HP	250.17	20.01	11.26	55.64	4.45	2.50
Kolkata	450.26	36.02	19.59	110.44	8.84	4.80
MP	1621.82	129.75	72.98	329.17	26.33	14.81
NE	183.63	14.69	8.26	33.84	2.71	1.52
Orissa	498.83	39.91	22.45	107.08	8.57	4.82
WB	848.44	67.87	38.18	170.74	13.66	7.68
	5422.95	433.84	244.58	1158.89	92.71	52.24

(₹ in crore)

	Amount of GR/AGR	LF Impact	SUC Impact
RCL	833.70	67.66	29.40
RTL	107.67	8.23	4.94
Total	941.37	75.89	34.34

ANNEXURE 5.10 (Para 5.4.3)
Impact on payment of LF and SUC due to non consideration of Forex Gain for GR by RCL/RTL

(₹ in lakh)

RCL LSA	2010-11						2011-12						2012-13					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
A.P.	1667.41	166.74	1969.80	72.88	607.99	21.28	727.10	72.71	859.80	30.09	285.88	10.01	419.35	38.79	467.36	16.36	209.78	7.34
Bihar	772.21	46.33	1221.18	40.30	0.00	0.00	329.20	19.75	530.99	17.52	0.00	0.00	197.42	13.33	336.95	11.12	0.00	0.00
Delhi	2649.99	265.00	2320.80	77.75	1302.29	46.23	1211.96	121.20	1007.56	33.75	651.74	23.14	661.72	61.21	546.10	18.29	460.08	16.33
Gujarat	1279.46	127.95	1187.39	43.93	763.63	26.73	547.58	54.76	524.12	19.39	332.96	11.65	342.50	31.68	292.64	10.83	257.16	9.00
Haryana	413.90	33.11	378.55	14.01	299.88	10.50	155.08	12.41	156.36	5.47	105.92	3.71	92.34	7.39	87.11	3.05	68.89	2.41
H.P.	66.57	3.99	95.27	3.52	0.00	0.00	30.55	1.83	42.27	1.48	0.00	0.00	14.96	1.01	23.62	0.83	0.00	0.00
J&K	118.39	7.10	2.50	0.08	193.77	6.78	75.45	4.53	0.84	0.03	129.22	4.52	55.09	3.72	1.64	0.05	92.84	3.25
Karnataka	1520.54	152.05	1286.32	47.59	731.96	25.62	718.68	71.87	579.56	21.44	309.31	10.83	417.10	38.58	336.07	12.43	187.09	6.55
Kerala	628.65	50.29	849.39	33.13	126.80	4.69	240.35	19.23	323.79	11.98	56.26	2.08	135.70	10.86	175.83	6.51	41.76	1.55
Kolkata	569.62	56.96	819.09	27.44	0.00	0.00	238.99	23.90	360.53	12.08	0.00	0.00	129.69	12.00	196.28	6.58	0.00	0.00
M.P.	846.30	67.70	1302.12	48.18	0.00	0.00	390.94	31.28	599.74	20.99	0.00	0.00	201.27	16.10	338.68	11.85	0.00	0.00
Maharashtra	1745.08	174.51	1578.68	61.57	1112.88	38.95	747.76	74.78	717.63	26.55	474.21	16.60	446.31	41.28	420.09	15.54	299.88	10.50
Mumbai	2562.38	256.24	2440.25	86.63	902.17	34.28	1176.73	117.67	1083.56	38.47	427.78	16.26	639.93	59.19	623.22	22.12	276.94	10.52
Orissa	196.30	11.78	278.81	10.32	0.00	0.00	82.76	4.97	109.04	3.82	0.00	0.00	32.94	2.22	55.19	1.93	0.00	0.00
Punjab	571.98	45.76	459.67	17.01	442.88	15.50	236.66	18.93	191.91	6.72	192.24	6.73	137.97	11.04	94.93	3.32	131.15	4.59
Rajasthan	821.22	65.70	794.38	29.39	545.27	20.17	328.27	26.26	314.27	11.00	237.11	8.77	201.51	16.12	154.91	5.42	183.79	6.80
Tamilnadu	1458.77	145.88	1587.34	58.73	491.42	18.18	671.76	67.18	741.82	25.96	223.73	8.28	446.75	41.32	452.90	15.85	229.30	8.48
UP(E)	1414.73	113.18	1484.99	54.94	823.58	30.47	631.61	50.53	646.63	22.63	420.27	15.55	370.48	29.64	348.50	12.20	276.10	10.22
UP(W)	1106.60	88.53	1052.78	41.06	773.78	28.63	464.81	37.18	438.93	16.24	356.63	13.20	251.34	20.11	224.65	8.31	204.28	7.56
West Bengal	333.82	26.71	494.48	18.30	0.00	0.00	146.64	11.73	201.08	7.04	0.00	0.00	66.27	5.30	113.05	3.96	0.00	0.00
NLD	7767.62	466.06	0.00	0.00	0.00	0.00	3360.30	201.62	0.00	0.00	0.00	0.00	2140.26	144.47	0.00	0.00	0.00	0.00
ILD	2210.56	132.63	0.00	0.00	0.00	0.00	1120.54	67.23	0.00	0.00	0.00	0.00	807.86	54.53	0.00	0.00	0.00	0.00
TOTAL	30722.11	2504.20	21603.79	786.75	9118.32	328.02	13633.70	1111.53	9430.43	332.66	4203.27	151.31	8208.76	659.89	5289.73	186.56	2919.04	105.10

(₹ in lakh)

RCL LSA	2013-14						2014-15					
	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM	Amt LF GR	Impact on LF	Amt SUC CDMA GR	Impact on SUC-CDMA	Amt SUC GSM GR	Impact on SUC-GSM
Andhra Pradesh	408.84	32.71	383.81	13.43	268.08	9.38	149.75	11.98	122.60	4.29	115.85	4.05
Bihar	190.71	15.26	321.27	10.60	0.00	0.00	69.96	5.60	122.61	4.05	0.00	0.00
Delhi	685.03	54.80	448.85	15.04	567.97	20.16	285.52	22.84	156.99	5.26	289.86	10.29
Gujarat	328.83	26.31	226.20	8.37	296.39	10.37	125.20	10.02	74.48	2.76	137.85	4.82
Haryana	89.82	7.19	68.37	2.39	81.25	2.84	31.55	2.52	19.67	0.69	33.37	1.17
Himachal Pradesh	11.06	0.88	17.21	0.60	0.00	0.00	4.13	0.33	6.12	0.21	0.00	0.00
J&K	65.08	5.21	1.00	0.03	109.17	3.82	26.25	2.10	0.31	0.01	44.84	1.57
Karnataka	411.14	32.89	275.00	10.18	225.97	7.91	169.85	13.59	96.46	3.57	112.56	3.94
Kerala	123.58	9.89	142.12	5.26	53.85	1.99	48.96	3.92	45.71	1.69	32.15	1.19
Kolkata	105.58	8.45	155.86	5.22	0.00	0.00	39.61	3.17	51.28	1.72	0.00	0.00
Madhya Pradesh	167.34	13.39	277.84	9.72	0.00	0.00	58.40	4.67	96.00	3.36	0.00	0.00
Maharashtra	392.13	31.37	353.52	13.08	270.10	9.45	146.19	11.70	121.96	4.51	106.13	3.71
Mumbai	646.87	51.75	543.24	19.28	369.81	14.05	290.83	23.27	211.76	7.52	233.53	9.15
Orissa	25.29	2.02	41.36	1.45	0.00	0.00	9.04	0.72	13.75	0.48	0.00	0.00
Punjab	162.21	12.98	70.38	2.46	193.88	6.79	71.41	5.71	23.69	0.83	97.61	3.42
Rajasthan	238.11	19.05	119.28	4.17	277.21	10.26	104.30	8.34	43.00	1.51	145.82	5.40
Tamilnadu	474.09	37.93	388.50	13.60	334.34	12.37	188.94	15.12	139.21	4.87	154.06	5.70
UP(E)	307.82	24.63	272.39	9.53	240.50	8.90	109.13	8.73	81.87	2.87	101.83	3.77
UP(W)	188.39	15.07	157.01	5.81	159.44	5.90	64.64	5.17	43.51	1.61	68.32	2.53
West Bengal	54.30	4.34	91.40	3.20	0.00	0.00	18.47	1.48	32.51	1.14	0.00	0.00
NLD	1989.09	159.13	0.00	0.00	0.00	0.00	811.22	64.90	0.00	0.00	0.00	0.00
ILD	737.24	58.98	0.00	0.00	0.00	0.00	353.92	28.31	0.00	0.00	0.00	0.00
TOTAL	7802.56	624.20	4354.61	153.44	3447.95	124.20	3177.27	254.18	1503.48	52.93	1673.78	60.71

(₹ in lakh)

RTL LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM	Amt LF GR	Impact on LF	Impact on SUC- GSM
Assam	284.67	17.08	13.38	112.85	6.77	5.30	1102.81	74.44	51.83	67.97	5.44	3.19	8.18	0.65	0.38
Bihar	355.78	21.35	19.57	130.77	7.85	7.19	1535.96	103.68	84.48	107.15	8.57	4.82	14.36	1.15	0.65
H.P.	86.13	5.17	3.88	31.35	1.88	1.41	367.45	24.80	16.54	27.91	2.23	1.26	3.56	0.29	0.16
Kolkatta	168.31	16.83	7.32	52.85	5.28	2.30	689.68	63.80	30.00	50.23	4.02	2.18	7.07	0.57	0.31
M.P.	487.94	39.04	21.96	209.42	16.75	9.42	2541.72	203.34	114.38	180.92	14.47	8.14	21.08	1.69	0.95
North East	68.78	4.13	3.09	30.39	1.82	1.37	335.90	22.67	15.12	20.48	1.64	0.92	2.17	0.17	0.10
Orissa	218.65	13.12	9.84	72.93	4.38	3.28	751.08	50.70	33.80	55.65	4.45	2.50	6.86	0.55	0.31
West Bengal	190.83	15.27	8.59	97.52	7.80	4.39	1257.61	100.61	56.59	94.65	7.57	4.26	10.93	0.87	0.49
	1861.08	131.97	87.62	738.08	52.54	34.67	8582.21	644.03	402.73	604.95	48.40	27.28	74.21	5.94	3.35

(₹ in crore)

	Amount of GR/AGR	LF Impact	SUC Impact
RCL	635.44	51.54	22.82
RTL	118.61	8.83	5.56
Total	754.05	60.37	28.38

ANNEXURE 5.11 (Para 5.4.4)

Impact on payment of LF and SUC due to non consideration of revenue from sale of Bandwidth for GR by RCL
(₹ in lakh)

RCL LSA	2010-11			2011-12		
	Amt as in AGR	Impact on SUC-GSM	Impact on SUC-CDMA	Amt as in AGR	Impact on SUC-GSM	Impact on SUC-CDMA
Andhra Pradesh	2911.57	101.90	0.00	2859.97	100.10	0.00
Bihar	1893.68	0.00	62.49	2088.74	0.00	68.93
Delhi	12450.33	441.99	0.00	12953.85	459.86	0.00
Gujarat	1548.46	54.20	0.00	1572.74	55.05	0.00
Haryana	169.15	5.92	0.00	130.79	4.58	0.00
Himachal Pradesh	51.68	0.00	1.91	45.85	0.00	1.60
J&K	40.03	1.40	0.00	26.66	0.93	0.00
Karnataka	5134.89	179.72	0.00	5027.48	175.96	0.00
Kerala	688.29	25.47	0.00	709.91	26.27	0.00
Kolkata	1383.28	0.00	46.34	715.40	0.00	23.97
Maharashtra	1846.20	64.62	0.00	1549.54	54.23	0.00
MP	2486.64	0.00	92.01	3758.74	0.00	131.56
Mumbai	12718.29	483.30	0.00	12511.58	475.44	0.00
Orissa	1300.96	0.00	48.14	1854.59	0.00	64.91
Punjab	447.47	15.66	0.00	410.10	14.35	0.00
Rajasthan	299.34	11.08	0.00	330.06	12.21	0.00
Tamil Nadu	3546.07	131.20	0.00	3542.49	131.07	0.00
UP(E)	419.16	15.51	0.00	449.17	16.62	0.00
UP(W)	357.16	13.21	0.00	275.53	10.19	0.00
WB	1790.26	0.00	66.24	3041.44	0.00	106.45
Total UASL	51482.89	1545.17	317.12	53854.65	1536.87	397.42

(₹ in crore)

Amount of GR/AGR		SUC Impact
RCL	1053.38	37.97

Annexure 5.12 (Para 5.6)
Statement showing interest on LF & SUC upto Mar 2016

(₹ in lakh)

Sl No.	Para No.	Annex	No. of Months (upto March 16)	60		48		36		24		12		TOTAL
			Rate@ (PLR+2)%	15		16.75		16.45		16.75		16.75		
			Issues	2010-11		2011-12		2012-13		2013-14		2014-15		
				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	5.2.1A	5.01	Value Added services (Rworld, SMS content)	3309.59	1473.30	2642.19	1150.43	0.00	0.00	0.00	0.00	0.00	0.00	8575.51
2	5.2..1B	5.02	Caller Ring Back Tone	1634.41	727.57	925.14	402.81	115.35	50.98	0.00	0.00	0.00	0.00	3856.27
3	5.2.1C	5.03	Blackberry Services	216.90	96.55	223.66	97.38	156.28	69.07	20.78	9.24	0.00	0.00	889.87
4	5.2.1D	5.04	Rconnect services	5725.11	2548.59	3277.03	1426.84	2195.48	970.34	1183.53	526.42	0.00	0.00	17853.35
5	5.2.1E	5.05	Installation of FWP/T	150.18	66.85	44.49	19.36	3.39	1.50	0.15	0.07	0.04	0.02	286.05
6	5.2.1F	5.06	Sale of SIM Cards	254.51	113.30	67.36	29.31	0.00	0.00	0.00	0.00	0.00	0.00	464.48
7	5.3.2	5.07	Setting off Commission/Discount	4423.92	2231.74	2860.44	1431.53	1798.19	913.40	1162.74	569.64	488.46	240.12	16120.19
8	5.4.1	5.08	Interest Income	126.57	84.04	4715.74	2053.27	3170.19	1405.84	1929.08	858.86	373.31	167.56	14884.44
9	5.4.2	5.09	Other Income	4479.15	2000.65	1075.32	468.20	630.22	278.83	263.41	137.53	134.26	61.98	9529.55
10	5.4.3	5.10	Forex Gains	2918.72	1331.26	1100.28	490.22	824.80	439.24	265.48	120.35	47.08	21.17	7558.61
11	5.4.4	5.11	Sale of Bandwidth	0.00	2061.90	0.00	1828.30	0.00	0.00	0.00	0.00	0.00	0.00	3890.20
Total				23239.06	12735.75	16931.65	9397.65	8893.9	4129.2	4825.17	2222.11	1043.15	490.85	83908.52

Say ₹ 839.09 crore

ANNEXURE-6.01 [Para 6.2.1]

Impact on payment of LF and SUC due to non consideration of distributors commission

(₹ in lakh)

Name of the Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
		GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
DWL	Assam	2,231.66	133.90	78.11	2,613.59	156.82	104.54	2,568.76	173.39	102.75	2,824.80	225.98	112.99	2,963.14	237.05	118.53
	Bihar	1,118.95	67.14	27.97	967.30	58.04	29.02	1,151.50	77.73	34.54	1,710.37	136.83	51.31	2,224.45	177.96	66.73
	Haryana	54.36	4.35	1.09	113.06	9.04	2.26	123.13	9.85	2.46	0.07	0.01	0.00	2.00	0.16	0.04
	HP	229.42	13.77	4.59	220.07	13.20	4.40	270.02	18.23	5.40	326.78	26.14	6.54	424.09	33.93	8.48
	J&K	1,593.85	95.63	39.85	1,809.94	108.60	54.30	1,901.24	128.33	57.04	2,174.61	173.97	65.24	2,363.28	189.06	78.74
	Kerala	407.71	32.62	10.19	381.75	30.54	11.45	261.61	20.93	7.85	0.52	0.04	0.02	5.12	0.41	0.15
	Kolkata	588.72	58.87	14.72	612.48	61.25	18.37	757.24	70.04	22.72	1,401.94	112.15	42.06	1,976.16	158.09	59.28
	MP	135.05	10.80	2.70	237.95	19.04	4.76	149.04	11.92	2.98	0.66	0.05	0.01	3.41	0.27	0.07
	NE	1,733.74	104.02	43.34	1,878.65	112.72	56.36	1,831.41	123.62	54.94	1,979.32	158.35	59.38	2,024.68	161.97	67.46
	Orissa	882.87	52.97	22.07	885.41	53.12	26.56	904.66	61.06	27.14	1,388.97	111.12	41.67	1,686.57	134.93	50.60
	Punjab	116.22	9.30	2.91	306.93	24.55	9.21	415.88	33.27	12.48	298.69	23.90	8.96	357.62	28.61	10.73
	UP(East)	414.30	33.14	10.36	771.62	61.73	23.15	1,354.77	108.38	40.64	1,958.46	156.68	58.75	2,484.95	198.80	82.80
	UP(W)	361.89	28.95	7.24	470.82	37.67	9.42	479.87	38.39	9.60	0.80	0.06	0.02	35.58	2.85	1.03
WB	872.55	69.80	21.81	629.54	50.36	18.89	716.28	57.30	21.49	1,443.39	115.47	43.30	1,982.84	158.63	64.28	
Total DWL		10,741.30	715.27	286.95	11,899.12	796.68	372.69	12,885.41	932.45	402.03	15,509.38	1,240.75	490.25	18,533.89	1,482.71	608.92
AL	Andhra Pradesh	600.79	60.08	15.02	770.45	77.04	23.11	936.70	86.64	28.10	982.64	78.61	29.48	1,304.40	104.35	39.13
	Delhi	927.85	92.78	37.11	1,071.11	107.11	42.84	1,721.28	159.22	68.85	2,248.32	179.87	89.93	3,078.32	246.27	123.13
	Gujarat	61.68	6.17	1.23	223.16	22.32	4.46	203.49	18.82	4.07	0.88	0.07	0.02	0.82	0.07	0.02
	Karnataka	471.03	47.10	11.78	573.27	57.33	17.20	750.53	69.42	22.52	1,280.54	102.44	38.42	1,811.85	144.95	54.36
	Maharashtra	348.22	34.82	6.96	398.81	39.88	7.98	468.46	43.33	9.37	509.79	40.78	10.20	743.73	59.50	14.87
	Mumbai	603.12	60.31	12.06	643.25	64.32	12.86	777.56	71.92	15.55	1,094.11	87.53	21.88	1,531.89	122.55	30.64
	Rajasthan	99.46	7.96	1.99	816.39	65.31	16.33	1,589.96	127.20	31.80	2,197.51	175.80	43.95	2,679.81	214.39	76.81
Tamil Nadu	7,579.41	757.94	378.97	7,672.48	767.25	460.35	7,928.52	733.39	475.71	8,956.74	716.54	537.40	10,436.93	834.95	626.22	
Total AL		10,691.57	1,067.17	465.13	12,168.91	1,200.56	585.14	14,376.51	1,309.95	655.97	17,270.54	1,381.64	771.28	21,587.76	1,727.02	965.18
ACL	Chennai	1,700.93	170.09	68.04	1,402.11	140.21	56.08	1,442.35	133.42	57.69	1,704.05	136.32	68.16	1,214.56	97.16	48.58
Total UASL		23,133.80	1,952.53	820.11	25,470.14	2,137.45	1,013.91	28,704.26	2,375.82	1,115.69	34,483.97	2,758.72	1,329.69	41,336.20	3,306.90	1,622.68

(in crore)

Name of the Company	Total amount of GR/AGR	LF Impact	SUC Impact
DWL	695.69	51.68	21.61
AL	760.95	66.86	34.43
ACL	74.64	6.77	2.98
Total UASL	1,531.28	125.31	59.02

ANNEXURE-6.02 [Para 6.2.2]
Impact on payment of LF & SUC due to non inclusion of FAT, Waiver and Discount given to Subscribers

(₹ in lakh)

Name of the Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
		GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
DWL	Assam	1,684.52	101.07	58.96	1,148.30	68.90	45.93	196.48	13.26	7.86	161.11	12.89	6.44	223.80	17.90	8.95
	Bihar	3.73	0.22	0.09	11.18	0.67	0.34	0.17	0.01	0.01	2.26	0.18	0.07	24.40	1.95	0.73
	Haryana	2.48	0.20	0.05	2.10	0.17	0.04	31.70	2.54	0.63	0.00	0.00	0.00	-	-	-
	HP	-	-	-	26.10	1.57	0.52	0.17	0.01	0.00	1.04	0.08	0.02	44.24	3.54	0.88
	J&K	141.45	8.49	3.54	127.43	7.65	3.82	1.00	0.07	0.03	33.29	2.66	1.00	32.78	2.62	1.09
	Kerala	27.82	2.23	0.70	89.93	7.19	2.70	20.31	1.63	0.61	-	-	-	-	-	-
	Kolkata	225.72	22.57	5.64	96.96	9.70	2.91	9.33	0.86	0.28	1.89	0.15	0.06	2.23	0.18	0.07
	MP	12.60	1.01	0.25	13.02	1.04	0.26	-	-	-	-	-	-	-	-	-
	NE	244.85	14.69	6.12	300.41	18.02	9.01	51.29	3.46	1.54	73.42	5.87	2.20	122.44	9.79	4.08
	Orissa	53.67	3.22	1.34	49.35	2.96	1.48	186.46	12.59	5.59	40.45	3.24	1.21	11.87	0.95	0.36
	Punjab	-	-	-	38.67	3.09	1.16	0.01	0.00	0.00	8.11	0.65	0.24	68.51	5.48	2.06
	UP (East)	34.96	2.80	0.87	3.76	0.30	0.11	18.30	1.46	0.55	141.01	11.28	4.23	575.59	46.05	19.18
	UP (West)	5.15	0.41	0.10	110.74	8.86	2.21	6.80	0.54	0.14	-	-	-	117.46	9.40	3.40
West Bengal	305.68	24.45	7.64	418.05	33.44	12.54	90.24	7.22	2.71	3.95	0.32	0.12	4.84	0.39	0.16	
DWL TOTAL		2,742.63	181.36	85.31	2,435.99	163.56	83.04	612.28	43.65	19.95	466.54	37.32	15.60	1,228.15	98.25	40.95
AL	Andhra Pradesh	53.54	5.35	1.34	1,489.10	148.91	44.67	450.90	41.71	13.53	321.00	25.68	9.63	530.97	42.48	15.93
	Delhi	10.17	1.02	0.41	38.44	3.84	1.54	53.12	4.91	2.12	5.44	0.44	0.22	32.35	2.59	1.29
	Gujarat	0.12	0.01	0.00	1.94	0.19	0.04	0.90	0.08	0.02	-	-	-	-	-	-
	Karnataka	39.08	3.91	0.98	91.90	9.19	2.76	172.44	15.95	5.17	441.44	35.32	13.24	511.01	40.88	15.33
	Maharashtra	9.28	0.93	0.19	103.16	10.32	2.06	11.57	1.07	0.23	38.79	3.10	0.78	121.29	9.70	2.43
	Mumbai	40.00	4.00	0.80	72.46	7.25	1.45	350.60	32.43	7.01	260.44	20.84	5.21	10.88	0.87	0.22
	Rajasthan	-	-	-	35.87	2.87	0.72	72.43	5.79	1.45	3.38	0.27	0.07	8.07	0.65	0.23
Tamil Nadu	5,538.13	553.81	276.91	7,361.24	736.12	441.67	4,175.07	386.19	250.50	1.85	0.15	0.11	27.57	2.21	1.65	
AL Total		5,690.32	569.03	280.62	9,194.11	918.69	494.91	5,287.02	488.14	280.04	1,072.34	85.79	29.25	1,242.14	99.37	37.08
ACL	Chennai	1,068.17	106.82	42.73	1,655.93	165.59	66.24	448.81	41.51	17.95	0.30	0.02	0.01	0.06	0.00	0.00
ACL Total		1,068.17	106.82	42.73	1,655.93	165.59	66.24	448.81	41.51	17.95	0.30	0.02	0.01	0.06	0.00	0.00
Grand Total		9,501.13	857.21	408.65	13,286.03	1,247.85	644.19	6,348.11	573.31	317.94	1,539.18	123.13	44.86	2,470.35	197.63	78.04

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
DWL	74.86	5.24	2.45
AL	224.86	21.61	11.22
ACL	31.73	3.14	1.27
Total UASL	331.45	29.99	14.94

**ANNEXURE 6.03 [Para 6.2.3]
Impact on payment of LF & SUC due to non-consideration of Site Sharing Income**

(₹ in lakh)

Name of the Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15			
		GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	
DWL	Assam	206.06	12.36	7.21	14.49	0.87	0.58	11.99	0.81	0.48	10.92	0.87	0.44	15.05	1.20	0.60	
	Bihar	637.29	38.24	15.93	17.22	1.03	0.52	19.33	1.30	0.58	35.70	2.86	1.07	11.48	0.92	0.34	
	Haryana	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	-	-	-
	HP	121.34	7.28	2.43	12.33	0.74	0.25	14.11	0.95	0.28	20.50	1.64	0.41	19.91	1.59	0.40	
	J&K	99.19	5.95	2.48	8.04	0.48	0.24	10.40	0.70	0.31	23.06	1.84	0.69	109.26	8.74	3.64	
	Kerala	115.40	9.23	2.88	-	-	-	-	-	-	-	0.00	0.00	0.00	-	-	-
	Kolkata	398.95	39.90	9.97	21.01	2.10	0.63	30.96	2.86	0.93	35.73	2.86	1.07	36.37	2.91	1.09	
	Madhya Pradesh	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	-	-	-
	NE	88.11	5.29	2.20	2.71	0.16	0.08	2.49	0.17	0.07	0.01	0.00	0.00	10.58	0.85	0.35	
	Orissa	601.16	36.07	15.03	28.91	1.73	0.87	47.29	3.19	1.42	35.30	2.82	1.06	44.42	3.55	1.33	
	Punjab	-	-	-	-	-	-	-	-	-	-	0.00	0.00	0.00	-	-	-
	UP-East	74.62	5.97	1.87	16.53	1.32	0.50	9.09	0.73	0.27	9.65	0.77	0.29	6.80	0.54	0.23	
UP-West	23.90	1.91	0.48	1.26	0.10	0.03	4.84	0.39	0.10	7.54	0.60	0.15	20.92	1.67	0.61		
West Bengal	314.44	25.16	7.86	18.51	1.48	0.56	19.95	1.60	0.60	23.30	1.86	0.70	21.60	1.73	0.70		
DWL UASL		2,680.46	187.35	68.35	141.00	10.03	4.24	170.46	12.70	5.04	201.70	16.14	5.88	296.38	23.71	9.29	
AL	Andhra Pradesh	23.95	2.39	0.60	-	-	-	0.02	0.00	0.00	-	-	-	-	-	-	
	Delhi	35.38	3.54	1.42	12.23	1.22	0.49	81.93	7.58	3.28	133.22	10.66	5.33	19.69	1.58	0.79	
	Gujarat	-	-	-	-	-	-	0.01	0.00	0.00	-	-	-	-	-	-	
	Karnataka	14.96	1.50	0.37	-	-	-	7.48	0.69	0.22	14.15	1.13	0.42	28.01	2.24	0.84	
	Maharashtra	208.21	20.82	4.16	21.61	2.16	0.43	21.41	1.98	0.43	26.28	2.10	0.53	26.61	2.13	0.53	
	Mumbai	77.02	7.70	1.54	81.38	8.14	1.63	60.66	5.61	1.21	20.95	1.68	0.42	11.30	0.90	0.23	
	Rajasthan	-	-	-	0.62	0.05	0.01	11.52	0.92	0.23	12.59	1.01	0.25	12.43	0.99	0.36	
Tamil Nadu	793.85	79.39	39.69	65.73	6.57	3.94	59.76	5.53	3.59	58.46	4.68	3.51	58.30	4.66	3.50		
AL UASL		1,153.37	115.34	47.79	181.56	18.14	6.50	242.80	22.32	8.96	265.64	21.25	10.46	156.34	12.51	6.24	
ACL	Chennai	299.21	29.92	11.97	1.60	0.16	0.06	9.30	0.86	0.37	9.96	0.80	0.40	48.44	3.87	1.94	
ACL UASL		299.21	29.92	11.97	1.60	0.16	0.06	9.30	0.86	0.37	9.96	0.80	0.40	48.44	3.87	1.94	
TOTAL UASL		4,133.04	332.61	128.10	324.16	28.33	10.81	422.56	35.88	14.38	477.30	38.18	16.74	501.15	40.09	17.47	
NLD											0.05	0.00	-	-	-		
ILD											0.04	0.00	-	-	-		
ISP											0.00	0.00	-	-	-		
TOTAL NON UASL		-	-	-	-	-	-	-	-	-	0.09	0.01	-	-	-		
Grand Total		4,133.04	332.61	128.10	324.16	28.33	10.81	422.56	35.88	14.38	477.39	38.19	16.74	501.15	40.09	17.47	

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
DWL	34.90	2.50	0.93
AL	20.00	1.89	0.80
ACL	3.68	0.36	0.15
Total UASL	58.58	4.75	1.87

ANNEXURE 6.04 [Para 6.2.4]**Impact on payment of LF & SUC due to non-consideration of Forex gain income**

(₹ in Lakh)

Name of Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
		GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact	GR/AGR	LF Impact	SUC Impact
DWL	Assam	0.24	0.01	0.01	62.61	3.76	2.50	9.97	0.67	0.40	6.45	0.52	0.26	14.64	1.17	0.59
	Bihar	0.16	0.01	0.00	31.86	1.91	0.96	6.64	0.45	0.20	1.79	0.14	0.05	12.92	1.03	0.39
	Haryana	78.86	6.31	1.58	11.35	0.91	0.23	2.06	0.16	0.04	181.04	14.48	3.62	0.09	0.01	0.00
	Himachal Pradesh	0.48	0.03	0.01	7.10	0.43	0.14	1.32	0.09	0.03	0.74	0.06	0.01	1.89	0.15	0.04
	J&K	0.62	0.04	0.02	41.16	2.47	1.23	7.09	0.48	0.21	0.40	0.03	0.01	9.81	0.78	0.33
	Kerala	1.11	0.09	0.03	12.68	1.01	0.38	29.32	2.35	0.88	3,387.40	270.99	101.62	0.06	0.01	0.00
	Kolkata	12.59	1.26	0.31	154.69	15.47	4.64	807.39	74.68	24.22	1,429.62	114.37	42.89	153.60	12.29	4.61
	Madhya Pradesh	0.01	0.00	0.00	16.51	1.32	0.33	10.88	0.87	0.22	760.48	60.84	15.21	2.19	0.18	0.04
	NE	0.17	0.01	0.00	42.86	2.57	1.29	8.29	0.56	0.25	5.22	0.42	0.16	9.58	0.77	0.32
	Odisha	0.10	0.01	0.00	23.07	1.38	0.69	4.07	0.27	0.12	1.11	0.09	0.03	7.14	0.57	0.21
	Punjab	18.74	1.50	0.47	43.29	3.46	1.30	43.43	3.47	1.30	794.42	63.55	23.83	15.59	1.25	0.47
	UP east	72.18	5.77	1.80	805.93	64.47	24.18	3,453.11	276.25	103.59	1.51	0.12	0.05	22.67	1.81	0.76
UP West	149.90	11.99	3.00	182.33	14.59	3.65	2,214.77	177.18	44.30	4,253.79	340.30	85.08	2.66	0.21	0.08	
West Bengal	15.48	1.24	0.39	20.09	1.61	0.60	1,087.74	87.02	32.63	477.47	38.20	14.32	220.97	17.68	7.16	
DWL UASL		350.61	28.27	7.62	1,455.53	115.36	42.12	7,686.07	624.51	208.39	11,301.44	904.12	287.15	473.82	37.91	14.99
AL	Andhra Pradesh	7.50	0.75	0.19	90.35	9.03	2.71	30.94	2.86	0.93	24.13	1.93	0.72	15.55	1.24	0.47
	Delhi	343.08	34.31	13.72	111.96	11.20	4.48	37.27	3.45	1.49	231.60	18.53	9.26	298.79	23.90	11.95
	Gujarat	7.56	0.76	0.15	47.37	4.74	0.95	6.25	0.58	0.13	3.72	0.30	0.07	2.25	0.18	0.04
	Karnataka	13.27	1.33	0.33	53.52	5.35	1.61	5,086.46	470.50	152.59	32.03	2.56	0.96	30.06	2.40	0.90
	Maharashtra	14.97	1.50	0.30	41.81	4.18	0.84	10.06	0.93	0.20	999.77	79.98	20.00	9.97	0.80	0.20
	Mumbai	756.52	75.65	15.13	84.51	8.45	1.69	24.92	2.31	0.50	168.10	13.45	3.36	125.13	10.01	2.50
	Rajasthan	79.62	6.37	1.59	146.56	11.72	2.93	46.08	3.69	0.92	2,084.27	166.74	41.69	555.23	44.42	15.91
Tamilnadu	100.17	10.02	5.01	661.17	66.12	39.67	156.15	14.44	9.37	438.92	35.11	26.33	283.53	22.68	17.01	
AL UASL		1,322.68	130.68	36.42	1,237.25	120.79	54.87	5,398.14	498.75	166.13	3,982.53	318.60	102.40	1,320.50	105.64	48.99
ACL	Chennai	29.21	2.92	1.17	42.85	4.28	1.71	28.33	2.62	1.13	88.83	7.11	3.55	121.16	9.69	4.85
ACL UASL		29.21	2.92	1.17	42.85	4.28	1.71	28.33	2.62	1.13	88.83	7.11	3.55	121.16	9.69	4.85
TOTAL UASL		1,702.50	161.86	45.21	2,735.63	240.44	98.70	13,112.54	1,125.88	375.65	15,372.80	1,229.82	393.10	1,915.49	153.24	68.83
NLD		8.49	0.51	-	89.59	5.38	-	72.86	4.92	-	1,168.49	93.48	-	1,682.57	134.61	-
ILD		176.72	10.60	-	1,631.36	97.88	-	3,475.51	234.60	-	3,020.93	241.67	-	930.07	74.41	-
ISP		12.02	0.72	-	9.30	0.56	-	3.88	0.26	-	10.28	0.82	-	6.37	0.51	-
TOTAL NON UASL		197.23	11.83	-	1,730.26	103.82	-	3,552.25	239.78	-	4,199.70	335.98	-	2,619.01	209.52	-
Grand Total		1,899.73	173.70	45.21	4,465.88	344.26	98.70	16,664.78	1,365.66	375.65	19,572.50	1,565.80	393.10	4,534.50	362.76	68.83

(₹ In crore)

Services/ Company	Total amount of GR/AGR	LF Impact	SUC Impact
Total UASL	348.39	29.11	9.82
NLD	30.22	2.39	-
ILD	92.35	6.59	-
ISP	0.42	0.03	-
Total	471.37	38.12	9.82

ANNEXURE 6.05 [Para 6.2.5]

Impact on LF and SUC due to non consideration of VAS/Advertisement income for GR/AGR in Aircel Limited

(₹ in lakh)

Service Area/LSA	Financial Year											
	2011-12			2012-13			2013-14			2014-15		
	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	2.176	0.218	0.065	1.487	0.138	0.045	0.077	0.006	0.002	0.037	0.003	0.001
Delhi	3.418	0.342	0.137	2.883	0.267	0.115	0.180	0.014	0.007	0.088	0.007	0.004
Gujarat	1.087	0.109	0.022	0.675	0.062	0.013	0.016	0.001	0.000	0.006	0.001	0.000
Karnataka	1.782	0.178	0.053	1.310	0.121	0.039	0.101	0.008	0.003	0.052	0.004	0.002
Maharashtra (excluding Mumbai)	1.229	0.123	0.025	0.847	0.078	0.017	0.044	0.003	0.001	0.023	0.002	0.000
Mumbai	2.260	0.226	0.045	1.476	0.137	0.030	0.107	0.009	0.002	0.067	0.005	0.001
Rajasthan	2.115	0.169	0.042	2.491	0.199	0.050	0.166	0.013	0.003	0.074	0.006	0.002
Tamil Nadu (excluding Chennai)	23.712	2.371	1.423	14.543	1.345	0.873	0.809	0.065	0.049	0.352	0.028	0.021
Total AL	37.779	3.736	1.812	25.712	2.347	1.182	1.500	0.120	0.068	0.700	0.056	0.031

(₹ in crore)

Name of Company	Total GR/AGR	LF Impact	SUC Impact
AL	0.66	0.06	0.03

**Annexure 6.06 [Para 6.3.1]
Impact on payment of LF & SUC due to non inclusion of interest in full**

(₹ in lakh)

Name of the Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
		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
DWL	Assam	152.79	9.17	5.35	30.04	1.80	1.20	1.82	0.12	0.07	39.50	3.16	1.58	133.78	10.70	5.35
	Bihar	89.87	5.39	2.25	15.48	0.93	0.46	1.10	0.07	0.03	27.28	2.18	0.82	105.86	8.47	3.18
	Harvana	3.59	0.29	0.07	1.47	0.12	0.03	0.10	0.01	0.00	0.01	0.00	0.00	1.02	0.08	0.02
	HP	18.65	1.12	0.37	3.49	0.21	0.07	0.23	0.02	0.00	4.69	0.37	0.09	17.90	1.43	0.36
	J&K	117.82	7.07	2.95	21.70	1.30	0.65	1.87	0.13	0.06	29.40	2.35	0.88	102.78	8.22	3.42
	Kerala	30.53	2.44	0.76	6.21	0.50	0.19	0.27	0.02	0.01	0.03	0.00	0.00	0.51	0.04	0.02
	Kolkata	43.64	4.36	1.09	7.59	0.76	0.23	0.67	0.06	0.02	20.13	1.61	0.60	87.73	7.02	2.63
	MP	8.32	0.67	0.17	2.72	0.22	0.05	0.11	0.01	0.00	0.01	0.00	0.00	1.92	0.15	0.04
	North East	108.39	6.50	2.71	19.91	1.19	0.60	1.20	0.08	0.04	25.31	2.03	0.76	83.02	6.64	2.77
	Orissa	63.16	3.79	1.58	11.24	0.67	0.34	0.71	0.05	0.02	19.39	1.55	0.58	73.91	5.91	2.22
	Punjab	8.16	0.65	0.20	4.62	0.37	0.14	0.41	0.03	0.01	5.95	0.48	0.18	24.38	1.95	0.73
	UP (East)	29.31	2.34	0.73	9.80	0.78	0.29	1.03	0.08	0.03	27.89	2.23	0.84	112.27	8.98	3.74
UP (West)	28.88	2.31	0.58	8.27	0.66	0.17	0.52	0.04	0.01	2.59	0.21	0.05	9.52	0.76	0.28	
West	67.78	5.42	1.69	9.85	0.79	0.30	0.75	0.06	0.02	22.03	1.76	0.66	91.71	7.34	2.97	
DWL UASL		770.89	51.53	20.50	152.40	10.31	4.71	10.77	0.78	0.33	224.21	17.94	7.05	846.32	67.71	27.72
AL	AP	1,264.60	126.46	31.62	403.39	40.34	12.10	0.40	0.04	0.01	23.66	1.89	0.71	45.65	3.65	1.37
	Delhi	2,056.71	205.67	82.27	633.51	63.35	25.34	0.78	0.07	0.03	55.16	4.41	2.21	108.84	8.71	4.35
	Gujarat	111.76	11.18	2.24	201.46	20.15	4.03	0.18	0.02	0.00	4.90	0.39	0.10	7.75	0.62	0.15
	Karnataka	1,029.52	102.95	25.74	330.24	33.02	9.91	0.36	0.03	0.01	31.06	2.49	0.93	63.53	5.08	1.91
	Maharashtra	720.93	72.09	14.42	227.72	22.77	4.55	0.23	0.02	0.00	13.35	1.07	0.27	28.88	2.31	0.58
	Mumbai	1,397.05	139.70	27.94	418.95	41.89	8.38	0.40	0.04	0.01	32.80	2.62	0.66	82.70	6.62	1.65
	Rajasthan	187.08	14.97	3.74	392.03	31.36	7.84	0.68	0.05	0.01	50.88	4.07	1.02	91.74	7.34	2.63
Tamil Nadu	16,941.40	1,694.14	847.07	4,395.24	439.52	263.71	3.96	0.37	0.24	248.20	19.86	14.89	433.65	34.69	26.02	
AL UASL		23,709.04	2,367.16	1,035.03	7,002.53	692.41	335.87	6.99	0.64	0.32	460.02	36.80	20.78	862.74	69.02	38.66
ACL	Chennai	8,644.64	864.46	345.79	13,722.87	1,372.29	548.91	13,579.13	1,256.07	543.17	13,966.01	1,117.28	558.64	13,747.52	1,099.80	549.90
ACL UASL		8,644.64	864.46	345.79	13,722.87	1,372.29	548.91	13,579.13	1,256.07	543.17	13,966.01	1,117.28	558.64	13,747.52	1,099.80	549.90
TOTAL UASL		33,124.57	3,283.16	1,401.32	20,877.81	2,075.01	889.49	13,596.90	1,257.49	543.82	14,650.24	1,172.02	586.47	15,456.59	1,236.53	616.29
	NLD	169.21	10.15	-	43.60	2.62	-	3.56	0.24	-	83.18	6.65	-	321.85	25.75	-
	ILD	139.29	8.36	-	33.48	2.01	-	2.87	0.19	-	64.91	5.19	-	175.15	14.01	-
	ISP	17.34	1.04	-	4.52	0.27	-	0.29	0.02	-	6.57	0.53	-	22.89	1.83	-
TOTAL NON UASL		325.83	19.55	-	81.60	4.90	-	6.72	0.45	-	154.66	12.37	-	519.88	41.59	-
G TOTAL		33,450.41	3,302.71	1,401.32	20,959.41	2,079.90	889.49	13,603.61	1,257.95	543.82	14,804.90	1,184.39	586.47	15,976.47	1,278.12	616.29

(₹ in crore)

Services	Total amount of GR/AGR	LF Impact	SUC Impact
UASL	977.06	90.24	40.37
NLD	6.21	0.45	-
ILD	4.16	0.30	-
ISP	0.52	0.04	-
Total	987.95	91.03	40.37

**Annexure-6.07 [6.3.2]
Impact on LF and SUC due to non consideration of income from investment by AL and ACL**

(₹ in lakh)

Name of the Company		FINANCIAL YEAR											
		2010-11			2011-12			2012-13			2013-14		
		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
AL	Andhra Pradesh	251.27	25.13	6.28	68.49	6.85	2.05	18.45	1.71	0.55	11.49	0.92	0.34
	Delhi	408.66	40.87	16.35	107.56	10.76	4.30	35.80	3.31	1.43	26.79	2.14	1.07
	Gujarat	22.21	2.22	0.44	34.20	3.42	0.68	8.38	0.78	0.17	2.38	0.19	0.05
	Karnataka	204.56	20.46	5.11	56.07	5.61	1.68	16.26	1.50	0.49	15.09	1.21	0.45
	Maharashtra	143.25	14.32	2.86	38.66	3.87	0.77	10.52	0.97	0.21	6.49	0.52	0.13
	Mumbai	277.59	27.76	5.55	71.13	7.11	1.42	18.33	1.70	0.37	15.93	1.27	0.32
	Rajasthan	37.17	2.97	0.74	66.56	5.32	1.33	30.93	2.47	0.62	24.71	1.98	0.49
	Tamil Nadu	3,366.21	336.62	168.31	746.21	74.62	44.77	180.54	16.70	10.83	120.54	9.64	7.23
AL Total		4,710.91	470.35	205.66	1,188.86	117.56	57.02	319.21	29.14	14.67	223.42	17.87	10.09
ACL	Chennai	927.43	92.74	37.10	17.34	1.73	0.69	2.34	0.22	0.09	2.61	0.21	0.10
Total UASL		5,638.34	563.09	242.75	1,206.21	119.29	57.72	321.55	29.36	14.76	226.03	18.08	10.20

(₹ in crore)

Name of Company	Total GR/AGR	LF Impact	SUC Impact
AL	64.42	6.35	2.87
ACL	9.50	0.95	0.38
Total	73.92	7.30	3.25

**Annexure-6.08 [Para 6.3.3]
Impact on payment of LF & SUC due to non inclusion of Miscellaneous income**

(₹ in lakh)

Name of the Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
		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
DWL	Assam	13.02	0.78	0.46	0.16	0.01	0.01	58.54	3.95	2.34	16.74	1.34	0.67	0.00	0.00	0.00
	Bihar	9.47	0.57	0.24	0.08	0.00	0.00	35.26	2.38	1.06	10.74	0.86	0.32	0.00	0.00	0.00
	Haryana	0.30	0.02	0.01	0.01	0.00	0.00	3.17	0.25	0.06	0.00	0.00	0.00	-	-	-
	HP	1.56	0.09	0.03	0.02	0.00	0.00	7.27	0.49	0.15	0.56	0.04	0.01	-	-	-
	J&K	74.39	4.46	1.86	0.10	0.01	0.00	41.69	2.81	1.25	22.25	1.78	0.67	0.00	0.00	0.00
	Kerala	2.58	0.21	0.06	0.03	0.00	0.00	8.83	0.71	0.26	1.03	0.08	0.03	0.04	0.00	0.00
	Kolkata	3.68	0.37	0.09	0.04	0.00	0.00	18.37	1.70	0.55	11.20	0.90	0.34	-	-	-
	MP	0.70	0.06	0.01	0.01	0.00	0.00	3.40	0.27	0.07	0.00	0.00	0.00	-	-	-
	North East	25.24	1.51	0.63	0.10	0.01	0.00	38.56	2.60	1.16	7.06	0.57	0.21	0.00	0.00	0.00
	Orissa	8.50	0.51	0.21	0.06	0.00	0.00	22.73	1.53	0.68	48.22	3.86	1.45	-	-	-
	Punjab	0.69	0.06	0.02	0.14	0.01	0.00	13.11	1.05	0.39	2.58	0.21	0.08	-	-	-
UP (East)	4.81	0.38	0.12	0.05	0.00	0.00	33.30	2.66	1.00	4.44	0.36	0.13	23.65	1.89	0.79	
UP (West)	2.44	0.20	0.05	0.04	0.00	0.00	16.76	1.34	0.34	0.15	0.01	0.00	-	-	-	
West Bengal	21.26	1.70	0.53	0.05	0.00	0.00	22.55	1.80	0.68	2.21	0.18	0.07	-	-	-	
DWL UASL		168.65	10.92	4.32	0.90	0.06	0.03	323.54	23.56	9.99	127.19	10.18	3.98	23.70	1.90	0.79
AL	Andhra Pradesh	6.03	0.60	0.15	2.86	0.29	0.09	15.86	1.47	0.48	8.58	0.69	0.26	7.60	0.61	0.23
	Delhi	9.81	0.98	0.39	1.90	0.19	0.08	31.36	2.90	1.25	3.43	0.27	0.14	2.45	0.20	0.10
	Gujarat	0.53	0.05	0.01	0.75	0.07	0.01	7.20	0.67	0.14	0.97	0.08	0.02	0.17	0.01	0.00
	Karnataka	4.91	0.49	0.12	0.99	0.10	0.03	13.98	1.29	0.42	5.74	0.46	0.17	1.75	0.14	0.05
	Maharashtra	3.44	0.34	0.07	0.68	0.07	0.01	9.04	0.84	0.18	12.00	0.96	0.24	1.12	0.09	0.02
	Mumbai	6.67	0.67	0.13	1.26	0.13	0.03	15.75	1.46	0.32	4.08	0.33	0.08	28.73	2.30	0.57
	Rajasthan	0.89	0.07	0.02	1.90	0.15	0.04	26.58	2.13	0.53	2.34	0.19	0.05	2.09	0.17	0.06
Tamil Nadu	188.82	18.88	9.44	39.00	3.90	2.34	196.38	18.16	11.78	68.24	5.46	4.09	13.60	1.09	0.82	
AL UASL		221.11	22.09	10.34	49.34	4.90	2.62	316.14	28.91	15.10	105.39	8.43	5.05	57.49	4.60	1.85
ACL	Chennai	76.24	7.62	3.05	-	-	-	-	-	-	54.25	4.34	2.17	24.85	1.99	0.99
ACL UASL		76.24	7.62	3.05	-	-	-	-	-	-	54.25	4.34	2.17	24.85	1.99	0.99
TOTAL UASL		465.99	40.64	17.71	50.23	4.96	2.65	639.68	52.47	25.09	286.82	22.95	11.19	106.04	8.48	3.64
	NLD	14.31	0.86	-	0.23	0.01	-	114.46	7.73	-	4.67	0.37	-	-	-	-
	ILD	11.78	0.71	-	0.17	0.01	-	92.26	6.23	-	3.64	0.29	-	-	-	-
	ISP	9.01	-	-	0.02	-	-	9.45	-	-	3.18	-	-	-	-	-
TOTAL NON UASL		35.09	1.56	-	0.42	0.02	-	216.17	13.95	-	11.49	0.66	-	-	-	-
G TOTAL		501.09	42.20	17.71	50.66	4.98	2.65	855.85	66.43	25.09	298.31	23.61	11.19	106.04	8.48	3.64

(₹ in crore)

Services	Total amount of GR/AGR	LF Impact	SUC Impact
UASL	15.49	1.30	0.60
NLD	1.34	0.09	-
ILD	1.08	0.07	-
ISP	0.22	-	-
Total	18.12	1.46	0.60

**Annexure-6.09 [Para 6.3.4]
Impact on payment of LF & SUC due to non inclusion of Profit on Sale of Asset**

(₹ in lakh)

Name of the Company	LSA	2010-11			2011-12			2012-13			2013-14			2014-15		
		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
DWL	Assam	-	-	-	43.37	2.60	1.73	0.96	0.06	0.04	0.00	0.00	0.00	22.05	1.76	0.88
	Bihar	-	-	-	35.02	2.10	1.05	286.09	19.31	8.58	0.38	0.03	0.01	107.60	8.61	3.23
	Haryana	-	-	-	1.16	0.09	0.02	80.79	6.46	1.62	10.22	0.82	0.20	1.51	0.12	0.03
	Himachal Pradesh	-	-	-	2.75	0.16	0.05	0.12	0.01	0.00	0.75	0.06	0.02	3.75	0.30	0.07
	Jammu & Kashmir	-	-	-	15.92	0.96	0.48	1.23	0.08	0.04	1.49	0.12	0.04	5.51	0.44	0.18
	Kerala	-	-	-	66.23	5.30	1.99	0.61	0.05	0.02	9.92	0.79	0.30	23.41	1.87	0.70
	Kolkata	-	-	-	6.26	0.63	0.19	160.32	14.83	4.81	1.79	0.14	0.05	14.50	1.16	0.43
	Madhya Pradesh	-	-	-	2.44	0.19	0.05	0.06	0.00	0.00	42.21	3.38	0.84	-	-	-
	North East	-	-	-	15.72	0.94	0.47	0.63	0.04	0.02	-	-	-	1.50	0.12	0.05
	Orissa	-	-	-	8.87	0.53	0.27	23.06	1.56	0.69	4.28	0.34	0.13	513.32	41.07	15.40
	Punjab	-	-	-	3.65	0.29	0.11	47.38	3.79	1.42	4.96	0.40	0.15	4.16	0.33	0.12
	Uttar Pradesh (East)	-	-	-	159.69	12.78	4.79	43.75	3.50	1.31	14.47	1.16	0.43	2.67	0.21	0.09
	Uttar Pradesh (West)	-	-	-	6.90	0.55	0.14	23.73	1.90	0.47	103.31	8.27	2.07	40.30	3.22	1.17
West Bengal	-	-	-	24.68	1.97	0.74	320.05	25.60	9.60	394.58	31.57	11.84	2.90	0.23	0.09	
DWL UASL	-	-	-	392.67	29.11	12.08	988.79	77.21	28.63	588.37	47.07	16.09	743.18	59.45	22.46	
AL	Andhra Pradesh	-	-	-	-	-	-	1.07	0.10	0.03	0.05	0.00	0.00	91.40	7.31	2.74
	Delhi	-	-	-	54.21	5.42	2.17	0.16	0.01	0.01	0.90	0.07	0.04	9.08	0.73	0.36
	Gujarat	-	-	-	0.14	0.01	0.00	1.41	0.13	0.03	12.57	1.01	0.25	1.71	0.14	0.03
	Karnataka	0.88	0.09	0.02	-	-	-	10.02	0.93	0.30	1.41	0.11	0.04	0.00	0.00	0.00
	Maharashtra	9.68	0.97	0.19	0.96	0.10	0.02	0.05	0.00	0.00	6.38	0.51	0.13	11.69	0.94	0.23
	Mumbai	-	-	-	9.80	0.98	0.20	0.31	0.03	0.01	5.65	0.45	0.11	7.20	0.58	0.14
	Rajasthan	-	-	-	1.65	0.13	0.03	0.14	0.01	0.00	2.32	0.19	0.05	0.71	0.06	0.02
Tamil Nadu	147.93	14.79	7.40	74.69	7.47	4.48	28.97	2.68	1.74	177.45	14.20	10.65	13.05	1.04	0.78	
AL UASL	158.48	15.85	7.61	141.44	14.11	6.90	42.13	3.90	2.12	206.74	16.54	11.27	134.84	10.79	4.32	
ACL	Chennai	43.94	4.39	1.76	-	-	-	116.04	10.73	4.64	36.19	2.90	1.45	65.54	5.24	2.62
ACL UASL	43.94	4.39	1.76	-	-	-	116.04	10.73	4.64	36.19	2.90	1.45	65.54	5.24	2.62	
TOTAL UASL	202.43	20.24	9.37	534.12	43.22	18.98	1,146.96	91.83	35.38	831.30	66.50	28.80	943.56	75.49	29.40	
	NLD	-	-	-	34.43	2.07	-	12.06	0.81	-	-	-	-	-	-	-
	ILD	-	-	-	26.43	1.59	-	1.51	0.10	-	-	-	-	-	-	-
	ISP	-	-	-	3.57	0.21	-	0.68	0.05	-	24.86	1.99	-	3.46	0.28	-
TOTAL NON UASL	-	-	-	64.43	3.87	-	14.25	0.96	-	24.86	1.99	-	3.46	0.28	-	
G TOTAL	202.43	20.24	9.37	598.55	47.08	18.98	1,161.20	92.80	35.38	856.16	68.49	28.80	947.03	75.76	29.40	

(₹ in crore)

Services/ Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL	36.58	2.97	1.22
NLD	0.46	0.03	-
ILD	0.28	0.02	-
ISP	0.33	0.02	-
Total	37.65	3.04	1.22

Annexure -6.10 [Para 6.4.1]

Impact on payment of LF & SUC due to netting off of Bad debts written off from GR in the year 2014-15
(₹ in lakh)

Name of the Company	LSA	Amount of GR/AGR	LF Impact	SUC Impact
DWL	Assam	54.21	4.34	0.17
	Bihar	92.04	7.36	0.22
	Haryana	-	-	-
	Himachal Pradesh	27.75	2.22	0.04
	Jammu & Kashmir	227.13	18.17	0.61
	Kerala	21.78	1.74	0.05
	Kolkata	131.16	10.49	0.31
	Madhya Pradesh	-	-	-
	North East	20.22	1.62	0.05
	Orissa	104.94	8.40	0.25
	Punjab	17.78	1.42	0.04
	Uttar Pradesh (East)	13.25	1.06	0.04
	Uttar Pradesh (West)	20.17	1.61	0.05
	West Bengal	19.25	1.54	0.05
DWL UASL		749.69	59.97	1.89
AL	Andhra Pradesh	92.34	7.39	0.22
	Delhi	385.14	30.81	1.23
	Gujarat	14.82	1.19	0.02
	Karnataka	128.83	10.31	0.31
	Maharashtra	72.37	5.79	0.12
	Mumbai	259.33	20.75	0.41
	Rajasthan	11.94	0.96	0.03
	Tamil Nadu	326.04	26.08	1.56
AL UASL		1,290.79	103.26	3.91
ACL	Chennai	2,959.32	236.75	9.47
ACL UASL		2,959.32	236.75	9.47
TOTAL UASL		4,999.80	399.98	15.27
	NLD	0.52	0.04	-
	ILD	33.41	2.67	-
	ISP	-	-	-
TOTAL NON UASL		33.94	2.71	0.00
G TOTAL		5,033.73	402.70	15.27

(₹ in crore)

Services/Company	Total amount of GR/AGR	LF Impact	SUC Impact
UASL	50.00	4.00	0.15
NLD	0.01	0.00	-
ILD	0.33	0.03	-
ISP	-	-	-
Total	50.34	4.03	0.15

Annexure-6.11 [Para 6.4.2]

Impact on payment of LF and SUC due to non consideration of profit on transfer of Passive Infrastructure Assets
(₹ in lakh)

Name of the Company	LSA	FINANCIAL YEAR 2010-11		
		Amount of GR/AGR	LF Impact	SUC Impact
DWL	Assam	9,076.63	544.60	317.68
	Bihar	5,338.84	320.33	133.47
	Haryana	213.50	17.08	4.27
	Himachal Pradesh	1,092.95	65.58	21.86
	Jammu & Kashmir	6,433.52	386.01	160.84
	Kerala	1,813.61	145.09	45.34
	Kolkata	2,586.33	258.63	64.66
	Madhya Pradesh	494.40	39.55	9.89
	North East	6,438.61	386.32	160.97
	Orissa	3,748.39	224.90	93.71
	Punjab	485.04	38.80	12.13
	Uttar Pradesh (East)	1,741.03	139.28	43.53
	Uttar Pradesh (West)	1,715.56	137.24	34.31
	West Bengal	4,010.09	320.81	100.25
AL	Andhra Pradesh	5,321.06	532.11	133.03
	Delhi	8,654.03	865.40	346.16
	Gujarat	470.26	47.03	9.41
	Karnataka	4,331.90	433.19	108.30
	Maharashtra	3,033.44	303.34	60.67
	Mumbai	5,878.33	587.83	117.57
	Rajasthan	787.16	62.97	15.74
	Tamil Nadu	71,284.32	7,128.43	3,564.22
ACL	Chennai	35,048.56	3,504.86	1,401.94
Total UASL		1,79,997.56	16,489.39	6,959.92

(₹ in crore)

Name of company	Total GR/AGR	LF Impact	SUC Impact
DWL	451.88	30.24	12.03
AL	997.60	99.60	43.55
ACL	350.49	35.05	14.02
Total	1,799.97	164.89	69.60

**Annexure-6.12 [Para 6.5]
Statement showing interest on LF & SUC up to Mar 2016**

(₹ in lakh)

Sl No.	Para No.	Annex	No. of Months(upto March 16)	60		48		36		24		12		TOTAL		
				Rate@ (PLR+2)%		15		16.75		16.45		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	6.2.1	6.01	Prepaid Commission	2161.80	908.01	2020.33	958.35	1502.85	705.74	1088.88	524.84	598.47	293.67	10762.94		
2	6.2.2	6.02	FAT-Waiver-Discount	949.09	452.45	1179.47	608.89	362.65	201.11	48.60	17.71	35.77	14.12	3869.87		
3	6.2.3	6.03	Site Sharing Income	368.26	141.83	26.78	10.22	22.70	9.09	15.07	6.61	7.26	3.16	610.97		
4	6.2.4	6.04	Forex Gain	192.31	50.06	325.40	93.29	863.86	237.62	618.03	155.15	65.65	12.46	2613.84		
5	6.2.5	6.05	VAS/Advt. Income	0.00	0.00	3.53	1.71	1.48	0.75	0.05	0.03	0.01	0.01	7.57		
6	6.3.1	6.06	Interest Income	3656.70	1551.51	1965.93	840.75	795.72	344.00	467.49	231.48	231.31	111.53	10196.43		
7	6.3.2	6.07	Investment Income	623.44	268.77	112.75	54.55	18.57	9.34	7.14	4.02	0.00	0.00	1098.59		
8	6.3.3	6.08	Misc. income	46.73	19.61	4.71	2.51	42.02	15.87	9.32	4.42	1.54	0.66	147.37		
10	6.3.5	6.10	Sale of Asset	22.41	10.37	44.50	17.94	58.70	22.38	27.03	11.37	13.71	5.32	233.75		
11	6.4.1	6.11	Bad Debts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72.88	2.76	75.64		
12	6.4.2	6.12	P.I Sale	18256.75	7705.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25962.64		
TOTAL				26277.49	11108.51	5390.39	2588.21	3668.55	1545.9	2281.61	955.63	1026.6	443.69	55579.61		

Say ₹ 555.80 crore

ANNEXURE 7.01 [Para no.7.2.1]
Impact on payment of LF and SUC due to netting off of Discount/Commission/Waivers from GR

(₹ in lakh)

Service/LSA	Financial years											
	2008-09			2009-10			2010-11			2011-12		
	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
AP	0.00	0.00	0.00	0.00	0.00	0.00	72.02	7.20	1.62	146.78	14.68	3.30
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.46	0.03	0.01
Bihar	0.00	0.00	0.00	33.40	2.00	0.78	63.02	3.78	1.48	97.86	5.87	2.30
Delhi	0.00	0.00	0.00	41.78	4.18	0.94	100.55	10.05	2.26	105.95	10.59	2.38
Gujarat	0.00	0.00	0.00	0.00	0.00	0.00	5.07	0.51	0.11	22.05	2.21	0.50
Haryana	0.00	0.00	0.00	1.38	0.11	0.03	8.98	0.72	0.20	10.68	0.85	0.24
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
J&K	0.00	0.00	0.00	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	62.91	6.29	1.42	504.17	50.42	11.34	969.17	96.92	21.81
Kerala	0.01	0.00	0.00	59.64	4.77	1.34	97.76	7.82	2.20	92.23	7.38	2.08
Kolkata	0.00	0.00	0.00	97.63	9.76	2.20	119.49	11.95	2.69	136.94	13.69	3.08
Maharashtra	0.00	0.00	0.00	0.49	0.05	0.01	122.74	12.27	2.76	142.75	14.28	3.21
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.57	0.05	0.01
Mumbai	0.00	0.00	0.00	7.03	0.70	0.16	136.49	13.65	3.07	93.49	9.35	2.10
NE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00
Odisha	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.01	0.00
Rajasthan	172.15	13.77	3.87	442.84	35.43	9.96	394.80	31.58	8.88	525.16	42.01	11.82
TN	0.63	0.06	0.01	172.34	17.23	3.88	267.91	26.79	6.03	384.75	38.48	8.66
UPE	0.00	0.00	0.00	0.00	0.00	0.00	8.91	0.71	0.20	33.59	2.69	0.76
UPW	0.00	0.00	0.00	0.00	0.00	0.00	9.02	0.72	0.20	44.78	3.58	1.01
WB	0.00	0.00	0.00	145.62	11.65	3.28	260.19	20.82	5.85	403.05	32.24	9.07
Total	172.79	13.84	3.89	1065.06	92.18	24.00	2171.14	199.00	48.91	3210.52	294.91	72.33

(₹ in lakh)

Service/LSA	2012-13			2013-14			2014-15		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
AP	118.52	10.96	2.67	0.00	0.00	0.00	0.00	0.00	0.00
Assam	0.37	0.03	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	175.15	11.82	4.12	0.00	0.00	0.00	0.00	0.00	0.00
Delhi	233.24	21.58	5.25	342.40	27.39	9.35	594.00	47.52	19.31
Gujarat	81.55	7.54	1.83	18.03	1.44	0.49	121.03	9.68	3.93
Haryana	10.94	0.88	0.25	0.00	0.00	0.00	0.00	0.00	0.00
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	906.26	83.83	20.39	752.83	60.23	20.55	762.08	60.97	24.77
Kerala	93.63	7.49	2.11	74.10	5.93	2.02	199.01	15.92	6.47
Kolkata	164.64	15.23	3.70	171.26	13.70	4.68	225.05	18.00	7.31
Maharashtra	158.45	14.66	3.57	-2.34	0.00	0.00	0.00	0.00	0.00
MP	0.75	0.06	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	115.59	10.69	2.60	-1.44	0.00	0.00	0.00	0.00	0.00
NE	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	0.14	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	-0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	550.04	44.00	12.38	751.42	60.11	16.91	1097.94	87.83	24.70
TN	371.48	34.36	8.36	275.94	22.08	7.53	510.99	40.88	16.61
UPE	48.32	3.87	1.09	-3.04	0.00	0.00	0.00	0.00	0.00
UPW	78.11	6.25	1.76	53.32	4.27	1.46	81.29	6.50	2.64
WB	434.01	34.72	9.77	483.86	38.71	13.21	572.49	45.80	18.61
Total	3541.22	307.98	79.85	2916.35	233.85	76.20	4163.89	333.11	124.35

₹ in crore

Total of GR/AGR	LF Impact	SUC Impact
172.41	14.75	4.30

ANNEXURE 7.02 [Para no. 7.2.1]
Impact on payment of LF and SUC due to non consideration of revenue on account of Free Air Time (FAT)

(₹ in lakh)

Service/LSA	Financial years											
	2008-09			2009-10			2010-11			2011-12		
	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
AP	0.00	0.00	0.00	0.00	0.00	0.00	12.38	1.24	0.28	24.58	2.46	0.55
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.21	0.01	0.00
Bihar	0.00	0.00	0.00	15.34	0.92	0.36	43.48	2.61	1.02	31.89	1.91	0.75
Delhi	0.00	0.00	0.00	37.82	3.78	0.85	13.22	1.32	0.30	68.29	6.83	1.54
Gujarat	0.00	0.00	0.00	0.00	0.00	0.00	4.87	0.49	0.11	-5.07	0.00	0.00
Haryana	0.00	0.00	0.00	0.56	0.04	0.01	2.20	0.18	0.05	5.25	0.42	0.12
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.07	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.00
Karnataka	0.00	0.00	0.00	46.19	4.62	1.04	89.62	8.96	2.02	92.34	9.23	2.08
Kerala	0.00	0.00	0.00	111.08	8.89	2.50	407.81	32.62	9.18	125.29	10.02	2.82
Kolkata	0.00	0.00	0.00	22.53	2.25	0.51	52.58	5.26	1.18	27.37	2.74	0.62
Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	84.10	8.41	1.89	60.09	6.01	1.35
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.09	0.01	0.00	-0.18	0.00	0.00
Mumbai	0.00	0.00	0.00	7.19	0.72	0.16	92.37	9.24	2.08	68.23	6.82	1.54
NE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.00
Odisha	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.01	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.22	0.02	0.00
Rajasthan	868.15	69.45	19.53	365.63	29.25	8.23	89.62	7.17	2.02	107.18	8.57	2.41
TN	0.00	0.00	0.00	101.95	10.19	2.29	134.05	13.40	3.02	105.31	10.53	2.37
UPE	0.00	0.00	0.00	0.00	0.00	0.00	1.45	0.12	0.03	25.17	2.01	0.57
UPW	0.00	0.00	0.00	0.00	0.00	0.00	0.92	0.07	0.02	22.69	1.82	0.51
WB	0.00	0.00	0.00	29.63	2.37	0.67	108.18	8.65	2.43	33.63	2.69	0.76
Total	868.15	69.45	19.53	737.91	63.04	16.62	1136.95	99.75	25.62	793.01	72.13	17.99

(₹ in lakh)

Service/LSA	2012-13			2013-14			2014-15		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
AP	90.09	8.33	2.03	0.00	0.00	0.00	0.00	0.00	0.00
Assam	0.20	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	229.63	15.50	5.40	0.00	0.00	0.00	0.00	0.00	0.00
Delhi	947.41	87.64	21.32	862.05	68.96	23.53	658.34	52.67	21.40
Gujarat	-0.45	0.00	0.00	26.81	2.14	0.73	17.37	1.39	0.56
Haryana	37.49	3.00	0.84	0.00	0.00	0.00	0.00	0.00	0.00
HP	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	478.91	44.30	10.78	603.48	48.28	16.47	694.22	55.54	22.56
Kerala	144.04	11.52	3.24	58.87	4.71	1.61	78.80	6.30	2.56
Kolkata	159.67	14.77	3.59	56.57	4.53	1.54	91.57	7.33	2.98
Maharashtra	302.46	27.98	6.81	0.08	0.01	0.00	0.00	0.00	0.00
MP	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	243.65	22.54	5.48	0.25	0.02	0.01	0.00	0.00	0.00
NE	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Odisha	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.56	0.04	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	360.79	28.86	8.12	663.18	53.05	14.92	779.57	62.37	17.54
TN	337.80	31.25	7.60	317.38	25.39	8.66	293.50	23.48	9.54
UPE	122.34	9.79	2.75	-0.12	0.00	0.00	0.00	0.00	0.00
UPW	148.45	11.88	3.34	123.72	9.90	3.38	76.45	6.12	2.48
WB	413.55	33.08	9.30	105.76	8.46	2.89	240.25	19.22	7.81
Total	4016.76	350.50	90.62	2818.01	225.45	73.75	2930.07	234.41	87.43

(₹ in crore)

Total of GR/AGR	LF Impact	SUC Impact
133.01	11.15	3.32

ANNEXURE 7.03 [Para no. 7.2.1]
Impact on payment of LF and SUC due to non consideration of revenue from Free Data Usage Charges

(₹ in lakh)

Service/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
AP	0.00	0.00	0.00	-0.04	0.00	0.00	0.08	0.01	0.00
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	0.30	0.02	0.01	1.19	0.07	0.03	0.54	0.03	0.01
Delhi	1.08	0.11	0.02	2.09	0.21	0.05	1.06	0.11	0.02
Gujarat	0.00	0.00	0.00	-0.01	0.00	0.00	-0.01	0.00	0.00
Haryana	0.03	0.00	0.00	0.21	0.02	0.00	0.07	0.01	0.00
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	0.18	0.02	0.00	0.91	0.09	0.02	0.64	0.06	0.01
Kerala	0.23	0.02	0.01	0.79	0.06	0.02	0.57	0.05	0.01
Kolkata	0.22	0.02	0.00	-3.66	0.00	0.00	0.52	0.05	0.01
Maharashtra	0.04	0.00	0.00	2.00	0.20	0.05	2.92	0.29	0.07
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
Mumbai	0.09	0.01	0.00	3.00	0.30	0.07	7.02	0.70	0.16
NE	0.00	0.00	0.00	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	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	1.01	0.08	0.02	3.45	0.28	0.08	0.99	0.08	0.02
TN	0.74	0.07	0.02	2.04	0.20	0.05	2.45	0.24	0.06
UPE	0.00	0.00	0.00	0.04	0.00	0.00	0.07	0.01	0.00
UPW	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
WB	0.03	0.00	0.00	-1.65	0.00	0.00	0.34	0.03	0.01
Total	3.96	0.36	0.09	10.38	1.44	0.36	17.27	1.67	0.39

(₹ in lakh)

Service/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
AP	1.23	0.11	0.03	0.00	0.00	0.00	0.00	0.00	0.00
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	0.75	0.05	0.02	0.00	0.00	0.00	0.00	0.00	0.00
Delhi	11.20	1.04	0.25	4.54	0.36	0.12	1.83	0.15	0.06
Gujarat	1.13	0.10	0.03	0.39	0.03	0.01	0.37	0.03	0.01
Haryana	1.02	0.08	0.02	0.00	0.00	0.00	0.00	0.00	0.00
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	0.35	0.03	0.01	0.48	0.04	0.01	0.72	0.06	0.02
Kerala	0.17	0.01	0.00	0.56	0.05	0.02	-0.30	0.00	0.00
Kolkata	0.49	0.05	0.01	0.58	0.05	0.02	0.11	0.01	0.00
Maharashtra	4.79	0.44	0.11	0.00	0.00	0.00	0.00	0.00	0.00
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	6.84	0.63	0.15	0.00	0.00	0.00	0.00	0.00	0.00
NE	0.00	0.00	0.00	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	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	4.25	0.34	0.10	0.57	0.05	0.01	-0.49	0.00	0.00
TN	2.11	0.20	0.05	2.05	0.16	0.06	0.32	0.03	0.01
UPE	2.00	0.16	0.04	0.00	0.00	0.00	0.00	0.00	0.00
UPW	0.97	0.08	0.02	0.54	0.04	0.01	0.19	0.02	0.01
WB	0.37	0.03	0.01	0.37	0.03	0.01	0.10	0.01	0.00
Total	37.67	3.36	0.85	10.09	0.81	0.27	2.84	0.29	0.12

(₹ in crore)

Total of GR/AGR	LF Impact	SUC Impact
0.82	0.08	0.02

**ANNEXURE 7.04 [Para no.7.2.2]
Impact on payment of LF and SUC due to non consideration of FOREX gain**

(₹ in lakh)

Service/ LSA	2009-10			2010-11			2011-12			2012-13			2013-14			2014-15		
	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
AP	0.00	0.00	0.00	6.93	0.69	0.16	5.42	0.54	0.12	6.29	0.58	0.14	0.03	0.00	0.00	0.00	0.00	0.00
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.29	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bihar	0.02	0.00	0.00	6.18	0.37	0.15	7.83	0.47	0.18	10.17	0.69	0.24	0.05	0.00	0.00	0.00	0.00	0.00
Delhi	0.02	0.00	0.00	11.58	1.16	0.26	8.00	0.80	0.18	16.26	1.50	0.37	12.45	1.00	0.34	2.39	0.19	0.08
Gujarat	0.00	0.00	0.00	0.44	0.04	0.01	3.12	0.31	0.07	3.13	0.29	0.07	2.52	0.20	0.07	1.00	0.08	0.03
Haryana	0.00	0.00	0.00	1.60	0.13	0.04	1.39	0.11	0.03	1.53	0.12	0.03	0.12	0.01	0.00	0.00	0.00	0.00
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00
Karnataka	0.02	0.00	0.00	23.30	2.33	0.52	19.47	1.95	0.44	26.49	2.45	0.60	17.95	1.44	0.49	3.18	0.25	0.10
Kerala	0.03	0.00	0.00	7.80	0.62	0.18	5.37	0.43	0.12	6.11	0.49	0.14	20.95	1.68	0.57	1.11	0.09	0.04
Kolkata	0.06	0.01	0.00	11.04	1.10	0.25	6.96	0.70	0.16	9.12	0.84	0.21	7.10	0.57	0.19	2.25	0.18	0.07
Maharashtra	0.00	0.00	0.00	4.53	0.45	0.10	6.20	0.62	0.14	7.77	0.72	0.17	0.60	0.05	0.02	0.00	0.00	0.00
MP	0.00	0.00	0.00	2.18	0.17	0.05	2.40	0.19	0.05	1.08	0.09	0.02	0.04	0.00	0.00	0.00	0.00	0.00
Mumbai	0.00	0.00	0.00	5.58	0.56	0.13	5.20	0.52	0.12	7.19	0.66	0.16	0.12	0.01	0.00	0.00	0.00	0.00
NE	0.00	0.00	0.00	0.00	0.00	0.00	0.32	0.02	0.01	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	3.71	0.30	0.08	7.74	0.62	0.17	0.49	0.04	0.01	1.79	0.14	0.05	0.00	0.00	0.00
Rajasthan	0.32	0.03	0.01	68.84	5.51	1.55	36.63	2.93	0.82	25.49	2.04	0.57	25.60	2.05	0.58	3.73	0.30	0.08
TN	4.67	0.47	0.10	15.83	1.58	0.36	11.33	1.13	0.25	14.81	1.37	0.33	9.79	0.78	0.27	2.33	0.19	0.08
UPE	0.00	0.00	0.00	0.20	0.02	0.00	2.29	0.18	0.05	4.53	0.36	0.10	0.16	0.01	0.00	0.00	0.00	0.00
UPW	0.00	0.00	0.00	1.64	0.13	0.04	2.37	0.19	0.05	4.29	0.34	0.10	3.15	0.25	0.09	0.81	0.06	0.03
WB	0.08	0.01	0.00	19.32	1.55	0.43	12.43	0.99	0.28	19.20	1.54	0.43	14.21	1.14	0.39	2.60	0.21	0.08
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00
Total	5.22	0.51	0.12	190.69	16.72	4.30	144.76	12.73	3.26	163.93	14.13	3.70	116.72	9.34	3.06	19.42	1.55	0.59

(₹ in crore)

Total of GR/AGR	LF Impact	SUC Impact
6.41	0.55	0.15

ANNEXURE 7.05 [Para no.7.3.1]

Impact on payment of LF and SUC due to non consideration of interest income

(₹ in lakh)

Service/LSA	2006-07			2007-08			2008-09		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Rajasthan	50.44	4.04	1.13	59.83	4.79	1.35	3214.42	257.15	72.32
TN	0.00	0.00	0.00	0.00	0.00	0.00	2.58	0.26	0.05
Total	50.44	4.04	1.13	59.83	4.79	1.35	3217.03	257.41	72.38

(₹ in lakh)

Service/LSA	2009-10			2010-11			2011-12		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
AP	0.00	0.00	0.00	164.41	16.44	3.70	532.18	53.22	11.97
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.67	0.04	0.02
Bihar	33.35	2.00	0.78	330.89	19.85	7.78	778.52	46.71	18.30
Delhi	16.60	1.66	0.37	434.05	43.41	9.77	866.15	86.61	19.49
Gujarat	0.00	0.00	0.00	3.68	0.37	0.08	97.14	9.71	2.19
Haryana	0.19	0.02	0.00	55.33	4.43	1.24	113.35	9.07	2.55
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Karnataka	11.85	1.18	0.27	1141.35	114.13	25.68	2175.61	217.56	48.95
Kerala	91.24	7.30	2.05	415.92	33.27	9.36	506.53	40.52	11.40
Kolkata	146.45	14.64	3.30	567.44	56.74	12.77	706.78	70.68	15.90
Maharashtra	0.19	0.02	0.00	231.77	23.18	5.21	502.45	50.25	11.31
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.79	0.06	0.02
Mumbai	1.06	0.11	0.02	300.79	30.08	6.77	543.71	54.37	12.23
NE	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00
Odisha	0.00	0.00	0.00	0.00	0.00	0.00	0.15	0.01	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.31	0.03	0.01
Rajasthan	1520.55	121.64	34.21	1604.17	128.33	36.09	1848.79	147.90	41.60
TN	255.87	25.59	5.76	874.73	87.47	19.68	1245.36	124.54	28.02

UPE	0.00	0.00	0.00	6.35	0.51	0.14	234.23	18.74	5.27
UPW	0.00	0.00	0.00	6.53	0.52	0.15	225.07	18.01	5.06
WB	185.71	14.86	4.18	1076.12	86.09	24.21	1401.50	112.12	31.53
NLD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2263.07	189.02	50.95	7213.55	644.83	162.64	11779.36	1060.15	265.81

(₹ in crore)

Total of GR/AGR	LF Impact	SUC Impact
245.83	21.60	5.54

**ANNEXURE 7.06 [Para no.7.3.1]
Impact on payment of LF and SUC due to non consideration of Miscellaneous income**

(₹ in crore)

Service/LSA	2006-07			2007-08			2008-09		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Rajasthan	0.00	0.00	0.00	10.62	0.85	0.24	23.14	1.85	0.52

₹ in lakh

Service/LSA	2009-10			2010-11			2011-12		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
AP	0.00	0.00	0.00	0.36	0.04	0.01	2.00	0.20	0.04
Assam	0.00	0.00	0.00	0.00	0.00	0.00	0.26	0.02	0.01
Bihar	0.80	0.05	0.02	0.73	0.04	0.02	2.92	0.18	0.07
Delhi	3.93	0.39	0.09	0.96	0.10	0.02	3.25	0.33	0.07
Gujarat	0.00	0.00	0.00	0.01	0.00	0.00	0.36	0.04	0.01
Haryana	0.01	0.00	0.00	0.12	0.01	0.00	0.43	0.03	0.01
Karnataka	1.03	0.10	0.02	2.53	0.25	0.06	9.91	0.99	0.22
Kerala	1.48	0.12	0.03	0.92	0.07	0.02	1.90	0.15	0.04
Kolkata	2.60	0.26	0.06	15.15	1.52	0.34	2.78	0.28	0.06
Maharashtra	0.01	0.00	0.00	0.56	0.06	0.01	1.89	0.19	0.04
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	0.12	0.01	0.00	0.74	0.07	0.02	2.04	0.20	0.05
Rajasthan	29.76	2.38	0.67	33.23	2.66	0.75	32.48	2.60	0.73
Tamilnadu	6.66	0.67	0.15	2.23	0.22	0.05	5.20	0.52	0.12
UPE	0.00	0.00	0.00	0.15	0.01	0.00	0.96	0.08	0.02
UPW	0.00	0.00	0.00	0.01	0.00	0.00	0.84	0.07	0.02
WB	3.91	0.31	0.09	2.39	0.19	0.05	5.26	0.42	0.12
Total	50.32	4.30	1.13	60.11	5.25	1.35	72.49	6.28	1.63

(₹ in crore)

Total of GR/AGR	LF Impact	SUC Impact
2.17	0.19	0.05

ANNEXURE 7.07 [Para no.7.3.1]

Impact on payment of LF and SUC due to non consideration of Dividend income

(₹ in lakh)

Service/LSA	2006-07			2007-08			2008-09		
	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact	Amount of GR/AGR	LF Impact	SUC Impact
Rajasthan	2.75	0.22	0.06	2.73	0.22	0.06	0.00	0.00	0.00
Total	2.75	0.22	0.06	2.73	0.22	0.06	0.00	0.00	0.00

(₹ in crore)

Total of GR/AGR	LF Impact	SUC Impact
0.05	0.004	0.001

Consolidation of Annexures 7.05, 7.06 & 7.07

(₹ in crore)

Annexure No	Total of GR/AGR	LF Impact	SUC Impact
7.05	245.83	21.60	5.54
7.06	2.17	0.19	0.05
7.07	0.05	0.004	0.001
Total	248.05	21.794	5.591

ANNEXURE 7.08 [Para no.7.3.2]
Impact on payment of SUC due to non consideration of Revenue other than "Revenue from Wireline"

(₹ in lakh)

Service/LSA	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12	
	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact
AP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Assam	0.00	0.00	0.00	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	0.00	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	0.00	0.00	0.00
Gujarat	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Haryana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	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	0.00	0.00	0.00	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	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	0.00	0.00	0.00	0.00	0.00	0.00
Maharashtra	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NE	0.00	0.00	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	0.00	0.00
Punjab	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	319.28	7.18	305.07	6.86	420.77	9.47	447.00	10.06	486.03	10.94	495.41	11.15
TN	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UPE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UPW	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
WB	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	319.28	7.18	305.07	6.86	420.77	9.47	447.00	10.06	486.03	10.94	495.41	11.15

(₹ in lakh)

Service/LSA	2012-13		2013-14		2014-15	
	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact	Amount of GR/AGR	SUC Impact
AP	0.00	0.00	0.00	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	0.00	0.00	0.00
Delhi	0.00	0.00	0.00	0.00	0.00	0.00
Gujarat	0.00	0.00	0.00	0.00	0.00	0.00
Haryana	0.00	0.00	0.00	0.00	0.00	0.00
HP	0.00	0.00	0.00	0.00	0.00	0.00
J&K	0.00	0.00	0.00	0.00	0.00	0.00
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	0.00	0.00	0.00	0.00	0.00	0.00
MP	0.00	0.00	0.00	0.00	0.00	0.00
Mumbai	0.00	0.00	0.00	0.00	0.00	0.00
NE	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
Punjab	0.00	0.00	0.00	0.00	0.00	0.00
Rajasthan	498.00	11.21	502.26	11.30	548.43	12.34
TN	0.00	0.00	0.00	0.00	0.00	0.00
UPE	0.00	0.00	0.00	0.00	0.00	0.00
UPW	0.00	0.00	0.00	0.00	0.00	0.00
WB	0.00	0.00	0.00	0.00	0.00	0.00
Total	498.00	11.21	502.26	11.30	548.43	12.34

(₹ in crore)

Total of GR/AGR	SUC Impact
40.22	0.91

**ANNEXURE 7.09 [Para no.7.4]
Statement showing interest on LF and SUC up to March 2016**

(₹ in lakh)

Para No.	Annex	No. of months (upto March 2016)	108		96		84		72		60	
		Rate @ (PLR+2) %	14.25		14.25		14.25		13.75		15	
		Issues	2006-07		2007-08		2008-09		2009-10		2010-11	
			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
7.2.1	7.01	Discount/Waivers to Dealers	0.00	0.00	0.00	0.00	23.46	6.59	117.18	30.51	220.33	54.16
	7.02	Free Air Time	0.00	0.00	0.00	0.00	117.76	33.12	80.14	21.13	110.44	28.37
	7.03	Free data usage Charges	0.00	0.00	0.00	0.00	0.00	0.00	0.45	0.11	1.59	0.39
7.2.2	7.04	Under reporting of revenue from Forex gain for GR/AGR	0.00	0.00	0.00	0.00	0.00	0.00	0.65	0.15	18.51	4.76
7.3.1	7.05	Interest Income	10.40	2.93	10.08	2.84	436.48	122.73	240.28	64.76	713.94	180.06
	7.06	Miscellaneous Income	0.00	0.00	1.79	0.50	3.14	0.88	5.46	1.44	5.81	1.50
	7.07	Dividend Income	0.57	0.16	0.46	0.13	0.00	0.00	0.00	0.00	0.00	0.00
7.3.2	7.08	Non consideration of certain revenue for calculation of SUC	0.00	18.52	0.00	14.45	0.00	16.05	0.00	12.79	0.00	12.11
Total			10.97	21.61	12.33	17.92	580.84	179.37	444.16	130.89	1070.62	281.35

(₹ in lakh)

Para No.	Annex	No. of months (upto March 2016)	48		36		24		12		Total Interest
		Rate @ (PLR+2) %	16.75		16.45		16.75		16.75		
		Issues	2011-12		2012-13		2013-14		2014-15		
			Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	Interest on LF	Interest on SUC	
7.2.1	7.01	Waivers/Discounts/Commission to Dealers	278.75	68.38	194.81	50.51	92.30	30.07	60.29	22.50	1249.83
	7.02	Free Air Time	68.18	17.02	221.72	57.32	88.98	29.11	42.42	15.83	931.52
	7.03	Free data usage Charges	1.57	0.37	2.12	0.54	0.32	0.11	0.05	0.02	7.65
7.2.2	7.04	Under reporting of revenue from Forex gain for GR/AGR	12.03	3.08	8.93	2.34	3.69	1.21	0.28	0.11	55.74
7.3.1	7.05	Interest Income	1002.06	251.26	0.00	0.00	0.00	0.00	0.00	0.00	3037.82
	7.06	Miscellaneous Income	5.94	1.55	0.00	0.00	0.00	0.00	0.00	0.00	28.01
	7.07	Dividend Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.32
7.3.2	7.08	Non consideration of certain revenue for calculation of SUC	0.00	10.55	0.00	7.09	0.00	4.46	0.00	2.23	98.24
Total			1368.53	352.21	427.58	117.8	185.29	64.96	103.04	40.69	5410.13

Say ₹ 54.10 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

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**