CONTENTS

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

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

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

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

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

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