

## PRESS RELEASE

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### Randeep Singh Surjewala, Incharge Communications, AICC, Shaktisinh Gohil, and RPN Singh, Spokespersons, AICC have issued the following statement to the press today:-

Prime Minister, Shri Narendra Modi's claims of 'zero tolerance for corruption' and 'न खाऊंगा, ना खाने दूंगा' are being repeatedly proved to be another 'JUMLA' in light of a series of scams over last two years, including 'Lalit Modigate', 'Vyapam Scam', 'Chhattisgarh PDS Scam', 'Gujarat GSPC Scam', 'Vijay Mallya escapade', 'Gir Lion Sanctuary Land Allotment Scam', 'Chhattisgarh Priyadarshni Bank Scam', 'Panama Papers Scam', 'Fair and Lovely Black Money Amnesty Scheme' to name a few.

Latest is a staggering 'Telecom Scam' of approximately **Rs.45,000 crore plus** that is being buried under the carpet by 'Modi Sarkar'. This is a clear cut case of loss to public exchequer verified by CAG with the sole aim of helping friendly 'Crony Capitalists'. In a startling revelation, the Modi Government is surreptitiously taking steps to protect the interests of six leading telecom companies by helping them avoid the payment of charges rightfully owed to the Government.

No wonder, each one of 125 crore Indians call the present government as 'Suit Boot Sarkar of Crony Capitalists'. To get a sense of the amount, it is more than the amount Central government spends on MGNAREGA or drought relief or farmer welfare.

Surreptitious step being taken by Modi government to protect the interest of six leading Telecom Companies by helping them avoid the payment of charges rightfully owed to public exchequer is glaringly apparent. Under the Telecom Licencing Policy implemented in 1999 (NTP 1999), BJP government gave a bail out package to help telecom companies. Licence fee was to be decided on the basis of gross adjusted revenue. Cellular service providers had to pay 'Spectrum Usage Charges' (SUC) in addition to licence fee. This amount was linked to income of cellular companies. Since this income is considered as part of 'Consolidated Fund of India', it was within the purview of CAG under Article 266 of Constitution of India read with Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 making it obligatory on part of CAG to satisfy himself that the GoI has received its complete and correct share of revenue.

CAG initiated an audit of the six telecom companies for four years i.e. year 2006-07 to 2009-10 at the instructions of the Congress-led UPA government. It specifically looked at underreporting of income and non-uniform method of accounting adopted by various telecom companies and consequent lack of obligation to pay outstanding licence fee and Spectrum Usage Charges (SUC).

This audit by CAG was stalled/delayed due to a challenge before the courts regarding jurisdiction of CAG to audit accounts of private telecom companies. Supreme Court transferred all the matters before

it and rejected the claims of telecom companies vide judgment dated 17.04.2014 and permitted CAG to audit the accounts. CAG submitted its report in 2016 after conducting the audit of four years i.e. year 2006-07 to 2009-10, which is now available as on 11.03.2016. Six telecom companies that were audited by CAG are Bharti Airtel, Vodafone, Reliance, Idea, Tata and Aircel.

**CAG found an understatement/underreporting of income** by these six companies of **Rs.46,045.75 crore** in the four years i.e. year 2006-07 to 2009-10. Resultantly, **CAG found that there was an amount of Rs.12,488.93 crore, which remains un-recovered** by the government. This does not include penalty, if any, and other relevant taxes. Final loss for these four years would, therefore, be even greater than the amount stated above. Although there has been considerable increase in business, consumer base and income; even if loss of exchequer is calculated on the same formula for the years **2010-11 to 2015-16**, this figure would be **Rs.45,000 crore plus**. Instead of immediately acting on these shocking and startling revelations reflecting serious loss to public exchequer, Modi government has opted for an alternative re-evaluation of these figures by Telecom Ministry through Chartered Accountants, who are empanelled with them. This has two immediate and serious consequences:-

**Firstly**, this is a clear methodology of Modi government to inordinately delay the process of recovery for years together, if not, writing it off entirely.

**Secondly**, it reflects the apparent mal-intent of government to dilute or diminish the figures put forth by CAG.

**We want to ask four fundamental questions from Modi government:-**

1. Whether it is a grotesque breach of public trust by BJP government, which, in the past, had made a notional loss pegged by CAG in Telecom sector a major issue of transparency and corruption? What is the government plan to recover 'Actual Losses'?
2. Whether government is acting as a willful collaborator with the select corporate entities in artfully dodging recovery of massive sums of money due to public exchequer vis-à-vis being a trustee of public interest? Is it a new way to minimize fiscal deficit?
3. Why is Modi government not upholding findings of a constitutional authority like CAG instead of stalling recovery of large sums due to public exchequer that flies in the name of financial prudence? Who benefits from this delaying strategy and why? Is this the new 'governance model'?
4. Why is Modi government maintaining a conspicuous silence in the matter becoming virtually comatose despite the mammoth size of financial sums involved?