



The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

COMMENTS ON CONSULTATION PAPER ON DEFINITION OF REVENUE BASE (AGR) FOR THE RECKONING OF LICENCE FEE AND SPECTRUM USAGE CHARGES

With reference to your Consultation Paper No. 09/2014 dated 31st July, 2014 on “Definition of Revenue Base (AGR) for the Reckoning of Licence Fee and Spectrum Usage Charges” we offer our comments on the Q22 and Q 23 as follows:

Q22: Is there is need for audit of quarterly statement of Revenue and License Fee showing the computation of revenue and licence fee?

Comment: Yes, there should be audit of quarterly statement of Revenue and License Fee showing the computation of revenue and licence fee.

Q23: If response to Q22 is in the affirmative, should the audit of quarterly statement of Revenue and License Fee be conducted by the statutory auditor appointed under section 139 of Companies Act, 2013 or by an auditor, other than statutory auditor, qualified to act as auditor under section 139 & section 148 of Companies Act, 2013 or by any one of them?

Comment: Yes. Cost Auditor of the company concerned should be eligible for the quarterly statement of Revenue and License Fee similar to the statutory auditor appointed under section 139 of Companies Act, 2013 as “Cost Auditors” are also Statutory Auditors for the purpose of cost audit under the provisions of section 148(2) of the Companies Act 2013. Statutory Auditors are termed those who are appointed or reappointed as per the provisions of the statutes promulgated by the Central or State Governments. The appointment of cost auditor for audit of cost records is done as per the provisions of the Companies Act 2013 read with Companies (Cost Records and Audit) Rules 2014 notified by the Ministry of Corporate Affairs vide GSR 425(E) dated 1st July 2014.

Further, if it is decided to appoint the auditor other than statutory auditor, cost accountant in practice or firm of cost accountants should be considered qualified for the appointment as auditor in terms of section 148 of the Companies Act 2013.

We would like to inform you that the Telecom Regulatory Authority of India has already recognized cost accountants for rendering the services under the following:

- 1. *The Reporting System on Accounting Separation Regulations, 2012*** vide Notification no. 16-07/2010-FA dated 10th April 2012.
- 2. *Audit for Metering and Billing Accuracy*** vide “Quality of Service (Code of Practice for Metering and Billing Accuracy) Regulation 2006” Notification F.No. 305-8/ 2004 (QoS) dated 21 March, 2006.
- 3. *Audit under ‘Quality of Service of Broadband Service Regulations 2006’ (11 of 2006)*** notified by TRAI vide Notification No. 304-6/ 2004-QoS dated 6th October 2006.



The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

4. ***Inspection and Auditing under Telecom Consumers Protection and Redressal of Grievances Regulations, 2007***, Vide Notification F. No. 303-10/2006-QoS dated 4th May, 2007.
5. ***Appearance as Authorised Representative under Section 17 of TRAI Act, 1997.***

Sd/-

(J.K. Budhiraja)

*Director (Professional Development) and
Secretary to Professional Development Committee*

*The Institute of Cost Accountants of India
(Statutory Body under an Act of Parliament)*

CMA Bhawan, 3, Institutional Area

Lodhi Road, New Delhi-110003

Website: <http://www.icmai.in/>

Phone: (Landline) +911124647800 & 24666112

Mobile: 09871257800