Government of India
Ministry of Communications
Department of Telecommunications
20 Ashoka Road, Sanchar Bhawan, New Delhi -110001

No. DOT/LFA III/TSPs **Dated 26.10.2026**

To
All Telecom Service Providers / Licensees

Subject: Format for Auditors Certificate for revenue heads exempted from the calculation of Adjusted Gross Revenue (AGR)- reg

Kind attention is invited to the 2021 Telecom Reforms, wherein the concept of Applicable Gross Revenue (ApGR) was introduced and to arrive at ApGR certain revenue heads were to be excluded.

In above context, I am directed to convey that for these exempted revenue heads, Statutory Auditors certificate in the enclosed Proforma shall be required to be submitted along with Audited Reconciliation Statement at the end of financial year prospectively from F.Y. 2026-27. The General and item-wise Specific procedures to be followed by the Statutory auditor is enclosed along with proforma.

Encl. As above.

Digitally signed by
Shankara Nand Mishra
Date: 26-10-2026
15:17:00

Shankara Nand Mishra
Director (LFA-III)

Copy to : -

i. Industry Associations(COAI, ISPAI and VNOAI) for wide circulation
ii. All Pr. CCA/ CCA offices
iii. ACAO (LFA-III) for publishing on SARAS and SAMPARK portals.

Copy for kind information to : -

i. PSO to Secretary
ii. PSO to Member (F)
iii. PSO to CGCA

Consolidated Formats and Audit Procedures
for AGR Exemption Revenue Heads

General Procedures for Verification mechanism of exemptions for calculation of Adjusted Gross Revenue
(Applicable for Annexure A to Annexure L, wherever relevant)

General Procedures:

- Obtain management-certified, circle/license-wise schedule for the relevant revenue head and reconcile it with trial balance, general ledger, audited financial statements, revenue schedules and the AGR submitted to DoT.
- Agree the nature of revenue to underlying license conditions and management's basis for treating the item as exempt; review the specific clause / rationale supporting exclusion from Gross Revenue for LF/SUC computation. Confirm classification as exempt revenue under the AGR framework and guidelines as issued from time to time.
- Perform risk-based sampling over entries in the schedule and inspect underlying supporting documents such as invoices, contracts, sanction orders, agreements, bank statements, grant/claim documents, journal vouchers and board/management approvals, as applicable.
- Check that amounts are not double-counted across different exemption heads and that non-exempt components, if any, are separately identified and included in AGR wherever applicable.
- Test cut-off around the quarter/year-end and inspect subsequent period entries to identify unrecorded, reversed or misclassified items.
- Conclude whether the schedule is in agreement with books and supporting documents, and whether the exemption claimed is arithmetically accurate and appropriately classified.

Annexure A: Revenue from operations other than telecom activities/operations

Quarter	Category of Revenue	Detailed Nature of Non-Telecom Activity	Aggregate Amount as per Invoices	Aggregate Amount Credited to P&L	Remarks / Justification for Exclusion

Annexure B: Revenue from activities under a license/permission issued by Ministry of Information and Broadcasting

Quarter	MIB License / Permission No.	Type of MIB Service (e.g., DTH, Teleport, Broadcasting)	Date of Validity of MIB License	Total Billing / Revenue Generated	Amount Credited to P&L	License Fee Paid to MIB (if applicable)

Annexure C: Receipts from USO Fund

Quarter	USOF Agreement No. & Date	Tender / Scheme Name (e.g., Rural 4G Net)	USOF Sanction Order No. & Date	Milestone / Claim Phase No.	Gross Subsidy Approved	Amount Received in Bank	Date of Credit	Amount Credited to P&L / Deferred Revenue Account

Annexure D: Gains from Foreign Exchange rates fluctuation

Quarter	Entity Name	Nature of Gain (Investment / PPE / Shares etc.)	Agreement / Contract No.	Counterparty / Agreement With	Transaction / Sale Date	Transaction / Sale Value	Sale Value as per Bank Statement	Original Purchase Date	Original Purchase Value	Purchase Value as per Bank Statement	FX Impact / Gain Recorded

Annexure E- Excess Provisions Written back

Quarter	Ledger Head Name	Original FY in which Provision was Created	Reason for Creating Original Provision	Original Audited Provision Amount	Reason for Writing Back the Provision (e.g., Settled, No Longer Required)	Amount Written Back & Credited to P&L

Revenue Items with Specific Procedure in addition to general procedure for Verification mechanism of exemptions for calculation of Adjusted Gross Revenue

Income from Dividend

Specific Procedures:

1. Obtain below schedule(s) and reconcile with income from dividend in FS and total exemption claimed in Audited statements of Revenue and License Fee.
2. Recalculate the dividend income by multiplying the number of shares held (verified from investment records) by the declared dividend rate per share.
3. Ensure all confirmed/received dividend amounts are properly traced and recorded in the general ledger and income statement.
4. Perform sampling procedures on the below schedule.
5. For each item selected, test each selection through obtaining and inspecting supporting documentation :
    a. Inspect public records (e.g., press releases, annual reports of the investee) or Board Minutes of the investee company confirming the dividend declaration.
    b. Examine the dividend warrants/advices and bank statements to confirm the actual receipt of the funds.
6. Concluded that supporting documentation are in agreement with the below schedule
7. Obtain schedule of all investments and reconcile list of companies which have declared dividend and companies which have not declared dividend, to ensure completeness of investment schedule.
8. For companies which have not declared dividend, test on sample basis, annual reports, press releases to verify if there has been any dividend declared, which has not been recorded in books by Investor Company.

Annexure F: Income from Dividend

Quarter	Name of entity from whom dividend is received	Relationship (Subsidiary, associate, joint venture etc)	Number of shares held in the entity	Declared dividend per share	Date of dividend declaration	% holding in the entity	Date of recording in books	Amount as per books

Income from Interest

Specific Procedures:

1. Obtain below schedule(s) and reconcile the below schedule with exemption claimed in Audited statements of Revenue and License Fee.
2. Independently re-perform the calculation of interest income.
3. Reconcile the interest income recorded in the books with the income reported on relevant tax forms
4. Perform sampling procedures on the below schedule
5. For each item selected, test each selection through obtaining and inspecting supporting documentation :
    a. Trace the interest amounts to supporting documentation such as bank statements, interest advices, dividend/interest counterfoils, Fixed Deposit Receipts (FDRs), or loan agreements.
    b. Verify the interest rate and payment dates against the terms in the investment certificate or bond indenture.
6. Review bank statements for the entire period and the subsequent period for any credits that appear to be interest income that may not have been recorded
7. Inspect the list of interest-bearing assets (e.g., loans, investments, bank accounts) held during the year. For each asset, ensure that an appropriate amount of interest income has been recognized for the holding period.
8. Verify the accuracy of the accrued interest receivable balance at the reporting date
9. Ensure that the reversal of the prior year's accrual and the recording of the current year's accrual are done in the correct period.
10. Analyze the relationship between average interest-earning assets (like investments and loans) and the recorded interest income.
11. Conclude that supporting documentation are in agreement with the below schedule

Annexure G: Income from Interest

A. Interest on Investment – Fixed Deposits & Term Deposits

Quarter	Nature of Security (FD/Bonds)	Bank name/ Fund/ Corporation	Principal amount	Interest rate	Start date	Maturity date	Interest income recorded in books	Out of total interest income, Interest income on telecom deposits on which exemption is not sought

B. Interest Income from Income Tax Refund

Quarter	Assessment year	Financial year	Refund amount	Date as per bank Credit	Bank name	Reference number

C. Interest income from Loans/Debentures/ advances given/other securities

Quarter	Name of the entity	Start Date or Period Start Date	End Date or Period End Date	Principal loan amount	Loan term	Repayment term	Interest rate	Opening loan balance	Repayment Date	Repayment Amount	Closing loan balance	Interest income recorded in books

Insurance Claims

Specific Procedures:

1. Obtain below schedule(s) and reconcile the below schedule with total exemption claimed in Audited statements of Revenue and License Fee.
2. Perform sampling procedures on the below schedule.
3. For each item selected, test each selection through obtaining and inspecting supporting documentation.
    a. Inspect documentation to confirm the validity of the policy and that the claimed event is covered under the policy terms
    b. Verify that the payment amount was properly authorized according to the company's claims authority limits
    c. Inspect claim settlement letter issued by insurance company
4. Examine claims settled shortly before and after the year-end to ensure the claims expense is recorded in the correct financial period.
5. Compare claim frequency and severity trends to prior periods and industry benchmarks
6. Analyze Time lag between claim occurrence, reporting, and settlement
7. Conclude that supporting documentation are in agreement with the below schedule

Annexure H: Insurance claims

Quarter	Nature of claim	Claim Against	Date of Approval of Claim	Amount credited to PL	Amount as per bank statement	Date of receipt	Bank Name	UTR no.

Income from Property Rent

Specific Procedures:

1. Obtain below schedule(s) and reconcile the below schedule with total exemption claimed in Audited statements of Revenue and License Fee.
2. Perform sampling procedures on the below schedule.
3. For each item selected, test each selection through obtaining and inspecting supporting documentation.
    a. Verify corresponding lease agreement for lease rentals
    b. Verify the bank statement/deposit slip (for proof of receipt)
4. Examine the below schedule for any unusual or non-recurring payments (e.g., security deposit forfeiture, lease termination fees) and verify they are correctly classified as rental income, where appropriate, and supported by the lease terms.
5. Independently recalculate the expected rental income for a sample of properties/units based on the signed lease agreement (rental rate x term) and compare to the amount actually recorded.
6. Review deposits received near year-end for advance rent (e.g., first month's rent for a future period) and confirm it has been correctly deferred as a liability
7. Conclude that supporting documentation are in agreement with the below schedule
8. Ensure appropriate lease accounting has been done as per appropriate accounting GAAP.

Annexure I: Income from Property Rent

Quarter	Entity name	Nature of rent	Agreement No	Agreement with	Agreement Start Date	Agreement End Date	Amount per Month	Amount credited to P&L	Out of total rental income, income on which exemption is not sought	Invoice raised

Capital Gains on account of profit on Sale of fixed assets and securities

Specific Procedures:

1. Obtain below schedule(s) and reconcile the below schedule with total exemption claimed in Audited statements of Revenue and License Fee.
2. Perform sampling procedures on the below schedule.
3. For each item selected, test each selection through obtaining and inspecting supporting documentation.
    a. Agree the sale price to the sale contract, broker's contract notes, bank statements, or other external confirmation.
    b. For PPE, assess if the sale consideration is at Fair Market Value to identify potential under/overstatements.
    c. Trace the purchase cost to purchase invoices, title deeds, or historical financial statements
    d. Examine improvements added to the capital asset and ensure only qualifying, documented costs are included in the adjusted cost basis.
    e. Confirm compliance with any tax withholding or collection at source provisions applicable to the asset transfer
4 . Conclude that supporting documentation are in agreement with the below schedule

Annexure J: Capital Gains on account of profit on Sale of fixed assets and securities

Quarter	Entity name	Nature of Gain (investment/PPE/Shares etc)	Agreement No.	Agreement with	Sale Date	Sale Value	Sale Value as per Bank Statement	Purchase Date	Purchase Value	Purchase Value as per Bank Statement	FX impact	Gain Recorded

Bad Debts Recovered

Specific Procedures:

1. Obtain below schedule(s) and reconcile the below schedule with total exemption claimed in Audited statements of Revenue and License Fee.
2. Perform sampling procedures on the below schedule.
3. For each item selected, test each selection through obtaining and inspecting supporting documentation.
    a. Verify bank deposit slips, copies of the debtor's payment receipts, and bank statements, ensuring the amount was actually received by the company
    b. Examine internal documentation, like the cash receipt voucher, for proper authorization and date of recovery
    c. Trace the recovered amount back to the original general ledger entry where the debt was initially written off as bad and confirm that the recovered amount does not exceed the amount previously written off
    d. Ensure any related foreign currency exchange gains or losses (if applicable) are appropriately recognized and calculated.
    e. Obtain external documentation e.g Communication with customer, copies of legal notices served, if any, confirmation received from customer as to which invoice that the current payment pertains to.
    f. Verify the treatment done for recording of bad debts initially both in accounting as well as tax books.
4. Investigate any unusually large or frequent bad debt recoveries, as this could indicate improper recording or a failure in the original write-off process
5. Conclude that supporting documentation are in agreement with the below schedule

Annexure K- Bad Debt Recovered

Quarter	Entity name	Name of Debtors	Written of amount	Written off in which year	Nature of service provided	Recovered value	Value in Bank Statement	Charges borne on account of recovery	Amount credited in P&L

Annexure L-Circle/license wise break up of exemptions

Circle/license	Exempted Revenue head Category	Q1	Q2	Q3	Q4	Grand Total