

AGR (ADJUSTED GROSS REVENUE)

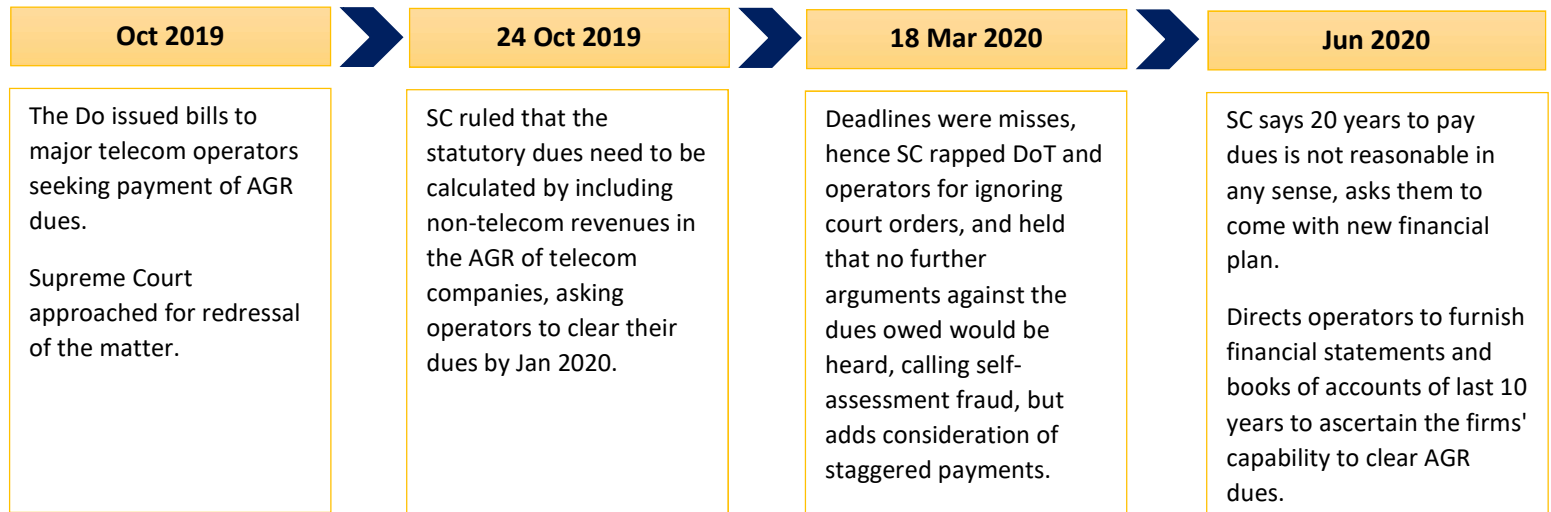


HISTORY

- 1991
 - Initiation of Privatization of the Telecom sector
- 1994
 - The National Telecom Policy was formulated. The term of the license was fixed at 10 years which was revised to 15 years. The service providers had to pay an annual license fee which was agreed upon during the auction of the license. The annual license fee was based on the projection of revenue generation.
- 1999
 - Financial breakdown of telecom service providers due to heavy capital investment, number of subscribers lower than projected and significant amount of the finances of the service provider were used to pay license fees.
 - This led to the implementation of New Telecom Policy, 1999, which allowed the migration from a Fixed License Fee Regime to a Revenue Arrangement Scheme w.e.f 1 Aug 1999, wherein the mobile telephone operators were required to share a percentage of their AGR with the government as annual license fee and spectrum usage charges.




DISPUTE

The dispute between the DoT (Department of Telecommunications) and the mobile operators has been mainly on the definition of AGR. The DoT argued that AGR includes all revenues from both telecom as well as non-telecom services, the operators suggest that it should include only the revenue from core services.



DUES

(In Rs crores)

			
Self-Assessed	13,004	21,533	-
As per DoT	43,980	58,254	195
Paid	18,000	7,854	195