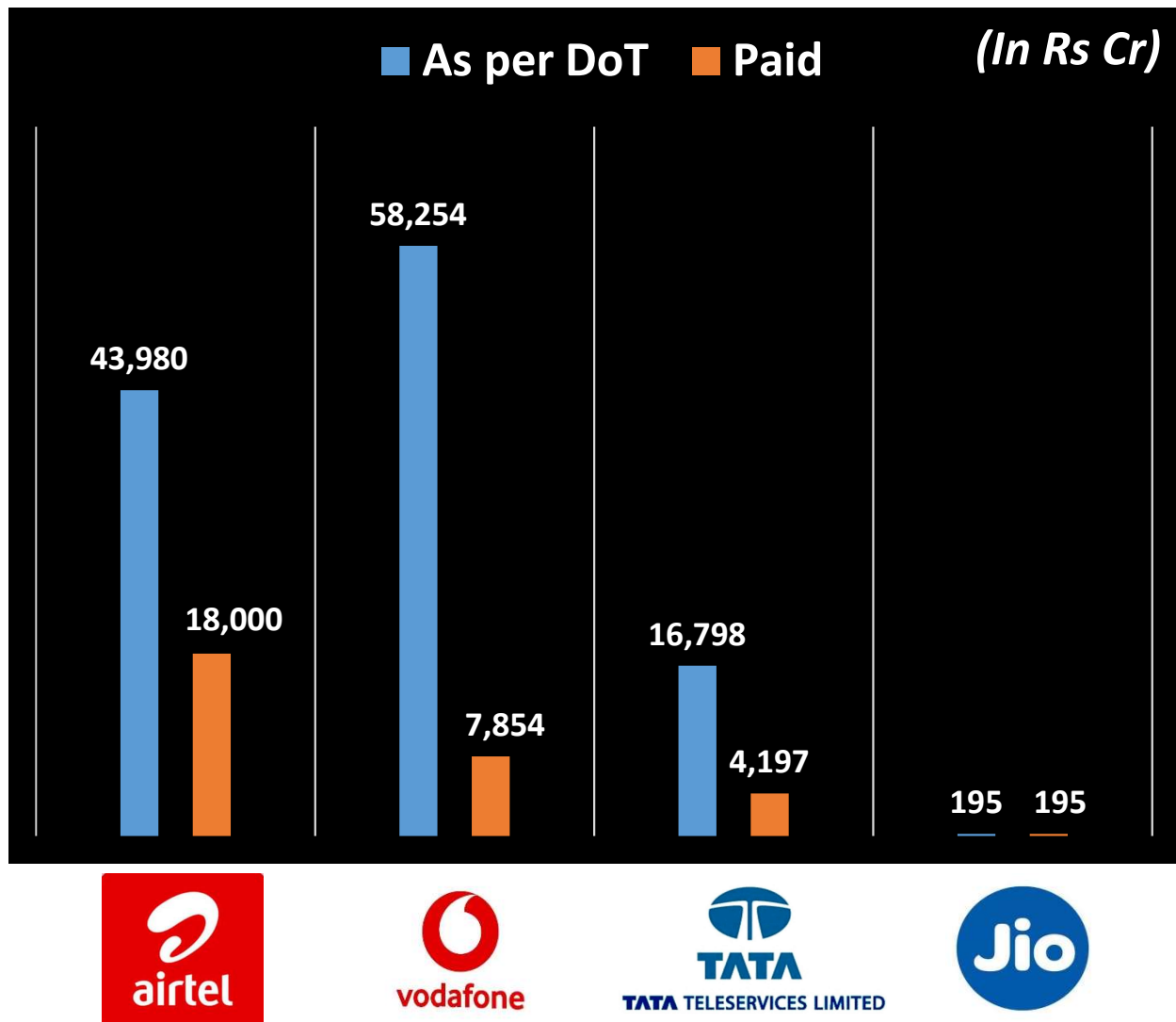


AGR DUES VERDICT

THE VERDICT

- The Supreme Court has allowed telecom operators **10 years** to pay AGR dues.
- It has exempted Bharti Airtel and Reliance Jio from paying around 40,000 crores of past dues for using spectrum of telecom companies, that are now bankrupt. The exemption, however, deals specifically with the shared spectrum used by companies and does not include their original dues.
- The telecoms shall pay 10% of the total dues as demanded by DoT by 31 Mar 2021, and further yearly installments payable by 31st Mar of every succeeding financial year.
- Even a single default shall attract interest, penalty and interest on penalty.

DUES



HISTORY

- Financial breakdown of telecom service providers 1999 due to heavy capital investment, number of subscribers lower than projected and significant amount of the finances being 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, 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.
- **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.**