

AGR dues: Rs 1.72 lakh-cr telecom 'Gail-storm' hits PSUs

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PowerGrid's AGR dues are Rs 22,168 crore and Delhi Metro's are Rs 5,482 crore.



The Supreme Court in its October 24 order had upheld DoT's definition of gross revenue and AGR while dismissing appeals filed by telecom operators.

It is not just private telcos like [Airtel](#) and [Vodafone Idea](#) that have to pay Rs 45,000 crore each of adjusted gross revenue (AGR) dues, top PSUs may end up paying over Rs 2,00,000 crore as well. Interestingly, for all these PSUs, the telecom business was a minor part of their business.

As per an internal Department of Telecommunications (DoT) committee, [GAIL](#) will have to pay a little over Rs 1.72 lakh crore as AGR dues. While the PSU, which had an internet as well as a mobile phone licence, earned just Rs 35 crore since 2001-02, DoT put its AGR at Rs 2.5 lakh crore;

as per DoT's definition of AGR, which the Supreme Court ratified last month, several items of non-telecom revenue also have to be added to the AGR.

Similarly, while PowerGrid which had both a national long-distance as well as an internet licence said its AGR since 2006-07 was Rs 3,566 crore, DoT estimated it at Rs 1.25 lakh crore. Once the interest on this as well as the penalty is added, the AGR dues become Rs 22,168 crore.

For the [Delhi Metro](#), which reported a Rs 4.7-crore telecom AGR, DoT raised this to Rs 33,005 crore, as a result, AGR dues for which notices have been sent out add up to Rs 5,482 crore.

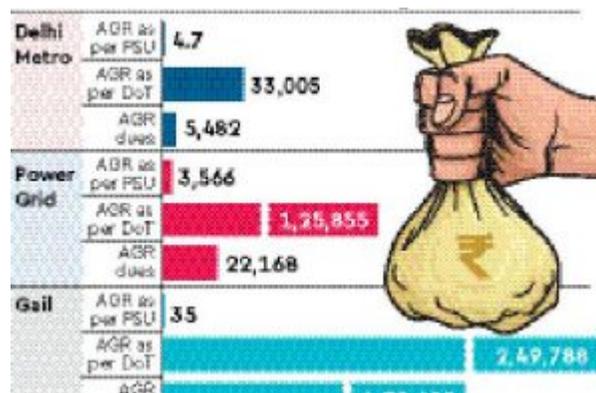
Based on the original notices sent to the PSUs over the years, according to sources, DoT has started issuing fresh notices to these companies to comply with the Supreme Court order and make the payment for licence fee and other dues. The notices have been issued to all the firms which have taken a licence from DoT like for internet services or national or international long distance etc.

Earlier, DoT had sent notices only to telecom service providers and associations of internet service providers, virtual network operators and satellite providers.

However, now the notices are being sent to every company which is a licensee of DoT.

Sources said, till now the PSUs have not approached DoT for a clarification, but are likely to ask their parent ministries to represent their case. "There may be inter-ministerial consultations on the issue or DoT may seek clarity from Supreme Court regarding these firms," an official privy to the development told FE.

The Supreme Court in its October 24 order had upheld DoT's definition of gross revenue and AGR while dismissing appeals filed by telecom operators. The court had also upheld the imposition of interest, penalty and interest on penalty.



As per the government, the telecom operators owe Rs 55,054.51 crore as spectrum usage charges (SUC) as on October 31, 2019, while the figure for licence fees stands at Rs 92,642 crore.

The Internet Service Providers Association of India (ISPAI) has also written to the government seeking relief from the order, arguing that while they were not party to the case, the financial impact on such firms could be over Rs 2.3 lakh crore. However, DoT officials told FE that even though the ISPs were not a party to the case, the verdict will be implemented on all the companies which have taken licences from DoT. "We are bound by the SC verdict. If the ISPs feel they have not been represented, they can approach the Supreme Court to seek relief," the official said.

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