Adjusted Gross Revenue (AGR)

Adjusted Gross Revenue (AGR) is the usage and licensing fee that telecom operators are charged by the Department of Telecommunications (DoT). It is divided into spectrum usage charges and licensing fees, pegged between 3-5 % and 8 % respectively. As per DoT, the charges are calculated based on all revenues earned by a telco – including non-telecom related sources such as deposit interests and asset sales. Telcos, on their part, insist that AGR should comprise only the revenues generated from telecom services.

Verdict on AGR

- In October 2019, SC issued a verdict on the AGR, that it will be used for calculating government dues such as licence fee and spectrum charges.
- The Supreme Court has upheld the definition of Adjusted Gross Revenue (AGR) calculation as stipulated by the Department of Telecommunications.
- This means that telecom companies will have to pay up as much as Rs 92,642 crore to the government.
- Following this Department of Telecommunication (DoT) had sought Rs 4 lakh crore in past dues from gas utility GAIL India Ltd, electricity transmission firm PowerGrid, Oil India Ltd, Delhi Metro and others.
- The state-owned firms challenged the demand, saying telecom was not their core business and revenue from licences such as ISP formed a meagre part of their revenue.
- Recently government has informed the SC that the DoT has decided to withdraw 96% of the Rs 4 lakh crore demand for AGR related dues raised against non-telecom PSUs like GAIL.