

DoT withdraws order against three PSUs to clear AGR dues

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The department of telecommunications (DoT) has withdrawn its orders asking three non-telecom public-sector companies—GAIL (India) Ltd, Power Grid Corp. of India Ltd and Oil India Ltd to clear adjusted gross revenue (AGR)-related dues. This comes as a huge relief for the companies as the DoT estimates of the dues stood at around ₹4 trillion.

According to stock exchange filings by the three companies, GAIL received demand notices for 2001-02 to 2018-19 from DoT with AGR dues worth ₹1.83 trillion. For Power Grid and Oil India, the amounts stood at ₹40,000 crore (FY07-FY19) and ₹48,489 crore (FY08-FY19), respectively.

“The company has received letter from the department of telecommunications towards withdrawal of all provisional demand notices issued to GAIL. Consequent upon the withdrawal of claims, nothing remains due to DoT by GAIL in the matter of AGR,” it said on Wednesday.

The DoT’s demand notices to Power Grid included licence fee dues, including interest and penalty. Licence fee is part of AGR levies calculated by the DoT.

On 20 July, the Supreme Court is set to hear the AGR matter involving Vodafone Idea Ltd, Bharti Airtel Ltd and Tata Teleservices, among others. The apex court had asked the telcos to submit financial statements and books of accounts of the last 10 years. The operators and the DoT will



The companies include GAIL, Power Grid Corp. of India and Oil India. MINT

also submit a payment road map.

The Supreme Court had on 11 June asked the DoT to withdraw its demands of payments from public-sector companies such as Power Grid, Gujarat Narmada Valley Fertilisers and Chemicals (GNFC), GAIL and Oil India. GNFC is yet to receive DoT’s notice.

The court had said that the DoT’s move was misuse of its 24 October judgement, ordering telecom operators to pay over ₹1 trillion in AGR dues for under-reporting their reve-

nues. “Let the authority explain how our judgment has been misused. A demand of ₹4 trillion is being raised against PSUs.”

Within a week, the government on 18 June withdrew 96% of the ₹4 trillion AGR-related dues raised against the public sector enterprises.

The apex court on 24 October had upheld the DoT’s definition of AGR and had ordered telecom firms to pay levies based on that definition, along with interest on the principal amount and penalty.

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