

**GOVERNMENT OF INDIA
MINISTRY OF COMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2099
ANSWERED ON 7TH AUGUST, 2025**

FINANCIAL SUPPORT TO TELECOM SECTOR

2099 SHRI RAGHAV CHADHA:

Will the Minister of Communications be pleased to state:

- (a) whether Government has provided any form of financial assistance or relief to private telecom service providers in last five years;
- (b) if so, the nature and extent of such assistance including the names of companies and the conditions, if any, attached to it;
- (c) whether such support was provided based on a structured policy framework or on a case-by-case basis;
- (d) whether consultations were held with regulatory bodies or expert institutions before extending such assistance; and
- (e) the expected outcomes or indicators being used to assess the effectiveness of such interventions?

ANSWER

**MINISTER OF STATE FOR COMMUNICATIONS AND RURAL DEVELOPMENT
(DR. PEMMASANI CHANDRA SEKHAR)**

(a) to (e) To address the issue of financial stress in the telecom sector, the Government has introduced a series of structural and procedural reforms over the last five years. The key reforms are as below:

- i. Rationalization of Definition of Adjusted Gross Revenue (AGR).
- ii. Rationalization of Bank Guarantee requirements under the license agreement.
- iii. Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF) / Spectrum Usage Charges (SUC).
- iv. Removal of levy of SUC on the spectrum acquired in auctions held after September, 2021.
- v. Provision for payment of Spectrum auction bids in 20 equal annual installments for auctions held after September, 2021.
- vi. Requirement of securitizing annual deferred spectrum installments with a Financial Bank Guarantee has been done away with for spectrum auctions held after September, 2021, while for auctions conducted prior to 2021, the same requirement has been rationalized, if certain conditions are met.

- vii. The requirement of payment of additional 0.5% of AGR as SUC on sharing of spectrum has been removed.
- viii. Moratorium of up to four years in annual payments of dues arising out of the AGR judgement of the Hon'ble Supreme Court and spectrum purchased in past auctions held before 2021, applicable to access service licenses that are not under insolvency / liquidation proceedings. The moratorium is revenue neutral and Net Present Value (NPV) of the deferred payment is protected. Option to the Telecom Service Providers (TSPs) to pay the interest amount arising due to the said deferment of payment by way of equity was also given. Further, at the option of the Government and based on the prevailing situation, the outstanding amount of post-moratorium installments may be converted into equity.

The details of TSPs that availed the above moratoriums and those for whom dues to equity conversion has been carried out are placed at **Annexure I**.

These measures were aimed at promoting healthy competition, protect interests of consumers, improving liquidity position of the Telecom Service Providers (TSPs), encouraging investment, and reducing the regulatory burden on TSPs. The change in the definition of AGR was based on Telecom Regulatory Authority of India (TRAI) Recommendations. The other reforms were formulated after considering representations from industry associations, financial institutions, and inter-ministerial consultations involving relevant Ministries, wherever applicable. It may be noted that the telecom sector's gross revenue has grown significantly from ₹2.73 lakh crore in FY 2020-21 to ₹3.79 lakh crore in FY 2024-25, reflecting a Compound Annual Growth Rate (CAGR) of approximately 8.5%, to which these reforms have been a significant contributing factor.

Annexure-I referred to in answer to part (a) to (e) of Rajya Sabha Unstarred Question No. 2099 answered on 07.08.2025

Details of Support availed under Telecom Reforms 2021

Details of Support	Name of Companies
Moratorium on AGR Dues and on Spectrum Auction installments (where applicable)	1. Bharti Airtel Limited 2. Bharti Hexacom Limited 3. Vodafone Idea Limited 4. Tata Teleservices Limited 5. Tata Teleservices (Maharashtra) Limited 6. Quadrant Televentures Limited
Cases where dues to equity conversion has been carried out	<p>Vodafone Idea Limited (VIL) opted to convert the interest payable during the moratorium period on both AGR and spectrum dues into equity amounting to ₹16,133.1 Crore. Accordingly, the company issued 1,613.31 crore equity shares to the Government of India in February 2023.</p> <p>On 29th March, 2025, the Government approved the request of VIL for the conversion of outstanding spectrum auction dues amounting to ₹ 36,950 Crore into equity under Section 62(4) of the Companies Act, 2013, in line with the telecom reforms announced in September, 2021. Subsequently, the company issued 3,695 crore equity shares to the Government in April, 2025.</p>
