

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

**LOK SABHA
UNSTARRED QUESTION NO. 755
TO BE ANSWERED ON 4TH FEBRUARY, 2026**

FINANCIAL STRESS FACED BY TELECOM OPERATORS

755. DR. AMAR SINGH:

Will the Minister of COMMUNICATIONS be pleased to state:

- (a) whether the Government has considered the financial stress faced by telecom operators arising from adjusted gross revenue liabilities and its implications for sectoral stability;
- (b) if so, the details of policy considerations undertaken by the Government while balancing consumer interest, public revenue and competitive sustainability; and
- (c) the long-term regulatory approach proposed by the Government to prevent recurrence of financial distress in the telecommunications sector?

ANSWER

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

(a) to (c) To address the issue of financial stress in the telecom sector the Government has approved various structural and process reforms in the telecom sector over the last five years. The key reforms are as below:

- i. Rationalization of Definition of Adjusted Gross Revenue (AGR).
- ii. Rationalization of Interest rates and removal of Penalties for delayed payments of License Fee (LF)/Spectrum Usage Charges (SUC).
- iii. Rationalization of Bank Guarantee requirements under the license agreement.
- iv. Removal of levy of Spectrum Usage Charges on the spectrum acquired in auctions held after September 2021.
- v. Provision for payment of Spectrum auction bids in 20 equal annual instalments for auctions held after September 2021.
- vi. Requirement of securitizing annual deferred spectrum instalment with a Financial Bank Guarantee has been done away with in Spectrum auctions held after September 2021, while for auctions conducted prior to 2021, the same requirement has been rationalised, if certain conditions are met.
- vii. Surrender of spectrum will be permitted after 10 years for spectrum acquired in auctions held after September 2021.
- viii. The requirement of payment of additional 0.5% of AGR as SUC on sharing of spectrum has been removed.
- ix. 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.
- x. To encourage investment, 100% Foreign Direct Investment (FDI) under automatic route permitted in Telecom Sector with applicable safeguards.

Further, in pursuance of the orders of the Hon'ble Supreme Court in Writ Petition (Civil) No. 882/2025 and the representation submitted by Vodafone Idea Limited (VIL), restructuring and reassessment of AGR dues of VIL have been approved.

The sectoral measures were introduced to promote healthy competition, protect interests of consumers, infuse liquidity, encourage investment and reduce regulatory burden on Telecom Service Providers. They 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 measures have been a contributing factor.
