

**Information note to the Press (Press Release No. 23 of 2014)**

For Immediate release

**Telecom Regulatory Authority of India**

**TRAI Recommendations on “Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR”**

**New Delhi, the 1<sup>st</sup> May 2014** – The Telecom Regulatory Authority of India (TRAI) has today issued its recommendations on “Definition of Adjusted Gross Revenue (AGR) in Licence Agreements for provision of Internet Services and minimum presumptive AGR”.

The Department of Telecommunication (DoT) vide letter dated 22.10.2012 sought TRAI’s recommendations on (i) the definition of AGR in the ISP License Agreements for provision of Internet Services granted the 1998, 2002 and 2007 guidelines, (ii) the applicability of minimum presumptive AGR and value, if applicable, for BWA Spectrum holders under Internet Service and (iii) the amendment in the “Format of Statement of Revenue and Licence Fee” to be reported by various categories of Internet Service Licensees.

TRAI issued a consultation paper on 28th December 2012 seeking the views of stakeholders on the above issues. The written comments received were placed on TRAI’s website [www.traigov.in](http://www.traigov.in). An open house discussion was conducted by TRAI in New Delhi on 21st February 2013.

After considering the comments received from the stakeholders and further analyzing the various related aspects, the Authority has released

its recommendations on the issues referred by the DoT. The salient features of the recommendations are follows:

- A uniform licence fee of 8% of the AGR shall be applicable for all ISP licences. Revenue for the purpose of licence fee for ISP licences shall include all types of revenue from Internet services, allowing only those deductions available for pass through charges and taxes/levies as in the case of access services, without any set-off for expenses. Revenues from Internet services shall also be included in the definition of AGR.
- Minimum presumptive AGR for the purpose of licence fee shall be applicable on the existing ISPs holding the BWA spectrum as applicable to the licensees who obtained access spectrum through competitive bidding.
- For the existing ISPs who are holding BWA spectrum from the 2010 auction, the value of presumptive AGR shall be equal to 5% of sum of the total bid amount by the Licensee for the respective Service Area, as applicable to the licensees who obtained spectrum in the auctions conducted in November 2012 and March 2013.

The recommendations have been placed on TRAI's website [www.trai.gov.in](http://www.trai.gov.in).

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