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TRIPURA HIGH COURT EXCLUDES NON-LICENSED ACTIVITIES FROM AGR

The Tripura High Court (hereinafter referred to as “the Court”) on 16th May, 2017 in the matter of *Bharati Hexacom Limited v Union of India and others* [W.P(C) no. 31 of 2013], ruled that the revenues earned by the Telecom operators from “*non-licensed activities*” or “*unrelated activities*” cannot be included while computing their adjusted gross revenue. The decision was passed by a single judge bench of Hon’ble Mr. Justice S. Talapatra.

Bharati Hexacom Limited, the petitioner, is a cellular mobile operator providing GSM, mobile telephony, broadband services in several States pursuant to the license granted by the Ministry of Communications & Information Technology, Department of Telecommunications. The Government of India had granted licence to the petitioner to provide telecom services.

In the present petition, the petitioner has challenged the validity and constitutionality of the definition of the Adjusted Gross Revenue (AGR) as the definition of AGR incorporated in the cellular licenses issued by the Government of India (Respondents) according to the petitioner, is unfair, unjust, unreasonable, arbitrary and violative of Article 14 of the Constitution as it is beyond the scope of powers vested with the Government of India.

The Court heard both the parties to the petition and came to the conclusion that “*The definition of gross revenue shall not include revenue from activities unrelated to the licence of the licensee company*”. “Non-licensed activities” or “unrelated activities” like sale of handsets, interest earned from fixed deposits and sale of company assets cannot be included while computing their adjusted gross revenue. The Court also called on the Department of Telecommunications to modify the definition of AGR for the purpose of computing revenue share.

The judgment passed by the Tripura High Court can be found [here](#).

Should you need any clarification or would like to discuss any aspect related to the above or generally any aspect related to the Indian Law, please feel free to contact:

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