

TDSAT sets aside penalty on operators, asks DoT to refund money

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In an important ruling that could lead to major relief to new operators the Telecom Dispute Settlement Appellate Tribunal (TDSAT) has set aside setting aside all penalties imposed by the Department of Telecom for failing to meet roll out obligation.

Directing the Department of Communications (DoT) to refund the money collected from the operators with 12% interest the TDSAT Bench headed by Mr Justice S.B. Sinha was of the view that the DoT did not follow "principles of natural justice" and imposed the penalty without giving them an opportunity to present their case. So far, DoT has collected over Rs.300 cr from the operators as liquidated damages.

The operators on which the penalty was imposed include Essar DB, Loop Telecom, Videocon, Aircel and Uninor.

The tribunal has also said that the benefit of doubt on any ambiguity in the terms licence should go to the operators and asked the DoT to give them a fresh hearing on this issue in accordance with today's judgment.

The telecom operators had filed as many 70 petitions challenging the liquidated damages.

Earlier in an interim order the tribunal had asked the operators deposit 60 per cent of the liquidated damages imposed by the DoT.

Earlier, passing an interim order in this matter, the tribunal had directed various telecom operators to deposit 60 per cent of the liquidated damages imposed by the DoT. DoT had imposed the penalty on the recommendations of TRAI.