

THE ECONOMIC TIMES
News By Industry
☐ News ☒ Stock Quote

 You are here: [ET Home](#) » [News](#) » [News By Industry](#) » Telecom

12 JUN, 2012, 04.07AM IST, JOJI THOMAS PHILIP,ET BUREAU

DoT to roll out uniform revenue share across platforms from July 1

[Intraday Tip For Tomorrow](#)

2 Lack Members Already Trust CV. Join Now & Earn

 Upto Rs.10,933,477 : [CapitalVia.Com/Adds-Quality](#)
 Ads by Google

NEW DELHI: The [telecom department](#) (DoT) plans to roll out the process of charging uniform [licence fee](#) or revenue share across all communication services from July 1, after it had deferred its plans to move to this new structure from the beginning of the current financial year, an official aware of the development said.

The new regime will be introduced in a phased manner over a two-year period.

The DoT has also accepted the finance ministry's demand that a minimum amount be specified to be quantum of revenue share. This implies, if 8% of the company's annual revenues were to be below this figure, the operator must pay the minimum quantum specified.

The DoT in consultation with the finance ministry will specify this minimum amount on an annual basis, according to an internal department note reviewed by ET.

Currently, revenue share ranges from 0-10% based on a number of factors such as region and the type of service offered.

For instance, mobile phone companies share 10% of their annual sales with the government in metros and 'category A' regions such as Tamil Nadu and Gujarat. This will be reduced to 9% in the current fiscal and will subsequently be made 8% in 2013-14.

Step by Step			
Category	Current revenue share	Jul '12-Jul '13	Jul 2013 onwards
Metros/Category A	10%	9%	8%
Category B	8%	8%	8%
Category C	6%	7%	8%
ISPs	Nil	4%	8%
Long distance services, VSAT & IPLC resale	6%	7%	8%

Similarly, ISPs, which are currently not covered under the revenue-share regime, will have to pay 4% of their annual sales towards this levy this year, before being brought into the 8% slab in line with other services from 2013-14.

The DoT has also decided to specify the minimum quantum towards spectrum-usage charges. Currently, mobile phone companies pay between 2-6% of their aggregate gross revenue towards this levy depending on the region of operations and the type of service offered.

In February, telecom minister [Kapil Sibal](#) had announced a uniform licence fee of 8% despite [Trai](#) reiterating that this levy to be reduced to 6% over a three-year period, enabling the beleaguered industry to save about 7,000 crore in taxes.

The DoT decided to go in for a uniform licence fee after [external auditors](#) appointed by it alleged that leading mobile phone companies had understated revenues and paid lower levies during 2006-07 and 2007-08.

In 2009, the government had ordered external audits on the books of all leading private cellphone companies to make sure that they had correctly reported and shared revenue with it.

Since telecom companies pay 6-10% of their annual revenue as licence fee and 2-6% as spectrum usage charges, reporting lower revenue brings down the component they have to share with the government.

Tata Docomo Handsets Deal : [www.TataDocomo.com/Handsets-Offer](#) - Savings upto 93%.Handsets starting Rs. 4000. Check out Now.

Long Term Stock Picks : [Equitymaster.com/Free_Stocks_Guide](#) - Free Guide - How To Identify Long Term Multibagger Stock Picks.

Ads by Google

Download ET's mobile applications for [iPad](#), [iPhone](#), [Android](#), [BlackBerry](#), [Nokia](#) and [Windows Phone](#) to track news as it happens, live stock quotes, monitor portfolio, get market stats like gainers, losers and movers & much more. To check out free Economic Times apps , [Click here](#)

Get a Quote

Browse Companies

A B C D E F G H I J K L M N O P Q R S T U V W X Y Z | 1 2 3 4 5 6 7 8 9

Other Times Group news sites

Times of India |
| Mumbai Mirror
Times Now | Indiatimes
|

Living and entertainment

Timescity | iDiva | Bollywood | Zoom
Healthmeup | Luxpresso
Technology | Gylife | Online Songs

Networking

itimes | Dating & Chat | Email

Hot on the Web

Used Cars | Hindi Songs
Used Cars in Mumbai | Bollywood
Songs Online
Apple Event 2012 | Tamil Songs
Online

Services

Book print ads | Online shopping | Free SMS | Website design | CRM | Tenders
Matrimonial | Ringtones | Astrology | Jobs | Property | Buy car | Bikes in India
Used Cars | Online Deals | Restaurants in Delhi | Movie Show Timings in Mumbai
Remit to India | Buy Mobiles | Listen Songs

[About us](#) / [Advertise with us](#) / [Careers @ TIL](#) / [Terms of use](#) / [Privacy Policy](#) / [Feedback](#) / [Sitemap](#) / [Code of Ethics](#)

Copyright© 2012 Times Internet Limited. All rights reserved.

