

No. 1-28/2006/LF
Government of India
Ministry of Communications & IT
Department of Telecommunications
(Licensing Finance Branch)
717, Sanchar Bhavan, 20, Ashoka Road, New Delhi – 110 001

Dated: 20.09.2006

To

All the UAS/Basic/CMTS Service Providers

Sub: Verification of PSTN related call charges (access charges) and roaming revenue paid to other telecom service providers, Service/Sales tax paid to the Government and claimed as deductions.

* * *

Sir,

The License Agreement mandates payment of License Fee in four quarterly instalments. While making payment of License Fee, Statement of Revenue and License Fee, in the prescribed format showing the computation of revenue and License Fee payable is to be submitted to the designated offices.

2. For the purpose of arriving at Adjusted Gross Revenue, on which License Fee is leviable, the license condition stipulates following deductions from Gross Revenue:

- I. PSTN related call charges (Access Charges) **actually paid** to other eligible/entitled telecommunication service providers within India;
- II. Roaming revenues **actually passed on to** other eligible/entitled telecommunication service providers within India and;
- III. Service Tax on provision of service and Sales Tax actually paid to the Government if gross revenue had included the component of Sales Tax and Service Tax.

3. It is to be noted that in the prescribed form of Statement of Revenue and License Fee the deductions claimed on account of above-mentioned items are to be supplemented with operator-wise details. It is therefore reiterated that details must be furnished alongwith the quarterly Statement of Revenue and License Fee.

4. It has been the experience that deductions on account of above payments made during the financial year are not readily furnished by the UAS/Basic/CMTS licensees leading to a series of correspondence at the time of annual assessment of License Fee. **It has, therefore, been decided by the competent authority that henceforth, the deductions claimed by the UAS/Basic/CMTS licensees will be verified by the concerned CCAs on quarterly basis. The operator-wise details will be verified with respect to the proof of payment. On demand, the proof of payment with respect to the deductions claimed has to be submitted by the licensee.**

The above verification for each quarter shall be completed by the CCA within a stipulated time frame, i.e. by 15th October, 15th January, 15th April and 30th June for quarters I, II, III and IV respectively.

If any clarification is required the same may be obtained from LF Branch.

Kindly acknowledge the receipt.

Kaushal
(Kaushal Kishore) 20/9/06
Director (LF-II)
Phone -- 011-23036115

Copy to: -

1. All the Sr.CCAs/CCAs/Jt.CCAs, Department of Telecom.
2. PS to Member (F), Department of Telecom.
3. PS to Member (T), Department of Telecom.
4. Hindi Section for Hindi version of the above letter.
5. Guard file.