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File No. 24-1/2016-LFP-I  
Government of India  
Ministry of Communications  
Department of Telecommunications  
(LF-Policy wing)  
20 Ashoka Road, Sanchar Bhawan  
New Delhi-110001

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Dated: 11.07.2016

To

All Pr.CsCA/CsCA

**Subject: Set-off/adjustment of due amount against the outstanding dues of the licensee-regarding.**

1. The set off clause of telecom license agreement makes the provisions as under:

*"In the event any sum of money or claim becomes recoverable from or payable by Licensee to the Licensor either against this License Agreement or otherwise in any manner, such money or claim can be (without restricting any right of set off for counter claim given or employed by law) deducted or adjusted against any amount or sum of money then due or which at any time thereafter may become due to the Licensee under this License Agreement or any other agreement or contract between the Licensor and the Licensee.*

*The aforesaid sum of money payable to the Licensee Company shall include any security/ bank guarantee which can be converted into money.*

*After exercising the right of set off, the Licensor shall inform the Licensee of the action taken."*

2. Further many clarifications have been sought by the Pr.CsCA/CsCA offices as well as by the TSPs on the issue of adjustments.

3. In consideration of all the above, the following clarifications are issued:

- (i) Adjustment from the quarterly as well as annually due amount may be allowed by the Pr.CsCA/CsCA offices.
- (ii) Pr.CsCA/CsCA offices are authorized for intra-license as well as inter-license adjustments.
- (iii) Set-off or adjustments among CsCA are also permitted under intimation to DoT.
- (iv) Inter-financial year adjustment may also be allowed.
- (v) While effecting adjustment, the guidance issued vide letter no. 24-1/2016/LFP-I dated 20.06.2016 may be taken into consideration.

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- (vi) No interest is payable by the Government.
- (vii) The details of the modalities of the adjustment and reconciliation may be devised by concerned Pr.CsCA/CsCA. However, in case of any further doubt, they may refer the matter to the DoT, HQ.

This issues with the approval of competent authority.



**(P K Shukla)**  
**Director (LFP-I)**

**Copy to:**

1. DDG(LFA)/ Jt.Admn, Finance(USOF)/ DDG(WPF)/ DDG(A/C)/  
DDG(TPF)/ DDG (AS-I)/ DDG (DS)/ DDG (CS)
2. Director (LFP-II)