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F.No. 24-1/2016/LFP-I
Ministry of Communications & IT
Department of Telecommunications
(LF-Policy wing)
Sanchar Bhawan, New Delhi-110001
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Dated: 18.07.2016

To

All Pr.CsCA/CsCA

Sub: Clarification regarding interest on delayed LF payment for 4th Quarter of the Financial Year.

The field units are making references to DoT Headquarter office seeking clarification regarding interest to be charged on delayed Licence Fee payment for 4th quarter of the financial year.

2. In this regard the relevant clauses of the license agreement are as under:

"License Fee shall be payable in four quarterly instalments during each financial year (FY). Quarterly instalment of license fee for the first three quarters of a financial year shall be paid within 15 days of the completion of the relevant quarter. The AGR based license Fee shall be paid by the Licensee on the basis of revenue on accrual basis for the quarter, duly certified with an affidavit by a representative of the Licensee who is authorized by the Board Resolution coupled with General Power of Attorney. However, for the last quarter of the financial year, the Licensee shall pay the License Fee by 25th March on the basis of expected revenue for the quarter, subject to a minimum payment equal to the revenue share paid for the previous quarter."


"The Licensee shall adjust and pay the difference between the advance payment made and actual amount duly payable for the last quarter of financial year within 15 days of the end of the quarter."

"Any delay in payment of License Fee, or any other dues payable under the License beyond the stipulated period will attract interest at a rate which will be 2% above the Prime Lending Rate (PLR) of State Bank of India existing as on the beginning of the Financial Year (namely 1st April) in respect of the license fees pertaining to the said Financial Year. The interest shall be compounded monthly and a part of the month shall be reckoned as a full month for the purposes of calculation of interest. A month shall be reckoned as an English calendar month."

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3. In view of the above, it is clarified that:
 - (i) In cases of the delay in advance LF payment for 4th quarter, interest shall be calculated for the month of March on the advance LF amount which has been due on 25th March.
 - (ii) In cases of the delay in final LF payment for 4th quarter, interest shall be calculated for the month of April on the actual LF amount which has been due on 15th April.
4. This is in supersession to all the previous orders.

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 (Accounts)/DDG (B&P)/DDG (AS-I)/DDG (DS)/ DDG (CS)
2. Director (LFP-II)
3. NIC, DoT for uploading on the DoT website.