

Cabinet approves 100% foreign investment in telecom sector

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In big bang reforms, the Union Cabinet recently approved a relief package for the telecom sector that includes a four-year moratorium on payment of statutory dues by telecom companies as well as allowing 100 percent foreign investment through the automatic route.

Key Highlights

- The definition of AGR, which had been a major reason for the stress in the sector, has been rationalised by excluding non-telecom revenue of telecom companies.
- AGR refers to revenues that are considered for payment of statutory dues.
- The minister said that 100 per cent FDI (Foreign Direct Investment) in telecom via the automatic route was approved by the Cabinet.
- Among the measures approved were a four-year moratorium on unpaid dues, AGR and spectrum dues, he said.
- These measures are expected to ease the cash flow issues being faced by some players in the industry.

SOURCE: *Business Standard, The Hindu*