

## The telecom sector beyond Jio and Airtel

Following the Supreme Court's judgment on the matter of **adjusted gross revenues** of telecom operators, the government had in late 2021 announced a relief package for the **beleaguered** telecom sector. The **terms** of the package **allowed** for the conversion of the interest on telecom firms' **deferred** AGR and **spectrum dues** into government **equity** in telecom operators. Vodafone Idea had taken this option in early 2022. Now, about a year later, the Union government has approved the plan to convert interest dues of more than Rs 16,000 crore into equity. Following this transaction, the **promoters'** holding will fall from 74.99 per cent to around 50 per cent. The government will now hold around 33 per cent in the company, making it the single largest **shareholder** in Vi.

**By itself**, this move will not translate into a complete **turnaround** in the **fortunes** of the **telco**. Vi has been **steadily** losing **subscribers**. As per data from **TRAI**, from June to September 2022 alone, the telco has lost around 7.5 million subscribers. And not only is its average revenue per user much lower than that of both Jio or Airtel, Vi also has a lower share of high-paying 4G subscribers and has fallen behind in **capital investments**. The company has a **sizeable debt burden**. **Moreover**, there is **uncertainty** over the **rollout** of its 5G services. In comparison, **Gopal Vittal**, Managing Director of Bharti Airtel, **said** on Tuesday that the telco's 5G rollout was on track to cover all towns and **key** rural areas by March 2024. In a market that is **populated** by **behemoths** such as Jio and Airtel, who are in a stronger financial position as compared to Vi, for **the latter** to remain competitive, it will be **critical** to raise money. It is possible that investors were waiting for the government to first **exercise** its option before **committing** further funds. On its part, the government should have exercised the option of converting its dues to equity earlier, and **put an end to** the uncertainty **surrounding** the telco. **The Union minister** of communications, Ashwini Vaishnaw, **is** now reported to have said that the government has received **assurances** from Vi's promoters that they would infuse additional capital in the company — though to what extent either of the promoters will **infuse** the much-needed funds in the current economic environment **remains to be seen**.

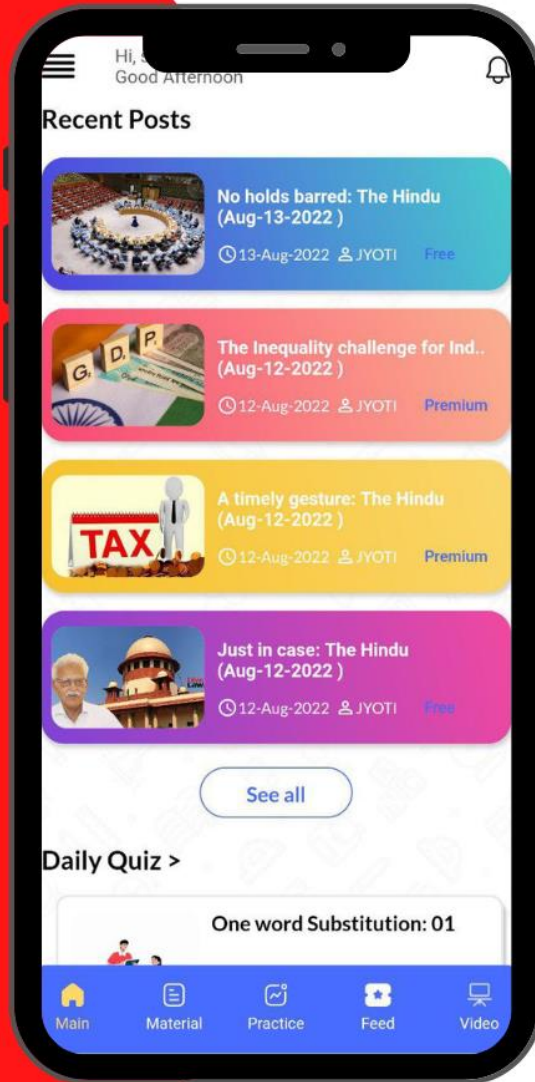
An **inability** to raise the required resources to **compete** effectively against Jio and Airtel **will** risk transforming the sector into a **duopoly**. This will have **adverse implications** for consumer welfare. India's digital **ecosystem** will benefit from greater competition. Government policy should be **guided** by the objective to ensure **robust competitiveness** in the sector.

- TRAI (noun) – The Telecom Regulatory Authority of India is a regulatory body set up by the Government of India under section 3 of the Telecom Regulatory Authority of India Act, 1997. It is the regulator of the telecommunications sector in India.
- Red/blue coloring of words in the sentence indicates subject verb relationship; where 'red' denotes 'subject' and 'blue' denotes 'verb'.

## Vocabulary

1. **Following** (preposition) – After के बाद
2. **Adjusted gross revenue** (AGR) (noun) – Adjusted Gross Revenue (AGR) is the usage and licensing fee that telecom operators are charged by the Department of Telecommunications (DoT).
3. **Beleaguered** (adjective) – in a very difficult situation; Stressed, longsuffering संकटग्रस्त
4. **Deferred** (adjective) – postponed, delayed स्थगित
5. **Deferred payment** (noun) – it means temporary postponement of an amount of money of outstanding debt or bill.
6. **Spectrum** (noun) – The invisible radio frequencies that wireless signals travel over. Those signals are what enable us to make calls from our mobile devices
7. **Dues** (noun) – debt, toll, charge, levy बकाया
8. **Equity** (noun) – Shares of company.
9. **Promoter** (noun) – Founders of the company.
10. **Shareholder** (noun) – a person or organization that owns shares in a company हिस्सेदार
11. **By itself** (phrase) – Alone अकेले
12. **Turnaround** (noun) – a positive change; improvement बदलाव
13. **Fortune** (noun) – luck, chance, wealth, fate, destiny किस्मत/ भाग्य
14. **Telco** (noun) – a telecommunications company.
15. **Steadily** (adverb) – constantly, consistently, regularly, continuously, continually लगातार
16. **Subscribers** (noun) – Sim-card users of telecom-company.
17. **Capital investment** (noun) – Capital investment is the acquisition of physical assets by a company for use in furthering its long-term business goals and objectives.
18. **Sizeable** (adjective) – Fairly large in size बड़ा/ काफी
19. **Debt burden** (noun) – a large amount of money that one country or organization owes to another and which they find very difficult to repay. कर्ज का बोझ
20. **Moreover** (adverb) – Furthermore, besides, also, additionally, likewise इसके अलावा
21. **Uncertainty** (noun) – changeability, changeableness, variability, inconstancy अनिश्चितता

22. **Rollout** (noun) – The official launch or introduction of a new product or service.
23. **Key** (adjective) – main, crucial, essential, prime, major, important, significant  
प्रमुख
24. **populate** (verb) – fill or be present in से भरी हुई
25. **Behemoth** (noun) – Something enormous, especially a big and powerful organization दिग्गज
26. **The latter** (noun) – Here it refers to 'Vodafone Idea'
27. **Critical** (adjective) – crucial, vital, essential, of the essence, all-important महत्वपूर्ण
28. **Exercise** (verb) – use, employ, make use of, utilize, avail oneself of प्रयोग करना
29. **Commit** (verb) – pledge, promise, oblige, compel वादा करना
30. **Put an end to** (phrase) – Stop, terminate, discontinue, halt, suspend, put a stop to, call a halt खत्म करना
31. **Surround** (verb) – be all round someone घेरना
32. **Assurance** (noun) – confidence, certainty, conviction, sureness आश्वासन
33. **Infuse** (verb) – instil, impart, inculcate, implant, add (money) डालना
34. **Remain to be seen** (phrase) – Used to express the notion that something is not yet known देखना बाकी है
35. **Compete** (verb) – contest, contend, vie, strive, participate प्रतिस्पर्धा करना
36. **Duopoly** (noun) – a situation in which only two company rule the market. द्वयधिकार
37. **Adverse** (adjective) – Unfavorable, harmful, opposing प्रतिकूल
38. **Implication** (noun) – effect, consequence, result, repercussion, knock-on effect प्रभाव
39. **Ecosystem** (noun) – (in general use) a complex network or interconnected system पारिस्थितिकी तंत्र
40. **Guide** (by) (verb) – direct, steer, control, manage, command, lead निर्देशित करना
41. **Robust** (adjective) – strong, vigorous, sturdy, tough, powerful मज़बूत
42. **Competitiveness** (noun) – the quality of comparing well with rival traders in terms of pricing. प्रतिस्पर्धात्मकता



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