

**VAID'S**  
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**Topic: For Prelims and Mains**

**Adjusted Gross Revenue( ADR) :**



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**Why in News?** The Supreme Court has come down heavily on the Department of Telecommunications (DoT) for issuing a notification last month that asked for no coercive action against telecom companies even though they had not paid **the adjusted gross revenue (AGR)** dues by the stipulated deadline of January 23.

The Court also initiated **contempt proceedings** against the telecom companies for not **paying the AGR dues**.

- The court also asked **DoT to immediately withdraw the notification** which said that there would be no coercive action against telcos.

**Background:**

Last year, the Supreme Court upheld the definition of **Adjusted Gross Revenue (AGR)** calculation as stipulated by **the Department of Telecommunications**.

The order by the top court means that the **telecom companies will have to immediately clear the pending AGR dues, which amount to nearly Rs 1.47 lakh crore**.

**What is AGR?**

Adjusted Gross Revenue (AGR) is **the usage and licensing fee** that telecom operators are charged by the Department of Telecommunications (DoT).

It is **divided into spectrum usage charges and licensing fees**, pegged between 3-5 percent and 8 percent respectively.

**Why the definition of AGR is important?**

Because it has revenue implications for both government & Telecoms.

- **For government** – it means increase in its revenue collection which helps maintaining fiscal deficit and undertake welfare measures
- **For Telecom Operators**– Added financial burden especially at a time where their assets are over leveraged and profits are under pressure from severe competition (after Jio's entry).

## THE ISSUE

**AGR is annual revenue from** all carriers combined that accrues to the government. Licence fees, SUC is paid as a percentage of this revenue. Lower the AGR,



lower all levies, fees and payouts to the government



**Definition of AGR has been a** contentious issue since 2003, with operators arguing that definition in licence agreement was broad, covers non-core revenue and government saying all revenue should be included

## WHAT TELCOS SAY

Revenue arising out of rendering telecom services should comprise AGR



## WHAT TELECOM DEPARTMENT SAYS

A telco's AGR should include all revenue earned by a service provider, including that emanating from non-core sources such as rent, profit on sale of fixed assets or **sale of scrap, corporate deposits, real estate transactions, handset sales, dividend income** and interest and miscellaneous income

## NOTE

**A single judge bench of Tripura High Court in May ruled that revenue of telcos from 'non-licensed activities' cannot be included while computing a carrier's AGR**

## WHY NOW

Last week, CAG said that **Bharti Airtel, Vodafone India, Idea Cellular, Aircel, Reliance Communications and Sistema Shyam Teleservices** understated their revenue by **₹61,064.5 crore**

**SSTL from FY 2006-07 till FY 2014-15**

**First five telcos** were reviewed from FY 2010-11 till FY 2014-15

**CAG had also found Bharti Airtel, Vodafone India, Idea Cellular, Reliance Communications, Tata Teleservices and Aircel** understated income by **₹46,045.75 cr** from 2006-07 to 2009-10

## Implication of the Supreme Court's 2019 Order:

- **On Telecom companies:** Increased liability means losses in their operation in short term. It also erodes the telcos' net worth impacting retail investors
- **On Telecom Sector:** It could potentially lead to Vodafone Idea's exit due to its weak financial position & its inability to pay its dues. This leads to the creation of a **Airtel-Jio duopoly** which may not augur well for the competitiveness in the sector and thus the government's vision of Digital India.
- **On Banking Sector:** AGR issue has triggered panic in the banking industry, given that the telecom sector is highly leveraged. Vodafone Idea alone has a debt of Rs 2.2 lakh crore.
- Mutual fund industry having exposure to telecom sector will also see erosion of value.
- **On Consumers:** Competition in the sector will always lead to better prices and better technology. **Possibility of creation of duopoly** will impact the competition in negative manner.

#### Way ahead:

- Government should realize the consequences of the failure/weakness of the sector on the broader economy & on its long term vision of Digital India.
- Therefore, instead of being inflexible on AGR for **short term revenue gain**, it should accommodate the interests of the telecom operators (like extension of deadline, foregoing interest on dues) so that long term vision is not compromised.

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#### Topic: For Prelims and Mains

#### Asur Tribes :

##### About the Tribes:

Asur is among the nine Particularly Vulnerable Tribal Groups( PVTGs) found in Jharkhand.



- Of the 32 different tribes recorded in the State, only four to five tribes, including **Santhali, Ho and Kuruk**, have recorded language scripts.
- As per the 2011 census, the tribe has a population of around 23,000 in **Latehar and Gumla districts**.
- In the community, 50% of population could barely speak in **Asur language**; they are not fluent in the language.
- The Asur language figures in the list of UNESCO Interactive Atlas of the **World's Languages in Danger**.
- Only 7,000 to 8,000 Asur tribals are left in the community who are well conversant in the language.
- With help from tribal rights activists, **Asur Tribal Wisdom Centre**, an organization involving Asur tribals, was established at **Jobhipat village near Netarhat** to protect the language and culture of Asur tribals.
- Using mobile radio, the **Asur community** has been spreading the popularity of the language within their geographical limits.

#### **About the Particularly Vulnerable Tribal Groups( PVTGs):**

**In 1975**, the Government of India initiated to identify the most vulnerable tribal groups as a separate category called **PVTGs** and declared **52 such groups**.

#### **Characteristics of PVGT's :**

1. PVTGs have declining or stagnant population
2. Low level of literacy
3. Pre-agricultural level of technology
4. Economically backward
- 5. Generally inhabit remote localities having poor infrastructure and administrative support.**

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## Facts for Prelims :

### ❖ i-GOT Programme :

The Government has recently launched the iGOT (Integrated Government Online Training Programme) developed by Department of Personnel and Training, Ministry of Personnel, Public Grievances & Pensions.



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- It will augment the existing training mechanism with online module-based training coupled with certification.
- The National Training Policy-2012 mandates that all civil servants will be **provided with training to equip them** with the competencies for their current or future jobs.
- The current structure of training for Government servants including domestic and **foreign training is mostly available to very small section** of the government servants.

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