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EXECUTIVE SUMMARY

Second largest subscriber base
- India has the second largest telecom network in the world.
- Total subscriber base in the country stood at 1,163.67 million as of May 31, 2020.

Rising penetration rate
- Telecom penetration, also known as tele-density, has grown rapidly over the last few years.
- Tele-density grew from 18.23% in FY16 to 87.37% in FY20.

Second highest number of internet users
- India has the second highest number of internet subscribers globally.
- India’s active internet subscription reached 530 million in 2018 at a run rate of 65 million users per year in the last two years.

Affordability and lower rates
- As per a report by Ericsson, India had the world’s highest data usage per smartphone, averaging 9.8 GB per month in 2019.
- Availability of affordable smartphones and lower rates of data are expected to drive growth in the Indian telecom industry.

Source: Telecom Regulatory Authority of India
ADVANTAGE INDIA
India ranks second in terms of number of telecommunication subscriptions, internet subscribers and app downloads* globally.

Moreover, India is also one of the largest data consumers globally. It has highest data usage per smartphone, averaging 9.8GB per month.

In 2020–21, the Department of Telecommunications has been allocated Rs 66,432 crore (US$ 9 billion), a 184% increase over the revised estimates of 2019–20. 61% allocation is towards revenue expenditure and the remaining 39% is towards capital expenditure.

Capital and revenue expenditure have increased by 422% and 121%, respectively, over the revised estimates of 2019–20

In the era of 5G, telecom will earn 70% of its revenue from core beneficiaries of 5G. Currently, it is earning 30% from enterprises.

The Government of India has introduced Digital India programme where sectors such as healthcare, retail, etc. will be connected through internet.

For domestic consumption and export, Ericsson will start manufacturing 5G radio products in India.

Notes: *Combined iOS App Store, Google Play and third-party android, ^Nokia MBiT Index 2018, PB- Petabytes
Source: Economic Times, TRAI, App Annie, Department of Telecommunications, PRS Legislative Research
MARKET OVERVIEW
THE TELECOM MARKET SPLIT INTO THREE SEGMENTS

Source: Sutherland Research

- **Mobile (wireless)**
  - Comprises establishments operating and maintaining switching and transmission facilities to provide direct communication via airwaves

- **Fixed-line (wireline)**
  - Consist of companies that operate and maintain switching and transmission facilities to provide direct communication through landlines, microwave or a combination of landlines and satellite link-ups

- **Internet services**
  - Include Internet Service Providers (ISPs) that offer broadband internet connections through consumer and corporate channels
India is currently the second largest telecommunication market and has the second highest number of internet users in the world.

India’s telephone subscriber base expanded at a CAGR of 2.70% between FY16–20 and reached 1,177.97 million in FY20.

Tele-density (defined as the number of telephone connections for every 100 individuals) in India stood at 87.37% in FY20.

**Note:** CAGR - Compound Annual Growth Rate, *- Till May 2020
**Source:** Telecom Regulatory Authority of India
- The share of the wireless segment in India’s telecommunications market has increased steadily.
- Wireless segment accounted for 98.28% of the total telephone subscriptions in FY20.
- Telecommunications penetration has seen a surge in rural areas with rural penetration gaining a significant pie of the overall subscription base.
- Rural subscribers form 44.27% of the total telephone subscribers in FY20 compared to 33.35% in FY11.

Source: Telecom Regulatory Authority of India
Wireless subscriptions have grown robustly over the past few years.

The growth in wireless subscriptions has led to a significant rise in wireless tele-density.

In FY20, wireless subscription stood at 1,157.75 million, whereas, wireless tele-density reached 85.57%.

**Note:** CAGR - Compound Annual Growth Rate, ^CAGR is up to FY20, *- Till May 2020

**Source:** Telecom Regulatory Authority of India
STRONG GROWTH IN BROADBAND DRIVES INTERNET ACCESS REVENUES

- Total broadband subscription in the country grew from 149.75 million in FY16 to 687.44 in FY20.
- The number of wired broadband subscriptions stood at 19.18 million in FY20.
- Wireless broadband subscribers# stood at 668.26 million in FY20.

Note: CAGR - Compound Annual Growth Rate, ^CAGR is up to FY20, #Includes Mobile devices users and Fixed wireless subscribers, *- Till May 2020
Source: Telecom Regulatory Authority of India;
NUMBER OF INTERNET SUBSCRIBERS INCREASING AT A FAST PACE

- The number of internet subscribers in the country increased at a CAGR of 45.74% during FY16–FY19 to reach 636.73 million in FY19.
- The number of internet subscribers in the country is expected to double by 2021 to 829 million#. Overall IP traffic is expected to grow four-fold at a CAGR of 30% by 2021.
- As of 2019, India holds the world’s highest data usage per smartphone, averaging 9.8 GB per month. It is expected to double to 18 GB by 2024.
- As of May 2020, India had over 500 million active internet users (accessed Internet in the last one month).

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**Note:** CAGR - Compound Annual Growth Rate; BSNL - Bharat Sanchar Nigam Ltd, IP – Internet Protocol, ^CAGR is up to FY19, #as per CISCO, *- till December 2019

**Source:** Telecom Regulatory Authority of India, Business Monitor International

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*Visakhapatnam port traffic (million tonnes)
Internet subscription (in million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Internet Subscription (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>342.65</td>
</tr>
<tr>
<td>FY17</td>
<td>422.19</td>
</tr>
<tr>
<td>FY18</td>
<td>493.96</td>
</tr>
<tr>
<td>FY19</td>
<td>636.73</td>
</tr>
<tr>
<td>FY20*</td>
<td>718.74</td>
</tr>
</tbody>
</table>

^CAGR 45.74%
India holds the distinction of being the largest consumer of mobile data globally.

Data consumption in the country has witnessed exponential growth over the course of the past few years.

Total wireless data usage in India grew 5.5% quarterly to 20,899,931 TB in Q3FY20.

The contribution of 3G and 4G data usage in total volume of wireless data usage was 4.47% and 94.82%, respectively, in Q3FY20. Share of 2G data usage remained 0.71% during the quarter.

Note: CAGR - Compound Annual Growth Rate, TB- Terabytes
Source: Telecom Regulatory Authority of India, Lok Sabha
Indian telecom sector’s gross revenue declined from US$ 40.29 billion in FY16 to US$ 33.97 billion in FY19.


Indian telecom sector’s revenue is expected to grow at 7% in FY20 based on stabilizing tariff wars and increased spending by subscribers due to minimum recharge plans.

Note: CAGR - Compound Annual Growth Rate, FY – Indian Financial Year (April – March), *- till December 2019
Source: Telecom Regulatory Authority of India’s Performance Indicator Report
EMERGENCE OF TOWER INDUSTRY

- A surge in the subscriber base has necessitated network expansion covering a wider area, thereby creating a need for significant investment in telecom infrastructure.
- To curb cost and focus on core operations, telecom companies have been segregating their tower assets into separate companies. For example: Reliance Communications has decided to finalise a deal to sell its stake in Reliance Infratel. The value of the deal is around US$ 3.68 billion.
- Creating separate tower companies has helped telecom companies lower operating cost and improve capital structure. This has also provided an additional revenue stream.
- Inspired by the success seen by Indian players in towers business, most of the operators around the world are replicating the model.

Emergence of Tower Industry

Source: Sutherland Research
RECENT TRENDS AND STRATEGIES
### Green telecom
- The green telecom concept is aimed at reducing carbon footprint of the telecom industry through lower energy consumption.
- The Government of India’s National Digital Communication Policy, which released in September 2018, envisaged strengthening of mobile tower industry by promoting and incentivising deployment of solar and green energy for telecom towers.
- The Government proposed a joint task force between Ministry of New and Renewable Energy (MNRE) and Department of Telecommunication to promote green technology in the sector.

### Expansion to rural market
- Over 62,443 uncovered villages in India will be provided with village telephone facility with subsidy support from the government’s Universal Service Obligation Fund (thereby increasing rural tele-density).
- Broadband service provider, Excitel, plans to raise Rs 200 crore (US$ 28.37 million) in funding as it plans to expand FTTH (fibre to the home) deployment on its network and establish presence in 50 cities by December 2021.

### Emergence of BWA technologies
- BWA technologies, such as WiMAX and LTE, is among the most recent and significant developments in wireless communication.
- Bharti Airtel VoLTE and Reliance Jio 4G services are live across all the 22 telecom circles since 2019.
- India is expected to be the second largest market in 5G services followed by China in the next 10 years.

### Internet of Things (IoT)
- IoT is the concept of electronically interconnected and integrated machines, which can help in gathering and sharing data. The Indian Government is planning to develop 100 smart city projects where IoT will play a vital role in development of those cities.
- Reliance Jio has partnered with Samsung Electronics to set up a nationwide IoT network.
- Jio's IoT platform is ready to be commercially available in 2020.

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**Notes:**
- *BWA - Broadband Wireless Access, TRAI - Telecom Regulatory Authority of India*
- *Source: News Source*
NOTABLE TRENDS IN THE INDIAN TELECOM SECTOR … (2/2)

Consolidation
- Vodafone India and Idea have merged into Vodafone Idea. Vodafone Idea is unifying assets and aims to complete network integration by June 2020.

Rising investment
- Between April 23 and July 16, 2020, Jio Platforms Ltd. sold 25.24% stake worth Rs 1.52 trillion (US$ 21.57 billion) to various global investors in separate deals involving Facebook, Silver Lake, Vista, General Atlantic, Mubadala, Abu Dhabi Investment Authority (ADIA), TPG Capital, L. Catterton, Public Investment Fund (PIF), Intel Capital, Qualcomm Ventures and Google. This is the largest continuous fundraise by any company in the world.
- In April 2020, Vodafone Group Plc infused Rs 1,530 crore (US$ 217.05 million) in Vodafone Idea as accelerated payment to help it manage its operations.

Mobile banking
- Department of Posts launched mobile banking for its saving account customers.
- By October 2019, the number of mobile wallet transactions stood at 3.59 billion.
- As of January 2020, more than 542 banks have been permitted to provide mobile banking services in India.

Investment in optical fibre network
- Reliance Jio Infocomm is going to expand its optical fibre network to over 1,100 cities under its Jio GigaFiber brand. In August 2019, Reliance commercially launched Jio GigaFiber as a wired broadband service.

Source: ‘Searching for New Frontiers of growth: Indian Banks’- PwC, Reserve Bank of India
### STRATEGIES ADOPTED

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
</table>
| **Marketing strategy** | - Players are using innovative marketing strategies to succeed in this sector.  
  - Vodafone Idea launched #StrongerEveryHour with an aim to highlight the improved network of Vodafone SuperNet 4G - India's Data Strong Network.  
  - Airtel launched a new ad campaign ‘Sab Kuch Try Karo, Fir Sahi Chuno’ and rolled out a new campaign 'Open to Questions’, highlighting its aim to resolve every single customer query, learn quickly from failures and ensure these are not repeated |
| **Differentiation**    | - Players differentiate themselves by providing different services to customers.  
  - Bharti Airtel has already partnered with Amazon Prime and Hotstar and is expected to tie up with Netflix to offer free subscription to Netflix’s content for its mobile customers. |
| **Reduced number of plans** | - Players have reduced the number of plans on offer and now offer a limited number of simple tariff plans along with marquee plans.  
  - This has simplified choosing plans for customers as they can choose the best deals for themselves. |
| **Pricing strategy**   | - Players price their products very carefully due to the price sensitive nature of customers and high competition in the sector. |

**Notes:** CDMA – Code Division Multiple Access, GSM - Global System for Mobile Communication  
**Source:** Company website and News Article
## KEY COMPANIES IN THE MARKET

<table>
<thead>
<tr>
<th>Company</th>
<th>Ownership</th>
<th>Presence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mahanagar Telephone Nigam Ltd (MTNL)</td>
<td>Government (56.3%), Life Insurance Corporation (18.8%)</td>
<td>Fixed-line and mobile telephony (in Delhi and Mumbai), data and Internet</td>
</tr>
<tr>
<td>Bharat Sanchar Nigam Ltd (BSNL)</td>
<td>Government (100%)</td>
<td>Fixed-line and mobile telephony (GSM – outside Delhi and Mumbai), data and Internet in 22 circles</td>
</tr>
<tr>
<td>Bharti Airtel</td>
<td>Bharti Group (45.48%), Pastel Ltd (14.79%), Indian Continent Investment (6.65%),</td>
<td>Broadband and mobile (GSM) in 22 circles</td>
</tr>
<tr>
<td>Vodafone Idea Limited</td>
<td>Aditya Birla Group and Vodafone Group partnership</td>
<td>Broadband and mobile (GSM) in 22 circles</td>
</tr>
<tr>
<td>Reliance Jio Infocomm</td>
<td>Reliance Industries Limited.</td>
<td>Broadband and mobile</td>
</tr>
</tbody>
</table>

*Source: Companies’ website, Moneycontrol*
GROWTH DRIVERS
SECTOR BENEFITS FROM RISING INCOME, GROWING YOUNG POPULATION

Growing demand
- Higher real income and changing lifestyles
- Growing young population
- Increasing MoU and data usage

Inviting

Policy support
- Reduction in license fee
- Relaxed FDI norms
- Encouraging firms to expand to rural areas

Resulting in

Increasing investment
- Higher FDI inflow
- Increasing M&A activity

Note: FDI - Foreign Direct Investment, MOU - Minutes of Use per month and per subscriber, M&A - Mergers and Acquisitions
Incomes have risen at a brisk pace in India and will continue rising given the country’s strong economic growth prospects.

GDP per capita of India is expected to grow at a CAGR of 7.47% from US$ 1,481.56 in 2012 to US$ 3,273.85 in 2023.

Increasing income has been a key determinant of demand growth in the telecommunication sector in India.

The emergence of an affluent middle class is triggering demand for the mobile and internet segments.

A young growing population is aiding this trend (especially the demand for smart phones).

**Notes:** CAGR - Compound Annual Growth Rate, *Estimates after 2013, *Data for 2005, 2006 and 2025 is from BCG’s The New Indian: The Many Facets of a Changing Consumer, for 2017 from IBM-Kalaari Capital’s Imagining a Trillion Dollar Digital India and for 2018 from Redseer Consulting’s Indian Habit of Being Healthy

**Source:** IMF World Economic Outlook Database April 2018
STRONG POLICY SUPPORT CRUCIAL TO THE SECTOR’S DEVELOPMENT … (1/3)

To compensate the consumers in case of call drop
- In August 2017, TRAI directed operators to have a call-drop rate of not greater than 2%.
- The policy measures of TRAI have had a positive impact. Call-drops in the country decreased from 0.94% in 2016 to 0.52% in March 2018.

Standards of quality wireline and wireless services
- In 2015, TRAI made regulations to amend the standards of quality of wireline (telephone service) and cellular mobile telephone services. These regulations have been laid down to ensure better and effective compliance with the quality of service regulations and to protect the interest of the customers.

Relaxed FDI norms
- FDI in telecom sector has been increased to 100% from 74%. Out this, 49% will be done through automatic route and the rest will be done through the FIPB approval route.
- FDI of up to 100% is permitted for infrastructure providers offering dark fibre, electronic mail and voice mail.

Skill development
- In a major push for Prime Minister Narendra Modi’s 'Skill India' mission, Microsoft's India-born CEO, Satya Nadella, launched a cloud hosted platform named "Project Sangam" to help the Government train and assist people get jobs via professional networking website like LinkedIn, which was acquired by the company last year.

Notes: FDI - Foreign Direct Investment, FIPB - Foreign Investment Promotion Board
Source: TRAI
In February 2018, TRAI passed the Telecommunication Tariff (63rd amendment) order, according to which, telecom firms are free to give promotional offers to customers if the offers are transparent, non-predatory and non-discriminatory.

The Department of Information Technology intends to set up over 1 million internet-enabled common service centres across India as per the National e-Governance Plan.

On August 8, 2016, TRAI made the 10th amendment to the TCPR (Telecom Consumers Protection Regulations) permitting telecom companies to offer data packs having maximum validity of 365 days.

In January 2015, the Government recommended reduction in license fees of telecom operators by 6%. Telecom operators currently pay 8% of adjusted gross revenue as licence fee.

The issuance of several international and national long-distance licenses has created opportunities and attracted new companies into the market.

Government of India announced the Phased Manufacturing Programme (PMP) to promote domestic production of mobile handsets. This initiative will help in building a robust indigenous mobile manufacturing ecosystem in India and incentivise large scale manufacturing.

In March 2020, the Government approved the Production Incentive Scheme (PLI) for Large Scale Electronics Manufacturing. The scheme proposes production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units.

Notes: USOF - Universal Service Obligation Fund; OFC - Optical Fibre Cable, WiMAX - Worldwide Interoperability for Microwave Access Telecommunications

Source: TRAI
STRONG POLICY SUPPORT CRUCIAL TO THE SECTOR’S DEVELOPMENT … (3/3)

<table>
<thead>
<tr>
<th>Financial support</th>
<th>The USOF is expected to extend financial support to operators providing services in rural areas and encourage active infrastructure sharing among operators.</th>
</tr>
</thead>
</table>
| Enhanced spectrum limit | The prescribed limit on spectrum will be increased from 6.2 MHz to 2x8 MHz (paired spectrum) for GSM technology in all areas other than Delhi and Mumbai, where it will be 2x10 MHz (paired spectrum).  
Telecom players can, however, obtain additional frequency. there will be an auction of spectrum subject to the limits prescribed for the merger of licenses. |
| Telecommunication amendment order for broadcasting and cable services | In 2015, telecom authority issued this order mandating every DTH operator to specify the tariff for supply and installation of the customer premises equipment. DTH operator should specify the refundable security deposit, installation charges, monthly rental charge and activation.  
As of July 2019, India achieved 100% digitisation of cable TV network. |
| Indian Mobile Congress | In October 2019, India held the third edition of Indian Mobile Congress, dominated by 5G, IoT and AI. The conference brought together more than 5,000 delegates and 50,000 visitors.  
Global and local industry leaders such as Samsung, Intel, Ericsson, Huawei, Qualcomm, Nokia, Airtel, Reliance Jio and Vodafone participated in the event.  
Jio announced partnership with Samsung to bring 5G along with new traffic security system. Furthermore, Ericsson demonstrated India’s first video call through a 5G network in conjunction with Qualcomm India. |

Notes: USOF - Universal Service Obligation Fund; OFC - Optical Fibre Cable
Source: TRAI
National Digital Communications Policy, 2018

Connect India
- Provide universal broadband connectivity at 50 Mbps to every citizen
- Provide 1 Gbps connectivity to all Gram Panchayats of India by 2020 and 10 Gbps by 2022
- Enable fixed line broadband access to 50% of households
- Achieve ‘unique mobile subscriber density’ of 55 by 2020 and 65 by 2022
- Ensure connectivity to all uncovered areas

Propel India
- Attract investment worth US$ 100 billion in digital communications sector
- Increase India’s contribution to global value chain
- Creation of innovation led start-ups in digital communications sector
- Train/re-skill 1 million manpower for building new age skills
- Accelerate transition to Industry 4.0

Secure India
- Establish a comprehensive data protection regime for digital communications
- Ensure net neutrality principles are upheld
- Develop and deploy robust digital communication network security frameworks
- Build capacity for security testing and establish appropriate security standards
- Address security issues relating to encryption and security clearances

Note: Mbps – Mega bits per second, Gbps – Giga bits per second
Source: National Digital Communications Policy, 2018
FDI inflow in telecom sector stood at US$ 37.27 billion during April 2000–March 2020.

During this period, FDI into the sector accounted for a share of ~8% of total FDI inflow into the country.

In January 2020, Government of India allowed 100% FDI in Bharti Airtel.

Between April 23 and July 16, 2020, Jio Platforms Ltd. sold 25.24% stake worth Rs 1.52 trillion (US$ 21.57 billion) to various global investors in separate deals involving Facebook, Silver Lake, Vista, General Atlantic, Mubadala, Abu Dhabi Investment Authority (ADIA), TPG Capital, L. Catterton, Public Investment Fund (PIF), Intel Capital, Qualcomm Ventures and Google. This is the largest continuous fundraise by any company in the world.

Source: Department for Promotion of Industry and Internal Trade (DPIIT)
Vodafone India and Idea Cellular merged into ‘Vodafone Idea’ to become India’s largest telecom company as of September 2018.

### Foreign investment in India

<table>
<thead>
<tr>
<th>Target</th>
<th>Acquirer</th>
<th>Acquisition price (US$ million)</th>
<th>Division acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bharti Airtel</td>
<td>Singtel (as of February 2019)</td>
<td>367.15</td>
<td>Increase in stake to 48.90%</td>
</tr>
<tr>
<td>Bharti Airtel</td>
<td>Singtel (2018)</td>
<td>411.02</td>
<td>Increase in stake to 27.08%</td>
</tr>
<tr>
<td>Ascend Telecom Infrastructure Pvt. Ltd.</td>
<td>IDFC Alternatives (2017)</td>
<td>54.29</td>
<td>33% stake</td>
</tr>
<tr>
<td>Telenor</td>
<td>Bharti Airtel (2017)</td>
<td>N/A</td>
<td>Infrastructure and Contracts</td>
</tr>
<tr>
<td>Bharti Airtel's operations in Burkina Faso and Sierra Leone</td>
<td>Orange SA (2016)</td>
<td>900</td>
<td>100% stake</td>
</tr>
<tr>
<td>MTS</td>
<td>Reliance Communication (2015)</td>
<td>736.98</td>
<td>8 – 10% stake</td>
</tr>
<tr>
<td>Augere Wireless</td>
<td>Bharti Airtel (2015)</td>
<td>21.3</td>
<td>100% stake</td>
</tr>
<tr>
<td>Bharti Airtel</td>
<td>Singtel (2013)</td>
<td>302</td>
<td>Increases stakes to 32.34%</td>
</tr>
<tr>
<td>Bharti Airtel</td>
<td>Qatar Foundation Endowment(2014)</td>
<td>1,260</td>
<td>PE deal – 5% stake</td>
</tr>
<tr>
<td>Vodafone India Ltd</td>
<td>Vodafone International Holdings (2014)</td>
<td>1,641</td>
<td>Increases stakes to 100%</td>
</tr>
<tr>
<td>Ascend Telecom</td>
<td>Ascend Telecom Infrastructure Pvt Ltd</td>
<td>54.29</td>
<td>33% stake</td>
</tr>
</tbody>
</table>

**Notes:** M&A - Merger and Acquisition, PE - Private Equity  
**Source:** Thomson Banker, Deal Tracker, Grant Thornton
Telecommunication

OPPORTUNITIES
### Increasing mobile subscribers

- India’s mobile subscriber base is expected to reach 1,420 million by 2024 from 1,200 million in 2018, with 80% users having 4G connection.\(^\text{^}{\text{1}}\)

- As of January 2019, Airtel becomes the first operator to launch high speed data service in Andaman and Nicobar Island.

### Untapped rural markets

- By April 2020, rural tele-density reached 58.03%, growing from 43.05% as of March 2016.

### Rising internet penetration

- Internet penetration is expected to grow steadily and is likely to be bolstered by Government policy.

- Number of broadband subscribers reached 687.44 million in FY20.

- To encourage cash economy, Indian Government announced to provide free Wi-fi to more than 1,000 gram panchayats.

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*Note: \(^\text{1}\)Ericsson Mobility Report November 2018  
Source: KPMG, TRAI*
OPPORTUNITIES ACROSS SEGMENTS IN THE INDUSTRY … (2/2)

<table>
<thead>
<tr>
<th>Development of telecom infrastructure</th>
<th>Growth in MVAS and cloud computing</th>
<th>Telecom equipment market</th>
<th>Growing Cashless Transactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ TRAI has made several recommendations for the development of telecom infrastructure, including tax benefits and recognising telecom infrastructure as essential infrastructure.</td>
<td>▪ Indian Mobile Value-Added Services (MVAS) industry is expected to row at a CAGR of 18.3% during the forecast period of 2015–2020 and reach US$ 23.8 billion by 2020.</td>
<td>▪ Telecom equipment market is expected to reach US$ 30 billion by 2020.</td>
<td>▪ In order to overcome the cash related problems being faced by people, due to demonetisation, Paytm launched a service through which consumers and merchants can pay and receive money instantly, without an internet connection. ▪ Payments on Unified Payments Interface (UPI) hit an all-time high of 1.49 billion in terms of volume with transactions worth nearly Rs 2.90 lakh crore (US$ 41.22 billion) in July 2020.</td>
</tr>
</tbody>
</table>

Notes: VAS - Value-Added Services, NTP - National Telecom Policy, * - as per IDC, ^ - as per Electronics Industry Associations
Source: Press Information Bureau, Government of India
MOBILE APPLICATION MARKET: FAST GROWING SEGMENT

- In 2019, India surpassed the US to become the second largest market in terms of number of app downloads.
- App downloads in the country increased from 12.07 billion in 2017 to 19.00 billion in 2019 and is expected to reach 37.21 billion in 2022F.
- India has witnessed a 195% growth in app downloads in the past three years.
- Indian users spent around US$ 370 million through app stores in 2019.
- The segment’s growth is expected to be driven by increasing mobile connections and availability of low-range smartphones.
- Over 100 million apps are downloaded every month across different platforms such as iOS and Android.

Notes: F – Forecast, *As per latest data available, ^Combined iOS App Store, Google Play and third-party android, Q1- Jan to March
Source: Gartner, Deloitte, Assorted News Articles, App Annie
KEY INDUSTRY ORGANISATIONS
## INDUSTRY ORGANISATIONS

### Association of Unified Telecom Service Providers of India (AUSPI)
- Address: B-601, Gauri Sadan 5, Hailey Road, New Delhi – 110 001, India
- Tel: 91 11 23358585
- Fax: 91 11 23327397
- Website: http://www.auspi.in/

### Association of Competitive Telecom Operators (ACTO)
- Address: 601, Nirmal Tower, 26, Barakhamba Road, Connaught Place, New Delhi – 110 001, India
- Tel.: 91 11 43565353 / 43575353
- Fax: 91 11 43515353
- E-mail: info@acto.in
- Website: www.acto.in

### Internet and Mobile Association of India (IAMAI)
- Address: F-36, Basement, East of Kailash, New Delhi – 110 065, India
- Tel: 91 11 46570328
- E-mail: kalyan@iamai.in
- Website: www.iamai.in

### Cellular Operators Association of India
- Address: 14, Bhai Vir Singh Marg, Sector 4, Gole Market, New Delhi – 110001, India
- Tel: 91 11 2334 9275
- E-mail: contact@coai.in
- Website: www.coai.com
USEFUL INFORMATION
GLOSSARY

- BWA: Broadband Wireless Access
- CAGR: Compound Annual growth rate
- DoT: Department of Telecommunication
- FDI: Foreign Direct Investment
- FTTH: Fibre To The Home
- FY: Indian Financial Year (April to March)
- IMF: International Monetary Fund
- Rs: Indian Rupee
- IPTV: Internet Protocol Television
- M&A: Mergers and Acquisitions
- MoU: Minutes of Use per month and per subscriber
- MPEG: Moving Picture Experts Group
- OFC: Optical Fibre Cable
- TRAI: Telecom Regulatory Authority of India
- USOF: Universal Service Obligation Fund
- US$: US Dollar
- VAS: Value-Added Services
- WiMAX: Worldwide Interoperability for Microwave access telecommunications

Wherever applicable, numbers have been rounded off to the nearest whole number.
### Exchange Rates (Fiscal Year)

<table>
<thead>
<tr>
<th>Year (Fiscal Year)</th>
<th>Rs Equivalent of one US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004–05</td>
<td>44.95</td>
</tr>
<tr>
<td>2005–06</td>
<td>44.28</td>
</tr>
<tr>
<td>2006–07</td>
<td>45.29</td>
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<td>2018–19</td>
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<tr>
<td>2019–20</td>
<td>70.49</td>
</tr>
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</table>

**Source:** Reserve Bank of India, Average for the year

### Exchange Rates (Calendar Year)

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<th>Year (Calendar Year)</th>
<th>Rs Equivalent of one US$</th>
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India Brand Equity Foundation (IBEF) engaged Sutherland Global Services private Limited to prepare/update this presentation.

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