

India Telecom – Trying to grow despite the odds

Jan-2012

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INDIA TELECOM-

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NO CLARITY ON ICR

IP-1 REV SHARING

ISP REV SHARE

EQUIPMENT CERTIFICATION

TOO MANY PLAYERS

NO ACTIVE SHARING

ONE TIME SPECTRUM FEE
ADDITIONAL SPECTRUM FEE



NO M&A
NO EXIT



IMPORTS CAP



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It is said-‘ when the going gets tough....the tough get going!’ But how tough can ‘tough’ be? For the Indian telecom industry, it is a tough environment galore...Apart from free market competition that built up a staggering 15 odd players where predatory pricing pulled the floor off voice calls – while it seemed that tariffs would stabilize and bring sanity to the sector, the game just got tougher.

The post-scam era, opened up stringent regulatory rules such as caps on imported equipment, domestic sourcing of network gear and an unclear 3G Roaming / ICR practice.... On the Exit policy for current players there appears to be absolutely no clarity on M & A guidelines although a New Telecom Policy was unveiled in Oct 2011. What has made it worse for the immediate present is the possibility of introduction of a one-time spectrum fee for those scenarios or an additional fee to make up for improperly released spectrum in the past.

But the telecom industry has still a long way to go – it has yet to start building up momentum on creating the second revolution: data and broadband. We believe although tethered at this point, the sector will stand upright and launch itself into full orbit again...for now it needs a breather though.