MY DIGITAL INDIA + MAKE IN INDIA

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MY INDIA INTEGRATED ECONOMIC GROWTH

(To Transform India into a digitally empowered society and knowledge economy)

By

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IIFCL

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- Migration To Digital Economy Age
- Current Indian Telecom Reforms & Digital Connectivity
- Pillars for New e-Integrated Digital Economy
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INDIA MARCHING TOWARDS DIGITAL AGE & NEW ECONOMY

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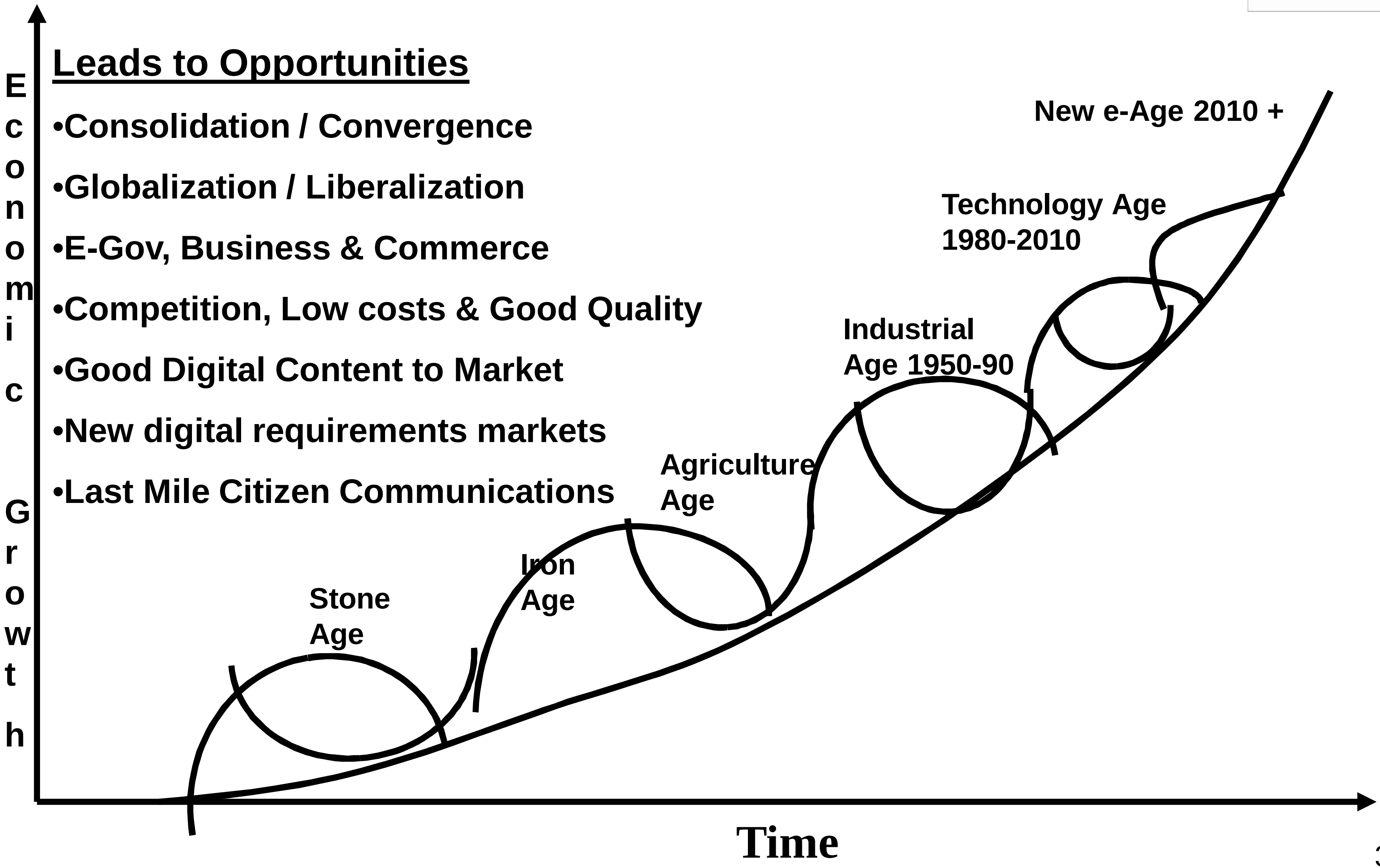
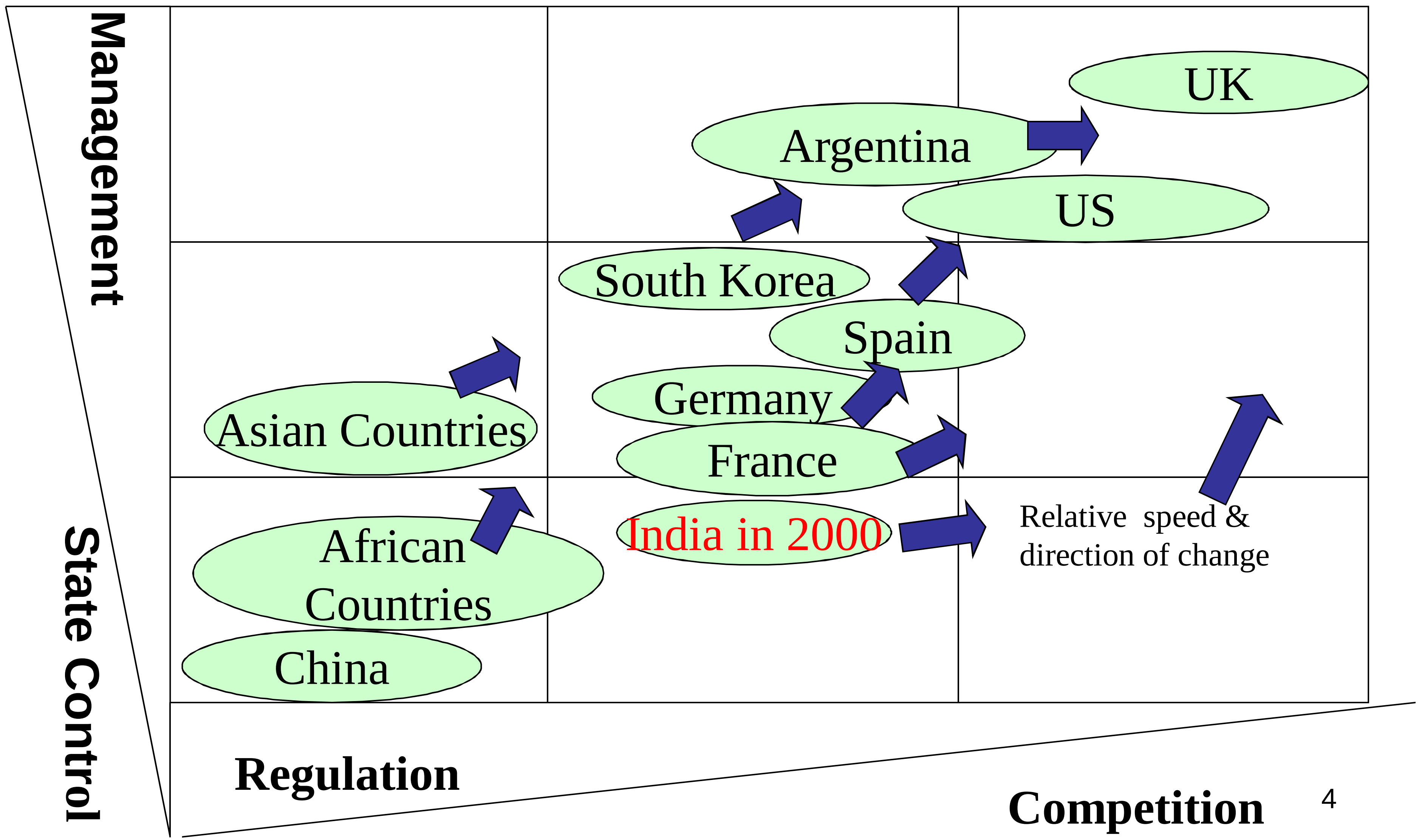
Leads to Opportunities

- Consolidation / Convergence
- Globalization / Liberalization
- E-Gov, Business & Commerce
- Competition, Low costs & Good Quality
- Good Digital Content to Market
- New digital requirements markets
- Last Mile Citizen Communications



1994 - 2000 REFORMS UNLOCKED THE INFOCOM VALUE



INDIA 2000-2010 TELECOM REFORMS LED TO GROWTH,COMPETITION,CHEAPER & QoS

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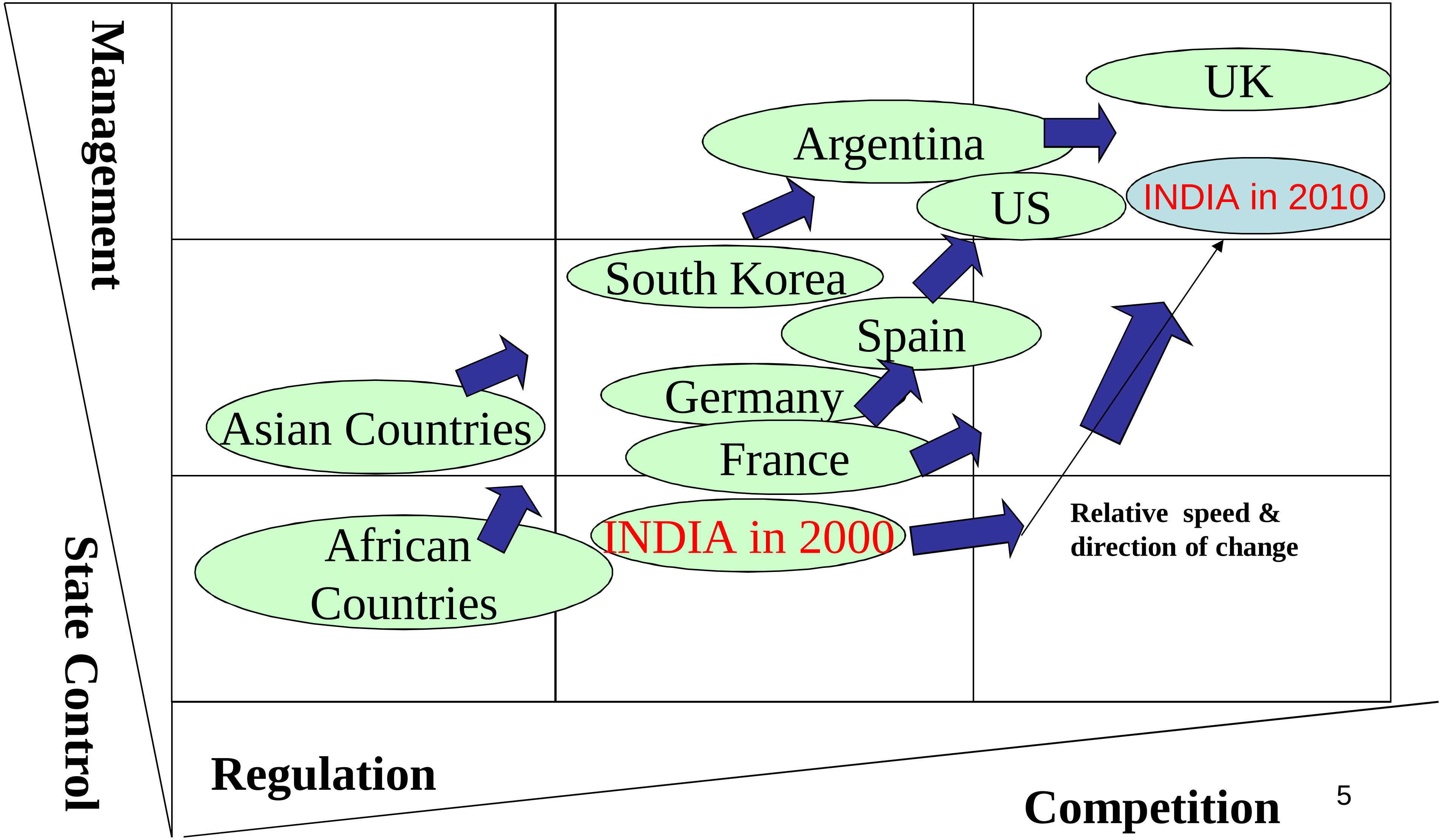
Led To High QoS, High MOU and Low Tariffs



Present Indian Digital Infocom Services

Wire Line (Copper/Coaxial) Connectivity :

- Basic Telecom Services (BTS) - Access – 33 Mn Connections
- Cable TV Services (CTVS) – Access – 110 Mn Connections
- Internet Service Provision (ISP) – Access – 300 Mn Users

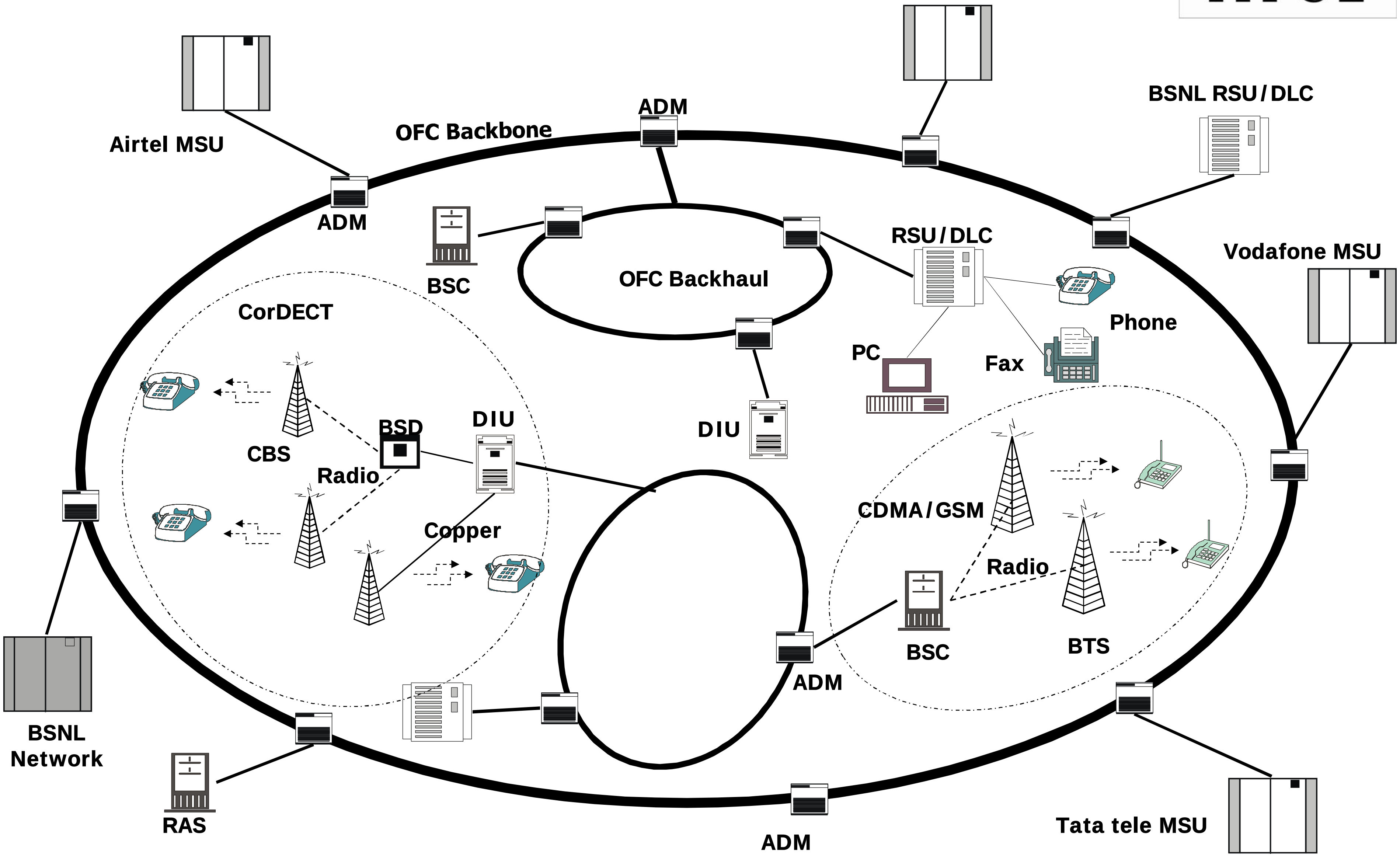
Wireless Connectivity :

- Cellular Mobile Telephone Services (CMTS) – Access 800 Mn Connections
- Satellite Services (Sat) – TXM
- Public Mobile Radio Trunk Services (PMRTS) – Access
- DTH – Access (No Return Path) – 44Mn Connections

Wire Line (Fiber) & Wireless Connectivity:

- National Long Distance Telephony (NLD) - TXM
- International Long Distance Telephony (ILD) - TXM
- E-governance (e-gov) - Access

INDIAN DIGITAL INFOCOM INTEGRATED NETWORK ARCHITECTURE



DIGIAL TECHNOLOGY - MIGRATION PATHS TO 3G & 4G

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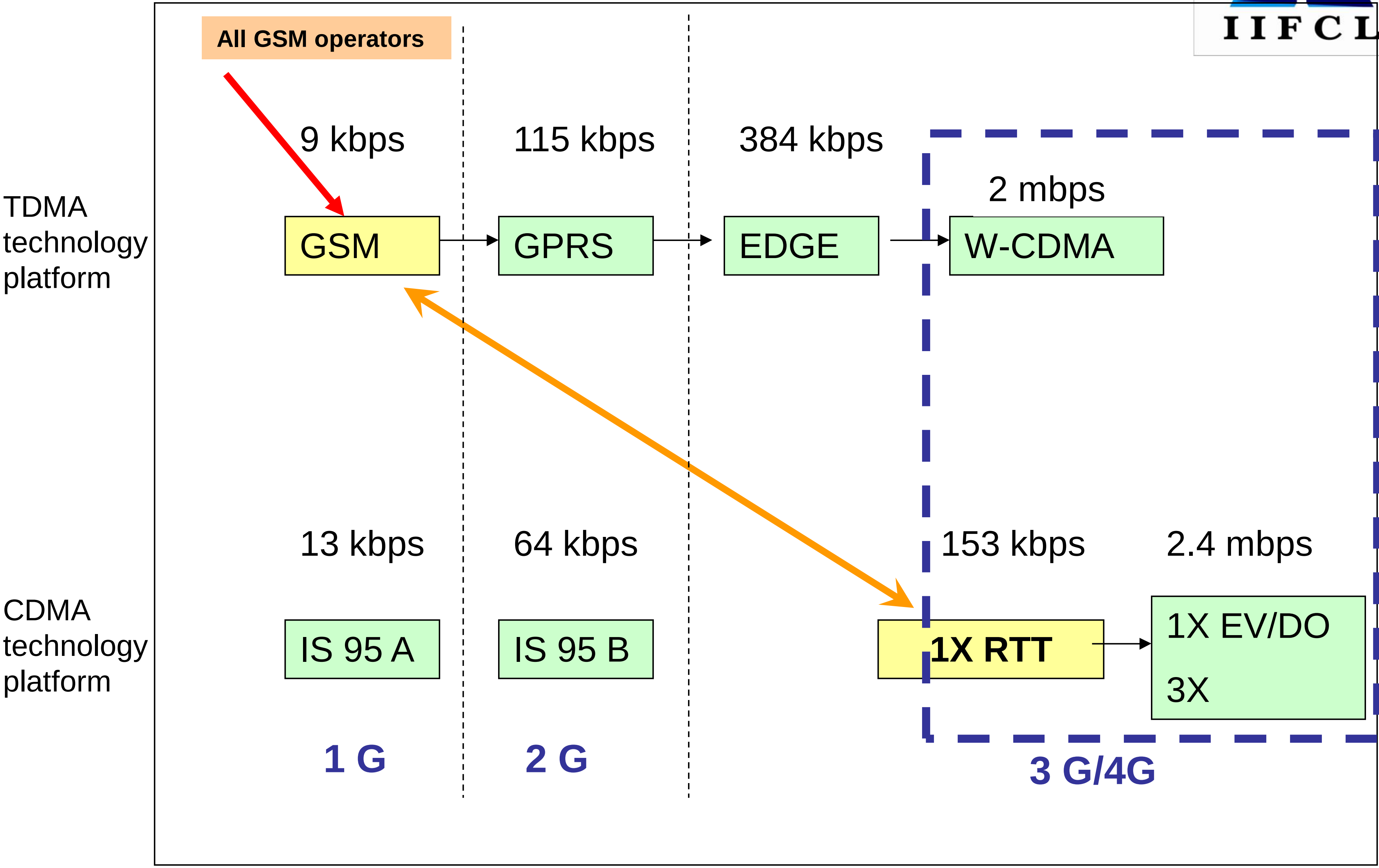

Pillars for New e-Integrated Economy

- Good ***Holistic Policies (NTP 2012, IT 2012, Electronics 2012, Cable TV , ESMD-SIP ,SEZ, etc) Execution*** without overlapping
- ***Convergence*** of above Polices will reach the benefits to the Citizens & Corporates to speed up the ***Digital Capital Formation***
- Leads to ***Make In India*** across the e-value chain from Electronic components, modules and systems in high volumes and cheaper products to create e-infrastructure by Corporates
- Leads to cheaper ***e-services*** to all the citizens connecting ***My Digital India*** seamlessly the Rural and Urban India
- Leads to high growth of digital internet penetration across India enhancing ***e-gov, e-business and e-commerce*** leading to high economic growth across India
- Leads to minimization of Migration of citizens from Rural areas to Urban areas and concentrate on the ***AGRICULTURE*** Sector the need of the hour for enhancing our GDP and welfare of Farmers

E-POLICIES CONVERGENCE LEADS TO HIGHER DIGITAL INFRA NETWORK GROWTH

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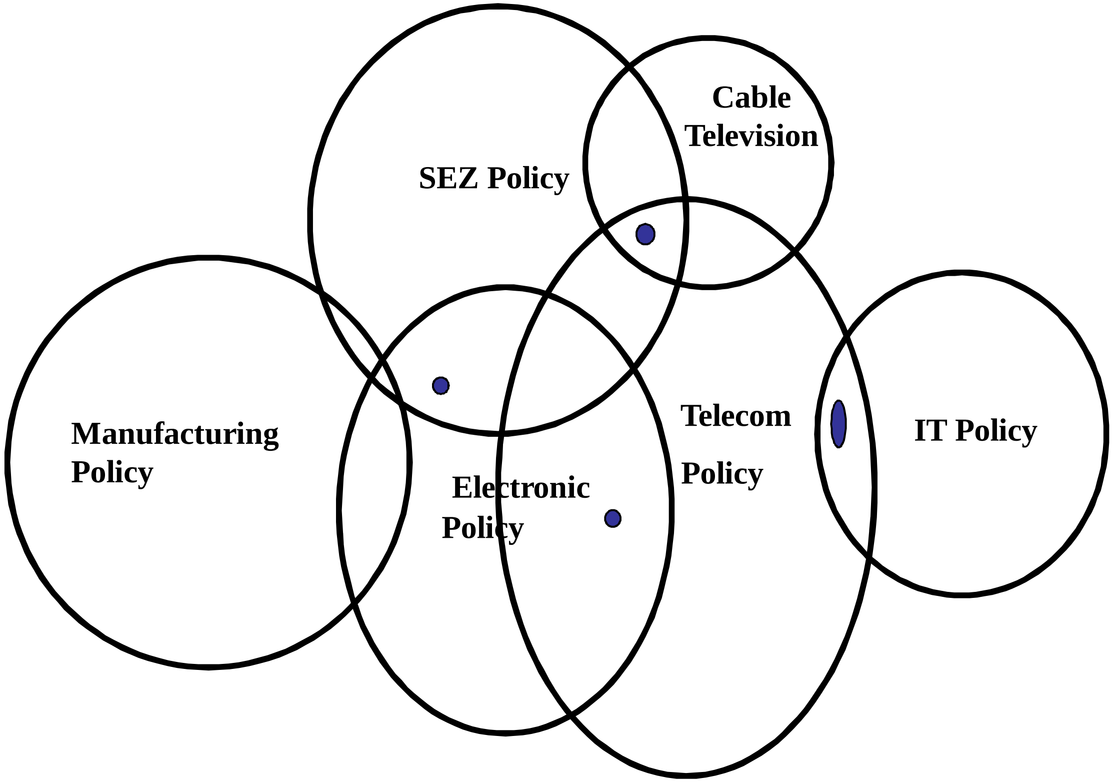
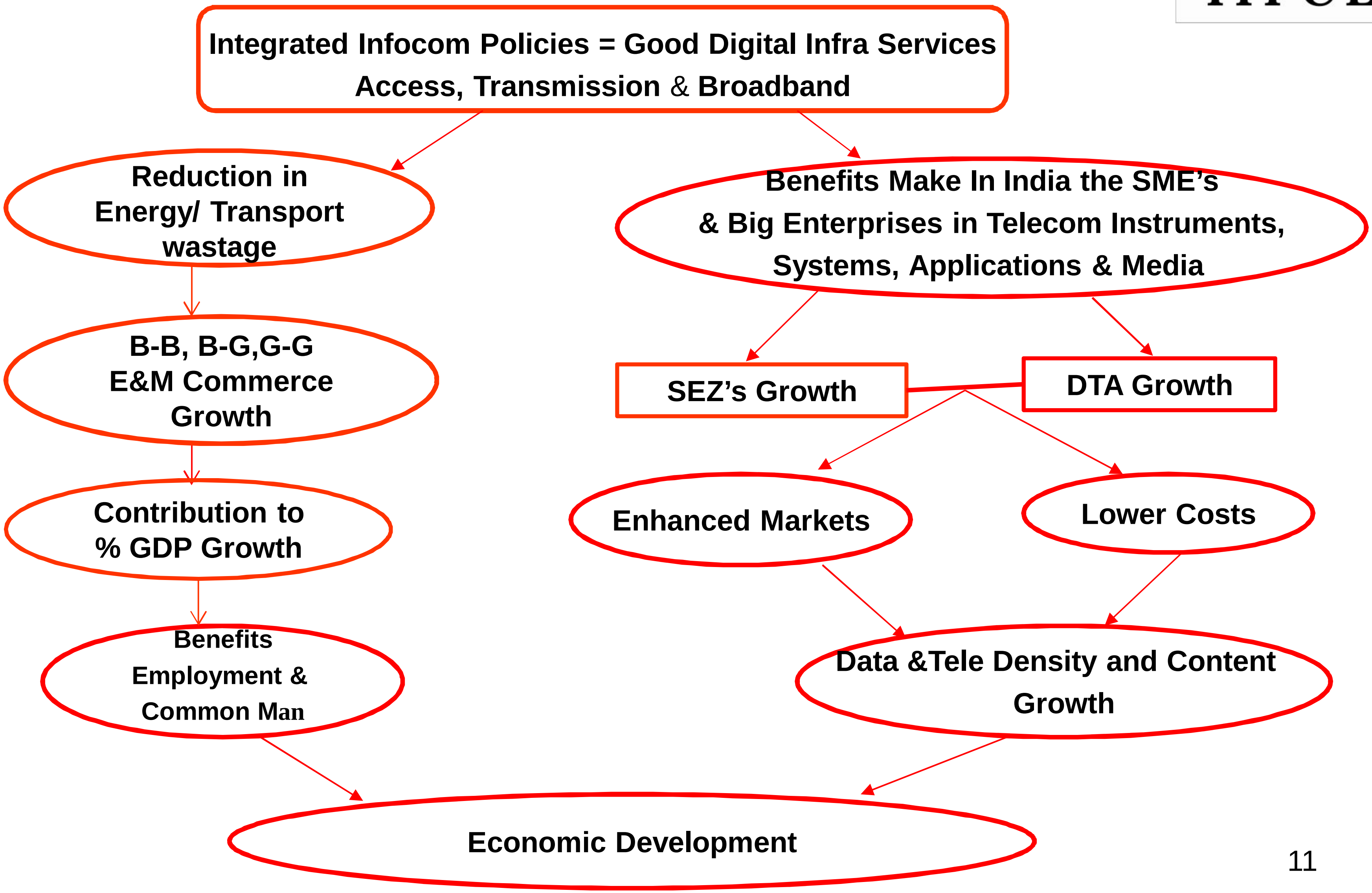
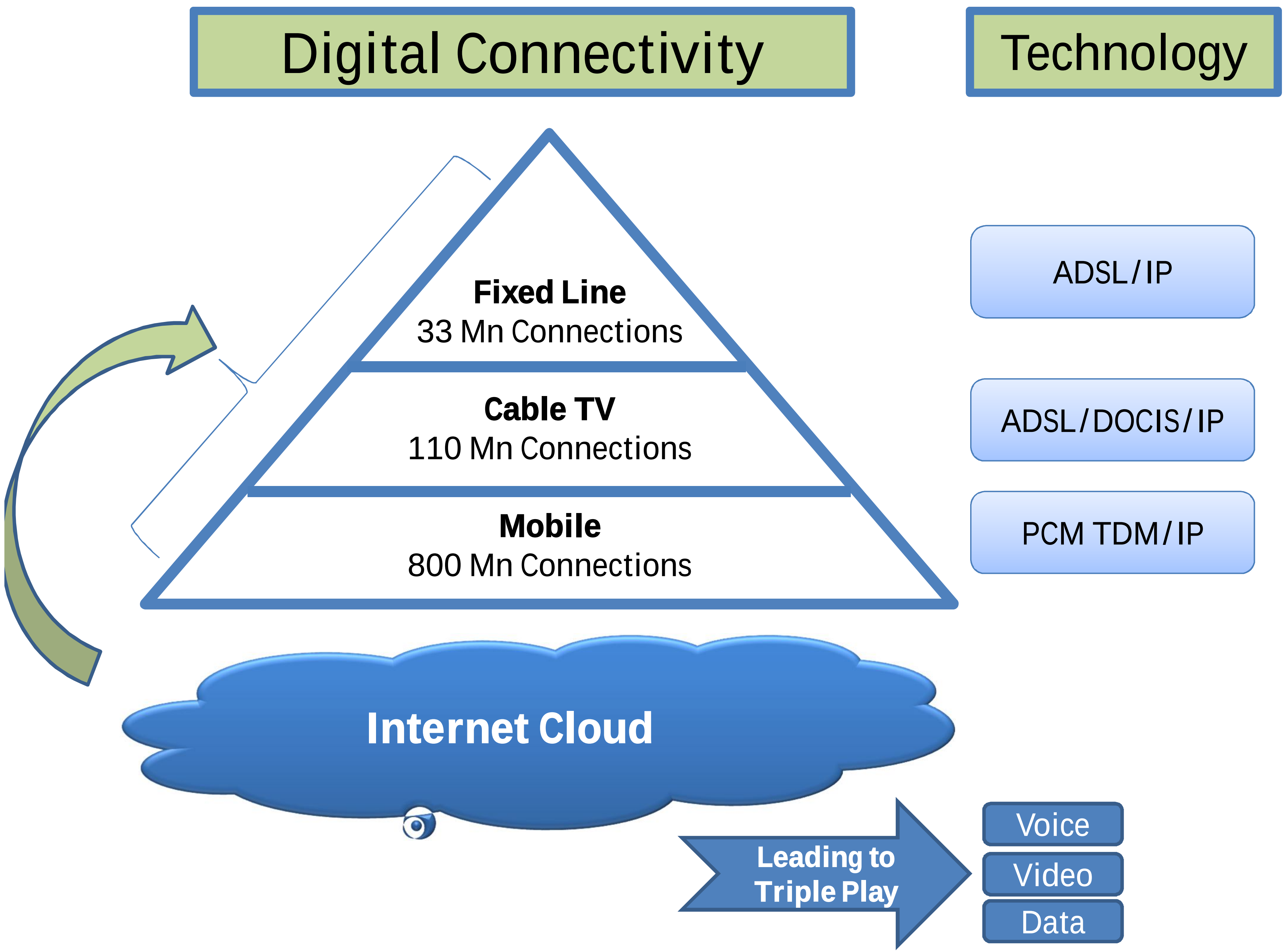
- **Related Sector Policies have to Converge to form Quick Digital Capital Formation**
- **Reaches the Policy Benefits to Corporates and Citizens**
- **Leads to Low Cost Digital Infra and Timely Availability of Low Cost Products and Services across country**



INDIAN DIGITAL INFOCOM INTEGRATED INFRASTRUCTURE DEVELOPMENT




Digital Connectivity
Technology
Fixed Line
33 Mn Connections
Cable TV
110 Mn Connections
Mobile
800 Mn Connections
ADSL/IP
ADSL/DOCIS/IP
PCM TDM/IP
Internet Cloud
Leading to Triple Play
Voice
Video
Data

Convergence of Business Models for Speedy Digital Connectivity: But ***Low Cost*** Spectrum, Modems and STB's are need of the hour

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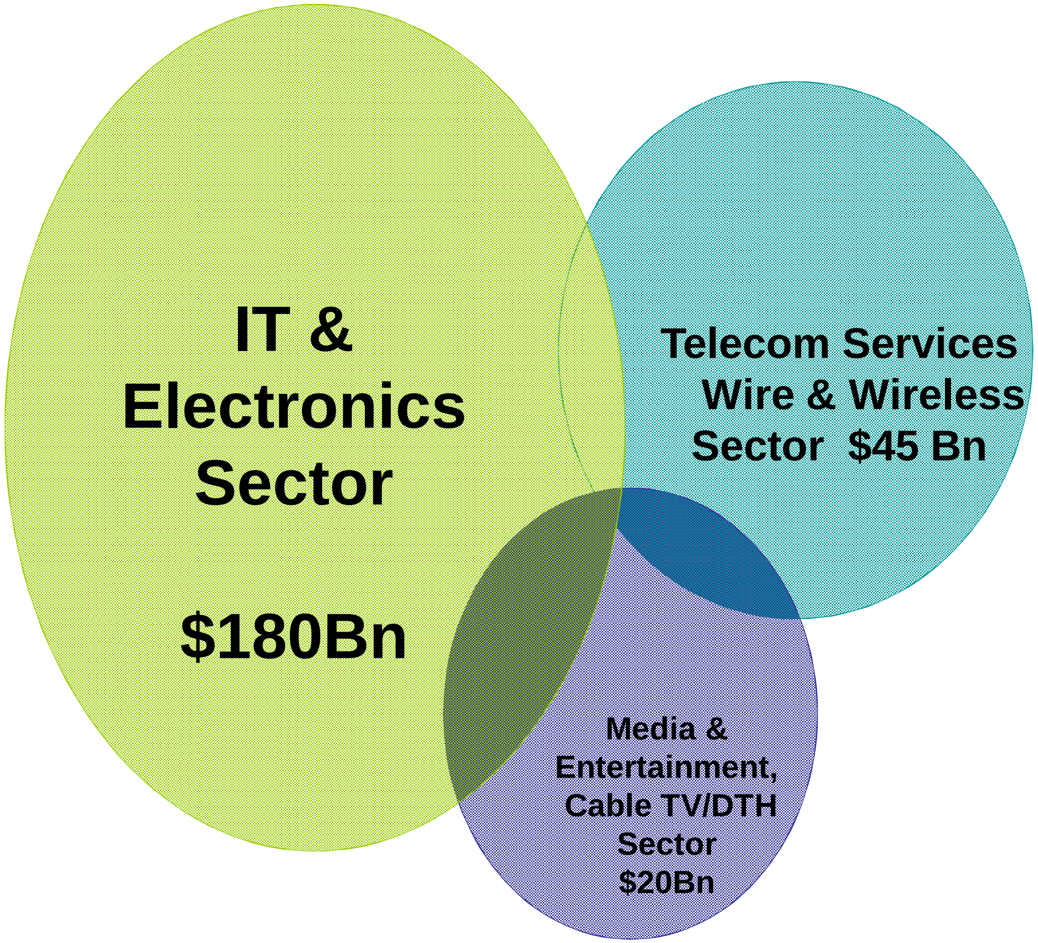
- ***BSNL & MTNL*** can leverage the ***33Mn fixed copper lines*** infra across the country by partnering with Cable TV, ISP or other service providers and earn revenue in the 70:30 ratio with out putting any Capex by BSNL & MTNL
- This ***idle infra sharing*** model by BSNL will enable Voice, Data and Video/ TV to reach every house on the same Telephone line
- The ***110 Mn Cable TV*** connections can offer the Voice, Data and Video/ TV using the proper Modems and STB's are made available to LCO's and MSO's and can reach the remote places is the country
- For ***Wireless 800 Mn*** Connectivity the Spectrum Price is the key - ***A low cost of Spectrum will lead to High Demand and Elasticity*** for the Data, Voice and Video ***services and specifically in the 700, 800 and 900 MHz spectrum band*** which are the sweet spot.
- The present Reserve Price/ MHz is on the higher side which will make the service costly and affordability will be an issue for the Rural and sub-urban citizens

RELATED INDUSTRY CONVERGENCE IN 2014

Businesses and offer Triple Play



INDIAN TELECOM ECONOMICS

	2001-2008	2010-12
Valuation/ Sub	$600- $1000	$100 - $135
Capex Cost/Sub	$150	$80 to $40
Acquisition Cost /Sub	Rs.800	Rs.1600
Churn	5%	25%
Active Subs	90%	50% - 60%
Tele-Density	Real	60% (Real) 82% (Virtual)
ARPU	$8	$3
MOU	200 Minutes	400 Minutes

CONCLUSION

- Implement & Execute all Digital related 2012 Policies
- Keep **Spectrum Auction Prices/MHz optimum** for offering low cost and affordable services to citizens with Rural as end point
- With good Economic Regulation, Policy & Technologies Convergence will create **Make In India – Digital Manufacturing & Services** businesses opportunities to Entrepreneurs
- Data & Entertainment Services will reach the **Last Mile connection** in Rural Areas on the strong Digital Infocom Infra
- New VAS business models **evolve** for e-gov, e-bus, e-commerce etc
- A win-win situation for the **Global and Indian investors**
- Indian Digital Infrastructure will form strong bonding for IT, Communications & Entertainment and provide value to all the **Stake Holders and contribute to GDP**

Thank You

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