
Comments on Consultation Paper on Tariff Issues of Telecom Services

From : Aditya Paranjpe <Aditya.Paranjpe@kloudq.com> Wed, Feb 05, 2020 03:43 PM

Subject : Comments on Consultation Paper
on Tariff Issues of Telecom
Services

To : advfea2@traf.gov.in

Cc : Rajesh Phadke
<Rajesh.Phadke@kloudq.com>

I am writing to you on behalf on Kloudq Technologies Ltd. We are a start-up company engaged in providing IOT, M2M and telematics services to a broad range of customers in the agriculture, industrial and commercial sectors.

We intend to provide comments on the consultation paper from the point of view of IOT/M2M and telematics service providers. Any steps taken by TRAI in setting a floor price for data plans will have an adverse impact on our business and on the IOT/M2M industry as a whole.

Current way of working

IOT/M2M solutions are currently being deployed for a variety of applications such as Smart meters monitoring, Agriculture smart pumps, Agriculture solar pumps, Public vehicle emergency systems (complying to ARAI AIS 140 standard). As part of the solution offering, IOT/M2M solution providers bundle mobile data packages along with the complete system. These data packages are typically long duration data packages (between 1 to 5 years). A large majority of the systems are currently on 2G network as these applications do not require a large amount of bandwidth. Many of the solutions are aimed at the bottom of the pyramid and agri applications, affordability is a very important consideration.

The overall market for IOT/M2M products is products is very competitive with the presence of several Chinese and Taiwanese players. Most of the Indian IOT/M2M solution providers are operating with very small margins if any.

Challenges

In the present situation any increase in the data prices will significantly affect the viability of the IOT/M2M business in India. The main reasons for this are:

1. **There is no provision for passing on the price increase to end customers who are operation with long duration plans. The IOT/M2M solution providers will have to absorb this price increase**
2. **The overall affordability of the system is a major purchase consideration of the customer. Any price increase will significantly affect the demand for IOT/M2M services**

As the market operates on 2G, there are only two telecom providers who are able to provide data services. Most of the IOT service providers have moved to Airtel as there is a lot of uncertainty whether Vodafone- Idea will continue its operations. The market has become almost monopolistic

Recommendations

The data plans meant for M2M/IOT applications should be kept out of the floor price regimen for the following reasons:

1. Most of the market is on 2G. This space has not witnessed the cut throat competition that has been witnessed in the 4G data plans space with the launch of Jio
2. There should be a cap on the amount of increase that should be allowed as the situation in the M2M/IOT space is virtually monopolistic
3. As many of the M2M/IOT applications such as Smart pumps, Smart meters, solar pumps and AIS 140 systems are mandatorily required by regulation, these applications should also come under the essential services mandate.

We hope our voice as an important stake holder is heard and the viability of the IOT/M2M business in India is maintained.

Regards

Aditya Paranjpe

Chief Operating Office – IOT

Kloudq Technologies Ltd,

+91 9552041377