

FROM: AERIS COMMUNICATIONS INDIA PRIVATE LIMITED

SUBJECT: RESPONSE TO CONSULTATION PAPER NO. 9/2021, DATED DECEMBER 8 2021, TITLED 'EASE OF DOING BUSINESS IN TELECOM AND BROADCASTING SECTOR' ISSUED BY TELECOM REGULATORY AUTHORITY OF INDIA

At the outset, Aeris Communications India Private Limited (“Aeris”/ “We”) appreciates and expresses its gratitude towards the Telecom Regulatory Authority of India (“TRAI”) for bringing this Consultation paper on ease of doing business in telecom and broadcasting sector (“Paper”). This paper reiterates the underlying objective of TRAI which is helping businesses in telecom and broadcasting sector through process simplification, streamlining and empowerment. We support the Authority in letter and spirit in this endeavour.

Aeris Communications India Private Limited is wholly owned subsidiary of Aeris Inc. which is a two and half decades old technology company headquartered in the Silicon Valley, United States. The Company specializes in Internet of Things (“IoT”) business. The Company through its customized IoT solutions helps enterprises in increasing revenue, operational efficiency and delighted customers. We work with businesses in telecom, manufacturing, automotive, insurance, finance and utilities. We are also pioneers in connected vehicle solutions in electric vehicles including battery management and tracking etc. Globally, Aeris deploys 14 million connected devices with app. 50,000 of these being deployed in India.

Now, coming to the paper, we have identified three (3) key issues concerning IoT sector on which we would request your kind attention. We firmly believe that these issues are critical to Government mission of ease of doing business in India from an IoT perspective.

ISSUE 1: Device cost- IoT devices are backbone for IoT solution deployments. Device cost constitutes app. 30-40% of total IoT solution cost in a given deployment. Our suggestions to streamline device cost to the TRAI are as under:

Foreign devices: For IoT deployments, devices manufactured in foreign countries are also used on a large scale. We recommend that to bring a level playing field and to promote home grown devices, foreign manufactured devices should be subject to *high import duty and applicable taxes*.

Indian devices: Many Indian start-ups and enterprises are manufacturing IoT deployment devices locally. This has gained pace post make in India program and now these enterprises are contributing positively to growth of this program. We recommend that on all such IoT devices that are manufactured in India, *GST should be reduced and other tax holidays/ subsidies should be announced*.

Chip designing: Many IoT devices are globally powered through chips designed in India and manufactured in a foreign country. In order to give impetus to this vertical, we recommend that for all such chips which are designed in India and intellectual property is based in India, *applicable duties and taxes should be reduced*.

ISSUE 2: Spectrum license cost- IoT solutions/ deployments are dependant upon using spectrum of telecom service providers. Currently, these telecom service providers pay % of their gross revenue to the Government every year as license fee. There spectrum fee is all-encompassing with no bifurcation of usage between voice enabled services, internet, mobile services and IoT deployments. We understand that there are technical barriers in having this bifurcation. High spectrum costs increase cost of IoT solutions for both business and customer. However, market research show that usage of spectrum for IoT services is very limited compared to other services. We recommend that Government should consider *reducing the spectrum licensing fee of TSPs which in turn, we believe will reduce cost of operations of IoT businesses in India.*

ISSUE 3. Regulatory regime- Department of Telecommunications (“DoT”) is the regulating body for IoT services in India. Further, DoT regularly seeks recommendations from TRAI on various issues concerning IoT sector including licensing, regulations etc. IoT in India is at a nascent stage with a huge potential for growth given the right direction and guidance from the Government. Taking a cue from broadcasting sector in which TRAI provided *minimum regulatory intervention in the beginning, we suggest TRAI should adopt a similar approach in IoT sector by recommending forbearance approach for first few years with limited regulatory intervention.* Once the sector evolves, full scale regulations should be formulated after due consultations with all stakeholders.

In the end, we would request TRAI to take our brief submissions mentioned above on record. We would be happy to work with TRAI in this direction and take part in discussions that may emanate from the responses to this consultation paper.

For Aeris Communications India Private Limited

Pranav Mahajan
Legal Counsel

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