

Entrepreneur startup of Internet Services

Launch of multiple Websites and Apps with built in inhouse OTT applications.

The views mentioned in TRAI consultation paper are contradictory, biased and against consumer interest and against interest of Digitization, Make in India Revenue and against Small Startups and Entrepreneurs level playing field and against objective of penetration of voice and data services to the masses and boost of economy with start ups Make in India, more important against revenue Revenue India and against net neutrality itself.

Mostly all website and App projects whether e-commerce or Matrimony or Property or Jobs website, Cabs, Food delivery and dining, Hotel booking, Events booking or used items classified, Gaming or even ordinary simple classified services website require OTT application platforms like Chat, Cloud Messaging, Video Call and Conferencing either built inhouse or obtained from 3rd party.

This consultation paper from TRAI will create Entry barrier to small startups and entrepreneurs by levying huge license fees for OTT used in different applications and will only strengthen monopolies of Indian and large foreign players to dominate the Indian market. Small startups and Entrepreneurs will not be able to grow as global players. They will only innovate and due to high licensing costs will be bought over by foreign players to milk Indian market.

The arguments for level playing field to Telecom Operators are seriously flawed and seems driven by Telecom Operators lobby to protect their interests and maintain their dominant lobby while creating entry barrier for other small indigenous entrepreneur players and even big foreign or domestic players. It will also hinder niche applications development and also hinder self employment opportunities and creating job opportunities for others using OTT tools. These tools of communication, Geo map location, UPI payment Integration are fundamental assets for web development and digitisation and should not be allowed to be monopolised by large companies. They are essential drivers for enabling Indian economy to jump and leap and govt should create a proper environment and infrastructure to cost effectively bring them to entrepreneurs. Agriculturists, Artisans, Handicrafts, Workers can directly market their products and services instead of going through GOVT procurement and middleman. I have seen Kashmiri craftsmen travel to Delhi to sell their carpets and punjab farmers travel to Delhi to sell their produce wheat etc directly. Large Ecom online companies are witnessing a phenomenon growth in tier I and tier II cities but they charge the suppliers a huge profit margin of 15% to 25% the revenue of which goes abroad through a backdoor FDI entry through loopholes in our law. The developer brains are mostly Indians employed by these financial power foreign enablers which sadly should have been Indian GOVT as enabler just like Chinese Govt has been in China behind its Make In china strategy earlier and now online Chinese takeover dominance strategy.

Telecom operators are collecting data tariff and OTT is provided free by OTT operators benefiting Indian consumers so how can TRAI make one sided case of level playing field against Telecom Operators when Telecom operators are already collecting data tariff. Its like saying Telecom operators should also charge money from websites whose content is displayed on their mobile networks. Tomorrow this may also be proposed and TRAI under influence of Telecom lobby float a paper towards this. There seems a strong lobby of Telecom Operators to influence TRAI to gain control and monopoly of Internet in the garb of wrong and misleading argument of Level Playing Field just like they tried to disrupt net neutrality by imposing TOLL free Internet and free Internet access partnership with large websites dominant lobby like with facebook etc. This was vehemently opposed and also Govt decided against it. So why bring the subject back with excuse of Level playing field for only Telecom Operators under continuous pressure of Cellular operators.

Why only Telecom operators be allowed to collect data plan tariff and why not OTT also be allowed to collect data tariff or get share from Telecom Operators. Why does the consultation paper over look this. Trai again and again tries on some pretext or other under lobby of Cellular operators is trying to affect net neutrality. TRAI should be prohibited from floating papers time to time to affect net neutrality. It was already decided by Govt and staus quo should be maintained that Internet data should be treated as data and content cannot be allowed to be monopolised whether in form of text chat or data call.

In fact growth of data and revenue to Telecom Operators is only because of OTT services provided by OTT operators. Has not the revenue of Telecom players grown with e-commerce, Utility payments, banking sector using SMS services commercially.

Today an Internet call has a better quality and lower drop rate than a voice call inside buildings etc where ever internet strength is good. Clearly the Telecom operators have just milked Indian consumers in the past while not invested enough or innovated enough in their networks with frequent call drops and poor in building quality. Neither have they innovated in OTT services. Now charging both voice and data revenue they want to have their cake and keep it too depriving others who believe Internet is developed for community benefit and should be freely accessed.

Why should Telecom Operators get data revenue at all in case TRAI wants to license OTT operators in similar fashions. Allow OTP operators to operate both voice and data and I am sure consumers will port to OTT operators. Jio already challenged Cellular operators high price monopoly and penetrated the market effectively with IP data calls.

TRAI should open the market with competition instead of closing it as evident from their

consultation paper arguments.

In fact govt endeavour should be to reduce licensing costs to even Telecom Operators so they can further invest in infrastructure and quality of service to consumers to make the sector more viable with affordability and achieve higher penetration of voice and data service and economy growth.

Telecom Operators should be content with revenue from voice and data instead of being threatened by OTT players who are actually their OTT drivers of revenue from data.

Trai would only be killing Telecom Operators tariff growth from data revenue stream by licensing data ott operators seperately puting burden on consumers which will be against consumer interest.

Decline of SMS service due to unfair and heavy charges by Telecom Operators allowed by TRAI is an example how TRAI acted in Telecom Operator interest against consumer interest.

In fact to give boost to economy and growth of internet and digitisation GOVT should not allow creating monopolies and should not allow creating entry barrier to startups, small SMEe and Entrepreneurs.

Internet was a luxury and charged heavily when it was a monopoly with VSNL, BSNL and MTNL and also high licensing cost never allowed Telecom operators to mass penetrate data at affordable level to Indian masses and small business start ups. Even SMS integration with small start up websites was charged heavily by Telecom operators like Bharti Telecom Aitel at exorbitant price. The scenerio has been changed with OTT operators.

We are today talking of mobile as our bank and unfortunately there were oppressive regulations imposed by Telecom Operators and allowed by TRAI. One alarming example was of Transit labourers being forced to forego their mobile numbers when they visited their villages. They were unable to regularly recharge or maintain minimum balance with oppressive conditions imposed on them to maintain minimum balance and timely recharge or they will loose their number. They had to take a new number when they return from villages and they lost contact with their customers. While we brought in zero balance bank account and made mobile as their banking wallet TRAI and GOVT overlooked such an important and sensitive issue of loosing mobile number due to unfair and unethical conditions imposed on poor consumers. Deduction from main balance for roaming, sms etc vas services also fleeced consumers heavily. TRAI only woke up after frequent complaints. Voting high SMS cost was another misuse and high SMS cost on holidays was another unethical misuse allowed by TRAI under Cellular lobby. All this resulted in customers abandoning sms and today this space is taken over by OTT Operators and totally free of cost.

Govt , TRAI and Telecom Operators should not look upon Telecom as cash cow for milking Tax revenue but a growth accelerator of economy and give equal opportunity for small entrepreneur and start ups without creating entry barriers for them. They can wire up and connect India and world with innovative OTT applications, e-commerce and give a run of money to International giants like facebook, google, microsoft, Alibaba, Walmart, Amazon,

Facebook, Uber etc. These companies unfortunately did not innovate many popular OTT applications but only took over some of them to maintain their monopoly with their large financial strength and buying power. Their lobby with TRAI is doing just that to create entry barrier to small start ups to curb competition so their position is not threatened.

It is unfortunate that Govt did not provide a backbone of Web hosting infrastructure environment, high speed internet , GPS map services, SMS services,low cost payment gateway as banks wanted to fleece entrepreneur startups and never bothered to develop UPI or popularise IMPS MMID earlier and even today improved version UPI integration Bheem , Rupay is not offered to small startups, even NPCI does not encourage startups to integrate Bheem

UPI and rupay gateway.Aadhar interface was not provided to startups to authenticate users for even matrimony websites which Maneka Gandhi talked about that users should be authenticated but never went beyond that to provide aadhar interface. However unfortunately aadhar interface is now debarred by Hon' Supreme Court. Otherwise true indigeneous ventures would have blosomed taking Make In India and digitisation India to new heights. Rather than Make In India more important is Make in india Revenue to remain in India instead of 15% to 25% revenue going abroad to foreign entities milking the Indian market. A stark glaring example is foreign funded Cab Service who charge high commision of 25% from Indian drivers and also pay to Google for Google map tracking requests. Wallet opportunity has already been monopolised by large foreign funded players and is already out of reach of small startups.

So is utility payments as payment gateway costs are very high for startups to bear.

What is the point of India launching 141 satellites when we cant provide our indigeneous Map service to our transport sector and save revenue from going abroad.

Another example is Airbnb and OYO who with very thin assets have grown through their innovative ideas.

Unnecessary regulatory environment is prohibitive to growth and against consumer interests. Foreign players push through unregulated markets in India and once they attain dominance force GOVT to regulate the market to prevent smaller players to emerge with their innovative ideas.

Unfortunately GST though good but has been impractically laid down and implemented for ecommerce and has already raised entry barrier for small startups and entrepreneurs by not exempting them from GST registration based on turnover limit and GST TCS further has made it

impractical, illogical and ridiculous for them to register in 33 Indian states, open an office or appoint agents to deposit TCS.

Any Internet platform e-commerce or otherwise is mostly targeted all India leave alone wanting to reach global markets. It is ironical it is being restrictive in India itself where our slogans are make in India, digitization and our goal is to reach global market eventually.

I lost one year to understand the complex GST system and to make my multi websites compatible before doing a commercial launch with GST HSN and SAC codes, input credit in different sectors and frequently changing rules for restaurant gst slab and input credit , Uncertainty about Hotel invoice value GST or Hotel published tariff gst slab. Even now I cant launch due to TCS being implemented with registration in all 33 states and tax to be deposited separately for each state with either opening an office or appointing agent there.

Now this OTT licensing entry barrier is emerging. Clearly in SWOT analysis External Threat due to impractical regulation by Govt is the biggest threat and impediment to small startups in India. No wonder there is brain drain from India which developed countries benefit from as startup Business in India is not practically made easy for small ventures.

Even big giants like amazon , flipkart, paytm, snapdeal which are funded from abroad protested against TCS not to mention the concerns and voice of small startups which always go unheard.

I repeat to boost small indigenous players they should get exemption from tedious GST registration and even if there is registration they should be exempt from TCS. GST TCS itself should be centralised registration and Tax deposit done centrally in registered state based on turnover limit instead of being done in every Indian state separately. This only defeats one India one Tax and indigenous digitisation.

Today if you examine internet commerce world we see only foreign funded players who have bypassed FDI regulations and taken over Indian economy through backdoor. Its East India Company takeover history being repeated and GOVT is just happy about marginal increase of tax payers and tax amount collected going up marginally and oblivious of how much revenue being lost outside instead of remaining with India and developing our economy.

To return to the topic. TRAI should not be allowed to mess with net neutrality and OTT applications and burden them with entry barriers of huge licensing costs. You will be just playing into the hands of Telecom operators and large OTT foreign companies and curb development of Indigenous small start ups who can grow big as global players instead of forced to sell their innovations to large foreign players.

I Hope Govt realises that like farmers Indias major strength is indigenous IT industry which will create jobs and drive and fuel growth and job employment in all industries. There should be exemption for startup ventures for all licensing requirements and fees and GST for ecom startup. Even a small country like Gabon understands that to make Business Easy practically in its small country.

You have to nurture the cow before you want to milk it.

Rajeev Sharma
M: 9810744101
rajshardel@gmail.com