

**Industry mobile subscriber additions have risen by over 3x in 2HFY17...**

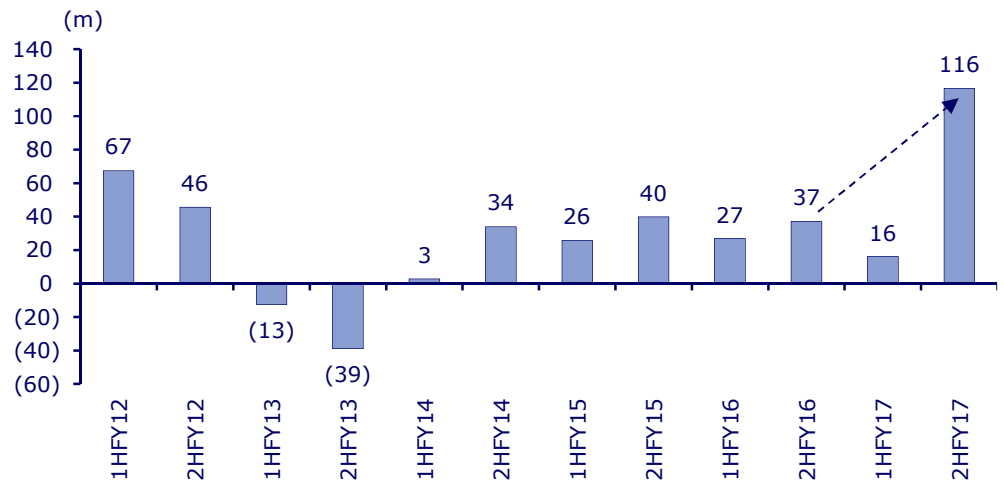
**... led by Jio's free services**

**Despite Jio's high additions, top-3 operators have also seen 12% YoY rise in additions during 2HFY17...**

**... implying a rise in multi-simming**

Figure 1

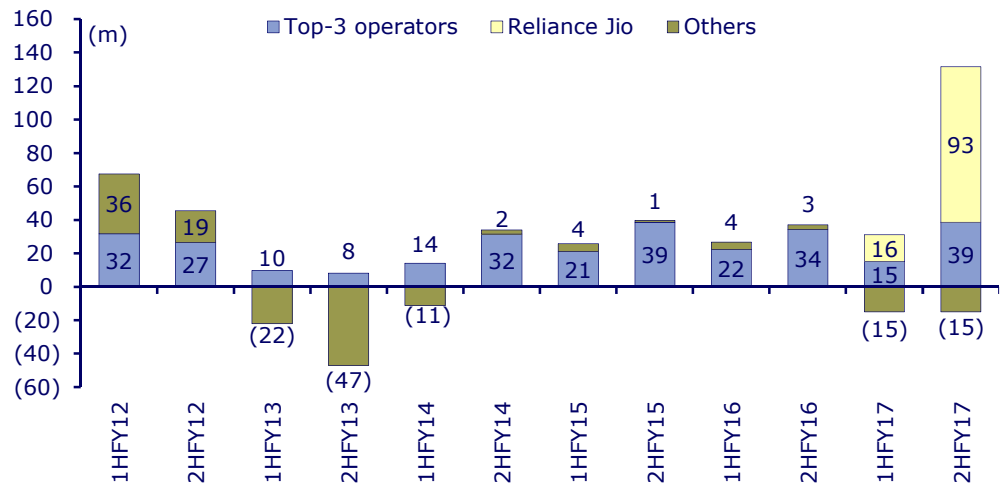
**Trend in mobile subscriber additions for the industry**



Source: TRAI, COAI, AUSPI, CLSA

Figure 2

**Operator group-wise industry subscriber additions**

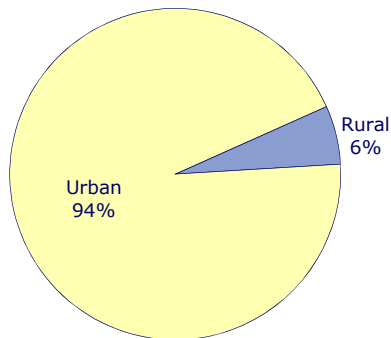


Source: TRAI, COAI, AUSPI, CLSA

Figure 3

**Bulk of Jio's subscribers has come from urban areas...**

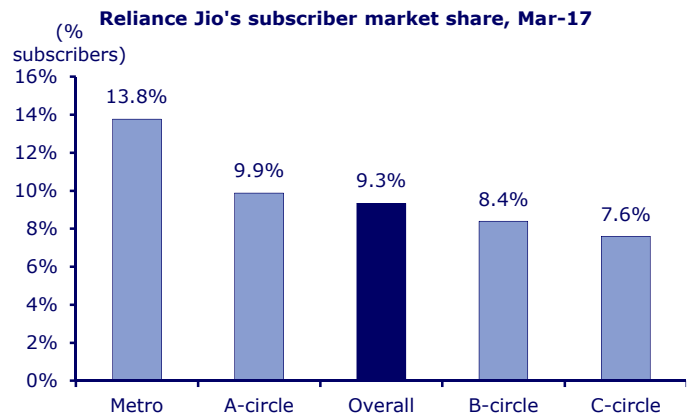
**Reliance Jio's subscriber split , Dec-16**



Source: CLSA

Figure 4

**Jio has gained higher share in metros and A-circles**

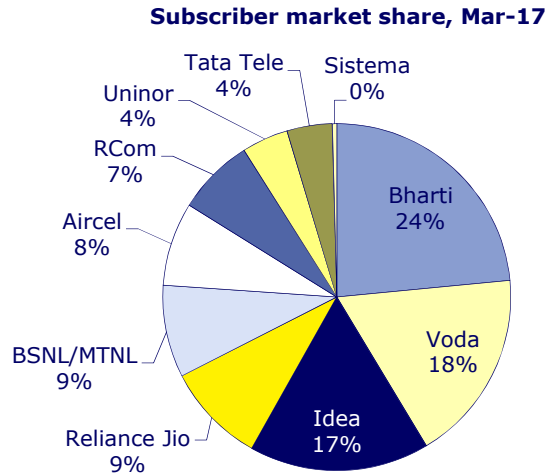


Source: TRAI, CLSA

**Reliance Jio is currently the fourth largest operator by subscribers**

Figure 5

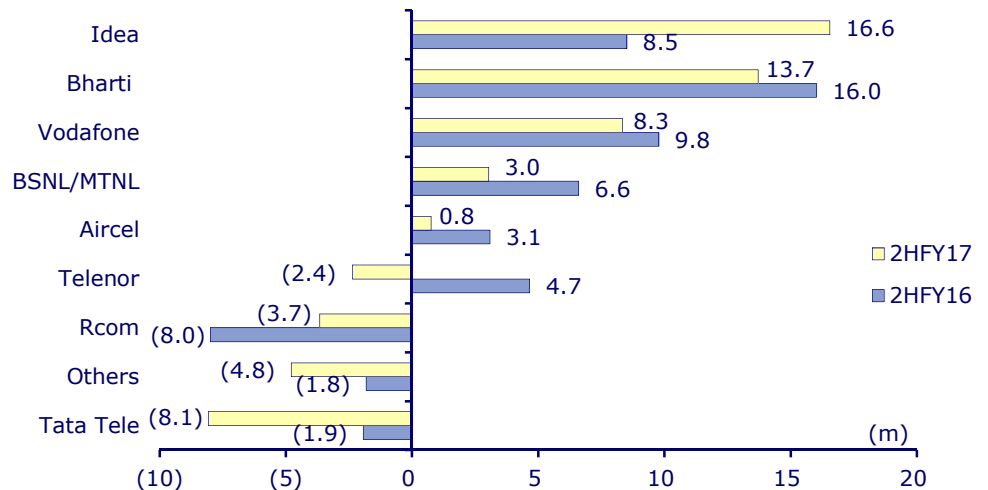
**58% of industry subscribers are with the Top-3 operators**



Source: COAI, AUSPI, Reliance Jio, CLSA

Figure 6

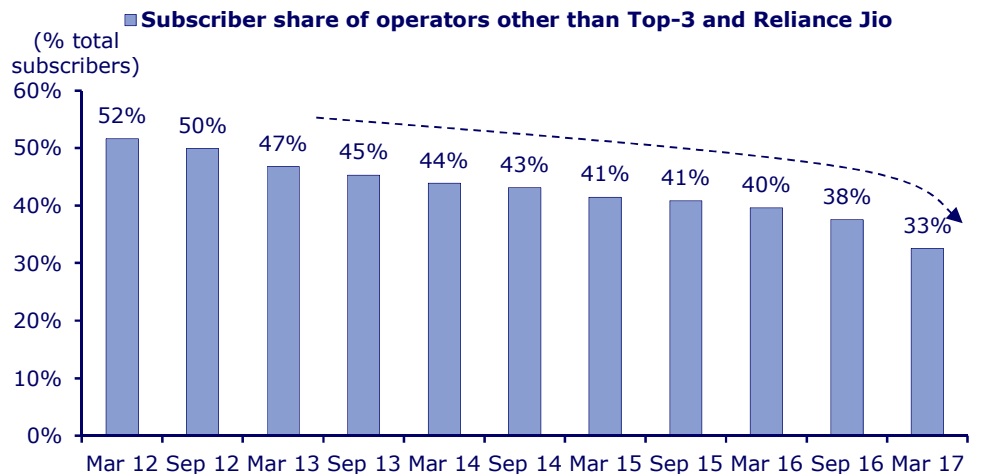
**Operator-wise subscriber additions**



Source: CLSA

Figure 7

**Smaller operators are consistently losing subscriber market share**



Source: TRAI, AUSPI, COAI, CLSA

**Industry consolidation has accelerated with smaller operators losing 5ppt market share during 2HFY17**

**Rising multi-simming and operators' reluctance to disconnect dormant subscribers is driving up share of inactive subscribers**

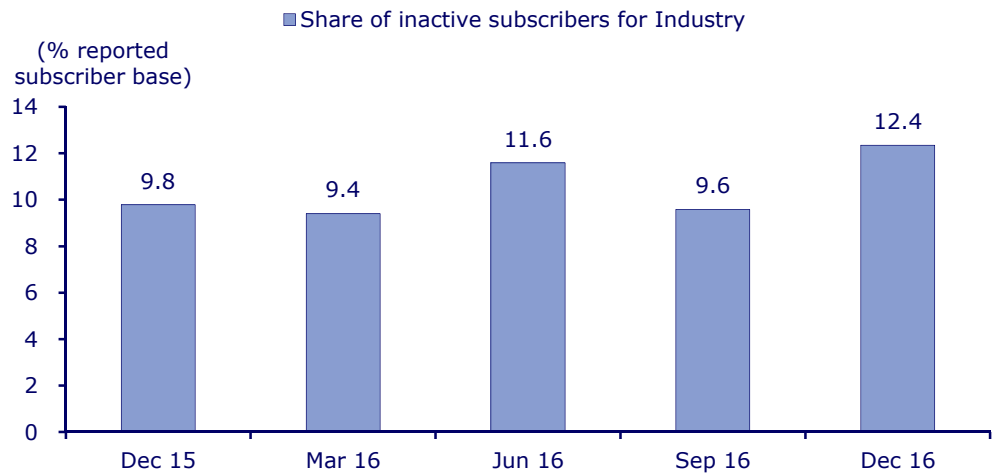
**Top-3 operators have lower share of inactive subscribers...**

**... and are primary service providers for their multi-SIM subscribers**

**Being the primary service provider will be key to higher Arpus for operators**

Figure 8

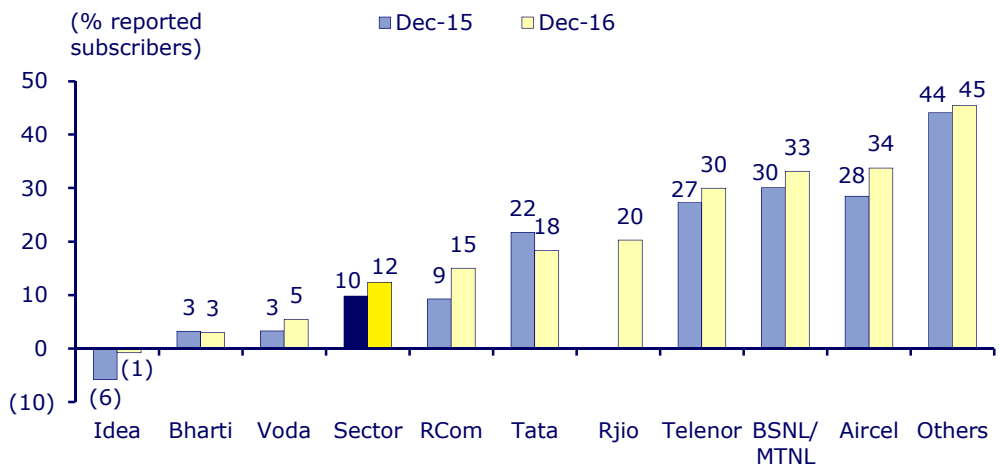
**Share of inactive subscribers for the industry has increased**



Source: TRAI, CLSA

Figure 9

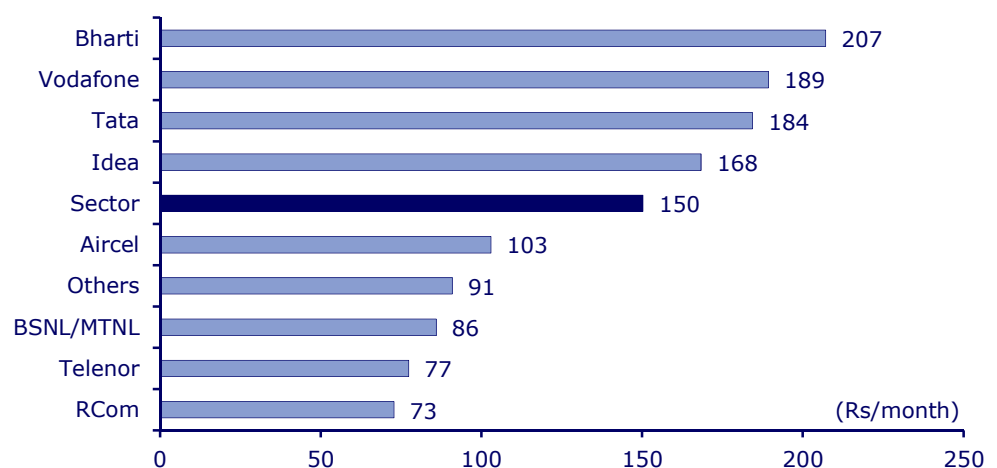
**Operator-wise share of inactive subscribers in reported subscriber base**



Source: TRAI

Figure 10

**Operator-wise mobile Arpus, 9MFY17**



Source: TRAI, CLSA



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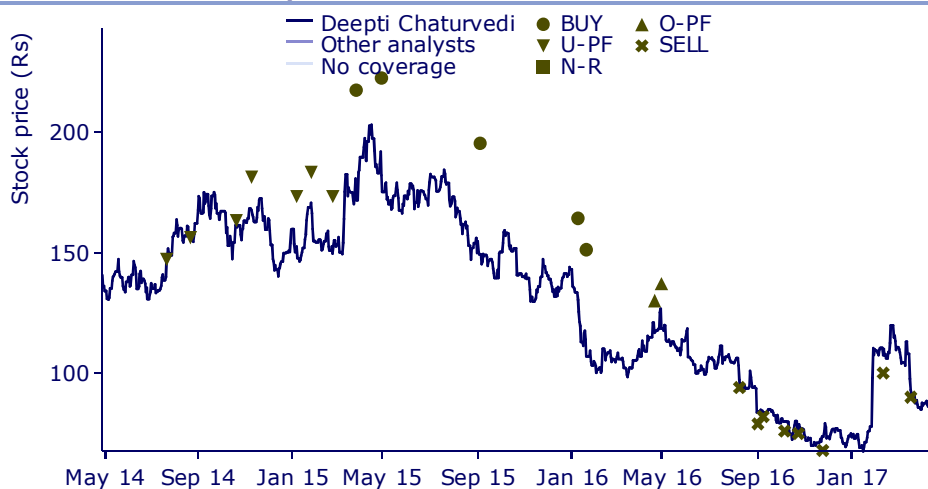
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- MTNL (N-R)
- Reliance Comm (RCOM IB - RS34.7 - SELL)
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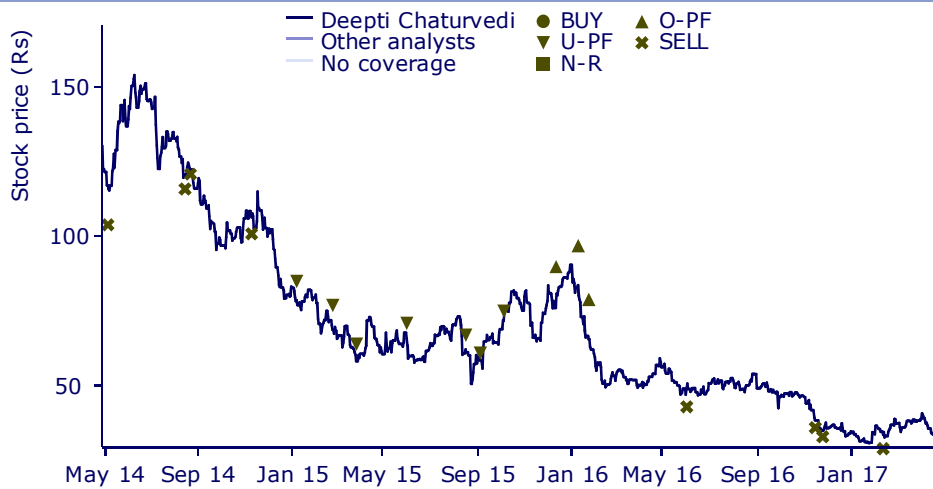
**Recommendation history of Idea Cellular Ltd IDEA IB**



Date	Rec	Target	Date	Rec	Target
21 Mar 2017	SELL	90.00	11 Jan 2016	BUY	164.00
13 Feb 2017	SELL	100.00	05 Sep 2015	BUY	195.00
26 Nov 2016	SELL	68.00	29 Apr 2015	BUY	222.00
25 Oct 2016	SELL	75.00	27 Mar 2015	BUY	217.00
07 Oct 2016	SELL	76.00	24 Feb 2015	U-PF	173.00
09 Sep 2016	SELL	82.00	27 Jan 2015	U-PF	183.00
02 Sep 2016	SELL	79.00	08 Jan 2015	U-PF	173.00
09 Aug 2016	SELL	94.00	10 Nov 2014	U-PF	181.00
29 Apr 2016	O-PF	137.00	21 Oct 2014	U-PF	163.00
20 Apr 2016	O-PF	130.00	22 Aug 2014	U-PF	156.00
22 Jan 2016	BUY	151.00	22 Jul 2014	U-PF	147.00

Source: CLSA

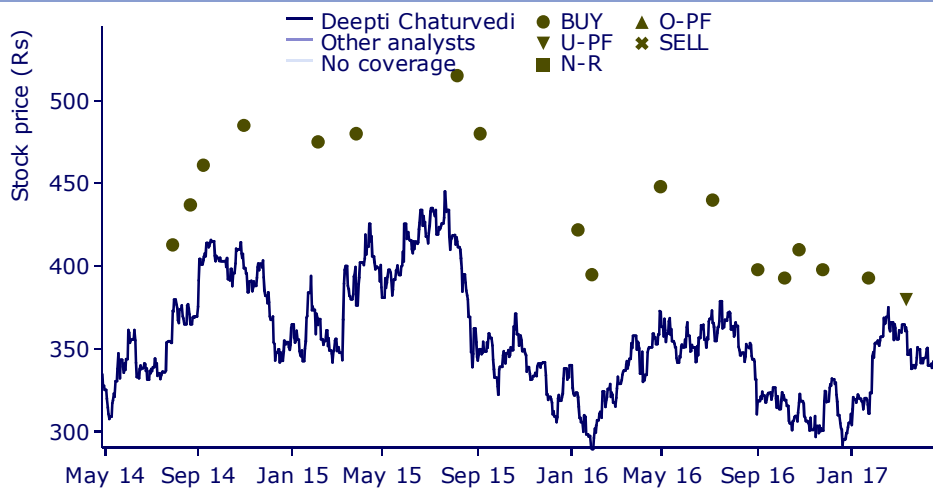
**Recommendation history of Reliance Communications Ltd RCOM IB**



Date	Rec	Target	Date	Rec	Target
13 Feb 2017	SELL	29.00	17 Aug 2015	U-PF	67.00
26 Nov 2016	SELL	33.00	01 Jun 2015	U-PF	71.00
16 Nov 2016	SELL	36.00	27 Mar 2015	U-PF	64.00
01 Jun 2016	SELL	43.00	24 Feb 2015	U-PF	77.00
25 Jan 2016	O-PF	79.00	08 Jan 2015	U-PF	85.00
11 Jan 2016	O-PF	97.00	10 Nov 2014	SELL	101.00
13 Dec 2015	O-PF	90.00	22 Aug 2014	SELL	121.00
06 Oct 2015	U-PF	75.00	15 Aug 2014	SELL	116.00
05 Sep 2015	U-PF	61.00	06 May 2014	SELL	104.00

Source: CLSA

**Recommendation history of Bharti Airtel Ltd BHARTI IS**



Date	Rec	Target	Date	Rec	Target
15 Mar 2017	U-PF	380.00	11 Jan 2016	BUY	422.00
25 Jan 2017	BUY	393.00	05 Sep 2015	BUY	480.00
26 Nov 2016	BUY	398.00	06 Aug 2015	BUY	515.00
26 Oct 2016	BUY	410.00	27 Mar 2015	BUY	480.00
07 Oct 2016	BUY	393.00	05 Feb 2015	BUY	475.00
02 Sep 2016	BUY	398.00	31 Oct 2014	BUY	485.00
05 Jul 2016	BUY	440.00	08 Sep 2014	BUY	461.00
28 Apr 2016	BUY	448.00	22 Aug 2014	BUY	437.00
29 Jan 2016	BUY	395.00	30 Jul 2014	BUY	413.00

Source: CLSA

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