

# GSM Subscriber Update

April – 2007

Sector: Telecommunication

## Incumbents – The party poopers

Below is our take on the GSM mobile subscriber net additions for the month of April 2007 released by the Cellular Operators' Association of India (COAI). But one must keep in mind that a more complete picture of India's total mobile subscriber additions will only be available after the release of the CDMA numbers, which typically come with a few days' lag.

### Exhibit 1: GSM Net subscriber additions (In absolute numbers)

	Mar'06	Apr'06	Mar'07	Apr'07	% MoM	% YoY
Bharti Airtel	1,129,134	1,104,694	1,700,804	1,751,096	3.0	58.5
BSNL	1,097,863	426,944	1,984,613	326,973	(83.5)	(23.4)
Hutch	829,979	701,211	1,098,659	1,261,196	14.8	79.9
IDEA	361,409	274,343	370,551	552,655	49.1	101.4
Aircel/Dishnet Wireless	147,505	218,923	419,627	413,465	(1.5)	88.9
Reliance	103,905	105,865	236,876	-	-	-
Spice Communications	113,137	51,166	150,372	85,771	(43.0)	67.6
MTNL	221,345	76,489	167,992	(263,017)	(256.6)	(443.9)
BPL Cellular	494	(29,970)	5,035	6,232	23.8	(120.8)
<b>All India (Total GSM)</b>	<b>69,193,321</b>	<b>72,122,986</b>	<b>121,431,166</b>	<b>125,565,537</b>	<b>3.4</b>	<b>74.1</b>
<b>Additions - MoM</b>	<b>4,004,771</b>	<b>2,929,665</b>	<b>6,134,529</b>	<b>4,134,371</b>	<b>(32.6)</b>	<b>41.1</b>

Source: Cellular Operators' Association of India.

## Analysis

- Net adds slowdown due to the new-year PSU effect:** Overall, the all India total GSM subscriber base increased by 3.40% (MoM) to 125.56 mn. But the net additions for the month of April 2007 have declined by 32.1% (MoM) to 4.13 mn (from 6.13 mn in March 2007). This is largely on account of BSNL.
- The new-year PSU effect:** BSNL added only 0.32 mn in April 2007 over 1.98 mn in March 2007. A similar trend was also observed in the other public sector company MTNL, which saw its MoM net new subscriber base decline by 0.26 mn (from an addition of 0.16 mn in March 2007). This is a yearly trend that can be explained by the fact that bulk of their subscriber additions happen in March as they rush to meet year-end targets. Further the first half is usually lack-lustre as the process of equipment procurement, clearances, network build out, etc take place during this period.

### Exhibit 2: Why have net addition been lower in April 2007 ?

Operators	Mar'07	Apr'07	Incr/(Dec)
BSNL	1,984,613	326,973	(1,657,640)
MTNL	167,992	(263,017)	(431,009)
Dishnet Wireless/ Aircel	419,627	413,465	(6,162)
Spice	150,372	85,771	(64,601)
<b>All India net subscriber adds</b>	<b>6,134,529</b>	<b>4,134,371</b>	<b>(2,000,158)</b>

Source: Cellular Operators' Association of India.

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- **Bharti:** The market leader Bharti registered a growth of 3% MoM (58.5% YoY) with a net addition of 1.75 mn (as against 1.70 mn in March 2007), gaining subscribers from the relatively less competitive 'C' circles of Assam (11.6%), North East (11.7%) and West Bengal (10.0%).
- **Reliance:** Reliance, the other national player, registered no change in net additions at 4.37 mn. We believe Reliance may not have reported its numbers yet and that COAI would therefore have been forced to carry forward the same from March 2007.
- **Idea:** Idea registered a strong percentage increase of 49.1% (MoM) to 0.55 mn particularly from Himachal Pradesh (26.8% MoM), Uttar Pradesh (E) (12.6%) and Rajasthan (11.6%). Given Idea's plans of further enhancing its presence across India, the positive trend in incremental subscriber base will play a critical role in determining its success.
- **BPL:** BPL's net subscriber addition has been a poor 6,232 in absolute terms. It is in the sell-out phase, with only one remaining circle - Mumbai. Hence, it is most unlikely that BPL will invest more into the business, leading to continued poor subscriber additions.

## Exhibit 3: GSM numbers in detail

(In absolute numbers)

Category	City/Circle	Operators	Mar'06	Apr'06	Mar'07	Apr'07	% MoM	% YoY
<b>Hutch</b>								
Metro	Bombay	Hutchison Essar	2,003,469	2,050,456	2,466,570	2,530,797	2.6	23.4
Metro	Delhi	Hutchison Essar	1,879,226	1,895,895	2,368,491	2,397,493	1.2	26.5
Metro	Calcutta	Hutchison Telecom	1,004,531	1,029,406	1,273,675	1,313,439	3.1	27.6
Metro	Chennai	Hutchison Essar	436,405	458,519	710,116	740,129	4.2	61.4
A' Circle	Gujarat	Fascel	2,257,450	2,433,621	4,155,274	4,310,826	3.7	77.1
A' Circle	A.P.	Hutchison Essar	848,296	879,903	1,490,871	1,556,088	4.4	76.8
A' Circle	Karnatka	Hutchison Essar	1,088,763	1,158,835	1,697,869	1,753,693	3.3	51.3
B' Circle	Punjab	Hutchison Essar	658,923	680,912	1,165,080	1,225,426	5.2	80.0
B' Circle	Haryana	Aircel Digilink	373,801	368,020	771,464	832,338	7.9	126.2
B' Circle	U.P.(E)	Aircel Digilink	1,392,498	1,483,758	2,743,715	2,876,733	4.8	93.9
B' Circle	Rajasthan	Aircel Digilink	601,292	641,354	1,471,667	1,566,873	6.5	144.3
B' Circle	UP (W)	Hutchison Essar	613,413	664,746	1,665,150	1,774,251	6.6	166.9
B' Circle	W B	Hutchison Telecom	505,245	540,533	1,430,226	1,512,271	5.7	179.8
A' Circle	Maharashtra	Hutchison Essar	733,754	770,579	1,134,433	1,199,991	5.8	55.7
A' Circle	T.N.	Hutchison Essar	500,242	526,331	1,029,328	1,179,428	14.6	124.1
B' Circle	Kerala	Hutchison Essar	463,700	479,351	867,909	933,258	7.5	94.7
<b>Total</b>			<b>15,361,008</b>	<b>16,062,219</b>	<b>26,441,838</b>	<b>27,703,034</b>	<b>4.8</b>	<b>72.5</b>
<b>Additions - MoM</b>			<b>829,979</b>	<b>701,211</b>	<b>1,098,659</b>	<b>1,261,196</b>	<b>14.8</b>	<b>79.9</b>
<b>Bharti</b>								
Metro	Delhi	Bharti Airtel	2,074,987	2,110,457	3,039,225	3,095,807	1.9	46.7
Metro	Mumbai	Bharti Airtel	1,232,502	1,278,571	1,859,228	1,893,564	1.8	48.1
Metro	Calcutta	Bharti Airtel	643,291	647,041	1,047,016	1,105,507	5.6	70.9
Metro	Chennai	Bharti Airtel	669,065	715,304	1,020,973	1,079,400	5.7	50.9
A' Circle	A.P.	Bharti Airtel	1,808,121	1,894,358	3,609,618	3,803,109	5.4	100.8
A' Circle	Karnatka	Bharti Airtel	2,132,204	2,242,067	4,275,556	4,483,882	4.9	100.0
A' Circle	T.N.	Bharti Airtel	902,352	983,669	2,007,887	2,138,607	6.5	117.4
A' Circle	Maharashtra	Bharti Airtel	1,313,923	1,409,198	2,538,185	2,684,361	5.8	90.5
A' Circle	Gujarat	Bharti Airtel	859,423	908,014	1,585,887	1,638,962	3.3	80.5
B' Circle	Punjab	Bharti Airtel	1,678,683	1,799,193	2,602,027	2,629,553	1.1	46.2
B' Circle	UP (W)	Bharti Airtel	549,369	607,250	1,021,217	1,054,042	3.2	73.6
B' Circle	Haryana	Bharti Airtel	423,387	452,059	776,946	797,173	2.6	76.3
B' Circle	M.P.	Bharti Airtel	503,297	521,472	1,387,537	1,459,545	5.2	179.9
B' Circle	Kerala	Bharti Airtel	610,772	622,548	982,250	1,019,644	3.8	63.8
C' Circle	H.P.	Bharti Airtel	357,382	367,165	545,635	579,977	6.3	58.0
B' Circle	Rajasthan	Bharti Airtel	1,023,163	1,026,128	1,800,356	1,915,400	6.4	86.7
B' Circle	UP (E)	Bharti Airtel	639,234	722,499	1,591,135	1,632,294	2.6	125.9
B' Circle	WB	Bharti Airtel	309,234	351,132	815,644	897,338	10.0	155.6
C' Circle	J & K	Bharti Airtel	261,214	267,597	533,590	560,328	5.0	109.4
C' Circle	Orissa	Bharti Airtel	457,734	476,302	915,619	988,000	7.9	107.4
C' Circle	Bihar	Bharti Airtel	907,913	1,015,252	2,302,105	2,449,528	6.4	141.3
C' Circle	Assam	Bharti Airtel	180,405	213,439	609,530	680,058	11.6	218.6
C' Circle	NE	Bharti Airtel	41,553	53,187	274,044	306,227	11.7	475.8
<b>Total</b>			<b>19,579,208</b>	<b>20,683,902</b>	<b>37,141,210</b>	<b>38,892,306</b>	<b>4.7</b>	<b>88.0</b>
<b>Additions - MoM</b>			<b>1,129,134</b>	<b>1,104,694</b>	<b>1,700,804</b>	<b>1,751,096</b>	<b>3.0</b>	<b>58.5</b>

Source: COAI (Cellular Operators' Association of India).

Category	City/Circle	Operators	Mar'06	Apr'06	Mar'07	Apr'07	% MoM	% YoY
<b>BPL</b>								
A' Circle	Maharashtra	BPL Cellular	-	-	-	-	-	-
A' Circle	T.N.	BPL Cellular	-	-	-	-	-	-
B' Circle	Kerala	BPL Cellular	-	-	-	-	-	-
Metro	Bombay	BPL Mobile	1,337,598	1,307,628	1,070,853	1,077,085	0.6	(17.6)
		<b>Total</b>	<b>1,337,598</b>	<b>1,307,628</b>	<b>1,070,853</b>	<b>1,077,085</b>	<b>0.6</b>	<b>(17.6)</b>
		<b>Additions - MoM</b>	<b>494</b>	<b>(29,970)</b>	<b>5,035</b>	<b>6,232</b>	<b>23.8</b>	<b>(120.8)</b>
<b>IDEA</b>								
A' Circle	Maharashtra	IDEA cellular	1,782,041	1,847,979	2,875,315	2,971,486	3.3	60.8
A' Circle	Gujarat	IDEA cellular	1,025,265	1,097,504	1,703,720	1,781,657	4.6	62.3
A' Circle	A.P.	IDEA cellular	934,541	969,761	1,801,024	1,884,539	4.6	94.3
B' Circle	M.P.	IDEA cellular	728,520	763,142	1,578,382	1,646,709	4.3	115.8
Metro	Delhi	IDEA cellular	866,966	869,115	1,447,690	1,467,727	1.4	68.9
B' Circle	Kerala	IDEA Mobile Com	796,354	815,306	1,546,982	1,620,961	4.8	98.8
B' Circle	Haryana	IDEA Mobile Com	311,602	322,301	843,767	847,957	0.5	163.1
B' Circle	U.P.(W)	IDEA Mobile Com	920,697	954,882	1,562,282	1,609,504	3.0	68.6
B' Circle	UP E	IDEA Telecommunications	246	403	342,776	385,805	12.6	95633.3
B' Circle	Rajasthan	IDEA Telecommunications	162	285	291,637	325,331	11.6	114051.2
C' Circle	HP	IDEA Telecommunications	39	98	16,976	21,530	26.8	21869.4
		<b>Total</b>	<b>7,366,433</b>	<b>7,640,776</b>	<b>14,010,551</b>	<b>14,563,206</b>	<b>3.9</b>	<b>90.6</b>
		<b>Additions - MoM</b>	<b>361,409</b>	<b>274,343</b>	<b>370,551</b>	<b>552,655</b>	<b>49.1</b>	<b>101.4</b>
<b>Spice</b>								
A' Circle	Karnatka	Spice Commns.	432,067	441,966	816,872	852,566	4.4	92.9
B' Circle	Punjab	Spice Commns.	1,501,341	1,542,608	1,912,084	1,962,161	2.6	27.2
		<b>Total</b>	<b>1,933,408</b>	<b>1,984,574</b>	<b>2,728,956</b>	<b>2,814,727</b>	<b>3.1</b>	<b>41.8</b>
		<b>Additions - MoM</b>	<b>113,137</b>	<b>51,166</b>	<b>150,372</b>	<b>85,771</b>	<b>(43.0)</b>	<b>67.6</b>
<b>Reliance</b>								
Metro	Kolkata	Reliance Internet	49,551	70,849	333,189	333,189	0.0	370.3
B' Circle	M.P.	Reliance Telecom	529,146	540,434	1,022,560	1,022,560	0.0	89.2
B' Circle	W.B.	Reliance Telecom	260,760	291,469	577,405	577,405	0.0	98.1
C' Circle	H.P.	Reliance Telecom	63,027	63,052	172,822	172,822	0.0	174.1
C' Circle	Bihar	Reliance Telecom	510,396	514,186	1,120,530	1,120,530	0.0	117.9
C' Circle	Orissa	Reliance Telecom	203,759	215,376	508,804	508,804	0.0	136.2
C' Circle	Assam	Reliance Telecom	205,672	224,455	440,693	440,693	0.0	96.3
C' Circle	N.E.	Reliance Telecom	81,717	90,072	171,590	171,590	0.0	90.5
		<b>Total</b>	<b>1,904,028</b>	<b>2,009,893</b>	<b>4,347,593</b>	<b>4,347,593</b>	<b>0.0</b>	<b>116.3</b>
		<b>Additions - MoM</b>	<b>103,905</b>	<b>105,865</b>	<b>236,876</b>	<b>-</b>	<b>(100.0)</b>	<b>(100.0)</b>
<b>Aircel</b>								
Metro	Chennai	Aircel Cellular Ltd	712,291	735,434	1,166,276	1,223,612	4.9	66.4
A' Circle	TN	Aircel Ltd	1,684,267	1,780,040	2,902,557	3,065,765	5.6	72.2
B' Circle	W.B.	Dishnet Wireless	27,709	39,904	138,742	154,652	11.5	287.6
C' Circle	Assam	Dishnet Wireless	68,808	101,555	666,951	734,035	10.1	622.8
C' Circle	Orissa	Dishnet Wireless	35,537	64,191	202,958	239,503	18.0	273.1
C' Circle	N.E.	Dishnet Wireless	57,388	71,019	308,339	352,817	14.4	396.8
C' Circle	J & K	Dishnet Wireless	25,714	38,494	94,457	101,299	7.2	163.2
C' Circle	Bihar	Dishnet Wireless	-	-	27,080	45,456	67.9	-
C' Circle	HP	Dishnet Wireless	-	-	7,107	10,793	51.9	-
		<b>Total</b>	<b>2,611,714</b>	<b>2,830,637</b>	<b>5,514,467</b>	<b>5,927,932</b>	<b>7.5</b>	<b>109.4</b>
		<b>Additions - MoM</b>	<b>147,505</b>	<b>218,923</b>	<b>419,627</b>	<b>413,465</b>	<b>(1.5)</b>	<b>88.9</b>

Source: COAI (Cellular Operators' Association of India).

Category	City/Circle	Operators	Mar'06	Apr'06	Mar'07	Apr'07	% MoM	% YoY
<b>MTNL</b>								
Metro	Delhi	MTNL	936,146	967,470	1,331,428	1,043,279	(21.6)	7.8
	Mumbai	MTNL	1,005,009	1,050,174	1,415,386	1,440,518	1.8	37.2
		<b>Total</b>	<b>1,941,155</b>	<b>2,017,644</b>	<b>2,746,814</b>	<b>2,483,797</b>	<b>(9.6)</b>	<b>23.1</b>
		<b>Additions - MoM</b>	<b>221,345</b>	<b>76,489</b>	<b>167,992</b>	<b>(263,017)</b>	<b>(256.6)</b>	<b>(443.9)</b>
<b>BSNL</b>								
Metro	Kolkata	BSNL	430,646	447,604	620,909	634,285	2.2	41.7
Metro	Chennai	BSNL	578,191	582,704	787,489	806,019	2.4	38.3
C Circle	Bihar	BSNL	927,557	952,933	1,267,858	1,265,967	(0.1)	32.8
A' Circle	TN	BSNL	1,465,000	1,515,044	2,071,200	2,073,515	0.1	36.9
	Maharashtra	BSNL	1,134,249	1,139,242	2,243,064	2,269,957	1.2	99.3
	Gujarat	BSNL	899,205	901,310	1,114,338	1,214,578	9.0	34.8
	AP	BSNL	1,246,499	1,246,514	1,846,646	1,832,776	(0.8)	47.0
	Karnataka	BSNL	1,284,887	1,296,459	1,780,654	1,756,802	(1.3)	35.5
	Kerala	BSNL	1,604,180	1,618,701	1,953,540	1,958,240	0.2	21.0
	Punjab	BSNL	371,756	375,778	1,130,093	1,169,504	3.5	211.2
	Haryana	BSNL	485,783	488,911	955,077	1,015,001	6.3	107.6
	UP (W)	BSNL	943,776	963,826	1,386,420	1,394,226	0.6	44.7
	UP (E)	BSNL	1,609,488	1,629,549	2,828,730	2,814,328	(0.5)	72.7
	Rajasthan	BSNL	1,099,415	1,158,599	2,051,224	2,110,908	2.9	82.2
	MP	BSNL	471,839	512,696	1,231,773	1,251,242	1.6	144.1
	WB and A & N	BSNL	716,634	755,906	1,096,939	1,110,532	1.2	46.9
	HP	BSNL	220,134	225,903	503,184	475,803	(5.4)	110.6
	Orissa	BSNL	560,644	568,854	760,936	766,883	0.8	34.8
	J & K	BSNL	504,483	545,625	794,073	797,967	0.5	46.2
	North East	BSNL	227,365	252,109	421,486	429,204	1.8	70.2
	Assam	BSNL	377,038	407,446	583,251	608,120	4.3	49.3
		<b>Total</b>	<b>17,158,769</b>	<b>17,585,713</b>	<b>27,428,884</b>	<b>27,755,857</b>	<b>1.2</b>	<b>57.8</b>
		<b>Additions - MoM</b>	<b>1,097,863</b>	<b>426,944</b>	<b>1,984,613</b>	<b>326,973</b>	<b>(83.5)</b>	<b>(23.4)</b>
		<b>All India</b>	<b>69,193,321</b>	<b>72,122,986</b>	<b>121,431,166</b>	<b>125,565,537</b>	<b>3.4</b>	<b>74.1</b>
		<b>Additions - MoM</b>	<b>4,004,771</b>	<b>2,929,665</b>	<b>6,134,529</b>	<b>4,134,371</b>	<b>(32.6)</b>	<b>41.1</b>

Source: COAI (Cellular Operators' Association of India).

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