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About IAMAI

The Internet and Mobile Association of India [IAMAI] is a young and vibrant association with ambitions of representing the entire gamut of digital businesses in India. It was established in 2004 by the leading online publishers, but in the last 12 years has come to effectively address the challenges facing the digital and online industry including mobile content and services, online publishing, mobile advertising, online advertising, ecommerce and mobile & digital payments among others.

Twelve years after its establishment, the association is still the only professional industry body representing the online and mobile VAS industry in India. The association is registered under the Societies Act and is a recognized charity in Maharashtra. With a membership of over 250 Indian and MNC companies, and with offices in Delhi, Mumbai and Bengaluru, the association is well placed to work towards charting a growth path for the digital industry in India.

IAMAI
Internet And Mobile Association Of India

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12th Annual Report 2015-16

Internet And Mobile Association Of India

Annual Report 2015-16

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Chairman's Message

Dear Friends,

It has only been four months since I took over as the Chairman of IAMAI. I am delighted that the association has chosen me to lead the industry at a time when the association, having established a firm foundation, was set to build a strong edifice. Having been a part of the Council for the last couple of years, I feel we need to shift the paradigm of our work to stay relevant to our members and to the industry at large. Here are some new initiatives that I expect to implement during my tenure with the support of the council and the secretariat.

Many Indian start-ups are creating "irreversible behaviour". For example, a person who has paid electricity bills online will never go back standing in the queue or for that matter someone who has booked an online ticket from the Indian railways website would never look at going back to the station for a booking. At IAMAI, it would be our focus to nurture such start up through incubation, mentoring, learning so that they can scale up.

The second area of focus would be to expose Indian founders, co-founders and senior product leaders to international best practices in scaling up and designing and building for a billion people. China the US Israel and South Korea would be the obvious markets for such learning experiences.

Within India, we have to take the IAMAI conferences to a higher level by including more international speakers, larger entertainment quotient and newer topics to make them more relevant and engaging.

Finally, for the Founders, I have suggested more peer-to-peer interactions through formal platforms such as a Founders' Retreat and informal platforms, such as watching a movie together as was done recently in Bangalore.

These are some of the new ideas that I have shared with the team at IAMAI. I hope to put all of them in action in the current fiscal. Let me now summarise some of the highlights of the year gone by.

► Public Policy

I am also pleased to note that the association has been actively involved with several government policies affecting the industry. The key parameters of our interventions in public policy are a) to keep internet open for users, b) protect the safe harbour rights of intermediaries, c) allow an environment of innovation and disruption in current business models, d) allow open and transparent flow of investments.

To promote free and open access to internet, IAMAI has been at the forefront of debate on net neutrality; it has worked closely with its members and civil society institutions and has put forward very clear set of arguments in favour of net neutrality as required by the Indian users of internet. As a direct consequence of these activities, the TRAI's ruling on differential pricing was made.

Opposing censorship of content, IAMAI has resisted attempt to pre-filter pornographic content not only with the government but also with the Parliamentary Standing Committee on Petitions. We have argued before the august committee that the current laws are sufficient to address the issue of pornography, better enforcement is required.

To counter challenges from incumbents, the association had actively asked for a clarity in the status of FDI in ecommerce marketplaces. Simultaneously it pleaded before the Delhi High Court in favour of legality of FDI in such entities. As a direct result of our intervention, the DIPP finally published a clarificatory press note. It is likely that the High Court judgement too would go in our favour post the clarification issued by DIPP.

Last couple of years has shown that internet companies are increasingly being made liable for a multitude of taxes. While as a matter of principle, we agree to pay all legitimate taxes, the problem arises when you are wrongly assessed as the principal and not as the intermediary. This problem has been especially acute for product and services ecommerce marketplaces and IAMAI has been very active in "educating" state governments about the non-liability of intermediaries in matters of tax. Towards the end of the year, the Equalisation Levy imposed on foreign companies not having permanent establishments in India too seemed like a self-goal. It is likely that the incidence of such a levy is going to be passed on to Indian companies using these platforms. Given the importance of taxation, I feel we need to build up a specialised team in the secretariat. Some our larger member companies have already committed financial resources to set up a small team, I request the others to come forward and contribute.

► Market and Strategic Research

I would not like to talk much about IAMAI's market research except to say that our numbers on internet users, ecommerce, mobile internet users, digital marketing etc. are the most commonly accepted numbers in India and around the globe. What better ambassador to have than the Honourable Minister for Telecommunications and IT Shri Ravi Shankar Prasad who quotes IAMAI's internet user numbers at every public forum!

The most important strategic research paper this year was the 'Index of Internet Readiness of Indian States'. The paper highlighted the standing of the states on various parameters of internet readiness. This was a pioneering work and was an advance on the erstwhile e-readiness reports that focussed on old parameters such as software, BPO, STPI and skilled software developers. The parameters used in this paper were mobile connections, internet connections, presence of internet companies, ease of doing internet related businesses etc. In addition there were a couple of reports on the impact of GST on ecommerce and internet services industry.

▶ International Exhibitions and Visits

Last year, the association organized India's first Internet delegation to Israel in September. At the MWC 2016, a dedicated India Pavilion was set up by IAMAI, where a number of Indian companies showcased their products and services to a large audience of international business representatives. Top representatives from sectors such as enterprise mobile solutions provider, digital communication solutions, mobile payments and more were part of the IAMAI delegation at the Mobile World Congress.

IAMAI also participated in MWC Shanghai for the first time, by setting up an Indian Pavilion with Indian exhibitors

▶ Conferences

IAMAI has been organizing pioneering industry conferences for several years now. This year too was no exception. We organized large conferences covering marketing, e-commerce, digital marketing, financial inclusion and digital payments. The highlight of the year was the India Digital Summit attended by over 1500 delegates over two years. Shri Jayant Sinha, Minister of State for Finance and Shri R S Sharma, Chairman TRAI were special guests at the Summit.

Overall it was a good year. But I reiterate, we need to move on and experiment with new initiatives if we are to stay relevant in the next five years.

Finally, I would like to thank the governing council for their advice and counsel and the secretariat for their hard work and to all members for their continued support to the association. I am looking forward to another great year ahead.

Sincerely,
Kunal Shah

Vice Chairman's Message

Dear Fellow Members,

As we look to the future, I have the challenging task of commenting on the annual state of the industry. It was a roller coaster ride last year, to say the least. Significant developments, both from the industry and regulatory sides have ensured that the digital sector enjoys sustained growth momentum. And we all have to take a moment to separate the private capital market cycles from the progress we as an industry have made in serving the consumer. Technological advances and expansion into new businesses have put the Indian digital industry on a fast and sustainable track and the stats are here to prove it. For starters, number of Internet users has grown significantly to now more than 400MN people that have accessed the Internet, a major landmark by any standard. Recurring active use on well-known applications like Zomato, Flipkart, Facebook, Freecharge, Google, YouTube, Saavn, Whatsapp, Amazon, Hike, Practo, Gaana, Snapdeal, Ola, Daily Hunt, Quikr, OLX, Paytm, Uber and many other daily used services are well over 100MN people. For a country that has been battling low Internet broadband penetration and challenges in scaling wireless telecom infrastructure, the latest figures from the annual Internet in India report by IAMAI and IMRB comes as a great ray of hope for the industry.

What is even more significant is that for the second year running, the rate of growth from smaller towns has been faster than the metros. Even more important, the number of women and people from rural areas accessing Internet is growing significantly. No matter the population segment, there were clear signs this year Internet usage was clearly shifting to mobile devices and demand is increasing. The research from IAMAI and other trusted organizations only reaffirm my faith and belief on the potential of the digital industry in India. Digital connectedness continues to be transformative for us.

One of the most encouraging aspects is the rise of digital advertising market in India. The growth in spend on digital advertising is expected to continue at a CAGR of 36% and the total spend is expected to touch

INR 7150 crores by end of 2016. The share of advertising on mobile and formats such as video, audio, search and social media is rising significantly. What is also encouraging is the fact that even though the traditional media like television, newspapers, radio, and out-of-home still rule the roost and capture more than 80% of the advertising market in India, the Internet has been growing quickly. In fact, the digital sector is expanding the overall advertising pie, especially as a percentage of GDP in the country. More and more marketers are looking to the Internet to drive growth and develop their brands.

The other key trend that we have witnessed has been the all around growth of various segments that constitute the digital industry. Of course, e-commerce has led the charge. Despite minor hurdles, e-commerce has continued to grow and attract level headed entrepreneurs looking to solve problems for everyday people. Large scale consumer acceptance of online shopping at mainstays such as Flipkart, Snapdeal, Amazon and Paytm have been key enablers of growth for the sector and there are still unexplored frontiers ahead.

Digital media has also made significant strides. All four major Hindi TV broadcasters – Star, Zee, Sony and Viacom - have now launched OTT video apps hoping to unseat YouTube's dominance and Facebook Video's impending rise. Netflix launched in India this year and rumored to have many shows in production in market. On top of music, pureplay audio services like Saavn have launched original programming and servicing the gap left by underpenetrated terrestrial FM radio. The price of data plans in India has been coming down by 15% every year. While 3G still only covers a 1/3 of the country, more aggressive rollouts and new 4G services will fuel stronger growth this year for digital media consumption.

The other important aspect this year has been the government's proactive stance using the digital medium as a tool for governance and beyond. The "Stand-up Start-up India" plan announced by the Prime Minister last year will greatly aid innovation and entrepreneurship in the country. The Indian Government has already sanctioned INR. 10,000 crores for the initial stage.

Moreover, some of the recent budgetary announcements by Finance Minister Shri Arun Jaitley will prove to be a key enabler for the overall development of the Internet ecosystem in India. I think we are briskly moving towards a better regime for start-ups and the announcements are a point in case

In my mind, the focus on leveraging technology to streamline distribution and the proposed steps for ease of doing business in India are indicative of the government's resolve towards Digital India and supporting entrepreneurship. The proposal for Amendment of Companies Act to register Start-ups in one day is an absolutely welcomed move, and it is very much a step towards ease of doing business in India. This has been a long standing demand of the association representing the digital industry in India.

As we move forward, I do hope that the Parliament will pass the crucial GST Bill this fiscal. The smooth passage of the GST bill is crucial for the success of mega economic and social projects, especially Digital India and Start-up India.

As Kunal has already pointed out, India is now home to more than 400 million Internet users and more than 350 million mobile Internet users. Increased connectedness among Indians at a critical mass in when we'll start to see some very interesting developments…some of which we can intuitively sense and many of which will catch us completely by surprise.

I am sure that with things gradually falling in place for the growth of the industry, we would be able to withstand the pressures from other sectors as well as from consumers. The industry should work closely with the regulators and ensure that the path to nirvana is not clogged.

Finally, a word of thanks to Kunal, the governing council and the ever enthusiastic staff of IAMAI. I am thoroughly enjoying my stint as a Vice-chair and I now look forward to another great year for the industry.

Best,
Vinodh Bhatt

I. Public Policy

IAMAI has been deeply involved in a wide range of activities that influenced decision makers this year. The activities include as active stakeholder consultation, stakeholder representation and public education. Two of the biggest successes this year were ensuring net neutrality through a TRAI ruling on differential pricing and clarification about FDI in e-marketplaces by DIPP. These two and other regulatory interventions undertaken in 2015/16 are enumerated below.

1. e-Commerce

The growth of the e-commerce sector continued over the last year, with the sector contributing significantly to GDP and employment generation. However, the sector has been facing numerous challenges from the regulators causing immense distress to the sector. Taxation remained the major pain-point for the industry even last year, with VAT and LBT claims from different states continuing to plague the sector. The association has proactively engaged over the last year with the regulators in clarifying the intermediary role and thereby the valid tax liabilities of online marketplaces across India.

IAMAI has made several state and central level interventions in the last fiscal.

1.1 Tax Issues

A **VAT/LBT:** IAMAI made an industry representation to the Maharashtra State Minister of Finance in early 2015 on the imposition of LBT on the consignments delivered. Although, a decision was taken to scrap Local Body Tax (LBT) from August 1, 2015 which was a huge respite to the e-Commerce players in the state; the challenges still persist at ground level implementation.

IAMAI was also invited to a stakeholders meeting called by the Principal Secretary and the Commissioner (Commercial Taxes), Government of Karnataka, where the latter placed the proposal of VAT-TDS for e-commerce companies. IAMAI attended the second round of stakeholders meeting in October 2015 as well, in which the association presented a detailed submission based on

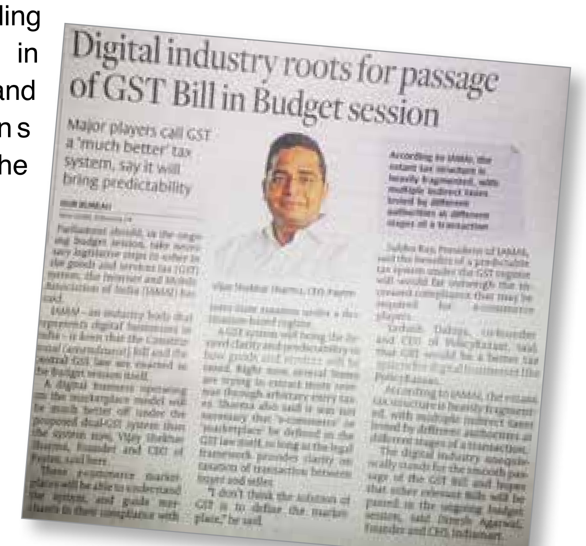
online marketplaces, as intermediaries recognised by the IT Act, 2000, could not engage in such proposed act as it would lead to de-recognition of such companies as intermediaries.

The association's constant engagement with the authorities resulted in some positive outcomes for the industry. The association's efforts led to the office of the Commissioner, Commercial Taxes of Delhi issuing a circular under which a new category of forms were specifically introduced for e-commerce where all e-commerce portals have to file in details of sellers and dealers from the State of Delhi who transact over their portals. Sellers and dealers also have to report their sales made via such portals. This is a positive move for the industry. Even the Rajasthan government have amended the state VAT Act and introduced section 80 (a) to give due recognition to e-commerce activities. They have also amended the rules of entry of goods into the state to take care of LBT for e-commerce sales.

B **Entry Tax:** The government of Uttarakhand announced amendments to the state Entry Tax laws in December 2015, under which, the state sought to impose a blanket 10% entry tax on all goods being brought into the state by e-commerce companies for individual consumers buying for personal consumption. IAMAI met the Secretary of Finance in the state in January 2016 and followed it up with a meeting of industry delegations. In its submission, IAMAI explained how the present Constitutional provisions of Entry Tax do not allow for any such tax being imposed on e-commerce transactions. The IAMAI submission sought clarifications from the Uttarakhand Government on the issue.

Besides Uttarakhand, online market places continue to face challenges in the states of Madhya Pradesh, Orissa, Rajasthan, Bihar, etc. IAMAI continues to track the developments in all such states and is prepared to intervene on behalf of the industry.

C **GST Bill:** IAMAI has been vigorously advocating for the passage of the Goods and Services Tax (GST) as the bill can bring a huge relief for ecommerce companies in the country. The association has stressed on the fact that various states levy different taxes on sellers on ecommerce marketplaces many of whom are micro, small and medium businesses scattered across India which are difficult to comply with and the industry is seeking a common rate and some clarity on taxation. Fiscal federalism has led to different procedures and rates of VAT and other forms of LBTs across the states. This creates logistical challenges for the industry, besides giving rise to compliance related complications. Conflict of interests between tax authorities in case of inter-state transaction is a major pain point for the industry today. GST will help the digital industry business model flourish by providing uniformity in tax rates and regulations across the country.

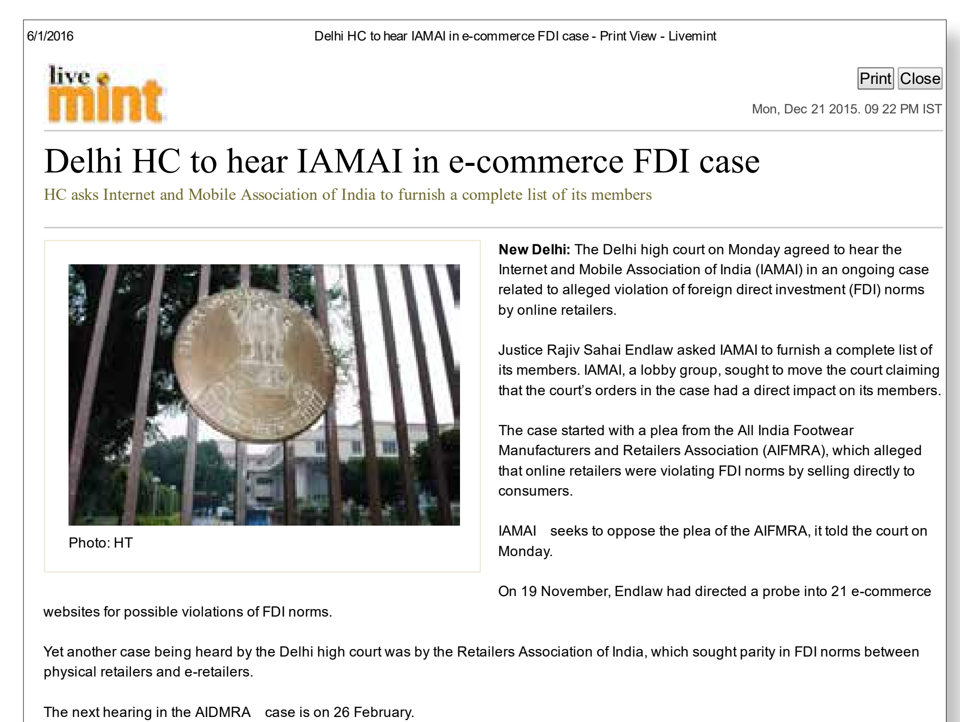

Digital industry roots for passage of GST Bill in Budget session

Major players call GST a 'much better' tax system, say it will bring predictability

1.2 Clarification on FDI

Over the year, there were reports of the DIPP coming up with new FDI regulations for B2C e-commerce, or that they are drafting a new definition of online marketplaces. IAMAI has proactively reacted on all such reporting and have made pre-emptive submissions on these matters in September, 2015. IAMAI made another submission in December 2015, which explained how online marketplaces were technological platforms and hence were engaged in providing digital technology services and were not engaged in providing retail services. Thus, the association argued, the FDI norms pertaining to the retail sector did not apply to such online marketplaces who were rather governed by FDI norms for ITES sectors.

In recognition to the submissions made by IAMAI on the issue, DIPP issued a clarification on the marketplace model in March 2016. This was a welcome move and the clarification will help build a robust FDI norm in the sector. The industry has been seeking this clarification and it has finally come through. IAMAI is of the view that this is a progressive move that recognises the 'intermediary' role played by such technological platforms. IAMAI hopes that going forward, the Government will also allow 100% FDI in inventory based B2C e-commerce activities.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Delhi HC to hear IAMAI in e-commerce FDI case

HC asks Internet and Mobile Association of India to furnish a complete list of its members

Photo: HT

New Delhi: The Delhi high court on Monday agreed to hear the Internet and Mobile Association of India (IAMAI) in an ongoing case related to alleged violation of foreign direct investment (FDI) norms by online retailers.

Justice Rajiv Sahai Endlaw asked IAMAI to furnish a complete list of its members. IAMAI, a lobby group, sought to move the court claiming that the court's orders in the case had a direct impact on its members.

The case started with a plea from the All India Footwear Manufacturers and Retailers Association (AIFMRA), which alleged that online retailers were violating FDI norms by selling directly to consumers.

IAMAI seeks to oppose the plea of the AIFMRA, it told the court on Monday.

On 19 November, Endlaw had directed a probe into 21 e-commerce websites for possible violations of FDI norms.

Yet another case being heard by the Delhi high court was by the Retailers Association of India, which sought parity in FDI norms between physical retailers and e-retailers.

The next hearing in the AIDMRA case is on 26 February.

1.3 Judicial Process

The All India Footwear Manufacturer and the Retailers Association of India have filed a writ petition before the Delhi High Court seeking investigations into e-commerce companies who allegedly are violating extant FDI norms. IAMAI has decided to impede on behalf of the industry into the matter. Following the DIPP clarification in March, it is expected that the court will pass a final judgment in favour of the industry.

1.4 Consumer Protection Bill

IAMAI had made a submission on the Consumer Protection Bill 2015 in December 2015 to the Parliamentary Standing Committee on Food, Consumer Affairs and Public Distribution. The association also had the privilege to appear before the committee to make a formal submission on few ambiguities in the proposed amendments. The Bill emphasizes on the changes in the dynamics of the market and growing concern over safety of consumer products services with some notable provisions. However, there were a few ambiguities in the amendments which would create onerous conditions for the e-commerce industry and the intermediaries affecting the internet ecosystem. The association submitted that all the definition clauses should maintain consistency and predictability. Especially the intermediary definition provided in the Bill needs to be in sync with the definition in the IT ACT. The electronic intermediary definition clause, instead of being illustrative, should be an exhaustive one to protect the electronic intermediaries under safe harbour provision which the definition appears to have missed.

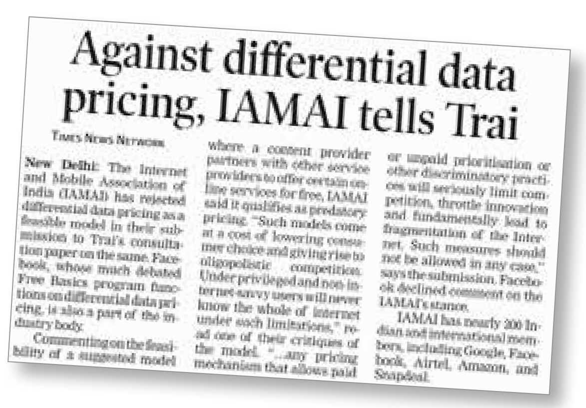
2. Net Neutrality

The association has been at the forefront of the Net Neutrality debate and has always advocated a principle that guarantees consumers equal and non-discriminatory access to all data, apps and services on internet, with no discrimination on the basis of tariffs or speed. Some of IAMAI's submissions are listed here:

2.1 IAMAI's Submission on Differential Pricing to TRAI in December 2015

IAMAI made its submission to TRAI's paper titled "Consultation Paper on Differential Pricing" in December 2015. The consultation paper questioned the pros and cons for Differential Pricing and zero-rating platforms in December 2015. IAMAI said that the models proposed in the paper are in violation of Net Neutrality.

IAMAI had made submissions on similar lines to TRAI and to the DoT earlier on how differential pricing can break the internet. The association in its submission to the DoT Net Neutrality Committee expressed concern on the regulatory compliance on the Zero Rating services. It stated the proposed measures would not be adequate to examine or scrutinize any violations of such plans and is likely to allow contraventions through back door entry. The association suggested that there should be strong and effective mechanism to keep a check on such practices or else it would lead to illegitimate network management techniques through back door which would fragment the Internet and cripple net neutrality.



Against differential data pricing, IAMAI tells Trai

Times News Network

New Delhi: The Internet and Mobile Association of India (IAMAI) has rejected differential data pricing as a feasible model in their submission to Trai's consultation paper on the same. Facebook, whose much debated Free Basics program functions on differential data pricing, is also a part of the industry body.

Commenting on the feasibility of a suggested model where a content provider partners with other service providers to offer certain online services for free, IAMAI said it qualifies as predatory pricing. "Such models come at a cost of lowering consumer choice and giving rise to oligopolistic competition. Under privileged and non-internet-savvy users will never know the whole of internet under such limitations," read one of their critiques of the model. "...any pricing mechanism that allows paid or unpaid prioritisation or other discriminatory practices will seriously limit competition, throttle innovation and fundamentally lead to fragmentation of the Internet. Such measures should not be allowed in any case," says the submission. Facebook declined comment on the IAMAI's stance.

IAMAI has nearly 200 Indian and international members, including Google, Facebook, Airtel, Amazon, and Snapdeal.

2.2 IAMAI Position Paper on Net Neutrality to DOT

IAMAI has been actively involved in various consultative processes in taking a strong stand in favour of Net Neutrality principles. In August 2015, IAMAI presented the association's views on the report of the DoT Committee constituted to develop recommendations on Net Neutrality. In June 2015, the Parliamentary Standing Committee on IT headed by Shri. Anurag Singh Thakur convened a meeting for discussions on Net Neutrality with the stakeholders. IAMAI deposed before the committee during the hearing on Net Neutrality and related issues.

Net neutrality is a must

2.3 Submission made to TRAI on Regulating the OTTs

In April 2015, IAMAI in its Submission made to TRAI on Regulating the OTTs asserted that the submissions made by most telecom operators with respect to their purported financial losses were mere fallacy and not supported by any facts or financial data. IAMAI strongly opposed the licensing of Internet platforms and services and/or their registration as OSPs (Open services platform), and revenue sharing in the model of termination charges or any other model mandating Internet platforms and services to make payment to telecom operators.

3. Telecom Consumers Protection Regulation

IAMAI made the Submission to TRAI on Regulation on Telecom Consumers Protection [8th Amendment] Regulation in June 2015. IAMAI wrote to TRAI against any form of regulation that is too stringent for the dynamic, fast-changing Internet environment as that can cause significant harm to innovation in the mobile Internet access space and subsequently hinder the penetration of mobile Internet access services amongst underserved communities. Any such moves would ultimately impede India's national goals for Internet connectivity set out in the National Telecom Policy, 2012. Such regulations would also drastically reduce speed and efficiency of the on-line experience of the users who would not be able to 'explore' services freely and subscribe easily.

4. AGR/GR Computation and Treatment of App Partnerships with Telcos

IAMAI made its Submission on TRAI's consultation paper on AGR/GR; and treatment of app partnerships with Telcos in July 2015. IAMAI strongly emphasised on the need to have a clearer and more appropriate framework for AGR / GR. AGR / GR should be imposed for Telcos only on pure licensed telecom services. IAMAI supported the position of various stakeholders on this which would help advance the overall financial growth of the Indian telecom industry, facilitate the expansion of infrastructure and innovative services, and reduce costs to consumers.

5. BharatNet/NOFN

IAMAI made a submission to TRAI on the Consultation Paper on 'Implementation Strategy for BharatNet' in December 2015. The "Report of the Committee on NOFN" recommended Private-Sector-led, State Government-led and Central Public Sector Undertaking (CPSU) led as the three models for the implementation of BharatNet across India. However, both in NOFN and in other projects, each of these models suffer from serious deficiencies such as bureaucratic hurdles, lack of clear accounting structures, vertical integration and monopolistic practices, lack of incentive to the private sectors, etc. All this affect the timely and cost-effective implementation of the project.

Given that the utmost priority is the timely provision of universal connectivity to all Indians, IAMAI had recommended for a hybrid model known as the Build-Own-Operate-Transfer ("BOOT") approach which balances the advantages, risks and efficiencies of each of the three proposed models. In February 2016 TRAI released the recommendation paper on successful implementation model for BharatNet to the government in line with the association's submission. The regulator too recommended for a Private Public Partnership model for prompt implementation of BharatNet project. The regulator also agreed that bigger private sector participation is the need of the hour for quick deployment, implementation and operation of optic fiber cable.

6. Copyright on Music

The internet music business is facing several significant challenges that are impeding its business and operations. IAMAI has made a submission to the Ministry for Human Resource Development on the issue of copyright with the online Music Broadcasting Industry seeking urgent clarification on the Copyright Act rules that already includes Statutory Licensing (SL) to offer protection against the unreasonable practices of the music labels. The association has requested the Ministry to relook into the issue and to put to rest the attempts to misinterpret the SL provisions, especially with respect to the rules connected with the section on SL (Sec 31(D)), (Chapter VIII Rule 29 of the Rules, 2013).

7. 'eKYC' For Matrimonial Sites

The Ministry for Women and Child Development is intending to formulate guidelines to check the purported harassment of women on matrimonial websites by way of mandatory upload of a government ID. IAMAI has submitted to the ministry for Women & Child development (WCD) stating that most of these crimes occurred offline and mandatory EKYC obligations would impact the Industry and the users adversely than resolving the issue.

While IAMAI wholeheartedly welcomes any move to protect women against any such crimes, it believes that the primary tool proposed by government, for curbing fraud and misinformation by way of upload of any valid government ID is not the solution to solve the above issue and will in fact be counterproductive. It sets onerous responsibility on the Industry, especially start-ups, to keep them secure. More ominously, fly by night operators with intentions to make easy money and disappear may abuse the system for more severe crimes. If such information were to fall in the wrong hands, this could be a potential national security risk. IAMAI in its submission has urged the Govt. to reconsider the requirement and expressed keen interest to be part of the committee that is addressing this matter.

8. Policy Roundtables

As a part of our efforts to raise the level of IAMAI's public policy interventions and with a view to raise general awareness about issues that impact an internet economy, we organise public policy roundtables and seminars. The Policy roundtables are meant to discuss, deliberate and hammer out issues pertaining to internet governance, technology and regulation, which have a bearing on all concerned. This year, as in previous year, IAMAI organised a policy roundtable to discuss and deliberate on a very important issue of VOiP

8.1 Roundtable on 'Connecting 1 Billion

IAMAI has initiated a series of Roundtable discussions on alternative ways of connecting 1 Billion unconnected. The 1st Roundtable of the series was held in March 2016. The discussion had participation from DoT, NeGP, Internet Companies, Lawyers, Subject matter Experts and other stakeholders. This discussion focused on existing VoIP-services and how an unrestricted VOIP-to-PSTN calling can play a critical role in connecting the unconnected.

9. Digital Payments

9.1 Union Cabinet Note on Facilitating Electronic Transactions

In its effort to incentivize electronic transactions and disincentivize cash transactions, Government of India invited comments on a Draft Proposal for Facilitating Electronic Transactions (E-transactions). PCI in its recommendation to the draft proposal suggested:

- Rationalization of Interchange rates for debit cards and credit cards take the 'issuing bank-acquiring bank' network into consideration, and provide for a solution that enables acquiring banks to recover their capital and operating expenditures and motivates the acquirers to rapidly expand the payment acceptance ecosystem across the country.
- Account for cash transactions at POS. The consumers can sign up with a National authority/ body via a mobile no or using any other authentication, which can be used at the PoS terminals to account for cash payments. In addition, the merchant can issue a cash payment receipt to the consumers via the PoS terminals which will keep a track of cash payments more transparently and disincentivize cash payments
- Aligning KYC requirements based on the risk profile and safety requirements of the customers.
- Provide subsidies/tax benefits for electronic and digital payment service providers. These benefits could either be in the form of reduction/ exemption of service tax, or tax-free holidays.

Significantly, majority of the recommendations of PCI were included in the budget. Some of the recommendations were:

- Waiver of surcharge on digital payments for essential commodities, utility service providers, petrol pumps, gas agencies, railway ticket counter IRCTC by government departments/ Central Public sector undertakings/ Organizations with provisions to budget this cost of electronic payments and
- Formulating a differentiated MDR for some key transaction segments among others

9.2 Formation of Payments Banks Group

With 11 in principle licenses issued by the RBI for setting up of payments banks, a Payments Bank group was formed under PCI to represent their issues and concerns.

9.3 Submissions to Reserve Bank of IndiaGroup

A Inclusion of PPIs on National Unified USSD Platform (NUUP): NPCI's National Unified USSD Platform (NUUP) helps the Banking customers to transact through an interactive menu displayed on the mobile screen by dialling a single number across all Telecom Service Providers. PPIs are not allowed to join NUUP platform as per guideline issued by TRAI. TRAI has issued these guidelines basis Inter Ministerial Committee on Financial Inclusion in 2010, when PPIs were not in existence. A representation was sent to RBI to consider issuing a letter to TRAI describing the role and inclusion of PPIs in Financial Inclusion.

B Role of Mobile as PoS to drive Financial Inclusion and Less Cash Society: NPCI's National Unified USSD Platform (NUUP) helps the Banking customers to transact through an interactive menu displayed on the mobile screen by dialling a single number across all Telecom Service Providers. PPIs are not allowed to join NUUP platform as per guideline issued by TRAI. TRAI has issued these guidelines basis Inter Ministerial Committee on Financial Inclusion in 2010, when PPIs were not in existence. A representation was sent to RBI to consider issuing a letter to TRAI describing the role and inclusion of PPIs in Financial Inclusion.

C Measures for mitigating the risk of fraudulent flow of money via the prepaid channel: Prepaid Payment Issuers feel the need for appropriate industry wide standard measures to safeguard the industry and the consumers against the possible misuse of the channel for fraudulent transactions and support the regulator keeping a track at an industry level. In view of the same, PPI industry has come together and has agreed upon common measures/practices which can be followed industry wide to alleviate the risk of fraud.

D Feedback on Committee Report Medium Term Financial Inclusion: The Deepak Mohanty Committee constituted by the RBI in July 2015 had in December, 2015 released the Report on Medium-term Path on Financial Inclusion with the vision to spread the reach of financial services to unbanked population in the country. PCI is fully appreciative of the financial inclusion initiative envisaged by the committee and submitted the members feedback on the report.

E Paperless Bank Account Opening: PCI met Shri Rajinder Kumar, Chief General Manager, Department of Banking Regulation at the RBI and apprised him on forming a Payments Bank group under PCI. Further, PCI shared a note on end to end digital KYC verification and paperless account opening process based on Aadhaar based biometric/OTP verification in combination with a dual factor authentication.

9.4 Submission of feedback to DeitY on Framework for electronic payments and receipts

PCI submitted its feedback to DeitY on the 'Draft Framework for electronic payments and receipts for government departments'. The submission stressed on inclusion of non-banks as a compulsory payment option for all the government payments.

9.5 Representation to CBDT on Mandatory Quoting of PAN for certain transactions via Prepaid Payment

Point no 13 in the list of transactions under Sec 114 B of the 22nd Income Tax Amendment Rules mandated 'Quoting of PAN for payment in cash or by way of a bank draft or pay order or banker's cheque of an amount aggregating to more than fifty thousand rupees in a financial year in the event of Payment for one or more pre-paid payment instruments.' This notification was welcomed as a step in the direction of curbing cash transactions in order to address various issues related to cash handling in general and the curbing of black money in particular. However, in view of difficulty to obtain PAN from the target non-taxable segment, PCI filed a representation with CBDT on exempting a certain category of PPIs which require minimum KYC from the notification and for full KYC the limits to be revisited in line with limits of deposits with a bank.

II. Business Development

IAMAI has been actively engaged in organising various events and activities aimed at developing the segment development and promoting better networking and businesses within the digital industry. Over the years, the association has established some pioneering events that have become industry benchmarks and have been annualised. Ever since its inception in 2005, our business development activities have been growing from strength to strength over the years.

1.Roundtables

IAMAI organises industry roundtables for members and non-members as part of its effort to promote the segment. These roundtables are usually sponsored and the discussions pertain to the various trends related to the industry. These roundtables have select and focussed audience, involving mostly of CXOs, CMO, and CTOs. This year, we organised two such roundtables.

1.1 CMO Roundtable Discussion

KEY SPEAKERS: Balaji Vishwanath (American Express), Hariharan M (ICICI Securities), Alok Kalra (Reliance Life Insurance), Rubeena Singh (Moneycontrol.com).

The idea behind this roundtable was to have an interactive session on how marketers can work smartly to win consumers' hearts with data driven marketing. The event had marketing gurus discuss the digital opportunities that come with high customer expectations, in various sectors. The topic of the discussion was 'Marketers must work smarter to win consumers' hearts with data driven marketing'. The discussion stated 10 reasons why it is important to migrate to a cross – channel marketing platform. It also highlighted the importance of a cloud based marketing platform. This roundtable was held in August, 2015.

1.2 Marketing in the Digital Era: Trends and Challenges

KEY SPEAKERS: Frederic Moraillon (Akamai), Gaurav Seth (Sony Entertainment Television), Deepali Nair (Mahindra Holidays).

The topic of discussion during this roundtable was 'Marketing in the Digital Era: Trends & Challenges'. Participants discussed the major challenges marketers are facing in engaging audience effectively at the moments that count, and the current and future trends in the digital world.

2. CMO Offsite – Digital Marketing Conversation in Srinagar

KEY SPEAKERS: Narayan Murthy (Vserv), Archana Aggarwal (Airtel), Hanneli Slabber (South Africa Tourism Board), Rajeev Malik (Mahindra and Mahindra), Ashish Sahni (TATA Motors)

The purpose of the offsite is to kick-start our next generation work on digital marketing which comprises: audience measurement, mobile marketing and content driven marketing. The offsite, now an annual affair, has become a much awaited event among the marketers. The Conversation, in its 4th year, as usual, was an all-expense paid offsite organised by IAMAI, only for the Chief Marketing Officers and Head Marketers. This is an exclusive format for networking and engaging the CMOs and the Digital Industry with the sole purpose of understanding how to create opportunities for innovation and growth in digital marketing. The beautiful locale of Srinagar adds to the charm of the event.

Over three eventful days in Srinagar, the participants engaged in a number of engaging activities viz. Presentations, Knowledge Sharing Sessions. The formal activities were matched with lot of informal interaction over fun activities. This unique format allows participants to build professional and personal liaisons and has proved to be immensely popular over the years.

3. Credit Recovery for Advertising Agency

IAMAI has been actively involved in streamlining the billing and payment process between the publishers and agencies. As a step in this direction, IAMAI had entered into an MOU with Advertising Agencies Association of India (AAAI) and has been working towards simplifying the billing process and operate a smooth credit recovery system between the members of both the associations.

As a part of the billing and payment process (B&PP), a schedule is set for sharing of monthly invoices and billing statements between the publishers and agencies along with a payment period. The schedule is being consistently adhered to by the members of both the associations. In addition to the billing process, outstanding over dues are shared between IAMAI publisher members and AAAI member agencies on a monthly basis. The issues, concerns and any actions to be taken on non -adherence are discussed in the monthly subcommittee meetings.

As on March 2016, 18 publishers joined IAMAI to be part of the system. Credit recovery process has helped publishers to reconcile their books and recover more than INR 3 crores of outstanding pertaining to invoices prior to March 2014 and approximately INR 10-12 crores worth outstanding payments are being recovered consistently since April 2015 every month.

Learning's from the IAMAI-AAAI process were extended to IAMAI agencies as well and the same process is followed by IAMAI agencies also. This platform enables the publishers and agencies to recover over dues from the persistently delaying clients and improve the payment process in the digital advertising industry. Although this initiative has been successful in streamlining the payment process between publishers and the agencies but does not take care of any direct business between the publishers and their clients. In order to address the similar concerns of the publishers with direct advertisers, IAMAI is planning to draft a code of conduct to streamline the billing and payment process between them.

4. India Affiliate Show

Internet opens up many avenues for business and revenue generation. Affiliate marketing is one such business avenue. It can be understood as a business partnership in which an agent called an affiliate through its website/blog attract a customer, who in turn, either directly purchase the products, or registers to the sellers newsletter, or just browses the site as per the terms decided. Affiliate marketing has been introduced in India by many online companies. India being a big and diverse market place with growing online business has a potential for innovative and effective business models.

Today, affiliates marketing are one of the important ways to generate revenue for bloggers and other website owners. The companies are improving on the transparency in the business deals. In order to promote this key component of digital advertising, IAMAI for the first time, organised a mega India Affiliate Summit last year. The association organised this new event to bring Affiliate aka Performance Marketing industry together. The event focused on providing educational sessions on the latest industry issues along with networking opportunities for affiliate marketers.

Day 1 of the event had the 'Affiliate Street'; an exhibition that provided participants the opportunity to hobnob with fellow Affiliates & Brands alike. Day 2 had 5 panel discussions, presentations, and workshops. The topics covered in the sessions were:

The Influx of New Marketing Paradigms with Focus on Performance, Affiliations, Referrals and Networks; Importance of Affiliate Marketing For Lead Based Marketing Campaigns; Expansion Strategies for Affiliate Marketers; Affiliate Marketing – The First Pick for Cost-Per-Sale Campaigns; Impact of E-commerce Enablers on Online Buying; Mobile Marketing: The Next Big Thing in The Affiliate Industry. Parallel to the Panel Discussion there were workshops being conducted by industry experts for the affiliate, merchants and bloggers. Key Speakers on day 2 included: Patrick Hearron (TUNES), Parul Bhargava (VCommission), Ms. Radhika Binani (policybazaar.com), Kenny Ye (UC Web, India) Anurag Gupta (DGM, India).

5. Overseas Connect

IAMAI's activism today spans across the world; whether it be setting up an Indian presence at the Mobile World Congress(es) in Spain and China or organising CEO learning trips to Israel.

5.1. CEOs Trip to Israel

IAMAI organised India's first Internet companies' delegation to Israel from September 6--11, 2015. The Indian delegation met with leading Israeli companies such as Viber Media, Taboola, IronSource, Payoneer, Tune, SeerGate, Matomy and Bi Science. The 6-days trip focused on:

- Interactive learning sessions between the Indian delegation and host companies
- Dialogue between two sides with respect to the roadmap for a symbiotic digital development
- Opportunities for growth of the digital industry in India and Israel
- Sharing of ideas and experiences between digital leaders of both the nations

5.2 Mobile World Congress (Barcelona, Spain)

At the MWC 2016, held from 22-25 February, 2016, a dedicated India Pavilion was set up by IAMAI, in which, a number of Indian companies showcased their products and services to a large audience of international business representatives. Top representatives from sectors such as enterprise mobile solutions provider, digital communication solutions, mobile payments and more were part of the IAMAI delegation at the Mobile World Congress. India Pavilion was set up at Hall 8.1 – App Planet which had the maximum footfall and provided the expected visibility to all the exhibitors under India Pavilion.

5.3 Mobile World Congress (Shanghai, China)

Held in July 2015, IAMAI participated in Mobile World Congress, Shanghai for the first time. IAMAI set up the Indian Pavilion with Indian exhibitors. MWC-China is one of the biggest mobile events in Asia with over 40,000 attendees from 100 countries. One of main focus of MWC Shanghai was mobile apps and gaming. The event provided an opportunity to network with industry leaders, gain cutting-edge industry insight, and to learn about new trends and strategies.

6. Exhibition

India Digital Exhibition was a part of the 10th edition of India Digital Summit. For the first time, IAMAI organised a unique exhibition for the Digital Sector. 35 companies exhibited their products and services. One of the main attractions of the exhibition was the special start-up zone where 10 curated start-ups were given a chance to display their product and services.

III. Conferences & Awards

IAMAI has been organizing pioneering industry conferences for several years now. This year too was no exception. The association organized large conferences covering marketing, e-commerce, digital marketing, financial inclusion and digital payments. The highlight of the year was the India Digital Summit which was attended by over 1500 delegates. Shri Jayant Sinha, Minister of State for Finance and Shri R S Sharma, Chairman TRAI were special guests at the Summit.

1. Digital Marketing

Digital Marketing is one of the most dynamic segment of the digital industry today. The association undertook several events covering different aspects of the industry and all these events witnessed enthusiastic participation from the sector.

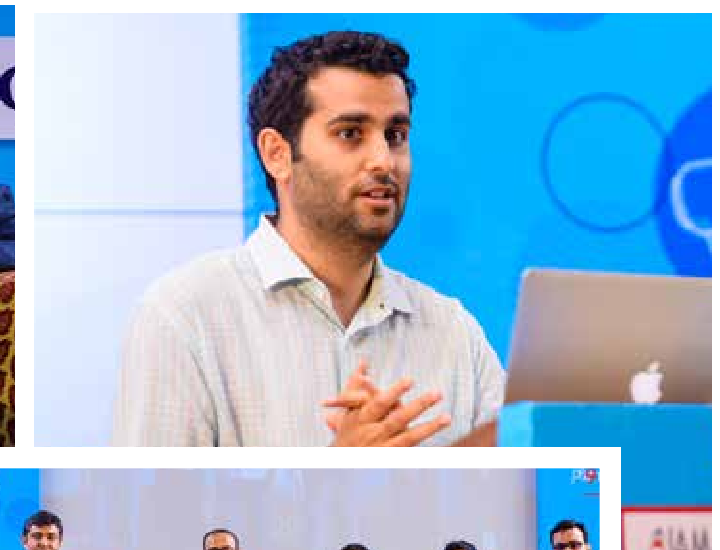
1.1 11th Marketing Conclave: Untangling Marketing Convolutions

KEY SPEAKERS: : Kirthiga Reddy (Facebook), Satyen Gajwani (Times Internet), Tushar Vyas (GroupM), Rajesh Jain (netCORE Solutions),

Present day marketers need to adopt the new-age marketing approaches and be more experimental. The XI Marketing Conclave, which was held in June 2015, aimed to establish a great comprehension of the modern methods and mechanics of marketing for marketers. The multi-format schedule allows for discussions at different levels of intensity, that aids develop a holistic understanding of the topics.

The Fire Side Chat sessions had select stalwarts engaging in a one-one conversation on some of the important topics for the industry. The air of informality allows for a free flowing discussion and analysis of the issues a hand. These chats covered how digital advertising in the most efficient media tool today, the challenges faced by marketers in keeping up with an ever evolving consumer behavior and the role of data in a marketer's life, the latest tools to help marketers understand and interpret Big Data to take better marketing decisions, amongst other things.

Parallel break out case study sessions on topics such as 'Best use of digital search for a brand', 'Movie Marketing', 'Creating long term digital assets for a brand through creative consistency', etc. and breakout workshops on 'Mobile marketing' and 'Email marketing' were conducted over two days. Kirthiga Reddy (Managing Director, Facebook India) and Satyan Gajwani (Chief Executive Officer, Times Internet) gave the leadership addresses in this edition of the Conclave.



1.2. Mobile Marketing Summit

KEY SPEAKERS: Sandeep Singh, EVP (India & APAC), Neeraj Roy (Hungama), Dippak Khurana (Vserv), Lavin Punjabi (Affinity), Alokedeep Singh (Titan)

The 3rd edition of the Mobile Marketing Summit concentrated on how mobile is now becoming the first pick for brands in their media mix, the dos and don'ts of mobile marketing strategy and latest trends in brand promotions through mobile. The Summit was held on December 18, 2015.

The keynote addresses covered the following topics: The Invisible strength of Digital Audio highlighted how the digital audio market spreads beyond music to audio books, podcasts, and offers a viable media for advertising just like videos.

State of Mobile Marketing in India highlighted that the mobile marketing industry needs to become more efficient instead of being only deal driven in order to grow in terms of percentage share of the total advertising industry. Other than the Keynotes and Plenary sessions, the summit also had a Case study presentation on the 'Three Mistakes of Mobile Marketing' and a talk on 'The WeChat Ecosystem' by industry representatives.

2. Digital Payments and Financial Inclusions

The digital payments space is reinventing itself with each passing day as the payments industry is turning into an effective pile of innovation and trials. Catering to the massive proliferation of digital payments in recent times, IAMAI's annual Digital Money conference is designed to assess and empower the digital payments landscape. The conference is focused on the multichannel approach & other emerging trends instigating unified and seamless customer experience in regards to Digital Payments.

2.1 Digital Money 2015

KEY SPEAKERS: : Naveen Surya (Itz Cash Card Ltd), Rajeev Ahuja (RBLBank), Alpesh Shah (BCG), David Parker (Polymath Consulting), Wolf Kunisch (Worldline), Smt. Nanda Dave (RBI), Vishwas Patel (CCAvenues)

Digital Money 2015 conference, held in October 2015, was designed to assess and empower the digital payments landscape. The conference focused on the multichannel approach & other emerging trends instigating unified and seamless

customer experience in regards to Digital Payments. The conference was designed to be a premier source of information & interaction, where industry leaders, stalwarts and regulator speak about the initiatives and insights drive the growth of the digital payment industry.

Smt. Nanda Dave (Chief General Manager, Department of Payment and Settlement Systems, Reserve Bank of India) was the guest of honour who spoke about the wide variety of methods which co-exists in the payments sector. She then shared RBI's vision which is less cash economy and said they continue under overarching the principle of less cash. A white paper on Digital Money was launched in between the sessions

3. Digital Commerce

Digital Commerce in India is growing rapidly. However, with its rapid rise, the sector is also witness to various challenges and hurdles. In order to stay relevant and to mitigate the challenges, IAMAI's annual ecommerce conference brings to fore the best minds from the industry to deliberate and brainstorm on the way forward for the industry.

3.1 e-Tailing and Travel Commerce Conference

KEY SPEAKERS: Dr. Suman Billa (Joint Secretary, Ministry of Tourism, GOI), Dr. Lalit K. Panwar (Secretary, Ministry of Tourism, GOI), Kumar Karpe (TechProcess), G. Shankaran Nair (Servion Global Solutions), Satyam Bansal (Flipkart), Amarjit Singh Batra (OLX), Samyukth Sridharan (Cleartrip), Dhruv Shringi (Yatra), Dinesh Agarwal (Indiamart).

Keeping in mind the changing dynamics of the sectors, IAMAI's two successful conferences – National Conference on Digital Commerce and Travel-Tourism Summit were merged together to form this new event this year. The summit witnessed enthusiastic involvement of e-commerce and Online Travel Companies which resulted in a participation of over 600 attendees each day with over 75 speakers, 9 Partners and over 25 corporate supporters. The conference was held in July, 2015.

eTailing and Travel Commerce Conference 2015 covered the entire value chain of the e-commerce Industry including government policies, regulations, business models, customer engagement, logistics, technological innovations, media, payments and consolidation among others.

4. 10th India Digital Summit

Key Speakers: Shri. Jayant Sinha (Minister of State for Finance, GOI), Shri. Rajeev Chandrasekhar (Member of Parliament - Rajya Sabha) Shri Ram Sewak Sharma (Chairman, TRAI), Sunil Jain (Financial Express), Arvind Gupta (Innovation Evangelist), Nandan Nilekani (Former Chairman -UIDAI), Dr. Saurabh Garg (Joint Secretary – DEA, MoF), Rajan Anandan (Google), Vijay Shekhar Sharma (PayTM), Namrita Kalsi (DMRC). Murugavel Janakiraman, Founder & Chief Executive Officer, CONSIM.

Since its inception in 2006, the flagship annual event of IAMAI – India Digital Summit has been the premier Digital event in the country. The theme for the 10th edition of the event was 'Stand-Up Start-Up.' The Summit India Digital again proved to be the largest annual gathering of the Digital Industry in India with record number of attendees over the two days. Supported by Department of Electronics and Information Technology, Digital India and National e-Governance Plan; this year's theme for the summit was 'Stand-up Start-up' to promote the growth of the start-up industry in this Digital India. The Summit was held over two days in February, 2016

Considering the vast gamut of the digital arena today, the India Digital Summit was made grander and more customized to suit the varied interests of the attendees through six different Stages: **Centre Stage, Inclusion Stage, Tech Stage, Start-up Stage, Marketing stage and Mobile Stage.**

Center Stage

The different sessions of the Center Stage witnessed stalwarts addressing their fellow brethren. The stage was shared by top industry representatives, Government officials, noted journalists, Members of Parliament and Union Ministers giving keynote addresses or engaging in chats and discussions with the audience. The interactions covered some of the most pertinent issues of the digital industry like:

The evolution of the start-up ecosystem and disruptive innovations in India; Digital content consumption by Generation Z and the future of digital industry in India; The Digital India initiative of the Government of India; Digital infrastructure in India: achievements, milestones and what needs to be done.

Leadership Talks

The highlight of the two day event was the leadership talks by Rajan Anandan, Vijay Sekhar Sharma and Murugavel Janakiraman.

Inclusion Stage

The Inclusion stage mainly focused on topics like Smart cities, Internet for Rural, Financial Inclusion and Women on Internet.

Mobile Stage

The Mobile Stage mainly focused on topics like Content for Mobile for India and Apps Innovation which is required in India. The plenary sessions under this stage were:

Marketing Stage

The Marketing Stage focused on the innovations and challenges of digital marketing. The sessions covered the following topics: Mobile Touch-points Across Brand Marketing & Marketing Automation.

5. Awards

The association aims to felicitate the achievement and efforts of all those individuals and companies who have contributed towards the development and enhancement of online and mobile value added services in India. The India Digital Awards and The Digital Marketers' Awards are a step in that direction.

5.1. Digital Marketers' Awards

The Digital Marketers' Awards were instituted by IAMAI and Moneycontrol to appreciate and reward pioneering work done by the Marketing fraternity in the digital space. These awards pay homage to CMOs who have led the digital revolution efforts for their brands.

The entries were judged by a highly talented jury comprising of industry stalwarts from across industries. The criteria framed behind rewarding was not only restricted on the results generated but also the leadership ability of the Marketer in creating an innovative marketing environment that has the ability to change the game of the branding and marketing industry.

Total number of entries: 69

Different Categories and their winners:

- Automobile - VIRAT KHULLAR (Renault)
- Bank / Insurance - KARTHI MARSHAN (Kotak)
- eCommerce / Online Classified - NAVEEN KUKREJA (PolicyBazaar)
- FMCG / Consumer Durable - BEDRAJ TRIPATHY (Godrej Interio)
- Healthcare - AMIT TIWARI (Philips)
- IT / ITES - APARNA LAL (Microsoft)
- Mobile Network / Hardware - KARAN SARIN (One Plus)
- Mutual Fund / Broking - GAURAV SURI (UTI Mutual Fund)
- Real Estate - REEMA KUNDNANI (Oberoi Realty)
- Travel / Hospitality - MANMEET VOHRA (Starbucks)

5.2 India Digital Awards

The 6th edition of the IDA witnessed enthusiastic participation from the Indian digital industry, which reflects the credibility of the event in the industry. This year there were 6 categories, with 33 sub categories. There were 721 entries and over 50 winners. A panel of 21 eminent industry representatives comprised of the jury panel for this year's awards.

Vijay Shekhar Sharma and Bhavish Aggarwal were jointly announced as the Digital Person of the Year. Mr Anand Mahindra was adjudged the Social Media Person of the Year. Oyo Rooms was elected as the Digital Startup of the year. Interactive Avenues and iprospect were adjudged the winner and runners-up in the Digital Agency of the Year Category.

IV. Start-ups

The Indian start-up ecosystem is fast evolving, which is being driven by an extremely young, diverse and inclusive entrepreneurial landscape. This is leading to emergence of focused domain solutions for verticals like ecommerce, food delivery, healthcare, agriculture, education, etc.

Also, India is on the cusp of an apps revolution. With over 213 million mobile internet users and nearly 130 million local language consumers on the internet, the growth trajectory for apps development is bound to be exponential. People are moving towards apps and IAMAI is of the view that the apps economy in India will drive the next level of internet growth. To augment the start-up ecosystem and boost the apps development in India, the association has undertaken a series of initiatives. These are:

1. Mobile10X

Mobile 10X, a programme initiated by IAMAI to make India a global app superpower in the next five years, is aiming to scale up mobile app revenue from INR 1,000 crore to INR 10,000 crore by 2019. Mobile 10X is in line with the mission of the Indian government to boost the Indian start-up ecosystem with funds worth INR 1,000 crore set aside for technology start-ups.

Mobile 10X will also have five start-up hubs across five Indian cities in the next five years. These start-up hubs will include app testing facilities, design labs, co-working spaces, play zones and monetisation zones. The board members for Mobile 10X include VMAX founder and chief executive officer Dippak Khurana, Google vice-president and managing director (Southeast Asia and India) Rajan Anandan, Paytm founder Vijay Shekhar Sharma and the IAMAI president.

The founding partners will work in unison to educate, engage, evangelise and enable app developers in the country. The Mobile 10X programme aims to increase the number of mobile app developers in India from 50,000 to 500,000 over the next five years.

IAMAI has partnered with the Government of Karnataka and is already running a Mobile 10X Hub in Bengaluru. This was the first initiative. The association has also signed and exchanged a MoU with the Telangana State run Incubator to set up a Capability building Centre for App development within the T-Hub building. The MoU was signed in the presence of the Chief Minister of Telengana, Shri K. Chandrashekar Rao and State IT Minister, Shri K. T. Rama Rao. The association is also in talks with other State governments to set up similar hubs in other States.

Further, to promote apps development and spread awareness, Mobile 10X also organised an 11-city Hackathon (#HackforIndia) to support next Big App from India in February, 2016. The Jury will select 11 Best App Ideas, who will stand a chance to win prize money of INR 50,000 each. Also, the winners would be invited to showcase their Apps to the Indian Digital Industry leaders and Investors during IAMAI's Appfest in Bengaluru. The eventual winner will walk home with prize money of INR 5 lakhs.

2. Leadership Talks

IAMAI hosted a series of leadership talks for budding start-ups. The purpose of the talks was to create a platform for fresh start-ups to learn/interact and discuss with successful entrepreneurs and brainstorm on common issues which helps them to have a cross-learning from each other.

2.1 Ambareesh Murty – Founder, Pepperfry

The first such talk was organized on November 30 in Bangalore. Mr Ambareesh Murty, CEO and Founder, Pepperfry.com, shared his insights on how to acquire customers. His talk was focused on the various aspect for "Acquiring your first 100 customers". He shared his experience about the Pepperfry.com launch and how the company made its strategy work in the Indian market.

Mr Murty's advise to the start-ups: "Always remember who all your first customers are and what they mean for your company". He stated that very few start-ups hit the market fulfilling all the features. As a result, start-up's initial launch isn't generally the best time to try to drive massive growth, whether through paid ad campaigns, referral programs or other common growth hacks. He suggested that soliciting customer feedback and using their suggestions to improve product is essential as the customer will become the brand evangelists needed to power the next stage of growth. About 40 participants attended the talk.

2.2 Rajiv Srivatsa - COO & Co-Founder, Urban Ladder

The second leadership talk was organized on January 29, in Bangalore. Mr Rajiv Srivatsa, COO & Co - Founder, Urban Ladder, shared his experiences with the participants about "Innovating to Scale up to the next level", He discussed on the various aspects where innovations can be considered in a startup for scaling up to the next level and he advised the entrepreneurs on the areas that needed more concentration while scaling to the next level in an organization.

Some of the topics he discussed were - The Vision, Values and culture of a start-up company, The Management team - Making sure the human and non-human resources are put into place and splitting responsibilities to all the co-founders and creating a structure through which an organization's goals can be accomplished. All the 48 participants present took active part in the discussion. The second leadership talk was organized on January 29, in Bangalore. Mr Rajiv Srivatsa, COO & Co - Founder, Urban Ladder, shared his experiences with the participants about "Innovating to Scale up to the next level", He discussed on the various aspects where innovations can be considered in a startup for scaling up to the next level and he advised the entrepreneurs on the areas that needed more concentration while scaling to the next level in an organization

2.3 Vipul Parekh - CMO & CFO, Bigbasket.com

The third leadership talk was delivered by Mr. Vipul Parekh, CMO & CFO, bigbasket.com on February 26. He shared his thoughts on – "Building the winning Team".

The key discussion points were on Hiring, Founding team, Processes and the Culture of the Organisation. Mr Parekh said: "Don't hire for the resume when building a senior management team". He mentioned that hiring for ownership and learnability is very important as people who take ownership are less scared of failure. Also when looking for founding team members the three most important skills set to look out for are Technology, Design and Distribution.

Mr Parekh mentioned that Entrepreneurs/Founders are always on a roller coaster ride. He stated that it is important to hire a co-founder whom you don't mind working for and always hire for professional respect. As companies scale up, there needs to be processes in place and tight hiring, training and performance management process. His advice to the start-ups on organisational culture is to stay ahead of culture by creating culture. About 45 participants attended the start-up meet.

3. Start-up Series

With an aim to provide a unique platform for digital start-ups to connect with peers, mentors, angels, specialists and other stakeholders of the ecosystem and highlighting the role of mobile in digital economy, IAMAI has initiated a series of start-up summits across cities. The initiative is supported by Google.

3.1 Start-up Summit – New Delhi

The first in the series, the summit coincided with the launch of Mobile 10X on September 30, in New Delhi. The summit was focused on discussing some of the key issues faced by young entrepreneurs. The main topic of discussion was 'Scaling-up', 'Unleashing the Potential of an Effective Team' and 'Funding'. There was also a session with successful entrepreneurs, with Murugavel Jankiraman, Founder & CEO, BharatMatrimony and Dinesh Agarwal, Founder & CEO, IndiaMART.com, sharing their entrepreneurial journey. 30 curated start-ups were also given the opportunity to showcase their products to the investors. There were 400+ young entrepreneurs and top speakers under one roof. Some of the key speakers were Kunal Shah, Founder & CEO, FreeCharge, Ritesh Agarwal, Founder & CEO, OYO ROOMS, Rahul Narvekar, Founder CEO, Indiaroots, Peyush Bansal, CEO & Founder, Lenskart, Anu Acharya, CEO, MapmyGenome, Dharamveer Chouhan, Co-founder and CEO, ZO Rooms, Alok Goel, Managing Director, SAIF Partners, Sumir Verma, Investment Banker and Founder, Merisis, among others.

3.2 Start-up Summit – Jaipur

Jaipur, which is fast emerging as a leading hub for start-ups, hosted the 2nd Start-up Summit on January 22. The day-long summit focused on the problems a start-up faces and how established start-ups have withered the storm. Addressing the budding entrepreneurs from Jaipur, Kunal Shah, President IAMAI and Founder & CEO – Freecharge, said, "With the Prime Minister recently releasing the Start-up Action Plan, entrepreneurship has received an important boost from the government. IAMAI is working towards evangelizing the start-up ecosystem in India and the summit in Jaipur is a step towards that direction." Aptly titled, "Curating Innovating Minds", the Summit brought together leading players from the start-up ecosystem. Putting the need for a healthy ecosystem for start-ups, Vineeta Dixit from Google said: "In recent years, the Indian start-up ecosystem has really taken off and come into its own. There are several regulatory, policy and systemic challenges that need to be addressed. Our support to the IAMAI's Mobile and Start-up Summit is a small way of contributing to industry wide efforts to further an ecosystem for supporting young entrepreneurs."

Speakers at the Summit shared with the gathering learning curves that enable a start-up to be successful. According to them, the biggest challenge for every start-up is survival. From nurturing an idea to providing scalability, an entrepreneur faces many a hurdle in creating a start-up that withstands every storm. While funding plays a key role in determining success, it is innovation and adaptability that provides impetus to growth path. In an entrepreneurial journey, failure is an integral part and as Amit Jain, CEO & Co-Founder – Cardekho succinctly put, "If you are not learning from your failures you would never succeed. Enjoy the journey and you would eventually reach the goal."

Speakers at the Summit included Prof John Ure, Director, Telecommunications Research Project (TRP); Kalyani Khona, Co-Founder, Wanted Umbrella; Nishant Patni, Founder, CultureAlley.com; Amit Jain, CEO & Co-founder, GirnarSoft (Cardekho), Ankush Sharma, CEO, Yepaisa; Ajay Kumar Data, CEO, Datainfosys; Madhup Bansal, Co-founder & CEO, MyLy.

3.3 Start-up Stage – India Digital Summit

The Start-up Stage at the India Digital Summit focused on the newly emerging start-up sector in India and its challenges. The sessions covered the following topics:

- First Step to Entrepreneurship – Launching Of A Start-Up: the right time to launch any start-up, importance of market analysis, the risks involved in launching a start-up and the best launch strategy for any start-up.
- Product: The Secret Weapon To Build Your Brand: suggestions on initial stage of product planning; how to implement the idea of a unique product and what are the challenges on the road to product launch.
- Building a Killer Team – Ways to Attract, Hire and Retain the Right People: the various factors one should consider while hiring someone for the team to ensure that one is hiring the right person.

3.4 Start-up Pitch/Investor Connect

This was organised in conjunction with the 10th India Digital Summit. Apart from the knowledge sharing session, the start-up stage also had the start-up pitchings. This was a platform for upcoming start-ups to showcase their product and business model to Investors and successful Entrepreneurs. The session gave start-ups an opportunity to make a pitch to the investors and get candid feedback on their business models from the established entrepreneurs.

3.5 Tech Stage

The Tech Stage which was a part of the 10th India Digital Summit had discussions and deliberations on issues and challenges faced by the Mobile Tech sectors, like Health, Food, Education and Travel Tech. The sessions on this stage were: Heath-Tech on a Digital roll; Food –Tech industry headed towards a new ceiling; Edu-Tech Revolution adding new dimensions to the education industry; and Travel-Tech.

V. Research

One of the vital components of the Association's work is the various market research studies it undertakes every year on the key aspects pertaining to the industry. IAMAI research continues to be the strong point and decision determinant since they started way back in 2004. The research activities at IAMAI can be clubbed under three heads: Strategic, Market and White Papers.

1. Strategic Research

IAMAI undertakes various strategic research studies from time to time to understand the impediments of a growing sector and also to lay a roadmap in terms of policy formulation, which would enable a particular sector to grow. As in previous years, this year too, we have undertaken several path breaking strategic research reports in association with our research partners. Some of these are listed below:

1.1 Index of Internet Readiness of Indian States:

The report, published jointly with Indicus Analytics, highlights the performance of the states vis-a-vis different measures of Internet readiness index. Given the rapid advancement in e-services and e-commerce, it is essential to understand the strengths and weaknesses of the states. While this would help the business and governments to leverage the strength, policy measures can also be taken where improvements are required.

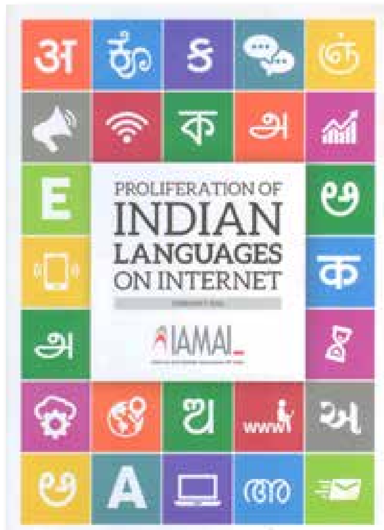
Under this report, selection of the categories (and the parameters within each category) was based on the broader understanding of Internet readiness of citizens, where Internet readiness encapsulates the spread and extent of the digital sector in different aspects of the socio-economic realities of each state. According to the report, Maharashtra is the top ranking state in terms of overall Internet readiness index, followed by Karnataka, Gujarat, Telengana and Tamil Nadu. Among the smaller states, Delhi has emerged as the topmost state in terms of Internet readiness index, followed by Puducherry and Goa.

This was a pioneering work and was an advance on the erstwhile e-readiness reports that focussed on old parameters such as software, BPO, STPI and skilled software developers. The parameters used in this paper were mobile connections, internet connections, presence of internet companies, ease of doing internet related businesses etc.

1.2 Proliferation of Indian Languages on Internet:

This study was done in partnership with Feedback Consultancy. The report studied the ecosystem of local language content for the internet in India, and the various challenges each sector faces. Primary interviews were conducted for Content Creators, Content Developers, Enablers, Consumption Data/ Analytics providers to understand the challenges each agency faces in generating local language content in Indian languages. The report suggested solutions for better integration between the different agencies in the ecosystem so as to facilitate greater digital content in Indian languages on the web.

The report finds that English language still accounts for 56% of the content on the worldwide web, while Indian languages account for less than 0.1%. However, while Internet in India is predominantly English, there is high potential for regional language content. According to the report, in the last year alone, Hindi content on the web has grown by about 94%, whereas English content has grown only at 19%. The report further asserts that there is significant scope for various stakeholders to benefit financially while addressing the needs of the local language content consumers. If the Indian language book publishing industry moves online, it can create a digital opportunity worth nearly US$ 7 billion for both the content providers and technology players.

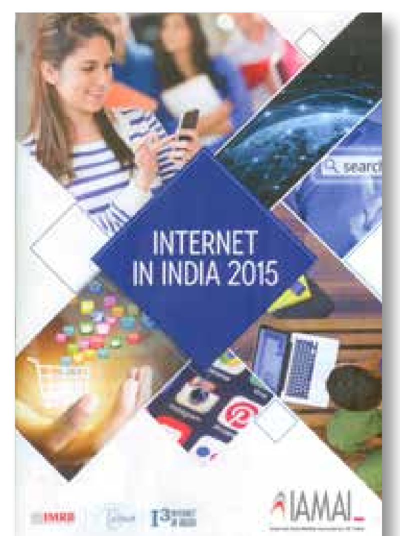


1.3 An Inquiry Into The Impact Of India's App Economy:

India's App Economy is witnessing exponential growth. A study published by ICRIER and IAMAI estimates direct employment in this industry to range between 1,51,230 and 1,59, 010 by 2016. Apps currently account for 75,000 jobs in India. Accordingly, the increase in direct employment attributable to India's App economy is expected to range between 76,230 and 84,010 jobs from 2014 to 2016. Besides, Apps create downstream jobs in sales and marketing and in customer sales management. They also cause income growth that has its own secondary impact on jobs. These indirect and induced effects could result in an increase in total employment by up to 8 times during the period 2014 to 2016. At its best, the App economy could generate over 6,00,000 jobs. The study also uses existing data to estimate the size of India's app economy at INR. 1964 crores by 2016.

1.4 Tapping The MSME Potential:

According to a report published by IAMAI and IMRB International, the MSME sector in India is rapidly embracing online media to scale-up marketing efforts. The report finds that 61% of 10 million technology-ready MSMEs give high importance to adoption of various online identities such as email, websites, social media etc. Over 80% of these MSMEs would prefer .com domain names as their online destination. Micro, Small as well as Medium Sized Businesses finds online media relevant for their business. This is true especially for MSMEs that engage in Travel/ Trade and Logistics, IT/ITES, BFSI and Education businesses. The report further finds that amongst various online tools, micro and small enterprises rank websites highest in relevance. There are about 1.35 million small and micro enterprises that own websites and that number is likely to grow 3 times its size to about 4 million by 2020.



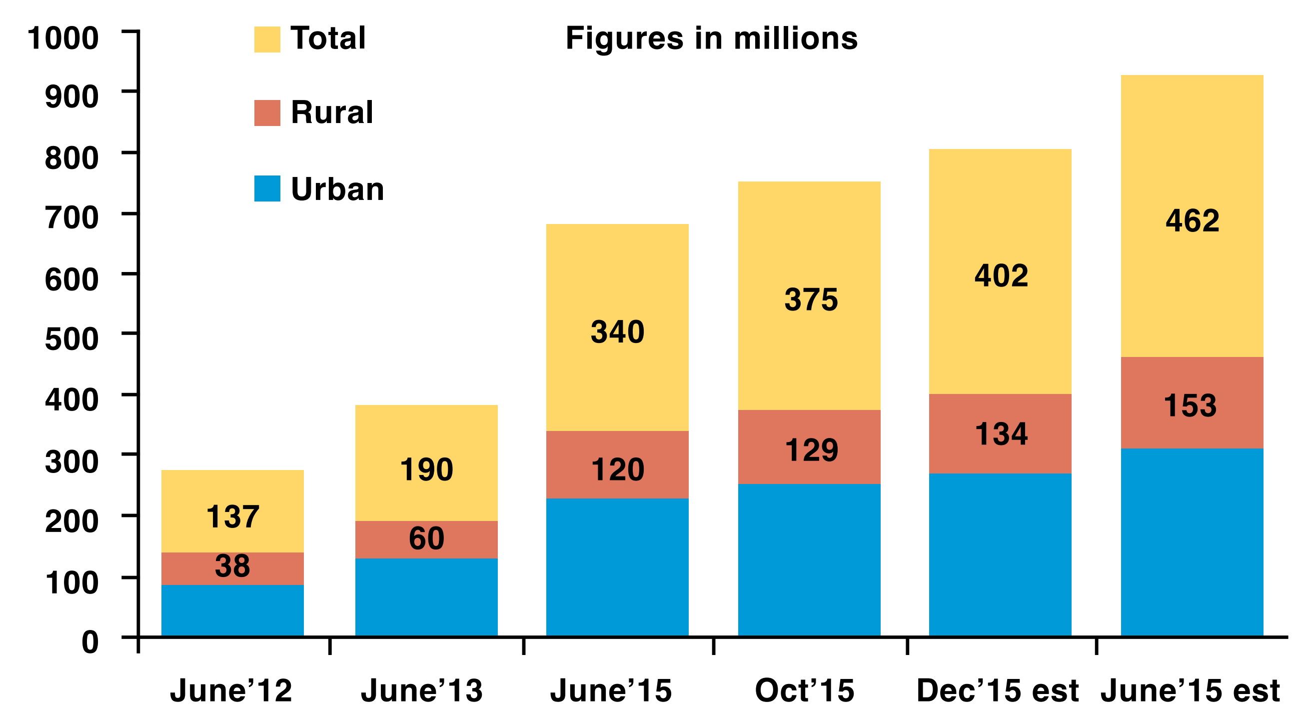
2. Market Research

IAMAI has been pioneering market research covering internet and mobile content and services in India. Over the years the association has done seminal research on topics such as mobile value added services, e-commerce, digital advertisement, internet penetration, and our numbers have become a benchmark for the industry and the government. Market Research is meant to take a stock of the situation in terms of market size, growth and the estimated growth potential, thereby assisting the decision makers to take a holistic view of their respective verticals. As in previous years, last year too, we published a number of market research reports, some of which are listed below:

2.1 Internet in India:

The report estimated that the number of Internet users in India would reach 402 million by December 2015, registering a growth of 49% over 2014. According to the report, 71% male and 29% female are Internet users in India.

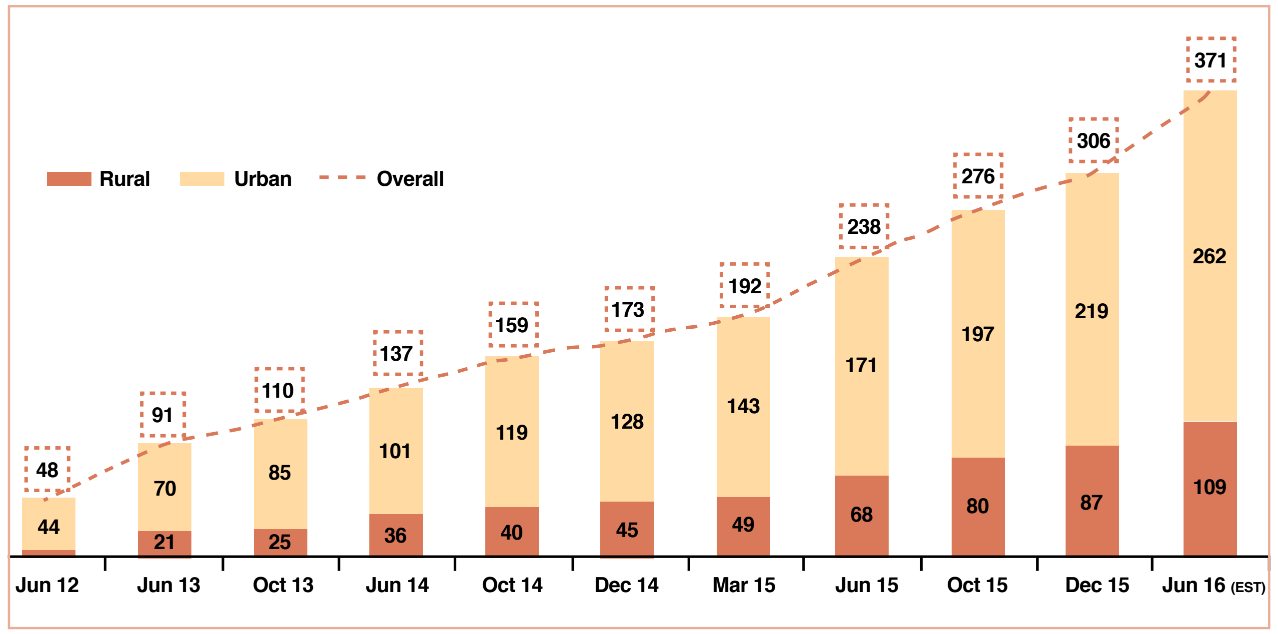
The Internet usage among males has been growing at a rate of 50% while it is growing at 46% for female users. However, in Urban India, the ratio between male to female Internet users is 62:38. Significantly, Internet users among females are growing at a rate of 39% compared to 28% among males. Further, the report finds that 32% of the users are College Going Students followed by 26% Young Men. Among the female Internet users, the highest growth has been among the Non-Working women. This segment has grown by 97% over last year. This is followed by School going girls (36% growth) and College going girls (26% growth). Significantly, there has been a huge spurt in the number of people accessing internet on a daily basis in Urban India. As on October 2015, 69% of Users are using Internet on a daily basis. This daily user base has gone up by 60% from last year.



2.2 Mobile Internet in India 2015:

The number of mobile internet users in India is expected to reach 371 million by June 2016. There were 306 million mobile internet users in India in December, 2015.

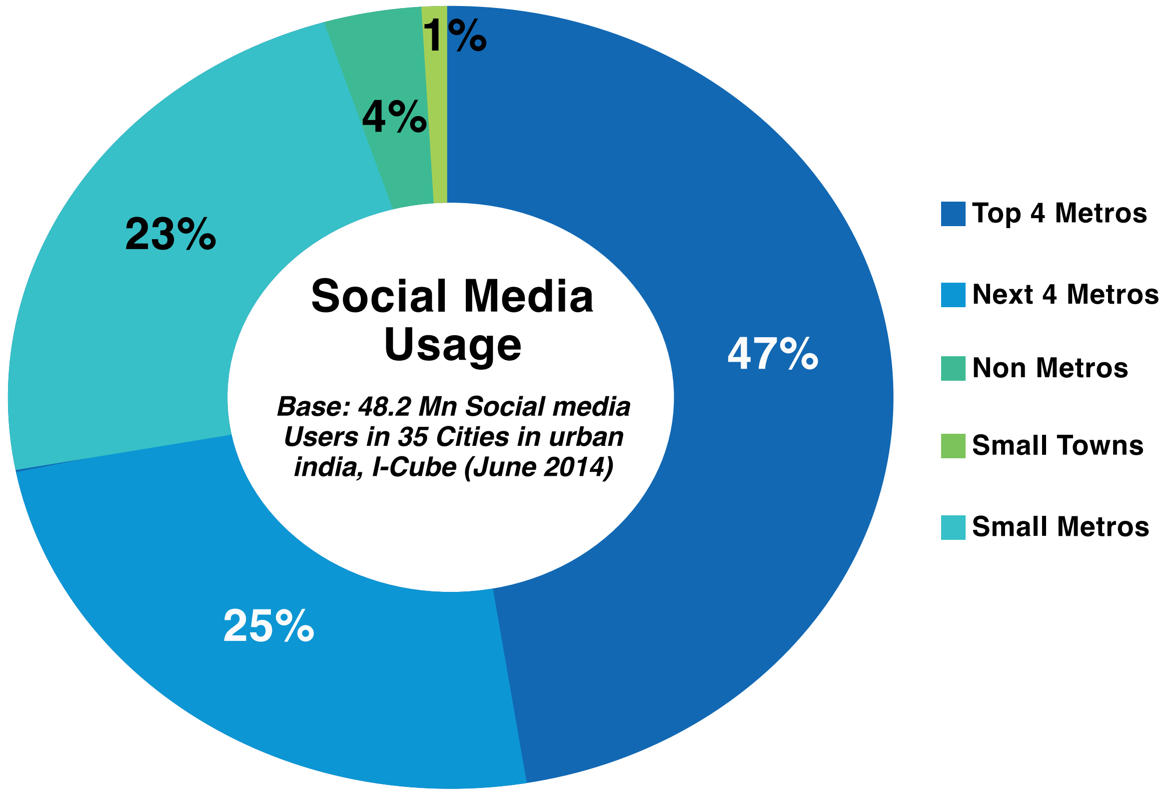
Of the 306 million internet users, 219 million users are from Urban India, which registered a Y-o-Y growth of 71%, while the user-base in Rural India has gone up by 93% from December 2014, to reach 87 million in December 2015. These were the major findings of a report titled 'Mobile Internet in India 2015', released by IAMAI and IMRB. The report also finds that the share of mobile internet spend out of average monthly bill has increased to 64% in 2015 as compared to 54% in 2014. The average monthly bill has reduced to the extent of 18% compared to last year.



2.3 Social Media in India:

Usage of Social Media in Rural India has grown by an impressive 100 percent during the last one year with 25 million users in Rural India. On the other hand, Urban India registered a relatively lower growth of 35% with the total number of users at 118 million as on April 2015.

According to the Social Media in India report by IAMAI and IMRB International, there are 143 million social media users in India as on April 2015. The report also finds that the top 4 Metros continue to account for almost half of the Social Media users in Urban India. According to the report, the largest segment accessing Social Media consists of the College Going Students (34%) followed by Young Men (27%). School going children constitute 12% of the social media users. College Going Students and Young Men still form the 60% of the Social Media users in Urban India. The report further finds that 61% of these users access Social Media on their mobile device. The fact that almost two thirds of the users are already accessing social media through their mobile is a promising sign. With the expected increase in mobile traffic the number of users accessing social media on mobile is only bound to increase.



2.4 Internet in Local Language:

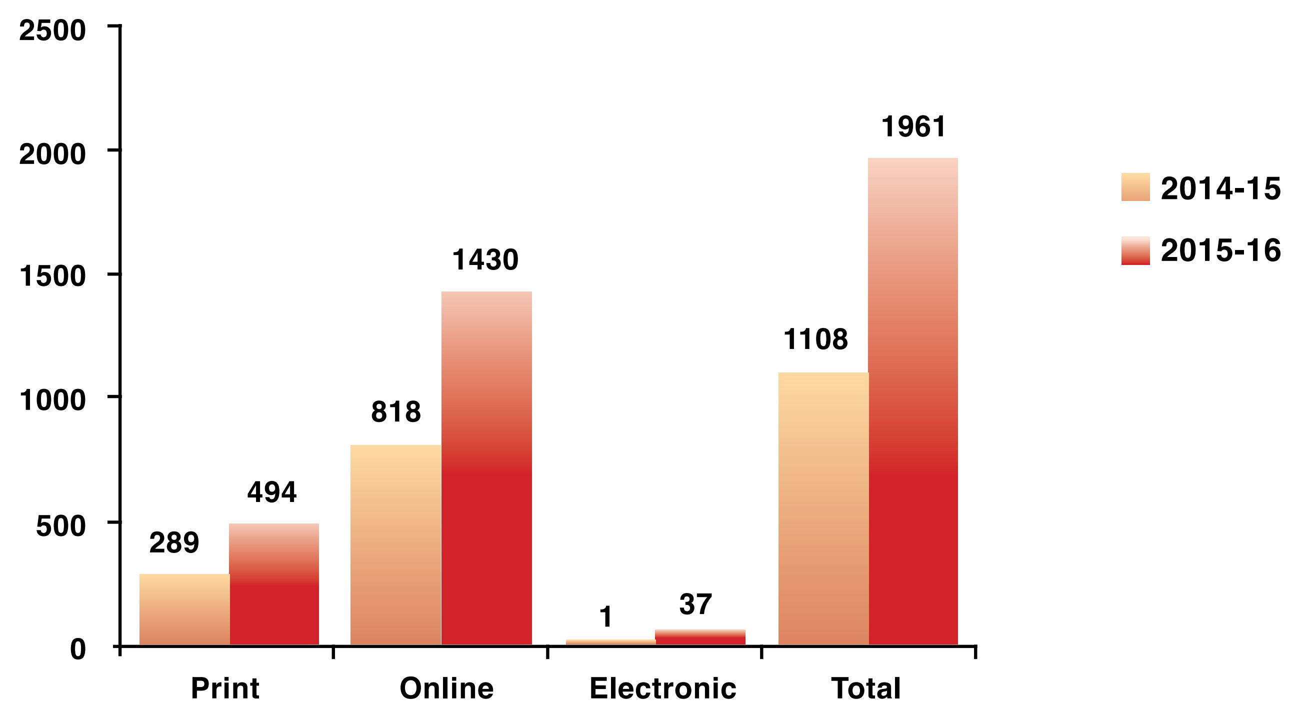
Increase in local language content on the Internet will lead to a growth of 39% in the current Internet user base, according to a report titled 'Internet in Local Language', by IAMAI and IMRB. According to the report, rural India will be the primary driver of this growth (75%) while in Urban India, the growth will be 16%. Communication, Social networking and Entertainment are some of the primary reasons people access the Internet. The report finds that majority of the urban India users like to access Internet for Communication whereas the rural India users access Internet for Entertainment. According to the report, the overall digital advertising spends in India was estimated to be INR 3,575 Crores by the end of December 2015. The proportion of Digital ads spends in the local language was estimated to be 5% of the entire market i.e. INR 179 Crores. With the increasing availability of digital content in the local language, this share is expected to reach nearly 30% of overall digital advertising spends by the year 2020.

VI. Media

Media is a key partner in IAMAI's work. The association works closely with the media throughout the year in amplifying our views. This year, the association communicated on behalf of the industry the following key issues: Net Neutrality; GST; Towards Less Cash Society; negative Impact of Entry Tax, Internet Numbers, among others.

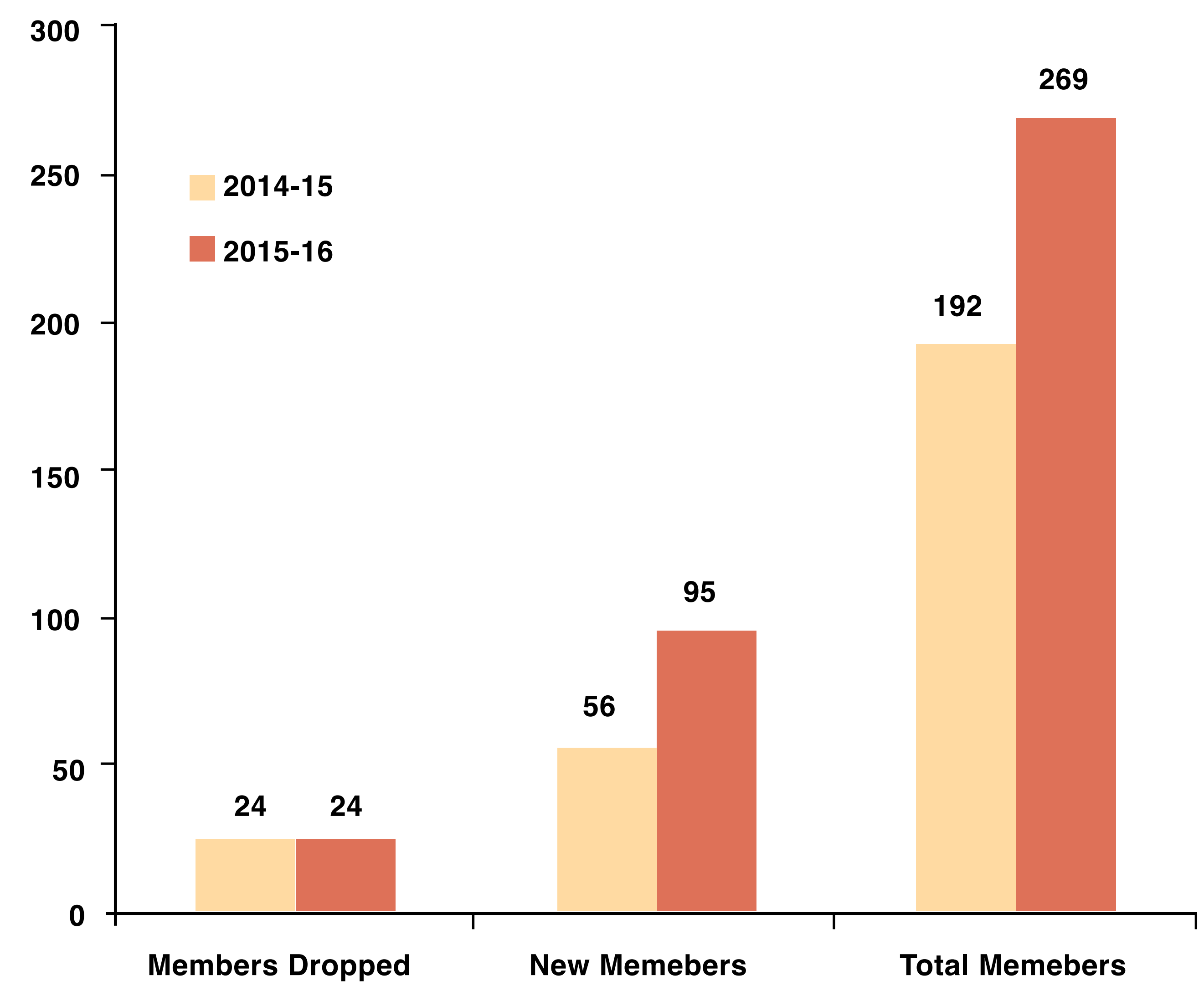
Media Coverage:

Through the association's constant engagement with the media, the coverage throughout the year has been satisfactory. A detailed analysis can be seen in the chart below.



VII. Governance and Membership

During the financial year, there was a conscious effort from the secretariat to increase the membership base of the association and include both large and small players in the ecosystem to represent the industry better. We are happy to state here that the continued efforts have paid dividends and the total membership base in FY2015-16 stands at 269, which is higher than FY2014-15. Even though 24 members dropped out due to various reasons, we were able to add more members as compared to 2014-15. This year, too, there will be a renewed effort to increase the membership base and scale it up to more than 300 members.



Execuitve Council (Till Dec, 2015)


Nishant Rao
COO at Freshdesk and former MD, Linkedin India


Vinod Bhat
Co-founder, President & Chief Strategy Officer, Saavn


Kunal Shah
Co-Founder & CEO, FreeCharg

Execuitve Council (Since Dec, 2015)


Kunal Shah
Co-Founder & CEO, FreeCharg


Vinod Bhat
Co-founder, President & Chief Strategy Officer, Saavn


Vishwas Patel
CEO, CCAvenue

Governing Council


Bikram Bedi
Head, India & SAARC, Amazon


Dinesh Agarwal
Founder & CEO, IndiaMART


Kirthiga Reddy
Managing Director, Facebook India


Kunal Shah
Co-Founder & CEO, FreeCharg


Rajan Anandan
Managing Director, Google India


Tushar Vyas
Chief Strategy Officer, South Asia, GroupM


Neeraj Roy
Managing Director & CEO, Hungama


Vinod Bhat
Co-founder, President & Chief Strategy Officer, Saavn


Vishwas Patel
CEO, CCAvenue


Mariam Mathew
COO, Manorama Online


Sachin Bansal
Co-Founder & CEO, Flipkart


Rajesh Magow
Co-Founder & CEO, MakeMyTrip


Satyan Gajwani
CEO, Times Internet


Nishant Rao
COO at Freshdesk (till Dec 2015)

Committees

Public Policy

Chairman: Ankhi Das (Facebook India)

Co-Chairman: S. Chandrasekhar (Microsoft India)

Digital Advertising Council

Chairman: Mariam Mathew (Manorama Online)

Co-Chairman: Tushar Vyas (Group M)

Digital Commerce

Chairman: Amit Agarwal (Amazon India)

Co-Chairman: Salil Kumar (Bagittoday)

Mobile Internet Content & Services

Chairman: Jagdish Mitra (CanvasM)

Co-Chair – Ravi Sundararajan (Webaroo)

Payments Council of India (PCI)

Chairman: Naveen Surya (ItzCash)

Co-Chairman: Vishwas Patel (CCAvenues)