

## BSNL on track to post net profit by FY19, says chairman Shrivastava

BY Mansi Taneja



Anupam Shrivastava

For nearly a decade, the state-owned telecom operator Bharat Sanchar Nigam Ltd (BSNL) had been on a downward spiral, but things are starting to look up again. The results are not out yet but according to an end-of-financial-year estimate, the company has posted an operating profit of Rs.3,378 crore in the last financial year compared with Rs.672 crore as operating profit in 2014-15. In an interview, chairman and managing director Anupam Shrivastava talks about BSNL's turnaround, growth plans and competition. Edited excerpts:

**BSNL's decline started around a decade ago, but the public sector utility managed to post an operating profit of Rs.672 crore in FY2014-15 after many years. How are the numbers looking for the last financial year?**

Our revenue should cross Rs.30,000 crore with a growth of 11%. In fact, revenue from services alone could rise by 5%. I think a revival cycle has started and we have to build on that. We have registered highest growth in the enterprise services space, which grew by 40% to Rs.3,000 crore.

We have also reduced our debt to Rs.5,000 crore, from the earlier Rs.7,000 crore. There's no short-term liability now, we have only long-term debt. Our books look healthy if you consider the telecom market.

In the current financial year, we will invest more in data services and try to keep up the growth tempo. We expect to hit net profit by 2018-19 on the back of data services.

**How do you plan to sustain this cycle of growth? What's the strategy?**

Right now we have a three-pronged strategy in place. Mobile infrastructure is part of our phase 8 expansion plan and we will replace old base transceiver stations (BTS) with new ones. BSNL will launch 4G services in select districts and we are now looking for a partner to start these services in 2,500 MHz (megahertz) frequency. An expression of interest is already out and we are going to operate on a revenue-sharing basis. We will also focus on intra-circle roaming arrangements to better utilise our spectrum. We are expecting annual revenues of Rs.500 crore from this.

Second, we'll focus more on landline and broadband, and finally on Wi-Fi. We have already installed 2,500 hotspots in 1,200 locations, which will be increased to 40,000 in the next two years. It will virtually act as a 4G

hotspot so that mobile users can seamlessly shift from 3G to 4G and vice versa to access data services at high speed—at about 100 Mbps. We will also increase our marketing spend to Rs.200 crore from Rs.170 crore in the previous fiscal. That will give us adequate visibility.

**What about capacity addition in the mobile space?**

To ensure better network coverage, we are going to set up 25,000 BTS towers for which the company is investing around Rs.4,048 crore. Another 21,000 BTS towers will be installed by the year end, costing around Rs.2,000 crore.

Then there's the optical transport network worth Rs.2,000 crore—we are using the latest technology to upgrade the core network. The project will be completed in the next two years. The next phase of expansion will require Rs.5,000 crore as we will set up new facilities for 2G, 3G and 4G services besides replacing old equipment.

**What's the update on your ambitious project—the next generation network (NGN) for wireline connections?**

The first phase of NGN is over where we have added one million lines across 672 exchanges. The second phase is in the works in urban areas and the third will cover rural exchanges. The process involves upgradation of landline exchanges to IP (Internet protocol)-based NGN across India, and it comes with a bunch of features, including video and conference calls. Also, a landline user will be able to receive incoming calls to his mobile—basically through call forwarding.

**How do you see the entry of Reliance Jio in an already crowded market? Does the market offer enough opportunities for so many operators?**

Reliance Jio is bound to disrupt the market. And it's quite possible to see a huge customer exodus due to its initial offerings. It remains to be seen how many companies can survive the onslaught. However, BSNL is in a position to take on that challenge. Our strength lies in landline and optical fibre assets, which can offer faster data speed at cheaper rates. We will match Reliance Jio's offers step by step, but our priorities will be landlines and optical fibre cable networks. The market will consolidate more and only four to five operators are going to survive in the long run. And BSNL will certainly be one of them.

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