Early signs of a major turnaround in Bharat Sanchar Nigam Limited (BSNL) are visible as the country's largest telecom PSU gears up for a threefold increase in its operational profits. The rising competition has given the much-needed push to BSNL, which is now aiming to earn net profits in the next two years. To this end, the operator's current strategy of acquiring customers through innovative data plans, along with a major ramp-up of existing networks, will go a long way in achieving these goals. In an interview with tele.net, Anupam Shrivastava, chairman and managing director, BSNL, talks about the company's focus areas and plans for operational and financial revival…

How did the company perform in the past one year? What were the key achievements?

After several years, we finally reported an operational profit of Rs 6.72 billion during 2014-15. During 2015-16, we continued to record operational profits, thus turning it into a good year from a financial point of view. The audit of our 2015-16 results is currently under way and we expect a threefold growth in operational profits over the previous year. The total top line is expected to have grown by about 10 per cent. The rise in revenue during this period can be attributed to the growth in our core business. Further, our expenditure has gone down slightly, due to which the net loss has reduced. Thus, in a way, 2015-16 can be seen as a turnaround year for BSNL.

If we talk about the first six months of 2016-17, the growth is going strong. Our revenue growth continues to be around 5 per cent, which is more than the previous year on a month-on-month basis.

A major revival of the mobile business has also taken place. The Telecom Regulatory Authority of India's figures indicate that for the past six to seven months, BSNL has managed to bag either the first or the second position in terms of subscriber growth. For July 2016, BSNL recorded the highest net subscriber additions, ahead of Bharti Airtel.

We have come up with various plans and offerings for our customers. We are the only operator that is providing free countrywide roaming services. On our landline network, we provide free calling services between 9 p.m. and 7 a.m. We have, in fact, started offering free calling services from BSNL's network to any other network on Sundays. These plans have received an overwhelming response from users and the traffic on our network has started increasing. We have even managed to reduce the customer churn in the landline segment.

Similarly, in the broadband segment, we have come up with interesting and innovative plans keeping the competition in mind. The entry of Reliance Jio Infocomm Limited (RJIL) has posed a new challenge to all operators. One cannot wish the operator away; instead, one has to rise to the challenge and act accordingly.

I noticed that while consumers were all excited about RJIL's plans, they also talked about BSNL's Experience LL 49 plan, under which landline customers get services at a mere Rs 49 for the first six months. Then, we have our broadband and landline combo plan, priced at Rs 249, which gives free data along with unlimited calls at night and on Sundays.

Users' growing interest in data services as well as the increasing competition in the data segment has worked in favour of BSNL. We have launched innovative plans due to which our data throughput on the mobile side has grown from 270-280 TB on a daily basis to almost 340 TB, even crossing 350 TB on certain days.

We have decided that when faced with competition, we will compete with full zeal, matching tariff with tariff with our rivals. We are the country's largest landline operator and also the largest optic fibre operator. When it comes to delivering data services, who can match our data capability and price points?

That said, we are keen on collaborating with our industry peers. We have decided to focus on the "coopetition" strategy, wherein we compete as well as collaborate with industry players to save capital costs. It could be through sharing infrastructure or in the form of intra-circle roaming (ICR) agreements. We have ICR agreements with Aircel, Vodafone, and now RJIL.

Interestingly, while there was this whole issue of interconnection between RJIL and the private operators, BSNL got no mention as we offered RJIL full support.

Where did all this enthusiasm come from?

There has been a shift in people's approach. Over the past two years, to my surprise, all our associations, unions and staff members have been talking about sales and marketing. BSNL's

strategy has always been too technical with a focus on installing exchanges, ramping up the network, erecting towers, etc., with little focus on customer service. This is changing now.

We have come up with the slogan, “service with a smile”. This slogan has transformed BSNL from a once written-off PSU into an organisation reverberating with enthusiasm. I am not saying that we have started working like a private operator, but this has definitely put us on a revival path and made our presence felt among customers.

Which were the areas that have helped cut losses?

In 2014-15, despite recording an operating profit, our losses touched Rs 80 billion on account of substantial depreciation. In 2015-16, we expect the losses to be less than Rs 40 billion. Growth is being injected from the data, mobile and broadband segments. We have also been able to peg our expenditure at a constant level. It is, in fact, declining year after year.

What is BSNL’s current optic fibre cable (OFC) network length? Is it being shared with private operators?

We have an OFC network spanning about 700,000 km. However, we lease bandwidth from Power Grid Corporation of India Limited, RailTel and other PSUs, especially in the north-eastern region, to enhance connectivity. Our current network is split roughly 50:50 between backhaul and access. We have significant last mile and are focusing on connecting our 3G and broadband networks through OFC. Most of the progress in recent years has been on access networks as our backhaul has already been in place. We have been upgrading technology on the backhaul side while adding length on the access side. As for network sharing, we have a standard plan. We are also sharing dark fibre with several private companies for carrying TV bandwidth.

What has been the progress on the Wi-Fi front?

BSNL does not have spectrum in the right band to launch 4G services. Thus, Wi-Fi has become our core focus in a bid to meet the 4G challenge and fill the gap. Since 2014-15, we have

installed 2,800 Wi-Fi hotspots. Most of these have been launched under the opex model with the help of our three partners. Meanwhile, we are also deploying Wi-Fi hotspots through the capex model. By March 2018, we plan to leverage both these models to put up close to 40,000 hotspots countrywide.

Which are some of the tenders that BSNL is planning to float?

In our mobile segment, we are coming up with the Phase 8 tender, which will upgrade our 3G network and also cover some pockets of the 4G network. (We have some spectrum at market-obtained rates through which we can offer 4G services.) The total value of this tender will be around Rs 50 billion and is expected to be floated within the next three to four months.

We are also undertaking OFC roll-outs and core network upgradation in a big way. This is separate from the Digital India programme because we will be setting it up using our internal resources.

Tenders can also be expected for network upgradation in the broadband space.

Which are your most promising circles?

The south zone in general is a very promising circle, followed by the north zone, the west zone and the east zone.

What are BSNL's future plans? What is your vision for the company?

We are on a revival path and will continue to move ahead on it. We are ready to face all the competition that comes our way and we hope to earn net profits by 2018-19.

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