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The past year was an exciting one for Hughes Communications India Limited (HCIL), the market leader in India's very small aperture terminal industry. The company's growth was primarily driven by projects such as BharatNet, Network for Spectrum (NFS) and also those in the oil sector. The recently launched National Digital Communication Policy (NDCP) has brought satcom for broadband into spotlight, which opens new business opportunities for HCIL. The company also plans to tap opportunities presented in areas of in-flight connectivity (IFC). In an interview with tele.net, Partho Banerjee, president and managing director, HCIL, talks about the key trends in the satcom space, the company's performance highlights and the future outlook...

How has the satcom space evolved in India? What are the key emerging trends?

Satellite-based communications was one of the first segments to be liberalised under the National Telecom Policy (NTP), 1994. It played a very crucial role in bringing connectivity to corporates, particularly in the manufacturing industry. The majority of corporates in the vertical were using it extensively for connecting their offices and manufacturing facilities. Subsequently, there was another far-reaching policy change under NTP, 1999, when for the first time the Ku-band was permitted and the revenue share of satellite services witnessed a huge growth. As telecom infrastructure started developing across the country, especially in urban areas, satellites, which were used in metros, got substituted and moved to the rural and remote parts of the country. Overall, the deployment of satellite services went up by about eight times in the country in a decade.

From 1999-2000 onwards, we have not seen any major change in either the satellite regulatory policies or technology upgrades. For almost over 20 years, technology in the country has remained stagnant, while the rest of the world has moved quite ahead.

We, as a company, have grown at an average of 8 per cent per annum. However, the missed opportunities are significant to the extent that with the availability of the right technology, we

could have been three times bigger in the country today.

That said, I think a lot of telecom-related regulations are getting the right amount of attention. We have a dynamic and energetic secretary at the helm of affairs, who has been instrumental in bringing in a lot of policy reforms including NDCP and IFC.

What have been the key performance highlights of HCIL during 2018 and what are some of the key projects that HCIL is currently working on?

We have had a very good year, particularly in terms of growth in the government segment. We are working on the BharatNet project, connecting almost 3,500 panchayat sites. We are also working with Bharat Sanchar Nigam Limited (BSNL) at another 1,500 broadband sites, under the same project. We believe that in future, satellites will play a much bigger role and these 5,000 sites will possibly grow to about 30,000 or more. We are also participating in the NFS project for the Indian Navy and Army. We are doing a major project in the shared hub space in the oil sector wherein we have deployed almost about 20,000 sites for all the public sector oil majors and some of the private entities like Essar and Reliance.

Which enterprise verticals stood out during 2018, in terms of satcom adoption/requirements?

I think both the corporate and the government segments really stood out. The government projects include typically very large projects such as BharatNet and NFS. I think the oil retail segment is another big area. We are also putting up the entire backhaul and backbone for Reliance Jio.

The NDCP 2018 focuses on satellite-based communications. What are your views on this?

I think the NDCP is a very progressive document. The fact that satellite communication has significant presence in the entire document is a very welcome step.

Currently, the ease of doing business in India is poor and I believe that the government is trying to improve this scenario through imports of equipment, easing the licence requirement and spectrum charges, and satellite allocation. So, several issues are getting addressed and there are some positive movements. We believe that in the next month or two, the industry will see several strong policy and procedure related updates.

The government has recently announced in-flight and maritime connectivity rules, which focus on satellites for network connectivity. What are your plans on this front?

We definitely want to be the frontrunner in this space and we were the first to apply for the licence. We are already associated with some of the global players in the IFC space to provide managed solutions. We are also in touch with domestic airline companies, who have specific plans to launch the service as soon as the licensing process is completed. In terms of the technology and facilities, we are already geared up and we should be in a position to really start the service by March 2019.

What are the opportunities that you are tapping under the government's BharatNet project, Digital India and Smart Cities Mission?

The growth opportunities and their scale are very large but we need updated technology and a different process to achieve targets. HCIL has been pursuing this for about five years now.

Our retail broadband plan, which envisions providing broadband through satellites, has been a success story in North America, Latin America and various other countries. However, we have not been able to replicate that success in India. That said, there is a huge opportunity in this area that we are looking forward to tap.

We are not engaged in the Smart Cities programme as such, since satellite does not have a huge role there. But, definitely, there is a huge opportunity in smart villages and in remote unserved connectivity. We think that we can possibly double the number of currently deployed sites in a few years, given that we have access to the right technology at the right cost. That is the biggest hindrance to India's satellite broadband initiative today.

Besides satellite communications, what are the other growth areas that HCIL is exploring?

We have been working in the area of terrestrial managed services, which saw good traction in 2018. We have over 10,000 sites, where we are integrating 3G/4G into a managed service called HughesON. HughesON is a suite of managed solutions that helps companies empower their network and business with new, cutting-edge technologies. The service provides VPN grade connections with GSM last mile making use of the mobile network provided by established telecom operators.

We are also focusing on education services wherein we offer premier interactive onsite learning through satellite-based education and training. The service can be subscribed to by corporates, working professionals and students. We have tied up with premium institutes like IIMs, XLRI and IITs for the same.

What are the key challenges before you?

In the long run, the availability of low-cost, high-throughput satellite capacity will be crucial. We have been requesting the regulator to allow an open sky, or may be a controlled open sky policy where we can contract with approved satellite service providers, who offer new technology at a low cost. The country and the people have missed out on 20 years due to unavailability of select technologies.

What are your growth and investment plans for 2019? What will be HCIL's key focus areas?

We, as a company, take India very strategically and positively. Broadband satellite services continue to be key focus area for us. We are still pursuing opportunities to get satellite grants from the DoS. We hope to get some help on that in 2019. We are aiming to grow at about 10-12 per cent and will focus on some of the new areas like retail broadband and IFC.

What is your medium and long-term outlook for the satcom space in India?

We feel that satellites will play a very important role in connecting India. That said, the ease of doing business in the satellite space is extremely poor at present because of policy-related issues and due to the monopoly of the DoS.

In the medium term, we are going to invest in the areas of IFC and retail broadband. As for the longer term, we have already put in a \$500 million worth proposal to put a satellite over India, which is in line with the government policy. We expect to play a substantial role in the upcoming low Earth orbit (LEO) satellites as they get launched for India some time around 2021-22.

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