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BSNL will be Back in Profits by 2018-19, Says MD Shrivastava

ET Q&A

State-run Bharat Sanchar Nigam Ltd (BSNL)

expects to become profitable again in the year to March 2019 on gains from growing data demand, reduction in staff costs and monetisation of land, tower and spectrum assets. In an interview with ET's Muntazir Abbas, BSNL Chairman and Managing Director Anupam Shrivastava said the telco has given 11 proposals to the government for land monetisation worth ₹2,500 crore. Edited excerpts:

What is the financial status of BSNL?

We are up 2% (on year, in revenue) as per unaudited figures of first six months. We ended with revenue of ₹28,500 crore as of March 2015, while losses went up sharply due to a change in the way we calculate depreciation.

We are aiming for revenue between ₹30,000 crore and ₹32,000 crore in 2015-16, with losses at less than ₹6,000 crore.

By when will BSNL make profits?

By 2018-19, BSNL will be back in profits. Major reasons include growing data demand, lesser salary outgo impact. Our capex and collaboration (sharing) initiatives are going in the right direction.

Are you looking at monetising tower and land assets?

From ₹700 crore today (from leasing out towers), we expect to clock ₹2,000 crore in the next three to four years. We have already submitted 11 proposals (on land monetisation) amounting to ₹2,500 crore to the government. We are expecting a go-ahead to come by the year end.

Do you plan to introduce voluntary retirement scheme (VRS) for BSNL employees?

The VRS proposal is with government and is under examination as the programme will require money to be implemented. We are not filling new positions. We have a 2.25-lakh workforce; 10% staff goes every year by way of retirement. We have nearly 55%, or ₹15,000 crore, of annual outgo from revenue to meet salary expenses.

What is your data strategy?

Voice is plateaued now. Data is our

focus area...450 Wi-Fi hotspots are already in place. Data is a ₹1,500-crore business for us now. In mobility, we had 8% data revenue last year and this year it has contributed 12%. On the broadband front, data added 50% to our revenue last year as compared to 60% this year.

Do you have plans to expand the voice/data capacity?

We have embarked on the Phase-7 expansion plan and invested ₹5,500 crore on the mobile front, including data. We are investing ₹700 crore to add capacity that aims to increase additional 20 million lines in 2015-16.



MONETISING ASSETS

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Is BSNL open to spectrum sharing/trading?

It is time to share, collaborate yet compete. We are now ready for ICR (intra-circle roaming) agreements with private operators. Discussions with Bharti Airtel, Vodafone India, Idea Cellular and Telenor are on. Reliance Communications is enthusiastic, although we have not signed any pact yet.

We are open to trading although we are still waiting to get clarification from the telecom department on these guidelines.

By when do we see BSNL hiving off its tower assets into a unit?

Cabinet decision has already come. Out of 75,000 towers, 61,000 will be transferred to new company. A committee has already been formed to look into modalities and we expect its recommendations on the structure of the new tower company by the year end.