

# Press Media Communication Report

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## 'BSNL has already started turning around'

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When Rakesh Kumar Upadhyay took over as the Chairman and Managing Director of Bharat Sanchar Nigam Ltd in 2011, he had given a two-year window to turn around the State-run telecom company. Now, close to the end of his tenure,



Upadhyay reckons that BSNL is turning around. Although much of the problems, including a large work force and dwindling market share, continue to plague the company, Upadhyay says that several key decisions have been taken in the last one year placing the company at the cusp of a major comeback. *Business Line* asked the outgoing chief to give his views on the future of the company. Excerpts:

**How successful have you been in achieving the goals you set out to do when you took over?**  
BSNL is looking positive today in terms of performance, customer service and expansion of network. Hence, expected results are now visible. We have pushed our case with the highest authority and several decisions have been taken with focus on generating revenues by leveraging non-tele-

com assets. Now these have to be only executed by whoever takes over as the next CMD.

**In 2011, you had said that BSNL has 2-year window to turn around. Do you think that window is now over?**

BSNL has already started turning around and has started showing an increase in overall revenue and reduction in losses. In fact, fixed line network, which includes Fixed Line as well as broadband combined, has shown positive growth in the last six-months. Therefore, the path of BSNL turnaround is already set and results are demonstrating the efforts made.

**What are the three big things which you have done as CMD?**

There are several achievements which BSNL as a unit has done in the last three years and it is difficult to name any three as big things. BSNL has procured GSM equipment, NGN equipment which was pending for quite a long time. We have introduced new services like FTTH, 3G and several value-added services in both mobile and broadband space.

**Is there a future for BSNL?**

BSNL as a company is growing and showing annual revenues of approximately \$4.5 billion. BSNL is serving more than 125 million customers across the country and is catalyst in checking the price point for telecom services. The Government has shown faith in BSNL by allocating various projects of national importance like NOFN, Defence Network, Navy Network, NKN, NMEICT and other projects.

**Many initiatives for improving BSNL have still not been completed. Like VRS, hiving off assets etc. Why is there so much delay?**

The process in various initiatives like VRS, better utilisation of unutilised or under-utilised assets, Government entity, there is a defined process through which all such initiatives are required to be completed. The processes are already on and in progress at a pace which is expected. It is worth mentioning here that GoM is formed to recommend various measures for financial viability of BSNL and MTNL. Various initiatives like these are under the consideration of GoM at present.

**Is merger with MTNL a solution?**

Meiger of MTNL and BSNL is being talked about for several years now. In merger of any two entities, there are several issues which are required to be sorted out like financial structuring, manpower structuring and meeting the aspirations of employees and customers, sharing of various assets created over long period. The discussions are already in progress for such actions but the decision is with the Government.

**What are the 3 things that should be done immediately to save BSNL?**

As I said initially, BSNL is already on the path of recovery and we have already initiated several

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**RAKESH KUMAR UPADHYAY,**  
CMD, BSNL



measures to lift the sentiments of people and customers together. We hope that we will get sufficient support from both Governments as well as customers, so that, BSNL can live up to the expectations of all stakeholders. Reducing salary burden, viability gap funding for commercially non-viable service (like services in rural areas, North-East areas, etc.) are some of the important actions on the part of the Government.

Similarly, strengthening the legacy network, expansion of wireless network on 3G and when required are the capital expenditure steps/actions on the part of BSNL.

**What should be done with the staff costs?**

BSNL is a 100% Central Government entity and employees with BSNL are entitled to get salaries and perks as decided by Government of India and not by BSNL. There are various methods of giving short-term relief to BSNL for heavy employee cost but ultimately, the responsibility of bearing the employees' cost will remain with the Government/BSNL in the form of VRS package or pensions. Various possibilities like VRS are being worked out to ease staff cost issue.

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