

BSNL, MTS in talks to offer 4G services

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State-run telecom company Bharat Sanchar Nigam Ltd (BSNL) is in discussions with MTS, the Indian unit of Russian telecom company Sistema, to offer fourth generation, or 4G, telecom services across the country, through joint branding.

"We are in the final stages of discussions with MTS and are awaiting the government's policy on spectrum sharing and trading, expected to be announced soon," a senior BSNL official told *Business Standard*.

Currently, MTS offers services to about 10 million subscribers across nine telecom circles, including Delhi, Rajasthan, Tamil Nadu, Karnataka, Kolkata and Uttar Pradesh (West), while BSNL offers services in all but two circles - Delhi and Mumbai. Both companies sought to combine their spectrum across circles and offer 'co-branded' services once the rules were out, the official said.

When contacted, an MTS spokesperson said, "All telecom players talk to others. But in the absence of a regulatory framework, it would be premature to comment on this."

Another BSNL official said the company had limited spectrum to offer full-fledged 4G services. At least five MHz is required for such a roll-out.

A deal between BSNL and MTS would, however, be subject to approvals by the Department of Telecommunications and was likely only across select circles, the official added.

It is expected the government will soon announce the guidelines for spectrum sharing and trading. Earlier, the Telecom Regulatory Authority of India had recommended allowing the sharing and trading of spectrum among operators.

BSNL, which doesn't have 4G spectrum, plans to offer these services through two routes: First, through Wi-Fi (it plans to integrate its Wi-Fi to 2G and 3G networks and act as a 4G hotspot for mobile subscribers) and second, through partnerships with private telecom players, according to the company official. BSNL aims to roll out 4G services by next year.

While Mukesh Ambani's Reliance Jio is expected to roll out 4G services by next month, Bharti Airtel, India's largest telecom operator, has already launched these services across 23 cities.

"BSNL will invest Rs 39,000 crore in the next five years, a major chunk of it on data. The focus is on improving core network capabilities, as we intend to exploit data. Last year, BSNL's losses were around Rs 7,600 crore and in the previous year, around Rs 8,000 crore. So, losses have already started coming down. We expect the company's accounts to be in shape by 2018-19," Chairman and Managing Director Anupam