

Interview with Partho Banerjee

“End-user experience is what matters the most”

Hughes Communications India Limited (HCIL) has come a long way since it began operations in the Indian very small aperture terminal (VSAT) communication space in 1995. It is now a leading player in this market, offering several innovative and customised solutions across various business verticals, including banking and financial services, telecom, education, digital cinema, digital delivery and e-governance. The company is upbeat about the government’s Digital India initiative and the Smart Cities Mission, and believes VSAT communications can play a vital role in realising the objectives of these initiatives. In an interview with *tele.net*, Partho Banerjee, president and managing director, HCIL, talks about the company’s performance during the past year, the key challenges faced by it and its plans for the future. Excerpts...

How did HCIL perform during 2016? What were the key highlights of the year?

It was another exciting year for HCIL with new developments across our enterprise, government and consumer platforms and services. HCIL continued to witness healthy growth during 2016. As per data from the Telecom Regulatory Authority of India, HCIL had a market share of 38.45 per cent as of June 2016. We also continued our collaboration with public sector entities, our latest engagement being with the Oil and Natural Gas Corporation for a network revamp project worth **₹** 450 million. On the business side, we saw continuing global demand for our JUPITER™ System, with significant new sales in the Indian market.

With the VSAT market expected to grow well, we are confident about maintaining steady revenue growth going forward. The banking sector will continue to be the key driver. We also see strong opportunities emerging with the government’s Digital India initiative, particularly in gram panchayat connectivity. We see large satellite network requirements in the government, defence and mobile backhaul segments.

How have the requirements of your customers changed over the years?

HCIL commenced its operations in VSAT communications in 1995, and has since then been a leading player in the



businesses across sectors such as banking, telecom, defence, oil and gas, retail and education, to name a few.

One of the most significant trends in enterprise connectivity is the need for faster bandwidth. It is driven by end-users who want to run a broader range of business applications over a satellite network and who need to expand their network to new sites and new users. HCIL constantly monitors these networks and we are working on bringing in the latest technologies so as to meet both immediate and future changes.

Today, every network is dynamic and there are enhanced expectations from the networks to effectively run various applications and be available everywhere. There is a high level of consciousness that end-user experience is what matters the most. HCIL

has geared itself up by augmenting network capacities, introducing latest-generation VSATs, and developing products and services leveraging virtualisation, software defined wide area network, caching, and acceleration technologies to align with the objective of ensuring end-user satisfaction.

Which enterprise verticals represent high business potential for the company?

The banking sector is among the key drivers of VSAT services in the country. India’s satellite-linked ATM and branch office networks are growing quickly. HCIL has, over the years, connected the highest

Indian satellite communications market. During these years, we have had the opportunity to bring enhanced connectivity to power e-governance projects and address the connectivity needs of busi-

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number of off-site ATMs and bank branches on VSATs anywhere in the world. Till date, HCIL has deployed more than 40,000 off-site ATMs and 33,000 bank branches with a secure VSAT satellite network. HCIL serves nearly all private and public sector banks, including the State Bank of India, Punjab National Bank, HDFC Bank, ICICI Bank, Bank of Baroda, IDBI Bank, Bank of India, Union Bank of India, Dena Bank, Corporation Bank, Canara Bank and United Bank of India.

We are also seeing significant growth, with a wider push to e-governance initiatives by the government. The e-learning segment, enabling online, live interaction among instructors in urban centres and professionals in towns across the country, is also showing positive growth trends.

All traditional segments with an affinity to VSAT technology like banking, oil and gas, financial services and media will continue to be the growth drivers. However, our mission is to make a significant impact in areas such as broadband internet, the government's Digital India initiative, and the retail and insurance segments, with the introduction of new products and services that augment and complement satellite technologies.

What opportunities do government initiatives such as Digital India and the Smart Cities Mission bring for VSAT players?

The Digital India and the Smart Cities Mission have opened up new realms of opportunities for all stakeholders, especially in the telecom arena. The Indian telecom market's core network has been effectively built out across all major cities. However, even in top-tier cities with substantial terrestrial network capacity, last mile access is erratic. The roll-out of high speed broadband, especially in rural areas, is largely dependent on the Bharat-Net programme, but given practical issues, it is moving at a slow pace. Considering the challenges, VSAT can bring the much-needed connectivity to places that are out of reach for terrestrial networks, thus effectively contributing and complementing the efforts being made towards realising the dream of a digitally enabled country.



What are the challenges currently being faced by the company?

As the flag-bearer of this industry, the foremost challenge for us is to keep delivering innovations in hardware and services that stretch satellite technology to challenge and complement the ever more capable and widespread terrestrial networks. Consumer and enterprise markets have their own unique demands and we need to make sure we introduce the best solutions and services to effectively meet industry demands. In addition, the complex regulatory environment is a constant challenge, hindering wider growth prospects.

What is your outlook for the VSAT market in the country?

These are dynamic, exciting times in the Indian satellite telecom market, with a significant surge in demand for several applications, most notably broadband/VSAT. Analysts forecast the global enterprise

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VSAT market to grow at a compound annual growth rate of 9.53 per cent during the period 2017-21, and we expect the Indian market to have a significant role in this growth story.

A major challenge is the availability of the latest technology in satellite services. India is still dependent on 15-year-old satellite service technology, whereas new-generation technologies offer twenty times the bandwidth at one-tenth the cost. This is a big challenge for the communication satellite industry in the country.

What will be HCIL's key focus areas in 2017? What are the company's capex targets and investment plans?

The focus areas will continue to be expansion in the banking and government sectors. The regulatory framework permitting, HCIL is keen to invest in small and medium enterprise broadband infrastructure and services in 2017.

What is your regulatory wish list?

For several decades, the contribution from the private sector has been limited due to complex administrative policies, offering very limited scope for the private sector to leverage the possible opportunities. It is high time the government makes some crucial institutional as well as policy changes so that the private sector gets an opportunity to bring in the latest technological innovations and cost advantages for Indian consumers, with the Indian Space Research Organisation acting more as a facilitator. ▲