

# The way of turnaround for ITI Limited



**S. Gopu**  
CMD, ITI Limited



**A**fter a gap of 16 years and being red for several years, country's first PSU post-independence and premier telecom manufacturing company ITI Limited has turned around and achieved an increase of 109% in the net profit. The company has got a profit of 19 crores for the third quarter without any government grants. At present its four units out of six have registered significant income by the end of third quarter of 2017-18. The company expects to achieve order book of Rs 10,000 Cr by end of FY 2017-18.

ITI is now heading towards a great financial year 2017-18 as the company has become L1 in Rs. 8000

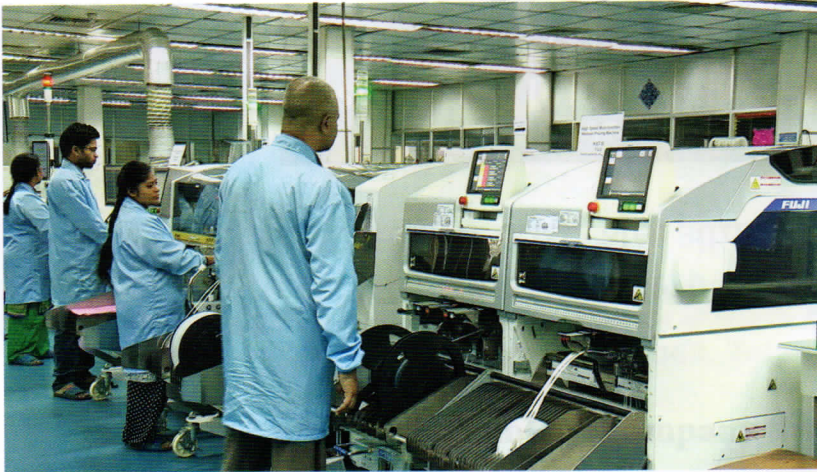
Cr. deal of Army Static Switched Communication Network (AS-CON) from the Ministry of Defence, Rs 800 Cr order for the supply of Smart Energy Meters from Energy Efficiency Services Limited (EESL). Thanks to shedding old ways and adopting new technology such as the Internet of Things (IoT), manufacturing of fibre optic cables, HDPE, solar panels, 3D printing, data centers, secured communication network for defence and startup incubation centres.

The company started incurring losses in the early 2000s, due to falling prices of telecom equipment and multinational entrants along with the rapid changes in

technology, high cost of production, employee costs. Company's R&D capability was taken away and in 2003, it was declared sick and referred to BIFR in 2004.

Since the new management has taken the charge, ITI's losses have drastically come down to Rs. 56 crore in 2016-17 from Rs. 247 crore in 2015-16, without any government grant. Company's Chairman & Managing Director S. Gopu along with Director (Production & Marketing) K. Alagesan and other senior officials charted a course of action to shed the image of the company.

According to Mr. S. Gopu, "It was not so easy to build the strategy for a turned around, but we kept



New SMT Line at ITI Bangalore Plant.

our hope alive. With assistance from government of India, we initially decided to diversify and started assisting the government on its Digital India Mission by implementing BharatNet project in phases. We also extended our data centre facility at multiple locations to assist banks and Aadhar authentication services to various state and central government organisations. The company has planned to add another 150 racks space in its data center facility by 2018. We have already started a 3D printing station for designing prototypes and opened an arm for startup entrepreneurs and incubators. We have also entered the field of space to design electronic packages for India's Space Mission."

The company has taken a big leap by becoming L1 in Rs 7,000 crore-phase IV tender of Army (Army Static Switched Communication Network-ASCON) for deploying and maintaining its strategic communication network across the country. The project includes civil works for providing the complete infrastructure required at various sites and optical fiber network. The ASCON project

includes the supply, installation, commissioning and maintenance of telecom equipment like IP/MPLS Routers, Microwave Radio, Satellite Terminals, NMS, Mobile Nodes and Test Equipment. This turnkey order from Defence is in continuation with phase I, II and III of ASCON which have been established and maintained by ITI in the last 25 years.

ITI Limited has achieved a significant milestone by being a part of phase I of Government of India's flagship project "BharatNet" connecting over One Lakh Gram Panchayats across the country with high speed optical fibre network. The project envisages hi-speed broadband connectivity at an affordable price in over 2.5 lakh villages. The Company has received Certificate of Appreciation from Union Minister of Communications for its significant contribution, as an Equipment Supplier for the BharatNet Phase 1. The tenders for phase II project are announced and ITI is making all out efforts to participate in all the tenders.

The company has signed a Memorandum of Understanding

with the Centre for Development of Advanced Computing (C-DAC), to collaborate in the area of Internet of Things (IoT). Aims to provide end-to-end IoT solutions and services to the Central and State government establishments, also large enterprises. Under the MoU, ITI will manufacture and market various IoT products being developed by C-DAC for the specific Smart City components like Smart Environment, Smart Agriculture, Smart Post, Smart Water management, Smart Intelligent Traffic Management and Smart Safety and Security.

Additionally, an IoT team is in place to finalise partnerships with potential IoT device makers, which could be a \$15 billion market in India by 2020. ITI is also working with close to 22 start-ups including the likes of MyHomeInfoWays, Thingtronics, Cardiac Design Labs, Yuktix Technologies Ltd, Citrus Platform Solutions, Hanbit Automation Ltd etc. Most of these start-ups are in the IoT space and smart city technologies. ITI helps these startups in manufacturing prototypes and lends a helping hand to enter the market.

In order to realise the dream of a cleaner India under the Swachh Bharat Mission (SBM), the Ministry of Urban Development (MoUD) had planned to install feedback devices at the public toilets to regularly monitor and maintain cleanliness of toilets. ITI in association with MoUD has been installing feedback devices at public toilets to regularly monitor and maintain cleanliness of toilets in all districts of 12 states with support from district municipal corporation bodies. The feedback device from ITI Limited is one of the key initiatives of ITI

Limited that enables concerned authorities to receive real-time feedback from public toilets across regions. The equipped public toilets will enable citizens to directly give feedback from the toilet locations to the state and union government authorities.

ITI is committed to the 'Digital India', 'Make in India', "Skill India" and 'Smart Cities' initiatives of Government of India. ITI has launched TAG ITI Digital Wallet Service to provide cashless transactions to the nation's economy under the Digital India Initiative of GoI. ITI has also imparted skills to youth on 'Optical Fibre Splicer', 'Electronics Switching System Manufacturing and Testing' and 'Mobile Communication' under the flagship of Pradhan Mantri Kaushal Vikas Yojana.

In a first of its kind, ITI is also going to manufacture smart meters for implementation of smart grid projects in Haryana and Uttar Pradesh. ITI will help these states to significantly reduce the AT&C losses and completely change the way in which electrical energy is presently being consumed in the states. Installation of these smart meters will enable the power distribution companies to obtain real time energy consumption data of each consumer for subsequent analysis. This will pave the way for initiating various smart measures like Time Of Day (TOD)/Time Of Use (TOU) billing, prediction and management of peak demand, providing real time energy consumption data to consumer, prepaid billing facility, remote connection and disconnection of load, accurate billing, etc.

ITI manufactures Mini PC called



New Solar Panel Facility at ITI Naini Plant.

SMAASH and also engaged in the manufacturing of smart cards. A significant amount of SIM cards & National Identity Cards in addition to switching and signaling equipment has been supplied by ITI in the recent years.

In today's changing scenario, ITI Limited looks forward to explore opportunities in the IoT, e-Governance, ICT areas in addition to telecommunication and defence projects. With the support of Government of India, ITI has already upgraded the electronics manufacturing infrastructure to supplement indigenous manufacturing. ITI also intends to take up solutions depending upon industry requirements for encryption of Mobile Handsets, HF Radio, Software Defined Radio (SDR), STM 256/40G IP, Encryption with public key. The company is consolidating its diversification into Information and Communication Technology (ICT) to hone its competitive edge in the convergence market by deploying its rich telecom expertise and vast infrastructure for Network Management Systems, Encryption and Networking Solutions for

Internet Connectivity.

The recent strategic plan outlined by the Department of Telecom (DoT) has helped ITI to create synergy with other PSUs under ministry of telecommunications and paved the way for ITI to jointly tap business opportunities arising from Government initiatives like Digital India and Smart City. As a result ITI has been able to sign MoU with TCIL pertaining to export of products, with CDOT for transfer of technology, and with MTNL and CDoT for joint execution of Internet of Things and smart city projects.

As far as future of telecommunications is concerned, experts believe that the Indian telecommunication sector is expected to witness fast growth in the next few years. With favorable regulatory environment, support from the government and efforts of the industry, India will achieve a substantial boost in the telecom equipment manufacturing sector and ITI will take this opportunity to get back the glory of industry by fulfilling the requirement of industry. ■