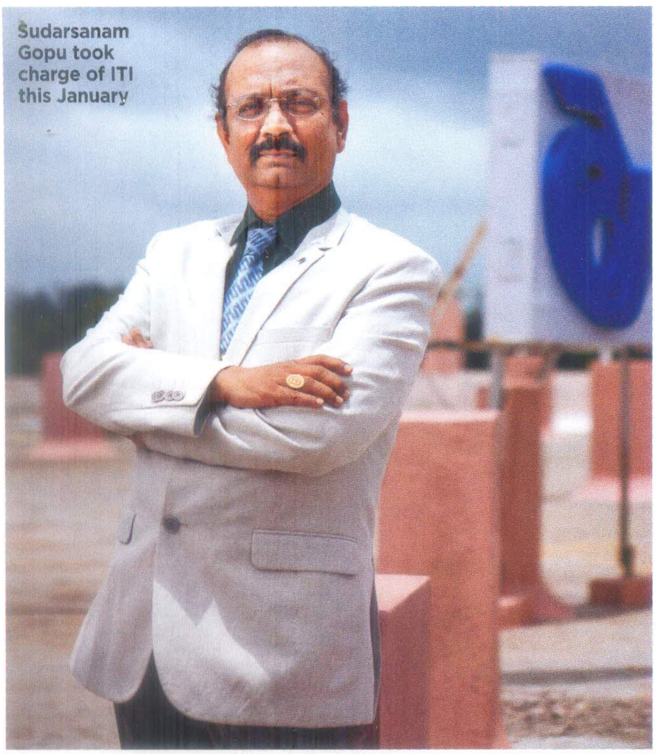
**9,000**
The number of toilet-feedback devices ITI expects to ship initially


REVIVAL MODE

# India's Oldest PSU Looks to Startups for Fresh Lease of Life

*ITI, the ailing state-run maker of telecom gear, has been clawing its way back, and is now partnering with startups in new sectors*



Sudarsanam Gopu took charge of ITI this January

NISHANT RATNAKAR FOR FORBES INDIA

**STATE-OWNED ITI** Limited is nearly as old as the nation. Established in 1948, the Bengaluru-based maker of telecom gear is independent India's first public sector undertaking. In its heydays, ITI, which was the principal supplier to government-run telcos BSNL and MTNL, had 30,000-odd employees.

When the opening up of the economy in the 1990s ushered in the telecom revolution, the rise of new private telcos affected the business of ITI, and the company was reduced to a mere shadow of itself. ITI, which had clocked a profit of ₹86 crore in 1992-93, registered a net loss of ₹706 crore, in 2003-04, and was declared a sick unit.

Thirteen years after it filed with the Board for Industrial and Financial Reconstruction, ITI is witnessing a nascent revival, led by Chairman and Managing Director Sudarsanam Gopu, who took charge this January. "We have started partnering with startups and new engineering groups," he says.

One partnership is with Bengaluru-based Cardiac Design Labs, where founder and CEO Anand Madangopal and his co-founders are commercialising their cardiac monitoring wearables. For Cardiac Design, the partnership could mean big government orders. Being state-run, ITI is also well placed to raise working capital. However, before manufacturing these wearables, ITI has to qualify for quality and technical certifications such as ISO 16485. "They [ITI] definitely have great interest and motivation, which is a new phenomenon with the government," says Madangopal.

ITI is also partnering with Hyderabad's My Home Infoways, to fulfil an order from the Ministry of Housing and Urban Affairs for a toilet-feedback device, part of the Swachh Bharat Abhiyan. The idea is to instal devices for users to give feedback on hygiene levels of public toilets by pressing a button. The data reaches the tablet or computer of the municipal commissioner. The cloud-based solution ensures a ministry official in Delhi can also scrutinise the feedback thousands of miles away, and in real-time. ITI may produce and supply these units to 12 states, says K Alagesan, ITI's director for production.

Helping ITI regain its prowess is the central government: It sanctioned ₹4,150 crore in February 2014 to run its operations and upgrade infrastructure. ITI has also been supplying equipment to BSNL and MTNL, along with military-grade encryption gear. Its current projects include supplying optic fibre network equipment to Bharat Broadband Network Limited, under India's BharatNet project. In 2009, ITI started a data centre, offering services to other government firms. It is now expanding the centre to offer tier-3 level services. These efforts have helped the company increase revenue and cut losses.

Losses, without government grants, have fallen from ₹297 crore in 2014-15 to ₹56 crore in 2016-17, while revenues have risen from ₹706 crore to ₹1,651 crore. Gopu is aiming for breakeven this fiscal.

—HARICHANDAN ARAKALI