

BSNL's revenue collection system seen deteriorating

TT Correspondent | New Delhi | 14 Jul 2009

The Comptroller and Auditor General (CAG) of India pointed out that BSNL's arrears have increased from Rs 7,376 crore in 2007-08 to Rs 7,502 crore in 2008-09. The CAG report adds that Rs 4,226 crore of the arrears is difficult to recover.

Out of the total amount, Rs 5,151 crore was due from the subscribers, which includes government agencies.

As per the CAG, BSNL has taken wrong decisions and made wasteful expenditure resulting in loss of Rs 1,520 crore. A particular decision to excess expenditure of Rs 1,089 crore on interest payment on a loan taken from the Government has also come in for flak by the CAG.

"BSNL failed to retire Government loan of Rs 7,500 crore in spite of having adequate cash reserves of Rs 18,829 crore as of March 2005 parked in bank deposits with average rate of return of 6.19 to 7.38 per cent a year against interest rate of 14.50 per cent for the loan," added the CAG.

BSNL's productivity is seen increasing owing to the fact that the firm's employee count has decreased from 3.45 lakh in 2003 to 3.08 lakh in 2007-08.

The other state-run operator, MTNL is however seen to be improving its performance on the arrears front as the firm's recovery amount decreased from Rs 1,401 crore in 2006-07 to Rs 1,358 crore with Rs 378 crore of this difficult to recover. The firm's employee strength is now 47,351 from 55,760.