

## **BSNL's Rs 30,000-crore cash reserve plummets to Rs 2,500 crore in FY11**

**The reasons for this steep fall in cash reserves are payment of Rs 18,500 crore towards 3G spectrum and broadband wireless access (BWA) spectrum auction price and payment of Rs 5,301 crore to LIC towards group leave encashment scheme**

Telecom Minister Kapil Sibal has informed the Parliament that state-run telecom firm BSNL's cash reserve plummeted to Rs 2,500 crore in 2010- 2011 from Rs 30,000 crore two years back.

"As per the audited books of account, cash reserve of BSNL has gone down from Rs 30,343 crore as on March 31, 2010 to Rs 2,500 crore on March 31, 2011," Telecom Minister Kapil Sibal told Lok Sabha in a written reply.

The reasons he attributed to this steep fall in cash reserves are payment of Rs 18,500 crore towards 3G spectrum and broadband wireless access (BWA) spectrum auction price and payment of Rs 5,301 crore to LIC towards group leave encashment scheme.

Added to this is the Payment of Rs 2,900 crore on implementation of revised pay scale and Rs 392 crore in tax liabilities, he said.

Sibal said that declining revenues and increasing expenditure also added to the burden.

He said that the state owned telco is facing fierce competition from private operators and decreasing average revenue per user accounted for decline in revenues, while increased expenditure resulted from large legacy work force whose wages accounted for 50 per cent of the revenue.

Minister of State for Communications and IT Milind Deora in response to a question told the Parliament that BSNL has recovered Rs 988 crore against the outstanding dues which stood at Rs 5,231 crore as on November 30, 2011.

BSNL has sought continuation of support from the government towards rural wireline connections on phasing out of access deficit charge (ADC).

"Telecom Regulatory Authority of India (telecom regulator) has made an interim recommendation of Rs 600 crore as support," he said.

Sibal also said that consolidation of infrastructure, strengthening of revenue streams through focus on broadband and enterprise business, focus on customer care and push on data usage are some steps the company is taking in this regard.