

FIXING BLOATED WAGE BILLS IS KEY TO MAKING PSUs VIABLE

WHILE it looks at ways to make PSU telcos BSNL and MTNL viable — it did a similar exercise for Air India last year — the government would do well not to get distracted by the fancy numbers put out by the PSUs. BSNL, for instance, has projected revenue growth of 47% over the next four years. Given the competition is unlikely to stay still, the chances of PSUs raising their market shares in a

HOW THEY STACK UP

EMPLOYEE COST AS A PERCENTAGE OF NET SALES

COMPANY	FY 13	FY 12	FY 11
MTNL	154.33	120.42	99.73
Bharti Airtel	4.99	4.92	5.50
SAIL	19.42	17.23	17.89
JSW Steel	2.57	2.46	2.66
ONGC	1.52	1.16	5.21
Reliance Ind	1.30	1.10	1.25
NTPC	6.39	6.08	6.26
Tata Power	4.39	4.96	4.78
BHEL	11.91	11.44	12.82
Larsen & Toubro	11.38	10.69	10.09

Source: Capitaline

significant manner are low. Meanwhile, as the table shows, their wage bills are killing. How can

MTNL compete with a Bharti Airtel if its wage bill is 154% of its revenues versus under 5% for Bharti Airtel? SAIL is in a similar mess.

