

# FIXING BLOATED WAGE BILLS IS KEY TO MAKING PSUs VIABLE

**W**HILE 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
<b>MTNL</b>	<b>154.33</b>	<b>120.42</b>	<b>99.73</b>
Bharti Airtel	4.99	4.92	5.50
<b>SAIL</b>	<b>19.42</b>	<b>17.23</b>	<b>17.89</b>
JSW Steel	2.57	2.46	2.66
<b>ONGC</b>	<b>1.52</b>	<b>1.16</b>	<b>5.21</b>
Reliance Ind	1.30	1.10	1.25
<b>NTPC</b>	<b>6.39</b>	<b>6.08</b>	<b>6.26</b>
Tata Power	4.39	4.96	4.78
<b>BHEL</b>	<b>11.91</b>	<b>11.44</b>	<b>12.82</b>
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.

