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जनपथ, नई दिल्ली-110 001
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भारत संचार निगम लिमिटेड
(भारत सरकार का उद्यम)
BHARAT SANCHAR NIGAM LIMITED
(A Government of India Enterprise)

गोपाल दास

अध्यक्ष एवं प्रबंध निदेशक

Gopal Das

Chairman & Managing Director

D O No.16-54/2009-B

Dated 03-11-2010

Dear Shri

I have been reviewing the liquidity position of BSNL and find that your circle is continuously utilizing more cash than what is being collected. What is even more alarming is that the gap is widening, leading to a severe cash crunch. I, therefore, believe that dire measures are called for. You are requested to thoroughly review the cash flow of your circle, reasons for lower cash inflow and the pattern of expenditure. While revenues need to be increased, the immediate need of the hour is to weed out any cash outflow which is not absolutely essential. Accordingly, the revised working expenses budget allotment reflects this requirement. An embargo on expenditure on the following items may be implemented till 31-03-2011 or further review, whichever is later.

1. Travel expenses may be pared to the bare minimum. Extensive use of Tele and Video conferencing may replace travel. The recently launched web-based virtual classroom platform in BSNL may also be utilized.
2. Business promotion & marketing expenses may be met only to the extent of committed liability to date, within the revised budget allotment of the circle. Further commitment on this account may be kept on hold.
3. Buildings: No expenditure may be undertaken for administrative buildings, IQs etc. For technical buildings, expenditure may be incurred only after explicit case to case approval of BSNL Corporate Office, even where estimates may be already sanctioned.
4. Motor Vehicle: A total ban on purchase of new vehicles is imposed. Since budget wing has not allotted budget under the relevant head, there should not be any committed liability on this account as of now.
5. Controllable Expenses: The Circle may draw specific strategy to ensure curtailment of expenditure especially in Controllable Objects of Expenditure i.e. Repair & Maintenance, Vehicle Running Expenses, Power and Fuel Charges, Inland and Foreign Travels Expenses, Business Promotion and Marketing, Advertisement, Security Guards, Professional Charges, Printing / Publication & Stationery, Overtime Allowance, Postal Expenses and Other Administrative Expenses. In particular, the runaway expenditure for electricity, fuel & water needs to be reined in.

CGMs may additionally impose requisite measures to contain expenditure and narrow the difference between cash collection and outflows.

In view of the crisis situation looming ahead, CGMs are requested to personally monitor all expenditure and ensure that these instructions are followed scrupulously. Revised budgetary allotment for 2010-11 for the circle is not to be exceeded under any circumstances and this shall be the cornerstone of the appraisal process for 2010-11.

With regards,

Yours sincerely,

(GOPAL DAS)

To

Shri

*All CGMs
BSNL Circles*