

Cabinet may discuss Rs 7,500 cr notional loan waiver of BSNL

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The Union Cabinet is likely to take call on waiver of notional loan on BSNL estimated to be around Rs 7,500 crore in its next meeting on February 28.

"Cabinet may take up notional loan waiver matter of BSNL on February 28. With interest and other charges, it is estimated to be around Rs 7,500 crore," a source told PTI.

Since the time of corporatisation of BSNL in October 2000, a 15-year notional loan has been showing in the financial books of loss making state-run telecom firm.

The loan is being discharged at the rate of 14.5 per cent and penal interest of 2.75 per cent over and above normal rate interest rate.

An amount of about Rs 983 crore as principal remains outstanding against BSNL on which the interest is charged by government.

BSNL has been logging losses since 2009-10. The company's profits had started declining after 2004-05, when it had made net gains of Rs 10,183 crore.

The public sector firm had posted a loss of about Rs 7,784 crore in financial year 2012-13.

Government has constituted Group of Ministers, headed by P Chidambaram, to revive loss making telecom firms BSNL and MTNL. The proposal of notional loan waiver is part of various recommendations made by the GoM to Cabinet for BSNL.