



BSNL, MTNL to get loan for paying staff inherited from DoT

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NEW DELHI: The government will give a [loan](#) to state-owned BSNL and [MTNL](#) to [pay](#) the employees they inherited from the [Department of Telecom](#), a ministerial panel decided today.

Both the telecom companies, which have been in losses, are rationalising cost and are considering other steps like locking value of their [real estate](#) for their revival.

The Group of Ministers (GoM) on revival of BSNL and MTNL decided that telcos should get loan to address the salary issue.

The panel also gave its in-principle approval to hive off BSNL's tower assets into a separate subsidiary.

"In the process of rationalising the cost which is being incurred by BSNL and MTNL on [staff](#) which they had basically inherited from [DoT](#), we have made a case and GoM has come to a decision that this can be addressed by giving them a loan," [Telecom Secretary M F Farooqui](#) said after the GoM meeting.

When asked what amount will be given, he said it is being worked out on the basis of some limited number of employees and expenses on those on salary. The loan will be given on that basis which the companies will eventually repay with some interest, he added

BSNL's salary burden in 2011-12 stood at Rs 13,406 crore, almost half its revenues. Most of the BSNL staff are inherited from the DoT.

In a bid to bring down this burden, BSNL had proposed letting go one lakh employees by offering them voluntary retirement scheme (VRS).

Sources, however, said the [VRS](#) proposal is now on hold as it required huge outgo of around Rs 12,000 crore at one-go.

On tower assets Farooqui said: "Yes, we will be working on it to hive off towers assets of BSNL as a subsidiary," Farooqui said.

He said on tower business, the GoM has indicated a way forward and the Department will now see what all approvals are needed to be taken to take it forward.

BSNL has over 60,000 towers across India. It also has tower sharing pacts with many private operators.

No decision was, however, taken on the issue of monetisation of land assets of the state-run companies, which may fetch them nearly Rs 14,000 crore.

"It will be examined further," the secretary said. BSNL had posted loss of about Rs 7,784 crore in financial year 2012-13. MTNL's net loss widened to Rs 5,321.12 crore in 2012-13 from Rs 4,109.78 crore in FY'12.

The GoM's previous decisions, including refund of fee for broadband wireless spectrum which cumulatively amounted to Rs 11,258 crore and bearing burden of [pension](#) paid to MTNL staff, brought some relief to the ailing public sector units.

Both the PSUs expect to turn profitable by 2017-18, sources said.



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