

Copy No. 07 of 11

No. 111/2/1/2019-CA.V

भारत सरकार / Government of India  
मंत्रिमण्डल सचिवालय / Cabinet Secretariat  
राष्ट्रपति भवन / Rashtrapati Bhavan  
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New Delhi, 16<sup>th</sup> June, 2025

**Subject: Valuation methodology of BSNL/MTNL/ITI immovable assets for direct sale without auction to Government Entities.**

Please find enclosed herewith a copy of the Minutes of the Meeting of Committee of Secretaries held under the chairmanship of Cabinet Secretary on 12<sup>th</sup> June, 2025, in the Committee Room of Cabinet Secretariat, Rashtrapati Bhavan, New Delhi on the aforementioned subject. Actions taken on the recommendations may kindly be uploaded on the e-Samiksha Portal.

Encl: Doc. No. (C.A.V): 28/2025

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16/6/2025

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To

1. Secretary, M/o Housing & Urban Affairs
2. Secretary, D/o Public Enterprises
3. Secretary, D/o Expenditure
4. Secretary, D/o Telecommunications
5. Secretary, D/o Investment and Public Asset Management
6. Secretary, D/o Legal Affairs
7. CEO, National Land Monetization Corporation

Copy for kind information to:

Principal Secretary to Prime Minister

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Anudeep S  
16/06/2025  
DDC(RM)  
GM(NLM)

F. No. 111/2/1/2019-CA.V  
भारत सरकार / GOVERNMENT OF INDIA  
मंत्रिमंडल सचिवालय / CABINET SECRETARIAT  
राष्ट्रपति भवन / RASHTRAPATI BHAVAN

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Doc. No. (C.A.V): 28/2025

Minutes of the Meeting

Venue : Committee Room, Cabinet Secretariat  
Date of Meeting : 12.06.2025  
Time of Meeting : 11:00 AM

**Subject: Valuation methodology of BSNL/MTNL/ITI immovable assets for direct sale without auction to Government Entities.**

**Ref: PPT received from D/o Telecommunication on 11.06.2025**

A meeting of the Committee of Secretaries (CoS) on the aforementioned subject was held on 12<sup>th</sup> June 2025 under the Chairmanship of Cabinet Secretary. The list of participants is as per Annexure-I.

2. Secretary, Department of Telecommunications (DoT) made a presentation (Annexure –II) on the subject. He mentioned that in the previous CoS meeting held on 07/02/2025 it was recommended that BSNL/MTNL may transfer land parcels to Central Government Departments without auction. However, requests have been received from many other Government agencies of both State and Central. He requested that the same option to transfer assets of BSNL/MTNL without auction, be provided to expanded list of buyers comprising of Central Government PSUs/State Government and its PSUs/statutory bodies or authorities like RBI, NABARD, State Government local bodies, public sector banks and public sector insurance companies. He pointed that due to large number of assets, spread all over the country, it will be cumbersome for National Land Monetisation Corporation (NLMC) alone, to carry out the valuation of assets. CPWD as a valuation agency may also be permitted to enable faster processing of valuation proposals. He requested to set a timeline for NLMC to complete the valuation process in 3 months from the date of reference of the case. He further mentioned that Similar to BSNL and MTNL, Indian Telephone Industries (ITI) Ltd, a PSU under DoT is actively pursuing several land monetization proposals as part of raising funds for settling its loans and raising funds and therefore process of valuation in sale without auction be made applicable to ITI Ltd. also.

3. The ensuing discussions on the main points of presentation are summed up below:

3.1 Secretary, Ministry of Housing and Urban Affairs (MoHUA) mentioned that CPWD carries out asset valuation as well established for Income Tax related matters, so CPWD may be considered as an additional agency for the valuation of assets of BSNL/ MTNL. He pointed that expansion of buyers list to include statutory bodies or local bodies should be clear and non-ambiguous as there are certain organizations established for specific purpose, which do not come under the control of State/ Central Government. Such organisations should not be benefitted from this expansion of buyers list. He further added that the issue of leasehold properties in Delhi needs to be taken care of in case of their final transfer.

3.2 Secretary, Department of Expenditure (DoE) opined that in case of sale of BSNL/MTNL assets to State Government or organizations under its control at market value without auction, there is a possibility of further transfer from State Government to other entities at a price higher than the initial transfer from BSNL/MTNL. This may result in profit to State Government, CPSUs, SPSU or local bodies. Downstream activities may not be under the control of the Central Government.

3.3 Secretary, Department of Public Enterprises (DPE) stated that NLMC carries out a fair process in valuation of assets based on various parameters including present market value and future projections. CEO, NLMC briefed on the process followed by NLMC in the valuation of assets and approval. He stated that NLMC has a list of empaneled International Property Consultancy (IPC). Of this, based on RFP, consultants are allotted specific land parcels for valuation. The valuation report submitted by IPC is checked and vetted by NLMC and placed before the Inter-Ministerial Group (IMG) for approval.

3.4 Secretary, Coordination stated that since, it is a transfer of assets from Government entity to Government or its entities, at market value, direct transfer without auction is being made. The interest expressed by Central Government organisations or offices under its control should be considered first before offering the assets for transfer to State Governments or local bodies. Central Government organisations may be asked to approach BSNL/MTNL within a period of three months, along with the required approvals from the parent Department/Ministry and also to deposit 2% of the total value of the asset as Earnest Money Deposit (EMD) with BSNL/MTNL. He further suggested that if interest for particular property is received from more than one state, priority may be decided administratively.

3.5 Secretary, DIPAM opined that while auction is the appropriate mechanism to transfer assets from Government to Private Sector, wherein the transfer is within the State entities, auction is not the appropriate mechanism. The waterfall mechanism of asset valuation process to direct transfer to the entities covered in the definition of the 'State' should be in place. He mentioned that there is difference

in valuation processes and methodology followed by CPWD and NLMC. Involving two agencies in valuation that follow different methodologies is not desirable. He further informed that ITI Ltd is a CPSE under closure as per DPE's guidelines for CPSEs in Non-Strategic Sectors dated 13<sup>th</sup> December 2021. Asset valuation process determined in BSNL/ MTNL may be applied in ITI Ltd, however requisite approvals are to be obtained by DoT.

3.6 Secretary, Department of Legal Affairs quoted Supreme Court Judgments, namely, Kasturi Lal Lakshmi Reddy Vs State of J & K (1980), Sachidanand Pandey Vs. State of West Bengal (1987) and Balco Employees Union Vs. Union of India (2002). Public auction is a general norm, deviation is permitted when supported by compelling reasons and public justification. The method of disposal should adhere to the principles of fairness, transparency and public interest.

3.7 In his remarks, Cabinet Secretary expressed that the mandate of the CoS is about BSNL / MTNL and ITI Ltd is not explicitly part of the mandate of this CoS. However, application of valuation process to ITI Ltd may be done as it is under closure as informed, provided all necessary approvals are taken on asset monetization by DoT. He mentioned that land is a State subject. Primarily, State regulations and land use classification determine the value of land. Valuation process is done on 'as is-where is' basis. There is a possibility that the auction or re-sale by State Governments fetches higher price than the valuation of BSNL/MTNL as the State can tweak the conditions to increase the value of land in public interest. With proper land use classification and appropriate regulations, optimum realization of potential of assets may be achieved. As the State may itself need land for its own purpose, it can block alternative use of the land. In case the State Government transfers the assets at a higher price to other entities, the profit is accrued to the instrumentality of the State only and not to private interests. Hence it is still in public interest. He further added that the Judgments of the Supreme Court have a premise of specific cases based on which the decisions are derived. Auction is the best-suited process for transfer to private parties. However, here the issue is about transfer of assets from Government controlled entities to other Government entities/ to entities under its control. Hence the direct transfer process can be adopted, and the procuring entity will be a public body, assets will be in use for public interest. If financial gain arises on re-sale, that gain also accrues to the State/public sector which is also in public interest.

4. After detailed deliberations, the following decisions were taken:

- i) BSNL/MTNL may transfer its immovable assets (land and buildings) without auction to Central Government (its ministries and departments, its subordinate, attached offices, its autonomous bodies/Central PSUs) /State Government (State PSUs /State Govt. controlled Autonomous Body/Rural and Urban Local Bodies/Statutory Local Body) / Public Sector Banks/ Public Sector Insurance Companies/Statutory Bodies (RBI, SEBI, UGC, NHRC,

NGT, National Commissions for Women/SCs/STs/Minorities, TRAI, IRDAI, CPCB, NABARD ) at assessed market value, after valuation by the specified agency (as per sub-para (iii) below).

- ii) BSNL/MTNL may offer/transfer the asset to the purchasing agency at the Market Value fixed by the specified valuation agencies or the circle rate/guideline value/ ready reckoner rate, whichever is higher.
- iii) The valuation agencies are to be determined on the basis of value of asset identified for valuation based on circle rate / guideline value/ ready reckoner rate or rate ascertained by BSNL/MTNL valuation, whichever is higher
  - a) For assets of value less than or equal to Rs. 10 Crore: Professional Valuation done by BSNL/MTNL/ITI
  - b) For assets of value more than Rs. 10 Crores and upto Rs. 100 Crores: Valuation by CPWD
  - c) For assets of value more than Rs. 100 Crores: Valuation by NLMC.
- iv) Valuation by the valuation agencies (CPWD/NLMC) shall ordinarily be communicated to BSNL/MTNL within three months of reference to the agency in full-shape. "Full shape" implies the documents required to assess the 'as-is market value' of the asset and excludes any documents that are required for its eventual disposal. For example, NOC of State Government is not required for valuation and should not be sought for valuation. The specified list of documents should be provided to the valuation agency so that it can assess the value, failing which CPWD/NLMC should return the proposal within 7 days of receipt to BSNL/MTNL specifying the additional document(s) needed for valuation.
- v) The valuation so arrived at shall be valid for a period of two years from the date of communication of valuation to BSNL/MTNL by the valuation agency.
- vi) The Central Government Departments/ asset purchasing agencies, without doing an ab-initio re-evaluation of the 'Market Value', are authorised to use valuation done by agencies mentioned in 4(iv) for purchase of asset.
- vii) DoT shall communicate to Central Government Organisations, the list of immovable assets which are available for transfer. The notice of disposal shall be published in the website of BSNL/MTNL. Central Government organisations shall submit their interest of acquisition along with valid approvals and 2 % Earnest Money Deposit (EMD) to register their claim within 90 days of issue of the publication.
- viii) Central Govt. Organisations would have the Right of First Refusal. After the 90-day deadline, BSNL/MTNL shall be free to dispose the property to any other non-GOI buyers listed in 4 (ii) above.

- ix) In case two agencies are interested in an asset, preference will be given to Central Government organisations. In case, two or more states are interested in an asset, the issue may be referred to the IMG.
- x) ITI Ltd. may also follow the same process of valuation and transfer of assets subject to all necessary approvals from competent authority.

The meeting ended with thanks to all participants.

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**List of Participants**

1. Dr. T.V. Somanathan, Cabinet Secretary
2. Dr. Manoj Govil, Secretary (Coord.), Cabinet Secretariat
3. Shri Katikithala Srinivas, Secretary, M/o Housing & Urban Affairs
4. Shri K Moses Chalai, Secretary, D/o Public Enterprises
5. Shri V. Vualnam, Secretary, D/o Expenditure
6. Dr. Neeraj Mittal, Secretary, D/o Telecommunications
7. Shri Arunish Chawla, Secretary, D/o Investment & Public Asset Management
8. Dr. Anju Rathi Rana, Secretary, D/o Legal Affairs
9. Shri Manish Sinha, Member (Finance), D/o Telecommunications
10. Shri Amardeep Singh Chowdhary, CEO, National Land Monetization Corporation
11. Shri Kashi Nath Jha, DDG (Asset Management), D/o Telecommunications
12. Dr. Ayyaj Tamboli, Joint Secretary, Cabinet Secretariat
13. Ms. R. Menaka, Director, Cabinet Secretariat

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