

F.No.1/14/2022-PIU
Government of India
Ministry of Finance
Department of Economic Affairs
Infrastructure Finance Secretariat
ISD Division
(PIU)

4th Floor, STC Building,
Janpath New Delhi-01
Dated: 12th September 2025

Record of Discussion

Subject: Record of Discussion of the 133rd meeting of the PPPAC for considering the proposal of the Department of Telecommunication for dropping monetization of BSNL towers.

Reference: 133rd meeting held on 14th July 2025.

Sir/Madam,

The undersigned is directed to forward the Record of Discussion of the 133rd meeting of the PPPAC held on 14th July 2025, under the Chairmanship of the Secretary (Economic Affairs), for information and necessary action.

2. This issues with the approval of the Competent Authority.


(Arya Balan Kumari)
Joint Director (PIU)
011-2370 1219

To,

1. Secretary, Department of Expenditure, North Block, New Delhi
2. CEO, NITI Aayog, Yojana Bhawan, New Delhi
3. Secretary, Department of Telecommunications, Sanchar Bhawan, New Delhi
4. Secretary, Department of Legal Affairs, Shastri Bhawan, New Delhi
5. CMD, BSNL, Sanchar Bhawan, New Delhi

Copy to:

1. Sr. PPS to Secretary (EA)
2. PSO to JS (ISD)

Subject: Record of Discussion of the 133rd meeting of the PPPAC for considering the proposal of the Department of Telecommunication for dropping monetization of BSNL towers

1. The 133rd meeting of the PPPAC was held on 14th July 2025 at 14:30 Hours to consider the above-mentioned project.
2. List of attendees is placed at **Annexure I**.
3. Joint Secretary (JS) (ISD) welcomed the attendees to the meeting and informed that the PPPAC, in its 111th meeting held on 6th April 2023, recommended the project proposal of the Department of Telecommunication (DoT) for 'Monetization of Telecom Tower Assets of BSNL under an Operate-Maintain-Transfer (OMT) concession' for approval of the Competent Authority. Later on, the DoT decided to drop the said proposal. Once recommended, the Sponsoring Ministry/Department obtains the approval of the Competent Authority and proceeds to bid out the project. If, however, the Ministry/Department chooses not to pursue/drop the project further, there is no requirement to approach the PPPAC again for revalidation or opinion. However, in this instant case, the Core Group of Secretaries on Asset Monetization (CGAM) in its meeting held on 6.02.2025, recommended that the DoT should submit a proposal of dropping the monetization of BSNL to PPPAC within 15 days for its opinion.' Apropos, the DoT has submitted to PPPAC requesting dropping the monetization of BSNL towers.
4. With the permission of the Chair, JS (ISD) requested the Chairman and Managing Director (CMD), Bharat Sanchar Nigam Limited (BSNL), to make a presentation. The CMD (BSNL) made a presentation on the proposal. In its presentation, BSNL provided a comparison of the leasing and OMT model (PPP) for tower monetization. He said that the OMT model could potentially unlock upfront resources, while the leasing model offers a steady annual revenue stream, translating into higher cumulative value over the longer term. It was also informed that taking into account recent market valuations and the cost profile of BSNL's legacy towers, leasing model presently reflects relatively greater stability and predictability, whereas the OMT approach, though offering immediate inflows, may be more sensitive to prevailing sectoral dynamics.
5. The following observations were made by the PPPAC members:
 - i. **Shifts in technology and business models:** The presentation does not highlight the specific technological or business model changes since 2023 that led DoT to step back from the PPP mode for BSNL's tower monetization. In addition, what would be the impact of such changing technological or business model on the existing revenue stream of the BSNL.
 - ii. **Revenue Streams Not Uniformly Considered:** In the BSNL financial calculations, additional use cases (EV charging, micro data centers, etc.) were factored in only under the leasing model, but not for the OMT model projections, which makes this comparison unreasonable.

- iii. **Different Tenancy Ratios:** Leasing assumes a tenancy ratio of 1.7, while PPP assumes only 1.1. This inflates leasing revenues relative to OMT model outcomes. Whereas, in the earlier PPP proposal put-up by the BSNL, higher tenancy ratio was envisaged for the PPP model based on private efficiencies.
 - iv. **Risk Allocation Not Reflected:** In the OMT model, operational and technological risks and expenditure shift to the concessionaire, whereas under leasing, they remain with BSNL. The comparison does not properly account for this differential.
 - v. **Capex and Maintenance Costs:** BSNL's higher cost of O&M of legacy towers was highlighted, but its impact was not consistently factored across models. The OMT model may mitigate these costs, while leasing leaves them with BSNL.
6. The PPPAC unanimously recommended that DoT/BSNL shall undertake a fair and consistent assessment of both the leasing and OMT model (PPP), along with a detailed financial analysis, and share a comprehensive report for further consideration.
7. The meeting ended with a vote of thanks to the chair.

List of the participants of the 133rd meeting of the PPPAC

a) Department of Economic Affairs, Ministry of Finance

- i. Ms. Anuradha Thakur, Secretary (EA)
- ii. Shri Baldeo Purushartha, JS (ISD)
- iii. Shri Rahul Singh, Director (PIU)
- iv. Shri Rajender Singh, SO (PIU)

b) NITI Aayog

- i. Shri. Partha Reddy, Programme Director

c) Department of Expenditure

- i. Ms. Bhumika Verma, Director

d) Department of Legal Affairs

- i. Shri Jagat Prakash, Assistant Legal Adviser

e) Ministry of Telecommunication

- i. Shri Manish Sinha, Member (Finance)
- ii. 2. Shri Kashi Nath Jha, DDG (Asset Mgmt.)
- iii. 3. Shri Preetinder Singh Padda, Director (Asset Mgmt.)

f) BSNL

- i. Shri Robert J Ravi, CMD BSNL
- ii. Shri Y N Singh, SR GM, BSNL
