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STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY (2022-23)

SEVENTEENTH LOK SABHA

MINISTRY OF COMMUNICATIONS (DEPARTMENT OF TELECOMMUNICATIONS)

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)']

FORTY- NINTH REPORT



LOK SABHA SECRETARIAT NEW DELHI

August 2023/ Sravana 1945 (Saka)

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[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)]

Presented to Lok Sabha on 10.08.2023

Laid in Rajya Sabha on 10.08.2023



LOK SABHA SECRETARIAT NEW DELHI

August, 2023/Sravana, 1945 (Saka)

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Composition of the Standing Committee on Communications and Information Technology (2022-23)

Shri Prataprao Jadhav - Chairperson

Lok Sabha

- 2. Smt. Sumalatha Ambareesh
- 3. Shri Karti P. Chidambaram
- 4. Dr. Nishikant Dubey
- 5. Smt. Sunita Duggal
- 6. Shri Jayadev Galla
- 7. Smt. Raksha Nikhil Khadse
- 8. Dr. Sukanta Majumdar
- 9. Smt. Mahua Moitra
- 10. Shri P. R. Natarajan
- 11. Shri Santosh Pandey
- 12. Col. Rajyavardhan Singh Rathore
- 13. Dr. Gaddam Ranjith Reddy
- 14. Shri Sanjay Seth
- 15. Shri Ganesh Singh
- 16. Shri Parvesh Sahib Singh
- 17. Shri Shatrughan Prasad Sinha
- 18. Shri L.S. Tejasvi Surya
- 19. Dr. T. Sumathy (A) Thamizhachi Thangapandian
- 20 Dr. M. K. Vishnu Prasad[®]
- 21. Shri S. Jagathrakshakan^{\$}

Rajya Sabha

- 22. Dr. Anil Agrawal
- 23. Shri V. Vijayendra Prasad#
- 24. Dr. John Brittas
- 25. Shri Syed Nasir Hussain
- 26. Shri Ilaiyaraaja
- 27. Shri Jagqesh
- 28. Shri Praful Patel
- 29. Shri Kartikeya Sharma
- 30. Shri Jawhar Sircar
- 31. Shri Lahar Singh Siroya

Secretariat

- Shri Satpal Gulati Additional Secretary
- Smt. A. Jyothirmayi Director
- 3. Shri Nishant Mehra Deputy Secretary

Committee constituted w.e.f. 13th September, 2022 *vide* Para No.5288 of Bulletin Part-II dated 4th October, 2022.

- @ Dr. M. K. Vishnu Prasad has been nominated *vice* Dr. Shashi Tharoor *vide* Para No. 5311 of Bulletin Part-II dated 12th October, 2022.
- \$ Shri S. Jagathrakshakan has been nominated *vide* Para No. 5580 of Bulletin Part –II dated 8th December, 2022.

Shri V. Vijayendra Prasad has been nominated vice Dr. Laxmikant Bajpayee vide Rajya Sabha Bulletin No. 63085 dated 12th April, 2023 of Parliamentary Bulletin Part II.

INTRODUCTION

- I, the Chairperson, Standing Committee on Communications and Information Technology (2022-23), having been authorized by the Committee, present this Forty-Ninth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)' of the Ministry of Communications (Department of Telecommunications).
- 2. The Forty-third Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 21st March, 2023. The Ministry of Communications (Department of Telecommunications) furnished their Action Taken Notes on the Observations/Recommendations contained in the Forty-third Report on 22nd June, 2023.
- 3. The Report was considered and adopted by the Committee at their sitting held on 07th August, 2023.
- 4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.
- 5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Forty-third Report of the Committee is given at Annexure-II.

New Delhi; <u>7 August, 2023</u> 16 Sravana, 1945 (Saka) PRATAPRAO JADHAV, Chairperson, Standing Committee on Communications and Information Technology. **CHAPTER I**

REPORT

This Report of the Standing Committee on Communications and Information

Technology deals with the action taken by the Government the

Observations/Recommendations of the Committee contained in their Forty-third Report

(Seventeenth Lok Sabha) on the 'Demands for Grants (2023-24)' relating to the Ministry

of Communications (Department of Telecommunications).

The Forty-third Report was presented to Lok Sabha/laid in Rajya Sabha on 21st 2.

March, 2023. It contained 20 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations

contained in the Report have been received from Department of the

Telecommunications and are categorized as under:

(i) Observations/Recommendations which have been accepted by

the Government

Rec. Sl. Nos.: 2,3,9,12,13,16,17 and 19

Total - 8

Chapter-II

Observations/Recommendations which the Committee do not (ii)

desire to pursue in view of the replies of the Government

Rec. Sl. No.: Nil

Total - 00

Chapter-III

Observations/Recommendations in respect of which replies of (iii)

the Government have not been accepted by the Committee and

require reiteration

Rec. Sl. Nos.: 4,5,6, 10 and 11

Total - 05

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Chapter-IV

(iv) Observations/Recommendations in respect of which the replies

of the Government are of interim in nature

Rec. Sl. Nos.: 1,7, 8,14,15,18 and 20

Total - 07

Chapter-V

4. The Committee trust that utmost importance would be given to

implementation of the Observations/Recommendations accepted by the

Government. The Committee further desire that Action Taken Statement on the

Observations/Recommendations contained in Chapter-I and final action taken

replies to the Observations/Recommendations contained in Chapter-V of this

Report be furnished to them at an early date.

5. The Committee will now deal with action taken by the Government on some of

their Observations/Recommendations.

Universal Service Obligation Fund (USOF)- Fund allocation and utilization

(Recommendation SI. No. 4)

6. The Committee, in their Original Report, had recommended as under:

"The Committee note that in accordance with the Indian Telegraph Act, 1885,

Licence Fee which includes Universal Access Levy (UAL) is charged at 5 per cent of the

Adjusted Gross Revenue (AGR) of the telecom licensees. Since its inception, i.e. 2002-

2003, UAL amounting to Rs.134076.96 crore has been collected and an amount of

Rs.69590.89 crore has been utilized. As on 31.12.2022, the balance of UAL amount

available as potential fund under USO is in tune of Rs.64486.07 crore. The Committee

have also been informed that the fund collected under UAL goes to the Consolidated

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Fund of India and it is non-lapsable in nature. The Committee are, however, constrained to note that even though substantial amount is in the reserve under USOF, the Department have not been able to do much in terms of spending. During the year 2022-23, an amount of Rs.9000 crore had been allocated at BE 2022-23 which was downsized to Rs.3010 crore at RE and actual utilization till 31.12.2022 has been only Rs.2067 crore. In view of the foregoing, there is an immense need to work on their strategies to improve utilization. For the year 2023-24, the Department have proposed an amount of Rs.11400 crore and an amount of Rs. 10400 has been allocated at BE 2023-24, including funds allotted under Research & Development viz. Rs. 130 crore for 2022-23 and 2023-24. The Committee are pleased to note that there is an enhancement of Rs. 1400 crore over the previous year. The Committee are aware that there are several prioritized ongoing schemes lined up under USOF, which include BharatNet for provision of broadband connectivity to all 6 lakh villages across India, Comprehensive Telecom Development Plan for North Eastern Region, Comprehensive Telecom Development Plan for Islands including laying of submarine cable from Kochi to Lakshadweep and Mobile connectivity in Andaman and Nicobar Islands, scheme for Mobile Services in uncovered villages of Himalayan States, Western border areas, scheme for Mobile services in Aspirational Districts and scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected areas, etc. These capital intensive infrastructure projects with timely and effective implementation will greatly help in improving the telecom connectivity in areas which are uncovered and inaccessible currently. The Committee emphasize that availability of funds should not be a constraint for implementation of various schemes under USOF, considering that huge balance is already available as potential fund under USOF. The Committee are of the view that reduction of budgetary amount year after year at the revised stage reflects faulty planning on the part of the Department and this needs to be avoided. The Committee recommend that the Department ought to make efforts for optimum utilization of Rs.10400 crore allocated at BE for implementation of various schemes under USOF during 2023-24. The Committee may be apprised of the action taken in the matter".

7. The Department of Telecommunications, in the Action Taken Note, have stated as under:

In view of above recommendation of the Hon'ble Committee, it is humbly submitted that Rs. 2015 crore out of Rs. 10400 crore has been disbursed under various USOF Schemes in the month of April 2023. Sufficient funds are available to meet the expenditure for the USOF Schemes during FY 2023-24. The implementation of schemes is monitored on weekly basis by the Committees constituted under the Chairmanship of the Secretary (T).

In order to fast-track progress under the BharatNet project and its utilisation, following steps have inter-alia been taken:

- (i) Strict monitoring of the project at various levels by Universal Service Obligation Fund, Bharat Sanchar Nigam Limited/ Bharat Broadband Network Limited with implementing Agencies for speedy roll out of the project.
- (ii) Resolving all pending issues in expeditious manner.
- (iii) Revised strategy formulated for covering all GPs and villages for connecting on OFC, O&M and utilisation.
- (iv) A pilot project for rolling out 5 lakh FTTH connections to rural households has been launched in October 2022 and about 3,30,547 FTH connections have been provided to rural households as on 07.06.2023.
- 8. In their Original Report, the Committee raised concern over the recurring decrease in budgetary allocation for the Universal Service Obligation Fund (USOF) during the revised stages. It reflected faulty planning on the part of the Department and emphasized the need to avoid such situations in the future. The Committee, therefore, recommended that the Department should prioritize optimal utilization of the allocated funds in tune of Rs. 10,400 crore in the Budget Estimate (BE) to effectively implement various schemes under USOF in the fiscal year 2023-24. Upon reviewing the action taken notes submitted by the Department, the Committee, however, express disappointment over the Department's response, which indicates the absence of a clear roadmap for the efficient utilization of allocated funds. It appears that out of the total allocation of Rs. 10,400 crore for various USOF (Universal Service Obligation Fund) schemes,

only Rs. 2,015 crore has been disbursed as of April, 2023. Moreover, for the Fiscal year 2022-23, an amount of Rs. 9000 crore had been allocated at BE 2022-23 which was downsized to Rs. 3010 crore at RE. The actual utilization of Rs. 2067 crore has only been given till 31.12.2022. The Committee expect the Department to provide an updated figure for the FY 2022-23. While acknowledging the Department's efforts toward utilization of allocated funds to fulfill the objectives and obligations of the USOF, the Committee reiterate that additional measures should be taken to ensure the optimal utilization of the Rs. 10,400 crore allocated for the implementation of various USOF schemes during the fiscal year 2023-24.

Fund allocation and Utilization under BharatNet

(Recommendation SI. No. 5)

9. The Committee, in their Original Report, had recommended as under:

"The Committee note that fund allocation under BharatNet for 2022-23 was Rs. 7,000 crore and was reduced to Rs. 1500 crore at RE Stage. However, the expenditure has been to the tune of 85% i.e. Rs. 1280 crore upto 31.12.2022. Further, the BE for 2023-24 has been Rs. 5,000 crore. While furnishing the reasons for reduction from BE to RE during 2022-23, it was stated that it was due to slow implementation under State Led Model and non-receipt of responsive bid in PPP tender of BharatNet. However, during the current financial year, the Department has been allocated Rs. 5,000 crore. The Committee are of the view that the allocations are based on the projections which have been prepared relying on the physical progress of projects that are in the pipeline and they would be utilized. Further, the Committee hope that the projects would be completed as planned. The Committee may be apprised in this regard".

10. The Department of Telecommunications, in the Action Taken Note, have stated as under:

USOF has provided grant/ subsidy to BBNL for the entire Capital Expenditure (CAPEX) and Net Cost of Operating Expenditure (OPEX) net of Revenue for creation, operation and maintenance of BharatNet up to maintenance of BharatNet up to 24.02.2020. The Agreement dated 08.04.2022 was further extended till 31.03.2025 from

25.02.2020 or till the time any policy decision by Government of India, whichever is earlier.

For current FY 2023-24 a sum of Rs. 5000 crore has been allocated under the BharatNet Project comprises of Rs. 3250 crores towards CAPEX and Rs. 1750 crore towards OPEX i.e. for maintenance of BharatNet Network. The implementation of BharatNet in phase-II is in full swing and fund allocated for the current FY may be fully utilized.

Under the State-led model in the States of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Odisha, Maharashtra, Tamil Nadu and Telangana, the project is complete/almost complete in Odisha (100%), Jharkhand (100%) and Gujarat (99.3%). In Chhattisgarh almost 93% project is complete, while in in Maharashtra, Telangana, Andhra Pradesh and Tamil Nadu, project completion is 69.5%, 69.2%, 31.2% and 15.3% respectively. The target for completion of BharatNet project execution is as follows – Chhattisgarh: Jun 2023, Telangana: Aug, 2023, Maharashtra: Sep 2023, Tamil Nadu: Dec 2023, and Andhra Pradesh: Dec 2023. The projects have got delayed in these States for various reasons like change in government, non-supply of active equipment, dispute between the State implementing agencies and their Project implementing agencies, court cases etc. USOF is regularly reviewing and coordinating with the State government and State implementing agencies for resolving the issues so as to ensure completion of the projects within the targeted timelines.

11. While emphasizing the vital importance of effectively implementing projects that are currently in the pipeline under the BharatNet Scheme, the Committed urged the Department to fully utilize the allocated funds for the current financial year. The Committee, therefore, recommended for full utilization of the allocated funds amounting to Rs. 5,000 crore as planned for the completion of these projects. After examining the action taken notes submitted by the Department, the Committee observed that the progress under the State-led model in the states of Maharashtra, Telangana, Andhra Pradesh, and Tamil Nadu is not satisfactory, with project completion rates of 69.5%, 69.2%, 31.2%, and 15.3% respectively. The Committee urge the Department to give details about the actual

expenditure incurred till 31.03.2023 for fund allocation under BharatNet. While acknowledging the possibility of unavoidable delays in project implementation, the Committee express hope that the Ministry will take necessary measures to ensure smooth and timely execution of the ongoing projects.

(Recommendation SI. No. 6)

Progress of Implementation of BharatNet

12. The Committee, in their Original Report, had recommended as under:

"The Committee note that BharatNet is one of the biggest rural telecom projects of the world and is being implemented in a phased manner to provide broadband connectivity to all Gram Panchayats (GPs) (approx 2.6 lakh) in the country. Phase-I was completed in December, 2017 with the implementation of over 1 lakh GPs. Phase-II is under implementation. Examining the replies submitted by the Department, the Committee note that as on 31st December, 2022, an amount of Rs.36800 crore has been utilized, 611036 km. of OFC has been laid, 187096 GPs have been made service ready, Wi-Fi hotspots have been provided in 104664 GPs, 207222 FTTH connections have been provided, 58316 km. of dark fibre has been leased, etc. The Committee have also been informed that 5789 TB of data consumption has also been recorded and is expected to increase in the coming days. The Committee note that Wi-Fi hotspots are yet to be provided at 65,772 GPs which are service ready. The Committee find that the pace of implementation of BharatNet Phase-II during 2022-23 was slower as compared to the target. Reasons adduced were that BSNL suffered from capacity constraints because of its internal issues and financials and since, no responsive bid was received for which global tender was floated no expenditure could be incurred towards PPP model of BharatNet in F.Y. 2022-23. While acknowledging the constraints being faced by the Department, the Committee are of the view that proactive measures be initiated towards ironing out the bottlenecks, which are hampering the progress of the scheme. The Committee would like to prevail upon the Department to make all out efforts to provide Wi-Fi hotspots to all the service ready GPs.

Further, during the deliberation of the Committee one of the pertinent issues that came to the fore was related to poor mobile connectivity of BSNL in the rural and

remote areas. The Committee are disturbed to note petty reasons for BSNL mobile towers to remain non-operational for several days, such as tower battery is down, generator is non functional as diesel is unavailable, so on and so forth. It is unfortunate that BSNL is losing its customer base for such basic reasons. The Committee, therefore, expect the Department to take suitable advanced measures to address the concern raised by the Committee."

13. The Department of Telecommunications, in the Action Taken Note, have stated as under:

Presently a total of 1,91,068 GPs have been made service ready. Out of this, Wi-Fi hotspot have been installed in 1,04,674 GPs. In addition, a tender invited for installation of WI-Fi hotspot in 3,758 GPs, 354 additional sites and 1409 DSPTs where connectivity has been extended through Satellite.

The utilisation of network is through leasing of bandwidth and dark fibre, Wi-Fi to access broadband /internet services at Public places, and Fibre to the Home (FTTH) to provide broadband connectivity to Government Institutions (like school, Health Centre, Anganwadi, Police Station, Krishi Vikash Kendra, Post Office, Ration Shop, etc.), Private Institutions and Households. The details are as follows:

- In 1.20 lakh GPs (approx.) of BharatNet Phase-I, the provisioning of Wi-Fi Services in about 1.10 lakh GPs were assigned to CSC e-Governance Services India Limited (a Special Purpose Vehicle under Ministry of Electronics & Information Technology), and in about 10,000 GPs to the Government of Rajasthan/Raj COMP Info Services Ltd. (RISL), etc.
- The work of provisioning of Wi-Fi hotspots in about 5200 GPs of BharatNet Phase-II (being connected on satellite media), is also being implemented with funding from Universal Service Obligation Fund (USOF). The tender for the same is under progress.
- In 8 States (Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand Maharashtra, Odisha, Telangana, Tamil Nadu,), State-led SPVs, who are implementing BharatNet Phase-II in the state, are responsible for utilization.

- For Last Mile Connectivity (LMC) on the OFC to Government Institutions (like school, Health Centre, Anganwadi, Police Station, Krishi Vikash Kendra, Post Office, Ration Shop etc.), Private Institutions and Households from BharatNet network, DoE had issued the guidelines on the Scheme for Special Assistance to States for Capital Investment for 2022-23. As per the Part V (Optical Fibre Cable) of the scheme guidelines, the amount will be available to states for Capital projects on Optical Fibre Cable network. The funds can be used by states to extend BharatNet to villages from the GPs covered as at present for Last Mile Connectivity (LMC) on the OFC to Government Institutions, Private Institutions and Households from BharatNet network. So far, about ₹2,716 Crore have been approved by DoE for 24 States under the scheme.
- The Union Cabinet on 27-07-2022 approved an USOF funded project for saturation of 4G mobile services in uncovered villages across the country at a total cost of ₹26,316 Cr. The project will provide 4G mobile services in 24,680 uncovered villages in remote and difficult areas. The project has a provision to include additional villages on account of rehabilitation, new-settlements, withdrawal of services by existing operators etc. In addition, 6,279 villages having only 2G/3G connectivity shall be upgraded to 4G.
- 14. The Committee observe that the implementation of BharatNet Phase-II during the year 2022-23 fell behind the intended target. While recognizing the challenges faced by the Department, the Committee strongly urged the Department that proactive measures should be taken to address the obstacles that are impeding the progress of the scheme and make every possible effort to ensure the provisioning of Wi-Fi hotspots to all service-ready Gram Panchayats. The Committee reviewed the Action Taken Replies provided by the Department and acknowledge the various measures taken by the government to enhance rural and remote telecom connectivity. Schemes like BharatNet, aimed at connecting all Gram Panchayats with broadband, and USOF (Universal Service Obligation Fund), designed to bridge the digital divide by offering subsidies for telecom infrastructure in underserved areas, have been instrumental in this

regard. However, it is important to note that the progress achieved thus far has been relatively modest. The Department has managed to add only approximately 3972 Gram Panchayats to the existing list of service-ready GPs, along with the installation of Wi-Fi hotspots in 10 Gram Panchayats. Moreover, the Department's Action Taken Reply is also silent on the recommendation of the Committee to implement appropriate measures to resolve the concern regarding non-operational BSNL mobile towers due to minor issues. The Committee, therefore, urge the Ministry to intensify their efforts in overcoming the existing challenges, expediting the implementation of BharatNet Phase-II, and bolstering rural and remote telecom connectivity so as to bridge the digital divide and fostering inclusive growth.

Enquiry of the work done by CSC e-Governance Service India Limited (Recommendation SI. No.7)

15. The Committee, in their Original Report, had recommended as under:

"The Committee note that the provisioning of Wi-Fi services in about 1.10 lakh GPs under Phase-I has been assigned to CSC e-Governance Service India Limited. Further, the Secretary, DoT deposed before the Committee that there are 5 projects under which CSC e-Governance Service India Limited has been given Rs. 4000 crore of work, which include maintenance, last-mile connectivity and Wi-Fi access points, etc. The Committee, further, note that a tripartite Agreement dated 15-07-2019 was entered into by USOF, BBNL and CSC-SPV wherein, CSC-SPV has been provided VGF for provisioning of 1 Wi-Fi and 5 FTTH connections to Government institutes in rural areas viz. School, Anganwadi, Ration shops, Health and Wellness Centres, Post Offices, etc. in remaining BharatNet Phase-I Gram Panchayats. As per the mandate of the Agreement, CSC-SPV was tasked to provide service for 5 years. However, during the course of evidence, it was learnt that all the Wi-Fi and FTTH connections provided by CSC e-Governance Service India Limited have been disconnected due to non-payment of Internet Leased Line (ILI). The Committee are dismayed to note that even after expiry of agreement with CSC till date the Department apparently has not reviewed them. The Committee are of the view that there is a need to conduct a thorough review

of the work done by CSC e-Governance Service India Limited in provisioning of 1 Wi-Fi and 5 FTTH connections to Government institutes in rural areas and GPs assigned to them as per the Agreement. Further, the Committee call upon the Department to also verify actual number of Government institutes and Gram Panchayats provided free internet for one year after its installation. The Committee may also be apprised of the progress and outcome of the report of Third Party Agency set-up under USOF to look into physical and electronic verification of installed Wi-Fi/FTTH connections, within three months of the date of presentation of this report in Lok Sabha."

16. The Department of Telecommunications, in the Action Taken Note, have stated as under:

Under the tripartite Agreement dated 15.07.2019 between USOF, BBNL and CSC SPV, USOF has appointed the Third Party Agencies (TPAs) through tendering process for carrying out the physical and electronic verification of the Wi-Fi Access Points and FTTH connections. The physical and electronic verification data submitted by the TPAs is under examination/reconciliation in BSNL/BBNL and USOF.

17. To assess the extent of work accomplished by CSC e-Governance Service India Limited, the Committee strongly recommended the Department to conduct a comprehensive review of the services rendered by CSC. The review should have focused on the provisioning of 1 Wi-Fi and 5 FTTH connections to Government institutions in rural areas and their corresponding Gram Panchayats, as stipulated in the Agreement. Moreover, the Committee urged the Department to verify the actual number of Government institutes and Gram Panchayats that have been provided with free internet for one year following the installation of these connections. The Committee also recommended to be updated on the progress and findings of the report prepared by the Third Party Agency established under USOF, responsible for conducting physical and electronic verification of the installed Wi-Fi/FTTH connections, within three months of presenting this report on Demands for Grants, 2022-23 in Lok Sabha.

According to the Action Taken Replies provided by the Department, the physical and electronic verification data submitted by the Third Party Agencies

(TPAs) is currently being examined and reconciled. The Committee expresses its disappointment over the Department's sluggish effort in reviewing these findings, even after expiry of the agreement with CSC. Further, the Department's reply does not specify the expected timeline for providing the required information to the Committee. Therefore, the Committee strongly recommend the Department to expedite the process of examining and reconciling the physical and electronic verification data submitted by the Third Party Agencies (TPAs) and promptly provide an update on the actions taken without any further delay.

<u>Implementation status of other ongoing activities under USOF:</u>

(Recommendation SI. No.10)

18. The Committee, in their Original Report, had recommended as under:

"Under USOF the Department has prioritized to provide access to mobile services, broadband connectivity and creation of infrastructures like OFC to remote and rural areas of the country. The Department has several prioritized ongoing schemes lined up which include Comprehensive Telecom Development Plan for North Eastern Region, Comprehensive Telecom Development Plan for Islands including laying of submarine cable from Kochi to Lakshadweep and Mobile connectivity in Andaman and Nicobar Islands, scheme for Mobile Services in uncovered villages of Himalayan States, Western border areas, scheme for Mobile services in Aspirational Districts and scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected areas, etc. As per the information provided by the Department, implementation status of the ongoing activities are as follows:

A. Comprehensive Telecom Development Plan (CTDP) for the North-Eastern Region:-

Under CTDP, 3 programmes have been taken up to cover the unconnected villages of North-Eastern Region. In order to provide Mobile Services in Uncovered villages of Meghalaya and seamless coverage along National Highway, the work has been awarded to M/s Bharti Hexacom Ltd. The revised target under the programme provides for 758 villages and 11 National Highway sites and out of which 480 villages and 2 National Highway sites have been covered, respectively.

The Committee note that additional 723 villages have been added under their scope of M/s Bharti Hexacom Ltd for which, additional 18 month roll-out period has been provided. Thus, under the final revised scope, M/s Bharti Hexacom Ltd, has been tasked to provide 1094 sites covering 1481 villages and 9 NH Sites by 24.05.2024. The Committee recommend the Department to leverage proper and stringent monitoring of the ongoing project and no effort be spared to achieve the targets within the stipulated time-lines.

The Committee, further note that in order to provide Mobile Services in 1683 uncovered villages of Arunachal Pradesh and 2 Districts of Assam (691 Villages) agreements have been signed with M/s Bharti Hexacom Limited and M/s Reliance Jio Infocomm Limited for provision of services in Arunachal Pradesh and Assam, respectively at a total project cost is Rs. 1255.49 Crore. As per the data provided by the Department, out of 1683 villages, only 97 Villages of Arunachal Pradesh and out of 691 villages only 122 villages in 2 Districts of Assam have been covered so far. The Committee, therefore, recommend DoT to take regular stock of the situation and ensure fruition of the ongoing projects within the stipulated time. The Department should also constantly monitor the implementation of the projects and ensure adherence to the prescribed timeline for their commissioning. The Committee also urge the Department to ensure compliance through stricter directives and supervision. The Committee also desire to be apprised of the steps taken and the outcome thereof.

B. 502 Aspirational District villages (MP, UP, Rajasthan, Bihar):-

The Committee note that a Scheme for 502 uncovered villages across 112 Aspirational District over four States namely Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan with a total project cost is Rs. 421.65 Crore was targeted to be completed by March 2022. The work has been awarded to M/s Reliance Jio Infocomm Ltd for UP and MP States, M/s Bharti Hexacom Ltd for Rajasthan and M/s Bharti Airtel Ltd for Bihar in 2021. The Committee note that against the target of covering 529 Villages by installing 462 mobile towers, so far, only 146 Villages have been covered by installing 119 mobile towers in the States. The Committee,

therefore, urge the Department to ensure that ongoing schemes are effectively completed. To ensure timely completion of project, time bound deadlines may be set by the Department and every effort should be made to adhere to them by the companies. In this connection, the Department is requested to take stock of the matter on an urgent basis and furnish action taken on priority basis.

C. <u>Remaining 7,287 Aspirational District villages (Andhra Pradesh, Chhattisgarh,</u> Jharkhand, Maharashtra and Odisha):

The Committee note that the project entails provisioning of 4G based Mobile services in 7,287 uncovered villages of 44 Aspirational Districts of 5 States of Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha. An agreement with M/s Reliance Jio Infocomm Ltd for 3 States and M/s Bharti Airtel Ltd for 2 States have been signed on 20.05.2022 at a cost of Rs. 3765.47 crore. Target for completion of this project is November, 2023. So far, only survey work is in progress. As per the agreement, 7287 villages had to be covered by installing 4779 mobile towers. Considering the importance of the project, the Committee urge the Government to ensure projects assigned to M/s Reliance Jio Infocomm Ltd for 3 States and M/s Bharti Airtel Ltd are completed within the time schedule and the same are monitored closely for effective execution. The Committee also desire to be apprised of the steps taken and progress made in this regard."

19. The Department of Telecommunications, in the Action Taken Note, have stated as under:

A. Comprehensive Telecom Development Plan (CTDP) for North Eastern Region:-

- 1. Provision of 4G based Mobile Services in Uncovered Villages and National Highways of Meghalaya:
- a. For Meghalaya Project, Agreement has been signed with M/s Bharti Hexacom Limited (BHL) on 04.09.2020 for 889 sites (including 11 NH Sites) covering 1164 villages and 11 NH locations. The project cost is Rs 804.37 Crore including VSAT charges.
- b. The roll out period was till Sep-2022 which was extended for further upto 03.09.2023. Survey has been completed for all 1175 villages/NH, the scope of

tower sites has been revised after the survey. Till 31.05.2023, a total of 352 sites have been installed & commissioned covering 523 villages + 3 NH. Detail are as under:

No.	of	No. of	BTSs (as	s per	Revised		Towers	;	Villages	NH
Villages	(as	Agreeme	ent)		Scope		Commi	ssioned	Covered	Cover
per										ed
agreeme	nt)									
J	,	For	For	Total	Villages	Ν	Sites			
		Villages	Highways			Η				
1164		878	11	889	560	3	383	352	523	3

c. Further, additional 723 villages of Meghalaya are also proposed to be covered by installing 528 mobile towers under this scheme. The roll out period of the for additional 723 village is upto 24-05-2024. Till 31.5.2023 survey for 467 villages have been completed. Detail are as under:

State	Total Villages as per agreement	No. of Sites (As per Agreement)	No. of Survey Completed
Meghalaya	723	528	467

2. Provision of Mobile Services in Uncovered Villages of Arunachal Pradesh and 2 Districts of Assam:

- i. Agreement has been signed on 29.10.2021 with M/s BHL for Arunachal Pradesh and on 1.11.2021 with M/s RJIL for Two Districts of Assam.
- ii. Survey work of all villages have been completed. Till May, 2023, in Arunachal Pradesh 159 sites have been installed and commissioned covering 277 villages. In two Districts of Assam, 221 sites have been installed and commissioned covering 302 villages. Target for completion of this project is July, 2023. The implementation status of the scheme is as follows:

SI. No.	State Name	No. of Districts	As per agreen		Revised Scope		Towers Commissioned	No. of Villages covered
1	Arunachal Pradesh	16	1683	980	1036	561	159	277

2.	Assam (Karbi Anglong & Dima Hasao District)	2	691	531	322	239	221	302
	Total	18	2374	1511	1358	800	380	579

Regular review meetings are being held under the Chairmanship of Secretary (T) with implementing agencies. The support required by implementing agencies is also being taken up with the State Govt. Further, the issue also being taken up in the Centre-State Coordination meeting chaired by Secretary (Coordination) Cabinet Secretariat. For RoW issues matter has been taken up with Secretary (MoEFCC) on regular basis.

Hilly area, difficult terrain and other issues like inaccessibility leads to delay in installation of towers.

B. 502 Aspirational District villages (MP, UP, Rajasthan, Bihar):-

- a. The scheme has been planned for provisioning of 4G based Mobile Service in 502 uncovered villages of Aspirational districts of four states -Uttar Pradesh, Bihar, Madhya Pradesh & Rajasthan.
- b. Agreement has been signed with the Project Implementing Agencies i.e. M/s RJIL on 17.03.2021 for Madhya Pradesh and Uttar Pradesh Bidding Unit and on 22.03.2021 with M/s Bharati Airtel Ltd. for Bihar bidding unit and M/s Bharati Hexacom Ltd. for Rajasthan bidding unit. Target for completion of this project is June 2023.
- c. Survey has been completed and the installation work is under progress. Till May-2023, a total 154 villages have been covered by installing 125 Mobile towers under this project. The details are as follows:

SI. No.	State Name	No. of Aspirational Districts	As per agreement		Revised Scope after survey		No. of sites Commis	No. of Villages covered
			No. of villages	No. of Towers	Villages	Sites	sioned	
1	Bihar	5	80	62	51	30	27	46
2	MP	8	205	194	124	115	58	64
3	UP	6	22	20	19	19	19	19
4	Rajasthan	5	195	186	75	66	21	25
	Total	24	502	462	269	230	125	154

C. <u>Remaining 7,287 Aspirational District villages (Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha):</u>

- (i) The scheme has been planned for provisioning of 4G based Mobile service in 7287 uncovered villages of 44 Aspirational Districts of 5 States Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha. The agreement with USPs (M/s RJIL for 3 States and M/s BAL for two States) have been signed on 20-05-2022. Till May 2023, 6550 villages' survey has been completed and 252 mobile sites have been commissioned covering 415 villages. Target for completion of this project is November, 2023.
- (ii) State wise list of 7287 uncovered villages of 44 Aspirational Districts of 5 States is as follows: -

SI. No.	State Name	No. of Aspira- tional Districts	As per ag	reement	Revised Scope after survey		No. of sites	No. of Villages covered
			No. of villages	No. of Towers	Villages	Sites	issioned	
1	Andhra Pradesh	3	1218	771	1043	611	98	200
2	Chhattisgarh	8	699	546	227	199	68	78

	Total	44	7287	4779	5260	3615	252	415
5	Maharashtra	4	610	458	425	350	4	4
4	Jharkhand	19	827	625	482	354	0	0
3	Odisha	10	3933	2379	3083	2101	82	133

Regular review meeting is being held under the Chairmanship of Secretary (T) with implementing agencies. The support required to implementing agencies is also being taken up with the State Govt. Further, the issue also being taken up in the Centre State Coordination meeting chaired by Secretary (Coordination) Cabinet Secretariat.

Due to hilly area, difficult terrain and other issues lead to delay in installation of tower.

- 20. The Committee, in its Original Report, expressed concern regarding the delayed implementation of various projects under the Universal Service Obligation Fund (USOF), viz. Comprehensive Telecom Development Plan for North Eastern Region, Mobile services in Aspirational Districts and Mobile Communication Services in Left Wing Extremism (LWE) affected areas, etc. The Committee, therefore, strongly recommended that the Department should constantly monitor the implementation of the projects and ensure adherence to the prescribed timeline for their commissioning.
 - A. However, upon careful evaluation of the Action Taken Notes, the Committee expresses their disappointment at the lack of significant progress in this matter. With regards, the Comprehensive Telecom Development Plan for the North Eastern Region entrusted to M/s Bharti Hexacom Ltd., only 43 villages and 1 National Highway site have been added to its current coverage. Further, there is a proposal to cover an additional 723 villages in Meghalaya through the installation of 528 mobile towers under this scheme. The deadline for the rollout of these additional 723 villages is set for the 24th of May 2024. Considering the daunting task that lies ahead, the Committee strongly recommend the Department to

stringently monitor the ongoing project and leave no stone unturned to ensure that the targets are met within the specified timeframes. The Committee also urge the Department to ensure compliance through stricter directives and supervision.

With respect to providing Mobile Services in Uncovered Villages, agreements were signed on 29th October 2021 with M/s BHL for Arunachal Pradesh and on 1st November 2021 with M/s RJIL for Two Districts of Assam. The Committee, however, express disappointment over below par performance, as both companies were expected to complete their assigned work by July 2023. As per the latest information provided, only 277 villages in Arunachal Pradesh have been covered by the commissioning of 159 towers, falling far short of the initial target of 1683 villages and 980 towers, respectively. Similarly, in Assam (Karbi Anglong & Dima Hasao Districts), M/s RJIL has only covered 302 villages with 221 towers, while the initial target was 691 villages and 531 towers, respectively. The Committee are concerned that both companies, M/s BHL and M/s RJIL, have made no significant progress even after the target deadline have been crossed. Given the challenging nature of the task ahead, the Committee strongly recommend the Department to enforce effective and stringent monitoring of the ongoing project. While recognizing the Departments' effort in expediting the project, the Committee urge that no effort should be spared by the Department in order to meet the targets within the specified timeframes.

B. In its report, the Committee noted the significance of including 502 villages located in 112 Aspirational Districts across Uttar Pradesh, Bihar, Madhya Pradesh, and Rajasthan, with a targeted completion date of March 2022. Unfortunately, progress in this endeavor has been sluggish, as only 146 villages have been covered thus far, with the installation of 119 mobile towers, falling far short of the original plan to cover 529 villages with 462 towers. Consequently, the Committee recommended the Department to establish clear deadlines and closely monitor the progress to ensure timely completion of the project. Upon evaluation of the replies submitted by the

Department, the Committee express disappointment with the sluggish progress of the Mobile Services provision in Uncovered Villages. As per the agreements signed on 29th October 2021 with M/s BHL for Arunachal Pradesh and on 1st November 2021 with M/s RJIL for Two Districts of Assam, both companies were expected to complete their assigned work by July 2023. However, according to the latest information provided by the Department, only 277 villages in Arunachal Pradesh have been covered with the commissioning of 159 towers, significantly below the initial target of 1683 villages and 980 towers. Similarly, in Assam (Karbi Anglong & Dima Hasao Districts), M/s RJIL has only covered 302 villages with 221 towers, falling short of the initial target of 691 villages and 531 towers. Despite the passing of the target completion date, the Committee observes with dismay that no significant progress has been made by both M/s BHL and M/s RJIL in fulfilling their assigned tasks for the provisioning of Mobile Services in Uncovered Villages. As a result, the Committee recommend that the Department to ensure rigorous and effective monitoring of the ongoing project, leaving no effort spared to achieve the targets within the specified timeframes.

C. The Committee in its original report highlighted the significance of the project involving the provision of 4G Mobile services in 7,287 uncovered villages across 44 Aspirational Districts in Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra, and Odisha. Although, agreements have been signed with M/s Reliance Jio Infocomm Ltd and M/s Bharti Airtel Ltd, the project is currently in the survey work phase. In view of the project's significance, the Committee urged the Government to ensure the timely completion of projects assigned to M/s Reliance Jio Infocomm Ltd for 3 States and M/s Bharti Airtel Ltd for 2 States and emphasized the need for close monitoring to ensure effective execution. However, on reviewing the Action Taken Notes provided by the Department, the Committee expresses deep concern regarding the progress made so far. It has been observed that as of May 2023, only 6550 villages have undergone surveying, and mere 252 mobile sites have been commissioned, covering a total of 415

villages only. Given these unsatisfactory figures, the Committee reiterate their earlier recommendation to diligently monitor the implementation of the projects and ensure strict adherence to the prescribed timeline for the commissioning of these projects. The Committee recognize that certain challenges, such as hilly areas, difficult terrain, and other issues, can indeed lead to delays in the installation of towers. However, it is important to note that in States like Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra, and Odisha, these reasons cannot be deemed as acceptable justification for the delays. While the Committee understands the complexities and obstacles presented by these factors, the Committee emphasize the need for proactive measures to address these challenges effectively.

Scheme for Mobile Communications Services in Left Wing Extremism (LWE) Affected Areas

(Recommendation SI. No. 11)

21. The Committee, in their Original Report, had recommended as under:

"The Committee note that LWE Phase-I had been implemented by BSNL by setting up of 2343 2G towers in 106 districts in the 10 affected States of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh and West Bengal. The project has been awarded to BSNL since these sites belong to BSNL. The 4G upgradation and extension Operational and Maintenance of the existing 2G LWE Phase-I sites has been approved at an estimated cost of Rs.2426 crore. However, signing of agreement is still under consideration. The Committee also note that the Cabinet had approved LWE Phase-II project on 23.05.2018. Under LWE Phase-II, 2542 4G towers will be set up for which agreements have been signed with Reliance Jio Infocomm Ltd. and Bharti Airtel Ltd. at an estimated cost of Rs. 2211.11 crore. The project is targeted to be completed by March, 2023. The Committee further note that target assigned for the FY 2022-23 was installation of 2000 towers, against which, only 284 towers have been installed. The Committee call upon the Department to think of ways and means to overcome this hurdle.

The Committee feel that provision of telecom services including 4G services in these areas will greatly help in bringing about various services to the doorsteps of the people and any further delay in execution of the project will only add to the connectivity woes of people in these areas. There is no second opinion about the fact that the project would be able to meet the timelines as per schedule i.e. March 2023. The Committee exhort the Department to fix realistic timelines for the projects after taking into account all the possible scenarios and timeline once set should be strictly adhered to. The Committee recommend that sincere efforts be made by the Department to ensure that the LWE Phase-II project is completed without any further delay. The Committee also recommend that plan for upgradation of 2343 2G towers to 4G under LWE Phase-I which is under consideration may also be finalized at the earliest. The Committee may be informed of the progress and targets achieved under the scheme."

22. The Department of Telecommunications, in the Action Taken Note, have stated as under:

Mobile connectivity in Left Wing Extremism (LWE) affected areas:

LWE Phase-II:

- i. Agreements have been signed with M/s Reliance Jio Infocomm Limited (RJIL) on 28-09-2021 for the states of Madhya Pradesh, Chhattisgarh, Odisha and Maharashtra and with M/s Bharti Airtel Limited (BAL) on 01-10-2021 for the states of Andhra Pradesh, Bihar, Jharkhand, Telangana, Uttar Pradesh and West Bengal. Initial target date for completion of this project was March, 2023 which has been further extended for 06 month i.e. upto September, 2023.
- ii. Till May 2023, Survey work for 2331 locations has been completed & 536 mobile towers and associated infrastructure have been installed and commissioned covering 561 locations in the State Andhra Pradesh, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Telangana and Odisha.
- iii. 218 more locations have been added in the scheme on the recommendation of MHA against the deleted location. Survey work is under process for these locations.
- iv. The State-wise details of the LWE Phase-II tower location is as follows:-

SI.	State	No. of	Tower	Revised	Revised	No. of	No. of
No.		District	location as	scope of	scope	tower	Tower
			per	Locations	of tower	commissio	location
			Agreement		Sites	ned	covered
1	Andhra Pradesh	9	346	228	211	62	62
2	Telangana	12	53	15	15	1	1
3	West Bengal	5	33	1	1	0	0
4	Jharkhand	21	450	87	84	29	30
5	Bihar	7	16	7	7	0	0
6	UP (East)	1	42	5	5	0	0
7	Chhattisgarh	15	971	391	373	272	287
8	MP	2	23	8	8	7	7
9	Maharashtra	3	125	53	52	24	25
10	Odisha	5	483	362	344	141	149
	Total	80	2542	1157	1100	536	561

Regular review meeting is being held under the Chairmanship of Secretary (T) with implementing agencies. The support required by implementing agencies is also being taken up with the State Govt. Further, the issue also being taken up in the Centre State Coordination meeting chaired by Secretary (Coordination) Cabinet Secretariat and Ministry of Home Affairs, Govt. of India. For RoW issues matter has been taken up with Secretary (MoEFCC) on regular basis

Security issues due to naxal affected area, difficult terrain, delay in land allotment, Forest permission, RoW permission and other issues like inaccessibility leads to delay in installation of tower.

With regard to upgradation of 2G sites installed under LWE-I scheme, as per Cabinet approval, Time line for upgradation is Twelve months for 4G Upgradation of existing network from the date of roll-out of 4G services by BSNL. BSNL has not yet rolled out 4G Services. Further, preparation of agreement is under process.

23. The Committee noted that the LWE Phase-II project got the Cabinet's approval on May 23, 2018. It involved establishment of 2,542 4G towers, for which agreements have been signed with Reliance Jio Infocomm Ltd. and Bharti Airtel Ltd. The estimated cost of the project is Rs. 2,211.11 crore, and its targeted completion date is March 2023. However, the Committee had raised concern that the project may not be able to meet its scheduled completion date of March 2023. The Committee, therefore, urged the Department to establish realistic timelines for the projects and make sincere efforts to ensure the timely completion of the LWE Phase-II project without any further delays. However, as expected, it has been informed in the Action Taken Notes that Initial target date for completion of this project was March, 2023 which has been further extended for 06 month i.e. upto September, 2023. Given the fact that so far 536 towers have been commissioned, achieving target before September, 2023 seems quite unlikely. The Committee, therefore, strongly recommend the Department to make sincere efforts to ensure the LWE Phase-II project is completed in a timely manner, without any additional delays. Further, the Committee may also be informed about the reasons behind the significant reduction in the initial target of 2,542 towers to 1,157 towers, as well as the projected roadmap to achieve this revised target. It may enable the Committee to have a comprehensive understanding of the project's progress and the steps being taken by the Department to attain the set objectives.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Budgetary Allocations and Utilizations during 2023-2024

(Recommendation Sl. No. 2)

2. The Committee note that the Department had proposed for a total grant of Rs. 84996.98 crore for 2023-24, whereas, there has been an increase of 27.2 per cent in total allocation under BE 2023-24. The Committee, while appreciating the significant increase in fund allocations call upon the Department to expedite important schemes and projects undertaken by the Department. Given the fact that the availability of requisite funds is critical for effective and smooth implementation of various schemes of the Department, the Committee desire that every effort be made to fully utilize the allocations during the current financial year. The Committee would like to be informed of measures taken in pursuance of this recommendation.

Reply of the Government

With respect to effective utilisation of funds provided for FY 2023-24, it is informed that expenditure monitoring is done on a regular basis at the highest levels. Along-with financial progress, the physical progress of various projects is being reviewed regularly.

It is further informed that the Department has been allotted BE of Rs 1,08,153.25 Cr in which Rs 41,461.43 Cr is under Revenue Head and Rs 66,691.82 Cr under Capital Head. Out of the total allocation for FY 2023-24, Rs.34,543.89 Crore has already been utilized till 19.06.2023 which is 35.40% of total BE 2023-24.

Further, Rs.49451.45 Crore under Capital Head has been targeted for utilization by December 2023, which is 80.15% of total capital budget(Rs.66,691.82 Crore) allocated in BE 2023-24.

Regular review meetings are being held at the highest levels to ensure timely and optimal utilisation of Budget allotted to the Department.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Budgetary Allocations and Utilizations during 2023-2024

(Recommendation Sl. No.3)

Out of the total allocation of Rs.108153.25 crore under BE-2023-24, Revenue section accounts for Rs. 41461.43 crore and Capital section accounts for Rs. 66691.82. The amount is Rs.12605.45 crore more than the allocation made at BE for the year 2022-23. There is an increase of Rs.9025.05 crore under Revenue Section and also an increase of Rs.3508.4 crore under Capital Section when compared with the previous year. The increase under Revenue Section has been mainly under compensation to service provider for USOF, Grant of GST in 4G spectrum and Viability Gap Funding to BSNL. The increase under Capital Section has been mainly under the Head 'Capital Infusion for BSNL/ MTNL'. The Committee note that three schemes viz. TDTP (Technology Development & Investment promotion), PLI and Champion Service Sector Scheme have been brought under Domestic Industry Incentivisation Scheme with a total outlay of Rs. 915 Crore.

So far as utilization is concerned, the Committee note that an amount of Rs.32436.38 crore had been allocated at BE 2022-23 under Revenue Section which was increased to Rs. 46157.80 crore at RE stage and actual expenditure till December 2022 has been Rs. 24291.31 crore only. This amounts to only 52.6 per cent of the allocation made at RE. The increase in allocation of funds at RE under Revenue Section has been mainly under Viability Gap Funding to BSNL and USOF R&D. Under Capital Section, an amount of Rs.63111.42 crore had been allocated at BE during 2022-23 which was reduced to Rs.38745.89 crore at RE and actual utilization as on December 2022 has been only Rs.33374.71 crore. Under-utilization of funds have also been noticed in respect of some important schemes like Capital Infusion for BSNL/MTNL, Equity Infusion for ITI Revival, Wireless sets and Equipment (TEC), Telecom Testing and Security Certification Centre (TTSCC), Artificial Intelligence and Face Recognition Powered Solution for Telecom SIM Subscriber Verification (ASTR), Mandatory testing and Certification of Telecom Equipment (MTCTE), etc.

The Committee note that utilization of funds as on December 2022 under Revenue and Capital during 2022-23 with reference to RE has been 52.06 per cent and 86.1 per cent respectively. The Committee note that under Revenue Section as against

RE allocation of Rs.18127 crore an amount of Rs. 5000 crore only has been spent under Viability Gap Funding to BSNL up to December 2022. The Department has assured that utilization of fund is being constantly monitored at the highest level to ensure complete utilization of fund. Under-utilization has also been noticed under vital schemes viz. USOF(R&D), Champion Service Sector Scheme, Production Linked Incentive Schemes, Operational Cost of Mandatory Testing and Certification of Telecom Equipment (MTCTE), etc. The Committee note that there has been many schemes under Capital Section where utilization pattern is not up to the mark like OFC Network for Defence Services, Wireless Set and Equipment (TEC), Indigenous 5G Test Bed Capital Infusion to BSNL/MTNL, ITI Revival (Equity investment), Telecom Testing and Security Certification, during 2022-23. The Committee would like to impress upon the Ministry to leverage their spending pattern on those schemes where the utilisation percentage is low so as to ensure optimal achievement of the 2022-23 budgetary allocations by 31st March, 2023. The Committee may be informed about the efficacious steps taken by the Government in this regard.

Reply of the Government

BE 2022-23 allotted to the Department was Rs.95,547.80 Crore which was reduced to Rs.84,903.69 crore in RE 2022-23 and the actual expenditure was Rs.68934.75 crore which is 81.19% of RE 2022-23. The savings were mainly on account of less expenditure under "Capital Infusion in BSNL & MTNL", NFS and DIU project.

Capital Infusion in BSNL & MTNL:

Total expenditure incurred under the Head amounted to Rs 26,386.44 Cr which was 79.31% of RE 22-23 (Rs 33,269.01 Cr). Rs 6,866.77 Cr was surrendered of the allotted amount of Rs 33,269.01 Cr. The surrendered amount was meant for payment towards 2G/3G Spectrum for Delhi & Mumbai Region which will likely be utilised in FY 2023-24.

DIU:

Since the DPR of DIU project could not be approved the amount of Rs 21 Cr was surrendered. Under NFS an amount of Rs 593.34 Cr remained unutilised.

5G Test Bed:

For 5G test bed Rs 2.63 Cr was allotted during RE 2022-23, out of which Rs 2.43 Cr was utilised which constituted 92.39% of the allotted amount.

Equity Infusion for ITI Revival:

100% utilisation was ensured under Equity Infusion for ITI Revival for which Rs 187.82 Cr was allotted at RE stage.

TEC:

Total allocation of funds under BE 2022-23 was Rs 11.95 crore for Wireless sets and Equipment (TEC). This was revised to Rs 5.12 crore at RE stage. Total utilization of funds under this head was Rs 1.238 crore. Underutilization of funds was mainly because of dropping of proposal of Access Lab with the approval of competent authority and non-finalization of tender of security lab.

NFS:

Out of allotted amount of Rs 1961 Cr, an amount of Rs 1367.66 Cr was utilized which was 69.74 % of the allotted amount.

TTSC:

Total allocation of funds under BE 2022-23 was Rs.10.0 Crore for Telecom Testing and Security Certification Centre (TTSC). Out of which, Rs.6.58 Crore was utilized which constituted 65.8% of total allotment. The major reasons for shortfall in utilization of the budget (i) the project proposal of 5G Security Test Bed was still under examination phase and (ii) the proposal for development of NCCS Security Certification portal by C-DOT is being considered for payment under Grant in Aid to C-DOT & also the payment did not become due in the last financial year.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

BharatNet Udyami Scheme

(Recommendation SI. No.9)

With respect to utilization of BharatNet network, the Committee were informed that a pilot proposal of BSNL for rolling out of One Lakh FTTH connections using

BhartNet through BharatNet Udyamies (BNUs) has been approved by the USOF with financial subsidy of Rs. 89 Crore from USOF for both Internet Leased Line (ILL) and capital incentives. The Committee have been informed that 1 lakh connections were provided by first week of January, 2023. Now the pilot has been extended for providing 5 Lakh FTTH connections using BharatNet through BharatNet Udyamies (BNUs) by December 2023. The Committee are given to understand that as on 13.02.2023, 2396 BNUs have been on-boarded as revenue sharing partner with BSNL under the pilot project. As on 14.02.2023, around 153990 FTTH connections have been provided under the Pilot across country. The Committee are of the view that it is a step in the right direction and it would facilitate opening up of new employment avenues in the rural areas. The Committee was apprised that BBNL has been merged with BSNL for better synergies in BharatNet. Prima facia, response on the scheme is quiet encouraging, however, the Committee are of considered opinion that its success would depend upon constant monitoring. Since, the scheme has been implemented on Pilot basis, the Committee would like the Department to periodically assess the efficacy of the scheme so as to plug the possible loopholes and bring in further improvements, before rolling out in full scale. The Committee would like to be apprised of the action taken in this regard.

Reply of the Government

A pilot programme for rolling out of 5 Lakh FTTH connections using BharatNet through BSNL by involving BharatNet UDYAMIES with financial support from Universal Service Obligation Fund (USOF) for both Internet Leased Line (ILL) and capital incentives. As on 07.06.2023, around 3,30,547 FTTH connections has been provided under the pilot by involving 3,859 BharatNet UDYAMIES (BNUs).

BharatNet UDYAMIES Programme has seen a significant upside in the data utilization by the customers in the rural area. The data download of 459 TB in the month of May 2022 has increased to 55,196 TB in the month of May 2023 and data consumption per customer in May, 2023 has reached a level of 160 GB, from an earlier level of 40 GB per customer in May, 2022. This increase in overall and per customer consumption is an emphatic vindication of digital inclusion of customers in Rural India.

Further, it is mentioned that weekly review meeting is held with BSNL and for reviewing the progress of the Pilot project. Based on the learning of Pilot project, full scale implementation would be taken up.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

<u>Defence Spectrum: OFC based Network for Defence Services</u> (Recommendation SI. No.12)

The Committee note that OFC network for Defence Services is one of the most important schemes being implemented by BSNL on behalf of DoT. It is a government funded project, which is being implemented on turn-key basis for Defence tri-services. The projects entails provisioning of complete telecom network consisting of various network elements like optical fibre cable (OFC), transmission equipment, microwave, satellite, encryptors, end-point equipment, data centers, etc. The Committee acknowledged the submission of the Department that it is a highly complicated project and it involves laying of optical fibre cable in some of the most difficult terrains. The Committee are however, pleased to learn that despite constraints, out of 60,000 km., around 58740 km. i.e. 97.9 per cent of OFC has been laid. During the course of evidence, the Secretary, DoT was optimistic about completion of the project by the end of this year. The Committee trust that as assured by the Department, OFC network for Defence Services will be completed by the end of 2023. The Committee desire that earnest efforts be made in this regard and hope that the Department/ BSNL will fulfil the assurance given to the Committee during the evidence in letter and spirit. It may be reckoned in this connection that the project is at last leg of its completion and balance amount of Rs 2158 Cr has been asked for the year 2023-24, which has been allocated under BE 2023-24. The Committee, therefore impress upon the Department/BSNL to ensure utilization of the earmarked budgetary allocation under the project. The Committee would like to be apprised of the initiatives undertaken by the Department and the progress made in this regard.

Reply of the Government

In this regard, it is submitted that NFS project has been made operational. All the commands of Army have been commissioned. All the nodes of Navy under the Project have also been commissioned. Airforce network is already operational since 2010. However, due to ongoing road expansion work and snow bound areas, certain links have been commissioned on hired bandwidth instead of optical fiber cable of NFS. It is further submitted 61729 kms of optical fiber cable has already been laid against 60,000 Kms. About 1800 kms of cable is yet to be laid, since lot of cable has got damaged during road widening work undertaken by road authorities on some routes post completion of NFS Cable laying work.

Period review of the project

NFS project is being reviewed at various levels in the Department of Telecom, (DoT), BSNL and Ministry of Defence. Secretary/Additional Secretary (T) are reviewing at monthly intervals, DDG(PM)/SO-in-C are reviewing on fortnightly basis and CMD BSNL is also reviewing at his level regularly. The project also is being reviewed jointly by DoT and MoD on periodic basis. The last joint review project was held on 9th Feb, 2023 by Secretary (Defence) and Secretary (Telecom). In this meeting, it has been decided to seek additional funds towards AMC of optical fiber cable and additional equipment asked by the Tri-Services considering current technological abreast/advancement and security posture. Accordingly, an EFC note has been prepared and is in process of approval. Considering the complexities involved in the project like multiple tenders for different component of the project, thousands of right of way (RoW) permissions from various agencies like Railways/NHAI/BRO/Municipal bodies/state governments, Covid 2019 lockdowns and limited working seasons in Ladakh/Kashmir/Sikkim/Arunchal Pradesh, it has been reworked to complete the project by Sept 2023.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Other Contemporary issues & Schemes:

Prime Minister's Wi-Fi Access Network Interface (PM-WANI):

(Recommendation SI. No.13)

The Department has submitted before that Committee that to accelerate proliferation of Broadband services through Public Wi-Fi networks in the country the Government has approved setting up of Public Wi-Fi Networks by Public Data Office Aggregators (PDOAs) and Public Data Offices (PDOs) on 9th December, 2020. During the course of evidence, it was informed that a total of 152 PDOs and total number of

144816 PM-WANI Units are in operation. The scheme will operate in grey spots where connectivity is a problem like inside malls, at airports, bus stands, Government hospitals, etc. The Committee find it a commendable step in right direction towards creating Digital India and a robust digital communications infrastructure across India. This will encourage technology entrepreneurs to develop and deploy Wi-Fi technology solutions triggering Make in India. This new eco-system will also enable new business models for shopkeepers as potential PDOs to provide high speed broadband services that will enhance incomes, employment, quality of life, ease of doing business, etc. Considering the importance of the scheme, initiatives taken by the Department need to be further strengthened, so as to boost economic activities and create sizeable number of jobs in the country. The Committee, therefore, impress upon the Department to intensify their effort to indentify the connectivity gap and initiate action on priority basis. At the same time, the Committee would like to emphasize that periodic monitoring and evaluation must be ensured by the Department to facilitate proper implementation of scheme. The Committee would like to be apprised of the action taken in this regard.

Reply of the Government

In this regard, the current status is as follows:

- (i) No of hotspots as on 31.3.23 1,47,917 as against the target of 130375 hotspots.
- (ii) No of Hotspots as on 15.6.23 148369.
- (iii) Various ministries / State Governments have been requested for proliferation of PM WANI and the same is being pursued. Further, matter was referred to TRAI on dated 04-11-2022 and 24.2.23 to, inter-alia, examine viability of the business model, come out with wholesome recommendations to enable commercial proliferation of PM WANI hotspots in the country. TRAI in its reply dated 4.1.23 and 2.6.23 has inter-alia, stated that DoT may try and implement some of the solutions identified by DoT to see if they can help in proliferation of PM WANI.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Monetization of assets of BSNL and MTNL

(Recommendation SI. No.16)

The Committee are fully aware of the fact that BSNL and MTNL have a large number of land assets as well as buildings. Monetization of land/building and tower assets is one of the components for the revival of BSNL and MTNL. As per the information provided by the Department, the total value of land/building assets identified for monetization is Rs. 67,000 Crore in BSNL. During the current year, a total number of 70 Land & Building assets worth Rs. 20000 crore have been identified for monetization for BSNL and Rs.18000 crore for MTNL. BSNL and MTNL have two types of assets, core and non-core. The non-core assets are the land parcels and the core assets are fibre and towers. The Committee has been informed during the deliberation that BSNL is already utilizing all the vacant space in the constructed building for renting, and last year, BSNL earned Rs 212 crores from rental income and it would be more than Rs 260 crore, this year. Similarly, in MTNL, they have earned nearly Rs 350 crore as rental income, and they have monetized nearly Rs. 200 crore of assets. The Committee have further been informed that there are challenges/hurdles in other properties due to conditional assignments made long time ago and permissions required from State Governments or local bodies, which are being pursued by the Department along with BSNL and MTNL. With regard to MTNL, the Committee note that most of the assets in Mumbai are having issues of Reservation/Designation and this is hampering the monetization prospect of these properties. MTNL is pursuing with the Maharashtra Government for removal of reservation/designation. The Committee are of the considered view that huge core and non-core assets that are lying with BSNL and MTNL, with proper monetization of core and non-core assets, can generate huge resources for them which can be used not only for their revival but also for maintaining a steady revenue stream. The Committee further feel that book value of the assets are not represented well and if book value of assets is reflected on the current value then lot of financial issues currently being faced by BSNL/ MTNL would be taken care of. Thereafter, successful monetization of assets will also help the cause of revival process of the two companies without burdening the Government exchequer or the public sector banks. The Committee note that the Department/BSNL have taken up the issue of reservation and designation with the concerned State Governments and local bodies for amicable resolution and successful monetization of the assets. The Committee are of the considered opinion that useful utilization of these assets which otherwise are lying unutilized will be in the larger interest of both BSNL/MTNL and the concerned State Governments/local bodies. Hence, the matter may be scrupulously pursued with the State Government at the appropriate level and take it to its logical end. The Committee may be kept apprised of the achievement made in this regard including the income from auction of assets, which may take place. The Committee would like to be informed of measures taken in pursuance of this recommendation at the earliest.

Reply of the Government

1) The actual revenue earned from land monetization for the year 2022-23 is as under:-

1.	Rental amount earned from leasing of built-up space	Rs.257.85 crore.
2.	Compensation from CMRL for acquisition of Poonamallee Telephone Exchange, Tamil Nadu	Rs.44.15 crore.
3	Sale of land parcel at A-65, Kalani Bagh, Dewas, MP (First instalment)	Rs.2.04 crore.
4	Sale of land parcel at A-165 to A-174, Kalani Bagh, Dewas, MP (First Instalment)	Rs.2.32 crore
	TOTAL=	Rs306.36 Crore.

2) Revenue earned from BSNL Towers, i.e. Leased out to other TSPs:

Year	Total Revenue (Amount in Rs. Crore)
2020-21	999.29
2021-22	1050.42
2022-23	937.28

3) Revenue earned from Fiber Monetization:

Year	NOFN/Retail	Target Fibre Kilometers (FKM) lease out plan cumulative	Achievement (in Fibre Kms) (Cumulative)	Revenue plan (in Rs Crore)	Revenue Earned (in Rs. Crore)- (cumulative)
	NOFN	287906	287906	351.43	351.43
2022-23	Retail up to 31.03.2023	83000	24688	166	37.06
Monetizat	ion achievement Total	370906	312594	517.43	388.49

4) BSNL is making persistent efforts regarding permission required from the state Government & Local bodies.

In addition to the above:

- 1.Continuous efforts and pursuance with state government /Local bodies are being made by DoT/BSNL/MTNL for removal of reservation and designation in Mumbai properties as well as obtaining permission /NoC from other state authorities.
- 2. The matter of Reservation and Designation(R&D) and difficulties observed in monetization of Mumbai properties of BSNL/MTNL was discussed between Secretary (T) and Chief Secretary Maharashtra in meeting held on 25.11.2022 at Mumbai along with all the concerned officers. Chief Secretary Maharashtra positively responded on the issue and directed all concerned Head of Departments to take necessary action for policy decision at appropriate level in the matter.
- 3.Based on efforts and within the scope of existing policy of state government following has been achieved in the matter of reservation and designation on property of Mumbai:
 - Property at Naupada, Thana has been de-reserved from TE (Institutional land) to residential zone R-2 vide Thana Municipal Commissioner (TMC) letter dated 30.11.2022.
 - ii. An area of 3498.104 sqm de-reserved by MCGM out of 103356.20 sqm of MTNL's Shimpoli Plot, Maharashtra vide Maharashtra Govt notification dated 19.07.22. Further, one EP-RC 96 of the plot also de-reserved vide Government of Maharastra Notification dated 12.09.2022. Remaining removal of reservation & conversion of land use is pending with UDD.
 - iii. Vasari Hill plot of MTNL at Mumbai also got de-reserved vide Government of Maharashtra notification dated 12.09.2022.
- 4. The matter is being actively persuaded at the highest level for policy decision followed by follow-up at appropriate level.

- 5. Direction and concern of the committee regarding book value and monetization of unutilized Core and Non-Core asset are complied with/taken care of through monetization of assets based on the revival plan approved by the Union Cabinet in its meeting dated 23.10.2019 and subsequent policy/guidelines on asset monetization. As regard book value of the asset, it is submitted that during process of asset monetization valuation of the asset are evaluated based on price discovery mechanism and asset valuation guidelines laid down through BSNL monetization policy /DIPAM guidelines/recommendation of appropriate authorities.
- 6. It is ensured that monetizable value of the properties holds the fair market value calculated through appropriate approved method and true and fair value of the asset may be realized through asset monetization.
- 7. Total Rs. 1358.98 Crores earned by BSNL and MTNL through Monetization of core/non-core asset during FY 2022-23. The breakup of same is as under:

1.	695.68	614.85	48.45	1358.98
S.No	Tower Rent	Building Rent	Sale of Assets	(in Rs Cr) Total
				(in Rs Cr)

- 8. Group of Ministers (GoM) approval has been obtained for monetization of 32 properties of BSNL having indicative value of Rs. 1081.82 Cr. and communicated to BSNL vide DoT OM No. 8-2/2022-Asset Mgmt dated 01.08.2022(GoM 1st Lot- 14 properties Rs.585.82 Crores) & OM No. 8-5/2022-Asset Mgmt. dated 28.12.2022(GoM 2nd Lot 18 properties Rs.496.00 Crores).3 properties have received H-1 bids and under process of financial approval of GoM. It is expected that sale proceeds of GoM 1st and 2nd LoT may be realized during F.Y. 2023-2024.
- 9. Two properties (RTTC Hyderabad and Gomtinagar, Lucknow) of BSNL having fair market value of about Rs 1800 Crore have been finalized by NLMC for immediate monetization. NLMC has obtained the approval of AM (Alternate Mechanism) for monetization of these two properties which is under process.
- 10. BSNL towers assets Monetization through PPP mode has been appraised by Public Private Partnership Appraisal Committee (PPPAC), in its meeting held on 06.04.2023

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Capital Infusion for BSNL/MTNL

(Recommendation SI. No.17)

The Committee note that an amount of Rs. 52937 crore has been allocated at BE 2023-24 for implementing various revival measures during 2023-24. The Committee were informed during the deliberations that despite not having 4G services, BSNL has been able to maintain its revenue over the last 4 years. There is a 14 per cent growth in the revenue i.e. Rs. 1600 crore from last year. With continuous monitoring, the company has been able to contain the operational expenses. With the savings in employees cost accruing to the company following the VRS and the savings in Opex, BSNL has been able to achieve positive EBITDA for almost three years now. While 4G for BSNL is yet to be rolled out, the Committee note that the company is trying hard to earn revenue from other sources. The projected revenue earning from rental income during this year would be more than Rs. 260 crore. BSNL plans to add more revenue by adding more towers on sharing basis. With reutilization of assets by leasing out surplus built up space, a total of 202 crore of revenue has been earned till January, 2023. The Committee have also been informed that fibre based FTTH connections is a growth and success story of BSNL. It was informed that revenue from FTTH has increased from Rs. 1119 crore last year to Rs. 1506 crore. The Committee note that implementation of VRS has led to massive decrease in the salary expenditure of the BSNL. However, more efforts still need to be made to decrease the projected loss of BSNL in the coming years. The Committee are optimistic that with allocation of spectrum and launch of 4G services in 2023-24 and Capex support, the revenues are expected to significantly increase in coming years. This would also help the company expand the network, resulting into higher availability of services and increase in revenues. The Committee while expressing hope that these initiatives will be helpful in increasing profitability of BSNL recommend that the Department/BSNL continue with their sustained efforts to fully harness their revenue earning potential. The Committee would also expect BSNL to diversify their offerings to meet the ever growing needs of the customers. The Committee would like to be apprised of the progress made in this regard.

Reply of the Government

The sustained efforts being done by BSNL to fully harness the revenue earning potential and How BSNL diversify its offering to meet the ever-growing needs of the customers are as under: -

A. Investment is being made for

- i. IT (Billing)/ERP up-gradation.
- ii. Data traffic aggregation nodes Broadband Network Gateway (BNG).
- iv. New Batteries are being installed in place of life expired old batteries.

B. The Ease of Doing Business for Partners is continuously evolved:

- i. Partners are On-boarded in online paperless manner with signed agreement, Partners are enabled with IT tools for real-time access to all customers' information related to service requests, bills issued, payment made, etc.
- ii. Digital on-boarding and KYC of customers is done by partners using mobile app, doorstep service, no need to visit BSNL exchange for any service requirements.
- iii. Mobile App for bill collection is used by partners for door-to-door collection in addition to large chunk of payments that customers do in online mode.

C. Network Optimization is being done

A centralized Team at Each Business Area Location (One Network centre) has been established, enabled with IT tools to access all Network Elements and resolve the operations issues. This helps in improving the network uptime and customer Mean-time- to- restore (MTTR).

D. Customer Service

i. The customer visits bookmyfibre.bsnl.co.in for raising demand for FTTH, request directly reaches to concerned area for feasibility check and customer is informed accordingly. Customer is digitally on-boarded thereafter.

ii. The Complaints of the Customer are directly passed on to the concerned area partners who use the BSNL Teevra App for first level fault analysis (low power) and fix the problems, Happy code is sent to customer to avoid false clearance for repeat complaints.

E. Sales Orientation:

- i. Digital Platforms for Customer reach out in browsing Plan change Campaign.
- ii. Portal and Mobile App for service upgrade and new provisions are adopted.
- iii. Sales Incentives to partners linked to volume of business and coverage of geography are given.
- iv. Channel Partners for both retail and wholesale business (SIP/OBD) are roped in.
- v. Smart Report with SMS and WhatsApp alerts to partners on the progress made are sent.
- **F. BharatNet Udyami Initiative :** FTTH services in the rural areas are being rolled-out with a focused approach on onboarding partners in rural areas , training them with required skills and providing services to the customers thereupon through these partners.
- **G. OTT services:** In addition to entertainment content through OTT platforms, IPTV services are also being rolled out in partnership with MSO/IPTV service partners in select areas, so that conventional TV entertainment can be replaced with total digital entertainment.
- **H.** Rationalization of tariff plans for Wire-line, Wireless, Broadband and Enterprise Services. Provisioning of value-added services and improving the customer service relating to up gradation of plans, restoration of services, payments etc.
- I) BSNL has formulated a novel strategy to focus on rural areas. This has also strengthened its social obligation. This would also help the BSNL expand the network,

resulting into higher availability of services and increase in revenues. The details are as follows:-

- i. The company successfully completed roll out of mobile services in LWE areas and recently extended O&M & up-gradation of the said network. In addition, BSNL is engaged in the 4G saturation project for uncovered villages. BSNL has commissioned 24,333 nos of Wi-Fi Hotspots in rural areas.
- ii. Besides the above, BSNL is executing roll-out, O&M and monetization of Bharat Net network towards fulfilling the objectives of the Government for FTTX services in all villages. BSNL has executed the submarine cable project for connecting A&N Islands and the submarine cable project to link Lakshadweep to the main land is under execution.
- **J)** The following steps are taken by BSNL to meet the ever-growing need of the customers in mobile services.
 - i. BSNL offers competitive and affordable mobile tariffs as per market trends.
 - ii. BSNL has engaged extensive channel partners in pan India basis to increase SIM Sale.
- **K)** BSNL provides complete Bouquet of telecom services for esteemed customers.
 - i. Wire line services.
 - ii. GSM Mobile Services including 3G & VAS.
 - iii. Internet and Broadband services including FTTH.
 - iv. Wi-Fi services.
 - v. Data center Services.
 - vi. Enterprise Data Services such as Leased circuits, MPLS VPN etc.
 - vii. National Long Distance Services.
 - viii. International Long Distance Services.

Hence the above initiatives will be helpful in increasing profitability of BSNL.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Indian Telephone Industries (ITI) Limited

(Recommendation SI. No.19)

The Committee note that the total income of ITI during 2021-22 was Rs.2115 crore and the net profit was Rs.121 crore. However, during 2022-23, the total ITI net loss has been Rs. 200 crore as on 30th September, 2022. The Committee have been informed that main reasons for the net loss of ITI during 2022-23, were due to shortage of components and chip in international market due to Covid-19 pandemic and delay in Proof of Concept (POC) of indigenous 4G technology, delay in placing purchase order by BSNL. The Committee note that during 2022-23, the annualized value for 9 months for expenditure stands at Rs. 596 crore and the total income stands at Rs. 396 Crore, ITI Limited is, therefore, expected to make a loss this year. ITI is, however, hopeful to achieve the revenue targets by the end of financial year 2022-23 and best efforts are being made to execute the available orders to maximum extent. Further, in-house manufactured products are being utilized for project requirements giving them additional revenue. The Committee have been informed that projected income and expenses of ITI for the year 2023-24 are Rs. 2972 crore and Rs.2853 crore, respectively and thus the expected net profit is Rs. 119 crore. With regard to capital expenditure, the Committee note that an amount of Rs.200 crore has been allocated at BE 2022-23, which was reduced to 187.82 at RE and actual utilization has been hovering around 42.7% of RE up to December 2022. The Committee have been informed that the first two quarters of FY 2022-23 have been low in achievement and ITI hopes to recover the performance by the end of the FY 2022-23. For the year 2023-24, against the proposed amount of Rs. 220 crore an amount of Rs.160 crore has been allocated at BE 2023-24 for 'ITI Revival (Equity Investment)'. The Committee are of considered opinion that ITI Limited need to focus on executing the projects under pipelines with healthy margins such as ASCON IV project, BharatNet Phase-II projects and in-house manufactured goods viz. Solar Panels, HDPE ducts, OFC to improve its performance over the last year. Further, company is foreseeing "new product (Multi Post e Voting Machine) and upcoming project 4G manufacturing", the Committee, therefore, expect that if the Manufacturing capacity of ITI Limited is optimally utilized, ITI Limited could achieve turnaround and increase the revenue earnings in the coming years. The Committee

also expect that sincere efforts will be made to fully utilize the funds allocated for the year 2023-24 and if needed raise the demand for more funds at RE stage. The Committee hope that the Department will extend all possible help and ITI will be able to achieve optimum utilization of funds allocated. The Committee would like to be apprised of the action taken in this regard.

Reply of the Government

I. The company is focusing on executing its main projects, which are not only with the healthy margins but also are of national interest. Updated status of these projects are as follows: -

(A) ASCON-Phase-IV project Highlight:

- The scope of ASCON Project broadly involves the following 4 activities :
 - Capex: For Supply, Installation and Commissioning of all the Equipment like Routers, Microwave Radios, Satellite Terminal, Power systems like DG sets, Mobile Nodes etc.
 - Optical Fibre laying, Trenching and Ducting for 11,200 Kms.
 - Civil works: Construction of new buildings and Upgradation of existing buildings.
 - AMC
- The project value is around Rs. 7796 Cr including GST. The first 3 activities make up to around 50% of the Project value. ITI has healthy margin in Fibre laying and Civil works. ITI has been making all out efforts to complete the above activities despite challenges like PoC delays, RoW issues, cash flow issues., etc. Regular monitoring and coordination is being done at DoT and MoD levels to facilitate the timely implementation.
- 45% of the Fibre laying (T&D) completed and remaining is expected to complete
 by Oct 2023. Civil works of around 15% has been completed and further 60% of
 the civil works is expected to be completed by Nov 2023. The delay is basically
 due to adverse Weather conditions like Snow fall, Landslide, road Widening in
 forward areas
- These two items will make up for revenue of around 2800 Cr with a margin of around 20 to 25%
- The Equipment supplies, Installation and Commissioning will start after the PoC and this is expected to be completed by Oct, 2023. This will give ITI a revenue of around 1200 Cr with a margin of around 120 Cr in the next 3 Years.

 Further the 4th important activity of the ASCON Project is the AMC which will start after 5 years of project execution (3 years) & warranty (2 years), after the completion of PoC (which is expected to be completed by Oct 2023) From 2027-28 onwards ASCON AMC will fetch around 350 Cr of annual revenue with a profit of 100 Cr.

(B) BharatNet Phase-II Projects

Gujnet:

This project worth 1209.7 Cr includes laying of 18,212 KMs of Optical Fibre Cables (OFC), supply of DWDM (Dense Wave Division Multiplexing) equipment, optical transmission and access equipment and to provide connectivity to 4233 Gram panchayats to enable around 2 Crore rural population to avail the Broadband connectivity. Gujnet project under BharatNet Phase-II is in the process of completion. ITI will be able to fetch a margin of 22% from this project.

TANFINET Project

ITI has won one package of the TANFINET (Pkg D) Project (Project cost of Rs. 433 Crore) which has scope for providing broadband connectivity in 109 blocks of Tamilnadu connecting 3103 Nos of GPs with aerial OFC of 10,148 KMs & 1849 KMs of underground OFC and is expected to be completed by July 2023. ITI is executing Tanfinet project despite of several field level challenges like getting permissions from EB. NHAI, ROW Departments and Railways, Land Owners and Farmers restrictions on cable laying

Andaman & Nicobar Project

ITI has received order worth 37 Cr from BBNL for implementation of BharatNet Phase-II project including supply, installation, testing and commissioning of OFC (underground & Aerial), GPoN Network and Radio Network as well as O&M (operation & maintenance) across the Union Territories of Andaman & Nicobar. The project timelines to be completed by June 2023. Trenching and ducting completed for 400KMs and 68 GP already integrated in the network.ITI will be able to fetch a margin of 8% from this project.

Maharashtra (MahaNet)

Project Scope includes laying of 19,351 Kms Underground (UG) and 20,259 Km Aerial (OH) OFC, Establishment, Commissioning and Maintenance of Network

comprising of IPMPLS (IP Multi-Protocol Label Switching) Routers, Switches, Solar equipment, Microwave radio, Wi-Fi hotspots and Network Operating Centre (NOC). Expected to be completed by August 2023. Connectivity to GPs using MPLS using Aerial and UG Cables in Maharashtra state for Package A & C is in progress with 70% of milestones are achieved as of now. The order is worth Rs. 2907 Cr and ITI will be able to fetch a margin of 3% from this project.

(C) In-house products

OFC:

- ITI has manufactured 11000 Km of OFC for ASCON Project, 8997 Km of OFC for TANFINET Project, 1800 KM for Railways, 900 Km for MTNL, 200 Km for Indian Air Force
- ITI has achieved Bulk supplier category for RDSO/Railway recently for supply of 24F Armoured OFC. We have registered for supply of 48F Armoured OFC for RDSO/Railways.
- ITI have got empanelled with M/s Vodafone India and empanelment with M/s Airtel is under process.
- ITI have been winning IREPS Tenders and expect to secure orders of 2000-5000Km for 24F/48F Armoured OFC for RDSO/ Railway.

HDPE:

- ITI Palakkad has manufactured and supplied 2300 KM of HDPE for ASCON Ph IV Project, 1850 Km for TANFINET project and 400 Km for Mahanet Project.ITI Raebareli has manufactured 9000 Km for ASCON Ph IV Project. Mankapur Plant is manufacturing 150 Km for Gujnet Project
- ITI has floated EOI for leasing out all seven (07) HDPE DUCT Manufacturing Lines for effective utilization.
- ITI has signed agreement with M/s Mohit Plastics Ltd for the contract manufacturing of HDPE water Pipes.
- Mankapur plant has got the BIS certification & started contract manufacturing of water pipes withM/s Katariya Pastics Pvt Ltd.
- ITI has got empanelled with M/s Vodafone India and empanelment with M/s Airtel is under process.
- ITI is Participating in tenders on various tendering portals i.e GeM , IREPS and CPP portal etc. for getting orders.

II. To utilize its manufacturing capacity in effective manner, ITI is currently focusing on following project through CAPEX utilization.

SL. No.	Projects	Total Capex (Rs Cr)	Status
1	Digital Mobile Radio (DMR)	15.00	Prototype is under development, will be ready by June, 2023.
2	Electronic Voting Machine (EVM) & Voter Verifiable Paper Audit Trail (VVPAT)	10.00	Demonstration of prototype to Standing committee of SEC is completed on 25th April 2023. Awaiting for Clearances from SEC. On receipt of clearance from SEC, PO for equipment/ tools will be placed for bulk production.
3	Router Manufacturing	10.00	Establishment of Manufacturing Infra / Test Equipment is under Progress.
4	Manufacturing of 4G RRU for 300 RRU/day /plant.	40.00	PO for Test Equipment / Tools ,etc for Rs. 40 Cr will be placed after receipt of PO from BSNL.
5	Development of Smart Energy Meter (SEM)	7.00	PO placed for Rs 2.17 Cr for Prototype development of Single-phase Smart Energy meter by M/s. WiSig. Development is under process. Prototype will be ready by June 2023.
6	Compact TESD (Terminal End Secrecy Device)	4.72	RFP for finalization of partner under progress. PO will be placed shortly. Prototype is expected to be ready by Dec 2023.
7	Field Cypher Equipment (FCE)	1.70	PO for development of FCE being issued. Prototype is expected to be ready by Dec 2023. Received request from MoD for NCNC trial
8	Expansion of Security Operation Centre (SOC)	18.58	Total Project Cost Rs. 48.58 Cr PO placed - Rs.15.21 Cr. Equipment is installed in ITI Data Center and

		commissioned.
		Vulnerability & Penetration tests are carried out in ITI Network
		Empaneled with BSNL for their customers
		Discussion with ITI Data Center customer for utilization of SOC
Grand total	107.00	

III. Due efforts will be made by the ITI to fully utilize the Capex funds allocated for the year 2023-24. Good progress has already been made in Digital Mobile Radio (DMR), Electronic Voting Machine (EVM), Smart Energy Meter (SEM) and Terminal End Secrecy Device (TESD) for the capex received in 2022-23.

IV. Rs 160 Cr has been sanctioned in BE 2023-24. It is planned to establish Mono PERC Solar Module Manufacturing Plant with Annual Capacity of 500 MWp. Total Project Cost is Rs 110 Cr. As against this requirement, Rs 80 Cr planned in BE 2023-24 and balance Rs 30 Cr is required in RE 2023-24. Further, It is planned to enhance the OFC manufacturing Capacity by 15000 Km (24 F OFC Loose Tube type), Patch Cord and FTTH drop cables. Total project cost is Rs 88 Cr. As against this requirement, Rs 80 Cr is planned in BE 2023-24 and balance Rs 8 Cr is required in RE 2023-24.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

CHAPTER-III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONSIN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

<u>Universal Service Obligation Fund (USOF)- Fund allocation and utilization</u>

(Recommendation SI. No. 4)

The Committee note that in accordance with the Indian Telegraph Act, 1885, Licence Fee which includes Universal Access Levy (UAL) is charged at 5 per cent of the Adjusted Gross Revenue (AGR) of the telecom licensees. Since its inception, i.e. 2002-2003, UAL amounting to Rs.134076.96 crore has been collected and an amount of Rs.69590.89 crore has been utilized. As on 31.12.2022, the balance of UAL amount available as potential fund under USO is in tune of Rs.64486.07 crore. The Committee have also been informed that the fund collected under UAL goes to the Consolidated Fund of India and it is non-lapsable in nature. The Committee are, however, constrained to note that even though substantial amount is in the reserve under USOF, the Department have not been able to do much in terms of spending. During the year 2022-23, an amount of Rs.9000 crore had been allocated at BE 2022-23 which was downsized to Rs.3010 crore at RE and actual utilization till 31.12.2022 has been only Rs.2067 crore. In view of the foregoing, there is an immense need to work on their strategies to improve utilization. For the year 2023-24, the Department have proposed an amount of Rs.11400 crore and an amount of Rs. 10400 has been allocated at BE 2023-24, including funds allotted under Research & Development viz. Rs. 130 crore for 2022-23 and 2023-24. The Committee are pleased to note that there is an enhancement of Rs. 1400 crore over the previous year. The Committee are aware that there are several prioritized ongoing schemes lined up under USOF, which include BharatNet for provision of broadband connectivity to all 6 lakh villages across India, Comprehensive Telecom Development Plan for North Eastern Region, Comprehensive Telecom Development Plan for Islands including laying of submarine cable from Kochi to Lakshadweep and Mobile connectivity in Andaman and Nicobar Islands, scheme for Mobile Services in uncovered villages of Himalayan States, Western border areas, scheme for Mobile services in Aspirational Districts and scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected areas, etc. These

capital intensive infrastructure projects with timely and effective implementation will greatly help in improving the telecom connectivity in areas which are uncovered and inaccessible currently. The Committee emphasize that availability of funds should not be a constraint for implementation of various schemes under USOF, considering that huge balance is already available as potential fund under USOF. The Committee are of the view that reduction of budgetary amount year after year at the revised stage reflects faulty planning on the part of the Department and this needs to be avoided. The Committee recommend that the Department ought to make efforts for optimum utilization of Rs.10400 crore allocated at BE for implementation of various schemes under USOF during 2023-24. The Committee may be apprised of the action taken in the matter.

Reply of the Government

In view of above recommendation of the Hon'ble Committee, it is humbly submitted that Rs. 2015 crore out of Rs. 10400 crore has been disbursed under various USOF Schemes in the month of April 2023. Sufficient funds are available to meet the expenditure for the USOF Schemes during FY 2023-24. The implementation of schemes is monitored on weekly basis by the Committees constituted under the Chairmanship of the Secretary (T).

In order to fast-track progress under the BharatNet project and its utilisation, following steps have inter-alia been taken:

- (v) Strict monitoring of the project at various levels by Universal Service Obligation Fund, Bharat Sanchar Nigam Limited/ Bharat Broadband Network Limited with implementing Agencies for speedy roll out of the project.
- (vi) Resolving all pending issues in expeditious manner.
- (vii) Revised strategy formulated for covering all GPs and villages for connecting on OFC, O&M and utilisation.

(viii) A pilot project for rolling out 5 lakh FTTH connections to rural households has been launched in October 2022 and about 3,30,547 FTH connections have been provided to rural households as on 07.06.2023.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Comments of the Committee (Please see Para No. 8 of Chapter I)

Fund allocation and Utilization under BharatNet

(Recommendation SI. No. 5)

24. The Committee note that fund allocation under BharatNet for 2022-23 was Rs. 7,000 crore and was reduced to Rs. 1500 crore at RE Stage. However, the expenditure has been to the tune of 85% i.e. Rs. 1280 crore upto 31.12.2022. Further, the BE for 2023-24 has been Rs. 5,000 crore. While furnishing the reasons for reduction from BE to RE during 2022-23, it was stated that it was due to slow implementation under State Led Model and non-receipt of responsive bid in PPP tender of BharatNet. However, during the current financial year, the Department has been allocated Rs. 5,000 crore. The Committee are of the view that the allocations are based on the projections which have been prepared relying on the physical progress of projects that are in the pipeline and they would be utilized. Further, the Committee hope that the projects would be completed as planned. The Committee may be apprised in this regard.

Reply of the Government

USOF has provided grant/ subsidy to BBNL for the entire Capital Expenditure (CAPEX) and Net Cost of Operating Expenditure (OPEX) net of Revenue for creation, operation and maintenance of BharatNet up to maintenance of BharatNet up to 24.02.2020. The Agreement dated 08.04.2022 was further extended till 31.03.2025 from 25.02.2020 or till the time any policy decision by Government of India, whichever is earlier.

For current FY 2023-24 a sum of Rs. 5000 crore has been allocated under the BharatNet Project comprises of Rs. 3250 crores towards CAPEX and Rs. 1750 crore

towards OPEX i.e. for maintenance of BharatNet Network. The implementation of BharatNet in phase-II is in full swing and fund allocated for the current FY may be fully utilized.

Under the State-led model in the States of Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand, Odisha, Maharashtra, Tamil Nadu and Telangana, the project is complete/almost complete in Odisha (100%), Jharkhand (100%) and Gujarat (99.3%). In Chhattisgarh almost 93% project is complete, while in in Maharashtra, Telangana, Andhra Pradesh and Tamil Nadu, project completion is 69.5%, 69.2%, 31.2% and 15.3% respectively. The target for completion of BharatNet project execution is as follows – Chhattisgarh: Jun 2023, Telangana: Aug, 2023, Maharashtra: Sep 2023, Tamil Nadu: Dec 2023, and Andhra Pradesh: Dec 2023. The projects have got delayed in these States for various reasons like change in government, non-supply of active equipment, dispute between the State implementing agencies and their Project implementing agencies, court cases etc. USOF is regularly reviewing and coordinating with the State government and State implementing agencies for resolving the issues so as to ensure completion of the projects within the targeted timelines.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Comments of the Committee (Please see Para No. 11 of Chapter I)

Progress of Implementation of BharatNet

(Recommendation SI. No. 6)

The Committee note that BharatNet is one of the biggest rural telecom projects of the world and is being implemented in a phased manner to provide broadband connectivity to all Gram Panchayats (GPs) (approx 2.6 lakh) in the country. Phase-I was completed in December, 2017 with the implementation of over 1 lakh GPs. Phase-II is under implementation. Examining the replies submitted by the Department, the Committee note that as on 31st December, 2022, an amount of Rs.36800 crore has

been utilized, 611036 km. of OFC has been laid, 187096 GPs have been made service ready, Wi-Fi hotspots have been provided in 104664 GPs, 207222 FTTH connections have been provided, 58316 km. of dark fibre has been leased, etc. The Committee have also been informed that 5789 TB of data consumption has also been recorded and is expected to increase in the coming days. The Committee note that Wi-Fi hotspots are yet to be provided at 65,772 GPs which are service ready. The Committee find that the pace of implementation of BharatNet Phase-II during 2022-23 was slower as compared to the target. Reasons adduced were that BSNL suffered from capacity constraints because of its internal issues and financials and since, no responsive bid was received for which global tender was floated no expenditure could be incurred towards PPP model of BharatNet in F.Y. 2022-23. While acknowledging the constraints being faced by the Department, the Committee are of the view that proactive measures be initiated towards ironing out the bottlenecks, which are hampering the progress of the scheme. The Committee would like to prevail upon the Department to make all out efforts to provide Wi-Fi hotspots to all the service ready GPs.

Further, during the deliberation of the Committee one of the pertinent issues that came to the fore was related to poor mobile connectivity of BSNL in the rural and remote areas. The Committee are disturbed to note petty reasons for BSNL mobile towers to remain non-operational for several days, such as tower battery is down, generator is non functional as diesel is unavailable, so on and so forth. It is unfortunate that BSNL is losing its customer base for such basic reasons. The Committee, therefore, expect the Department to take suitable advanced measures to address the concern raised by the Committee."

Reply of the Government

Presently a total of 1,91,068 GPs have been made service ready. Out of this, Wi-Fi hotspot have been installed in 1,04,674 GPs. In addition, a tender invited for installation of WI-Fi hotspot in 3,758 GPs, 354 additional sites and 1409 DSPTs where connectivity has been extended through Satellite.

The utilisation of network is through leasing of bandwidth and dark fibre, Wi-Fi to access broadband /internet services at Public places, and Fibre to the Home (FTTH) to

provide broadband connectivity to Government Institutions (like school, Health Centre, Anganwadi, Police Station, Krishi Vikash Kendra, Post Office, Ration Shop, etc.), Private Institutions and Households. The details are as follows:

- In 1.20 lakh GPs (approx.) of BharatNet Phase-I, the provisioning of Wi-Fi Services in about 1.10 lakh GPs were assigned to CSC e-Governance Services India Limited (a Special Purpose Vehicle under Ministry of Electronics & Information Technology), and in about 10,000 GPs to the Government of Rajasthan/Raj COMP Info Services Ltd. (RISL), etc.
- The work of provisioning of Wi-Fi hotspots in about 5200 GPs of BharatNet Phase-II (being connected on satellite media), is also being implemented with funding from Universal Service Obligation Fund (USOF). The tender for the same is under progress.
- In 8 States (Andhra Pradesh, Chhattisgarh, Gujarat, Jharkhand Maharashtra, Odisha, Telangana, Tamil Nadu,), State-led SPVs, who are implementing BharatNet Phase-II in the state, are responsible for utilization.
- For Last Mile Connectivity (LMC) on the OFC to Government Institutions (like school, Health Centre, Anganwadi, Police Station, Krishi Vikash Kendra, Post Office, Ration Shop etc.), Private Institutions and Households from BharatNet network, DoE had issued the guidelines on the Scheme for Special Assistance to States for Capital Investment for 2022-23. As per the Part V (Optical Fibre Cable) of the scheme guidelines, the amount will be available to states for Capital projects on Optical Fibre Cable network. The funds can be used by states to extend BharatNet to villages from the GPs covered as at present for Last Mile Connectivity (LMC) on the OFC to Government Institutions, Private Institutions and Households from BharatNet network. So far, about ₹2,716 Crore have been approved by DoE for 24 States under the scheme.
- The Union Cabinet on 27-07-2022 approved an USOF funded project for saturation of 4G mobile services in uncovered villages across the country at a total cost of ₹26,316 Cr. The project will provide 4G mobile services in 24,680 uncovered villages in remote and difficult areas. The project has a provision to include additional villages on account of rehabilitation, new-settlements,

withdrawal of services by existing operators etc. In addition, 6,279 villages having only 2G/3G connectivity shall be upgraded to 4G.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Comments of the Committee (Please see Para No. 14 of Chapter I)

<u>Implementation status of other ongoing activities under USOF:</u>

(Recommendation SI. No. 10)

Under USOF the Department has prioritized to provide access to mobile services, broadband connectivity and creation of infrastructures like OFC to remote and rural areas of the country. The Department has several prioritized ongoing schemes lined up which include Comprehensive Telecom Development Plan for North Eastern Region, Comprehensive Telecom Development Plan for Islands including laying of submarine cable from Kochi to Lakshadweep and Mobile connectivity in Andaman and Nicobar Islands, scheme for Mobile Services in uncovered villages of Himalayan States, Western border areas, scheme for Mobile services in Aspirational Districts and scheme for Mobile Communication Services in Left Wing Extremism (LWE) affected areas, etc. As per the information provided by the Department, implementation status of the ongoing activities are as follows:

A. <u>Comprehensive Telecom Development Plan (CTDP) for the North-Eastern</u> Region:-

Under CTDP, 3 programmes have been taken up to cover the unconnected villages of North-Eastern Region. In order to provide Mobile Services in Uncovered villages of Meghalaya and seamless coverage along National Highway, the work has been awarded to M/s Bharti Hexacom Ltd. The revised target under the programme provides for 758 villages and 11 National Highway sites and out of which 480 villages and 2 National Highway sites have been covered, respectively. The Committee note that additional 723 villages have been added under their scope of M/s Bharti Hexacom Ltd for which, additional 18 month roll-out period has been provided. Thus, under the final revised scope, M/s Bharti Hexacom Ltd, has been

tasked to provide 1094 sites covering 1481 villages and 9 NH Sites by 24.05.2024. The Committee recommend the Department to leverage proper and stringent monitoring of the ongoing project and no effort be spared to achieve the targets within the stipulated time-lines.

The Committee, further note that in order to provide Mobile Services in 1683 uncovered villages of Arunachal Pradesh and 2 Districts of Assam (691 Villages) agreements have been signed with M/s Bharti Hexacom Limited and M/s Reliance Jio Infocomm Limited for provision of services in Arunachal Pradesh and Assam, respectively at a total project cost is Rs. 1255.49 Crore. As per the data provided by the Department, out of 1683 villages, only 97 Villages of Arunachal Pradesh and out of 691 villages only 122 villages in 2 Districts of Assam have been covered so far. The Committee, therefore, recommend DoT to take regular stock of the situation and ensure fruition of the ongoing projects within the stipulated time. The Department should also constantly monitor the implementation of the projects and ensure adherence to the prescribed timeline for their commissioning. The Committee also urge the Department to ensure compliance through stricter directives and supervision. The Committee also desire to be apprised of the steps taken and the outcome thereof.

B. 502 Aspirational District villages (MP, UP, Rajasthan, Bihar):-

The Committee note that a Scheme for 502 uncovered villages across 112 Aspirational District over four States namely Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan with a total project cost is Rs. 421.65 Crore was targeted to be completed by March 2022. The work has been awarded to M/s Reliance Jio Infocomm Ltd for UP and MP States, M/s Bharti Hexacom Ltd for Rajasthan and M/s Bharti Airtel Ltd for Bihar in 2021. The Committee note that against the target of covering 529 Villages by installing 462 mobile towers, so far, only 146 Villages have been covered by installing 119 mobile towers in the States. The Committee, therefore, urge the Department to ensure that ongoing schemes are effectively completed. To ensure timely completion of project, time bound deadlines may be set by the Department and every effort should be made to adhere to them by the companies. In this connection, the Department is requested to take stock of the matter on an urgent basis and furnish action taken on priority basis.

C. <u>Remaining 7,287 Aspirational District villages (Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha):</u>

The Committee note that the project entails provisioning of 4G based Mobile services in 7,287 uncovered villages of 44 Aspirational Districts of 5 States of Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha. An agreement with M/s Reliance Jio Infocomm Ltd for 3 States and M/s Bharti Airtel Ltd for 2 States have been signed on 20.05.2022 at a cost of Rs. 3765.47 crore. Target for completion of this project is November, 2023. So far, only survey work is in progress. As per the agreement, 7287 villages had to be covered by installing 4779 mobile towers. Considering the importance of the project, the Committee urge the Government to ensure projects assigned to M/s Reliance Jio Infocomm Ltd for 3 States and M/s Bharti Airtel Ltd are completed within the time schedule and the same are monitored closely for effective execution. The Committee also desire to be apprised of the steps taken and progress made in this regard.

Reply of the Government

- D. Comprehensive Telecom Development Plan (CTDP) for North Eastern Region:-
- 1. Provision of 4G based Mobile Services in Uncovered Villages and National Highways of Meghalaya:
- a. For Meghalaya Project, Agreement has been signed with M/s Bharti Hexacom Limited (BHL) on 04.09.2020 for 889 sites (including 11 NH Sites) covering 1164 villages and 11 NH locations. The project cost is Rs 804.37 Crore including VSAT charges.
- b. The roll out period was till Sep-2022 which was extended for further upto 03.09.2023. Survey has been completed for all 1175 villages/NH, the scope of tower sites has been revised after the survey. Till 31.05.2023, a total of 352 sites have been installed & commissioned covering 523 villages + 3 NH. Detail are as under:

No.	of	No.	of	BTSs	(as	per	Revised		Towe	rs	Villages	NH
Villages		Agre	eme	ent)			Scope		Comn	nissioned	Covered	Covered
(as agreeme	per ent)	For Villag	ges	For Highwa		Total	Villages	NH	Sites			
1164		878	•	11	•	889	560	3	383	352	523	3

c. Further, additional 723 villages of Meghalaya are also proposed to be covered by installing 528 mobile towers under this scheme. The roll out period of the for additional 723 village is upto 24-05-2024. Till 31.5.2023 survey for 467 villages have been completed. Detail are as under:

State	Total Villages as per agreement	No. of Sites (As per Agreement)	No. of Survey Completed
Meghalaya	723	528	467

2. Provision of Mobile Services in Uncovered Villages of Arunachal Pradesh and 2 Districts of Assam:

- i. Agreement has been signed on 29.10.2021 with M/s BHL for Arunachal Pradesh and on 1.11.2021 with M/s RJIL for Two Districts of Assam.
- ii. Survey work of all villages have been completed. Till May, 2023, in Arunachal Pradesh 159 sites have been installed and commissioned covering 277 villages. In two Districts of Assam, 221 sites have been installed and commissioned covering 302 villages. Target for completion of this project is July, 2023. The implementation status of the scheme is as follows:

SI. No.	State Name	No. of Districts	•		Revised Scope		Towers Commissioned	No. of Villages covered
1	Arunachal Pradesh	16	1683	980	1036	561	159	277
2.	Assam (Karbi Anglong & Dima Hasao District)	2	691	531	322	239	221	302
	Total	18	2374	1511	1358	800	380	579

Regular review meetings are being held under the Chairmanship of Secretary (T) with implementing agencies. The support required by implementing agencies is also being

taken up with the State Govt. Further, the issue also being taken up in the Centre-State Coordination meeting chaired by Secretary (Coordination) Cabinet Secretariat. For RoW issues matter has been taken up with Secretary (MoEFCC) on regular basis.

Hilly area, difficult terrain and other issues like inaccessibility leads to delay in installation of towers.

E. 502 Aspirational District villages (MP, UP, Rajasthan, Bihar):-

- a. The scheme has been planned for provisioning of 4G based Mobile Service in 502 uncovered villages of Aspirational districts of four states -Uttar Pradesh, Bihar, Madhya Pradesh & Rajasthan.
- b. Agreement has been signed with the Project Implementing Agencies i.e. M/s RJIL on 17.03.2021 for Madhya Pradesh and Uttar Pradesh Bidding Unit and on 22.03.2021 with M/s Bharati Airtel Ltd. for Bihar bidding unit and M/s Bharati Hexacom Ltd. for Rajasthan bidding unit. Target for completion of this project is June 2023.
- c. Survey has been completed and the installation work is under progress. Till May-2023, a total 154 villages have been covered by installing 125 Mobile towers under this project. The details are as follows:

SI. No.	State Name	No. of Aspirational Districts	As per agreement		Revised Scope after survey		No. of sites Commissioned	No. of Villages covered
			No. of villages	No. of Towers	Villages	Sites		
1	Bihar	5	80	62	51	30	27	46
2	MP	8	205	194	124	115	58	64
3	UP	6	22	20	19	19	19	19
4	Rajasthan	5	195 186		75	66	21	25
	Total	24	502	462	269	230	125	154

F. Remaining 7,287 Aspirational District villages (Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha):

- (iii) The scheme has been planned for provisioning of 4G based Mobile service in 7287 uncovered villages of 44 Aspirational Districts of 5 States Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra and Odisha. The agreement with USPs (M/s RJIL for 3 States and M/s BAL for two States) have been signed on 20-05-2022. Till May 2023, 6550 villages' survey has been completed and 252 mobile sites have been commissioned covering 415 villages. Target for completion of this project is November, 2023.
- (iv) State wise list of 7287 uncovered villages of 44 Aspirational Districts of 5 States is as follows: -

SI. No.	State Name	No. of Aspira- tional	As per agreeme	ent	Revised after surv	•	No. of sites	No. of Villages covered
		Districts	No. of villages	No. of Towers	Villages	Sites	issioned	
1	Andhra Pradesh	3	1218	771	1043	611	98	200
2	Chhattisgarh	8	699	546	227	199	68	78
3	Odisha	10	3933	2379	3083	2101	82	133
4	Jharkhand	19	827	625	482	354	0	0
5	Maharashtra	4	610	458	425	350	4	4
	Total	44	7287	4779	5260	3615	252	415

Regular review meeting is being held under the Chairmanship of Secretary (T) with implementing agencies. The support required to implementing agencies is also being taken up with the State Govt. Further, the issue also being taken up in the Centre State Coordination meeting chaired by Secretary (Coordination) Cabinet Secretariat.

Due to hilly area, difficult terrain and other issues lead to delay in installation of tower.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Comments of the Committee (Please see Para No. 20 of Chapter I)

Scheme for Mobile Communications Services in Left Wing Extremism (LWE) Affected Areas

(Recommendation SI. No. 11)

The Committee note that LWE Phase-I had been implemented by BSNL by setting up of 2343 2G towers in 106 districts in the 10 affected States of Andhra Pradesh, Bihar, Chhattisgarh, Jharkhand, Maharashtra, Madhya Pradesh, Odisha, Telangana, Uttar Pradesh and West Bengal. The project has been awarded to BSNL since these sites belong to BSNL. The 4G upgradation and extension Operational and Maintenance of the existing 2G LWE Phase-I sites has been approved at an estimated cost of Rs.2426 crore. However, signing of agreement is still under consideration. The Committee also note that the Cabinet had approved LWE Phase-II project on 23.05.2018. Under LWE Phase-II, 2542 4G towers will be set up for which agreements have been signed with Reliance Jio Infocomm Ltd. and Bharti Airtel Ltd. at an estimated cost of Rs. 2211.11 crore. The project is targeted to be completed by March, 2023. The Committee further note that target assigned for the FY 2022-23 was installation of 2000 towers, against which, only 284 towers have been installed. The Committee call upon the Department to think of ways and means to overcome this hurdle.

The Committee feel that provision of telecom services including 4G services in these areas will greatly help in bringing about various services to the doorsteps of the people and any further delay in execution of the project will only add to the connectivity woes of people in these areas. There is no second opinion about the fact that the project would be able to meet the timelines as per schedule i.e. March 2023. The Committee exhort the Department to fix realistic timelines for the projects after taking into account all the possible scenarios and timeline once set should be strictly adhered to. The Committee recommend that sincere efforts be made by the Department to ensure that the LWE Phase-II project is completed without any further delay. The Committee also recommend that plan for upgradation of 2343 2G towers to 4G under LWE Phase-I which is under consideration may also be finalized at the earliest. The Committee may be informed of the progress and targets achieved under the scheme.

Reply of the Government

Mobile connectivity in Left Wing Extremism (LWE) affected areas:

LWE Phase-II:

- i. Agreements have been signed with M/s Reliance Jio Infocomm Limited (RJIL) on 28-09-2021 for the states of Madhya Pradesh, Chhattisgarh, Odisha and Maharashtra and with M/s Bharti Airtel Limited (BAL) on 01-10-2021 for the states of Andhra Pradesh, Bihar, Jharkhand, Telangana, Uttar Pradesh and West Bengal. Initial target date for completion of this project was March, 2023 which has been further extended for 06 month i.e. upto September, 2023.
- ii. Till May 2023, Survey work for 2331 locations has been completed & 536 mobile towers and associated infrastructure have been installed and commissioned covering 561 locations in the State Andhra Pradesh, Chhattisgarh, Jharkhand, Madhya Pradesh, Maharashtra, Telangana and Odisha.
- iii. 218 more locations have been added in the scheme on the recommendation of MHA against the deleted location. Survey work is under process for these locations.
- iv. The State-wise details of the LWE Phase-II tower location is as follows: -

SI.	State	No.	of	Tower	Revised	Revised	No. of	tower	No.	of
No.		Distric	ct	location as	scope of	scope	commiss	sioned	Towe	r
			per		Locations	of tower				on
				Agreement		Sites			covered	
1	Andhra Pradesh	9		346 228 2		211	62		62	
2	Telangana	12		53	15	15	1		1	
3	West Bengal	5		33	1	1	0		0	
4	Jharkhand	21		450	87	84	29		30	

5	Bihar	7	16	7	7	0	0
6	UP (East)	1	42	5	5	0	0
7	Chhattisgarh	15	971	391	373	272	287
8	MP	2	23	8	8	7	7
9	Maharashtra	3	125	53	52	24	25
10	Odisha	5	483	362	344	141	149
	Total	80	2542	1157	1100	536	561

Regular review meeting is being held under the Chairmanship of Secretary (T) with implementing agencies. The support required by implementing agencies is also being taken up with the State Govt. Further, the issue also being taken up in the Centre State Coordination meeting chaired by Secretary (Coordination) Cabinet Secretariat and Ministry of Home Affairs, Govt. of India. For RoW issues matter has been taken up with Secretary (MoEFCC) on regular basis

Security issues due to naxal affected area, difficult terrain, delay in land allotment, Forest permission, RoW permission and other issues like inaccessibility leads to delay in installation of tower.

With regard to upgradation of 2G sites installed under LWE-I scheme, as per Cabinet approval, Time line for upgradation is Twelve months for 4G Upgradation of existing network from the date of roll-out of 4G services by BSNL. BSNL has not yet rolled out 4G Services. Further, preparation of agreement is under process.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Comments of the Committee (Please see Para No. 23 of Chapter I)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

Budgetary Allocations and Utilizations during 2023-2024

(Recommendation SI. No. 1)

The Committee note that the Department of Telecommunications have laid the Detailed Demands for Grants (2023-24) of the Department on 8th February, 2023 for a total amount of Rs.108153.25 crore. The Committee note that the BE for 2022-23 was Rs. 95547.80 crore, which was reduced to Rs. 84903.69 at RE 2022-23, whereas the actual expenditure had been Rs. 57666.02 crore upto December 2022 constituting 67.91 % fund utilization leaving 32.09 % of allocation to be utilized in the last two months of the financial year i.e. 2022-23. The Committee urge the Ministry to make earnest efforts to adhere to the expenditure control guidelines issued by the Finance Ministry and appropriately utilize the earmarked amounts. The Committee trust that all prudent measures would be taken up by the Ministry to utilize the remaining amount by the end of the Financial Year 2022-23.

Reply of the Government

BE 2022-23 allotted to the Department was Rs.95,547.80 Crore which was reduced to Rs.84,903.69 crore in RE 2022-23 and the actual expenditure was Rs.68934.75 crore which is 81.19% of RE 2022-23.

The savings were mainly on account of less expenditure under "Capital Infusion in BSNL & MTNL", NFS and DIU project. Rs 6,866.77 Cr was surrendered under Capital Infusion to BSNL & MTNL. The said amount was meant for payment towards 2G/3G Spectrum for Delhi & Mumbai Region which will likely be utilised in FY 2023-24. Since the DPR of DIU project could not be approved the amount of Rs 21 Cr was surrendered. Under NFS an amount of Rs 593.34 Cr remained unutilised and hence was surrendered.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Enquiry of the work done by CSC e-Governance Service India Limited (Recommendation SI. No.7)

The Committee note that the provisioning of Wi-Fi services in about 1.10 lakh GPs under Phase-I has been assigned to CSC e-Governance Service India Limited. Further, the Secretary, DoT deposed before the Committee that there are 5 projects under which CSC e-Governance Service India Limited has been given Rs. 4000 crore of work, which include maintenance, last-mile connectivity and Wi-Fi access points, etc. The Committee, further, note that a tripartite Agreement dated 15-07-2019 was entered into by USOF, BBNL and CSC-SPV wherein, CSC-SPV has been provided VGF for provisioning of 1 Wi-Fi and 5 FTTH connections to Government institutes in rural areas viz. School, Anganwadi, Ration shops, Health and Wellness Centres, Post Offices, etc. in remaining BharatNet Phase-I Gram Panchayats. As per the mandate of the Agreement, CSC-SPV was tasked to provide service for 5 years. However, during the course of evidence, it was learnt that all the Wi-Fi and FTTH connections provided by CSC e-Governance Service India Limited have been disconnected due to non-payment of Internet Leased Line (ILI). The Committee are dismayed to note that even after expiry of agreement with CSC till date the Department apparently has not reviewed them. The Committee are of the view that there is a need to conduct a thorough review of the work done by CSC e-Governance Service India Limited in provisioning of 1 Wi-Fi and 5 FTTH connections to Government institutes in rural areas and GPs assigned to them as per the Agreement. Further, the Committee call upon the Department to also verify actual number of Government institutes and Gram Panchayats provided free internet for one year after its installation. The Committee may also be apprised of the progress and outcome of the report of Third Party Agency set-up under USOF to look into physical and electronic verification of installed Wi-Fi/FTTH connections, within three months of the date of presentation of this report in Lok Sabha.

Reply of the Government

Under the tripartite Agreement dated 15.07.2019 between USOF, BBNL and CSC SPV, USOF has appointed the Third Party Agencies (TPAs) through tendering process for

carrying out the physical and electronic verification of the Wi-Fi Access Points and FTTH connections. The physical and electronic verification data submitted by the TPAs is under examination/reconciliation in BSNL/BBNL and USOF.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Comments of the Committee (Please see Para No. 17 of Chapter I)

Revised Implementation Strategy of BharatNet to connect 6 lakh villages

(Recommendation SI. No.8)

The Committee note that on 30th June, 2021, Union Cabinet had accorded approval for revised implementation strategy of BharatNet through Public Private Partnership mode in 16 States of the country by August, 2023. BharatNet has now been enhanced to cover all 6.4 lakh inhabited villages. These 16 States are Kerala, Karnataka, Rajasthan, Himachal Pradesh, Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, West Bengal, Assam, Meghalaya, Manipur, Mizoram, Tripura, Nagaland, and Arunachal Pradesh. The revised strategy includes creation, upgradation, operation, maintenance and utilization of BharatNet network by the concessionaire/private service provider, who will be selected through a global competitive bidding process. The estimated maximum viability gap funding approved for the above PPP model is Rs. 19,041 crores for 16 states. An estimated 3.61 lakh villages including GPs will be covered. The Committee are given to understand that for implementation of the PPP model in 16 States, the Request for Proposal (RFP) has been floated. However, due to no response, it has been cancelled and a revised strategy for BharatNet Saturation by 2025 is under deliberations at advanced stage. The key reasons for non-responsive bidding cited by the Department include Low estimated project Low Estimated Project Cost (EPC) across States, Limited viability gap fund as per cent of EPC, Minimal visibility on the quality of assets (faulty/ lossy fiber) of existing BharatNet network, Nonexemption of RoW charges from Central agencies, lack of clarity on the exit clauses, large packages comprising of multiple States requiring significant investment from the Concessionaire, limited flexibility in leveraging OFC assets of existing service provider,

etc. The Committee note that a revised model is being prepared. The Committee are, however, concerned to note that the pace of implementation of BharatNet Phase-II has been slow due to reasons such as work being largely dependent on 8 States (around 65,000 GPs under State-led Model) and BSNL (23000 GPs in CPSU-led Model) where progress has been tardy, poor execution of projects by States and capacity constraints of BSNL due to its precarious financial conditions have also affected the progress under Phase-II. The Committee feel that the project has been delayed for inexplicable long duration of time and have unjustly deprived e-services and communication facilities to large section of rural populace. Thus, there is an urgent need to speed up the pace of implementation of the project since the target has now been extended to all inhabited villages, i.e., 6 lakh villages for last mile connectivity. Maintenance of the network created and increased utilization of the network also need to be given focussed attention. The Committee taking note of the constraints encountered in implementation of PPP model in 16 States, desire that revised model which is under preparation for BharatNet through PPP in 16 States be finalized at the earliest and the project implementation may take off without any further delay. The detailed progress and steps taken thereon may be apprised to the Committee.

Reply of the Government

Global Bids for 16 states (9 packages) covering 3.61 Lakh villages were earlier called on 20.07.2021 based on Public Private Partnership Model. Last date for bid submission was extended till 27.01.2022, but no bids were received for any package. Thereafter, a revised implementation model has been worked out and Expenditure Finance Committee has appraised the proposal of DoT. The Department envisages moving the Note for the Cabinet for further approval of the proposal.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Need to adopt policy on Universal Charging Device

(Recommendation SI. No.14)

During the deliberations of the Committee, one of the pertinent issues that came to the fore was related to universal charging device for all types of mobile phones. It goes without saying that universal charger would not only help in reducing inconvenience caused to the consumer due of multiple chargers but would also assist in reducing e-waste. In furtherance of the vision, it was informed that ITU-T has released a recommendation which prescribes for Universal Charger for mobile phones but the same is yet to be mandated in India. The Committee are of considered opinion that this practice is now gaining wide acceptance amongst European nations. Thus, an opportunity is waiting before India to set an example for the entire world to follow. Therefore, there is an imperative need to take proactive measures to ensure that India does not lag-behind in adopting best global practices in tune with the recommendation of ITU-T. The Department, further, enlightened the Committee that the Ministry of Consumer Affairs has been working with MEITY and the industry on this issue. Further, TRAI has issued a consultation paper on Green Telecom covering this issue as well and will be making recommendations on this shortly. Now when the recommendations of TRAI are underway, the Committee reserve its observations till the recommendation are out in public domain. However, considering the noble objective, the Committee call upon DoT in unison with MEITY, to take prudent measures towards bringing about coherence of Indian practice with global initiative as per the recommendation of ITU-T. The Committee may be apprised of the headway made in this matter within 3 months of presentation of the Report.

Reply of the Government

- (a) TRAI had issued a consultation paper on 'Green Telecommunication' on 3rd February 2011 and recommendations to this effect were issued on 12th April 2011. However, issue related to 'Universal Charging Device' was not part of the recommendations.
- (b) In addition to the above, another consultation on 'Approach to Sustainable Telecommunications' was issued on 16th January 2017 followed by issue of its recommendations to DoT on 23rd October 2017 however issues related to 'Universal Charging Device' was neither a part of this consultation nor part of the recommendation thereof.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Review of functioning of PSUs

Bharat Sanchar Nigam Limited: Roadmap to roll-out its 4G services

(Recommendation SI. No.15)

The Committee note that Government has decided to develop and deploy indigenous telecom technology in BSNL. The Committee appreciate the efforts undertaken towards this. The Committee note that Government has given 1.64 Lakh crore package for revival of BSNL and that BSNL has become EBITDA positive. In the opinion of the Committee telecom business is currently being driven by the mobile data and internet speed and in the event of delay in 4G rollout by BSNL both data and speed are missing. The Secretary, DoT was also candid enough to accept this fact that data is the key to the success of telecom companies. As per the statistics provided by the Department, BSNL/MTNL consumes less than 1 per cent share of the total data usage by private TSPs. Needless to mention hear that the BSNL/MTNL are losing their subscriber base at a fast pace, therefore, there is an imperative need for the Department/BSNL to act on a war footing. As per the submissions of the Department, the company is expected to be in net profit for 2026-27. The Committee, therefore, exhort the Department to accelerate the process of equipment procurement of BSNL for which tender has already been floated and provide all necessary support to BSNL in rolling out its 4G services, without any further delay, so that its true potential can be harnessed. The Committee also hope that BSNL will be allotted 4G spectrum as per its roll-out requirement in a timely manner. It will be highly appreciated if the desired action is taken at the earliest.

Reply of the Government

(a) Based on the directions received from DoT, in line with the 'AtmaNirbhar Bharat' initiative of the Government of India, BSNL had invited Expression of Interest (EoI) on 1st January, 2021 thereby providing an opportunity to the Indigenous

manufacturers to technically prove their product by participation in the PoC (Proof of concept). The DoT Technical Committee provided the broad guidelines for PoC through Eol route.

- (b) BSNL has issued 4G tender under Phase IX.2 Project on dated 22.10.2022 for procurement of 1 Lakh eNodeBs & associated core equipment for all zone of BSNL and including MTNL and the bids against the same were opened on dated 23.11.2022. The evaluation of the bid has been concluded and has been approved by the Management Committee & further by BSNL board.
- (c) BSNL Board has approved the amount of Rs. 24556.37 Crore for placing of Advance purchase order (APO) for procurement of 1 Lakh 4G nodes on M/s TCS and M/s ITI (as per RQ Quota) and the same has been sent to DoT on dated 15.02.2023 for approval of GoM.
- (d) After getting approval from GoM, BSNL has placed the APO to M/s TCS and M/s ITI on 19.05.2023.
- (e) Further, In order to test the hardening of the equipment in live environment, BSNL has placed the Purchase Order for 200 eNodeBs to M/s TCS. M/s TCS has successfully installed 1st 4G indigenous eNodeBs on dated 27.02.2023 in Firozpur Business Area(BA).
- (f) In addition, the Cabinet in its meeting held on 07.06.2023 has approved the spectrum to BSNL for providing 4G/5G services at total cost of Rs 89,047 Cr through equity infusion.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Mahanagar Telephone Nigam Limited

(Recommendation SI. No. 18)

The Committee note that projected revenue and expenditure of MTNL for the year 2023-24 is Rs. 17500 crore and Rs 4970.78 crore, respectively. However, against

the income target of Rs. 1810 crore in 2023, MTNL has been able to achieve only Rs. 775.89 crore. The Department has informed the Committee that reasons for missing the targets are primarily attributable to limited market area, over saturated market, hyper competition, fast technology changes, so on and so forth. The Committee are fully aware of the difficult situation MTNL is in. As 31st January 2023, the total outstanding debt of MTNL is Rs. 28581 crore. The Committee have been informed that in view of unsustainable debt of MTNL, matters such as asset monetization, AGR dues, debt resolution, a further course of action for merger of MTNL with BSNL has been taken up before a Committee of Secretaries comprising of Secretary Expenditure, Secretary Telecom, Secretary DIPAM and Secretary Department of Public Enterprises, to recommend the way forward for restructuring and operational integration of the Telecom PSUs. In this regard, BSNL has appointed a Transaction Advisor. He has already submitted detailed process in its report, which is under examination. The Committee recommend that the Department to spruce up its effort for finalization of the ongoing exercise of merging BSNL and MTNL, without any further delay. The Committee also desire to be apprised of the steps taken and the outcome thereof.

Reply of the Government

MTNL has appointed a consultant in respect of merger of MTNL and BSNL. The consultant has submitted its report to MTNL. MTNL has submitted its recommendation to DoT, for taking the matter to Committee of Secretaries (CoS), in accordance with the approval by the Cabinet in July 2022. The matter is under examination in DoT.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

Indian Telephone Industries (ITI) Limited: Its Revival Plan & Way Forward

(Recommendation SI. No. 20)

During the course of examination, the Committee were apprised that NITI Aayog in its meeting held on 05.04.2021, had recommended that ITI limited be taken up for strategic disinvestment. Thereafter, a meeting of the Core Group of Secretaries on

Disinvestment was held on 24th June, 2021, wherein, it has inter alia been recommended that 'ITI Limited may not be retained as bare minimum public sector entity with in its sector' and ITI Limited should be taken up for strategic disinvestment, after demerger of its land. Thereafter, DoT has given a green signal and had requested DIPAM for taking necessary action through Alternative Mechanism. The matter is currently under consideration of DIPAM. The Committee further note that monetization of the immovable assets, Land/Building owned by ITI Limited could be one of the major components for the revival of ITI Limited. As per the information provided by the Department, the total area of the immovable assets, Land/Buildings owned by ITI Limited is 1390.337 acres. The Committee are of the firm opinion that proper implementation of monetization of assets could generate huge resources for them which can be used not only for their revival but also for maintaining a steady revenue stream. The Committee, therefore, recommend that a proper study must be conducted on how to put such huge assets of the companies into best productive use. The Committee, further urge the Department to contemplate possibility of merging ITI into any existing PSUs having better synergy with ITI, in order to avoid disinvestment. The Committee would like to be informed of measures taken in pursuance of this recommendation at the earliest.

Reply of the Government

The recommendations of the Committee will be sent to DIPAM, which will be requested to examine the same.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2023-B(43rd Rpt.) dated 22/06/2023)

New Delhi; 07 August,2023

16 Sravana, 1945 (Saka)

PRATAPRAO JADHAV,

Chairperson, Standing Committee on Communications and Information Technology.

Annexure-I

STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY

(2022-23)

MINUTES OF THE SEVENTEENTH SITTING OF THE COMMITTEE

The Committee sat on Monday, the 07 August, 2023 from 1500 hours to 1645 hours in Committee Room '3' Extention to Parliament House Annexe, New Delhi.

PRESENT

Shri Prataprao Jadhav- Chairperson

MEMBERS

Lok Sabha

- 2. Shri Karti P. Chidambaram
- 3. Smt. Sunita Duggal
- 4. Shri Jayadev Galla
- 5. Smt. Raksha Nikhil Khadse
- 6. Shri Santosh Pandey
- 7. Shri Sanjay Seth
- 8. Dr. M.K. Vishnu Prasad

Rajya Sabha

- 9. Dr. Anil Agrawal
- 10. Dr. John Brittas
- 11. Shri Syed Nasir Hussain
- 12. Shri Jawahar Sircar

SECRETARIAT

1. Shri Satpal Gulati - Additional Secretary

2. Smt. Jyothirmayi - Director

3. Shri Nishant Mehra - Deputy Secretary

- 2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt three draft Action Taken Reports on Demands for Grants (2023-24) relating to the Ministries/Departments under their jurisdiction and to have a briefing by the representatives of Department of Telecommunications, Reliance Jio Infocomm Ltd, Bharti Airtel Ltd., Tele Communications Consultants India Ltd. and Bharti Hexacom Ltd. on the subject 'Review of the performance of schemes under Universal Service Obligation Fund (USOF) with special emphasis on North East and LWE affected areas'.
- 3. The Committee, then, took up the following draft Reports for consideration and adoption.
 - (i) Draft Action Taken Report on Forty Third Report on 'Demands for Grants (2023-24)' relating to the Ministry of Communications (Department of Telecommunications).
 - (ii) Draft Action Taken Report on Forty Sixth Report on 'Demands forGrants (2023-24)' relating to the Ministry of Information and Broadcasting.
 - (iii) Draft Action Taken Report on Forty Fourth Report on 'Demands for Grants (2023-24)' relating to the Ministry of Communications (Department of Posts)
- 4. After due deliberations, the Committee adopted the Reports with some modifications.

- 5. The Committee authorized the Chairperson to finalize the draft Action Taken Reports and present the same to the House during the current Session of Parliament.
- 6. The Committee then called the representative of Department of Telecommunications, Reliance Jio Infocomm Ltd, Bharti Airtel Ltd., Tele Communications Consultants India Ltd. and Bharti Hexacom Ltd. to have briefing on the subject 'Review of the performance of schemes under Universal Service Obligation Fund (USOF) with special emphasis on North East and LWE affected areas'.
- 6. xxxxxxxx.....xxxxxxx.....xxxxxxx*
- 7. xxxxxxxx.....xxxxxxxx

A copy of verbatim record of the proceedings was kept on record.

The Committee, then, adjourned.

^{*} Matters not related to the Report

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THEIR FOURTY-THIRD REPORT

(SEVENTEENTH LOK SABHA) [Vide Paragraph No. 5 of Introduction]

(i) Observations/Recommendations which have been accepted by the Government

Rec. Sl. Nos.: 2,3,9,12,13,16,17 and19

Total - 8

Percentage 40.00

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government

Rec. Sl. No.: Nil

Total - 00

Percentage 00.00

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration

Rec. Sl. Nos.: 4,5,6,10 and11

Total - 05

Percentage 25.00

(iv) Observations/Recommendations in respect of which the replies of the Government are of interim in nature

Rec. Sl. Nos.: 1,7, 8,14,15,18 and 20

Total - 07

Percentage 35.00