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**STANDING COMMITTEE ON COMMUNICATIONS
AND INFORMATION TECHNOLOGY
(2024-25)**

EIGHTEENTH LOK SABHA

**MINISTRY OF COMMUNICATIONS
(DEPARTMENT OF TELECOMMUNICATIONS)**

**[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Eighth Report (Eighteenth Lok Sabha) on 'Demands
for Grants (2025-26)']**

SIXTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025/ Sravana, 1947 (Saka)

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**[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Eighth Report (Eighteenth Lok Sabha) on 'Demands
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Presented to Lok Sabha on 19.08.2025

Laid in Rajya Sabha on 19.08.2025



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025/ Sravana, 1947 (Saka)

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Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha
(Seventeenth Edition) and Printed by Lok Sabha Secretariat, New Delhi-110001

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**Composition of the Standing Committee on Communications and
Information Technology (2024-25)****

**Dr. Nishikant Dubey - Chairperson
Lok Sabha**

2. Shri C.N. Annadurai
3. Shri Anil Baluni
4. Dr. Rabindra Narayan Behera
5. Shri Anup Sanjay Dhotre
6. Shri Gurmeet Singh Meet Hayer
7. Shri Sanjay Haribhau Jadhav
8. Shri S. Supongmeren Jamir
9. Shri Appalanaidu Kalisetti
10. Smt. Poonamben Hematbhai Maadam
11. Ms. Mahua Moitra
12. Shri G. Kumar Naik
13. Shri Shafi Parambil
14. Dr. M.K. Vishnu Prasad
15. Ms. Kangna Ranaut
16. Shri Radheshyam Rathiya
17. Shri Ramasahayam Raghuram Reddy
18. Shri Arun Kumar Sagar
19. Shri Devesh Shakya
20. Shri Vishnu Datt Sharma
21. Shri Rajesh Verma

Rajya Sabha

22. Shri Saket Gokhale*
23. Smt. Priyanka Chaturvedi
24. Shri Ilaiyaraaja
25. Shri Amar Pal Maurya
26. Dr. Sasmit Patra
27. Shri V. Vijayendra Prasad
28. Shri S. Niranjan Reddy
29. Shri Kartikeya Sharma
30. Shri Lahar Singh Siroya
31. Shri K.T.S. Tulsi

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri Y.M. Kandpal | — | Additional Secretary |
| 2. | Smt. A. Jyothirmayi | — | Director |
| 3. | Shri Rajesh Mohan | — | Deputy Secretary |

****Committee constituted w.e.f. 26th September, 2024 vide Para No.833 of Bulletin Part-II dated 26th September, 2024.**

*** Shri Saket Gokhale has been nominated vide Para No. 853 of Bulletin Part –II dated 03rd October, 2024.**

INTRODUCTION

I, the Chairperson, Standing Committee on Communications and Information Technology (2024-25), having been authorized by the Committee, present this Sixteenth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighth Report (Eighteenth Lok Sabha) on 'Demands for Grants (2025-26)' relating to the Ministry of Communications (Department of Telecommunications).

2. The Eighth Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 21st March, 2025. The Ministry of Communications (Department of Telecommunications) furnished their Action Taken Notes on the Observations/Recommendations contained in the Eighth Report on 11th June, 2025.

3. The Report was considered and adopted by the Committee at their Sitting held on 11th August, 2025.

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 Eighth Report of the Committee is given at Annexure-II.

NEW DELHI;
11 August, 2025

20 Sravana, 1947 (Saka)

DR. NISHIKANT DUBEY,
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 on the Observations/Recommendations of the Committee contained in their Eighth Report (Eighteenth Lok Sabha) on 'Demand for Grants (2025-26)' relating to the Ministry of Communications (Department of Telecommunications).

2. The Eighth Report was presented to Lok Sabha/laid in Rajya Sabha on 21st March, 2025. It contained 22 Observations/Recommendations. Replies of the Government in respect of all the Observations/Recommendations have been received from the Ministry of Communications (Department of Telecommunications). All the 22 Recommendations have been categorized as accepted and have been placed under Chapter-II. However, in view of the Action Taken Reply of the Department, some of the Recommendations (Nos. 3,4,6,12,14 and 17) have been commented upon in Chapter-I of the Report. Categorization of all the Observations/Recommendations is as under.

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

Rec. Sl. Nos.:– 1 to 22.

Total-22
Chapter-II

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

Rec. Sl. No.:– NIL

Total -NIL
Chapter-III

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

Rec. Sl. No.:– NIL

Total – NIL
Chapter-IV

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

Rec. Sl. No.:– NIL

Total – NIL
Chapter-V

3. 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 of this Report may be furnished to them at an early date.

4. The Committee will now deal with the action taken by the Government on some of their recommendations.

(Recommendation Sl. No. 3)

5. The Committee, in their Eighth Report, had recommended as under:

Noting the revenue expenditure pattern for FYs 2023-24 and 2024-25, the Committee observe that there has been a significant shortfall in spending by the Department. The BE for revenue expenditure in FY 2024-25 was revised to Rs.57169.79 crores from Rs.38475.54 crores that was initially allocated. However, upto December, 2024 only Rs.26864.48 crores had been spent which was less than 50%. Reasons attributed for the shortfall in spending have been that revised allocation of funds was done only in January, 2025 leaving limited time for effective utilization. Further, for FY 2025-26, the allocation has been reduced to Rs.35851.50 crores against the proposed revenue expenditure of Rs.42557.88 crores indicating the efforts to moderate expenditure based on previous under-utilization trends. The Committee recommend that the Department may take suitable measures to improve financial planning and fund disbursement mechanism so as to ensure that budget allocations are received well in advance and optimum expenditure incurred. A more structured quarterly disbursement system with predictable allocation schedules can mitigate these issues and enable smoother execution of projects and expenditures. Additionally, process simplifications and better coordination between various stakeholders, including telecom operators, infrastructure providers, and Government agencies, should be implemented to expedite fund absorption. Reducing bureaucratic delays in project approvals and fund release can enhance efficiency and prevent last-minute spending rushes, which often lead to suboptimal financial decisions.

6. In their Action Taken Reply, the Department of Telecommunications has submitted as under:-

The total actual expenditure of Revenue section is Rs. 52,864.02 Crore as on 31.03.2025 against allocation of Rs.57,169.79 in RE 2024-25 which is 92.47%.

The shortfall is mainly due to the following items:-

(Rs. In Crores)				
Items	RE 2024-25	Actuals as on 31-03-2025	Shortfall	Reason
Compensation to Telecom Service Provides	7000	4643.08	2356.92	Digital Bharat Nidhi supports schemes in areas where operators on their own commercial incentives do not

				find it viable due to difficulties in execution and low returns. There are many challenges in implementation of these projects like- widely dispersed locations across remote corners of the country, difficult terrains (including Hilly/ Rocky), difficulty in access of locations, Left Wing Extremism (LWE) affected areas, Right of Way (RoW) issues, lack of infrastructure and skilled labour, difficulties in communication and transportation etc.
Pension	19306	18228.71	1077.29	94.42% has been utilized.
Production Linked Incentive Scheme	1450.97	843.93	607.04	BE/ RE figures are based on the incentive against the sales forecast given by the companies at the time of initial approval. However, actual incentives vary depending on actual sales achieved by PLI company. Actual sales of the companies depend on various market forces and orders received by companies.
International Co-operation	192.90	135.49	57.41	<p>Less expenditure is due to</p> <p>i. the changes in rental policy of ITPO.</p> <p>The finalized rental rates were significantly lower than the earlier estimated rates.</p> <p>ii. Further Host country contribution reduced due to adjustment from the previous contributions.</p> <p>iii. Exchange Rate</p>

				<p>fluctuations.</p> <p>iv. Here it is also mentioned that some bills are still under process.</p>
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Steps taken to address utilisation of fund and monitoring mechanism:

PLI (Productivity Linked Initiatives)

- i. To enhance utilization of funds, Department modified scheme guidelines and introduced quarterly disbursement of incentives. Quarterly disbursement of incentives will improve cash flow of companies and enable them to be more competitive.
- ii. To avoid any delay in disbursement of incentive, the Department has framed Standard Operating Procedure (SOP) for processing of claims made by companies.
- iii. The process for disbursement of incentive is done through an online system ensuring monitoring of claims by the Ministry/Department. The scheme, including the disbursement of incentives, is also subjected to regular oversight at higher levels within this Department, the Department for Promotion of Industry and Internal Trade and the Empowered Group of Secretaries.

DBN (Digital Bharat Nidhi)

- iv. Digital Bharat Nidhi has implemented 'Online Project Monitoring Information System' for settlement of claims under DBN Schemes. Further, to solve various issues under the DBN's Schemes, Project Monitoring Units have been setup under DBN. Meetings to review the physical and financial progress of DBN's Schemes are being taken with DBN's Implementers on monthly and quarterly basis.

7. The Committee, noting the significant shortfall in revenue expenditure by the Department during FYs 2023-24 and 2024-25, had expressed concern over underutilization of funds. Despite the revised budget estimate for FY 2024-25 being increased from Rs. 38,475.54 crores to Rs. 57,169.79 crores, only Rs. 26,864.48 crores (less than 50%) had been spent till December 2024. The Committee had observed that the delay in the revision of budget allocations, which occurred only in January 2025, left insufficient time for effective fund utilization. For FY 2025-26, the allocation was reduced to Rs. 35,851.50 crores from the proposed Rs. 42,557.88 crores, reflecting efforts to moderate expenditure based on past trends. The Committee had recommended that the Department improve its financial planning and fund disbursement mechanisms by ensuring timely receipt of budget allocations well in advance. A structured quarterly disbursement system with predictable schedules should be implemented to facilitate smoother project execution. Additionally, simplification of processes and better coordination among stakeholders, including telecom operators, infrastructure providers, and Government agencies, was urged to expedite fund utilisation. The Committee had

further emphasized in reducing bureaucratic delays in project approvals and fund releases to enhance efficiency and avoid last-minute spending rushes that often lead to suboptimal decisions.

In response, the Department of Telecommunications has reported that the total actual revenue expenditure for FY 2024-25 stood at Rs. 52,864.02 crores against the revised allocation of Rs. 57,169.79 crores, achieving 92.47% utilization by 31 March 2025. The shortfall was mainly in areas such as compensation to telecom service providers, pension payments, the Production Linked Incentive (PLI) scheme, and international cooperation. Challenges impacting expenditure included operational difficulties in remote and difficult terrains, Right of Way issues, security concerns, and delays caused by external factors such as exchange rate fluctuations. To address fund utilization, the Department had modified PLI scheme guidelines to introduce quarterly disbursement of incentives supported by Standard Operating Procedures and online claim processing for better monitoring. Digital Bharat Nidhi had implemented an Online Project Monitoring Information System and had set up Project Monitoring Units to regularly review progress and resolve implementation issues. These measures aimed to enhance cash flow, improve competitiveness, and expedite fund absorption while ensuring transparency and oversight through inter-ministerial coordination.

The Committee note the Department's efforts to improve fund utilization through enhanced monitoring and revised disbursement mechanisms. However, the Committee reiterate the need for timely and predictable budget allocations well before the commencement of the financial year to avoid delays in expenditure. The Committee desire that the Department further strengthen coordination among all stakeholders to effectively tackle on-ground challenges such as difficult terrain and infrastructure constraints. The Committee emphasise on the need for process simplification and reduction in bureaucratic hurdles to facilitate faster project approvals and fund releases. Regular monitoring and review meetings should be institutionalized to promptly identify bottlenecks and ensure optimal utilization of allocated funds. The Committee expect the Department to maintain stringent expenditure discipline and optimal absorption capacity, thereby translating budget provisions into tangible developmental outcomes without recurring underutilization. Further, the Committee would like to be apprised about the effectiveness of the various measures taken by the Department with respect to fund utilisation.

(Recommendation Sl. No. 4)

8. The main sources of revenue receipts of the Department are License Fee, Spectrum Usage Charges and Spectrum Auction receipts. The License Fee receipts has been Rs.16614.36 crores in 2021-22, Rs.20316.28 crores in 2022-23, Rs.36363.17 crores in 2023-24 and Rs.13991.41 crores in 2024-25 upto 31.12.2024. The estimates for FY 2025-26 has been Rs.27,300 crores. Under the category of Spectrum Usage Charges, the receipts has been Rs.7511.71

crores in FY 2021-22, Rs.5743.62 in 2022-23, Rs.13065.18 in FY 2023-24 and Rs.2305.15 crores in FY 2024-25 upto 31.12.2024. For FY 2025-26, the projected receipt is Rs.3500 crores. Further, the details of receipt under Spectrum Auction Receipts are Rs. 60814.06 crores in FY 2021-22, Rs.37816.00 crores in FY 2022-23, Rs.42617.89 crores in 2023-24 and Rs.41452.56 crores in 2024-25 upto 31.12.2024. For FY 2025-26 Rs.44744.27 crores is the estimated Spectrum Auction Receipts.

While examining the factors affecting revenue receipts, the Department, inter-alia, submitted that revenue of telecom operators, regulatory policies, technological advancements such as 5G, 6G, market competition, subscriber growth and demands, pricing strategy, infrastructure etc. affect the revenue receipts. Further, the Department submitted that as a part of telecom reforms, Spectrum Usage Charges(SUC) have been reduced to zero for the spectrum acquired through auction held in 2022 and subsequent years. Furthermore, the Department submitted that reforms introduced in September, 2021 are expected to decrease the cost of operations for TSPs, facilitate foreign investment and increase ease of doing business for Telecom Service Providers (TSPs). The Department also submitted that these reforms would also increase revenue for TSPs and thereby increase the AGR based revenue receipts of the Government of India. Elaborating upon the steps taken by the Department to achieve targets during FY 2025-26, the Department stated that the measures taken included (a) facility to make online paperless payments; (b) fully Digital and paperless submission of financial documents; (c) online grievance resolution process; and (d) continuous monitoring of receipts of spectrum deferred instalments and spectrum usage charges. The Committee hope that these measures taken by the Department would augment the revenue receipts and achieve the intended objectives. The Committee urge the Department to periodically monitor the effectiveness of the measures that are being put in place for increasing revenue receipts.

9. In their Action Taken Reply, the Department of Telecommunications submitted as under:—

Department has taken following measures to digitize, standardize and streamline the LF/SUC Assessment related workflows for all the stakeholders so as to ensure accurate and timely assessment thereby improving public revenues and overall growth of telecom sector with better infrastructure planning and management.

1. A Revenue Management Software SARAS (System for Assessment of LF Revenue and SUC) has been implemented, which has digitised the assessments, payment and accounting of license fees, spectrum usage charges etc. along with all ancillary processes
2. SARAS enables the Licensee to make online payments, digitally file and verify deduction claims, AGR statements, bank guarantee details along with enabling

the Department to conduct online assessment of LF and SUC, management of bank guarantees, handle representations etc.

3. SARAS also incorporates features for grievance management and knowledge sharing for facilitating better communication amongst the department and the licensees. It also provides email and SMS alerts to the users for ensuring timely action on the respective tasks.
4. The Department has started Telecom Facilitation Centre to assist various stakeholder like startups, MSMEs, academia, licensees, registration holders etc. in not only navigating regulatory processes but also handholding for various schemes of the department and fostering innovation.
5. Department has been hand holding licensees for on-boarding on SARAS portal and making submissions / payments through Telecom Outreach Programs (TOP).

10. The Committee had noted that the main sources of revenue receipts for the Department were License Fee, Spectrum Usage Charges (SUC), and Spectrum Auction receipts. While the Department reported increasing receipts from these sources over the past few years, the figures for 2024-25 up to December showed fluctuations and indicated challenges in maintaining consistent revenue inflows. The Committee had observed that various factors such as telecom operators' revenue, regulatory policies, advancements in technology like 5G and 6G, market competition, subscriber growth, pricing strategies, and infrastructure had impacted revenue receipts. The Committee had also noted that the reforms initiated by the Department, including the reduction of SUC to zero for spectrum acquired in auctions from 2022 onwards, and the reforms introduced in September 2021 aimed at lowering operational costs for telecom service providers (TSPs), encouraging foreign investment, and improving ease of doing business. These reforms were expected to enhance revenue for TSPs and consequently increase the Adjusted Gross Revenue (AGR)-based receipts for the Government. The Committee were also apprised about the Department's efforts towards digitization such as online payments, fully digital submission of financial documents, online grievance redressal, and continuous monitoring of spectrum payments. The Committee had hoped that these measures would augment revenue receipts and had urged the Department to regularly monitor and evaluate the effectiveness of these initiatives to ensure targets for FY 2025-26 are met.

In its Action Taken Reply, the Department of Telecommunications has highlighted that the implementation of the SARAS (System for Assessment of LF Revenue and SUC) Software, has digitized and streamlined workflows related to License Fee and Spectrum Usage Charges assessment, payments, and accounting. SARAS had enabled licensees to make online payments, digitally file and verify claims and statements, and facilitates online assessment by the Department. The system also managed bank guarantees, handled representations, and incorporated grievance management along with communication tools such as email and SMS alerts to

ensure timely compliance. To further support stakeholders including startups, MSMEs, academia, and licensees, the Department had established the Telecom Facilitation Centre, which assisted with regulatory navigation, scheme handholding, and fostering innovation. Additionally, through Telecom Outreach Programs (TOPs), the Department was actively onboarding licensees onto the SARAS portal to encourage digital payments and submissions, thereby enhancing transparency, efficiency, and revenue collection.

The Committee do appreciate the Department's adoption of advanced digital tools like SARAS and the establishment of facilitation mechanisms aimed at improving revenue assessment and collection processes. The Committee believe that such initiatives will not only enhance accuracy and timeliness in revenue receipts but also contribute to the overall growth and modernization of the telecom sector. The Committee desire that the Department continue its proactive engagement with stakeholders through outreach programmes and ensure that the Telecom Facilitation Centre remains effective in addressing the needs of diverse players. They urge the Department to conduct periodic reviews to assess the impact of digitization and regulatory reforms on revenue augmentation and make necessary adjustments to policies and processes. The Committee expect sustained focus on improving ease of doing business, fostering innovation, and ensuring that the ambitious revenue targets set for FY 2025-26 are achieved through these measures. The Committee may be apprised of the outcome of these measures.

(Recommendation Sl. No. 6)

11. The Committee, in their Original Report, had made the following Observation/Recommendation:—

Universal Service Obligation Fund(USOF) was created w.e.f 1.4.2002 in pursuance of The Indian Telegraph (Amendment) Act, 2003 to provide financial support to the telecom service in commercially unviable rural and remote areas of the country. This is an attached office of DoT headed by an Administrator appointed by the Central Government. With effect from 26.06.2024, USOF has been renamed as Digital Bharat Nidhi (DBN). As per the Indian Telegraph Act, 1885, Licence Fee includes Universal Access Levy which is charged at the rate of 5% of the adjusted Gross Revenue of the telecom licences. The fund collected under UAL goes to the Consolidated Fund of India and it is non-lapsable in nature. The outflow from Consolidated Fund of India to USOF is through regulatory provisions of the Ministry of Finance each year based on requirement of USOF. The Department has submitted that since inception of the then USOF in FY 2002-03 and subsequent renaming as DBN on 26.6.2024, UAL amounting to Rs.171590.68 crores has been collected till 31.12.2024. The balance of UAL amount available as on 31.12.2024 is Rs.86359.77 crores. Further, the Department has stated that the Government has approved committed expenditure of Rs.1.3 lakh crores for Bharat Net Scheme for next 10 years on 04.08.2023 alongwith other committed liabilities for other ongoing schemes. While reviewing

the performance of the schemes under DBN, the Committee note that under amended Bharat Net Programme, BSNL has given notice for inviting tenders for selection of Project Implementing Agencies (PIAs). The selection of PIAs are for development (creation, upgradation, operation and maintenance) of Middle-mile Network of Bharat Net on Design, Build, Operate and Maintain Model. The Department has submitted that RFP was floated by BSNL for selection of Project Implementation Agencies(PIAs) for 16 packages(excluding Eight State led Model States) on 15.02.2024 and out of 16 packages that were opened on 07.08.2024, advance work order for 6 packages have been issued and further Master Service Agreements have been signed between BSNL and respective PIAs for three packages and evaluation of remaining packages are ongoing. RFP for selection of Independent Engineers (04 packages) for overseeing work of PIAs in 16 packages was opened on 15.10.2024 and RFP for Independent Engineer (02 packages) for overseeing work of PIAs in Eight packages (under State led model) was opened on 18.10.2024. Technical bids are under evaluation.

Submitting information on Mobile Projects, the Department has stated that the delay in installation and supply of indigenously developed and domestically manufactured equipment is the main cause for the shortfall in schemes namely 4G Saturation Scheme and LBE Phase-I upgradation, Border Out Post(BOP)/Border Intelligence Post(BIP) etc. The Department has submitted that in order to achieve the targets, multi cornered approach has been taken up at various levels for resolution of issues in the projects and for resolving roadblocks, if any, and also assisting in getting clearances for projects. The Committee urge the Department to finalise the technical bids which are under evaluation at the earliest so as to ensure periodic monitoring and expeditious implementation of amended Bharat Net Programme. Further, the Committee are of the considered opinion that the initiatives of the Department would fructify and intended objectives would be successfully achieved. The Committee may be apprised of the result.

12. In their Action Taken Reply, the Department of Telecommunications submitted as under:—

The progress made and measure taken by the Department for effective implementation of DBN Projects are as under:

(i) Saturation of 4G mobile services in uncovered villages across the country: 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 Rs. 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. The revised Project Cost is Rs. 30620.49 crore.

Agreement has been signed with BSNL on 06.02.2023. Further, rollout period has been extended upto June, 2025. As on April, 2025, total 17,220 towers including upgradation of 654 towers have been planned. Out of which 11,139 towers have been made on air covering 15,249 villages.

(ii). Border Out Posts (BOPs) and Border Intelligence Posts (BIPs) Project:

The Union Cabinet on 24.03.2023 had approved the Project for the Provision of 4G based mobile services at 1,117 locations of Border Out Posts (BOPs) of BGFs and Border Intelligence Posts (BIPs) of IB on nomination basis to BSNL. 72 additional locations were also forwarded by MHA have been added in the schemes. As on April, 2025, 92 towers have been installed providing coverage at 140 Posts.

(iii) Amended Bharat Net Programme: Amended Bharat Net Programme (ABP) targets to provide high speed broadband connectivity to all inhabited villages in the country. BSNL has been appointed Project Management Agency (PMA) for Amended Bharat Net Project. BSNL has put Notice Inviting Tenders (NITs) for selection of Project Implementing Agencies (PIAs) for Development (creation, upgradation, operation & maintenance) of middle mile network of Bharat Net on Design Build Operate and Maintain (DBOM) model for sixteen packages.

Under Amended Bharat Net Programme, following measures have been taken:

- i. Technical and Financial bids are opened. Advance work order has been issued by PMA i.e. BSNL for Twelve Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal, Andaman and Nicobar, MP, Uttaranchal, J&K, Ladakh, Karnataka, Puducherry, Goa, NE-II (Arunachal Pradesh, Manipur, Nagaland), Kerala and rest are under process. Out of which, agreement has been signed by BSNL for Six Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal and Andaman and Nicobar).
- ii. RFP for C-NoC was released on 01.01.2025 and BSNL has issued amendment on 28.03.2025 and last date of Bid submission is 19.05.2025.
- iii. To ensure periodic monitoring and expeditious implementation of Amended Bharat Net Programme, PMA i.e. BSNL for ABP is developing the Project Monitoring Tool which, inter-alia, includes milestone details & achievement, inventory management, etc.

The details of Funds allocation and utilization during FY 2024-25 for various DBN's Schemes are as under:

(Rs in crores)

Name of Scheme	BE allotted	RE allotted	Fund Disbursed (as on 31.03.2025)
Bharat Net	8500	6500	3995.01
Other DBN's Projects	10500	7200	4803.15
Total	19000	13700	8798.16

In current FY 2025-26, BE of Rs. 28,400 crores have been allotted includes Rs. 22,000 crores for Bharat Net (Capital Head) and Rs. 6,400 crores for Other DBN's Schemes (Revenue Head).

13. The Committee in their Original Report had noted that the creation of the Universal Service Obligation Fund (USOF) from 1 April 2002 under the Indian Telegraph (Amendment) Act, 2003, aimed at financially supporting telecom services in commercially unviable rural and remote areas. The USOF, now renamed Digital Bharat Nidhi (DBN) since 26 June 2024, functioned as an attached office of the Department of Telecommunications (DoT) and was funded through the Universal Access Levy (UAL) charged at 5% of the Adjusted Gross Revenue of telecom licenses. The Committee had observed that up to 31 December 2024, Rs. 1,71,590.68 crores had been collected as UAL, with a balance of Rs. 86,359.77 crores available after disbursal. The Government had committed Rs. 1.3 lakh crores for the Bharat Net Scheme over the next 10 years along with liabilities for ongoing schemes. Reviewing the progress of DBN schemes, the Committee had noted that BSNL had initiated tenders for the selection of Project Implementing Agencies (PIAs) for the middle-mile network development under the amended Bharat Net Programme (ABP). While some packages had received advance work orders and agreements, others were still under evaluation. The Committee also recognized delays in mobile projects like 4G Saturation, LBE Phase-I upgradation, and Border Out Posts due to supply and installation issues of indigenous equipment. The Committee had urged the Department to expedite the technical bid evaluations, ensure periodic monitoring, and implement the amended Bharat Net Programme expeditiously. The Committee had expressed confidence that the Department's initiatives would achieve the intended objectives and requested to be apprised of the results.

In its Action Taken Reply, the Department of Telecommunications has informed that significant progress has been made in implementing DBN projects. The 4G saturation project covering 24,680 uncovered villages, approved by the Union Cabinet in July 2022 at a revised cost of Rs. 30,620.49 crores, has rolled out 11,139 towers covering 15,249 villages as of April 2025, with rollout extended to June 2025. The Border Out Posts (BOPs) and Border Intelligence Posts (BIPs) project, approved in March 2023, has installed 92 towers providing coverage to 140 posts. Regarding the amended Bharat Net Programme, BSNL has been appointed as Project Management Agency and has floated tenders for PIAs to develop the middle-mile network under the Design, Build, Operate and Maintain model for sixteen packages. Technical and financial bids have been opened, with advance work orders issued for twelve packages and agreements signed for six. The RFP for the Common Network Operations Centre (C-NoC) was released in January 2025 with bid submission ongoing. BSNL is also developing a Project Monitoring Tool to enable milestone tracking and inventory management to ensure effective oversight and timely implementation. Financially, Rs. 8,798.16 crores had

been disbursed in FY 2024-25 against Rs. 13,700 crores revised estimates for DBN schemes. For FY 2025-26, Rs. 28,400 crores has been budgeted, including Rs. 22,000 crores for Bharat Net and Rs. 6,400 crores for other DBN schemes.

The Committee take cognisance of the detailed progress made by the Department in implementing the DBN projects, particularly the commendable advancement in 4G saturation and border connectivity initiatives. They also welcome the structured approach adopted under the amended Bharat Net Programme with clear milestones, tender processes, and monitoring tools. The Committee urge the Department to maintain rigorous oversight and expedite pending evaluations and contract finalizations to ensure timely completion of all packages. Further, the Committee desire that fund disbursement and project execution remain transparent, efficient, and closely monitored to prevent delays and cost overruns. The Committee would like to be apprised of the progress made with respect to these critical initiatives.

(Recommendation Sl. No. 12)

Enhancing Last-Mile Connectivity and Utilization in Rural Areas

14. The Committee, in their Original Report, made the following observations/recommendations:—

The Department has set ambitious targets for Bharat Net and FTTH expansion; however, last-mile connectivity and effective utilization remain key challenges. As per the Department's submission, only 12.24 lakh FTTH connections have been provided under Bharat Net as of January 2025, while the target for March 2026 stands at 18 lakh connections. Similarly, the installation of 1,04,574 Wi-Fi hotspots across Gram Panchayats (GPs) suggests that while infrastructure exists, its actual usage remains suboptimal. The Committee note with concern that despite the significant infrastructure rollout, Bharat Net's potential remains underutilized.

To address this gap and ensure widespread adoption, the Committee recommend the Department to introduce a Last-Mile Connectivity Acceleration Programme (LMCAP) under Bharat Net Udyami with targeted interventions. This could include a Localized Entrepreneurship Model, where rural entrepreneurs are empowered through a Public-Private Partnership (PPP) model, allowing trained local service providers to manage and expand FTTH and Wi-Fi networks under a revenue-sharing framework. Additionally, the Department could implement Subsidized Internet Plans, ensuring tiered broadband pricing to make internet access affordable for rural households while offering free connectivity to essential public institutions such as schools, PHCs, Anganwadis, and Police Stations. Furthermore, to drive sustained data consumption and maximize Bharat Net's impact, the Committee recommend mandatory integration of all Government services in Bharat Net-covered areas, ensuring that e-governance, telemedicine, and digital education are exclusively accessed via Bharat Net leading to the transition of Bharat Net to a catalyst for digital empowerment in rural India.

15. In their Action Taken Reply, the Department of Telecommunications submitted as under:—

- i. Under the pilot project for provisioning of FTTH with subsidy support by DBN, BSNL has provisioned 5 lakh net FTTH connections to rural households, govt. institutions, private organisations and others, using Bharat Net network. All these connections have been provided through Bharat Net Udyami (BNU) model, by engaging rural entrepreneurs, in rural areas by utilising Bharat Net infrastructure.
- ii. Meanwhile the construction of Bharat Net network in ring topology including upgradation of the existing network has also been initiated under Amended Bharat Net Programme in many States by BSNL and in more it will start shortly. So far, the utilisation has been low owing to limited geographical coverage over Bharat Net network and also not-so-good uptime due to network being in linear topology.
- iii. With above robust and reliable network and through increased geographic coverage of network, it is expected to provide digital connectivity to more and more Institutions and households, enabling them to use the digital infrastructure and boost their economic condition, as individual and society as a whole.
- iv. As per Amended Bharat Net Programme, 1.50 crore rural home fibre connections to be provided distributed across all States/UTs with priority to cover Government institutions including schools, Primary Health Centers, Anganwadis, Panchayat offices etc., using the BNU model over the next five years. BNU could be a village level entrepreneur, Internet Service Provider, Self Help Group (SHG), etc. Bharat Net Udyamis (BNUs) will be used for providing and maintaining last-mile connectivity from village to households. BNUs will be given a one-time financial incentive for activating new home fibre connections. To incentivize continuity of services, BNUs will also receive a share of the monthly revenue. Under the ABP, subsidy support per home fibre connections comprises capital incentive (including OFC, Customer Premises Equipment, all other accessories etc.) and support towards provision of Internet Lease Line (ILL) has been funded by DBN. Further, BSNL will ensure that ILL subsidy should entirely be passed on to the end customers, so that an affordable and subsidized tariff/ plan will be available to the rural customers. BSNL shall submit a self-certification to this effect on quarterly basis. Accordingly, an Agreement has been signed between DBN and BSNL on 09.04.2025 on utilization of Bharat Net network for providing rural home fibre connections under Amended Bharat Net Programme.
- v. Further, in compliance with the Union Budget' 2025-26 announcement [Para 42] i.e. "Provide the FTTH connections in Schools and PHCs in rural areas through Bharat Net network", BSNL has started to provide FTTH

connections using Bharat Net, in coordination with State Govt. as per the details made available by Central ministry through DBN. These FTTH connections are being provided through Bharat Net Udyami partners under ABP. Similarly, efforts are being made to cover other Institutions in coordination with related Ministry/Departments and the State Governments.

- vi. As on 15.04.2025, a total of 12,81,067 FTTH connections have been provisioned using Bharat Net.
- vii. Further, BSNL in support with DBN, will make full efforts to coordinate with Govt. Department for providing FTTH connections under ABP. The FTTH connections will be provided in rural areas as per demand and network feasibility of Bharat Net network.

16. The Committee had observed that while the Department had set ambitious targets for Bharat Net and FTTH expansion, challenges remained in last-mile connectivity and effective utilization of the infrastructure. As of January 2025, only 12.24 lakh FTTH connections had been provided under Bharat Net Scheme against a target of 18 lakh connections by March 2026. Similarly, although 1,04,574 Wi-Fi hotspots had been installed across Gram Panchayats, actual usage was suboptimal. The Committee had expressed concern that Bharat Net's infrastructure potential remained underutilized.

To address this, the Committee had recommended that the Department to introduce a Last-Mile Connectivity Acceleration Program (LMCAP) under Bharat Net Udyami with targetted measures. These included adopting a Localized Entrepreneurship Model, empowering rural entrepreneurs via Public-Private Partnership (PPP) framework to manage and expand FTTH and Wi-Fi networks on a revenue-sharing basis. The Department was also urged to implement subsidized internet plans with tiered broadband pricing to make internet access affordable for rural households and provide free connectivity to key public institutions such as schools, PHCs, Anganwadis, and Police Stations. Furthermore, the Committee had recommended mandatory integration of Government services with Bharat Net coverage, so that e-governance, telemedicine, and digital education are accessed exclusively via Bharat Net, transforming it into a catalyst for digital empowerment in rural India.

The Department of Telecommunications has submitted that under a pilot project supported by DBN, BSNL has provisioned 5 lakh net FTTH connections to rural households, government institutions, and private organizations through the Bharat Net Udyami (BNU) model by engaging rural entrepreneurs. The Department had initiated creation of Bharat Net's ring topology network, including upgrades under the Amended Bharat Net Programme (ABP), which will improve network uptime and geographical coverage, addressing earlier issues with linear topology and limited utilization.

The ABP targetted 1.5 crore rural home fibre connections across all States and UTs over five years, prioritizing Government institutions like schools, PHCs, Anganwadis, and Panchayat offices. The BNU model empowered village-level entrepreneurs, ISPs, and Self Help Groups to provide and maintain last-mile connectivity, supported by one-time financial incentives and monthly revenue shares. Subsidies covered capital expenditure and Internet Lease Line (ILL) costs, with BSNL ensuring that these cost benefits were fully passed on to rural consumers, confirmed via quarterly self-certification.

In alignment with the Union Budget 2025-26 announcement, BSNL had begun provisioning FTTH connections to schools and PHCs in rural areas, coordinating with State Governments and relevant Departments. As of 15 April 2025, 12,81,067 FTTH connections have been provisioned via Bharat Net, and efforts continued to meet demand and network feasibility requirements.

The Committee do appreciate the Department's proactive measures in scaling up FTTH connections and adopting a localized entrepreneurial approach to last-mile connectivity. The transition to a ring topology network under ABP is expected to significantly improve service reliability and coverage. However, the Committee would like to emphasise the importance of accelerating implementation to meet and exceed the set targets within the stipulated timelines so as to enable our rural households to become self-reliant in digital technology. They urge continued monitoring of the affordability and quality of services, especially in rural areas, and call for concerted efforts to ensure that Bharat Net's infrastructure translates into tangible digital empowerment for rural communities. The Committee look forward to periodic updates on the progress of LMCAP and integration of digital services. They are confident that these initiatives will play a pivotal role in bridging the digital divide in India.

(Recommendation Sl. No. 14)

Comprehensive Telecom Development Plan for Islands

17. The Committee note that under the plan for Andaman & Nicobar Islands, 82 towers were to be set up for mobile services in 85 uncovered villages, along with 42 towers to bridge gaps in mobile connectivity along NH-4 (formerly NH-223). While the project faced constraints due to logistical issues, delay in forest permissions, and non-availability of land, 66 sites have been commissioned so far. Additionally, the Submarine Optical Fibre Cable (OFC) project connecting Kochi to Lakshadweep was completed and dedicated to the nation on January 3, 2024, with a total estimated route length of 1,772 km and a financial implication of ₹1,072 crore. Further, the Department is supporting the augmentation of telecom infrastructure in Lakshadweep at a total cost of ₹62.86 crore, which includes upgrading 17 existing 2G towers to 4G, installing 20 new 4G towers, and creating a 225 km OFC network for Fiber-to-the-Home (FTTH) services.

The Committee observe that significant progress has been made under the telecom development initiatives in islands, including the Andaman & Nicobar and Lakshadweep Islands. Given the strategic significance of these islands, the Committee recommend that the Department ensure timely completion of the remaining towers in Andaman & Nicobar Islands by resolving pending permissions and land issues on priority. In Lakshadweep, the telecom expansion must be accompanied by measures to enhance resilience against extreme weather conditions, ensuring that infrastructure remains functional during cyclones and other natural disasters. The Committee further recommend integrating telecom expansion with the promotion of e-governance, digital healthcare, and remote education services in the islands to maximize the socio-economic benefits of enhanced connectivity. Moreover, to reduce dependence on mainland India for connectivity, localized satellite-based solutions should be explored to provide redundancy and enhanced network reliability ensuring that the benefits of telecom expansion reach all uncovered regions, accelerating digital inclusion, economic development, and social empowerment.

18. In their Action Taken Reply, the Department of Telecommunications submitted as under:—

Mobile Services in ANI: - After survey, the executable scope of this project is 88 4G towers. 41 of these towers are proposed to cover uncovered villages. 47 of these towers are planned along NH-4. 68 towers are commissioned.

Infrastructure Project in Lakshadweep: - An agreement has been signed with BSNL on 01.10.2024. 19 new 4G sites are working. 17 existing sites have been upgraded to 4G services. Laying of OFC network is complete and 7688 FTTH connections have been provided.

Further, Amended Bharat Net Programme has been approved by Cabinet in August 2023 under Design, Built, Operate and Maintain (DBOM) model, for upgradation of existing network of Bharat Net Phase-I and Phase-II, creation of network in balance GPs by Project Implementing Agencies (PIAs), Operation and Maintenance for 10 years and utilization. It will cover all non-GP villages (~3.8 lakh) on demand basis. BSNL has been nominated as the Project Management Agency and APO issued by BSNL to PIA in package 9 for A&N and West Bengal.

19. The Committee had noted that under the telecom development plan for Andaman & Nicobar Islands (ANI), 82 towers were planned to provide mobile services in 85 uncovered villages, along with 42 towers to bridge connectivity gaps along NH-4 (formerly NH-223). Although the project experienced delays due to logistical challenges, forest permissions, and land constraints, 66 sites had been commissioned so far. Additionally, the Submarine Optical Fibre Cable (OFC) project linking Kochi to Lakshadweep was completed and dedicated to the nation on January 3, 2024, covering 1,772 km at a cost of ₹1,072 crore. In Lakshadweep, telecom infrastructure augmentation was underway with a budget of ₹62.86 crore,

including upgrading 17 existing 2G towers to 4G, installing 20 new 4G towers, and creating a 225 km OFC network for Fiber-to-the-Home (FTTH) services.

The Committee had observed the significant progress made in telecom development in island territories but had emphasized the strategic importance of timely completion. They had recommended that the Department prioritize resolving pending permissions and land issues to complete the remaining towers in Andaman & Nicobar Islands at the earliest. For Lakshadweep, telecom expansion should be accompanied by measures to enhance resilience against extreme weather conditions, ensuring uninterrupted functionality during cyclones and natural disasters. Further, the Committee had urged integrating telecom infrastructure expansion with e-governance, digital healthcare, and remote education services to maximize socio-economic benefits. To reduce dependency on mainland India for connectivity, it was also recommended to explore localized satellite-based solutions to provide network redundancy and reliability, thereby accelerate digital inclusion, economic growth, and social empowerment across these islands.

The Department of Telecommunications has informed that after survey, the executable scope for mobile services in ANI includes 88 4G towers — 41 to cover uncovered villages and 47 planned along NH-4. So far, 68 towers had been commissioned regarding Lakshadweep, an agreement with BSNL was signed on 1 October 2024. Currently, 19 new 4G sites were operational, and 17 existing sites were upgraded to 4G. The OFC network laying was complete, and 7,688 FTTH connections had been provided. Further, the Amended Bharat Net Programme (ABP), approved by the Cabinet in August 2023 under the Design, Build, Operate, and Maintain (DBOM) model, aimed at upgrading existing Bharat Net Phase-I and Phase-II networks, creating networks in balance Gram Panchayats by Project Implementing Agencies (PIAs), and ensuring 10 years of operation and maintenance. The ABP was also to cover all non-GP villages (~3.8 lakh) on a demand basis. BSNL had been nominated as the Project Management Agency (PMA) and had issued Authorization for Project Operation (APO) to the PIA for Package 9 covering Andaman & Nicobar and West Bengal.

The Committee take note of the substantial strides made in enhancing telecom connectivity in the island territories of Andaman & Nicobar and Lakshadweep. While appreciating the commissioning of a majority of the planned towers and the successful completion of the Kochi-Lakshadweep Submarine OFC project, the Committee stress the need for expediting the remaining installations in a time-bound manner. The Committee urge the Department to proactively resolve bottlenecks related to land and forest clearances, and ensure that ongoing infrastructure augmentation—particularly under the Amended Bharat Net Programme—is effectively aligned with the unique geographical and climatic challenges of these regions. The Committee reiterate the importance of integrating telecom expansion with digital governance, education, and health services, and recommend exploring satellite-based technologies to enhance redundancy and

resilience, thereby fostering inclusive growth and connectivity for the people of these strategically vital islands. The Committee would like to be apprised of all the progress made in this regard within six months of presentation of this ATR in Parliament.

(Recommendation Sl. No. 17)

20. Bridging the Digital Divide: Strengthening Tele-Density Through Targeted Financial and Policy Measures

The Committee note that, based on the data provided by the Department as on 30.11.2024, India has a total of 1187.73 million telephone connections, comprising 527.47 million rural and 660.26 million urban connections. The overall teledensity stands at 84.36, with a significantly higher urban teledensity of 131.53 compared to rural teledensity at 58.23, highlighting the persistent digital divide. Furthermore, wireline teledensity remains low at 2.72, while wireless teledensity accounts for 81.65. In terms of market share, private service providers dominate the telecom sector, holding 91.28% of total telephone connections, whereas public sector undertakings (BSNL and MTNL) account for only 8.72%. Notably, Reliance Jio has the highest share of total connections at 40.21%, followed by Bharti Airtel at 33.17% and Vodafone Idea at 17.67%.

Given these insights, the Committee recommend that the Department intensify efforts to bridge the rural-urban teledensity gap by expanding affordable and high-quality telecom services in rural areas, particularly through Bharat Net and targetted subsidies for rural connectivity. The Committee further emphasize the need to strengthen the wireline segment, especially for broadband expansion, by incentivizing fibre-based infrastructure deployment. Considering the declining market share of public sector telecom providers, the Committee urge the Department to formulate a strategic revival plan for BSNL and MTNL, focusing on service quality improvement, competitive pricing, and digital service integration. Additionally, given the dominance of private players, ensuring fair competition and consumer protection be prioritized through regulatory oversight, while also promoting indigenous telecom manufacturing to enhance sectoral resilience. The Committee are of the concerted opinion that the Government can ensure inclusive and equitable telecom growth and foster digital empowerment across all regions.

21. In their Action Taken Reply, the Department of Telecommunications submitted as under:—

Following programmes/projects have been executed in BSNL to bridge the rural-urban teledensity gap .The details are as under.

- i) Bharat Net phase-I Project
- ii) Bharat Net phase-II Project
- iii) (Amended Bharat Net Programme) Bharat Net-phase- III Project
- iv) Bharat Net Utilization.

Bharat Net Phase-I

BSNL executed Bharat Net Project on behalf of BBNL in 17 Circles covering 1,04,173 GPs for establishment of an optical fibre based network for providing broadband connectivity to Gram Panchayats for Universal services to rural population of the country as proposed by Govt. of India.

The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages.

Status of the project as on 31.03. 2025

Total Work front (GPs + Block HQ)	: 1,04,173 GPs
Service Ready GPs	: 1,04,146 GPs (99.9%)
OFC Laid	: 2,54,798 KM

Bharat Net Phase-II

The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages.

The work of Bharat Net Phase –II was assigned to BSNL for M.P, U.P and W.B Circle (now Sikkim Circle) in non–EPC mode for 24,453 GPs, where BSNL is executing the Project by calling separate tenders for supply and execution.

Status of Bharat Net-II Project as on 31.03.2025

Total Work front: 24,453 GPs
Service Ready: 24,290GPs (99 %)
OFC LAID:- 75,881 KM

Amended Bharat Net Programme: - Bharat Net-III Project:-

BSNL has been appointed as the single Project Management Agency (PMA) with overall responsibility ,inter-alia, including bandwidth provisioning at block level, selection of professional agencies through competitive bidding for construction, upgradation, O&M and utilization of Bharat Net network. The cabinet has extended the scope of Bharat Net to all 6.4 lakh inhabited GPs/villages including upgradation of existing network of Bharat Net phase-I and II to build the network in uncovered GPs and O&M for 10 years.

Status of (Amended Bharat Net Programme) Bharat Net-III Project as on 31.03.2025:-

1. On behalf of Universal Service Obligation Fund (USOF), Department of Telecommunication, Government of India, BSNL has floated Tenders (16 Packages) for Design, Supply, Construction, Installation, Upgradation, Operation and Maintenance of middle mile network of Bharat Net vide Tender Enquiry no. MM/BNO&M/BN-/T-791/2024 on 15-02-2024.
2. The evaluation of bids in the subject tender has already been concluded and award of work is in process.
3. Agreements have been signed with the PIAs (Project Implementation Agency) with respect to the following six packages (out of 16 packages) of ABP Tender:
 - (i) Package-3 (UP East) signed on 20.02.2025 with M/s RVNL.
 - (ii) Package-6 (UP West) signed on 20.02.2025 with M/s RVNL.
 - (iii) Package-8 (Himachal Pradesh) signed on 25.02.2025 with M/s ITI Ltd
 - (iv) Package-9 (West Bengal and Andaman & Nicobar) signed on 25.02.2025 with M/s ITI Ltd
 - (v) Package-12 (Punjab) signed on 19.02.2025 with M/s HFCL Ltd
 - (vi) Package-7 (Bihar) signed on 12.03.2025 with M/s Polycab India Ltd
4. Signing of agreement for following three packages, is under process:
 - (i) Package-1 (M.P) with M/s NCC
 - (ii) Package-5 (UKD) with M/s NCC
 - (iii) Package-13 (J&K) with M/s STL
5. The matter regarding award of work in remaining seven packages is under process of approval of competent authority.

Bharat Net Utilization:

- Under Bharat Net project Phase-I & Phase-II, the optical fibre network has been developed in rural areas.
- The infrastructure created under Bharat Net project is being utilized for provisioning of broadband/internet services through Wi-Fi Hotspots, Fibre to the Home (FTTH) connections, leased lines, dark fibre, backhaul to mobile towers, etc.

BSNL is proactively reaching to existing leftover copper based fixed line customers for upgradation to FTTH technology. BSNL is also adding value to the FTTH product offerings to improve the retention of existing customer base. BSNL is continuously improving its Urban and Rural tariff offerings for FTTH service. BSNL has extended its FTTH reach in the country and has on boarded 41 Lakh+ customers in last 5-6 years across 3,000+ towns and 46,000+ panchayats in the

country. Further, BSNL is upgrading its fiber penetration in all States through local entrepreneur tie-up for last mile customer services. BSNL is continuously improving its value propositions in higher value premium FTTH plans to increase FTTH revenue.

Phase IX.2 Project. For 4G mobile services

Based on the directions received from DoT & in line with the 'AtmaNirbhar Bharat' initiative of the Government of India, BSNL 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). Upon successful completion of PoC, the bidder will become eligible to participate in the 4G tender of BSNL.

BSNL issued 4G tender on 22.10.2022 for procurement of 1 lakh eNodeBs & associated core equipments on PAN India basis including Delhi & Mumbai LSA of MTNL on turnkey basis under Phase IX.2 Project.

PO had been issued to M/s ITI (RQ) on 08.06.2023 for west Zone RAN, M/s TCS for Core Hardware in all zones and RAN in NZ+SZ+EZ & M/s CDOT for software of 4G Core for all zones on 22.06.2023.

Total 87,363 eNodeBs have been installed & 78,708 eNodeBs are on-air upto 31.03.2025. The I & C of 1 Lakh eNodeBs is expected to be completed by June – 2025. Further, BSNL has planned additional 22,000 sites to cater the supply requirement under Phase IX.2 project.

The equipment being procured through BSNL 4G project is upgradable to 5G with software upgrade and minimal change of hardware. Total 38,825 sites to be upgraded to 5G after roll out of 4G services.

4G Saturation Project for mobile services in uncovered villages.

Provision of 4G in Uncovered villages across India: Union Cabinet approval has been received on 27-07-2022 for provisioning of 4G mobile services by covering 24,680 uncovered villages through 16,464 Mobile Tower sites in the country for 4G services. Provision is also there for additional 20% villages (4,936 villages/ 3,258 mobile towers) which are left out due to various reasons.

Mobile coverage for inhabited uncovered villages is provided by the Telecom Service Providers (TSPs) based on their techno-commercial viability.

- To bridge the digital divide, Government, through funding from Digital Bharat Nidhi (DBN), is implementing various schemes for expansion of telecom connectivity through installation of mobile towers in the rural, remote and border areas of the country.
- As of January 2025, out of 6,44,131 villages in the country (village data as per Registrar General of India), around 6,26,870 villages are covered with mobile connectivity.
- Bharat Net project is being implemented in a phased manner to provide connectivity to all the Gram Panchayats (GPs) for broadband services, such as

Wi-Fi Hotspots, Fibre to the Home (FTTH) connections etc. Further, the Union Cabinet has approved Amended Bharat Net Programme for provisioning of connectivity to all GPs in the country in ring topology including upgrading existing network and connectivity to about 3.8 Lakh non-GP villages on demand basis.

For providing high bandwidth capacity internet/broadband connectivity and mobile services to remote & rural villages and islands in the country that currently lack coverage, a number of steps & projects have been taken up with funding from Digital Bharat Nidhi (DBN). Some of the projects have already been completed and many are under implementation. Details of the major projects are as follows:

- i. Bharat Net project is being implemented in a phased manner to provide broadband connectivity to all the Gram Panchayats (GPs) and villages. The infrastructure created under Bharat Net project is a national asset, accessible on a non-discriminatory basis to the Service Providers, and the same can be utilized to provide broadband services, such as Fibre to the Home (FTTH) connections, leased lines, dark fibre, backhaul to mobile towers, etc. On 04.08.2023, the Union Cabinet has approved the Amended Bharat Net Programme (ABP) under Design, Built, Operate and Maintain (DBOM) model, for up-gradation of existing network of Bharat Net Phase-I and Phase-II, creation of network in balance 42,000 GPs (approx.), Operation and Maintenance for 10 years and utilization. The connectivity to remaining non-GP villages (about 3.8 lakhs) is proposed to be provided on demand basis from their respective GPs. BSNL will have target of providing 1.50 crore FTTH connections to households in next five years. BSNL has been nominated as the Project Management Agency. As of April-2025; 2,14,325 GPs have been made service ready under Bharat Net project in the country.
- ii. For provision of high-speed internet/data and Mobile Services (including 4G) in remote & rural areas of the country, various targetted schemes/projects have been implemented. Comprehensive Telecom Development Plan (CTDP) for mobile connectivity in the North Eastern Region, Comprehensive Telecom Development Plan for Islands (Andaman & Nicobar and Lakshadweep Islands), Scheme for providing mobile services in Left Wing Extremism (LWE) affected areas, Schemes for providing mobile services in Aspirational Districts, Scheme for providing mobile services in the border villages and other priority areas, 4G Saturation scheme to provide mobile coverage in all uncovered villages etc. The project for saturation of 4G mobile services for providing 4G mobile services in uncovered villages in remote and difficult areas of the country is also under implementation. Till April-2025, 20,688 mobile towers have been commissioned in the country under various projects.
- iii. Commissioning of submarine optical fibre cable on 10.08.2020 between Chennai and Andaman & Nicobar Islands (2312 Km) for providing high speed internet/data connectivity to Andaman & Nicobar Islands. Commissioning of Submarine OFC connectivity between Mainland (Kochi) and Lakshadweep Islands (1869 km) (Total 11 Islands; Kavaratti, Kalpeni, Agatti, Amini, Androth, Minicoy, Bangaram, Bitra, Chetlat, Kiltan and Kadmath) on 03.01.2024. Creation of 225Km OFC

network in Lakshadweep Islands for provision of FTTH & other services. These optical fibre cable projects have facilitated faster roll out of mobile services (4G/5G) and other high-speed data/internet services in the Islands.

- 22. The Committee had recommended that the Department intensify efforts to bridge the rural-urban teledensity gap by expanding affordable, high-quality telecom services in rural areas, especially through the Bharat Net project and targeted rural connectivity subsidies. It also emphasized the need to strengthen the wireline segment through incentives for fibre infrastructure, revive BSNL and MTNL via strategic reforms, ensure fair competition among dominant private players, and promote indigenous telecom manufacturing for national resilience. In response, the Department highlighted substantial progress under Bharat Net Phases I and II, with over 2,54,798 kms of OFC laid and 2.14 lakh Gram Panchayats (GPs) made service-ready as of March 2025. The Amended Bharat Net Programme (Bharat Net-III) has expanded scope to cover all 6.4 lakh villages, with tenders awarded for several packages and more under process. BSNL's FTTH outreach has reached 41 lakh+ customers across 46,000+ panchayats. Additionally, BSNL's 4G and 4G saturation projects, under Phase IX.2, have installed over 87,000 eNodeBs with plans for 5G upgrades, aiming to cover 24,680 uncovered villages. The Department also reported successful implementation of submarine OFC links to remote islands and multiple schemes under Digital Bharat Nidhi to extend services to remote, border, LWE-affected, and aspirational districts. In view of the above initiatives undertaken by the Department, the Committee desire that the Department to accelerate the speed in executing Bharat Net-III and rural 4G projects, ensure full operationalization of the awarded packages in a time bound manner, expedite fiber-based broadband in all underserved areas, and implement robust reforms in BSNL and MTNL to ensure service competitiveness. The Committee also urge strict regulatory oversight to preserve fair market practices and ensure consumer rights, while accelerating efforts to foster indigenous manufacturing and digital inclusion across the nation at the earliest.**

The Committee noted that as of 30.11.2024, India had 1187.73 million telephone connections, with a rural-urban split of 527.47 million and 660.26 million, respectively. The overall teledensity stood at 84.36, with rural teledensity at 58.23 and urban teledensity at 131.53, indicating a significant digital divide. Wireline teledensity was low at 2.72, while wireless teledensity was 81.65. The Committee had recommended to intensify efforts to bridge the rural-urban gap through Bharat Net and targeted subsidies, incentivize fibre-based infrastructure, revive BSNL and MTNL, and ensure fair competition amid private dominance—where Reliance Jio held 40.21% market share, Bharti Airtel 33.17%, and Vodafone Idea 17.67%. In response, the Department has informed that under Bharat Net Phase-I, BSNL made 1,04,146 GPs service-ready (99.9%) by laying 2,54,798 km of OFC. Under

Bharat Net Phase-II, 24,290 GPs (99%) were made service-ready with 75,881 km of OFC laid. The Bharat Net-III project aims to cover all 6.4 lakh inhabited villages; agreements were signed for 6 of 16 tendered packages and 3 more are under process. BSNL has onboarded 41 lakh+ FTTH customers in 3,000+ towns and 46,000+ panchayats. In mobile services, BSNL has installed 87,363 4G eNodeBs and 78,708 are on-air, with full rollout of 1 lakh sites expected by June, 2025; 22,000 more sites are planned, and 38,825 are upgradable to 5G. Under the 4G saturation project, 24,680 uncovered villages are to be connected via 16,464 mobile towers, with provision for 4,936 more. As of January, 2025, 6,26,870 out of 6,44,131 villages are covered with mobile connectivity. The Committee desire that the Department expedite Bharat Net-III implementation, complete action on remaining tenders, strengthen BSNL's fibre and mobile services, ensure universal connectivity by leveraging indigenous infrastructure, while upholding fair market competition, protecting consumer rights interests and furnish a definitive roadmap for successful completion of universal rural connectivity, ensuring digital access to all households in a time-bound and transparent manner. The Committee note with concern that the Department's reply was silent on the revival strategy for BSNL and MTNL. The Committee also reiterate their earlier recommendation that a comprehensive and time-bound strategic revival plan be formulated for BSNL and MTNL, focusing on service quality enhancement, competitive tariff structures, and integration of digital services to make these entities operationally as well as financially viable in the long term. The progress made in this regard may be submitted to the Committee within six months of presentation of this Action Taken Report in Parliament.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation SI. No. 1)

Budgetary Allocations and Utilizations during 2025-2026

Budgetary Allocations and Utilizations

According to the detailed Demands for Grants laid by DoT, the Committee note that there have been significant variations in both Revenue and Capital Expenditure for the FY 2021-22 to 2025-26. The revenue section reveals that the actuals peaked at Rs.66280.44 crores in 2022-23 before declining sharply to Rs.33067.19 crores in 2023-24. The actuals for the year 2024-25 upto December was Rs.26864.48 crores while the Revised Estimates was Rs.57169.79 crores, suggesting that there may be a shortfall in achieving the targets for 2024-25. The projected revenue for 2025-26 as per the Budget Estimate is Rs.35851.50 crores. On the Capital Expenditure front, there has been a steep rise from Rs.6397.74 crores in 2021-22 to Rs.82646.52 crores in RE 2024-25. The Committee also note that the actual spending upto December, 2024 has been Rs.7445.26 crores. Further, the Budget Estimate (BE) capital outlay for 2025-26 is Rs.73784.76 crores. As seen, the total financial outlay for both the Capital and Revenue expenditure has been fluctuating from Rs.139816.31 crores being the RE of 2024-25 to Rs.109636.26 crores for 2025-26. The Committee opine that such fluctuations indicate inconsistencies in implementing the projects that are undertaken with long term commitment. The Committee are of the view that the projections should confine to financial utilization of approved outlays as physical achievement of targets reflect realistic assessment. The Committee desire that the Department should ensure proper planning and management as there are significant variations at RE as well as actual implementation stages and also take prudent measures for effective utilization of the allocated funds.

The Committee note that the BE for FY 2024-25 (Revenue) section was Rs.38475.54 crores which was increased to Rs.57169.79 crores in FY 2024-25 RE. The 2024-25 revenue expenditure which was revised upwards by nearly ₹19,000 crores mid-year, signals inadequacy in initial projections. The Committee are of the considered view that budget estimation methods should be based on sound financial principles and prudent commercial practices so as to are necessary to prevent drastic fluctuations between BE and RE figures. More accurate forecasting and adequate planning using data-driven financial modelling, historical expenditure trends, and anticipated sectoral needs can lead to better budgetary proposals. The Committee desire that the Department should focus on creating a flexible contingency mechanism that allows the reallocation of unspent funds to high-priority areas within the telecom sector, ensuring that every rupee allocated contributes effectively to national digital infrastructure goals.

Reply of the Government

This is submitted that the sharp decline of the “Actuals” from Rs. 66,280.44 crores in 2022-23 to Rs.33,067.19 crores in 2023-24 is due to the fact that an amount of Rs. 50,000 Cr (Rs. 25,000 Cr in both Revenue and Capital) was allocated to “Transfer to USO fund” by MoF in March, 2023 which increased the expenditure by Rs. 25,000 cr.in Revenue Section.

The actuals for the year 2024-25 upto March, 2025 for Revenue section is Rs.52,864.02 crores against projected Revised Estimates Rs. Rs.57169.79 crores, i.e 92.47 % has been utilized in the FY 2024-25 in Revenue Section.

On the Capital side, there has been a steep rise from Rs.6,397.74 crores in 2021-22 to Rs.82,646.52 crores in RE 2024-25 due to the amount allocated in Capital Infusion in BSNL(Revival Plan to Support BSNL); Rs. 72,027.65 Cr in RE 2024-25. As on 31/03/2025, an amount of Rs. 78,992.31 Cr(95.58%) has been utilized against projected amount of Rs. 82,646.52 Cr.

Comparison of BE 24-25 and RE 24-25

Increase in RE 2024-25 in Revenue Section, Rs. (57169.79-38475.54) Cr that is Rs.18694.25 Crores is due to effect of the following:-

(Rs. In Crores)			
Items	BE 2024-25	RE 2024-25	Increase/Decrease
Pension	17510	19306	(+)1796
Transfer to USO Fund	1000	17500	(+)16500
Implementation of VRS of BSNL& MTNL	0.01	3822.16	(+)3822.15
Compensation to Telecom Service Providers	10100	7000	(-)3100
Production Linked Incentive Scheme	1806.34	1450.97	(-)355.37

Comparison of RE 24-25 and BE 25-26

RE 2024-25 allotted to the Department was Rs. 139816.31 crores which was decreased to Rs. 109636.26 crores in BE 2025-26.

A decrease of Rs. (139816.31-109636.26) Cr. that is Rs. 30180.05 Crores in BE 2025—26 w.r.t RE 2024-25 is due to effect of the following:-

(Rs. In Crores)			
Items	RE 2024-25	BE 2025-26	Increase/Decrease
Capital Infusion in BSNL	72027.65	33757.58	(-)38270.07
Implementation of VRS of BSNL & MTNL	3822.16	0.01	(-)3822.15
Payment of Principal and	3980.71	0.00	(-)3980.71

Interest on MTNL Bonds			
Loans to MTNL on invocation of Government Guarantee	1151.23	0.01	(-)1151.22
Bharat Net	6500	22000	(+)15500
Pension	19306	20133.42	(+)827.42
Production Linked Incentive Scheme	1450.97	1965.50	(+)514.53
ITI Revival	59	105.50	(+)46.50

Review Mechanism

In this regard it is submitted that expenditure utilisation is being monitored on a regular basis (Quarterly/ monthly) at the highest levels viz Secretary(T) and Member(F).

All divisions discuss the pace of projects under them as well as expenditure plan for these project. Divisions are also advised to pace their expenditure throughout the year rather than utilising the same towards the fag end of the year.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025

(Recommendation Sl. No. 2)

The Committee note that in respect of Capital allocation, the Department could only utilize less than one-tenth during FY 2024-25 upto December, 2024. While submitting the reasons, the Department has stated that spectrum cost of Rs.61799.62 crores remained entirely unspent. Further, Optical Fibre Cable (OFC) network for Defence services had utilized only 34% of the allotted money resulting in very less utilization in Capital allocation. Detailed examination has revealed that even though maximum share of budget allocation was for the revival plan of BSNL and MTNL its utilization has been very limited to the tune of 14%. The spectrum fund had remained entirely unspent despite having highest allocation of Rs.61799.62 crores. The Committee observe that the spending pattern in Capital section has been in a mixed execution pace with certain areas having full utilization while the progress in others is tardy. The Committee further note with concern that while utilization in certain areas is encouraging, at the same time while poor utilization in other areas needs attention in order to avoid the same during the Financial Year 2025-26. Therefore, the Committee would like to call upon the Department for concerted efforts in these issues in order to ensure proper and effective utilization of precious fund.

Reply of the Government

The total actual expenditure of Capital section is Rs. 78,992.31 Crore as on 31.03.2025 against allocation of Rs.82,646.52 in RE 2024-25 which is 95.58%.

The shortfall of Rs. 3,654.21 Cr is mainly due to the following:

(Rs. In Crores)

Name of the Scheme/Project	RE 2024-25	Actual 2024-25	Shortfall	Reason
Bharat Net	6,500	3,995.01	2,504.99	Delay in project implementation is because of multiple challenges in remote and far-flung rural areas, slow progress by implementing agencies. Under Amended Bharat Net Programme, out of 16 packages floated by BSNL, only 6 packages were awarded in FY 25 leading to low expenditure under Amended Bharat Net.
OFC Network for Defence Services	1,315.96	446.23	869.73	The payments for the NFS Project are released based on milestone achieved in the project. As informed by BSNL, there is delay in achieving milestone for certain projects.
Capital infusion in BSNL & MTNL	72,027.65	71,940.02	87.63	99.88% has been achieved as per requirement of BSNL.
T-Cert	167	117	50	Many of the procurements were still under progress and require time to be converted into purchase orders. Hence certain payments spilled over into the next FY.

Here it is also mentioned that, against allocation of Rs. 61,799.62 Cr in Spectrum, an amount of Rs. 61,711.99 Cr (99.86%) has been utilised as on 31-03-2025.

The Department is conducting regular meetings to review the pace of expenditure at the highest levels. All divisions discuss the pace of projects under them as well as expenditure plan for these project. Divisions are also advised to pace their expenditure throughout the year rather than utilising the same towards the fag end of the year.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 3)

Noting the revenue expenditure pattern for FY 2023-24 and 2024-25, the Committee observe that there has been a significant shortfall in spending by the Department. The BE for revenue expenditure in FY 2024-25 was revised to Rs.57169.79 crores from Rs.38475.54 crores that was initially allocated. However, upto December, 2024 only Rs.26864.48 crores had been spent which was less than 50%. Reasons attributed for the shortfall in spending have been that revised allocation of funds was done only in January, 2025 leaving limited time for effective utilization. Further, for FY 2025-26, the allocation has been reduced to Rs.35851.50 crores against the proposed revenue expenditure of Rs.42557.88 crores indicating the efforts to moderate expenditure based on previous under-utilization trends. The Committee recommend that the Department may take suitable measures to improve financial planning and fund disbursement mechanism so as to ensure that budget allocations are received well in advance. A more structured quarterly disbursement system with predictable allocation schedules can mitigate these issues and enable smoother execution of projects and expenditures. Additionally, process simplifications and better coordination between various stakeholders, including telecom operators, infrastructure providers, and Government agencies, should be implemented to expedite fund absorption. Reducing bureaucratic delays in project approvals and fund release can enhance efficiency and prevent last-minute spending rushes, which often lead to suboptimal financial decisions.

Reply of the Government

The total actual expenditure of Revenue section is Rs. 52,864.02 Crore as on 31.03.2025 against allocation of Rs.57,169.79 in RE 2024-25 which is 92.47%.

The shortfall is mainly due to the following items:-

(Rs. In Crores)				
Items	RE 2024-25	Actuals as on 31-03-2025	Shortfall	Reason
Compensation to Telecom Service Provides	7000	4643.08	2356.92	Digital Bharat Nidhi supports schemes in areas where operators on their own commercial incentives do not find it viable due to difficulties in execution and low returns. There are many challenges in implementation of these projects like- widely dispersed locations across remote corners of the country, difficult terrains (including Hilly/ Rocky), difficulty in access of locations, Left Wing Extremism (LWE) affected areas, Right of Way (RoW) issues, lack of infrastructure and skilled

				labour, difficulties in communication and transportation etc.
Pension	19306	18228.71	1077.29	94.42% has been utilized.
Production Linked Incentive Scheme	1450.97	843.93	607.04	BE/ RE figures are based on the incentive against the sales forecast given by the companies at the time of initial approval. However, actual incentives vary depending on actual sales achieved by PLI company. Actual sales of the companies depend on various market forces and orders received by companies.
International Co-operation	192.90	135.49	57.41	<p>Less expenditure is due to</p> <p>i. the changes in rental policy of ITPO.</p> <p>The finalized rental rates were significantly lower than the earlier estimated rates.</p> <p>ii. Further Host country contribution reduced due to adjustment from the previous contributions.</p> <p>iii. Exchange Rate fluctuations.</p> <p>iv. Here it is also mentioned that some bills are still under process.</p>

Steps taken to address utilisation of fund and monitoring mechanism:

PLI

- i. To enhance utilization of funds, Department modified scheme guidelines and introduced quarterly disbursement of incentives. Quarterly disbursement of incentives will improve cash flow of companies and enable them to be more competitive.
- ii. To avoid any delay in disbursement of incentive, the Department has framed Standard Operating Procedure (SOP) for processing of claims made by companies.
- iii. The process for disbursement of incentive is done through an online system ensuring monitoring of claims by the Ministry/Department. The scheme, including the disbursement of incentives, is also subjected to regular oversight at higher levels

within this Department, the Department for Promotion of Industry and Internal Trade and the Empowered Group of Secretaries.

DBN

- iv. Digital Bharat Nidhi has implemented 'Online Project Monitoring Information System' for settlement of claims under DBN Schemes. Further, to solve the various issues under the DBN's Schemes, a Project Monitoring Units have been setup under DBN. A meeting to review the physical and financial progress of DBN's Schemes are being taken with DBN's Implementers on monthly and quarterly basis.

(Ministry of Communication/Department of telecommunications
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Comments of the Committee

(Please see Para No. 7 of Chapter I)

(Recommendation SI. No. 4)

The main sources of revenue receipts of the Department are License Fee, Spectrum Usage Charges and Spectrum Auction receipts. The License Fee receipts has been Rs.16614.36 crores in 2021-22, Rs.20316.28 crores in 2022-23, Rs.36363.17 crores in 2023-24 and Rs.13991.41 crores in 2024-25 upto 31.12.2024. The estimates for FY 2025-26 has been Rs.27,300 crores. Under the category of Spectrum Usage Charges, the receipts has been Rs.7511.71 crores in FY 2021-22, Rs.5743.62 in 2022-23, Rs.13065.18 in FY 2023-24 and Rs.2305.15 crores in 2024-25 upto 31.12.2024. For FY 2025-26, the projected receipt is Rs.3500 crores. Further, the details of receipt under Spectrum Auction Receipts are Rs. 60814.06 crores in FY 2021-22, Rs.37816.00 crores in FY 2022-23, Rs.42617.89 crores in 2023-24 and Rs.41452.56 crores in 2024-25 upto 31.12.2024. For FY 2025-26 Rs.44744.27 crores is the estimated Spectrum Auction Receipts.

While examining the factors affecting revenue receipts, the Department, inter-alia, submitted that revenue of telecom operators, regulatory policies, technological advancements such as 5G, 6G, market competition, subscriber growth and demands, pricing strategy, infrastructure etc. affect the revenue receipts. Further, the Department submitted that as a part of telecom reforms, Spectrum Usage Charges(SUC) have been reduced to zero for the spectrum acquired through auction held in 2022 and subsequent years. Furthermore, the Department submitted that reforms introduced in September, 2021 are expected to decrease the cost of operations for TSPs, facilitate foreign investment and increase ease of doing business for TSPs. The Department also submitted that these reforms would also increase revenue for TSPs and thereby increase the AGR based revenue receipts of the Government of India. Elaborating upon the steps taken by the Department to achieve targets during FY 2025-26, the Department stated that the measures taken included (a) facility to make online paperless payments; (b) fully Digital and paperless submission of financial documents; (c) online grievance resolution

process; and (d) and continuous monitoring of receipts of spectrum deferred instalments and spectrum usage charges. The Committee hope that these measures taken by the Department would augment the revenue receipts and achieve the intended objectives. The Committee urge the Department to periodically monitor the effectiveness of the measures that are being put in place for increasing revenue receipts.

Reply of the Government

Department has taken following measures to digitize, standardize and streamline the LF/SUC Assessment related workflows for all the stakeholders so as to ensure accurate and timely assessment thereby improving public revenues and overall growth of telecom sector with better infrastructure planning and management.

1. A Revenue Management Software SARAS (System for Assessment of LF Revenue and SUC) has been implemented, which has digitised the assessments, payment and accounting of license fees, spectrum usage charges etc. along with all ancillary processes
2. SARAS enables the Licensee to make online payments, digitally file and verify deduction claims, AGR statements, bank guarantee details along with enabling the Department to conduct online assessment of LF and SUC, management of bank guarantees, handle representations etc.
3. SARAS also incorporates features for grievance management and knowledge sharing for facilitating better communication amongst the department and the licensees. It also provides email and SMS alerts to the users for ensuring timely action on the respective tasks.
4. The Department has started Telecom Facilitation Centre to assist various stakeholder like startups, MSMEs, academia, licensees, registration holders etc. in not only navigating regulatory processes but also handholding for various schemes of the department and fostering innovation.
5. Department has been hand holding licensees for on-boarding on SARAS portal and making submissions / payments through Telecom Outreach Programs (TOP).

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

Comments of the Committee

(Please see Para No. 10 of Chapter I)

(Recommendation Sl. No. 5)

On the issue of auction of Spectrum , the Committee wish to draw attention of the Ministry to the CAG Report No. 20 of 2015 which raised significant concerns about the lack of due diligence in the auction of spectrum for Broadband Wireless Access (BWA) services, particularly highlighting deficiencies in the Notice Inviting Applications (NIA).

The NIA allowed UAS, CMTS, and ISP operators to bid for the same BWA spectrum, despite their licenses governing the usage of the spectrum differently. This created confusion and potential misuse of the spectrum. Post-auction, M/s Infotel (now Reliance Jio Infocomm) requested network codes to offer voice services beyond the scope of their ISP license. The Department of Telecommunications (DoT) facilitated this request by allowing Infotel to migrate to a Unified License at prices set in 2001, granting them an undue financial advantage of ₹3,367.29 crore. Additionally, despite the auction occurring, the rollout of BWA services remained negligible, raising concerns about the effectiveness of the auction process. To address these issues in future, the Committee recommend that the NIA framework for spectrum auctions be more clearly defined, particularly regarding the scope of spectrum usage for different classes of licensees. This would prevent ambiguity and ensure that only operators with the appropriate licenses and requirements can bid for specific spectrum bands. The Committee further recommend that migration pricing for operators should be aligned with current market rates to prevent financial advantages that are not justifiable. A robust mechanism for monitoring the progress of service rollouts should also be put in place, with penalties for delays to ensure that the spectrum is utilized efficiently. In addition, a post-auction review mechanism should be established to ensure that operators use the spectrum according to the terms of the auction. The Committee are of the view that increasing transparency in the auction process, with clear communication to stakeholders, would enhance public confidence and ensure the process is fair and effective and implementing these measures would make spectrum auctions more transparent, efficient, and beneficial for all stakeholders including for the consumers.

Reply of the Government

Department has taken following measures to ensure transparency and clear communication with stakeholders.

1. The details of auction are transparently placed in public domain through a 'Notice Inviting Applications' (NIA).
2. The auction process is open to all potential bidders on a non-discriminatory basis.
3. The details regarding IEMs (Independent External Monitors) are also provided in NIA.
4. The issue of Notice Inviting Applications (NIA) is published/advertised in two English and two Hindi Newspapers along with publishing on DoT website.
5. The process allows for queries to be raised by potential bidders, and such concerns are addressed through a 'Queries and Responses' document which is also placed on Department of Telecommunications (DoT's) website.
6. List of the Applicants & Ownership Details of the applicants, List of pre-qualified Bidders, and List of Final Bidders are published on DoT Website as per the timelines mentioned in the NIA.
7. At the end of each day of the auction, details of clock rounds completed, aggregate demand and provisional bidding price are put up on DoT's website.
8. Provisional Result and Frequency Assignment Report are also published on the DoT Website on the final day of the auction. Details of clock rounds completed, aggregate demand and provisional bidding price are put up on DoT's website.

9. Back up of all the auction data including bids received in each round is done in real time and is available for subsequent analysis and audit – audit trail provided by the auctioneer.
10. A robust mechanism has been put in place for monitoring the progress of rollouts obligations and ensuring effective use of spectrum resources within scope detailed in NIA.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 6)

Universal Service Obligation Fund(USOF) was created w.e.f 1.4.2002 in pursuance of The Indian Telegraph (Amendment) Act, 2003 to provide financial support to the telecom service in commercially unviable rural and remote areas of the country. This is an attached office of DoT headed by an Administrator appointed by the Central Government. With effect from 26.06.2024, USOF has been renamed as Digital Bharat Nidhi(DBN). As per the Indian Telegraph Act, 1885, Licence Fee includes Universal Access Levy which is charged at the rate of 5% of the adjusted Gross Revenue of the telecom licences. The fund collected under UAL goes to the Consolidated Fund of India and it is non-lapsable in nature. The outflow from Consolidated Fund of India to USOF is through regulatory provisions of the Ministry of Finance each year based on requirement of USOF. The Department has submitted that since inception of the then USOF in FY 2002-03 and subsequent renaming as DBN on 26.6.2024, UAL amounting upto Rs.171590.68 crores has been collected upto 31.12.2024. The balance of UAL amount available as on 31.12.2024 is Rs.86359.77 crores. Further, the Department has stated that the Government has approved committed expenditure of Rs.1.3 lakh crores for Bharat Net Scheme for next 10 years on 04.08.2023 alongwith other committed liabilities for other ongoing schemes. While reviewing the performance of the schemes under DBN, the Committee note that under amended Bharat Net Programme, BSNL has given notice for inviting tenders for selection of Project Implementing Agency(PIA). The selection of PIA is for development (creation, upgradation, operation and maintenance) of Middle-mile Network of Bharat Net on Design, Build, Operate and Maintain Model. The Department has submitted that RFP was floated by BSNL for selection of Project Implementation Agencies(PIAs) for 16 packages(excluding Eight State led Model states) on 15.02.2024 and out of 16 packages that were opened on 07.08.2024, advance work order for 6 packages have been issued and further Master Service Agreement has been signed between BSNL and respective PIAs for three packages and evaluation of remaining packages are ongoing. RFP for selection of Independent Engineer (04 packages) for overseeing work of PIAs in 16 packages was opened on 15.10.2024 and RFP for Independent Engineer (02 packages) for overseeing work of PIAs in Eight packages (under State led model) was opened on 18.10.2024. Technical bids are under evaluation.

Submitting information on Mobile Projects, the Department has stated that the delay in installation and supply of indigenously developed and domestically manufactured equipment is the main cause for the shortfall in schemes namely 4G

Saturation Scheme and LBE Phase-I upgradation, Border Out Post(BOP)/Border Intelligence Post(BIP) etc. The Department has submitted that in order to achieve the targets , multi cornered approach has been taken up at various levels for resolution of issues in the projects and for resolving roadblocks if any and also assisting in getting clearances for projects. The Committee urge the Department to finalise the technical bids which are under evaluation at the earliest and ensure periodic monitoring and expeditious implementation of amended Bharat Net Programme. With Further, the Committee are of the considered opinion that the initiatives of the Department would fructify and intended objectives would be successfully achieved. The Committee may be apprised of the result.

Reply of the Government

The progress made and measure taken by the Department for effective implementation of DBN Projects are as under:

(i) Saturation of 4G mobile services in uncovered villages across the country: 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 Rs. 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. The revised Project Cost is Rs. 30620.49 crore.

Agreement has been signed with BSNL on 06.02.2023. Further, rollout period has been extended upto June, 2025. As on April, 2025, total 17,220 towers including upgradation of 654 towers have been planned. Out of which 11,139 towers have been made on air covering 15,249 villages..

(ii). Border Out Posts (BOPs) and Border Intelligence Posts (BIPs) Project: The Union Cabinet on 24.03.2023 has approved the Project for the Provision of 4G based mobile services at 1,117 locations of Border Out Posts (BOPs) of BGFs and Border Intelligence Posts (BIPs) of IB on nomination basis to BSNL. 72 additional locations were also forwarded by MHA have been added in the schemes. As on April, 2025, 92 towers have been installed and providing coverage at 140 Posts.

(iii) Amended Bharat Net Programme: Amended Bharat Net Programme (ABP) targets to provide high speed broadband connectivity to all inhabited villages in the country. BSNL has been appointed Project Management Agency (PMA) for Amended Bharat Net Project. BSNL has put notice inviting tender (NIT) for selection of Project Implementing Agency (PIA) for Development (creation, upgradation, operation & maintenance) of middle mile network of Bharat Net on Design Build Operate and Maintain (DBOM) model for sixteen packages.

Under Amended Bharat Net Programme, following measures have been taken:

- i. Technical and Financial bids are opened. Advance work order has been issued by PMA i.e. BSNL for Twelve Packages (namely UP(E), UP(W),

Himachal Pradesh, Punjab, Bihar, West Bengal, Andaman and Nicobar, MP, Uttaranchal & J&K, Ladakh, Karnataka, Puducherry, Goa, NE-II (Arunachal Pradesh, Manipur, Nagaland), Kerala and rest are under process. Out of which, Agreement has been signed by BSNL for Six Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal and Andaman and Nicobar).

- ii. RFP for C-NoC was released on 01.01.2025 and BSNL has issued amendment on 28.03.2025 and Last date of Bid submission is 19.05.2025.
- iii. To ensure periodic monitoring and expeditious implementation of Amended Bharat Net Programme, PMA i.e. BSNL for ABP is developing the Project Monitoring Tool which inter-alia includes milestone details & achievement, inventory management, etc.

The details of Funds allocation and utilization during FY 2024-25 for various DBN's Schemes are as under:

(Rs in crores)

Name of Scheme	BE allotted	RE allotted	Fund Disbursed (as on 31.03.2025)
Bharat Net	8500	6500	3995.01
Other DBN's Projects	10500	7200	4803.15
Total	19000	13700	8798.16

In current FY 2025-26, BE of Rs. 28,400 crores have been allotted includes Rs. 22,000 crores for Bharat Net (Capital Head) and Rs. 6,400 crores for Other DBN's Schemes (Revenue Head).

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Comments of the Committee

(Please see Para No. 13 of Chapter I)

(Recommendation Sl. No.7)

The Committee note that budget execution for both Capital and Revenue Expenditure in the Department of Telecommunications (DoT) highlights significant gaps in fund utilization across key telecom infrastructure projects. The RE for CAPEX Expenditure for FY 2024-25 is Rs 8609 Cr and the expenditure till 07.02.2025 is Rs. 8609 Cr indicating 100 percent utilisation. Under the head Pensions, the RE 2024-25 was Rs 23,128 Cr , the expenditure till 07.02.2025 was Rs 18,1864 Cr amounting to 82 % of fund utilization. Under Bharat Net , the RE for FY 2024-25 was Rs 6,500 Cr and the expenditure till 07.02.2025 is Rs 3,145 Cr amounting to 48% of fund utilization, the RE for FY 2024-25 for OFC Network for Defence was Rs 1316 Cr, the expenditure till 07.02.2025 is Rs 448 cr amounting to 34% of fund utilization, the RE for 2024-25 for

Training (NICF Building) was Rs 25 cr and the expenditure till 07.02.2025 is Rs 15 cr amounting to 60% of fund utilization, the RE for 2024-25 for PLI Scheme was Rs 1451 cr and the expenditure till 07.02.2025 is Rs 111 cr amounting to a meagre 8% of fund utilization. The Committee note with serious concern that overall, only 18% of the total revised capital budget and 75% of the revenue budget have been utilized, underscoring execution bottlenecks that need urgent attention and resolution.

The Committee note that the mixed spending patterns in key telecom projects indicate project implementation delays, procurement inefficiencies, administrative bottlenecks, and inadequate absorption capacity in critical areas such as Bharat Net and telecom R&D. The Committee is particularly concerned about the abysmal low utilization of funds in the Production Linked Incentive (PLI) Scheme (8%) and International Cooperation (21%), as these initiatives are essential for strengthening indigenous telecom manufacturing and enhancing India's global presence in the sector.

In view of above challenges, the Committee recommend for immediate resolution of bottlenecks in Spectrum Allocation and Bharat Net Execution. The slow pace of fund utilization in Bharat Net (48%) highlights delays in project implementation, which directly affects last-mile connectivity in rural areas. The Committee recommend that the Department of Telecommunications (DoT) establish a quarterly monitoring mechanism to track Bharat Net's progress, ensuring timely approvals, faster clearance of Right of Way (RoW) permissions, and streamlined coordination with State Governments. Additionally, the Committee urge the DoT to explore public-private partnerships and innovative funding models to accelerate infrastructure deployment. The Committee are of the considered view that addressing the bottlenecks would definitely enhance Bharat Net's execution efficiency and ensure the timely realization of India's digital connectivity goals.

Reply of the Government

In this regard it is submitted that an amount of Rs. 52,864.02 Cr against RE 2024-25 Rs. 57,169.79 Cr (92.47%) in revenue section and an amount of Rs. 78,992.31 Cr against RE 2024-25 Rs. 82,646.52 Cr (95.58%) in Capital Section has been utilized in the FY 2024-25.

The RE 2024-25, Actuals and Shortfall (if any) of the items mentioned in Recommendation No -7 are appended below:

(Rs. In Crores)			
Item	RE 2024-25	Actuals 2024-25	Shortfall
Pension	19,306	18,228.71	1,077.29
Bharat Net	6,500	3,995.01	2,504.99
OFC Network for Defence Services	1,315.96	446.23	869.73
NICF (NCA-F) building	24.58	18.94	5.64
Production Linked incentive Scheme	1,450.97	843.93	607.04
International Co-operation	192.90	135.49	57.41

Reasons for less expenditure under various schemes/ projects is as under:

1) DBN Schemes:

The budgetary estimates for Digital Bharat Nidhi prepared on the basis of physical targets of Schemes and funds are being disbursed on the basis of physical progress and as per the Terms and Conditions of the Agreement signed with DBN's Implementers. Digital Bharat Nidhi supports schemes in areas where operators on their own commercial incentives do not find it viable due to difficulties in execution and low returns. There are many challenges in implementation of these projects like- widely dispersed locations across remote corners of the country, difficult terrains (including Hilly/ Rocky), difficulty in access of locations, Left Wing Extremism (LWE) affected areas, Right of Way (RoW) issues, lack of infrastructure and skilled labor, difficulties in communication and transportation etc. The challenges are being overcome by proper planning, coordination with all stake holders, constant discussions with DoT field units, State/UT Administration and Forest Department. To fast-track approval of RoW issue, the process has been made online. Further, regular review meetings are being carried out with concerned Central/State Agencies and other stake holders to resolve any issues. Additional steps like appointment of Third-Party Audit, setup of Project Monitoring Unit, Online Project Monitoring Information System, has been taken by the DBN.

i. Amended Bharat Net Programme: Bharat Net project is being implemented in a phased manner to provide broadband connectivity to all the Gram Panchayats (GPs) and villages, including tribal areas. The infrastructure created under Bharat Net project is a national asset, accessible on a non-discriminatory basis to the Service Providers, and the same can be utilized to provide broadband services through FTTH connections, leased lines, dark fibre, backhaul to mobile towers, etc.

The Union Cabinet accorded its approval on 04.08.2023 regarding Amended Bharat Net Programme to provide high speed broadband connectivity to all inhabited villages in the country. The salient features are:

The Amended Bharat Net Programme targets to provide high speed broadband connectivity to all inhabited villages in the country. The Project will be fully funded through Digital Bharat Nidhi (DBN), DoT at an estimated cost of INR 1,39,579 crore. The amount is Rs 1.88 lakh crores including the outlay for Phase-I and Phase-II. BSNL has been appointed as Project Management Agency (PMA) for ABP. BSNL has put notice inviting tender (NIT) for selection of Project Implementing Agency (PIA) for Development (creation, upgradation, operation & maintenance) of middle mile network of Bharat Net on Design Build Operate and Maintain (DBOM) model for sixteen packages on 15.02.2024

ii. The status of implementation of ABP:

- i. Technical and Financial bids are opened. Advance work order has been issued by PMA i.e. BSNL for Twelve Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal, Andaman and Nicobar, MP, Uttaranchal & J&K, Ladakh, Karnataka, Puducherry, Goa, NE-II (Arunachal Pradesh, Manipur, Nagaland), Kerala and rest are under process. Out of which, Agreement has been signed by BSNL for Six Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal and Andaman and Nicobar).
- ii. RFP for C-NoC was released on 01.01.2025 and BSNL has issued amendment on 28.03.2025 and Last date of Bid submission is 19.05.2025.

iii. Measures taken for effective implementation of ABP:

- a. For the overall stock of Bharat Net implementation status, resolution of issues and inter agency coordination, etc., Empowered Committee for ABP have been constituted.
- b. For the review and monitoring of Bharat Net Project execution / O&M / Utilization and related issues, resolving operational, contractual issues etc., Steering Committee for Amended Bharat Net Programme has been constituted.
- c. BSNL has been appointed as Project Management Agency (PMA) for this Program and shall select Project Implementing Agency (PIA), who shall implement this program on Design, Build, Operate & maintain (DBOM) model through competitive bidding and shall maintain network for Ten years.
- d. Vide DBN letter dated 10.01.2025, Ministries/Department, State/UTs, were requested to issue necessary directions to all concerned stakeholders; to grant RoW permission for expeditious rollout and faster implementation of ABP in their state/UT.
- e. To ensure periodic monitoring and expeditious implementation of ABP, PMA is developing the Project Monitoring Tool which inter-alia includes milestone details & achievement, inventory management, etc.

Several measures to streamline internal processes and improve fund disbursement mechanisms have been taken by DBN. This includes the introduction of standardized documentation, clearer evaluation timelines, and simplified administrative procedures to ensure timely approvals and reduce turnaround time.

2) OFC Network for Defence Services

As submitted by BSNL, fund requirement of Rs.1315.96 Crore was sent for 2024-25 in anticipation that payment milestones would be achieved, and vendors would submit milestone wise invoices. BSNL has further submitted that there is a delay in achieving milestones for certain projects. It was expected that all UNMS building (13) would be completed and all equipment to be installed in these building and integrated and

payment would be released. But still 4 main buildings are yet to be completed. Similarly, under DWDM Project, BSNL has stated that it was anticipated that Regional and National Acceptance testing will be completed, and respective payment milestones would be achieved but DWDM is a Tri-Service component and India Air Force is yet to sign the AT certificates.

3) NCA-F (Formerly NICF) building

- (i) Release of funds was based on revised amount as intimated by CPWD.

4) Production Linked Incentive (PLI) Scheme

- i. The reported utilization appears low primarily because companies are required to submit their claims based on audited financial statements, which are typically filed in December of the following financial year. Consequently, disbursements are concentrated towards the end of the financial year.
- ii. In the FY 2024-25, DoT has disbursed Rs. 843.95 Cr, around 58% of the RE(not 8%).
- iii. It is also submitted that the BE/ RE figures are based on the incentive against the sales forecast given by the companies at the time of initial approval. However, actual incentives vary depending on actual sales achieved by PLI company. Actual sales of the companies depend on various market forces and orders received by companies.

5) International Co-operation

An amount of Rs. 135.49 Cr against RE 2024-25 of Rs. 192.90 Cr i.e **70.24 %** has been utilized in International Co-operation. The reason for the shortfall is mentioned below:

- I. The expenditure of WTSA in F.Y. 2024-25 was about Rs. 109 crore instead of the envisaged Rs. 132 crore due to changes in rental policy of ITPO and advance payment of amount Rs. 4.85 crore to ITPO in FY 2023-24. Further, no other envisaged International Conference could take place in F.Y. 2024-25.
- II. Some bills of WTSA related activities are still under process and could not be cleared by March 2025.
- III. As per the Host Country Agreement a contribution of Rs. 14 Cr. approximately, has to be given to the ITU in the current financial year for the Biennial contribution to ITU for the establishment of ITU Area Office and Innovation Centre, New Delhi. However, as per the terms and conditions of HCA, ITU Area Office and Innovation Centre has submitted the invoice for the contribution of CHF 501170.05 (Rs. 4,94,48,740/-) after adjusting the unutilized amount by ITU from the previous contribution.
- IV. A formal rent agreement was finalized on 4th March 2025 regarding the expenditure for the rental amount of the ITU Area Office and Innovation Centre in the campus of C-DOT, New Delhi. The finalized rental rates were

significantly lower than the earlier estimated rates, leading to a reduced expenditure. Payments were made as per the revised rates, after adjusting the excess amount paid in the previous financial year.

V. Due to Exchange Rate fluctuations.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No.8)

Strengthening Fund Absorption Capacity in R&D and the PLI Scheme

The Production Linked Incentive (PLI) Scheme, meant to boost telecom manufacturing, has seen only 8% utilization, raising concerns about low industry participation. Similarly, research and development allocations, such as DBN R&D – TTDF , the RE for FY 2024-25 was Rs 200 cr, the expenditure till 07.02.2025 is Rs. 99 cr i.e., less than (50%) only. The Committee recommend the DoT to review and revamp the PLI Scheme's disbursement model in order to ensure that funds reach eligible manufacturers on time. The eligibility criteria may be simplified, and incentive structures be strengthened to encourage maximum MSMEs to participate in telecom equipment production. Additionally, the Committee recommend for wider collaboration with academic institutions and startups to accelerate telecom R&D and also ensure that funds allocated for innovation and larger productivity are fully utilized within the fiscal year.

Reply of the Government

Status for PLIA.) Status of BE, RE and utilization for the FY2024-2025:

Under the Production Linked Incentive (PLI) Scheme for telecom and networking products, the status of BE, RE and utilization for the FY2024-2025 is as below:

(In Rs. Crore)

Scheme	BE	RE	Utilization during FY 24-25
PLI Scheme for Telecom and Networking Products	1806.34	1450.97	843.93

During the current financial year (FY), the utilization under the PLI Scheme has been around 58% of RE.

B.) Steps taken to address utilisation of fund and encourage MSMEs participation:

- To enhance utilisation of funds, Department modified scheme guidelines and introduced quarterly disbursement of incentives. Quarterly disbursement of

incentives will improve cash flow of companies and enable them to be more competitive.

- ii. To avoid any delay in disbursement of incentive, the Department has framed Standard Operating Procedure (SOP) for processing of claims made by companies.
- iii. The process for disbursement of incentive is done through an online system ensuring monitoring of claims by the Ministry/Department. The scheme, including the disbursement of incentives, is also subjected to regular oversight at higher levels within this Department, the Department for Promotion of Industry and Internal Trade and the Empowered Group of Secretaries.
- iv. There is provision of 1% higher incentive for MSME for first 3 years to encourage participation of MSMEs.
- v. Out of total 42 approved beneficiaries, 28 companies are MSMEs.

Status for TTDF During FY 2024-25, Rs. 200 cr have been allocated as RE against which Rs. 160.07 crore have been disbursed.

Several measures to streamline internal processes and improve fund disbursement mechanisms have been taken by DBN. This includes the introduction of standardized documentation, clearer evaluation timelines, and simplified administrative procedures to ensure timely approvals and reduce turnaround time.

To further enhance fund absorption and strengthen the impact of indigenous telecom R&D, Department is actively working towards expanding the scope of the TTDF scheme by launching new program verticals and supporting a wider range of projects. Additional calls for proposals are being planned in strategic technology areas to enable greater participation from startups, academic institutions, and industry. This will ensure broader outreach and more inclusive innovation in line with national priorities. Further, the TTDF division has launched a real-time dashboard to effectively monitor the progress of the approved projects so that timely measures are taken to eliminate bottlenecks.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 9)

Quarterly Expenditure Monitoring and Flexible Reallocation Mechanism

As per details furnished by the Department during FY 2024-25 out of the RE of Rs 72,028 cr for Revival plan of BSNL and MTNL, Rs 10,228 cr has been spent till 07.02.2025 amounting to just 14 percent fund utilization. While the expenditure under CAPEX for RE 2024-25 was Rs 8609 cr, the full amount has been spent till 07.02.2025 and under the Head ,spectrum cost, out of Rs 61,799.62 cr , NIL amount has been spent. The Department have stated that an amount of Rs. 61,799.62 crores pertaining to Capital infusion of BSNL(for spectrum allocation) will be utilized in the month of March, 2025.

Examining the submissions by the Department the Committee find that certain projects, such as the Revival Plan for BSNL & MTNL, show full utilization in some areas but at the same time non- underutilization in others (e.g., Spectrum Cost 0%, AGR dues 100%). This highlights the need for better budgetary planning and real-time fund reallocation to avoid fund stagnation in unutilized areas. The Committee recommend for the institutionalization of a quarterly expenditure review mechanism to identify non-utilized funds and undertake proactive reallocation to high-priority projects like Bharat Net, Defence OFC, and the PLI Scheme. This review may be conducted in collaboration with the Ministry of Finance, enabling real-time corrective measures rather than hasty year-end reappropriations. The Committee also recommend for creating an expenditure dashboard that tracks fund utilization across all major schemes, ensuring full transparency and accountability so that telecom infrastructure projects achieve their intended goals within the allocated timeframe, wipe out financial inefficiencies, and strengthen India's digital and strategic communication capabilities.

Reply of the Government

In this regard it is submitted that expenditure utilisation is being monitored on a regular basis (Quarterly/ monthly) at the highest levels viz Secretary(T) and Member(F). All divisions discuss the pace of projects under them as well as expenditure plan for these project. Divisions are also advised to pace their expenditure throughout the year rather than utilising the same towards the fag end of the year. Project/ Scheme wise inputs are given below:

Capital Infusion in BSNL

During FY 2024-25, BSNL has been allocated RE of Rs. 72,028 Crore details of which is as under:

Capital Infusion in BSNL (FY 2024-25)		
Sl. No.	Particulars	Amt. (Rs. Crore)
1	AGR Dues	1,619.03
2	CAPEX	8,609.00
3	Spectrum Charges	61,799.62
	Total	72,027.65

There has been a delay in 4G roll out in BSNL, however in the CAPEX meeting with DOT, it was decided to utilize CAPEX support toward spectrum in the current financial year itself up to March-25. Spectrum Payment of Rs. 61,711.99 Crore was received on 21.03.2025 and was subsequently paid on 02.04.2025 after receipt of DoT approval of “acceptance of right issue “on dated 01.04.2025.

Further, monitoring of CAPEX is being done at regular intervals by BSNL and the same has been regularly reported to DoT at the Dashboard Levels during the year

PLI

Under the Production Linked Incentive (PLI) Scheme for telecom and networking products, the status of BE, RE and utilization for the FY2024-2025 is as below:

(In Rs. Crore)			
Scheme	BE	RE	Utilization during FY 24-25
PLI Scheme for Telecom and Networking Products	1806.34	1450.97	843.93

During the current financial year (FY), the utilization under the PLI Scheme has been around 58% of RE.

DBN

With regard to above observation of Committee, it is submitted that to ensure periodic monitoring and expeditious implementation of ABP, PMA is developing the Project Monitoring Tool which inter-alia includes milestone details & achievement, inventory management, etc. Additional steps like setup of Project Monitoring Unit, Online Project Monitoring Information System, has been taken by the DBN.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 10)

Bharat Net project is being implemented in a phased manner to provide broadband connectivity to all Gram Panchayats in the country. Under the project, network infrastructure is being created in partnership with States and the private sector as a national asset for Broadband Highways, accessible on a non-discriminatory basis, to provide affordable broadband services to citizens and institutions in rural areas,. According to the Department, the remaining work of Bharat Net Phase-I and Phase-II is expected to be completed in current financial year i.e., 2024-25.

The Phase-I of the project has been implemented through GPON (Gigabit Passive Optical Network) technology by using existing fibre of Central Public Sector Undertakings (CPSUs) - Bharat Sanchar Nigam Limited (BSNL), RailTel Corporation Limited (RailTel) and Power Grid Corporation of India Limited (PGCIL) for laying underground incremental fibre to bridge the connectivity gap up to the GPs. The Phase-I was completed in December 2017 with the implementation of over 1 lakh GPs. Subsequently, the scope of Phase-I has been enhanced to the revised work-front of about 1.20 lakh. As on 20.01.2025 by laying 3,12,449 km Optical Fibre Cable (OFC), total 1,20,179 GPs have been made Service Ready under Phase-I (Revised work front).

For expediting the implementation of Bharat Net, the Department has submitted that a modified strategy was approved by Cabinet on 19.07.2017 at an estimated cost of Rs. 42,068 crore, which provides an optimal mix of media (OFC/Radio/satellite) to connect Gram Panchayats (GPs), multiple implementation models - State-led Model, Private Sector through BBNL and CPSU Model through BSNL/PGCIL, provision of Last Mile connectivity (e.g. through Wi-Fi) in GPs, etc. As on 20.01.2025 under Bharat Net Phase II, by laying 3,80,250 km of Optical Fibre Cable (OFC), 89,112 GPs have been made Service Ready. Further, 5,032 GPs have been made Service Ready on Satellite media. In total, 94,144 GPs have been made Service Ready under the Bharat Net under Phase-II in the Country.

On the overall progress of Bharat Net (Phase-I + Phase-II), the Department have informed that 2,09,291 GPs have been made Service Ready on OFC media by laying 6,92,699 km of Optical Fibre Cable (OFC) as on 20.01.2025. Further, 5,032 GPs have been made Service Ready on Satellite media. Total 2,14,323 GPs have been made Service Ready under the Bharat Net project in the Country.

The Department have further stated that Bharat Net connectivity in remaining 47,000 GPs (including satellite GPs) has been planned under Amended Bharat Net Programme for which RFP is under progress in BSNL. The Committee observe that the implementation of Bharat Net Project has faced challenges on account of covering difficult terrains (including Hilly/Rocky), Right of Way(RoW) issues and also difficulty in accessing Left Wing Extremism (LWE) affected areas resulting in shortfall of targets fixed. Hence it is being continuously revisited and revised. The Committee desire the RFP to be completed in a time bound manner. They hope that the measures taken to address the above issues would enable effective implementation of the Project and achieve the intended targets. The Committee may be apprised of the outcomes of the efforts of the Department.

Reply of the Government

Bharat Net project is being implemented in a phased manner to provide broadband connectivity to all the Gram Panchayats (GPs) and villages, including tribal areas. The infrastructure created under Bharat Net project is a national asset, accessible on a non-discriminatory basis to the Service Providers, and the same can be utilized to provide broadband services through FTTH connections, leased lines, dark fibre, backhaul to mobile towers, etc.

Status of Bharat Net Phase-I and II: Regarding the overall progress of Bharat Net (Phase-I + Phase-II), 2,09,291 GPs have been made Service Ready on OFC media by laying 6,93,281 km of Optical Fibre Cable (OFC) as on 05.05.2025. Further, 5,034 GPs have been made Service Ready on Satellite media. Total 2,14,325 GPs have been made Service Ready under the Bharat Net project in the country.

The Union Cabinet accorded its approval on 04.08.2023 for Amended Bharat Net Programme to provide high speed broadband connectivity to all inhabited villages in the

country. The Amended Bharat Net Programme targets to provide high speed broadband connectivity to all inhabited villages in the country. The Project will be fully funded through Digital Bharat Nidhi (DBN), DoT at an estimated cost of INR 1,39,579 crore. The amount is Rs 1.88 lakh crores including the outlay for Phase-I and Phase-II. BSNL has been appointed as Project Management Agency (PMA) for ABP.

Present Status of Amended Bharat Net Programme:

- i. Technical and Financial bids are opened. Advance work order has been issued by PMA i.e. BSNL for Twelve Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal, Andaman and Nicobar, MP, Uttaranchal & J&K, Ladakh, Karnataka, Puducherry, Goa, NE-II (Arunachal Pradesh, Manipur, Nagaland), Kerala and rest are under process. Out of which, Agreement has been signed by BSNL for Six Packages (namely UP(E), UP(W), Himachal Pradesh, Punjab, Bihar, West Bengal and Andaman and Nicobar).
- ii. RFP for C-NoC was released on 01.01.2025 and BSNL has issued amendment on 28.03.2025 and Last date of Bid submission is 19.05.2025.

Measures taken for effective implementation of ABP:

- a. For the overall stock of Bharat Net implementation status, resolution of issues and inter agency coordination, etc., Empowered Committee for ABP have been constituted.
- b. For the review and monitoring of Bharat Net Project execution / O&M / Utilization and related issues, resolving operational, contractual issues etc., Steering Committee for Amended Bharat Net Programme has been constituted.
- c. BSNL has been appointed as Project Management Agency (PMA) for this Program and shall select Project Implementing Agency (PIA), who shall implement this program on Design, Build, Operate & maintain (DBOM) model through competitive bidding and shall maintain network for Ten years.
- d. Vide DBN letter dated 10.01.2025, Ministries/Department, State/UTs, were requested to issue necessary directions to all concerned stakeholders; to grant RoW permission for expeditious rollout and faster implementation of ABP in their state/UT. Govt. of Bihar and Andaman & Nicobar administration endorsed the DBN instructions of RoW to the concerned authorities under their control.
- e. To ensure periodic monitoring and expeditious implementation of ABP, PMA is developing the Project Monitoring Tool which inter-alia includes milestone details & achievement, inventory management, etc.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 11)

Increasing Bharat Net Utilization through Targeted FTTH Expansion and Rural Digital Services

The Committee have been informed that as of January 2025, **only 12.24 lakh Fiber-to-the-Home (FTTH) connections** have been activated. Similarly, while **1,04,574 Gram Panchayats (GPs) have installed Wi-Fi hotspots**, actual rural broadband penetration remains low. The Committee note that despite Bharat Net's infrastructure rollout, utilization remains a challenge. *In order to ensure optimum utilization of **Bharat Net Utilization through Targeted FTTH Expansion and Rural Digital Services**, the Committee recommend that* the Department should launch an **Incentivized Rural Digital Adoption Programme** under Bharat Net Udyami, offering subsidies or revenue-sharing models for local entrepreneurs to set up and manage FTTH and Wi-Fi services. Additionally, a **mandatory digital integration policy** should be introduced, ensuring that all government institutions (schools, PHCs, post offices, etc.) actively use Bharat Net for e-governance, telemedicine, and digital education, thereby increasing real-time data consumption and network usage. Further, as per the Amended Bharat Net Programme approved by the Union Cabinet on 04.08.2023, it is proposed to provide 1.5 crore rural home fibre connections distributed across all States/UTs with priority to cover Government institutions including schools, Primary Health Centers, Anganwadis, Panchayat offices etc., using the BNU model over the next five years. In this context, the Committee desire to be updated with the latest achievements related to the project.

Reply of the Government

- i. Under the pilot project for provisioning of FTTH with subsidy support by DBN, BSNL has provisioned 5 lakh net FTTH connections to rural households, govt. institutions, private organizations and others, using Bharat Net network. All these connections have been provided through Bharat Net Udyami (BNU) model, by engaging rural entrepreneurs, in rural areas by utilising Bharat Net infrastructure.
- ii. Meanwhile the construction of Bharat Net network in ring topology including upgradation of the existing network has also been initiated under Amended Bharat Net Programme by BSNL. So far, the Utilisation has been low owing to limited geographical coverage over Bharat Net network and also not-so-good uptime due to network being in linear topology.
- iii. With above robust and reliable network and through increased geographic coverage of network, it is expected to provide digital connectivity to more and more Institutions and households, enabling them to use the digital infrastructure and boost their economic condition, as individual and society as a whole.
- iv. As per Amended Bharat Net Programme, 1.50 crore rural home fibre connections to be provide distributed across all States/UTs with priority to cover Government institutions including schools, Primary Health Centers, Anganwadis, Panchayat offices etc., using the BNU model over the next five years. BNU could be a village level entrepreneur, Internet Service Provider, Self Help Group (SHG), etc. Bharat Net

Udyamis (BNUs) will be used for providing and maintaining last-mile connectivity from village to household. BNUs will be given a one-time financial incentive for activating new home fibre connections. To incentivize continuity of services, BNUs will also receive a share of the monthly revenue. Under the ABP, subsidy support per home fibre connections comprises capital incentive (including OFC, Customer Premises Equipment, all other accessories etc.) and Support towards provision of Internet Lease Line (ILL) has been funded by DBN. Further, BSNL will ensure that ILL subsidy should entirely be passed on to the end customers, so that an affordable and subsidized tariff/ plan will be available to the rural customers. BSNL shall submit a self-certification to this effect on quarterly basis. Accordingly, an Agreement has been signed between DBN and BSNL on 09.04.2025 on utilization of Bharat Net network for providing rural home fibre connections under Amended Bharat Net Programme.

v. Further, in compliance to the Union Budget'2025-26 announcement [Para 42] i.e. "Provide the FTTH connections in Schools and PHCs in rural areas through Bharat Net network", BSNL has started to provide FTTH connections using Bharat Net, in coordination with State Govt. as per the details made available by Central ministry through DBN. These FTTH connections are being provided through Bharat Net Udyami partners under ABP. Similarly, efforts are being made to cover other Institutions in coordination with related Ministry/Departments and the State Governments.

vi. As on 15.04.2025, a total of 12,81,067 FTTH connections have been provisioned using Bharat Net.

vii. Further, BSNL in support with DBN, will make full efforts to coordinate with Govt. Department for providing FTTH connections under ABP. The FTTH connections will be provided in rural areas as per demand and network feasibility of Bharat Net network.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 12)

Enhancing Last-Mile Connectivity and Utilization in Rural Areas

The Department has set ambitious targets for Bharat Net and FTTH expansion; however, **last-mile connectivity and effective utilization remain key challenges**. As per the Department's submission, only **12.24 lakh FTTH connections** have been provided under Bharat Net as of January 2025, while the target for March 2026 stands at **18 lakh connections**. Similarly, the installation of **1,04,574 Wi-Fi hotspots across Gram Panchayats (GPs)** suggests that while infrastructure exists, its actual usage remains suboptimal. The **Committee note with concern** that despite the significant infrastructure rollout, Bharat Net's potential remains underutilized.

To address this gap and ensure widespread adoption, the Committee recommend the Department to introduce a **Last-Mile Connectivity Acceleration Program (LMCAP)** under **Bharat Net Udyami** with targeted interventions. This could include a **Localized**

Entrepreneurship Model, where rural entrepreneurs are empowered through a **Public-Private Partnership (PPP) model**, allowing trained local service providers to manage and expand FTTH and Wi-Fi networks under a revenue-sharing framework. Additionally, the Department could implement **Subsidized Internet Plans**, ensuring tiered broadband pricing to make internet access affordable for rural households while offering **free connectivity** to essential public institutions such as **schools, PHCs, Anganwadis, and police stations**. Furthermore, to drive sustained data consumption and maximize Bharat Net's impact, the Committee recommend **mandatory integration of all government services** in Bharat Net-covered areas, ensuring that e-governance, telemedicine, and digital education are **exclusively accessed via Bharat Net** leading to the transition of Bharat Net to **a catalyst for digital empowerment in rural India**.

Reply of the Government

- i. Under the pilot project for provisioning of FTTH with subsidy support by DBN, BSNL has provisioned 5 lakh net FTTH connections to rural households, govt. institutions, private organisations and others, using Bharat Net network. All these connections have been provided through Bharat Net Udyami (BNU) model, by engaging rural entrepreneurs, in rural areas by utilising Bharat Net infrastructure.
- ii. Meanwhile the construction of Bharat Net network in ring topology including upgradation of the existing network has also been initiated under Amended Bharat Net Programme in many States by BSNL and in more it will start shortly. So far, the Utilisation has been low owing to limited geographical coverage over Bharat Net network and also not-so-good uptime due to network being in linear topology.
- iii. With above robust and reliable network and through increased geographic coverage of network, it is expected to provide digital connectivity to more and more Institutions and households, enabling them to use the digital infrastructure and boost their economic condition, as individual and society as a whole.
- iv. As per Amended Bharat Net Programme, 1.50 crore rural home fibre connections to be provide distributed across all States/UTs with priority to cover Government institutions including schools, Primary Health Centers, Anganwadis, Panchayat offices etc., using the BNU model over the next five years. BNU could be a village level entrepreneur, Internet Service Provider, Self Help Group (SHG), etc. Bharat Net Udyamis (BNUs) will be used for providing and maintaining last-mile connectivity from village to household. BNUs will be given a one-time financial incentive for activating new home fibre connections. To incentivize continuity of services, BNUs will also receive a share of the monthly revenue. Under the ABP, subsidy support per home fibre connections comprises capital incentive (including OFC, Customer Premises Equipment, all other accessories etc.) and Support towards provision of Internet Lease Line (ILL) has been funded by DBN. Further, BSNL will ensure that ILL subsidy should entirely be passed on to the end customers, so that an affordable and subsidized tariff/ plan will be available to the rural customers. BSNL shall submit a self-certification to this effect on quarterly basis. Accordingly, an Agreement has been signed between DBN and BSNL on 09.04.2025 on utilization of Bharat Net network for providing rural home fibre connections under Amended Bharat Net Programme.

- v. Further, in compliance to the Union Budget'2025-26 announcement [Para 42] i.e. "Provide the FTTH connections in Schools and PHCs in rural areas through Bharat Net network", BSNL has started to provide FTTH connections using Bharat Net, in coordination with State Govt. as per the details made available by Central ministry through DBN. These FTTH connections are being provided through Bharat Net Udyami partners under ABP. Similarly, efforts are being made to cover other Institutions in coordination with related Ministry/Departments and the State Governments.
- vi. As on 15.04.2025, a total of 12,81,067 FTTH connections have been provisioned using Bharat Net.
- vii. Further, BSNL in support with DBN, will make full efforts to coordinate with Govt. Department for providing FTTH connections under ABP. The FTTH connections will be provided in rural areas as per demand and network feasibility of Bharat Net network.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

Comments of the Committee

(Please see Para No. 16 of Chapter I)

(Recommendation Sl. No. 13)

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

The Committee note that the Government has been implementing the Comprehensive Telecom Development Plan (CTDP) for the North-Eastern Region to enhance mobile connectivity in uncovered villages and along National Highways. Under this initiative, 2004 towers were initially planned for Assam, Manipur, Mizoram, Nagaland, Tripura, Sikkim, and Arunachal Pradesh. However, as of September 2024, 1,358 towers have been installed, covering 1,246 villages and 283 National Highway locations, while 372 sites were dropped due to pre-existing mobile coverage, migration of population, and other issues. Additionally, the project in Meghalaya, which initially covered 1,164 villages and 11 National Highway sites, underwent revisions due to site deletions and additions, leading to a revised scope of 442 sites covering 637 villages and three National Highway locations. The rollout period, originally set for September 2022, has been extended multiple times and is now targeted for completion by March 2025. Further, the project for providing mobile services in Arunachal Pradesh and two districts of Assam is underway, covering 1,683 villages in Arunachal Pradesh and 691 villages in Assam, with an extended deadline of March 2025.

In light of the challenges in the North-Eastern Region, the Committee recommend the Department to expedite the resolution of forest and defense clearance issues by establishing a dedicated inter-Ministerial task force. Additionally, given the region's difficult terrain, satellite-based connectivity and innovative technologies such as High-Altitude Platform Stations (HAPS) may be explored to provide seamless coverage. The

Committee further recommend for closer collaboration with State Governments to ensure land availability and prevent further delays in tower installation. Additionally, the sustainability of these projects should be ensured by promoting community-based management of telecom infrastructure, integrating digital inclusion programmes, and enabling partnerships with local entrepreneurs to provide digital services.

Reply of the Government

Digital Bharat Nidhi supports schemes in areas where operators on their own commercial incentives do not find it viable due to difficulties in execution and low returns. The challenges are being overcome by proper planning, coordination with all stakeholders, constant discussions with DoT field units, State/UT Administration and Forest Department. To fast-track approval of RoW issue, the process has been made online. Further, regular review meetings are being carried out with concerned Central/State Agencies and other stakeholders to resolve any issues. Additional steps like appointment of Third-Party Audit, setup of Project Monitoring Unit, Online Project Monitoring Information System, has been taken by the DBN. The progress of CTDP NER Schemes are as under:

1. Mobile Services in Uncovered villages in Assam, Manipur, Mizoram, Nagaland, Tripura, Sikkim, and Arunachal Pradesh (National Highways only) of NER and seamless coverage along National Highway (NESA): The extended roll out period of the project was October, 2020. All 1,358 feasible sites have been installed covering 1246 villages and 283 National Highways sites in the project. The project construction phase is over and now project is in O&M phase. Remaining villages and National Highway sites could not be covered due to various reasons, such as villages already found covered, pending Forest/Defence clearance, villages not accessible, land record issues, villages washed out, villages not found, etc. It is mentioned that all remaining uncovered villages of NER are planned to provide 4G mobile coverage under DBN funded mobile projects.
2. Mobile Services in Meghalaya: - As on 30.04.2025, w.r.t. mobile services in uncovered villages of Meghalaya and seamless coverage across National Highways, 436 sites covering 626 villages & 3 NH locations have been commissioned out of 442 sites planned to cover 633 villages and 3 NH locations.
3. Mobile Services in Arunachal Pradesh and Two District of Assam: - Under mobile services in uncovered villages of Arunachal Pradesh & 2 District of Assam Scheme, till April 2025, in Arunachal Pradesh 468 sites have been installed and commissioned covering 926 villages out of executable scope of 531 towers to cover 1042 villages. In two Districts of Assam, 222 sites have been installed and commissioned covering 303 villages.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 14)

Comprehensive Telecom Development Plan for Islands

The Committee note that under the plan for Andaman & Nicobar Islands, 82 towers were to be set up for mobile services in 85 uncovered villages, along with 42 towers to bridge gaps in mobile connectivity along NH-4 (formerly NH-223). While the project faced delays due to logistical issues, forest permissions, and land constraints, 66 sites have been commissioned so far. Additionally, the Submarine Optical Fibre Cable (OFC) project connecting Kochi to Lakshadweep was completed and dedicated to the nation on January 3, 2024, with a total estimated route length of 1,772 km and a financial implication of ₹1,072 crore. Further, the Department is supporting the augmentation of telecom infrastructure in Lakshadweep at a total cost of ₹62.86 crore, which includes upgrading 17 existing 2G towers to 4G, installing 20 new 4G towers, and creating a 225 km OFC network for Fiber-to-the-Home (FTTH) services.

The Committee observe that significant progress has been made under the telecom development initiatives in island territories, including the Andaman & Nicobar and Lakshadweep Islands. Given the strategic significance of these islands, the Committee recommend that the Department ensure timely completion of the remaining towers in Andaman & Nicobar by resolving pending permissions and land issues on priority. In Lakshadweep, the telecom expansion must be accompanied by measures to enhance resilience against extreme weather conditions, ensuring that infrastructure remains functional during cyclones and other natural disasters. The Committee further recommend integrating telecom expansion with the promotion of e-governance, digital healthcare, and remote education services in the islands to maximize the socio-economic benefits of enhanced connectivity. Moreover, to reduce dependence on mainland India for connectivity, localized satellite-based solutions should be explored to provide redundancy and enhance network reliability ensuring that the benefits of telecom expansion reach all uncovered regions, accelerating digital inclusion, economic development, and social empowerment.

Reply of the Government

Mobile Services in ANI: - After survey, the executable scope of this project is 88 4G towers. 41 of these towers are proposed to cover uncovered villages. 47 of these towers are planned along NH-4. 68 towers are commissioned.

Infrastructure Project in Lakshadweep: - An agreement has been signed with BSNL on 01.10.2024. 19 new 4G sites are working. 17 existing sites have been upgraded to 4G services. Laying of OFC network is complete and 7688 FTTH connections have been provided.

Further, Amended Bharat Net Programme has been approved by Cabinet in August 2023 under Design, Built, Operate and Maintain (DBOM) model, for upgradation of existing network of Bharat Net Phase-I and Phase-II, creation of network in balance GPs by Project Implementing Agencies (PIAs), Operation and Maintenance for 10 years and utilization. It will cover all non-GP villages (~3.8 lakh) on demand basis. BSNL has been

nominated as the Project Management Agency and APO issued by BSNL to PIA in package 9 for A&N and West Bengal.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

Comments of the Committee

(Please see Para No. 19 of Chapter I)

(Recommendation Sl. No. 15)

Aspirational Districts Scheme : Strengthening Implementation and Expediting Project Completion

According to the Department, the Aspirational Districts Scheme aims to provide 4G-based mobile services to 7,816 uncovered villages across nine States, with projects executed in two phases. The first phase covered 502 villages in Uttar Pradesh, Bihar, Madhya Pradesh, and Rajasthan, with agreements signed in March 2021 at a cost of ₹414 crore. However, as of the latest update, only 251 villages have been covered, with significant gaps in Rajasthan and Bihar. The second phase, covering 7,287 villages in Andhra Pradesh, Chhattisgarh, Jharkhand, Maharashtra, and Odisha, was awarded in May 2022 at ₹3,765.47 crore, but the project has faced delays, with only 3,804 villages covered so far. Security concerns and untraceable villages have further hindered progress in 540 locations.

Given the critical nature of mobile connectivity in rural and remote areas, the Committee recommend the Department of Telecommunications (DoT) to ensure strict adherence to project timelines, with regular milestone-based progress reviews. Since Rajasthan and Bihar have the largest implementation gaps in the first phase, a targetted strategy be devised to accelerate mobile connectivity in these States. Additionally, in security-sensitive areas, DoT may explore collaboration with local law enforcement agencies and State Governments to facilitate safe execution. To address issues of untraceable villages, an advanced geospatial mapping system be employed to verify locations before project initiation, ensuring that no planned sites remain unimplemented due to logistical challenges. The Committee also recommend that future projects incorporate a contingency buffer to account for unforeseen obstacles such as security threats, local resistance, and infrastructural gaps.

Reply of the Government

(a). 502 Aspirational District Project: Till April 2025, 95% works of the Project have been completed. Out of planned 250 towers, 237 mobile towers have been installed and providing mobile services to 274 villages.

(b). 7287 Aspirational District Project: Under the 7287 uncovered villages of Aspirational District Project (Phase-I), as on April, 2025, 5,430 villages planned for 4G

coverage by installation of 3,717 Towers and out of which 4,297 villages have been covered with 4G mobile services by installation & commissioning of 2,865 Towers. (77% done). Survey is pending at 388 villages due to security issues (229), Road Access & other issues (159) for which towers will be planned after survey. The rollout period of the project has been extended upto 19.05.2025 for M/s RJIL and M/s BAL.

To sort the issues matters have been taken up with respective State Governments, Centre State Coordination Meeting chaired by Secretary Coordination, MHA, PRAGATI meeting, MoEFCC for faster resolution. Further, regular meetings were also held under the Chairmanship of Secretary/Administrator (DBN) with the USPs, MHA and state Nodal of Police Department to expedite the issues faced by USPs in executing the work.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 16)

Strengthening Mobile Communication Services in LWE-Affected Areas

The Left Wing Extremism (LWE) Mobile Communication Scheme was launched to enhance connectivity in some of the most remote and conflict-prone regions of India. The scheme has been implemented in two phases:

LWE Phase-I: Achievements and Gaps

LWE Phase-I, approved in 2014 at a cost of ₹4,214.28 crore, led to the successful installation and commissioning of **2,343 mobile towers** across **10 States**. However, the project initially provided only **2G services**, limiting its effectiveness in delivering essential digital services such as e-governance, telemedicine, and financial inclusion. As part of an upgradation plan, **297 towers have been upgraded to 4G as of December 2024**. While **Chhattisgarh has made significant progress (223 out of 525 sites upgraded)**, other states like Telangana (0 upgrades), Bihar (only 3 upgrades out of 250 sites), and Uttar Pradesh (only 1 upgrade out of 78 sites) have seen minimal improvements.

LWE Phase-II: Implementation Delays and Challenges

LWE Phase-II, approved in 2021 with a budget of ₹2,211.11 crore, aims to establish **2,542 4G towers** in the LWE affected regions. The project was awarded to **Reliance Jio (Chhattisgarh, Madhya Pradesh, Maharashtra, Odisha) and Bharti Airtel (Andhra Pradesh, Bihar, Jharkhand, Telangana, Uttar Pradesh, West Bengal)**. However, implementation has been delayed, with the completion deadline now extended from **March 2023 to May 2025**.

Out of **1,289 towers in the revised scope**, only **1,106 have been commissioned**, reflecting a **delay in 183 locations**. States like **Bihar, Jharkhand, Telangana, Uttar Pradesh, and West Bengal** have significantly lower tower

deployment rates. The Committee are concerned to note that **Uttar Pradesh and West Bengal which have zero towers commissioned despite being included in the scheme.** Additionally, **153 locations are pending for survey due to security concerns.**

The Committee recommend the Department of Telecommunications (DoT) to accelerate the upgradation of 2G sites to 4G under LWE Phase-I, particularly in states like Bihar, Telangana, and Uttar Pradesh, where progress has been abysmally slow. To achieve this, State-wise targets and strict deadlines should be set, with priority given to regions facing the most significant delays. Special interventions be made in areas where telecom operators encounter site expansion challenges. Additionally, for LWE Phase-II, where delays persist in States like Bihar, Jharkhand, Telangana, Uttar Pradesh, and West Bengal, DoT may strengthen accountability by conducting monthly review meetings with service providers and forming State-level task forces to expedite approvals and resolve bottlenecks in project execution.

The Committee observe that security challenges have significantly hindered survey and implementation in 153 locations, delaying project timelines. The Committee recommend that DoT, in coordination with the Ministry of Home Affairs (MHA), formulate a Standard Operating Procedure (SOP) for infrastructure deployment in LWE-affected areas. A joint action plan with State police and paramilitary forces be developed to secure project sites, particularly in high-risk zones like Chhattisgarh, Jharkhand, and Odisha. In addition, DoT may explore alternative connectivity solutions, such as satellite-based mobile communication, in regions where traditional tower installation is impractical due to security risks or geographical constraints.

Beyond infrastructure deployment, ensuring affordability and service quality is essential for the success of the project. The Committee recommend that telecom providers be mandated to offer affordable prepaid plans in LWE districts to ensure accessibility for rural populations. Furthermore, a third-party audit mechanism be introduced to monitor network uptime, service quality, and coverage, preventing service disruptions. Future projects may invariably consider 5G readiness to enable seamless upgradation without requiring extensive infrastructure overhauls. By implementing above measures, the Committee hope that the Government can ensure improved mobile connectivity in LWE regions which could contribute to economic growth, governance, and security enhancement.

Reply of the Government

LWE Phase-I:- Under the LWE Phase-I upgradation Scheme, as on April, 2025, 597 towers have been upgraded to 4G. State wise details are as under:

S. No.	State	Sites providing services (2G)	Sites upgraded to 4G
1	Andhra Pradesh	62	59
2	Bihar	250	5

3	Chhattisgarh	525	361
4	Jharkhand	816	35
5	Madhya Pradesh	22	5
6	Maharashtra	65	6
7	Odisha	256	109
8	Telangana	173	6
9	Uttar Pradesh	78	1
10	West Bengal	96	10
Total		2343	597

LWE Phase-II: Under LWE Phase-II scheme, as on April 2025, 1373 locations planned for 4G coverage by installation of 1309 Towers and out of which 1186 locations have been covered with 4G mobile services by installation & commissioning of 1129 Towers. (86% done).

Survey is pending at 116 locations due to security for which towers will be planned after survey.

Tower locations where survey is pending due to Security issue, USP has been directed to conduct survey with the support from State Police Nodal Officer appointed by MHA.

DoT already taken up the issues with Ministry of Home Affairs for security related issues and concerned state Govt. for overall issues in the scheme. Weekly review meeting is being held at the highest level in DoT with implementing agencies.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 17)

Bridging the Digital Divide: Strengthening Tele-Density Through Targeted Financial and Policy Measures

The Committee note that, based on the data provided by the Department as of 30.11.2024, India has a total of 1187.73 million telephone connections, comprising 527.47 million rural and 660.26 million urban connections. The overall teledensity stands at 84.36, with a significantly higher urban teledensity of 131.53 compared to rural teledensity at 58.23, highlighting the persistent digital divide. Furthermore, wireline teledensity remains low at 2.72, while wireless teledensity accounts for 81.65. In terms of market share, private service providers dominate the telecom sector, holding 91.28% of total telephone connections, whereas public sector undertakings (BSNL and MTNL) account for only 8.72%. Notably, Reliance Jio has the highest share of total connections at 40.21%, followed by Bharti Airtel at 33.17% and Vodafone Idea at 17.67%.

Given these insights, the Committee recommend that the Department intensify efforts to bridge the rural-urban teledensity gap by expanding affordable and high-quality telecom services in rural areas, particularly through Bharat Net and targetted subsidies

for rural connectivity. The Committee further emphasize the need to strengthen the wireline segment, especially for broadband expansion, by incentivizing fibre-based infrastructure deployment. Considering the declining market share of public sector telecom providers, the Committee urge the Department to formulate a strategic revival plan for BSNL and MTNL, focusing on service quality improvement, competitive pricing, and digital service integration. Additionally, given the dominance of private players, ensuring fair competition and consumer protection be prioritized through regulatory oversight, while also promoting indigenous telecom manufacturing to enhance sectoral resilience. The Committee are of the concerted opinion that the Government can ensure inclusive and equitable telecom growth and foster digital empowerment across all regions.

Reply of the Government

Following programs/projects have been executed in BSNL to bridge the the rural-urban teledensity gap .The details are as under.

- v) Bharat Net phase-I Project
- vi) Bharat Net phase-II Project
- vii) (Amended Bharat Net Programme) Bharat Net-phse- III Project
- viii) Bharat Net Utilization.

Bharat Net Phase-I

BSNL executed Bharat Net Project on behalf of BBNL in 17 Circles covering 1,04,173 GPs for establishment of an optical fibre based network for providing broadband connectivity to Gram Panchayats for Universal services to rural population of the country as proposed by Govt. of India.

The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages.

Status of the project as on 31.03. 2025

Total Work front (GPs + Block HQ)	: 1,04,173 GPs
Service Ready GPs	: 1,04,146 GPs (99.9%)
OFC Laid	: 2,54,798 KM

Bharat Net Phase-II

The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages.

The work of Bharat Net Phase –II was assigned to BSNL for M.P, U.P and W.B Circle (now Sikkim Circle) in non–EPC mode for 24,453 GP, where BSNL is executing the Project by calling separate tenders for supply and execution.

Status of Bharat Net-II Project as on 31.03.2025

Total Work front: 24,453 GPs

Service Ready 24,290GPs (99 %)

OFC LAID- 75,881 KM

Amended Bharat Net Programme: - Bharat Net-III Project

BSNL has been appointed as the single Project Management Agency (PMA) with overall responsibility inter-alia including bandwidth provisioning at block level, selection of professional agencies through competitive bidding for construction, upgradation, O&M and utilization of Bharat Net network. The cabinet has extended the scope of Bharat Net to all 6.4 lakh inhabited GPs/villages including upgradation of existing network of Bharat Net phase-I and II to build the network in uncovered GPs and O&M for 10 years.

Status of (Amended Bharat Net Programme) Bharat Net-III Project as on 31.03.2025

6. On behalf of Universal Service Obligation Fund (USOF), Department of Telecommunication, Government of India, BSNL has floated Tenders (16 Packages) for Design, Supply, Construction, Installation, Upgradation, Operation and Maintenance of middle mile network of Bharat Net vide Tender Enquiry no. MM/BNO&M/BN-T-791/2024 on 15-02-2024.
7. The evaluation of bids in the subject tender has already been concluded and award of work is in process.
8. The Agreements have been signed with the PIAs (Project Implementation Agency) with respect to the following six packages (out of 16 packages) of ABP Tender:
 - (vii) Package-3 (UP East) signed on 20.02.2025 with M/s RVNL
 - (viii) Package-6 (UP West) signed on 20.02.2025 with M/s RVNL
 - (ix) Package-8 (Himachal Pradesh) signed on 25.02.2025 with M/s ITI Ltd
 - (x) Package-9 (West Bengal and Andaman & Nicobar) signed on 25.02.2025 with M/s ITI Ltd
 - (xi) Package-12 (Punjab) signed on 19.02.2025 with M/s HFCL Ltd
 - (xii) Package-7 (Bihar) signed on 12.03.2025 with M/s Polycab India Ltd
9. Signing of agreement for following three packages, is under process:
 - (iv) Package-1 (M.P) with M/s NCC
 - (v) Package-5 (UKD) with M/s NCC
 - (vi) Package-13 (J&K) with M/s STL
10. The matter regarding award of work in remaining seven packages is under process of approval of competent authority.

Bharat Net Utilization:

- Under Bharat Net project Phase-I & Phase-II, the optical fibre network has been developed in rural areas.

- The infrastructure created under Bharat Net project is being utilized for provisioning of broadband/internet services through Wi-Fi Hotspots, Fibre to the Home (FTTH) connections, leased lines, dark fibre, backhaul to mobile towers, etc.

BSNL is proactively reaching to existing leftover copper based fixed line customers for upgradation to FTTH technology. BSNL is also adding value to the FTTH product offerings to improve the retention of existing customer base. BSNL is continuously improving its Urban and Rural tariff offerings for FTTH service.

BSNL has extended its FTTH reach in the country and has on boarded 41 Lakh+ customers in last 5-6 years across 3,000+ towns and 46,000+ panchayats in the country. Further, BSNL is upgrading its fiber penetration in all states through local entrepreneur tie-up for last mile customer services. BSNL is continuously improving its value propositions in higher value premium FTTH plans to increase FTTH revenue.

Phase IX.2 Project. For 4G mobile services

Based on the directions received from DoT & in line with the 'AtmaNirbhar Bharat' initiative of the Government of India, BSNL 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). Upon successful completion of PoC, the bidder will become eligible to participate in the 4G tender of BSNL.

BSNL issued 4G tender on 22.10.2022 for procurement of 1 lakh eNodeBs & associated core equipment's on PAN India basis including Delhi & Mumbai LSA of MTNL on turnkey basis under Phase IX.2 Project.

PO has been issued to M/s ITI (RQ) on 08.06.2023 for west Zone RAN, M/s TCS for Core Hardware in all zones and RAN in NZ+SZ+EZ & M/s CDOT for software of 4G Core for all zones on 22.06.2023.

Total 87,363 eNodeBs have been installed & 78,708 eNodeBs are on –aired upto 31.03.2025. The I& C of 1 Lakh eNodeBs is expected to be completed by June – 2025. Further, BSNL has planned additional 22,000 sites to cater the supply requirement under Phase IX.2 project.

The equipment being procured through BSNL 4G project is upgradable to 5G with software upgrade and minimal change of hardware. Total 38,825 sites to be upgraded to 5G after roll out of 4G services.

4G Saturation Project for mobile services in uncovered villages.

Provision of 4G in Uncovered villages across India: Union Cabinet approval has been received on 27-07-2022 for provisioning of 4G mobile services by covering 24,680 uncovered villages through 16,464 Mobile Tower sites in the country for 4G services. Provision is also there for additional 20% villages (4,936 villages/ 3,258 mobile towers) which are left out due to various reasons.

Mobile coverage for inhabited uncovered villages is provided by the Telecom Service Providers (TSPs) based on their techno-commercial viability.

- To bridge the digital divide, Government, through funding from Digital Bharat Nidhi (DBN), is implementing various schemes for expansion of telecom connectivity through installation of mobile towers in the rural, remote and border areas of the country.
- As of January '2025, out of 6,44,131 villages in the country (village data as per Registrar General of India), around 6,26,870 villages are covered with mobile connectivity.
- Bharat Net project is being implemented in a phased manner to provide connectivity to all the Gram Panchayats (GPs) for broadband services, such as Wi-Fi Hotspots, Fibre to the Home (FTTH) connections etc. Further, the Union Cabinet has approved Amended Bharat Net Programme for provisioning of connectivity to all GPs in the country in ring topology including upgrading existing network and connectivity to about 3.8 Lakh non-GP villages on demand basis.

For providing high bandwidth capacity internet/broadband connectivity and mobile services to remote & rural villages and islands in the country that currently lack coverage, a number of steps & projects have been taken up with funding from Digital Bharat Nidhi (DBN). Some of the projects have already been completed and many are under implementation. Details of the major projects are as follows:

- iv. Bharat Net project is being implemented in a phased manner to provide broadband connectivity to all the Gram Panchayats (GPs) and villages. The infrastructure created under Bharat Net project is a national asset, accessible on a non-discriminatory basis to the Service Providers, and the same can be utilized to provide broadband services, such as Fibre to the Home (FTTH) connections, leased lines, dark fibre, backhaul to mobile towers, etc. On 04.08.2023, the Union Cabinet has approved the Amended Bharat Net Programme (ABP) under Design, Built, Operate and Maintain (DBOM) model, for up-gradation of existing network of Bharat Net Phase-I and Phase-II, creation of network in balance 42,000 GPs (approx.), Operation and Maintenance for 10 years and utilization. The connectivity to remaining non-GP villages (about 3.8 lakhs) is proposed to be provided on demand basis from their respective GPs. BSNL will have target of providing 1.50 crore FTTH connections to households in next five years. BSNL has been nominated as the Project Management Agency. As of Apr-2025; 2,14,325 GPs have been made service ready under Bharat Net project in the country.
- v. For provision of high-speed internet/data and Mobile Services (including 4G) in remote & rural areas of the country, various targeted schemes/projects have been implemented. Comprehensive Telecom Development Plan (CTDP) for mobile connectivity in the North Eastern Region, Comprehensive Telecom Development Plan for Islands (Andaman & Nicobar and Lakshadweep Islands), Scheme for providing mobile services in Left Wing Extremism (LWE) affected areas, Schemes for providing mobile services in Aspirational Districts, Scheme for providing mobile services in the border villages and other priority areas, 4G Saturation scheme to provide mobile coverage in all uncovered villages etc.. The project for saturation of 4G mobile services for providing 4G mobile services in uncovered villages in

remote and difficult areas of the country is also under implementation. Till Apr-2025, 20,688 mobile towers have been commissioned in the country under various projects.

- vi. Commissioning of submarine optical fibre cable on 10.08.2020 between Chennai and Andaman & Nicobar Islands (2312 Km) for providing high speed internet/data connectivity to Andaman & Nicobar Islands. Commissioning of Submarine OFC connectivity between Mainland (Kochi) and Lakshadweep Islands (1869 km) (Total 11 Islands; Kavaratti, Kalpeni, Agatti, Amini, Androth, Minicoy, Bangaram, Bitra, Chetlat, Kiltan and Kadmath) on 03.01.2024. Creation of 225Km OFC network in Lakshadweep Islands for provision of FTTH & other services. These optical fibre cable projects have facilitated faster roll out of mobile services (4G/5G) and other high-speed data/internet services in the Islands.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

Comments of the Committee
(Please see Para No. 22 of Chapter I)

(Recommendation Sl. No. 18)

Enhancing Financial Utilization and Efficiency of PLI Scheme

The Committee note that under PLI Scheme the Actual expenditure till December 2024 is Rs 13.75 Cr out of RE Rs 1450.97 cr for FY 2024-25 and BE for 2025-26 is Rs 1965.50 cr. The Department during the oral evidence before the Committee deposed that the forecast investment for this Scheme is Rs.4,014 crore. For the current year, out of Rs.1,451 crore of RE, Rs.953 crore is likely to be spent. The Committee note that since both MSMEs and non-MSMEs are beneficiaries of the Scheme, the Department should ensure equitable distribution of funds, with targetted interventions to support MSMEs in accessing incentives. If any systemic issues are preventing full utilization, a mid-year review mechanism be established to reallocate funds where they are needed most, preventing non-utilization precious fund.

Additionally, the Department may focus on proactive engagement with industry stakeholders to ensure timely submission of claims and disbursement of incentives. Regular progress tracking and transparent reporting of fund utilization will help in identifying gaps early and taking corrective action, ensuring that the PLI scheme achieves its intended goal of strengthening domestic manufacturing. The Committee further recommend that the Department conduct a detailed assessment of the factors leading to under utilization and introduce measures to improve fund absorption. This could include streamlining disbursal processes and addressing procedural bottlenecks that may be delaying claims and reimbursements. The Committee hope that the Department will be able to utilize the funds allocated fully in the FY 2025-26.

Reply of the Government

i.) Under the Production Linked Incentive (PLI) Scheme for telecom and networking products, the status of BE, RE and utilization for the FY2024-2025 is as below:

(In Rs. Crore)			
Scheme	BE	RE	Utilization during FY 24-25
PLI Scheme for Telecom and Networking Products	1806.34	1450.97	843.95

ii.) The investment forecast by companies during the 5-year scheme period is Rs 4,014 Cr against which, as on 28.02.2025, companies have made an investment of Rs 4,046 Cr.

iii.) The companies are required to submit their claims based on audited financial statements, which are typically filed in December of the following financial year. Consequently, disbursements are concentrated towards the end of the financial year. In the FY 2024-25, DoT has disbursed Rs. 843.95 Cr, around 58% of the RE.

iv.) It is also submitted that the BE/ RE figures are based on the incentive against the sales forecast given by the companies at the time of initial approval. However, actual incentives vary depending on actual sales achieved by PLI company. Actual sales of the companies depend on various market forces and orders received by companies.

v.) Regarding Steps taken to ensure timely submission of claims and disbursement of incentives:

- Regular meetings are held with PLI beneficiary companies to educate them and to resolve any queries related to submission of claims.
- The process for disbursement of incentive is done through an online system ensuring monitoring of claims by the Ministry/Department. The scheme, including the disbursement of incentives, is also subjected to regular oversight at higher levels within this Department, the Department for Promotion of Industry and Internal Trade and the Empowered Group of Secretaries.
- To avoid any delay in disbursement of incentive, the Department has framed Standard Operating Procedure (SOP) for processing of claims made by companies
- To enhance utilisation of funds, Department modified scheme guidelines and introduced quarterly disbursement of incentives. Quarterly disbursement of incentives will improve cash flow of companies and enable them to be more competitive.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 19)

Strengthening the Digital Intelligence Unit for Enhanced Cyber security

The Committee note that the Digital Intelligence Unit (DIU) project, with an outlay of ₹22 crore over five years, has played a crucial role in tackling cybercrime linked to the misuse of telecom resources. The Department has informed that the initiative has led to disconnection of over 2.8 crore fraudulent mobile connections and the freezing of more than 13 lakh WhatsApp accounts. The Committee find that while these achievements highlight the effectiveness of coordinated efforts, there is a need for further strengthening of the DIU through enhanced technological capabilities and greater integration with financial institutions and law enforcement agencies. The Committee recommend increasing investment in AI-driven threat detection systems and real-time data-sharing mechanisms to improve the speed and accuracy of identifying and preventing fraudulent activities.

Given the growing sophistication of cyber fraud, the Committee recommend that the Department of Telecommunications (DoT) work closely with the Ministry of Home Affairs (MHA) to establish a seamless, cross-sectoral response framework. A dedicated task force comprising telecom operators, cybersecurity experts, and digital payment regulators be formed to monitor emerging threats and proactively address vulnerabilities. Additionally, citizen participation is crucial in combating cyber fraud. Through the Sanchar Saathi portal has gained significant traction, with over 10.5 crore hits, the Committee opine that awareness campaigns and digital literacy programmes be expanded to rural and semi-urban areas to ensure that all citizens are equipped to report cyber threats effectively.

Furthermore, financial allocation for the DIU be reviewed periodically to ensure that resources match the evolving nature of cybercrime. A mid-term assessment of the project's impact be conducted to identify gaps in enforcement and suggest course corrections. The Government may also consider establishing a real-time grievance redressal mechanism to support victims of cyber fraud, ensuring that financial losses are minimized and perpetrators are swiftly brought to book and penalized. Strengthening DIU's operational capacity will not only protect citizens but also reinforce India's digital economy by ensuring a safer and more secure telecom ecosystem.

Reply of the Government

- i. *“The Committee note that the Digital Intelligence Unit (DIU) project, with an outlay of ₹22 crore over five years, has played a crucial role in tackling cybercrime linked to the misuse of telecom resources.”*

It is to bring to kind notice of Standing Committee that total outlay of DIU project is Rs 228.16 crore for 5 years.

- ii. *“The Committee find that while these achievements highlight the effectiveness of coordinated efforts, there is a need for further strengthening of the DIU through enhanced technological capabilities and greater integration with financial institutions and law enforcement agencies.”..... “Given the growing sophistication of cyber fraud, the Committee recommend that the Department of Telecommunications (DoT) work closely with the Ministry of Home Affairs (MHA) to establish a seamless, cross-sectoral response framework”.*

Collaboration with Stakeholders: DoT through its AI&DIU Wing is using technology for collaborating with various stakeholders of the ecosystem as follows.

- a. Digital Intelligence Portal (DIP) has been developed under DIU project for sharing of information related to misuse of telecom resources among the stakeholders for prevention of cyber-crime and financial frauds. About 560 organizations have been onboarded on DIP that include central security agencies, State/UT Police, Indian Cyber Crime Coordination Centre (I4C), GSTN, Banks, TSPs, WhatsApp etc. DIP works on API based integration and on near real time bidirectional information exchange with financial institution and law enforcement agencies.
 - b. DoT has been made part of various forums and review meeting being held by MHA for cyber frauds. DIP and system of I4C are integrated for bilateral information exchange.
 - c. DIP is accessible to Central LEAs and State/ UT police for bilateral information exchange. DoT through its field units is engaging with State/ UT police for action against the Point of Sales (PoS).
 - d. DoT is working in close coordination with RBI to consume the information being shared through DIP and integration for real time sharing by the regulated entities of the RBI. Further, DoT is also working with NPCI for building resilient information sharing mechanism.
- iii. *“The Committee recommend increasing investment in AI-driven threat detection systems and real-time data-sharing mechanisms to improve the speed and accuracy of identifying and preventing fraudulent activities.”.... “Furthermore, financial allocation for the DIU be reviewed periodically to ensure that resources match the evolving nature of cybercrime. A mid-term assessment of the project’s impact be conducted to identify gaps in enforcement and suggest course corrections.”*

Addendum DPR of DIU: A proposal has been undertaken for addendum to DIU project with total outlay of Rs 97.51 crore for procurement of on-premises infrastructure for enhanced technical capabilities activities, Strengthening DIU units in field offices through hired expert manpower and support infrastructure, better reach to citizens for Sanchar Saathi services through WhatsApp and awareness activities.

DIU units in field offices of DoT: DIU field units have been created in 8 field units of DoT in phase-I and will be expanded to all field units in phase-II.

The work handled by the DIU of DoT is of continuous nature and will require more funding going forward.

Regular Reviews: Regular reviews of the projects of DIU are being undertaken at different levels to enhance the capabilities through technological enhancement as well as financial needs.

- iv. *“Additionally, citizen participation is crucial in combating cyber fraud. Through the Sanchar Saathi portal has gained significant traction, with over 10.5 crore hits, the Committee opine that awareness campaigns and digital literacy programmes be expanded to rural and semi-urban areas to ensure that all citizens are equipped to report cyber threats effectively.”*

Awareness for Sanchar Saathi: DoT through various means is working to create awareness about Sanchar Saathi initiative:

- a. **SMS campaigns in English as well as regional languages.**
- b. Awareness through various portal of Government of India and collaboration with financial institutions.
- c. Social media handles of DoT.

Further inputs on awareness campaigns may also be taken from Media Wing.

- v. *“The Government may also consider establishing a real-time grievance redressal mechanism to support victims of cyber fraud, ensuring that financial losses are minimized and perpetrators are swiftly brought to book and penalized. Strengthening DIU’s operational capacity will not only protect citizens but also reinforce India’s digital economy by ensuring a safer and more secure telecom ecosystem”.*

Matters relating to Cyber Crime are under the Ministry of Home Affairs (MHA) as per allocation of the business rules. MHA has established the Indian Cyber Crime Coordination Centre (I4C) as an attached office to provide a framework and eco-system for Law Enforcement Agencies (LEAs) to deal with cyber-crimes. MHA has also launched the National Cyber Crime Reporting Portal- NCRP (<https://cybercrime.gov.in>) to enable public to report all type of cybercrimes.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 20)

Addressing Debt Burden and Financial Efficiency

The Committee note that the total outstanding debt of BSNL as of December 2024 stands at ₹17,301 crore, with a significant portion tied to Sovereign Guarantee Bonds and bank overdrafts. While the revival package provides some relief through deferred debt servicing and equity infusion, the long-term sustainability of BSNL requires a comprehensive debt management strategy. The heavy financial obligations not only impact operational flexibility but also limit the Company’s ability to make competitive

market decisions. It is crucial to restructure high-interest borrowings and explore avenues to refinance existing debt at lower interest rates to ease financial strain. Additionally, BSNL's employee remuneration and benefits for 2025-26 are projected at ₹8,422 crore, further adding to financial pressure.

In light of these observations, the Committee recommend that the Department undertake a structured debt management plan for BSNL, focussing on restructuring of high-interest borrowings and refinancing existing debt at lower interest rates to reduce financial liabilities. A phased asset monetization strategy be implemented, prioritizing the leasing or strategic sale of under utilized properties and non-core telecom infrastructure to generate immediate liquidity for debt reduction. The Government may also explore extending additional sovereign guarantees to enable BSNL to secure low-cost financing for critical infrastructure expansion without further burdening its balance sheet.

Furthermore, the Committee recommend that BSNL implement operational efficiency measures to optimize workforce deployment, enhance productivity, and promote digital automation in service operations. Cost-cutting initiatives such as process automation, AI-driven customer service platforms, and streamlining administrative functions be prioritized to reduce overhead expenditures while improving service quality. By aligning debt restructuring with strategic cost optimization, BSNL can enhance its financial stability, improve market competitiveness, and ensure that future investments contribute directly to profitability and long-term sustainability.

Reply of the Government

BSNL has undertaken a structured debt management plan & restructured high interest bank loan is as follows.

BSNL has raised sovereign guarantee bonds as tabulated below:

(Rs. In Crore)

Sr. No.	Issue Date	Particular	Amount of Bonds Outstanding	Rate of Interest (%)	Remarks
1	23.09.2020	BSNL SG Bonds Series-I	8,500	6.79	Guarantee fee of 1% (Rs. 85 crore) payable every year to DOT. Effective interest rate is 7.79%.
2	22.12.2022	BSNL SG Bonds Series-IIA	4,184.70	7.72	Guarantee fee waived off.
3	20.03.2024	BSNL SG Bonds Series-IIIA	475	7.55	Guarantee fee waived off.

4	20.03.2024	BSNL SG Bonds Series- IIIB	1,308	7.51	Guarantee fee waived off.
5	26.03.2024	BSNL SG Bonds Series- IIIC	276	7.51	Guarantee fee waived off.

With funds raised through sovereign guarantee bonds, BSNL has already restructured high interest bank loan(s) & as on date following amount of bank loan is outstanding:-

Sr. No.	Name of the Bank	Amount in (Rs.)
1	SBI	9,00,795
2	Canara	10,50,71,141
	Total	10,59,71,936

Further, BSNL is actively pursuing assets monetization through strategic sale of vacant lands as well as renting of vacant space. In the year, 2024-25 the monetization proceeds are approx. amounting to Rs. 1,120 crores which is utilized for debt service obligations.

BSNL implemented operational efficiency measures to optimize work force & enhance productivity is as follows.

In order to increase operational efficiency in BSNL in Post VRS scenario, due to significant changes InTechnology, business model and business processes in the last few years and looking at the current market scenario, Organizational Restructuring was approved by BSNL Board and sanctioned strength post VRS in various streams and grades was conveyed to the field units in Nov-2021.

The exercise of restructuring the organization was done where in number of initiatives were taken in the year from 2020 onwards as under:

- Reorganization of Business areas:- Under Organizational Restructuring, to utilize manpower in effective manner, Business areas were consolidated from 198 to 158 by restructuring of business areas.
- Non-Territorial Circles: - There were total 20 Non-Territorial circles pre VRS. These 20 circles have been reorganized into 9 circles.
- Reorganization of Structures: - The structures for all the Business areas (158 nos.), BSNL CO (01no.), Territorial circles (24 nos.), Metro Distt circles (2 nos.), Specialized circles (2 nos.) , Non-Territorial circles(9 nos.) in BSNL have been reorganized looking at current business requirement.
- Manpower Planning:- Post VRS, new Positional and Operational norms were framed from organizational Restructuring. Based on which manpower has been aligned & optimized in BSNL.

Presently, in order to meet the current business requirement, there is a need for rationalization of workforce for which the exercise to Review the organizational restructuring in BSNL has already been initiated and is under process.

BSNL has implemented Cost-cutting initiatives such as process automation. AI driven customer service platform in order to reduce the overhead expenditure. The details are as under.

BSNL is outsourcing its maximum customer service centres to partners for its operation to reduce BSNL workforce expenditures and also using automatic payments collection and AI driven chatboat is in process.”

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 21)

ITI Limited -Strengthening Financial Liquidity and Operational Efficiency

The Committee note that ITI Limited, a key public sector enterprise in telecom manufacturing, plays a crucial role in India’s telecom infrastructure development. However, the company continues to face significant financial and operational challenges, particularly due to its limited cash flow and shortage of working capital. These constraints hinder ITI’s ability to procure raw materials, manage logistics, and sustain operational demands. As per financial data, ITI has been operating at a net loss of ₹569 crore in 2023-24, though a projected net profit of ₹79.04 crore in 2025-26 suggests a potential recovery. Additionally, ITI’s high material costs, which are expected to reach ₹2,836.05 crore in 2025-26, pose a significant burden on its financial sustainability. Furthermore, ITI’s revenue streams remain highly dependent on Government contracts, leading to delays in payment receivables and unpredictable cash flows. The Company also faces increasing competition from private players and needs to strengthen its market positioning by leveraging its Government backing and expanding into high-value sectors such as defence, smart cities, and rural broadband.

In view of the above, the Committee recommend that ITI undertake a comprehensive financial restructuring plan to enhance working capital management, optimize costs, and establish strategic partnerships. To improve liquidity, ITI may explore mechanisms such as invoice discounting and supply chain financing, particularly to address delays in payment receivables from Government clients. Additionally, the Company may adopt a strategic sourcing model, engaging multiple vendors and negotiating bulk procurement agreements to mitigate material cost fluctuations and ensure timely supply. Investing in indigenous R&D and next-generation telecom solutions will also help ITI reduce dependency on foreign vendors and enhance its competitiveness in private telecom sector. Furthermore, to improve operational efficiency, ITI should implement digital automation in manufacturing and administration, leveraging AI-driven process optimization and lean manufacturing techniques to reduce operational expenditures while enhancing service delivery.

The Committee also note that ITI's capital expenditure (Capex) allocation has been declining, with only ₹105.50 crore proposed for 2025-26, compared to ₹400 crore in 2022-23. Moreover, Capex utilization has been suboptimal, with cumulative utilization standing at only 70.66% as of FY 2024-25. This reflects inefficiencies in capital investment planning and execution. To address this, the Committee recommend ITI to adopt a structured Capex deployment strategy that prioritizes high-impact projects, particularly in telecom infrastructure and advanced manufacturing technologies. ITI should align its investments with emerging market opportunities such as 5G deployment, private networks, and Government-driven digital transformation initiatives. Additionally, ITI must expand its role in the Bharat Net project, leveraging its expertise in optical fiber and telecom equipment to become a key supplier for rural broadband expansion. The Committee feel that merger of BBNL into BSNL presents an opportunity for ITI to strengthen its participation in PPP projects and smart city initiatives, ensuring long-term revenue sustainability.

To further enhance its future growth prospects, the Committee recommend that ITI may diversify its activities into high-margin technology services such as cybersecurity solutions, enterprise networking, and IoT-based industrial applications thereby, reducing its dependency on traditional telecom manufacturing. Additionally, to overcome entry barriers in securing new tenders, ITI should actively collaborate with technology partners and research institutions to develop proof-of-concept solutions, strengthening its credentials in high-value Government and defence contracts. Establishing joint ventures with global telecom players will also enable knowledge transfer and improve ITI's competitive positioning. By focussing on targeted Capex investments, optimum fund utilization, and strategically expanding into emerging telecom and digital service markets, ITI can transform into a financially independent stable and technologically advanced telecom manufacturing entity.

Reply of the Government

ITI Ltd. has informed that the company is in touch with various Govt. agencies and having synergy with C-DoT and BSNL. Company has received an order of Rs. 5100 Cr for implementation and Operation & Maintenance of middle mile network of BSNL in states of Himachal Pradesh, West Bengal and A&N which will greatly enhance the Rural Broadband connectivity and internet accessibility to the citizens in these states. ITI Ltd. has supplied 4G RAN systems for BSNL 4G project for its West Zone network.

Currently implementation of 4G project is in progress by ITI Ltd. ITI Ltd. is executing Solar Street light project in the state of Bihar where in ITI Ltd. manufactured Solar Panels are being implemented for this project. Under Defence domain, ITI Ltd. is currently executing ASCON Ph-IV project where more than 10,000Km of OFC has been implemented, Proof of Concept (PoC) of MPLS router and Microwave system have been completed. Further, 4G upgradation project in Indian Air Force (IAF) is at the completion phase. ITI Ltd. has received Letter of

Award (LOA) from RDSO for Proof of Concept (PoC) and expecting similar order from Railtel. With this, ITI Ltd. hopes to be a major player for indigenous 4G and get major orders from Railways & Others.

Further, as per Revival Plan approved by Cabinet Committee of Economic Affairs (CCEA) for ITI Ltd. in 2014, total capex of Rs. 2,264 Cr. is approved for ITI Ltd. As of now Rs. 1,191.56 Cr. has been sanctioned to ITI Ltd. as per their requirements based on the various Detailed Project Reports (DPRs) submitted by them. Further, to overcome the immediate cash flow issues, monetization of non-core land parcels located at Bengaluru is taken up which is under process.

Further, w. r. t. measures to expedite payment collections from Government and public sector clients to improve cash flow, ITI Ltd. has informed that a concerted mechanism is in place to expedite collections from all the customers of the company including public sector units and Defence Customers for which the company is executing various projects. Regular follow up meetings are conducted with the customers with the primary focus on realizations and improving the cash flows for the company.

Also, ITI Ltd. is trying for Rate contract agreements for certain items there by reducing material cost fluctuations and timely supplies. In addition, as per the guidelines, ITI Ltd. tries to procure the materials through GeM portal by encouraging multiple vendors to enroll in GeM portal for getting price benefits.

Out of sanctioned CAPEX, ITI Ltd. has been investing in R&D for design and development of Defence products to meet out the Defence requirements and also have plans to invest CAPEX in Transfer of Technology (ToT) for Next Generation equipment, IoT, digital automation in manufacturing and administration, leveraging AI-driven process optimization and lean manufacturing techniques to meet out the upcoming requirements of the telecom market. Recently, ITI Ltd. has developed Electronic Voting Machine (EVM) which is under production for meeting the initial requirement from West Bengal State Election Commission.

ITI Ltd. has informed that ITI Ltd. revenue has improved in the year 2024-25 where in Rs. 3,086 Cr has been achieved till 3rd Quarter as its turnover.

ITI Ltd. has informed that Telecom CAPEX projects are highly technical in nature, which requires specialized ,manpower for R&D activities and execution apart from significant Working capital. CAPEX projects need to accommodate the above challenges in the proper execution of such technically oriented projects for long term benefits.

ITI Ltd. has entered in technology alliances with leading partners like C-DoT, TCS for 4G upgradable to 5G. Also, ITI Ltd. has established manufacturing infrastructure for 4G /5G Radios across its three plants having capacity to manufacture 1,200 RRUs per day.

Further, ITI Ltd. has received an order of Rs. 5100 Cr for implementation and Operation & Maintenance of middle mile network of BSNL in states of Himachal Pradesh, West Bengal and A&N which will greatly enhance the Rural Broadband connectivity and internet accessibility to the citizens in these states.

ITI Ltd. has informed that the company has entered into new technology domain like SD WAN, MPLS for enterprise networking, DMR, SOC, private 5G deployment in mines and encryption products for Defence. ITI state-of-the-art Research & Development (R&D) located in Bangalore plant is designing & developing Communication Equipment to support manufacturing and keep abreast of State of the Art Technologies in the field of Electronics & Communications. The R&D at ITI Ltd. has core strength in design & development of Encryption systems to secure Communication Networks and also in development of Network solutions & other diversified products like Electronic Voting Machine (EVM), Digital Mobile Radio (DMR), and Smart Energy Meter (SEM) etc. The necessary infrastructure to aid design & development is available in the form of Test Instruments, Software design tools, CAD design tools, Reliability lab, EMI/EMC test lab and Telecom testing lab.

Start-up India mission:

With a vision to contribute for Start-up India mission of Govt. of India, ITI Ltd. is in the process of establishing 1000 seater Start-up hub in phased manner at ITI Ltd. Bangalore plant for encouraging start-ups in the country. ITI vision for Start-up hub is to help Start-ups convert their Innovations to Pilot Products quickly through Rapid Proto-typing facilities under one roof and to Manufacture the Successful products in-house and market them. 168 seater start-up hub along with Amenities like dedicated corporate hub meeting room, demo room, highly secure Wi-Fi connectivity is functional in ITI Ltd. Recently ITI Ltd. has signed Technology Transfer agreement with Start Ups in ITI Start Up hub for products like ONT, OLT, Router, Wi-Fi Access Point etc.

Partnership with Private sector:

ITI Ltd. has entered in partnership with several private players for the following purpose: -

Sr. No.	Partnership with	MoU signed date	Technology area	Status of Partnership
1.	Niral Network	15.02.2024	5G Private Network Solutions	ITI Ltd. has entered into a partnership with Startups in 5G domain. Implemented 5G Test Lab in ITI R&D, Bangalore with the help of Partners.
	Lekha Wireless	15.02.2024		
	Insta ICT	15.02.2024		

	Galore	28.08.2024		5G core and edge products can be integrated with 5G radio for compatibility testing.
	Altima	30.08.2024		
	Source Dot Com	30.08.2024		<p>This will enhance 5G system integration activities in private 5G deployments and also showcase the Private 5G lab to new customers. Similar use cases and test setups may also be deployed for Govt. Institutions as new business opportunities.</p> <p>The 5G lab setup would be utilized for the demonstration of use cases like IOT, Drones, Video Analytics, AR/VR, Robotics configuration, and operations based on 5G technology.</p>
2.	JandK Operations	15.02.2024	Indigenously developed mobile operating system, BharOS	ITI Ltd. has signed MOU with JandK for developing secure Tablets, PCs and Laptops with Indigenous BharOS Operating system.

3.	Lavelle Networks, Infinity Labs	Empaneled on 16.10.2024 and MoU under process.	SDWAN	Empaneled for manufacturing of SDWAN products and solutions. They will be assisting ITI Ltd. in setting up the production lines design, Manufacture and test the SDWAN solutions for the customers.
4.	Germer Technologies Pvt Ltd Aegis Smart Logix India Private Limited	09.09.2024 14.09.2024	Battery Regeneration Solution	Empaneled for Digital Regeneration of Valve Regulated Lead Acid (VRLA) and Nickel-Cadmium Batteries.
5.	Techonomy Solutions	12.08.2024	ONT, OLT, Router	ToT was signed with M/s Techonomy for manufacturing of ONT, OLT, Routers.

With consistent & focused approach and support of the Department, ITI Ltd. is expecting to turn around its performance and achieve highest turnover in this FY 2024-25.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 22)

Strategic Support for TCIL's Growth and Competitiveness

The Department has informed the Committee that TCIL has demonstrated consistent revenue growth, with its turnover increasing from ₹1,595.70 crore in 2021-22

to ₹2,603.46 crore in 2023-24. The Committee have been further apprised of the fact that the Company has set targets of ₹3,070 crore for FY 2024-25 and ₹3,385 crore for FY 2025-26. However, according to the Department, TCIL faces significant challenges, including limited working capital, intense competition from private players and other PSUs, stringent regulatory compliance requirements, and the rapid evolution of telecom technologies. Sustaining this tempo of growth and maintaining a competitive edge to secure high-margin projects will require enhanced financial backing, streamlined procurement mechanisms, and strategic policy support.

Noting above submissions of the Department, the Committee recommend that the Department to take proactive measures to strengthen TCIL's financial and operational standing. To ensure steady revenue inflows and long-term stability, at least 25% of Central Government's IT and Telecom projects may be considered for giving to TCIL on a nomination basis. Additionally, TCIL be entrusted with preparing tenders and Request for Proposals (RFPs) for Government projects, leveraging its expertise to ensure efficient execution and project management. Given its proven track record in international telecom projects, TCIL may also be prioritized for implementing Government-funded IT and telecom initiatives abroad, including projects in Indian embassies and diplomatic missions.

To enhance liquidity and support expansion, the Committee further recommend that the Government may provide TCIL with additional funds by way of working capital funding. These measures will enable TCIL to pursue high-value projects, strengthen its financial position, and drive long-term growth in the telecom sector and thereby ensure that TCIL continues to play a pivotal role in advancing India's Telecom Infrastructure and global presence.

Reply of the Government

The Department of Telecommunications (DoT), as the Administrative Department of Telecommunications Consultants India Limited (TCIL) gives a lot of importance to the revival, survival, shining and excelling in improving financial performance and overall sustainability to all CPSEs under its control including Telecommunications Consultants India Limited (TCIL).

TCIL has shown robust revenue growth, with turnover rising from ₹1,756 crore in FY 2019-20 to ₹2,971 crore (provisional) in FY 2024-25. The company has set ambitious revenue targets of ₹3,385 crore for FY 2025-26, indicating a continued upward trajectory.

Further, the Profit After Tax has also increased significantly from Rs. 44 Crore in 2019-20 to Rs. 144 Crore (unaudited) in 2024-25, showing a robust growth of over 327% during this period.

TCIL executes several projects of DoT and its PSUs along with the other Ministries / Departments of Govt of India within the ambit of extant rules, regulations and guidelines. DoT supports its PSUs including TCIL to undertake several study works. TCIL is furling the flag of India in foreign countries mainly in Middle East and Africa through the deployment of several indigenously manufactured products. It is also envisaged that TCIL may deploy the indigenous 4G equipment being designed and

manufactured by C-DoT and ITI respectively.

DoT constantly endeavours in extending a supporting hand to its PSUs including TCIL in terms of working capital also. To sustain momentum and financial viability, TCIL has been allowed to keep a major part of its profits by giving exemptions in depositing the part of dividends to Gol.

In future also, DoT endeavours to support its PSUs including TCIL to get works from DoT and other Departments/Ministries.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

(Recommendation Sl. No. 17)

Bridging the Digital Divide: Strengthening Tele-Density Through Targeted Financial and Policy Measures

The Committee note that, based on the data provided by the Department as of 30.11.2024, India has a total of 1187.73 million telephone connections, comprising 527.47 million rural and 660.26 million urban connections. The overall teledensity stands at 84.36, with a significantly higher urban teledensity of 131.53 compared to rural teledensity at 58.23, highlighting the persistent digital divide. Furthermore, wireline teledensity remains low at 2.72, while wireless teledensity accounts for 81.65. In terms of market share, private service providers dominate the telecom sector, holding 91.28% of total telephone connections, whereas public sector undertakings (BSNL and MTNL) account for only 8.72%. Notably, Reliance Jio has the highest share of total connections at 40.21%, followed by Bharti Airtel at 33.17% and Vodafone Idea at 17.67%.

Given these insights, the Committee recommend that the Department intensify efforts to bridge the rural-urban teledensity gap by expanding affordable and high-quality telecom services in rural areas, particularly through Bharat Net and targetted subsidies for rural connectivity. The Committee further emphasize the need to strengthen the wireline segment, especially for broadband expansion, by incentivizing fibre-based infrastructure deployment. Considering the declining market share of public sector telecom providers, the Committee urge the Department to formulate a strategic revival plan for BSNL and MTNL, focusing on service quality improvement, competitive pricing, and digital service integration. Additionally, given the dominance of private players, ensuring fair competition and consumer protection be prioritized through regulatory oversight, while also promoting indigenous telecom manufacturing to enhance sectoral resilience. The Committee are of the concerted opinion that the Government can ensure inclusive and equitable telecom growth and foster digital empowerment across all regions.

Reply of the Government

Following programs/projects have been executed in BSNL to bridge the the rural-urban teledensity gap .The details are as under.

- ix) Bharat Net phase-I Project
- x) Bharat Net phase-II Project
- xi) (Amended Bharat Net Programme) Bharat Net-phase- III Project
- xii) Bharat Net Utilization.

Bharat Net Phase-I

BSNL executed Bharat Net Project on behalf of BBNL in 17 Circles covering 1,04,173 GPs for establishment of an optical fibre based network for providing broadband connectivity to Gram Panchayats for Universal services to rural population of the country as proposed by Govt. of India.

The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages.

Status of the project as on 31.03. 2025

Total Work front (GPs + Block HQ)	: 1,04,173 GPs
Service Ready GPs	: 1,04,146 GPs (99.9%)
OFC Laid	: 2,54,798 KM

Bharat Net Phase-II

The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages.

The work of Bharat Net Phase –II was assigned to BSNL for M.P, U.P and W.B Circle (now Sikkim Circle) in non–EPC mode for 24,453 GP, where BSNL is executing the Project by calling separate tenders for supply and execution.

Status of Bharat Net-II Project as on 31.03.2025

Total Work front:	24,453 GPs
Service Ready	24,290GPs (99 %)
OFC LAID-	75,881 KM

Amended Bharat Net Programme: - Bharat Net-III Project

BSNL has been appointed as the single Project Management Agency (PMA) with overall responsibility inter-alia including bandwidth provisioning at block level, selection of professional agencies through competitive bidding for construction, upgradation, O&M and utilization of Bharat Net network. The cabinet has extended the scope of Bharat Net to all 6.4 lakh inhabited GPs/villages including upgradation of existing network of Bharat Net phase-I and II to build the network in uncovered GPs and O&M for 10 years.

Status of (Amended Bharat Net Programme) Bharat Net-III Project as on 31.03.2025

11. On behalf of Universal Service Obligation Fund (USOF), Department of Telecommunication, Government of India, BSNL has floated Tenders (16 Packages) for Design, Supply, Construction, Installation, Upgradation, Operation and Maintenance of middle mile network of Bharat Net vide Tender Enquiry no. MM/BNO&M/BN-/T-791/2024 on 15-02-2024.
12. The evaluation of bids in the subject tender has already been concluded and award of work is in process.
13. The Agreements have been signed with the PIAs (Project Implementation Agency) with respect to the following six packages (out of 16 packages) of ABP Tender:
 - (xiii) Package-3 (UP East) signed on 20.02.2025 with M/s RVNL
 - (xiv) Package-6 (UP West) signed on 20.02.2025 with M/s RVNL
 - (xv) Package-8 (Himachal Pradesh) signed on 25.02.2025 with M/s ITI Ltd
 - (xvi) Package-9 (West Bengal and Andaman & Nicobar) signed on 25.02.2025 with M/s ITI Ltd
 - (xvii) Package-12 (Punjab) signed on 19.02.2025 with M/s HFCL Ltd
 - (xviii) Package-7 (Bihar) signed on 12.03.2025 with M/s Polycab India Ltd
14. Signing of agreement for following three packages, is under process:
 - (vii) Package-1 (M.P) with M/s NCC
 - (viii) Package-5 (UKD) with M/s NCC
 - (ix) Package-13 (J&K) with M/s STL
15. The matter regarding award of work in remaining seven packages is under process of approval of competent authority.

Bharat Net Utilization:

- Under Bharat Net project Phase-I & Phase-II, the optical fibre network has been developed in rural areas.
- The infrastructure created under Bharat Net project is being utilized for provisioning of broadband/internet services through Wi-Fi Hotspots, Fibre to the Home (FTTH) connections, leased lines, dark fibre, backhaul to mobile towers, etc.

BSNL is proactively reaching to existing leftover copper based fixed line customers for upgradation to FTTH technology. BSNL is also adding value to the FTTH product offerings to improve the retention of existing customer base. BSNL is continuously improving its Urban and Rural tariff offerings for FTTH service.

BSNL has extended its FTTH reach in the country and has on boarded 41 Lakh+ customers in last 5-6 years across 3,000+ towns and 46,000+ panchayats in the

country. Further, BSNL is upgrading its fiber penetration in all states through local entrepreneur tie-up for last mile customer services. BSNL is continuously improving its value propositions in higher value premium FTTH plans to increase FTTH revenue.

Phase IX.2 Project. For 4G mobile services

Based on the directions received from DoT & in line with the 'AtmaNirbhar Bharat' initiative of the Government of India, BSNL 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). Upon successful completion of PoC, the bidder will become eligible to participate in the 4G tender of BSNL.

BSNL issued 4G tender on 22.10.2022 for procurement of 1 lakh eNodeBs & associated core equipment's on PAN India basis including Delhi & Mumbai LSA of MTNL on turnkey basis under Phase IX.2 Project.

PO has been issued to M/s ITI (RQ) on 08.06.2023 for west Zone RAN, M/s TCS for Core Hardware in all zones and RAN in NZ+SZ+EZ & M/s CDOT for software of 4G Core for all zones on 22.06.2023.

Total 87,363 eNodeBs have been installed & 78,708 eNodeBs are on –aired upto 31.03.2025. The I & C of 1 Lakh eNodeBs is expected to be completed by June – 2025. Further, BSNL has planned additional 22,000 sites to cater the supply requirement under Phase IX.2 project.

The equipment being procured through BSNL 4G project is upgradable to 5G with software upgrade and minimal change of hardware. Total 38,825 sites to be upgraded to 5G after roll out of 4G services.

4G Saturation Project for mobile services in uncovered villages.

Provision of 4G in Uncovered villages across India: Union Cabinet approval has been received on 27-07-2022 for provisioning of 4G mobile services by covering 24,680 uncovered villages through 16,464 Mobile Tower sites in the country for 4G services. Provision is also there for additional 20% villages (4,936 villages/ 3,258 mobile towers) which are left out due to various reasons.

Mobile coverage for inhabited uncovered villages is provided by the Telecom Service Providers (TSPs) based on their techno-commercial viability.

- To bridge the digital divide, Government, through funding from Digital Bharat Nidhi (DBN), is implementing various schemes for expansion of telecom connectivity through installation of mobile towers in the rural, remote and border areas of the country.
- As of January '2025, out of 6,44,131 villages in the country (village data as per Registrar General of India), around 6,26,870 villages are covered with mobile connectivity.
- Bharat Net project is being implemented in a phased manner to provide connectivity to all the Gram Panchayats (GPs) for broadband services, such as

Wi-Fi Hotspots, Fibre to the Home (FTTH) connections etc. Further, the Union Cabinet has approved Amended Bharat Net Programme for provisioning of connectivity to all GPs in the country in ring topology including upgrading existing network and connectivity to about 3.8 Lakh non-GP villages on demand basis.

For providing high bandwidth capacity internet/broadband connectivity and mobile services to remote & rural villages and islands in the country that currently lack coverage, a number of steps & projects have been taken up with funding from Digital Bharat Nidhi (DBN). Some of the projects have already been completed and many are under implementation. Details of the major projects are as follows:

- vii. Bharat Net project is being implemented in a phased manner to provide broadband connectivity to all the Gram Panchayats (GPs) and villages. The infrastructure created under Bharat Net project is a national asset, accessible on a non-discriminatory basis to the Service Providers, and the same can be utilized to provide broadband services, such as Fibre to the Home (FTTH) connections, leased lines, dark fibre, backhaul to mobile towers, etc. On 04.08.2023, the Union Cabinet has approved the Amended Bharat Net Programme (ABP) under Design, Built, Operate and Maintain (DBOM) model, for up-gradation of existing network of Bharat Net Phase-I and Phase-II, creation of network in balance 42,000 GPs (approx.), Operation and Maintenance for 10 years and utilization. The connectivity to remaining non-GP villages (about 3.8 lakhs) is proposed to be provided on demand basis from their respective GPs. BSNL will have target of providing 1.50 crore FTTH connections to households in next five years. BSNL has been nominated as the Project Management Agency. As of Apr-2025; 2,14,325 GPs have been made service ready under Bharat Net project in the country.
- viii. For provision of high-speed internet/data and Mobile Services (including 4G) in remote & rural areas of the country, various targeted schemes/projects have been implemented. Comprehensive Telecom Development Plan (CTDP) for mobile connectivity in the North Eastern Region, Comprehensive Telecom Development Plan for Islands (Andaman & Nicobar and Lakshadweep Islands), Scheme for providing mobile services in Left Wing Extremism (LWE) affected areas, Schemes for providing mobile services in Aspirational Districts, Scheme for providing mobile services in the border villages and other priority areas, 4G Saturation scheme to provide mobile coverage in all uncovered villages etc.. The project for saturation of 4G mobile services for providing 4G mobile services in uncovered villages in remote and difficult areas of the country is also under implementation. Till Apr-2025, 20,688 mobile towers have been commissioned in the country under various projects.
- ix. Commissioning of submarine optical fibre cable on 10.08.2020 between Chennai and Andaman & Nicobar Islands (2312 Km) for providing high speed internet/data connectivity to Andaman & Nicobar Islands. Commissioning of Submarine OFC connectivity between Mainland (Kochi) and Lakshadweep Islands (1869 km) (Total 11 Islands; Kavaratti, Kalpeni, Agatti, Amini, Androth, Minicoy, Bangaram, Bitra, Chetlat, Kiltan and Kadmath) on 03.01.2024. Creation of 225Km OFC

network in Lakshadweep Islands for provision of FTTH & other services. These optical fibre cable projects have facilitated faster roll out of mobile services (4G/5G) and other high-speed data/internet services in the Islands.

(Ministry of Communication/Department of telecommunications
O.M. No. 16-3/2025-B/8th Rpt. dated 11 /06/2025.

Comments of the Committee

(Please see Para No. 22 of Chapter I)

CHAPTER- III

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

-NIL-

CHAPTER IV
OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE
REITERATION

-NIL-

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

-NIL-

NEW DELHI;
11 August, 2025

20 Sravana, 1947 (Saka)

DR. NISHIKANT DUBEY,
Chairperson,
Standing Committee on
Communications and Information Technology.

**STANDING COMMITTEE ON COMMUNICATIONS AND
INFORMATION TECHNOLOGY (2024-25)**

MINUTES OF THE TWENTY- FIRST SITTING OF THE COMMITTEE

The Committee sat on Monday, the 11th August, 2025 from 1530 hours to 1550 hours in Committee Room No. 'B, Parliament House Annexe, New Delhi.

PRESENT

DR. NISHIKANT DUBEY- Chairperson

MEMBERS

Lok Sabha

2. Shri C.N. Annadurai
3. Shri Anup Sanjay Dhotre
4. Shri S. Supongmeren Jamir
5. Shri Appalanaidu Kalisetti
6. Smt. Poonamben Hematbhai Maadam
7. Shri G. Kumar Naik
8. Dr. M.K. Vishnu Prasad
9. Ms. Kangna Ranaut
10. Shri Ramasahayam Raghuram Reddy
11. Shri Arun Kumar Sagar
12. Shri Devesh Shakya

Rajya Sabha

13. Smt. Priyanka Chaturvedi
14. Shri Amar Pal Maurya
15. Dr. Sasmit Patra
16. Shri V. Vijayendra Prasad
17. Shri Kartikeya Sharma
18. Shri Lahar Singh Siroya

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri Y.M. Kandpal | - | Additional Secretary |
| 2. | Smt. A. Jyothirmayi | - | Director |
| 3. | Shri Amrish Kumar | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee convened to consider and adopt one draft Subject Report relating to Ministry of

Communications (Department of Posts) and four draft Action Taken Reports on Demands for Grants (2025-26) relating to the Ministries/Departments under the jurisdiction of the Committee.

3. The Committee, then, took up the following five draft Reports for consideration and adoption:-

(i) Draft Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Eighth Report (18th Lok Sabha) on “Demands for Grants (2025-26)” relating to the Ministry of Communications (Department of Telecommunications).

(ii) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX

(iii) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX

(iv) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX

(v) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX

4. The Committee adopted the Reports without modifications.

5. The Committee authorized the Chairperson to finalize the draft Reports and present the same to the House during the current Session of Parliament.

The Committee, then, adjourned.

XXXX- Matter not related to this Report.

ANNEXURE – II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THEIR EIGHTH REPORT

(EIGHTEENTH LOK SABHA)

[Vide Paragraph No. 5 of Introduction]

(i) Observations/Recommendations which have been accepted by the Government	
Rec. Sl. Nos.: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14,15,16, 17,18,19,20,21 and 22	
Total	22
Percentage	100
(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government	
Rec. Sl. No.: NIL	
Total	NIL
Percentage	0
(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration Rec. Sl. No.: NIL	
Total	NIL
Percentage	0
(iv) Observations/Recommendations in respect of which the replies of the Government are of interim in nature	
Rec. Sl. Nos.: 17	
Total	NIL
Percentage	0