

**29**

**STANDING COMMITTEE ON  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
(2021-22)**

**SEVENTEENTH LOK SABHA**

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

**[Action Taken by the Government on the Observations/Recommendations of  
the Committee contained in their Twenty-third Report (Seventeenth Lok  
Sabha) on 'Demands for Grants (2021-22)']**

**TWENTY-NINTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 2021/Agrahayana, 1943 (Saka)*

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**Presented to Lok Sabha on 01.12.2021**

**Laid in Rajya Sabha on 01.12.2021**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*December, 2021/Agrahayana, 1943 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON COMMUNICATIONS  
AND INFORMATION TECHNOLOGY (2021-22)**

**Dr. Shashi Tharoor - Chairperson**

**Members**

**Lok Sabha**

2. Smt. Sumalatha Ambareesh
3. Smt. Locket Chatterjee
4. Shri Karti P. Chidambaram
5. Dr. Nishikant Dubey
6. Smt. Sunita Duggal
7. Shri Jayadev Galla
8. Smt. Raksha Nikhil Khadse
9. Dr. Sukanta Majumdar
10. Shri Dhairyasheel Sambhajirao Mane
11. Ms. Mahua Moitra
12. Shri Santosh Pandey
13. Shri P. R. Natarajan
14. Col. Rajyavardhan Rathore
15. Dr. Gaddam Ranjith Reddy
16. Shri Sanjay Seth
17. Shri Ganesh Singh
18. Shri Parvesh Sahib Singh
19. Shri Tejasvi Surya
20. Dr. T. Sumathy (A) Thamizhachi Thangapandian
21. **Vacant**

**Rajya Sabha**

22. Dr. Anil Agrawal
23. Shri John Brittas
24. Dr. Subhash Chandra
25. Shri Y. S. Chowdary
26. Shri Ranjan Gogoi
27. Shri Suresh Gopi
28. Shri Syed Nasir Hussain
29. Shri Syed Zafar Islam
30. Shri Jawhar Sircar
31. **Vacant**

**Secretariat**

- |                          |   |                     |
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| 1. Shri Y.M. Kandpal     | - | Joint Secretary     |
| 2. Dr. Sagarika Dash     | - | Additional Director |
| 3. Shri Shangreiso Zimik | - | Deputy Secretary    |

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Committee constituted w.e.f. 13 September, 2021 *vide* Para No.3184 of Bulletin Part-II dated 9 October, 2021.

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Communications and Information Technology (2021-22), having been authorised by the Committee, present this Twenty-ninth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Twenty-third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2021-22)' of the Ministry of Communications (Department of Telecommunications).

2. The Twenty-third Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 10<sup>th</sup> March, 2021. The Department of Telecommunications furnished their Action Taken Notes on the Observations/Recommendations contained in the Twenty-third Report on 27<sup>th</sup> July, 2021.

3. The Report was considered and adopted by the Committee at their sitting held on 17<sup>th</sup> November, 2021.

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 Twenty-third Report of the Committee is given at Annexure-II.

**New Delhi;**

**29 November, 2021**  
**8 Agrahayana, 1943 (Saka)**

**DR. SHASHI THAROOR,**  
**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 Twenty-third Report (Seventeenth Lok Sabha) on 'Demands for Grants (2021-22)' relating to the Ministry of Communications (Department of Telecommunications).

2. The Twenty-third Report was presented to Lok Sabha/laid in Rajya Sabha on 10<sup>th</sup> March, 2021. It contained 15 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Department of Telecommunications and are categorized as under:-

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

Rec. Sl. Nos.: 1,2,3,4,11,12,13 and 14

Total - 8  
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. Nos.: 5,6,7 and 15

Total - 04  
Chapter-IV

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

Rec. Sl. Nos.: 8,9 and 10

Total - 03  
Chapter-V

4. **The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Statement on the Observations/Recommendations contained in Chapter-I and final action taken replies to the Observations/Recommendations contained in Chapter-V of this Report should be furnished to them at an early date.**

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

### **Progress of Implementation of BharatNet**

#### **(Recommendation Sl. No.5)**

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

“The Committee note that as per Cabinet approval, the target for BharatNet completion, i.e. connecting all the 2,50,000 GPs, was March 2019. However, since project is of mega nature widely dispersed across the country, only 1.18 lakh GPs could be connected by March 2019. BharatNet project was envisaged to be completed by August 2021. However, this time will now be extended as the pace of completion is affected by lockdown and restrictions on movement imposed by the various Governments due to Covid-19. On the status of utilization of funds, the Committee note that an amount of Rs.6000 crore had been allocated at BE 2020-21 which was reduced to Rs.5500 crore at RE and actual utilization as on 31.12.2020 has been Rs.4341.85 crore. The Committee note that the implementation pace of BharatNet Phase-II during 2020-21 was slower as compared to the target. The Phase-II work was largely dependent on 8 States (around 65000 GPs under State Led Model) and BSNL (23000 GPs in CPSUs Led Model). BSNL suffered from capacity constraints because of its internal issues and financials. Further, under State Led Model the status of Chattisgarh, Jharkhand, Maharashtra, Andhra Pradesh, Telangana and Odisha have been slower than expected. The tender for work is under progress in Tamil Nadu. Regarding the finalization of PPP Model the Department have informed that PPP Model in BharatNet is at approval stage in Department of Telecom. Cabinet Note is under preparation by USOF/DoT for approval of Union Cabinet.

The Committee note that the the Department are still grappling with the implementation strategy in these States. The Committee are of the view that States like Tamil Nadu, Telangana, Andhra Pradesh, Gujarat, etc. have huge implementation capacity and once the implementation strategy is finalized they will be able to finish the work at the earliest. Since there has been considerable delay in completion of the project, the Committee desire that the matter should be taken up by the Department with the concerned States at the highest level. Since BSNL

is also suffering from capacity constraints because of its internal issues and financial matters, the Committee are of the view that the Department should explore various other ways and means to ensure that implementation of work in 23000 GPs under CPSU Led Model should complete as per schedule and capacity constraints of BSNL should not be allowed to come on the way for timely completion of the project even if it necessitates providing necessary support to BSNL for speedier and timely execution. The Committee would like to be informed of the progress of the project in various States.”

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

“The progresses made under various Models in the implementation of BharatNet Project are as under:

**I. Status of the BharatNet Phase-I:**

The work of 1,25,000 GPs (including revised work front) under Phase-I has been allocated to 3 CPSUs: BSNL, RailTel and PGCIL for implementation. As on 31.03.2021, a total of 1,20,642 GPs have been connected by laying 3,07,114 km underground OFC. Out of these OFC connected GPs, 1,18,583 GPs have been made Service Ready. The detail of progress is given below (Including 60 GPs of the Pilot phase):

<b>CPSU</b>	<b>Phase-I Districts</b>	<b>Phase-I Blocks</b>	<b>Phase-I GPs</b>	<b>OFC laid (km)</b>	<b>GPs where Cable laid</b>	<b>Service Ready GPs</b>
BSNL	403	2473	101831	250287	100935	100714
RailTel	63	316	10805	25357	9368	7697
PGCIL	39	512	10401	31459	10324	10157
BBNL diverted from BSNL) A&N UT	3	6	59	11	15	15
<b>Total</b>	<b>509</b>	<b>3307</b>	<b>123096</b>	<b>307114</b>	<b>120642</b>	<b>118583</b>

**II. Status of BharatNet Phase-II Project (as on 31.03.2021)**

BharatNet Phase-II is planned to connect the remaining 1,25,000 GPs (approx.) directly to BHQs by an optimal mix of media, i.e. aerial OFC on existing electricity poles, radio and satellite for speedier deployment and underground OFC, as being done for Phase-I. Implementation of



the project is proposed through States and States' agencies, CPSUs; and Private Sector agencies.

Model (under implementation)	No. of GPs	States	Status
State-led ( 9 States)	71,313	Andhra Pradesh, Telangana, Maharashtra, Jharkhand, Tamil Nadu, Gujarat, Chhattisgarh, Odisha, Uttarakhand	Duct laid (km) : 104025 OFC laid (km) : 132829 GPs connected on OFC :26819 Service Ready (GPs) : 19024 (The DPR for Uttarakhand is under approval)
Private Sector (2 States)	7381	Punjab and Bihar	Duct laid (km) : 21770 OFC laid (km) : 22721 GPs connected on OFC : 7357 Service Ready (GPs) : 7357
CPSU-led ( 4 States)	27406	BSNL: Madhya Pradesh, Uttar Pradesh, Sikkim and J&K	Duct laid (km) : 64262 OFC laid (km) : 53713 GPs connected on OFC: 12510 Service Ready (GPs) :5817
Satellite Model	5548	NER, J&K, etc.	Installed : 3850 Service Ready : 3838
PPP Model	31000 approx.	Various states	Cabinet has approved the PPP model for BharatNet.
<b>Overall progress</b>			Duct laid (km) : 190057 OFC laid (km) : 209263 GPs connected on OFC: 46686 Service Ready (GPs) : 36036 ( 32198 on OFC + 3838 on satellite)

### III. Overall achievement of BharatNet Project:

As on 31.03.2021, a total of 5,16,377 Kms OFC has been laid, connecting 1,67,328 GPs. Out of these 1,67,328 OFC connected GPs, 1,50,781 GPs have been made service ready. Further, 3838 GPs have been made service ready on Satellite. In total 1,54,619 GPs have been made service ready. It is further submitted that BharatNet is a challenging project of mega nature and the Gram Panchayats (GPs) are widely dispersed across the country in rural and remote areas. The BharatNet project was envisaged to be completed by August 2021. However, this time will now be extended as the pace of completion is affected by lockdown and restrictions on movement imposed by the various Governments due to COVID-19. However, with the beginning

of unlock phase, all efforts are being made to speed up the project implementation.

Further in order to speed up the implementation process as well as to mitigate the issue of minimal utilization and its operations and maintenance and to cover inhabited villages also, a PPP model of BharatNet has been envisaged. PPP Model as approved by DCC in December 2019, required detailed analysis for migration into PPP Model and accordingly M/s Deloitte was engaged as transaction advisor w.e.f. 13.01.2020. The team of consultants presented their reports on CAPEX, OPEX and revenue models to determine the required VGF for the project. The same was subsequently deliberated in NITI Aayog and with modifications based on comments from them as well as from Ministry of Electronics and IT, the proposal was submitted to PPPAC. The approval of PPPAC was received in February 2021 after several rounds of discussions/ presentations and modifications, PPP Model in Telecom, being the first of its kind. Subsequently Cabinet has approved the proposal of PPP on 30.06.2021.

Regular review meetings with all the stakeholders are being held in order to speed up the pace of implementation including State Governments.”

#### **Comments of the Committee**

8. **The Committee had noted that the pace of implementation of BharatNet Phase-II during 2020-21 was slower as compared to the target largely due to slow pace of implementation under State led Model (65000 GPs in 8 States) and CPSU led Model (23000 GPs implemented by BSNL). To speed up the project implementation, the Committee had desired that the Department should pursue the matter with the concerned States at the highest level and for providing necessary support to BSNL for speedier and timely execution. From the Action Taken Note furnished by the Department, the Committee note that against the target of providing OFC connectivity to 71,313 GPs under State led Model in 9 States, as on 31 March, 2021 only 26,819 GPs have been connected on OFC and 19,024 GPs have been made service ready. With regard to CPSU led Model, 27,406 GPs are to be connected on OFC in 4 States. However, during the same period only 12,510 GPs have been connected on OFC and service has been made ready in 5,817 GPs. The timeline of BharatNet project scheduled to be completed by August, 2021 will have to be deferred as the pace of implementation has been affected by lockdown and restrictions due to Covid-19. For remaining States, Cabinet has approved the proposal for PPP on 30 June, 2021 for connecting approximately 31,000 GPs. The action taken notes of the**

Department has not spelt out anything on the recommendation of the Committee to pursue the matter with the concerned States at highest level and to provide necessary support to BSNL for speedier and timely execution. Considering that there has been considerable delay in completion of the project and the importance of the project for the success of Digital India, the implementing agencies need to be impressed upon to make sincere efforts to achieve the Phase-II targets to connect the remaining 1,25,000 GPs (approx.). The Committee are concerned to note that under Phase-II as on 31 March, 2021 only 46,686 GPs have been connected on OFC as against the target of 1,25,000 GPs (approx.). This is worrisome and there is an urgent need to speed up the project implementation, especially under State and CPSU led Models. The Committee fully understand that with this pace of work the desired objectives cannot be achieved. They, therefore, feel that the Department need to pay their focussed attention to the problems/challenges being faced under these two models particularly by taking up the matter with concerned States and identify the areas of impediments with timely interventions to facilitate the progress of work. Keeping in view the fact that BSNL is suffering from capacity constraints because of its internal issues and financial position, the Committee desire that necessary support should also be given to BSNL for quicker execution of the project. The Committee hope that in spite of severe restrictions due to Covid-19, the Department will make all out efforts for speedier implementation of the project. The Committee would also appreciate an updated status on the progress of work made so far under different models of BharatNet project.

#### **Utilization of Infrastructure Created under BharatNet**

##### **(Recommendation SI. No.6)**

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

“The Committee note that as on 31.12.2020 an amount of Rs.25,101,25 crore had been utilized for implementation of BharatNet. 1,51,404 GPs including 3497 Block Headquarters have been made service ready and 1,04,026 GPs have been provided with Wi-Fi hotspots, FTTH connections provided to 4,84,506 GPs, leasing of fibre has been done

for 18,039 kms. etc. The Committee are glad to note that utilization of BharatNet especially number of GPs under Wi-Fi hotspots has improved substantially when compared with the previous year. The Committee note that BharatNet is being implemented to provide broadband connectivity to all GPs (approximately 2.5 lakh) in the country and the scope has been extended to cover all inhabited approximately 6 lakh villages. The Committee have been informed that as approved by Digital Communications Commission (DCC) on 18.09.2020, approval has been obtained from PPP-AC an expert body in the Ministry of Finance for the PPP Model for covering approximately 3.5 lakh villages in 16 States and the Department will be sending for Cabinet approval very shortly. The Committee have also been informed that Bharatnet provides connectivity in rural areas which has very small potential of revenue compared to the cost of providing the service. Only an effective O&M with low cost packaging of services can ensure revenue in longer run. The Department have also informed the Committee that no study has been conducted by BBNL to find out the quality of services provided by these Wi-fi hotspots.

The Committee are of the view that after creation of such large infrastructure its optimum utilization is the next big challenge for the Department. There is a need to give attention to optimum utilization of the network created. In this regard, they recommend that the PPP Model as recommended by the Committee Chaired by CEO, NITI Ayog for creation, upgradation, O&M and utilization of BharatNet which is under process should be finalized at the earliest. Emphasis should also be given to O&M of the network infrastructure created so that the services provided by BharatNet is the most sought after by various stakeholders. The Committee recommend that a proper mechanism must be put in place by the Department to ensure that all grievances relating to the functioning of these Wi-Fi hotspots can be adequately looked into and addressed so as to give maximum satisfaction to the customers. The respective implementing agency may conduct surveys to find out the quality of services provided and feedback given to the Department. It is also the desire of the Committee that increase in utilization of network should help in creating employment opportunities for people living in rural areas to augment their income generation.”

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

1. “The following actions have been/ are being taken for improving the network availability:
  - a) Assignment of FLM and O&M work to CSC who is also largely responsible for utilization.
  - b) Repair of faulty fibre beyond 500 meter by BBNL through tender.
  - c) Arranging sufficient spares to reduce down time.

- d) CSC-SPV is allowed to shift the ONTs to a place, where availability of power, security and round the clock manning is possible.
  - e) Efforts are being made to replace the lossy fibre and faulty OF Cable sections.
  - f) In BharatNet Phase-II, BBNL is not utilizing BSNL's existing OFC network but laying new OFC from Block to GP.
  - g) GIS mapping of all the GPs is going on, for faster and accurate fault localization.
2. The BharatNet network is leased to TSPs, ISPs, BSNL, CSC, RISL, etc, for utilization and provisioning of broadband/ internet services through Wi-Fi Hotspot, FTTH, leased line, etc. The grievance related to Wi-Fi Hotspot, FTTH, leased line etc. are redressed through the grievance redressal system of these service providers. The respective Internet Service Providers are responsible for conducting the survey to find out the quality of service provided and customer satisfaction. However, a call centre has also been established in BBNL for redressal of Public Grievance related to BharatNet network utilized by TSPs/ ISPs for providing Wi-Fi Hotspots, FTTH, leased line, etc.
3. The present status of Utilization of BharatNet as on 31.03.2021 is as follow.

S. No.	State	No of GPs Where Wi-Fi Hot-Spots installed	FTTH connections
1	Assam	0	5839
2	Bihar	5344	33282
3	Chhattisgarh	3664	17461
4	Haryana	5953	33249
5	Ladakh	169	0
6	J&K	969	766
7	Karnataka	5358	36666
8	Kerala	1047	2624
9	MP	11538	55044
10	Maharashtra	10990	66066
11	Punjab	7891	38978
12	Rajasthan	8078	2376
13	UP(E)	17513	105997
14	UP(W)	9384	
15	Uttarakhand	1251	8280
16	West Bengal	1377	6646
17	Sikkim	0	8
18	A&N	0	2
19	Chandigarh	12	55

20	Arunachal	208	24
21	Nagaland	0	52
22	Manipur	161	100
23	Mizoram	0	21
24	Tripura	574	2976
25	Meghalaya	70	100
26	Gujarat	3960	33861
27	D & D	20	34
28	D & NH	21	44
29	Puducherry	81	785
30	AP	1570	7365
31	Telangana	1997	2332
32	Odisha	2511	21055
33	Jharkhand	2383	15705
34	HP	254	1072
	Total	104348	498865"

#### **Comments of the Committee**

11. The Committee had recommended for putting in place proper grievance redressal mechanism to look into functioning of Wi-Fi hotspots and to find out the quality of service providers and to help in creating employment opportunities in rural areas through increased utilization of network. The Department have stated that they are making sincere efforts to improve the network which include repair of faulty fibre, arranging sufficient spares to reduce down time, replacing the lossy fibre and faulty OF Cable section, laying of new OFC from Block to GP under Phase-II, GPS mapping of all the GPs for faster and accurate fault localization, setting up of call centre at BBNL for redressal of public grievances, etc. The Committee hope that the Department will continue with these steps so as to improve the quality of services provided by BharatNet. However, the Action Taken Reply of the Department is silent on the extent to which the utilization of network has helped in creating employment opportunities for people living in rural areas to augment their income. BharatNet being the largest network project in the country should not only take various e-services to people living in the rural areas, but also provide opportunities for income and employment generation among people living in rural areas. The Committee desire that sincere efforts should be made by the Department to identify various areas of employment generation through

**fuller utilization of BharatNet infrastructure. In this regard, the Committee reiterate their earlier recommendation and urge the Department to ensure that utilization of the network helps in creating productive employment opportunities among people living in rural areas so as to help them with income generation. The Committee also expect that preference would be given to the local population in employment opportunities generated through BharatNet.**

**Provision of Mobile Services in Left Wing Extremism Areas (Phase-II)**

**(Recommendation Sl. No.7)**

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

“The Committee note that on 23 May 2018, the Cabinet had approved the proposal for installing 4072 mobile towers by using 2G+4G technology under LWE Phase-II. A meeting was held on 26.08.2019 under the Chairmanship of Hon’ble Home Minister wherein it was decided to verify the 4G coverage status at MHA identified locations for LWE Phase-II. As per the coverage status given by LSAs, 2217 locations were found uncovered. The implementing agency was to be selected through an open competitive bidding process and the implementation period of the project was 18 months from the date of signing of contract with the implementing agency. However, the RFP had to be cancelled due to deliberations on choice of technology and single bid obtained against the RFP. Choice of technology for LWE-II project has now been revised from 2G+4G to 4G as per approval of DCC on 01.12.2020 for 2542 sites after adding 325 additional tower locations in Odisha. On the issue of awarding this project to BSNL on nomination basis, the Committee have been informed that BSNL right now has no 4G spectrum and this asset which is created is funded by USOF only for five years. After five years, the concerned TSPs has to continue at least for another five years. The Department are not sure that in these areas where the population density may not be high and the purchasing power is low, whether it will be commercially viable or not to saddle BSNL with continued liabilities. Once BSNL has 4G, they will be in a better position to take up such projects. BSNL also traditionally has never participated in a tender.

The Committee note that LWE Phase-I project had been successfully implemented by BSNL. Because of this people living in the areas are having access to telecom connectivity now. The achievement made by BSNL in implementing the LWE Phase-I project is an indication to the fact that BSNL is capable of implementing such challenging projects. The Committee in their Sixth and Nineteenth Reports (17th Lok Sabha) had recommended that the project may be awarded to BSNL on nomination basis considering that the Revival Plan of BSNL including allocation of 4G spectrum to BSNL is under process. The matter of sovereign guarantee, if required, may also be taken up with the Ministry

of Finance. The Committee note that the Department have not taken the recommendation of the Committee with desired seriousness as the selection of implementing agency for the project is going to be through an open tender. The Committee do not agree with the Department's submission that these areas will not be commercially viable due to low population density and purchasing power and do not want to saddle BSNL with continued liabilities. Since the Department themselves are not sure of the matter, they should have explored at least viability of BSNL to take up LWE Phase-II project. These areas require continuous support of the Government and providing viable telecom connectivity to achieve greater integration with the mainstream should be the utmost concern of the Government not commercial consideration due to factors such as low population density and purchasing power. The Committee urge the Department to consider the feasibility of implementing the project through BSNL before moving ahead with open tender. The Committee recommend the Department to take stringent measures to ensure that LWE Phase-II is implemented without any further hurdles. The Committee desire specific and pointed reply on the recommendation.”

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

“It is submitted that the implementation of LWE Phase-I was assigned to BSNL on nomination basis as 2G technology was used in this phase and the same was widely deployed by BSNL. However, for LWE Phase-II, approval of Cabinet was obtained on 21.12.2017 for 2G+4G services based on competitive bidding. Subsequently, in line with the NITI Aayog decision dated 06.05.2019 recommending provision of 4G based mobile services in Arunachal Pradesh and recommendation of an internal committee of DoT, the LWE Phase-II project was subsequently approved for 2,542 towers to provide 4G mobile services at an estimated cost of Rs. 2,288 crore through competitive bidding. BSNL presently has very limited network of 4G services and it is still in the process of floating a tender for providing 4G services on commercial basis.

It is further submitted that for leveraging the strengths of BSNL, a number of projects of USOF have been assigned for implementation on nomination basis to BSNL. The details of some major projects are as follows:

i) Submarine OFC Connectivity between Mainland India (Chennai) and Andaman & Nicobar Islands with a funding of Rs. 947.283 crore from USOF. The project has been completed.



ii) Augmentation of satellite bandwidth from 2 Gbps to 4 Gbps in Andaman & Nicobar Islands by BSNL on nomination basis at an estimated cost of Rs. 36.23 crore. The project is under implementation.

iii) Submarine OFC Connectivity between Mainland India (Kochi) and Lakshadweep Islands with an approved funding of Rs. 837 crore from USOF. The project is in the process of implementation.

iv) Augmentation of satellite bandwidth from 318 Mbps to 1.71 Gbps in Lakshadweep Islands utilizing GSAT-11 & 19 capacities by BSNL on nomination basis, with a funding of Rs. 25.75 crore from USOF. The project is under implementation.

v) Augmentation of satellite bandwidth from 1.71 Gbps to 3.46 Gbps utilizing GSAT-31 capacities for Lakshadweep Islands by NSIL and BSNL on nomination basis, with a funding of Rs. 30.75 crore from USOF. The project is in the process of implementation.”

#### **Comments of the Committee**

14. **The Committee have been persistently recommending that LWE Phase-II for setting of 2542 towers to provide 4G mobile services may be awarded to BSNL on nomination basis considering that the Revival Plan of BSNL including allocation of 4G spectrum to BSNL is under process. The Committee were firm in their belief that awarding this project to BSNL will help improving the financial position of the company. The Department have replied that for LWE Phase-II, approval of Cabinet was obtained on 21.12.2017 for 2G+4G services based on competitive bidding. BSNL also presently has very limited network of 4G services and it is still in the process of floating a tender for providing 4G services on commercial basis. The Department have further informed the Committee that for leveraging the strength of BSNL, a number of USOF projects have been assigned to BSNL on nomination basis. Some of these include, Submarine OFC connectivity between Mainland India (Chennai) and Andaman & Nicobar Islands, Augmentation of Satellite bandwidth in Andaman and Nicobar Islands, Submarine OFC connectivity between Mainland Indian (Kochi) and Lakshadweep Islands, Augmentation of Satellite bandwidth in Lakshadweep Islands, etc. The Committee note that apart from Submarine OFC connectivity between Mainland India (Chennai) and Andaman and**

Nicobar Islands which has been completed by BSNL with a funding of Rs. 947.283 crore and Submarine OFC connectivity between Mainland India (Kochi) and Lakshadweep Islands with an approved funding of Rs.837 crore from USOF which is in the process of implementation, all other projects given to BSNL on nomination basis are projects costing less than 40 crore, whereas the estimate cost for LWE Phase-II project is for 2,288 crore. Since the Department have not furnished any specific reasons for not considering the case of BSNL for award of work on nomination basis, the Committee are not in a position to understand the reason behind such a decision. However, from the reply of the Department, the Committee are now sure that the award of LWE Phase-II based on competitive bidding is a foregone conclusion and the Department are not keen to award the work to BSNL on nomination basis. The Committee desire that strict measures are put in place for successful bidding and award of contract for the project. The Committee also desire that in future efforts should be made by the Department to allocate more works from USOF to BSNL on nomination basis. The Committee hope that the Department will take all necessary measures to ensure that LWE Phase-II project is implemented in a time bound manner.

**Centre for Development of Telematics (C-DOT)**  
**(Recommendation Sl. No.15)**

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

The Committee note that C-DOT is the autonomous R&D centre of the Department of Telecommunications and it has been widely known for its monumental role in ushering in the indigenous telecom revolution in the nation. It has been instrumental in making India achieve greater self-reliance in telecom technologies as well as promoting local manufacturing of the telecom equipment in the country. It has carried out more than 90 Transfer of Technology (ToT) agreements in last 10 years with 27 manufacturers. The Committee have been informed that subject to the availability of sufficient funding, C-DOT would like to expand its role by establishing Centres of Excellence (CoE) to cater to specific sectoral requirements of emerging telecom market in India and ensuring availability of indigenous technologies for the same. These CoEs will also enable competency building and spread of knowledge through trainings. However, compared to the billions of dollars of R&D budget of major telecom R&D players worldwide, amount of funding received by C-DOT for undertaking its R&D activities is meagre. C-DOT proposals to set up CoEs in a number of critical areas for the

development of R&D to ensure India's self-reliance in telecom arena right from design – leading to IPR creation, to large scale manufacturing would require quantum jump in the amount of grant received by C-DOT from the current level of around Rs. 300 crore to about Rs. 2000 crore per annum.

The Committee note that the ratio of salary staff benefits to grant received of C-DoT has gradually increased since 2016-17. During 2018-19, the salary and staff benefits to grant received ratio was 92.83 per cent, which increased to 97.57 per cent in 2019-20, and during 2020-21 upto December, 2020 the ratio has been 105.06 per cent. Owing to this, very miniscule amount could be allocated for R&D in telecom sector by C-DoT. Telecom sector being technology driven, there is a need for an R&D by the Department. Without R&D, it will be not be possible for manufacturing to happen in the country in real sense. It is a fact that C-DoT proposals to set up CoEs in a number of critical areas such as 5G and beyond technology, AI and cognitive sciences, etc. will undoubtedly require quantum jump in the amount of grant received by C-DoT. The present amount is far too inadequate for any meaningful R&D activities. The Committee recommend that C-DoT work out a proper roadmap for establishment of Centre of Excellence (CoE) to cater to specific sectoral requirements of emerging telecom market in India, which may subsequently be submitted to competent authority for their consideration and approval. The Committee are of the view that such initiative will help in promoting indigenous technology and C-DoT should be supported to take up such initiative. At the same time, incremental increase in budgetary allocation to C-DoT for R&D should be taken up by the Department with the Ministry of Finance.”

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

“Centre for Development of Telematics (C-DOT) has started the process of preparing a roadmap for establishment of Centre of Excellence to cater to specific sectoral requirements of telecom market in India. This plan shall be submitted for approval. However, setting up of Centre of Excellence (CoE) as per the recommendation requires additional funds. In view of the current financial constraint, it may be difficult to get the required funding. Therefore, the Department shall consider establishment of the Centre of Excellence based on availability of funds.

Regarding budgetary allocation to C-DoT, it is submitted that in BE 2021-22, an amount of Rs. 325.70 crore has been allotted which is Rs. 19.8 crore more than the previous year's RE.”

#### **Comments of the Committee**

17. **The Committee had noted that subject to availability of sufficient funding, C-DoT would like to expand its role by establishing Centres of**

**Excellence (CoE) to cater to specific sectoral requirements of emerging telecom market in India and ensuring availability of indigenous technologies for the same. Noting that the present amount is far too inadequate for any meaningful R&D activities, the Committee had recommended C-DoT to work out a proper roadmap for establishment of Centre of Excellence to cater to specific sectoral requirements of emerging telecom markets in India. The Committee note that C-DoT has started the process of preparing a roadmap for establishment of Centre of Excellence to cater to specific sectoral requirements of telecom market in India. However, setting up of CoE as per the recommendation will require additional funds and in view of the current financial constraints, it may be difficult to get the requisite funding. The Committee are fully aware setting up of CoE in a number of critical areas like 5G and beyond technologies, Artificial Intelligence and cognitive sciences etc., will undoubtedly require quantum jump in the amount of grant being received at present by C-DoT. However, considering the importance of R&D for promotion of manufacturing of telecom equipment in the country, establishment of such a Centre of Excellence in C-DoT is worth the effort and Department should invest in this for meeting specific sectoral requirements of emerging telecom markets in India. The Committee reiterate that such initiative will help in promoting indigenous technology and C-DoT should be supported to take up such initiatives. The Committee desire that roadmap drawn for establishment of Centre of Excellence should be finalized and approved at the earliest and adequate funds for the same may be sought in next financial year with proper justifications. The Committee may be kept apprised of the progress made in this regard.**

## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### DoT Budget

#### (Recommendation Sl. No. 1)

The Department of Telecommunications (DoT) have laid the Detailed Demands for Grants (2021-22) of the Department on 10<sup>th</sup> February, 2021 for a total amount of Rs.72937 crore, consisting of Rs.41803.44 crore under Revenue Section and Rs.31135.56 crore under Capital section. The amount is Rs.6494.69 crore less than the Demands of the previous year. With regard to expenditure during 2020-21, the Committee note that under Revenue Section an amount of Rs.48756.63 crore was allocated at BE which was reduced to Rs.43948.88 crore at RE stage and actual expenditure upto January, 2021 has been Rs.37649.53 crore. The Committee further note that funds allocated at BE stage have been reduced at RE stage under items like USOF, Special Assistance for Swachhta Action Plan (SAP), ITI, Bangalore, Training NICF, Training to ITS/BWS Officers, Champion Service Sector Scheme, Grant of GST on 4G spectrum, incremental pension for voluntarily retiring employees of BSNL and MTNL, etc. The Committee are given to understand that funds have been reduced at RE stage keeping in view the trend of actual expenditure which was not on expected lines due to the situation arising out of COVID-19 pandemic. The Committee also note that due to cap in the overall expenditure up to September 2020 arising out of the pandemic situation, the expenditure up to January 2021 has been Rs 37649.63 crore. The remaining amount particularly for important Schemes like USOF will be utilized by end of this financial year.

Under Capital Section, an amount of Rs.30675.06 crore had been allocated at BE stage which was reduced to Rs.8359.92 crore at RE stage and the actual expenditure up to January, 2021 has been Rs.5689.53 crore. The main reason for decrease in the allocation made at RE stage during 2020-21 was the withdrawal of fund for Capital infusion for 4G Spectrum for BSNL & MTNL to the tune of Rs 20,410 crore by Ministry of Finance. So far as utilization of funds in other schemes is concerned, the Committee note 'Nil' utilization of funds for schemes like Capital infusion for 4G spectrum for BSNL and MTNL, Major work building, WPC, TRAI building, Telecom Testing and Security Certification Centre,

Telecom Computer Emergency Response Team (T-Cert), Central Equipment Identity Register (CEIR), etc. The Department are hopeful that the entire amount allotted to NFS (OFC based network for Defence Services), TRAI and other schemes will be fully utilized by the end of financial year 2020-21.

While the Committee do understand that there has been shortfall in utilization of funds under several heads due to COVID-19 pandemic, they are disturbed to note that an amount of Rs. 20,410 crore allocated under Capital Section for Capital infusion in BSNL & MTNL for 4G Spectrum had been withdrawn by the Ministry of Finance due to delay in tendering process. The Committee feel that under spending under this head could have been avoided had the Department fast tracked the tendering process by taking appropriate measures. This allocation has been moved to the next financial year 2021-22. The Committee express their disappointment at the Department's failure in tendering process and desire that proactive steps are taken during the current year so that funds are not cut at RE stage. The Committee recommend that suitable measures may be taken for release of funds to C-DoT relating to Central Equipment Identity Register (CEIR) and Telecom Computer Emergency Response Team (T-Cert) during the current financial year. The Committee hope that utilization of funds will improve during 2021-22 especially under Capital Section and all out efforts are made to ensure that 'Nil' utilization of funds under important schemes like Capital infusion for 4G spectrum for BSNL and MTNL, Major work building, WPC, TRAI building, Telecom Testing and Security Certification Centre, Telecom Computer Emergency Response Team (T-Cert), Central Equipment Identity Register (CEIR), etc is not repeated during 2021-22. The Committee further recommend that based on the progress of the implementation of schemes and utilization of funds, Ministry of Finance may be requested for enhanced allocation at RE stage so that implementation of various schemes do not suffer due to non-availability of sufficient budgetary allocation.

### **Reply of the Government**

In this regard, it is submitted that the Department is committed to judicious utilization of funds under both revenue and capital heads For 2020-21, it is submitted that Ministry of Finance has allotted an amount of Rs 79431.69 crore consisting of Rs 48756.63crore under revenue head and Rs 30675.06 crore under capital head which was reduced to Rs 52308.80 crore consisting of Rs

43948.88 crore under revenue head and Rs 8359.92 crore at RE Stage. Expenditure for the Financial year 2020-21 is Rs 45148.04 crore under revenue section and Rs8356.11crore under capital section. The amounts allotted at RE stage to all major schemes like USOF,NFS and TRAI Building havebeen fullyutilized.

For the Financial year 2021-22, an amount of Rs 72937.00 crore consisting of Rs 41803.44 crore under revenue section and Rs 31133.56 crore under capitalsection has been allotted, out of which Rs8408.60 crore under revenue section and Rs796.35crore under capital section have already been utilized as on 30.06.2021.

All the Nodal branches concerned are being instructed for effective expenditure monitoring and also utilization of funds judiciously with additional emphasis on proper utilization of allotted funds for various ongoing schemes. Based on the progress of different Schemes and utilization of funds by different unitslike C-DoT,TRAI, ITI etc , Ministry of Finance will be requested to enhance allocation at RE Stage, if the need arises.

Steps taken by this Department for utilization of funds by BSNL and MTNL

1. The funds allotted under the Revenue Head “Grant of GST on 4G spectrum” and under the Capital Head “Capital Infusion for 4G spectrum for BSNL and MTNL” could not be utilized during FY 2020-21 as BSNL requestedto align the allotment of spectrumwith the progress of its 4G tender. Funds of Rs. 24,084 Crores for spectrum for 4G services have been provided in FY 2021-22. It is expected that the funds will be utilized during FY 2021-22.
2. BSNL issued NIT for procurement of 4G equipment (50,000 Nodes for BSNL and 7,000 Nodes for MTNL) on 23<sup>rd</sup> March 2020.
3. However, the issue of procurement was reviewed at various levels to promote indigenization& domestic manufacturing of telecom equipment and to address concerns for telecom security/ procurement of equipment from countries bordering India. The matter was referred to the Empowered Technology Group (ETG) of the Government. Subsequently, the tender was cancelled on 01.07.2020.

4. To enable Indian companies to participate in the BSNL 4G tender (as no Indian Company meets the experience criteria of establishing a network for mobile services on a large scale), the route of Proof of Concept (PoC) has now been adopted. This is based on the recommendations of a Technical Committee constituted on the recommendations of the Empowered Technology Group. An Expression of Interest (EoI) for PoC followed by tender had been issued by BSNL on 01.01.2021. Subsequently, Letter of Intent (LoI) has been issued to 5 bidders. It was issued on 01.07.2021.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27 /07/2021)

### **Internal and Extra Budgetary Resources (IEBR)**

#### **(Recommendation Sl. No. 2)**

The Committee note that IEBR constitutes the resources raised by the PSUs through profits, loans and equity. In DoT, there are six PSUs/Organizations through which IEBR is raised namely, BSNL, MTNL, TCIL, ITI Ltd., BBNL and C-DoT. As per the information provided by the Department, the Committee note that the actual achievement of IEBR has been declining since 2017-18. During 2017-18, the percentage of achievement of IEBR with reference to (w.r.t.) RE was 90.09 per cent, this had reduced to 63.69 per cent during 2018-19 which further declined to 53.16 per cent in 2019-20. During 2020-21, the IEBR target set at BE was Rs.14187.28 crore which was reduced to 13370.22 crore at RE and the actual achievement made was Rs.5490.67 crore only which is 41.06 per cent with regard to RE. Going by the past experience, the Committee are of the view that the IEBR performance of the PSUs/Organizations is unlikely to improve during 2020-21. For the year 2021-22, the Department have set an IEBR target of Rs.12244.28 crore at BE 2021-22. The Committee have been informed that the BSNL, MTNL, TCIL, ITI Ltd., BBNL and C-DoT will be able to achieve their IEBR targets provided there is no major reduction in their anticipated revenue/cash flow or bank loan targets.

The Committee are of the view that shortfall in IEBR target indicates less capex investment. Considering that achievement of IEBR target had been persistently declining since 2017-18, keeping such huge IEBR target during 2021-22 appears unrealistic to the Committee unless they have some specific



plan/road map. To achieve the target, the Committee feel that these PSUs/Organizations need to be given positive policy support by the Government so as to bring them to better financial position. The Department need to review and identify the revenue earning potential of these PSUs, and Organizations from time to time and extend necessary support to them so that their financial health improves and they contribute to the budgetary resources of Department instead of becoming liabilities. The Committee also desire the Department to be more realistic while fixing the IEBR targets.

### **Reply of the Government**

It is submitted that the Department has always given positive support to the PSUs under its administrative control, whenever the need arises. Most notably, revival plans for BSNL, MTNL and ITI Ltd are under implementation at present.

The shortfall in achievement of IEBR targets is mainly due to the precarious financial conditions of BSNL and MTNL. They were able to achieve only 36% and 47% of their RE 2019-20 targets respectively. On the other hand, TCIL has been able to achieve 100% of its IEBR targets since 2017-18 onwards, though the amounts involved are small. In respect of BBNL and C-DoT, the achievements against RE 2019-20 were 69% and 65% respectively. With the implementation of the Revival Plan for BSNL & MTNL, it is anticipated that the overall achievements will improve. With regard to fixing of IEBR targets, the PSUs have been instructed to ensure that projection smade for IEBR targets are realistic, as recommended by the Committee.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27/07/2021)

### **Universal Service Obligation Fund (USOF)**

#### **(Recommendation SI. No. 3)**

The Committee note that an amount of Rs. 8000 crore consisting Rs.6000 crore for BharatNet and Rs.2000 crore for other USOF schemes had been allocated at BE 2020-21 which was reduced to Rs. 7200 crore by MoF and actual utilization as on 31.12.2020 has been Rs.5409.08 only. The Committee have

been informed that there is no problem of funding for USOF schemes. As and when the schemes take off, Government is bound to provide funds for the schemes of USO fund. The Committee, however, note that during the year 2021-22, against the proposed amount of Rs.13250 crore, an amount of Rs.9000 crore only has been allocated at BE 2021-22. During 2021-22, the Department have prioritized schemes like BharatNet, Provision of Mobile Services in Left Wing Extremism Areas (Phase-II), Provision of Mobile Services in 354 uncovered villages including J&K and Ladakh, Provision of Mobile Services in Aspirational Districts, Comprehensive Telecom Development Plan for Islands and Comprehensive Telecom Development Plan for NER. The Committee also note that as on 31.12.2020, the balance of Universal Access Levy (UAL) amount available as potential fund under USO is Rs.55,216.94 crore. Initially, USOF focus had been service provisioning projects requiring low capital expenditure. Now, the focus has shifted to capital intensive and infrastructure projects. The Committee have also been informed that the Department have received proposals from TSP/Industry Body for downward revision of the rate of Universal Service Levy (USL) which is currently 5 per cent of the Adjusted Gross Revenue (AGR). However, it has been decided not to lower the rate as it would deplete the resource available with USOF. The Department have informed the Committee that the balance available as potential funds is just enough to cover USOF's commitments for its schemes.

The Committee note that under USOF the Department are implementing many capital intensive and infrastructure like BharatNet, LWE Phase-II, Comprehensive Telecom Development Plan for NER and Islands, Provision for Mobile Services in Aspirational Districts, etc. It is in the interest of the nation that these schemes are effectively implemented in a time bound manner. It is also utmost desire of the Committee that there should not be any problem in allocating requisite funds for implementation of the USOF schemes considering the importance of these schemes and also keeping in view that sufficient UAL balance is available in the Consolidated Fund of India. The Committee have been informed that money has not been a constraint as far as Universal Service Obligation is concerned and they have got whatever money they have demanded. But this does not seem to be the fact when one looks at the budgetary allocation for the year 2021-22 for USOF schemes wherein as against

the proposed amount of Rs.13250 crore an amount of Rs.9000 crore only has been allocated by MoF. The amount allocated is Rs.4250 crore less than what is proposed by the Department. The Department have either failed in convincing the MoF of the fund requirements under USOF or MoF has been deliberately squeezing the funds under USOF due to non-pickup of schemes. The Committee take serious note of this and recommend the Department to ensure that requisite funds are made available for various schemes under USOF by the Ministry of Finance. The Committee hope that fund allocation will improve and adequate fund will be made available at RE stage. The Committee also recommend that necessary approval of various schemes should be taken well in advance by the Department so that there is certainty in fund allocation at BE stage itself and there is no delay in implementation of schemes.

### **Reply of the Government**

The BE was proposed taking into account the actual implementation and progress of the schemes. The Observation/ Recommendation of the Committee regarding availability of Funds to meet the expenditure of USOF schemes had been conveyed to the Ministry of Finance *vide* letter dated 26.06.2020.

As far as the Observation of the Committee that necessary approval of various USOF Schemes should be taken in advance is concerned, it is submitted that the USOF scheme viz., Submarine OFC connectivity between Lakshadweep to Kochi is at tendering stage. For provision of Mobile Services in LWE Affected Areas (LWE Phase-II), signing of Agreement for awarding the work is under process. For provision of Mobile Services in Arunachal Pradesh & 2 Districts of Assam, tender is under approval for award of work. For various other USOF schemes such as Provision of Mobile Services in 354 uncovered villages of J&K and Ladakh, Provision of Mobile Services in Meghalaya, Provision of Mobile Services in A&N Islands and Provision of Mobile Services in 502 Aspirational Districts, Agreements have been signed. Further, the Cabinet Note for Provision of Mobile Services in other Aspirational Districts is under consideration. The pace of implementation of all these schemes ought to pick up in FY 2021-22.

DoT is regularly reviewing the progress with all the implementing agencies and stakeholders to achieve the desired outcome. As suggested by the Standing

Committee, all efforts are being made to reduce the delays in the implementation of the projects.

In the recent past, due to various advisories issued by the Government and lockdown in view of the outbreak of Covid-19 pandemic, there has been resistance from the local people for giving the installation teams access to the village sites for implementation of the projects. This has adversely affected the progress.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27 /07/2021)

### **Re-appropriation of funds from USOF**

#### **(Recommendation Sl. No. 4)**

The Committee note that Rs. 3000 crore consisting of Rs. 2000 crore for BharatNet and Rs. 1000 crore for other USOF Schemes had been received as Revised Allotment for the FY 2019-20 from Ministry of Finance, out of which Rs. 74 crore has been re-appropriated to DoT as per the request of DoT. When asked about the reasons for re-appropriation of funds from USOF, the Committee have been informed that in Revenue Section, there was urgent requirement of additional funds under several heads due to which the amount of Rs. 74 crore was re-appropriated. The Department have further informed the Committee that the potential balance of USOF is not depleted by this re-appropriation, as the balance is arrived at by deducting amount actually spent on USOF schemes from total Universal Service Levy collection. The fund available in USOF is utilized for the stated objectives of USOF only. The Department have also clarified to the Committee that this had been done with the approval of the Ministry of Finance.

The Committee are of the view that USOF money can be used for specific purpose of providing telecom connectivity in rural areas. Therefore, such re-appropriation of funds to meet urgent requirement of additional funds under several heads under Revenue Section is an undesirable trend which should be avoided. In the opinion of the Committee, to meet requirement of additional funds, Ministry of Finance should be impressed upon to allocate requisite funds instead of re-appropriating it from the USOF as this defeats the very purpose for which this corpus was created. Since USOF is for specific and intended

purpose, the Committee desire that such re-appropriation of funds for USOF should be avoided in future. The Government should not be using this balance to bridge fiscal gaps rather than providing telecom connectivity in the rural areas, which is meant for the poor.

### **Reply of the Government**

It is submitted that re-appropriation of funds within the same section (i.e., Revenue to Revenue or Capital to Capital) from a head where saving/ surrender is anticipated to a head where there is additional requirement is a normal process of budgeting, for optimum utilization of funds available. As already stated earlier, the instant re-appropriation does not lead to a reduction in the potential balance of USOF. However, as recommended by the Committee, re-appropriation from USOF head will be avoided in the future.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated /07/2021)

### **Telecom Computer Emergency Response Team (T-CERT)**

#### **(Recommendation Sl. No. 11)**

The Committee have been informed that the project will empower the DOT and other stakeholders by providing visibility into the Cyber health of the telecom network and also national critical infrastructure against cyber threats and attacks in real-time. It will be possible to generate actionable intelligence helping the various agencies to sanitize the everyday deteriorating Indian Cyberspace and maintain cyber hygiene. Broadly, the project will identify and focus on areas, such as identifying the compromised system being controlled and exploited by the attackers for large scale attack or other malicious activities, detection of attacks in real time, identify anonymous connections, etc. identify attackers and victims, IP address, country, ISP or organization and detection and analysis of active malicious/blocked Apps and also check the compliance to the block applications/URLs/IPs and further generate the information on servers to be blocked. For such an important scheme, the Committee note that the status of utilization of funds during 2019-20 and 2020-21 had been extremely disappointing. During 2019-20, no funds were released to C-DOT as RE was reduced to 'Nil' due to less overall allocation by Ministry of Finance in RE stage based on the progress of utilization of funds. In 2020-21, due to Corona

Pandemic several purchase orders related to project equipment placed by C-DOT were cancelled by the vendors citing incapability to deliver. Now, purchase orders have again been placed. From the information provided by the Department, the Committee note that case is being submitted for approval of competent authority for release of Rs.6.47 crore to C-DoT. For the year 2021-22, the Department have proposed an amount of Rs.127.82 crore, however, an amount of Rs.23 crore only has been allocated at BE 2021-22. The Department have now informed the Committee that the amount has been proposed keeping in view the Pan India roll-out of the project, initially at 22 ISP gateways for FY2021-22 and setting up of Data Center for NoC/SoC for CERT-T. However, the reduced allocation will have adverse impact on the project and it will be difficult to achieve the objective. The Department propose to demand additional amount at RE stage. They have further informed that proposal for formation of the Committee to evaluate DPR is under process. All possible efforts are being made to expedite the finalization and approval of DPR.

The Committee note that as a first step for successful implementation of this project, Detailed Project Report has to be approved by the competent authority at the earliest. The Committee are, however, concerned to note that even though a DPR has been proposed, a Committee to examine the same is yet to be constituted. The Committee note that equipment for 22 ISPs could be purchased and release of funds could take place only after the approval of DPR. Without timely approval of DPR the status of utilization of fund is unlikely to improve even during 2021-22. There is an urgent need to improve the cyber hygiene considering the everyday deteriorating Indian cyberspace. The Committee, therefore, strongly recommend that the Committee to examine DPR should be constituted at the earliest and approval of the DPR taken without any further delay so as to complete this project which will help in improving cyber hygiene and security in the country. The Committee also recommend that approval should also be given at the earliest so that an amount of Rs.6.47 crore can be released to C-DoT.

## **Reply of the Government**

RE for T-CERT scheme for the FY 2020-21 was Rs.6.47 crore and the full amount i.e. Rs 6.47 crore has been released to C-DOT in March 2021. Periodic reviews will be done by DoT to ensure that utilization of funds improve during FY 2021-2022.

A committee was constituted to examine the Detailed Project Report (DPR) for T-CERT scheme and based upon the recommendations of the committee, the DPR is under finalization.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27/07/2021)

### **Review of functioning of PSUs:**

#### **Implementation of Revival Plan of BSNL & MTNL**

##### **(Recommendation Sl. No. 12)**

The Committee note that the expenditure of BSNL has reduced from Rs. 34,400 crore per annum to Rs. 24,687 crore per annum (Annualized value of 9 months figures) mainly due to savings in employee benefits expense due to VRS as part of revival package. However, the revenue has not grown mainly due to non-commencement of 4G services. Further, the anticipated monetization of land assets did not take place. BSNL has stated that it expects to be profitable from FY 2023-24 onwards subject to full realization of the revenue and cash flow from services as well as monetization of land assets as envisaged at the stage of processing of the revival package. With regard to MTNL, the total expenditure has reduced from Rs. 5922.70 crore per annum to Rs. 4264 crore per annum (Annualized value of 9 months' figures) mainly due to savings in employee benefits expense, due to VRS as part of revival package. The EBITDA was positive for the half year ending September, 2020 and Nine Months ending December, 2020 for both BSNL & MTNL. The Committee note that the projected net loss of BSNL for the year 2021-22 is Rs.9201 crore and that of MTNL is Rs.2519.59 crore. The Committee have also noted that as a step towards merger of BSNL and MTNL and to enable BSNL to have a pan India footprint of services, the Group of Ministers (GoM) in the meeting on 21.12.2020 approved the

proposal for the allocation of spectrum for 4G services to BSNL in Delhi and Mumbai. It is expected that with the commencement of 4G services, the revenue of BSNL in the wireless segment will increase.

The Committee have been informed that from 1<sup>st</sup> April, 2021, the wireless services of MTNL will be taken over by BSNL and 4G spectrum for Mumbai and Delhi will be given to BSNL and not to MTNL. The Committee are given to understand that spectrum is allocated for a period of 20 years. So it is in the interest of BSNL that the period of 20 years commenced from the time when BSNL is actually able to utilize the spectrum. Otherwise, BSNL has to give spectrum usage charge and the opportunity cost will be very high. It is in the interest of BSNL that they get 4G spectrum sometime in June-July. The Committee have been further informed by the Department that as on date, there is not a single Indian company which can give them the equipment of 4G that can be used for vast networks. A fresh tender has been floated on 1<sup>st</sup> January, 2021 in which there will be a proof of concept which will be a substitute for experience. Leading companies like TCS, Tech Mahindra, Sterlite and L&T have purchased documents for the proof of concept. BSNL has nearly 1600 queries after the pre-bid meeting, which will be answered shortly.

The Committee note that in spite of the successful implementation of VRS and other items of Revival Plan, revenue of BSNL and MTNL has not grown mainly due to non commencement of 4G services. The Committee note that today market is moving technology wise very differently and BSNL is not able to move forward because 4G technology and 4G equipment is not available with BSNL. 97 per cent of data download today is taking place on 4G and BSNL network is only 0.7 per cent of the India's network. In this circumstances, it is ambitious to expect BSNL to compete with other TSPs. Non commencement of 4G services has adversely affected the growth of BSNL and MTNL to the point of pushing them out of the highly competitive telecom market without the Government support. The Committee are also of the view that revival of BSNL is to the best interest of the domestic telecom equipment manufacturers. The Committee, therefore, recommend that sincere effort must be made by the Department so that BSNL could commence 4G services at the earliest. It is unfortunate to note that 4G service is yet to commence by BSNL when other



TSPs are preparing to rollout 5G services in the country. The Committee are of the firm view that when it comes to competition, the approach of the Department alongwith BSNL and MTNL has been to follow the competition and not trying to stay ahead of the competition. The Committee desire that there should not be any further delay in allocation of 4G spectrum to BSNL and they should be allowed to rollout 4G service at the earliest.

### **Reply of the Government**

1. As noted by the Committee, an Expression of Interest (Eoi) for PoC followed by tender had been issued on 01.01.2021. Subsequently, BSNL has issued the Letter of Intent (LoI) for commencement of the PoC to 5 bidders. The LoI was issued on 01.07.2021. BSNL has estimated that the roll out of 4G services through this route will take at least 15 months in a best-case scenario from the date of issue of LoI. Sincere efforts are being made by the Department/BSNL to commence the 4G services at the earliest.
2. Spectrum allocation to BSNL was not made in 2020-21 as BSNL requested to align the allotment of spectrum with the progress of its 4G tender. The Committee has also noted that spectrum to BSNL should be given when BSNL is actually able to utilize the spectrum. Funds of Rs. 24,084 crore for spectrum for 4G services have been provided in FY 2021-22. It is expected that spectrum will be allocated to BSNL during 2021-22.
3. Further, as a measure of Government support to BSNL, instructions have been issued for mandatory utilization of capacities of BSNL and MTNL by all Ministries/ Departments of Government of India/CPSEs/Autonomous bodies etc. for their internet/broadband, landline and leased line requirements.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27/07/2021)

### **Monetization of land/building/tower/fibre assets of BSNL and MTNL**

#### **(Recommendation Sl. No. 13)**

The Committee note that monetization of land/building and tower assets is one of the components for revival of BSNL and MTNL. As per the information provided by the Department, the total value of land/building assets identified for monetization in BSNL and MTNL is Rs.67837 crore and Rs.17985 crore

respectively. Expected revenue from monetization of land/building assets of BSNL and MTNL during 2021-22 is Rs.1200 crore and Rs.300 crore respectively. The Department have informed the Committee that during the past one year, monetization was a problem as land and rent prices have fallen. 2021-22 is going to be a very critical year because the Department hope to monetize more properties. BSNL and MTNL have two type of assets, core and non-core. The non-core assets are the land parcels and core assets are fibre and towers. They have moved fast in monetizing their core assets. BSNL has 68,000 towers, out of which 13,000 towers are getting rent. They are getting more than 1000 crore per annum, on a gross basis, an income from rent of towers. The Committee have also been informed that they have also got about Rs.400 crore as fibre monetization. They are now moving for securitizing their towers by giving the rental streams to a bank and taking upfront money for that. Several PSUs/banks are now in the final stage of negotiations with them.

The Committee note from the above observations that huge core and non-core assets are lying with BSNL and MTNL. Proper implementation of monetization of core and non-core assets can generate huge resources for them which can be used not only for their revival but also for maintaining a steady revenue stream. The Committee recommend that a proper study must be conducted on how to put such huge assets of the two companies into best productive use and if felt necessary a Committee may be duly constituted in this regard with representatives from the concerned Ministries/Departments on board. The Committee are glad that efforts are being made for securitizing their towers by giving rental streams to banks. The Committee feel that this is a new way to ensure optimal utilization of the public asset created. The Committee recommend that the Department should continue to explore newer ways and means for successful monetization of land/building and tower/fibre assets.

### **Reply of the Government**

It is submitted that the total value of land/building assets of BSNL is Rs.67837 crore and that of MTNL is Rs.17985 crore. As noted by the Committee, expected revenue from monetization of land/building assets of BSNL and MTNL during 2021-22 is Rs.1200 crore and Rs.300 crore respectively.

BSNL has entered into agreement for loan arrangement of around Rs. 1800 crore with 7 years tenure during 2020-21 by securitising the leased tower rentals from 13,000 towers (approx.) given to Reliance JIO and Bharti Airtel, out of which BSNL availed Rs. 1430 crore in 2020-21.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27 /07/2021)

### **Performance of ITI Ltd.**

#### **(Recommendation Sl. No. 14)**

The Committee note that the net profit of ITI during the year 2017-18 was Rs.231 crore, Rs.93 crore during 2018-19 and Rs.151 crore during 2019 -20. For the year 2020-21, the total income as on 31<sup>st</sup> December 2020 was Rs. 1192.50 crore and total expenditure was Rs. 1382.59 crore with the net loss of Rs.190.09 crore. The Committee have been informed that the decline in total income is due to COVID 19 pandemic. The first three quarters of FY 2020-21 were marginally low in achievement and ITI hope to recover the performance by the end of the financial year 2020-21. With regard to projected income and expenses of ITI for the year 2021-22, the Committee have been informed that the amount are Rs.3029.60 crore and Rs.2676.97 crore respectively and thus the expected net profit is Rs.352.63 crore. The Committee are also aware, under ITI Revival Plan, capital infusion of Rs.2264 crore was approved by CCEA against which ITI has received Rs.874 crore only as of now. Balance amount of Rs. 1390 crore is required for implementation of various revival projects. With the investment of already allocated capital amount of Rs. 874 crore, ITI could get customer orders worth Rs 2150.71 crore during 2016-17 to 2020-21 as on 31.12.2020 and ITI has been able to generate revenue to the tune of Rs. 1151.92 crore against these orders. With regard to allocation of funds for the year 2021-22, Rs.305 crore in BE 2021-22 has been requested. However, an amount of Rs.80 crore only has been allocated. The Committee also note that ITI is facing lot of challenges in the implementation of the Revival Plan, such as lack of orders from major customers, shortage of working capital, competition in the market from private telecom vendors, higher rate of obsolescence of products in telecom technologies, Covid-19 pandemic, etc. The Committee have also been informed that as of now ITI does not have the technology for manufacturing of 5G telecom equipment. ITI

has formed partnership with 4G technology firms like Tech Mahindra, TCS and Mavenir. ITI will work with these partners on 5G technology in the future.

The Committee are of the view that ITI has an important role in implementation of Government of India's schemes like 'Make in India', 'Skill India', 'Digital India', etc. The Committee, however, note that allocation of funds to ITI for Capital expenditure as per the Revival Plan is far from satisfactory. Out of an amount of Rs. 2264 crore approved by the Cabinet, the amount received by ITI so far is only Rs.874 crore. With this amount, ITI has been able to generate revenue of Rs.1151.92 crore. ITI being the only Government owned PSU for manufacturing of telecom equipment, special emphasis need to be given for successful implementation of its Revival Plan with adequate flow of funds. However, it is distressing to note that allocation of fund has not been as per the Revival Plan. During 2021-22, an amount of Rs.80 crore only has been allocated at BE against the proposed amount of Rs.305 crore. The Committee recommend that adequate fund as per Revival Plan must be allocated so that ITI can emerge as a foremost telecom equipment manufacturer that will not only meet the telecom equipment need in the country but will also export telecom equipment. To achieve this, there is a need for continuous technological upgradation so that ITI can have technology to manufacture latest telecom products. The Committee desire that the Government should continue to give support to ITI so that it can venture into manufacturing of various telecom equipment including 5G. The concern of the Committee in this regard may be conveyed to the MoF for necessary provisioning at RE stage.

### **Reply of the Government**

Allotment of funds amounting Rs. 80 core for revival of ITI in BE 2021-22 as against proposed amount of Rs. 305 crore is due to allocation of less fund by Ministry of Finance (MoF).If the need arises, MoF will be requested for enhanced allocation at RE stage. As recommended, the concern of the Committee in this regard has been conveyed to MoF.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27/07/2021)

**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

#### Progress of Implementation of BharatNet

##### (Recommendation Sl. No. 5)

The Committee note that as per Cabinet approval, the target for BharatNet completion, i.e. connecting all the 2,50,000 GPs, was March 2019. However, since project is of mega nature widely dispersed across the country, only 1.18 lakh GPs could be connected by March 2019. BharatNet project was envisaged to be completed by August 2021. However, this time will now be extended as the pace of completion is affected by lockdown and restrictions on movement imposed by the various Governments due to Covid-19. On the status of utilization of funds, the Committee note that an amount of Rs.6000 crore had been allocated at BE 2020-21 which was reduced to Rs.5500 crore at RE and actual utilization as on 31.12.2020 has been Rs.4341.85 crore. The Committee note that the implementation pace of BharatNet Phase-II during 2020-21 was slower as compared to the target. The Phase-II work was largely dependent on 8 States (around 65000 GPs under State Led Model) and BSNL (23000 GPs in CPSUs Led Model). BSNL suffered from capacity constraints because of its internal issues and financials. Further, under State Led Model the status of Chattisgarh, Jharkhand, Maharashtra, Andhra Pradesh, Telangana and Odisha have been slower than expected. The tender for work is under progress in Tamil Nadu. Regarding the finalization of PPP Model the Department have informed that PPP Model in BharatNet is at approval stage in Department of Telecom. Cabinet Note is under preparation by USOF/DoT for approval of Union Cabinet.

The Committee note that the the Department are still grappling with the implementation strategy in these States. The Committee are of the view that States like Tamil Nadu, Telangana, Andhra Pradesh, Gujarat, etc. have huge implementation capacity and once the implementation strategy is finalized they will be able to finish the work at the earliest. Since there has been considerable delay in completion of the project, the Committee desire that the matter should be taken up by the Department with the concerned States at the highest level. Since

BSNL is also suffering from capacity constraints because of its internal issues and financial matters, the Committee are of the view that the Department should explore various other ways and means to ensure that implementation of work in 23000 GPs under CPSU Led Model should complete as per schedule and capacity constraints of BSNL should not be allowed to come on the way for timely completion of the project even if it necessitates providing necessary support to BSNL for speedier and timely execution. The Committee would like to be informed of the progress of the project in various States.

#### **Reply of the Government**

The progresses made under various Models in the implementation of BharatNet Project are as under:

#### **IV. Status of the BharatNet Phase-I:**

The work of 1,25,000 GPs (including revised work front) under Phase-I has been allocated to 3 CPSUs: BSNL, RailTel and PGCIL for implementation. As on 31.03.2021, a total of 1,20,642 GPs have been connected by laying 3,07,114 km underground OFC. Out of these OFC connected GPs, 1,18,583 GPs have been made Service Ready. The detail of progress is given below (Including 60 GPs of the Pilot phase):

<b>CPSU</b>	<b>Phase-I Districts</b>	<b>Phase-I Blocks</b>	<b>Phase-I GPs</b>	<b>OFC laid (km)</b>	<b>GPs where Cable laid</b>	<b>Service Ready GPs</b>
BSNL	403	2473	101831	250287	100935	100714
RailTel	63	316	10805	25357	9368	7697
PGCIL	39	512	10401	31459	10324	10157
BBNL (diverted from BSNL) A&N UT	3	6	59	11	15	15
<b>Total</b>	<b>509</b>	<b>3307</b>	<b>123096</b>	<b>307114</b>	<b>120642</b>	<b>118583</b>

## V. Status of BharatNet Phase-II Project (as on 31.03.2021)

BharatNet Phase-II is planned to connect the remaining 1,25,000 GPs (approx.) directly to BHQs by an optimal mix of media, i.e. aerial OFC on existing electricity poles, radio and satellite for speedier deployment and underground OFC, as being done for Phase-I. Implementation of the project is proposed through States and States' agencies, CPSUs; and Private Sector agencies.

Model (under implementation)	No. of GPs	States	Status
State-led ( 9 States)	71,313	Andhra Pradesh, Telangana, Maharashtra, Jharkhand, Tamil Nadu, Gujarat, Chhattisgarh, Odisha, Uttarakhand	Duct laid (km) : 104025 OFC laid (km) : 132829 GPs connected on OFC :26819 Service Ready (GPs) : 19024 (The DPR for Uttarakhand is under approval)
Private Sector (2 States)	7381	Punjab and Bihar	Duct laid (km) : 21770 OFC laid (km) : 22721 GPs connected on OFC : 7357 Service Ready (GPs) : 7357
CPSU-led ( 4 States)	27406	BSNL: Madhya Pradesh, Uttar Pradesh, Sikkim and J&K	Duct laid (km) : 64262 OFC laid (km) : 53713 GPs connected on OFC: 12510 Service Ready (GPs) :5817
Satellite Model	5548	NER, J&K, etc.	Installed : 3850 Service Ready : 3838
PPP Model	31000 approx.	Various states	Cabinet has approved the PPP model for BharatNet.
<b>Overall progress</b>			Duct laid (km) : 190057 OFC laid (km) : 209263 GPs connected on OFC: 46686 Service Ready (GPs): 36036 (32198 on OFC + 3838 on satellite)

## VI. Overall achievement of BharatNet Project:

As on 31.03.2021, a total of 5,16,377 Kms OFC has been laid, connecting 1,67,328 GPs. Out of these 1,67,328 OFC connected GPs, 1,50,781 GPs have been made service ready. Further, 3838 GPs have been made service ready on Satellite. In total 1,54,619 GPs have been made service ready. It is further



submitted that BharatNet is a challenging project of mega nature and the Gram Panchayats (GPs) are widely dispersed across the country in rural and remote areas. The BharatNet project was envisaged to be completed by August 2021. However, this time will now be extended as the pace of completion is affected by lockdown and restrictions on movement imposed by the various Governments due to COVID-19. However, with the beginning of unlock phase, all efforts are being made to speed up the project implementation.

Further in order to speed up the implementation process as well as to mitigate the issue of minimal utilization and its operations and maintenance and to cover inhabited villages also, a PPP model of BharatNet has been envisaged. PPP Model as approved by DCC in December 2019, required detailed analysis for migration into PPP Model and accordingly M/s Deloitte was engaged as transaction advisor w.e.f. 13.01.2020. The team of consultants presented their reports on CAPEX, OPEX and revenue models to determine the required VGF for the project. The same was subsequently deliberated in NITI Aayog and with modifications based on comments from them as well as from Ministry of Electronics and IT, the proposal was submitted to PPPAC. The approval of PPPAC was received in February 2021 after several rounds of discussions/presentations and modifications, PPP Model in Telecom, being the first of its kind. Subsequently Cabinet has approved the proposal of PPP on 30.06.2021.

Regular review meetings with all the stakeholders are being held in order to speed up the pace of implementation including State Governments.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27/07/2021)

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

**Utilization of Infrastructure Created under BharatNet  
(Recommendation Sl. No. 6)**

The Committee note that as on 31.12.2020 an amount of Rs.25,101.25 crore had been utilized for implementation of BharatNet. 1,51,404 GPs including 3497 Block Headquarters have been made service ready and 1,04,026 GPs have been provided with Wi-Fi hotspots, FTTH connections provided to 4,84,506 GPs, leasing of fibre has been done for 18,039 kms.etc. The Committee are glad to

note that utilization of BharatNet especially number of GPs under Wi-Fi hotspots has improved substantially when compared with the previous year. The Committee note that BharatNet is being implemented to provide broadband connectivity to all GPs (approximately 2.5 lakh) in the country and the scope has been extended to cover all inhabited approximately 6 lakh villages. The Committee have been informed that as approved by Digital Communications Commission (DCC) on 18.09.2020, approval has been obtained from PPP-AC an expert body in the Ministry of Finance for the PPP Model for covering approximately 3.5 lakh villages in 16 States and the Department will be sending for Cabinet approval very shortly. The Committee have also been informed that Bharatnet provides connectivity in rural areas which has very small potential of revenue compared to the cost of providing the service. Only an effective O&M with low cost packaging of services can ensure revenue in longer run. The Department have also informed the Committee that no study has been conducted by BBNL to find out the quality of services provided by these Wi-fi hotspots.

The Committee are of the view that after creation of such large infrastructure its optimum utilization is the next big challenge for the Department. There is a need to give attention to optimum utilization of the network created. In this regard, they recommend that the PPP Model as recommended by the Committee Chaired by CEO, NITI Ayog for creation, upgradation, O&M and utilization of BharatNet which is under process should be finalized at the earliest. Emphasis should also be given to O&M of the network infrastructure created so that the services provided by BharatNet is the most sought after by various stakeholders. The Committee recommend that a proper mechanism must be put in place by the Department to ensure that all grievances relating to the functioning of these Wi-Fi hotspots can be adequately looked into and addressed so as to give maximum satisfaction to the customers. The respective implementing agency may conduct surveys to find out the quality of services provided and feedback given to the Department. It is also the desire of the Committee that increase in utilization of network should help in creating employment opportunities for people living in rural areas to augment their income generation.

### Reply of the Government

4. The following actions have been/ are being taken for improving the network availability:
- h) Assignment of FLM and O&M work to CSC who is also largely responsible for utilization.
  - i) Repair of faulty fibre beyond 500 meter by BBNL through tender.
  - j) Arranging sufficient spares to reduce down time.
  - k) CSC-SPV is allowed to shift the ONTs to a place, where availability of power, security and round the clock manning is possible.
  - l) Efforts are being made to replace the lossy fibre and faulty OF Cable sections.
  - m) In BharatNet Phase-II, BBNL is not utilizing BSNL's existing OFC network but laying new OFC from Block to GP.
  - n) GIS mapping of all the GPs is going on, for faster and accurate fault localization.
5. The BharatNet network is leased to TSPs, ISPs, BSNL, CSC, RISL, etc, for utilization and provisioning of broadband/ internet services through Wi-Fi Hotspot, FTTH, leased line, etc. The grievance related to Wi-Fi Hotspot, FTTH, leased line etc. are redressed through the grievance redressal system of these service providers. The respective Internet Service Providers are responsible for conducting the survey to find out the quality of service provided and customer satisfaction.
- However, a call centre has also been established in BBNL for redressal of Public Grievance related to BharatNet network utilized by TSPs/ ISPs for providing Wi-Fi Hotspots, FTTH, leased line, etc.
6. The present status of Utilization of BharatNet as on 31.03.2021 is as follow.

S. No.	State	No of GPs Where Wi-Fi Hot-Spots installed	FTTH connections
1	Assam	0	5839
2	Bihar	5344	33282
3	Chhattisgarh	3664	17461
4	Haryana	5953	33249
5	Ladakh	169	0

6	J&K	969	766
7	Karnataka	5358	36666
8	Kerala	1047	2624
9	MP	11538	55044
10	Maharashtra	10990	66066
11	Punjab	7891	38978
12	Rajasthan	8078	2376
13	UP(E)	17513	105997
14	UP(W)	9384	
15	Uttarakhand	1251	8280
16	West Bengal	1377	6646
17	Sikkim	0	8
18	A&N	0	2
19	Chandigarh	12	55
20	Arunachal	208	24
21	Nagaland	0	52
22	Manipur	161	100
23	Mizoram	0	21
24	Tripura	574	2976
25	Meghalaya	70	100
26	Gujarat	3960	33861
27	D & D	20	34
28	D & NH	21	44
29	Puducherry	81	785
30	AP	1570	7365
31	Telangana	1997	2332
32	Odisha	2511	21055
33	Jharkhand	2383	15705
34	HP	254	1072
	Total	104348	498865

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27/07/2021)

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

**Provision of Mobile Services in Left Wing Extremism Areas (Phase-II)**

**(Recommendation Sl. No. 7)**

The Committee note that on 23 May 2018, the Cabinet had approved the proposal for installing 4072 mobile towers by using 2G+4G technology under LWE Phase-II. A meeting was held on 26.08.2019 under the Chairmanship of Hon'ble Home Minister wherein it was decided to verify the 4G coverage status at MHA identified locations for LWE Phase-II. As per the coverage status given by LSAs, 2217 locations were found uncovered. The implementing agency was to

be selected through an open competitive bidding process and the implementation period of the project was 18 months from the date of signing of contract with the implementing agency. However, the RFP had to be cancelled due to deliberations on choice of technology and single bid obtained against the RFP. Choice of technology for LWE-II project has now been revised from 2G+4G to 4G as per approval of DCC on 01.12.2020 for 2542 sites after adding 325 additional tower locations in Odisha. On the issue of awarding this project to BSNL on nomination basis, the Committee have been informed that BSNL right now has no 4G spectrum and this asset which is created is funded by USOF only for five years. After five years, the concerned TSPs has to continue at least for another five years. The Department are not sure that in these areas where the population density may not be high and the purchasing power is low, whether it will be commercially viable or not to saddle BSNL with continued liabilities. Once BSNL has 4G, they will be in a better position to take up such projects. BSNL also traditionally has never participated in a tender.

The Committee note that LWE Phase-I project had been successfully implemented by BSNL. Because of this people living in the areas are having access to telecom connectivity now. The achievement made by BSNL in implementing the LWE Phase-I project is an indication to the fact that BSNL is capable of implementing such challenging projects. The Committee in their Sixth and Nineteenth Reports (17<sup>th</sup> Lok Sabha) had recommended that the project may be awarded to BSNL on nomination basis considering that the Revival Plan of BSNL including allocation of 4G spectrum to BSNL is under process. The matter of sovereign guarantee, if required, may also be taken up with the Ministry of Finance. The Committee note that the Department have not taken the recommendation of the Committee with desired seriousness as the selection of implementing agency for the project is going to be through an open tender. The Committee do not agree with the Department's submission that these areas will not be commercially viable due to low population density and purchasing power and do not want to saddle BSNL with continued liabilities. Since the Department themselves are not sure of the matter, they should have explored at least viability of BSNL to take up LWE Phase-II project. These areas require continuous support of the Government and providing viable telecom connectivity to achieve greater integration with the mainstream should be the utmost concern of the

Government not commercial consideration due to factors such as low population density and purchasing power. The Committee urge the Department to consider the feasibility of implementing the project through BSNL before moving ahead with open tender. The Committee recommend the Department to take stringent measures to ensure that LWE Phase-II is implemented without any further hurdles. The Committee desire specific and pointed reply on the recommendation.

### **Reply of the Government**

It is submitted that the implementation of LWE Phase-I was assigned to BSNL on nomination basis as 2G technology was used in this phase and the same was widely deployed by BSNL. However, for LWE Phase-II, approval of Cabinet was obtained on 21.12.2017 for 2G+4G services based on competitive bidding. Subsequently, in line with the NITI Aayog decision dated 06.05.2019 recommending provision of 4G based mobile services in Arunachal Pradesh and recommendation of an internal committee of DoT, the LWE Phase-II project was subsequently approved for 2,542 towers to provide 4G mobile services at an estimated cost of Rs. 2,288 crore through competitive bidding. BSNL presently has very limited network of 4G services and it is still in the process of floating a tender for providing 4G services on commercial basis.

It is further submitted that for leveraging the strengths of BSNL, a number of projects of USOF have been assigned for implementation on nomination basis to BSNL. The details of some major projects are as follows:

- vi) Submarine OFC Connectivity between Mainland India (Chennai) and Andaman & Nicobar Islands with a funding of Rs. 947.283 crore from USOF. The project has been completed.
- vii) Augmentation of satellite bandwidth from 2 Gbps to 4 Gbps in Andaman & Nicobar Islands by BSNL on nomination basis at an estimated cost of Rs. 36.23 crore. The project is under implementation.
- viii) Submarine OFC Connectivity between Mainland India (Kochi) and Lakshadweep Islands with an approved funding of Rs. 837 crore from USOF. The project is in the process of implementation.
- ix) Augmentation of satellite bandwidth from 318 Mbps to 1.71 Gbps in Lakshadweep Islands utilizing GSAT-11 & 19 capacities by BSNL on

nomination basis, with a funding of Rs. 25.75 crore from USOF. The project is under implementation.

- x) Augmentation of satellite bandwidth from 1.71 Gbps to 3.46 Gbps utilizing GSAT-31 capacities for Lakshadweep Islands by NSIL and BSNL on nomination basis, with a funding of Rs. 30.75 crore from USOF. The project is in the process of implementation.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27/07/2021)

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

**Centre for Development of Telematics (C-DOT)**

**(Recommendation Sl. No. 15)**

The Committee note that C-DOT is the autonomous R&D centre of the Department of Telecommunications and it has been widely known for its monumental role in ushering in the indigenous telecom revolution in the nation. It has been instrumental in making India achieve greater self-reliance in telecom technologies as well as promoting local manufacturing of the telecom equipment in the country. It has carried out more than 90 Transfer of Technology (ToT) agreements in last 10 years with 27 manufacturers. The Committee have been informed that subject to the availability of sufficient funding, C-DOT would like to expand its role by establishing Centres of Excellence (CoE) to cater to specific sectoral requirements of emerging telecom market in India and ensuring availability of indigenous technologies for the same. These CoEs will also enable competency building and spread of knowledge through trainings. However, compared to the billions of dollars of R&D budget of major telecom R&D players worldwide, amount of funding received by C-DOT for undertaking its R&D activities is meagre. C-DOT proposals to set up CoEs in a number of critical areas for the development of R&D to ensure India's self-reliance in telecom arena right from design – leading to IPR creation, to large scale manufacturing would require quantum jump in the amount of grant received by C-DOT from the current level of around Rs. 300 crore to about Rs. 2000 crore per annum.

The Committee note that the ratio of salary staff benefits to grant received of C-DoT has gradually increased since 2016-17. During 2018-19, the salary and staff benefits to grant received ratio was 92.83 per cent, which increased to 97.57 per cent in 2019-20, and during 2020-21 upto December, 2020 the ratio has been 105.06 per cent. Owing to this, very miniscule amount could be allocated for R&D in telecom sector by C-DoT. Telecom sector being technology driven, there is a need for an R&D by the Department. Without R&D, it will not be possible for manufacturing to happen in the country in real sense. It is a fact that C-DoT proposals to set up CoEs in a number of critical areas such as 5G and beyond technology, AI and cognitive sciences, etc. will undoubtedly require quantum jump in the amount of grant received by C-DoT. The present amount is far too inadequate for any meaningful R&D activities. The Committee recommend that C-DoT work out a proper roadmap for establishment of Centre of Excellence (CoE) to cater to specific sectoral requirements of emerging telecom market in India, which may subsequently be submitted to competent authority for their consideration and approval. The Committee are of the view that such initiative will help in promoting indigenous technology and C-DoT should be supported to take up such initiative. At the same time, incremental increase in budgetary allocation to C-DoT for R&D should be taken up by the Department with the Ministry of Finance.

#### **Reply of the Government**

Centre for Development of Telematics (C-DOT) has started the process of preparing a roadmap for establishment of Centre of Excellence to cater to specific sectoral requirements of telecom market in India. This plan shall be submitted for approval. However, setting up of Centre of Excellence (CoE) as per the recommendation requires additional funds. In view of the current financial constraint, it may be difficult to get the required funding. Therefore, the Department shall consider establishment of the Centre of Excellence based on availability of funds.



Regarding budgetary allocation to C-DoT, it is submitted that in BE 2021-22, an amount of Rs. 325.70 crore has been allotted which is Rs. 19.8 crore more than the previous year's RE.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27/07/2021)

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

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

**Provision of Mobile Services in Aspirational Districts**

**(Recommendation Sl. No. 8)**

The Committee note that Provision of Mobile Services in Aspirational Districts is one of the USOF schemes prioritized by the Department for implementation during 2021-22. Under this, a scheme for provisioning of 4G based Mobile service in 502 uncovered villages of Aspirational Districts of four states Uttar Pradesh, Bihar, Madhya Pradesh & Rajasthan at an estimated cost of Rs. 686.71 crore was approved on 20.12.2019. The RFP has been finalized and it is under award of work. Another scheme, Provisioning of 4G Based Mobile Services for 7287 uncovered villages in Aspirational Districts of five States- Andhra Pradesh (1218 Villages), Chhattisgarh (699 Villages), Jharkhand (827 Villages), Maharashtra (610 Villages) and Odisha (3933 Villages) at an estimated cost of Rs. 6620.55 Crores for 7287 uncovered villages (4779 towers) has also been approved by DCC on 11.05.2020. The Cabinet note is under final approval.

The Committee are unhappy to note that amidst telecommunication revolution taking place in India and the Department implementing USOF schemes, such a huge number of uncovered villages still exists in the Aspirational Districts of the country. This is a blot in the success story of telecommunications in the country. The Committee strongly recommend that work for provision of mobile services in 502 uncovered villages should be awarded at the earliest. The Cabinet Note which is under final approval for provision of mobile services in 7287 uncovered villages should also be finalized at the earliest. The Committee would like the Department to work with a sense of urgency and complete the work in a specific timeline. The Committee also recommend that efforts be made by the Department to identify all the uncovered villages in other Aspirational Districts also and bring them under the fold of ongoing schemes to bridge the gap and also to provide the much needed connectivity in these uncovered villages.

## **Reply of the Government**

The proposal of 7789 villages in Aspirational districts is under consideration. Further, an agreement has been signed with concerned TSP for Provision of Mobile Services in 502 villages of Aspirational Districts across 4 States. The Department is making efforts to ensure that all the villages are provided with connectivity in the country.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27 /07/2021)

### **Defence Spectrum: Optical Fibre Cable based Network for Defence Services**

#### **(Recommendation Sl. No. 9)**

The Committee note that the Project Network For Spectrum (NFS) is to provide a dedicated Optical Fibre Cable (OFC) based network for the Defence Services which is being implemented by Bharat Sanchar Nigam Limited (BSNL). Cabinet Committee on Economic Affairs(CCEA) in its meeting held on 16.05.2018 had approved the proposal for enhancement of cost estimate for Network for Spectrum(NFS) project from Rs 13,334 crore to Rs 24,664 crore with the timelines of 24 months from the date of approval. The Project is targeted to be completed by May 2020. However, considering the complexities involved with various tenders of the project, it was envisaged that project will be completed by December 2020. Now due to COVID 2019 lockdowns from March 2020, it is expected to complete the project by June 2021. NFS project has three major components, OFC for Army, OFC for Navy and Equipment for Army and Navy. The Committee note that 96 percent of OFC has been laid for army and 94 percent links have been commissioned till date. For OFC Navy, OFC ducting has been done for 84 percent. In Equipment part, purchase orders have been issued for all components and supply, installation, Testing, Commissioning (SITC) of various components is going on in full swing. With regard to release of spectrum, the Committee have been informed that a Memorandum of Understanding (MoU) was signed between Department of Telecom (DoT) and Ministry of Defence (MoD) on 22.05.2009. After the MoU, 45 MHz in 1800 MHz and 2100 MHz band was released by MoD and DoT had realised Rs 1,07,757 crore from putting it to auction. Also by swapping of another 15 MHz spectrum, DoT has realised Rs.

56,190 crore. The spectrum envisaged to be released by MoD has already been released by MoD and put to auction by DoT.

The Committee note that the project Network For Spectrum (NFS) is a critical and important project for providing a dedicated Optical Fibre Cable (OFC) based network for the Defence Services. The Committee draw some satisfaction to note that after considerable delay and cost overrun the project is now expected to be completed by June, 2021. The completion of this project has assumed significance not only because of its critical importance and need for dedicated OFC based network for Defence Services, but also because of the fact that the spectrum envisaged to be released by MoD had already been released and put to auction by DoT. The Committee are also of the view that as the project is expected to be completed by June, 2021, there is a need to have more review meetings between the two nodal Ministries/Departments i.e. the Ministry of Defence and Department of Telecommunications as the last review meeting with the Secretary (MoD) and Secretary (Telecom) was held on 6<sup>th</sup> August, 2020. On the issue of funding, the Committee note that against the proposed amount of Rs. 5440.20 crore, an amount of Rs.5200 crore has been allocated at BE 2021-22. As the project is near completion, the Committee recommend the Department to take necessary measures to ensure that adequate funds are made available for the project and the project does not get delayed further due to shortage of funds. The Committee desire the Department to work seriously and ensure that the project is completed as per the targeted date.

### **Reply of the Government**

As per Cabinet approval, the Project was targeted to be completed by May 2020. Subsequently, considering the complexities involved with various tenders of the project, thousands of Right of Way (RoW) permissions from various agencies like Railways/NHAI/BRO/Municipal Bodies/State Governments etc and limited working season in Ladakh/Kashmir/Sikkim/Arunachal Pradesh, it was envisaged that the project will be completed by June 2021.

However, in a recent review meeting in DoT, BSNL informed that due to second wave of Covid, with lockdowns and labour issues, the progress of the project has been hit badly. Now it is expected that the project would be

operationalized by December 2021 except UNMS component, which would be completed by March 2022.

NFS project is being reviewed by Secretary (T)/ Additional Secretary (T) at regular intervals. DDG(PM) and CMD BSNL are also reviewing the project periodically for ascertaining the progress of the project. During all such review meetings, representatives of Defence Services are invariably present.

The total approved project cost of NFS is Rs 24664 crore. Till date Rs 17845 crore has been released to BSNL for execution of this project. BE 2021-22 allotted for NFS project is Rs 5200 crore. Additional funds, if required, would be asked for during projections at the RE 2021-22 stage.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup> Report dated 27/07/2021)

### **Telecom Testing and Security Certification Centre (TTSCC)**

#### **(Recommendation Sl. No. 10)**

The Committee note that 5G security test bed is proposed to be set up at NCCS Bengaluru which will function as a national test bed for 5G security testing to facilitate formulation and development of security standards (ITSARs-Indian Telecom Security Assurance Standards) and policies as well as provide facilities for security testing, validation and security certification and help in creation of security test facilities and capacity building. The Committee are, however, concerned to note the extremely poor status of utilization of funds during 2019-20 and 2021-22. During 2019-20, against RE allocation of Rs. 5.39 crore, the actual utilization was only Rs.1 lakh. The situation during 2020-21 is even worse. An amount of Rs.10 crore had been allocated at BE which was reduced to Rs.5 crore at RE and utilization till 02.02.2021 has been Nil. The Committee further note that during 2021-22, the Department have proposed an amount of Rs.50 crore, however, an amount of Rs.15 crore only has been allocated at BE. When asked to explain the reasons for this poor utilization of funds, the Department have informed the Committee that the various activities e.g. preparation of project proposal and project estimate for 5G security test bed were undertaken during 2020-21. Project proposal and project estimate are currently under submission for approval and sanction and there have been some delays in the activities on account of Covid pandemic scenario. The Committee also note that being a

highly specialized area, there is a general lack of sufficient expertise within the country in the field of telecom testing and security certification. Trainings are proposed to be conducted with the help of IISC to impart latest knowledge in security testing. The Committee have been informed that a few trainings were conducted with the help of IISC to impart basic knowledge to enable officers to attend specialized training for Security Testing. These specialized trainings are yet to be arranged by IISC. The Committee also note that depending on a single institution for developing required technical capability may not be advisable for speedy development of security testing expertise on evolving technologies. Hence NCCS has proposed to enter into MoUs with other institutions. The matter is under consideration in the Department.

From the aforesaid observations, the Committee note that various factors, such as delay in getting approval for project proposal and project estimate, poor utilization of funds, general lack of sufficient expertise, absence of readymade off the shelf solution, etc. are confronting the Department in implementing the project. It is only when the project is approved, necessary action will be initiated to set up the lab. Therefore, the Committee are of the view that the most important steps to start with is to get early approval for the project under submission. The Committee recommend that the concerned authority may be impressed upon to give the approval at the earliest. With regard to training of manpower, the Committee are unable to understand the inability of IISC not to have arranged any specialized training so far. The Committee are of the view that extensive trainings need to be conducted to impart latest knowledge in the field of security testing. In this, the Committee recommend that specialized trainings should be arranged by IISC at the earliest. The Committee also recommend that the proposal of NCCS to enter into MoU with other institutions for speedy development of security expertise which is under consideration in the Department should be finalized at the earliest. The Committee feel that security test bed for 5G should be set up well in advance so that adequate infrastructure already exists in India to deal with any security related concerns that might arise with the introduction of 5G. The Committee desire to be informed of all the progress made in this regard.

## **Reply of the Government**

Project estimate for setting up of 5G security test bed has been submitted by NCCS Bengaluru for approval. Efforts are being made for expeditious approval of the same. Funds were sought in anticipation of approval of estimate and could not be utilized for want of sanction. Once the estimate is sanctioned, all necessary action will be initiated to set up the lab and utilization of allotted funds.

With regard to training of Manpower, it is informed that IISC has conducted 7 days training for the officers of NCCS on “Fundamentals of Cryptography and Testing and Certification of Crypto Products”. Further, IISC has invited open bids for conducting training on “Network and Network Security”. IISC is also being requested to arrange training on “Cloud Security, OS concepts and Virtualization”.

NCCS has sought powers and fund allocation to enter into MoU with other institutions for some of the research work. The proposal of NCCS is under consideration at DoT HQ.

(Ministry of Communications/Department of Telecommunications O.M. No. 16-3/2021-B/23<sup>rd</sup>Report dated 27 /07/2021)

**New Delhi;**

**29 November, 2021**  
**8 Agrahayana, 1943 (Saka)**

**DR. SHASHI THAROOR,**  
**Chairperson,**  
**Standing Committee on Communications and**  
**Information Technology.**

## ANNEXURE-I

### STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2021-22)

#### MINUTES OF THE THIRD SITTING OF THE COMMITTEE

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The Committee sat on Wednesday, the 17<sup>th</sup> November, 2021 from 1100 hours to 1305 hours in Main Committee Room, Parliament House Annexe, New Delhi.

#### PRESENT

**Dr. Shashi Tharoor- Chairperson**

#### MEMBERS

##### Lok Sabha

2. Shri Karti P. Chidambaram
3. Smt. Sunita Duggal
4. Dr. Sukanta Majumdar
5. Ms. Mahua Moitra
6. Shri Santosh Pandey
7. Shri Sanjay Seth
8. Smt. Sumalatha Ambareesh

##### Rajya Sabha

9. Dr. Anil Agrawal
10. Shri John Brittas
11. Shri Suresh Gopi
12. Shri Jawhar Sircar

#### Secretariat

- |    |                       |   |                     |
|----|-----------------------|---|---------------------|
| 1. | Shri Y. M. Kandpal    | - | Joint Secretary     |
| 2. | Dr. Sagarika Dash     | - | Additional Director |
| 3. | Shri Shangreiso Zimik | - | Deputy Secretary    |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt four draft Action Taken Reports on Demands for Grants (2021-22) relating to the Ministries/Departments under their jurisdiction and to take evidence of the representatives of the Ministry of Information and Broadcasting on the subject 'Review of functioning of Central Board of Film



Certification (CBFC)' with special emphasis on Mukul Mudgal and Shyam Benegal Committee Reports.

3. The Committee, then, took up the following draft Action Taken Reports for consideration and adoption.

- (i) .....xxxxx..... .....xxxxx..... .....xxxxx.....
- (ii) Draft Action Taken Report on Demands for Grants (2021-22) of the Ministry of Communications (Department of Telecommunications);
- (iii) .....xxxxx..... .....xxxxx..... .....xxxxx.....; and
- (iv) .....xxxxx..... .....xxxxx..... .....xxxxx.....

4. After due deliberations, the Committee adopted the draft Action Taken Reports at Sl. Nos. (ii) and (iii) without any modifications and draft Action Taken Reports at Sl. No. (i) and (iv) with slight modifications. The Committee authorized the Chairperson to finalize the draft Action Taken Reports and present the Reports to the House during the next Session of Parliament.

- 5. .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... \*
- 6. .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx.....
- 7. .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx.....
- 8. .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx.....
- 9. .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx.....
- 10. .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx.....

.....xxxxx..... .....xxxxx..... .....xxxxx..... .....xxxxx.....

Verbatim Proceedings of the sitting have been kept on record.

**The Committee, then, adjourned.**

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\*Matters not related to the Report.

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

**(SEVENTEENTH 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, 6, 11, 12, 13, and 14		
		Total - 8	
		Percentage	53.33
(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	0.00
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration		
	Rec. Sl. Nos.: 5, 6, 7 and 15		
		Total - 04	
		Percentage	26.67
(iv)	Observations/Recommendations in respect of which the replies of the Government are of interim in nature		
	Rec. Sl. Nos.: 8, 9 and 10		
		Total - 03	
		Percentage	20.00