6

BHARAT SANCHAR NIGAM LIMITED (BSNL)

MINISTRY OF COMMUNICATIONS

COMMITTEE ON PUBLIC UNDERTAKINGS
(2024-25)

SIXTH REPORT

EIGHTEENTH LOK SABHA

LOK SABHA SECRETARIAT

NEW DELHI

SIXTH REPORT

COMMITTEE ON PUBLIC UNDERTAKINGS
(2024-25)

(EIGHTEENTH LOK SABHA)

BHARAT SANCHAR NIGAM LIMITED (BSNL)

MINISTRY OF COMMUNICATIONS

Presented to Lok Sabha on 18 December, 2024

Laid in Rajya Sabha on 18 December ,2024

LOK SABHA SECRETARIAT
NEW DELHI

December, 2024/Agrahayana, 1946 (Saka)

CPU No. 1059

Price : Rs……

		CONTENTS	
			Page No.

COMPOSITION OF THE COMMITTEE ON PUBLIC UNDERTAKINGS (2024-25)

Shri Baijayant Panda   -   Chairperson

Members

LOK SABHA

2.   Shri Tariq Anwar
3.   Shri Sudip Bandyopadhyay
4.   Shri R.K. Chaudhary
5.   Shri Chandra Prakash Joshi
6.   Smt. Kanimozhi Karunanidhi
7.   Shri Kaushalendra Kumar
8.   Shri Shankar Lalwani
9.   Smt. Poonamben Hematbhai Maadam
10.   Shri B.Y. Raghavendra
11.   Shri Mukesh Rajput
12.   Shri Sukhjinder Singh Randhawa
13.   Shri Pratap Chandra Sarangi
14.   Shri Kodikunnil Suresh
15.   Shri Prabhakar Reddy Vemireddy

RAJYA SABHA

16.   Shri Neeraj Dangi
17.   Shri Milind Murli Deora
18.   Shri Narain Dass Gupta
19.   Dr. Bhagwat Karad
20.   Shri Surendra Singh Nagar
21.   Shri Debashish Samantaray
22.   Shri Arun Singh

SECRETARIAT

1.	Shri Neeraj Semwal	-	Joint Secretary
2.	Smt. Jyochanmayi Sinha	-	Director
3.	Smt. Mriganka Achal	-	Deputy Secretary
4.	Shri Dhruv	-	Under Secretary
5.	Shri Vikash Kumar	-	Assistant Executive Officer

COMPOSITION OF COMMITTEE ON PUBLIC UNDERTAKINGS (2023-24)

Shri Santosh Kumar Gangwar   -   Chairperson

Members
LOKSABHA

2.   Shri Sudip Bandyopadhyay
3.   Shri Anil Firojiya[*]
4.   Dr. Heena Vijaykumar Gavit
5.   Shri Chandra Prakash Joshi
6.   Smt. K. Kanimozhi
7.   Shri Lavu Sri Krishna Devarayalu
8.   Smt. Poonamben Hematbhai Maadam
9.   Shri Arjunlal Meena
10.   Shri Janardan Mishra
11.   Shri Nama Nageswara Rao
12.   Dr. Arvind Kumar Sharma
13.   Shri Ravneet Singh Bittu
14.   Shri Sushil Kumar Singh
15.   Shri Ramdas Chandrabhanji Tadas

RAJYA SABHA

16.   Dr. Radha Mohan Das Agrawal
17.   Shri Syed Nasir Hussain
18.   Dr. Anil Jain
19.   Shri Prakash Javadekar
20.   Dr. Amar Patnaik
21.   Shri V. Vijayasai Reddy
22.   Shri Binoy Viswam

---

[*] Elected w.e.f. 19.12.2023 *vice* Shri Uday Pratap Singh resigned as Member of Lok Sabha w.e.f. 06.12.2023.

INTRODUCTION

I, the Chairperson, Committee on Public Undertakings (2024-25) having been authorized by the Committee to submit the Report on their behalf, present this Sixth Report on 'Bharat Sanchar Nigam Limited (BSNL)'.

2.   The Committee on Public Undertakings (2023-24) had selected the said subject for detailed examination. As the examination of the subject remained inconclusive during the previous term, the present Committee on Public Undertakings (2024-25), therefore, decided to carry forward the subject so as to complete the unfinished task.

3.   The Committee on Public Undertakings (2023-24) was briefed about the subject by the representatives of the BSNL on 25 August 2023 and thereafter took their evidence on 31 October 2023. The Committee also took oral evidence of the representatives of the administrative Ministry, the Ministry of Communications on 22 November, 2023 and 14 December, 2023.

4.   The Committee (2024-25) considered and adopted the draft Report at their sitting held on 13 December, 2024.

5.   The Committee wish to express their thanks to the representatives of BSNL and the Ministry of Communications for tendering evidence before the Committee and furnishing the requisite information to them in connection with examination of the subject.

6.   The Committee wish to express their sincere thanks to the predecessor Committee for their valuable contribution in the examination of the subject.

7.   For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold letters in Part-II of the Report.

 New Delhi;   **BAIJAYANT PANDA**
13 December, 2024   **Chairperson**
22 Agrahayana, 1946(S)   **Committee on Public Undertakings**

REPORT

PART – I

CHAPTER – 1

INTRODUCTION

A.   Brief History

1.1   BSNL is a 100% Govt. of India owned Public Sector Undertaking with an authorized share capital of ₹210,000 Crore and paid-up capital of ₹77948.15 crore comprising of ₹70448.15 Crore of Equity, ₹7,500 Crore of Preference shares capital. Committee note that the New Telecom Policy 1999 (NTP) stipulated corporatization of Department of Telecom Operations (DTO) into BSNL, an incorporated Company with 100% ownership of the Government. The operations wing of the Department of Telecommunications being the major service provider had to be separated from licensing function of the Government to promote fair competition and maintain an arm's length relationship with its service providing function. Thus, BSNL was incorporated on 15.09.2000. The Company took over the erstwhile functions of the Department of Telecom in respect of provision of telecom services across the length and breadth of the Country excluding Delhi & Mumbai. At the time of corporatization of BSNL, the Cabinet decision stipulated that Government would provide a package of measures to ensure that the viability of BSNL is not impaired by providing uneconomic but socially desirable services at the behest of the Government.

1.2   The Committee was informed about some of its achievments, which are reproduced below:

> "BSNL started mobile services in October 2002, later than other operators, as it inherited a legacy network from the government during its monopoly. Leveraged financial strength to introduce competitive pricing, including several firsts like free incoming calls and reduced calling charges through "One India" plans, making mobile services more ubiquitous and affordable. BSNL was the first operator in India to introduce several new technologies, including CDMA, Wi-Max, 3G, and Broadband. Today, BSNL provides a complete range of telecom services across the Country. Currently setting up a Swadeshi 4G network under the Atmanirbhar Bharat initiative, utilizing indigenously designed, developed, and manufactured (IDDM) technology. Played a key role in the growth of India's telecom sector, contributing to the development of one of the largest and fastest-growing networks in the world. BSNL's presence has helped stabilize data and voice tariffs in the Country, which are among the lowest in the world. By providing a stable network and affordable services, BSNL laid a solid foundation that allowed private service providers to grow in the sector. "

B.   Objectives

1.3   The objectives behind the formulation of BSNL by corporatization of the earstwhile Department of Telecommunications are as under:

1. Increase sales revenue with focus on subscriber retention & acquisition by way of strengthening marketing, quality of service and customer delivery;
2. Accelerate the pace of expansion of mobile & data services with up-gradation of technology;
3. Leverage data services to increase BSNL's customer's base & revenues by providing higher bandwidths capabilities for wire line and wireless broadband customers;
4. Adopt policies and processes to enable transparent, quick and efficient decision making;
5. Developing marketing team with attitude towards customer care;
6. Improve customer care by reducing fault rate, upgrading Customer service and convergent billing;
7. Providing a conducive work environment with strong focus on performance to enhance customer delight towards BSNL services;
8. Strengthen Company's finances by gainful utilization of its assets through sharing / monetization of existing infrastructure like land, building and sharing of passive infrastructure like towers etc.;
9. Creating Wi-Fi Hot Spots and serve wireline customers with soft switch based all IP Next Generation Network;
10. Expanding the reach of fiber network near to the customer premises particularly in apartment complexes through FTTH in order to meet the bandwidth requirement for both data & video applications;
11. Leverage the existing infrastructure of BSNL thereby contributing towards nation building by facilitating the execution of government programs and initiatives viz. National Optical FiberNetwork (NOFN), Network for Spectrum (NFS), and Smart City concept;
12. Improve productivity by training and skill development and rationalization of manpower;
13. Developing knowledge pool exposed to latest technological advancements;
14. To become preferred service provider to the Government for reliable and secure service Network and to serve National security interests; and
15. To explore opportunities in international telecom in developing markets.

C.   Organisational Setup

1.4   The Committee has been informed that BSNL's current organizational structure, which includes 28 Territorial Circles and 9 Non-territorial Circles, is considered sufficient. This structure, divided into Circles, was established to promote decentralization, enhance administrative efficiency, and delegate authority appropriately to reduce delays and improve the speed of customer service delivery.

1.5   Additionally, the BSNL have informed the Committee that the Board consists of 12 Directors, including 1 Chairman-cum-Managing Director, 5 Whole-time Directors, 2 Government Nominee Directors, and 4 Non-official Part-time (Independent) Directors. This composition ensures an optimal balance of 50% Whole-time and 50% Part-time Directors. When questioned about the representation of women on the Board, BSNL confirmed in a written response that there is adequate representation of women Directors.

CHAPTER - 2

PHYSICAL PERFORMANCE

A.   Market Share

2.1   The Company provided the details of State-wise and Circle-wise telephone/broadband subscribers in each category along with their break up in urban/ non-urban areas, as under:

Wireline & Wireless telephone subscribers circle wise urban /rural wise as on July 2023

S.No	NAME OF THE CIRCLE	WIRELINE CONNECTION (Nos)			WIRELESS CONNECTION (Nos)		
		URBAN	RURAL	TOTAL	URBAN	RURAL	TOTAL
1	ANDAMAN & NICOBAR	19704	20896	40600	142693	95129	237822
2	ANDHRA PRADESH	215402	124169	339571	2034043	2421600	4455643
3	ASSAM	79031	24302	103333	2010987	1184276	3195263
4	BIHAR	63630	36877	100507	2732395	1370111	4102506
5	CHHATTISGARH	51053	13260	64313	1350548	772509	2123057
6	GUJARAT	265077	49047	314124	3218102	1757570	4975672
7	HARYANA	115642	89836	205478	4165976	252206	4418182
8	HIMACHAL PRADESH	43643	46257	89900	494094	1120587	1614681
9	JAMMU & KASHMIR	67525	15230	82755	756995	79459	836454
10	JHARKHAND	46084	18964	65048	1054379	640624	1695003
11	KARNATAKA	457100	79591	536691	4771482	421784	5193266
12	KERALA	352977	646799	999776	5251647	4486195	9737842
13	MADHYA PRADESH	154318	39377	193695	1952270	1051223	3003493
14	MAHARASHTRA	474033	100580	574613	3883768	2343254	6227022
15	NORTH EAST - I	39427	7963	47390	928755	61741	990496
16	NORTH EAST - II	16781	5550	22331	199554	85523	285077
17	ORISSA	132223	37086	169309	3046795	3157957	6204752
18	PUNJAB	212471	155761	368232	4214442	262587	4477029
19	RAJASTHAN	219626	54150	273776	3857738	1889876	5747614
20	TAMIL NADU	412500	235624	648124	4728569	548368	5276937
21	UTTARANCHAL	52872	14335	67207	915911	610607	1526518
22	UTTAR PRADESH (E)	97584	22703	120287	6179380	2475121	8654501
23	UTTAR PRADESH (W)	91656	18429	110085	2897681	872731	3770412
24	WEST BENGAL	65561	66385	131946	1075554	1122514	2198068
25	CALCUTTA	188665	916	189581	2180802	0	2180802
26	CHENNAI	283412	13611	297023	2243868	302538	2546406
27	TELANGANA	229108	44845	273953	1129735	1343142	2472877
28	SIKKIM	4278	570	4848	36136	0	36136
	Total	4451383	1983113	6434496	67454299	30729232	98183531

The data shows the distribution of wireline and wireless connections across various regions in India, divided into urban and rural segments. Overall, there are significantly more wireless connections (98,183,531) than wireline connections (6,434,496), highlighting the preference for mobile connectivity. Kerala has the highest number of wireline connections (999,776), with a strong rural presence, while Uttar Pradesh (E) has the highest wireless connections (8,654,501). Urban areas generally have higher wireline connections, while rural areas lag behind. Notably, states like Haryana and Himachal Pradesh have significant rural wireless penetration, reflecting the growing reach of mobile networks in less urbanized regions.

2.2 In response to a query regarding the actions recommended by the Department of Telecommunications (DoT) to enhance the performance of underperforming business units or circles of BSNL, the DoT provided the following written reply:

> "In order to focus on performance of circles, BSNL has been directed to conduct regular reviews and identify areas of improvements for each circle. Business Areas (Bas)/ individual employees who have shown extraordinary initiative, innovation or implemented out-of-box ideas are being rewarded and recognized. Marginally, markedly and critically negative circles, in terms of revenue growth, are identified and have been directed to take remedial action on war footing.
>
> Recruitment Rules of executive cadres (including CGMs) have been revised in order to promote meritocracy in promotion in various grades.
>
> To improve the working culture change in BSNL, KPI-based Performance Management System that devolves targets down to the last executive and which links to the executive's APAR is implemented in ERP. Quantifiable KPIs are assigned on a quarterly basis through ERP system to all executives in order to bring in much needed target-orientation and result-focus in their job roles. Achievements are filled online by the executives at the end of each quarter and agreed/disagreed by reporting/reviewing officers.
>
> Further, BSNL has also, been directed to work on strengthening its network through One Network Team, increasing its capacity, augmenting its technologies and enhancing its footprint including by providing 4G services on a pan India basis. Modernization and upgradation at all levels is being taken up to upgrade the infrastructure and the fiber network of BSNL."

2.3 As per the information furnished to the Committee, BSNL has witnessed significant decline in its market shares in respect of both the wireline and the wireless segments. The percentage of market share of BSNL *vis-à-vis* private operators in the wireless and wireline segments is as follows:

Sl. No	Name of LSA	Market share (%)			
		BSNL	JIO	Airtel	Vodafone-Idea
1	Andhra Pradesh	9.55	37.17	38.87	13.35
2	Assam	12.94	35.72	43.83	7.51
3	Bihar	6.47	41.22	43.65	8.65
4	Gujarat	7.95	42.16	17.24	32.41
5	Haryana	17.32	30.90	24.78	26.82
6	Himachal Pradesh	19.00	37.61	38.52	4.85
7	Jammu & Kashmir	7.27	42.44	47.73	2.56
8	Karnataka	8.64	33.43	47.43	9.90
9	Kerala	24.57	24.10	18.74	32.53
10	Madhya Pradesh	6.92	51.28	20.30	21.44
11	Maharashtra	7.26	44.01	23.12	25.35
12	North East	10.80	33.98	47.85	7.37
13	Orissa	18.86	42.72	33.66	4.74
14	Punjab	13.53	32.31	34.21	18.88
15	Rajasthan	9.47	39.75	35.47	15.27
16	Tamilnadu	11.11	31.79	36.34	20.55
17	UP(E)	8.77	36.37	36.67	18.18
18	UP(W)	8.69	36.60	29.18	25.52
19	West Bengal	4.65	40.64	30.15	24.56
20	Kolkata	9.58	43.92	23.50	22.73
21	Delhi	0.00	34.19	32.78	28.02
22	Mumbai	0.00	35.53	28.17	30.34
	G. Total	**9.04**	**38.21**	**32.48**	**19.62**

#Market share (urban/rural) Licensed Service Area wise of other operators is not available.

2.4   In a written reply regarding the information on the steps taken by BSNL/DoT to increase the Company's market share to a sustainable level, the DoT provided the following written response:

"BSNL has taken various steps for increasing the revenue to stay competitive in the market. It has been focusing to protect/retain existing revenue stream, increase market share from Fixed Voice, Broadband and Mobile Service, increase the reach and coverage and Leverage IT to improve productivity & customer delivery.

Modernization, upgradation and expansion of network is being done to increase the customer satisfaction and improve the customer experience. Expansion of the 4G and Fiber to Home network is being done to increase the BSNL market Share. BSNL FTTH-BB connections have increased from 12.83 lakhs as on 31st March, 2021 to 32.78 lakhs as on 30th September, 2023.

(A)**The plan to expand the network include:**

(a) Expansion of Mobile network: - BSNL is expanding and upgrading its mobile footprints across the Country. Order for 1 Lakh new 4G sites on indigenous technology is already placed. More than 20000 additional 4G sites are planned and work in progress for 4G saturation project for covering the uncovered villages, Left Wing Effected areas, Border Out Posts/Border Intelligence Post.

(b) Under Amended Bharatnet scheme, there is a plan to lay 6,00,000 Kms of fiber to connect the Block Headquarters to villages so as to connect all the GPs on ring and to cover all non GP villages on demand to enable all rural citizens to have access to broadband services. There is an ambitious target to provide 1.5 crore FTTH connections in 5 years.

(B)The steps taken by BSNL to upgrade/modernize the network include:

(i) Broadband network Gateway: - BSNL is in process of replacing its end of life Broadband Network Gateways (BNGs) and Regional Point of Presence (RPOP) with new technology CUPS BNGs (Control plane User plane Architecture) with capex cost of ₹240 Cr. Equipment at 123 locations have been installed and commissioned; while PO for 115 location is in process of placement.

The access network elements are now migrated to the new gateways so as to provide enhanced network capacity for higher internet bandwidth to the customers.

(ii) Internet Gateway links: - Peering links (693 Gbps in Mar 2019 to 3414 Gbps in Jul 23) and Caching capacities (from 830 Gbps in Mar 2019 to 4600 Gbps in Jul 23) are increased to provide better customer experience (high internet speed). Caching servers are also provided at 95 location to enable serving of internet traffic of nearby customers.

(iii) Consolidation of Data center Project: - BSNL project has been undertaken for 'Consolidation of existing 4 CDR Data Centers and 4 NIB-II P3 Data Centers for Provisioning, billing and customer services handling for BSNL's Fixed line services. The system will have new software to serve customers and the partner ecosystem. It will also replace the old legacy system (both hardware and software).

(iv) New transport systems: - OTN (Optical Transport Network), the interlinking transport system between SSTP with 100GB Capacity procured to support increased interconnection capacity for all types of traffic including landline, mobile etc.

(v) Replacement of Battery and power plant: - Battery and power plant replaced/upgraded at 10,000 sites and order has been placed additionally for around 20,000 sites.

(vi) Exchange infra automation: - A pilot has been conducted for 1000 exchange sites and now procurement has been initiated for all exchange sites.

- **Software based switching: -** All the legacy telephone exchanges have been upgraded with new software based switching systems. This up gradation has helped in continuance of services to the customers, reduced operational issues related to maintenance of wire-line network by making the core network concentrated and has also resulted in saving of electricity consumption.

- **Gateway routers: -** Super core routers have been commissioned to replace at all Gateways and Tier 1 locations for internet traffic capacity enhancement. Similarly, District to Tier 1 connectivity for data traffic, 199 no of Super edge routers have been procured and are being commissioned to improve end to end user browsing experience.

- **IP based Access network: -** To Strengthen the Network capacity, complete IP based network for carrying customer data to Broadband Gateways, CPAN (Converged Packet Access Network) / MAAN (MPLS IP based Access and Aggregation Network) have been procured and are under deployment.

- **OFC rehabilitation: -** 15000 Route Km of OFC have been rehabilitated and planned expansion by 9000 Km and rehabilitation of existing fiber network by 8000 Km during the current Financial Year 2023-24. Tender for 1000 RFTM (Remote Fiber Testing and Monitoring System) under process which would centralise fiber health monitoring.

Fiber is also being taken on rental basis, for emergency requirements

Fiberisation of the copper circuits on 2 Mbps and above (70% completed)

The ERP system of BSNL has been upgraded with new hardware and database system for efficient control and monitoring on inventory, expenditure and budgeting.

Upgrade to an **integrated billing platform** and a real-time predictive analytics engine to offer a wider and customizable portfolio of services to customers.

C. Monitoring the network health

The Committee were informed that BSNL has onboarded partners for service provisioning and maintaining also entered into Service Level Agreements based agreements with partners to maintain the services to customers. There is IT enabled monitoring for better network maintenance services. BSNL is making all efforts to retain the subscribers by improving the quality of service and customer satisfaction. For wireline connections, Network operation center operates in each Business Area in the circle to centrally coordinate on the QoS activities. Proactive measures are being taken through the data available on QoS portals for improving network uptime and speedy resolution of faults. The Standard Operating Procedure (SOP) for fixed line Operations is made available for maintenance of Network Elements. Network operation center coordinates with field teams like mobile, transmission etc for early resolutions of faults. Network operation center team uses various digital IT tools for day to day monitoring of Network Elements and fault resolutions. Real Time Support to Customers is being provided to customers by using these IT tools, BSNL last mile Partner can provide real time support to customers. Monitoring of network availability, augmentation of radio capacity to reduce congestion and deliver better Quality of Services.

D. Customer Service, sales and marketing efforts

Online onboarding and provisioning

Plan Rationalization– Tariff plans in mobile, landline, broadband and FTTH have been rationalized by bringing suitability to customers. All the landline broadband and FTTH plans are bundled with free unlimited voice call (anywhere in the Country), even only landline plans are also made with unlimited calls in any network.

Partnering for last mile connectivity for growth in FTTH connections on revenue sharing basis at zero Capex. System introduced for real-time crediting of Revenue share with FTTH partners giving a major boost to FTTH business, in terms of both reach and customer base. FTTH Connections under Bharantnet are being provided in collaboration with local entrepreneurs-called as Bharatnet Udyamis.

Increase in data usage through content delivery by tie-up with content aggregators

Extensive channel partners engaged on pan India basis

Bill collection through channel partner introduced with digital wallet process.

State of Art Telecom/ICT based solutions to enterprises are provided as per their needs/requirement from among a bouquet of enterprise services Viz. MPLS-VPN leased lines running of MPLS Cloud, leased lines on a dedicated MLLN Network for small & MSME enterprises, dedicated P2P leased lines with bandwidths up to 10Gbps, Internet leased lines with capacities up to 10Gbps, Satellite based VSAT lines, leased out Dark Fibers & Multicast services to Cable/ITPV providers, PRI, Mobile CUG & bulk push SMS services, Cloud based services, Global satellite Phones services, Global Maritime Distress safety Services & Fleet Broadband services to Ships/Vessels, Futuristic in Flight & Maritime services(in partnership with Global giant Inmarsat) & many other services."

B. Assets Management

2.5 When asked by the Committee to provide an information about the tower installation, including, the process of the installation and the number of towers installed, representatitves of BSNL depsod before the Committee as under:

> *"महोदय, हमें दोनों तरह से सहयोग मल रहा है। कई राज्यों ने हमें सरकारी जमीन राइट ऑफ यूज, पट्टे पर दी है या सेल कर दी है। तीसरे हमें जहां सरकारी जमीन नहीं मली, वहां हमने प्राइवेट जमीन को खरीदा भी है या कराये पर लया है। इस तरह* ***17700*** *जगहें हैं, जहां हमें टावर लगाने थे। इनमें से* ***15*** *हजार से ज्यादा टावर के लए हमने जमीन ले ली है। करीब* ***1800*** *जगह ऐसी हैं, जहां लैंड नहीं मली है। कल ही पीएमओ इस वषय का रिव्यू ले रहा है ता क लैंड के इश्यू को हम हल कर सकें। हर महीने* ***1500*** *से* ***2000*** *टावर खड़े होने शुरू हो जाएंगे। सतम्बर के महीने तक हम इस प्रोजेक्ट को कम्प्लीट कर देंगे और* ***20*** *हजार नए टावर हम खड़े कर देंगे।....*

> *...महोदय, एक लाख टावर जो एग्जिस्टिंग साइट है और* ***20*** *बीस हजार वे साइट हैं जहां टावर लगाने के साथ इक्विपमेंट भी लगाने हैं।" (verbatim 31.10.23 pg 1554)*

2.6   BSNL informed the Committee about the steps taken by the Company to monetize its assets, including the identification and utilization of underused land and towers, the Company deposed before the Committee as under:

"मोनेटाइजेशन ऑफ एसेट के लए टावर्स को आइडेंटिफाई कया गया। बीएसएनएल के पास जहाँ पर लैंड और एसेट्स आज की तारीख में हैं, जिनका हम पूरी तरह से उपयोग नहीं कर पा रहे हैं, उनकी रेटिंग की जाए। मुझे यह कहने में बहुत खुशी है क बीएसएनएल ने इस कार्य को बहुत ही अच्छे तरीके से करने की को शश की और पछले साल हम लोगों ने लगभग *280* करोड़ रुपए कंस्ट्रक्टेड स्पेस को कराए पर देकर रेंटल से कमाया। इस साल में, अब तक हमने लगभग *400* करोड़ रुपए वेकेंट लैंड के प्रोपजल एप्रूव कये हैं, जिनके द्वारा हम उनको सेल करके अपने रिसोर्सेज को ऑग्मेंट करेंगे। पछले पाँच साल में, इन चीजों से एक हजार करोड़ रुपए से ज्यादा की हमारी कमाई हुई है। अब एक पॉ लसी के अंतर्गत, जो हमारी वेकेंट लैंड स्पेसेज हैं, उनको ऑक्शन के द्वारा बेचना भी शुरू कया है।

…..We are going for monetisation. There are three broader aspects on which we are doing the monetization. Number one, we have a large number of buildings which are not properly utilized by us. So, we are renting it out. Last year, I have generated a revenue of around Rs.270 crore by renting the building. This year, I expect that I will be able to generate nearly Rs. 320 crore only from giving on rentals. The potential is Rs.1,000 crore. आज से 4 साल पहले बीएसएनएल जीरो था, आज हम 300 करोड़ पर पहुंच गए हैं, हजार करोड़ पर पहुंचना है। 5 साल में हम समझते हैं क हम 800 करोड़ तक पहुंच जाएंगे। बीएसएनएल की बिल्डिंग में अगर आप देखें, तो भारत में जितनी बिल्डिंग्स हैं, उनमें से 25 परसेंट एरिया इन टर्म ऑफ स्पेस आइडेंटिफाई कया हुआ है क आपको रेंटिंग देनी है और हर ऑ फसर के टार्गेट फक्स्ड हैं तथा हर महीने उनका रिव्यू होता है। …with regard to sale of land, we are selling the land also. Last year, the land sale was more than Rs. 100 crore and this year up to this month, I have approved more than Rs. 250 crore sale of land to various organizations. I have very recently approved a deal of more than Rs. 130 crore to Kerala State Pollution Authority. It is in Trivandrum. Yesterday I had approved a sale of Rs. 127 crore to IB. So, we are doing many sales. We have done around 10 sales through auction process also. We already have done sales worth Rs. 250 crore, and I am confident that sale worth more than Rs. 400 crore will be done. I am not taking the rentals, rentals are Rs. 300 crore. So, I will generate Rs.700 crore to Rs.750 crore from monetization from the land."

2.7   When asked about the role of DoT in the policy of BSNL for utilization/monetization of its assets like land and building, DoT, in a written reply, submitted as under:

"The Role of DoT in the policy of BSNL for monetization of its assets like land and building is related to:

(i)   Processing the Case for approval based on the indicative value of property i.e. Properties valuing between 10 Crores to 100 Crores – Requires approval of Group of Ministers. Processing the case and onward submission to NLMC/DPE for property having indicative value > ₹100 Crores

(ii) Processing Cases for Presidential Approval under Article of Association of BSNL.

(iii) Issue of Policy, and processing amendments, if any.

(iv) Follow up with matter with State Govt./Other authorities as and when required/requested by BSNL."

2.8   In a written response submitted to the Committee, BSNL outlined the revenue generated from the effective utilization of its assets, including the monetization of existing infrastructure like land and buildings, as well as the sharing of passive infrastructure such as towers, as submitted below:

"(i)   Earnings from Land Monetization since Revival Package

Financial Year	Rental (Cr)	Sale (Cr)	Total (Cr)
2019-20	80.22	6.50	86.72
2020-21	165.66	116.44	282.09
2021-22	217.77	21.42	239.19
2022-23	257.85	48.51	306.36
2023-24 (up to 31.08.2023)	117.25	39.25	156.50
Total Revenue	838.75	232.12	1070.87

(ii)   Revenue earned from leasing out towers

Year	Total Towers	Cumulative Leased-Out towers	Revenue earned in Crore
2019-20	68,050	13,490	1,008
2020-21	67,470	13,469	999.29
2021-22	67,436	13,399	1050.42
2022-23	67,626	12,684	1024.29
2023-24 (Aug'23)	67,360	12,645	430.34

(iii)   Roadmap for Asset Monetization

i.   BSNL has developed tower assets as captive sites to meet its own business requirements.

ii.   BSNL has started monetizing its tower assets from Financial Year 2020 onwards by sharing with other service providers.

iii. BSNL has planned to monetize the spare lands and buildings available with it through outright sale/lease of lands and leasing of vacant built-up space.

iv. It is targeted to achieve consistent revenue growth of 20% on YoY basis for next 3 years from renting business.

v. Priority is given to Govt. Departments, PSU's, and PSU Banks etc.

vi. It is ensured that monetizable value of the properties holds the fair market value calculated through appropriate approved method and true and fair value of the asset may be realized through asset monetization."

2.9 The Committee observed that BSNL had planned to sell some of its land as a revenue-generating (monetization) strategy. When the DoT was asked to address any concerns regarding this approach, they responded in writing as follows:

"BSNL has not proposed and DoT has not considered Build, Own, Operate and Transfer (BOOT) scheme instead of its outright sale. BOOT model is primarily executed through PPP Mode and further capital infusion/grant/budgetary support is involved in such schemes. BSNL is already under financial stress and monetization of property through PPP mode that requires further budgetary support, is not considered feasible by BSNL/DoT. Asset monetization through outright sale helps in immediate realization of revenue which is the need of the hour….

…. Proposal for Monetization of leasehold properties are considered based on the terms and condition of lease-deed. Permissions of state governments are required in such cases and all the conditions for transfer of such leasehold properties are fulfilled/obtained by BSNL before processing such cases……

…… BSNL submits the proposal of properties having indicative value of ₹10 Crores and above for necessary approval of GoM/Alternative Mechanism/President (in case of direct sale to Central Govt.). The achievement in physical and financial terms in this regard is mentioned in Table below:

Achievement in physical and financial terms in Asset Monetization					
Sl. No.	No. of properties	Approval of competent authority to sale was obtained by DoT	Indicative value (Rs. In crores)	Actual Sale	
				No.	Value (In crores)
1	14 (GoM 1st LoT)	GoM	585.82	3	139.74
2	18 (GoM 2nd Lot)	GoM	496.00	-	-
3	08 (Direct Sale)	President	359.74	8	359.74
Note: In addition to above, ₹5694 crores is monetized value by BSNL through its Core and Non-core Assets from lease /rent etc. since the revival plan approval by Cabinet (2019 till September – 2023)					

C. C&AG Audit Para No. 4.1 of Report No 16 of 2023

2.10   The Audit Para No. 4.1 of Report No. 16 of 2023 pertains to Estate Management in BSNL. The para on Bharat Sanchar Nigam Limited (BSNL) reveals several critical observations of C&AG regarding the management of real estate assets by BSNL. A significant concern highlighted in the report is the extensive encroachment on BSNL's properties, with 137 parcels of land, valued at approximately ₹7.46 crore, currently under unauthorized occupation. This issue stems from inadequate land surveying, a lack of proper verification processes, and insufficient protective measures, such as fencing. Despite recommendations from the Public Accounts Committee (PAC), BSNL has not developed a comprehensive action plan to address these encroachments, suggesting a gap in strategic asset management. Additionally, the report pointed out that BSNL lacks a reconciled and validated centralized record of its real estate assets. This deficiency in record-keeping is compounded by incomplete documentation concerning ownership rights, severely hampering BSNL's ability to effectively utilize or monetize these assets. Even for properties where clear titles exist, BSNL has faced difficulties in leveraging them for financial gains, largely due to the absence of a systematic approach and the presence of legal and procedural impediments.

2.11   BSNL's efforts to monetize its real estate holdings have also been less effective than anticipated. The report notes that the company's attempts have been marred by issues such as improper property selection, documentation inadequacies, and ongoing legal disputes. While some properties were put up for bidding, none were successfully sold, primarily due to high reserve prices and overly stringent payment conditions. The company has managed to generate ₹689.79 crore through leasing activities from October 2019 to February 2023; however, this revenue is far below potential, given the extent of its real estate portfolio.

FINANCIAL PERFORMANCE AND REVIVAL

A.   Financial Performance

3.1   As per information furnished to the Committee, the details of financial performance of BSNL, has been tabulated below:

(all figures In crores)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
1	Revenue from operations	22,668	17,761	17,886	17,452	16,809	19,128
2	Other income	2,403	1,560	1,020	1,143	2,243	1,571
3	Total income	25,071	19,321	18,906	18,595	19,053	20,699
4	License and spectrum fee	1,743	1,285	1,616	1,258	1,441	1,356
5	Employee benefits expense	14,837	14,316	13,597	6,679	7,169	7,949
6	Finance costs	48	782	1,991	2,567	2,617	2,562
7	Depreciation & amortization expense	5,832	5,782	6,629	6,051	5,308	5,659
8	Other operating & Admin Expenses	11,349	12,060	10,573	9,481	9,499	9,834
9	Total expenses	33,809	34,225	34,406	26,036	26,034	27,361
10	EBITDA	(2,858)	(8,341)	(6,879)	1,177	944	1,559
11	Profit/Loss before tax &exceptional items	(8738)	(14,904)	(15,500)	(7,441)	(6,982)	(6,662)
12	Net profit/loss	(7,993)	(14,904)	(15,500)	(7,441)	(6,982)	(8,162)

The Company have stated that the revenues of BSNL have sustained over last 5 years despite non availability of 4G services by BSNL. The finance cost has increased as compared to 2018-19, as new loans were taken to meet the expenses. However, the situation is now improving with debt restructuring after revival package. The above depicted table represents the consolidation of all borrowed funds, encompassing long-term and short-term bank loans, bank overdrafts, and sovereign guaranteed bonds. It was further submitted that during the period of last 18 months, the total debt has undergone a substantial reduction of ₹13,410 Crore. A significant portion of this loan has been repaid upon receiving viability gap funding. In line with the revival plan, BSNL issued sovereign guaranteed bonds worth ₹4,184.70 crore in December 2022, carrying an interest coupon rate of 7.72% per annum to repay high cost bank loans. This reduction in overall indebtedness is expected to yield considerable savings in terms of financial expenses and employee cost has been optimised after VRS. The Committee was also informed that the

average savings in the Employee cost are ₹7000 crore per annum over past 4 years. A number of steps to control the Operating Expenses has resulted in reduction in the expenditure despite inflation. BSNL is sustaining positive Earnings before Interest, Tax, Depreciation, and Amortisation **(**EBITDA) since last 3 years and the revenues are likely to increase post the 4G Services.

3.2   Regarding the current debt and liabilities of BSNL following was submitted to the Committee as under:

	Debt Detail (in crores)			
S. No.	Borrowings	As on 31.03.2022	As on 31.03.2023	As on 30.09.2023
1	Bank Overdraft	3,458	1,599	3,374
2	Current Maturities of LT Borrowings	6,202	2,902	1,947
3	**Sub-Total: Current Borrowings (A=1+2+3)**	**9,661**	**4,501**	**5,321**
4	6.79% BSNL Bond 2030 (Series - I)	8,500	8,500	8,500
5	6.79% BSNL Bond 2032 (Series - II)	-	4,185	4,185
6	Term Loans from Banks	14,817	3,487	1,562
7	**Sub-Total: Non-Current Borrowings (B=5+6+7+8)**	**23,317**	**16,172**	**14,247**
8	**Total Borrowings (A+B)**	**32,978**	**20,673**	**19,568**

3.3   During the period of last 18 months, the total debt has undergone a substantial reduction of ₹13,410 Crore. A significant portion of this loan has been repaid upon receiving viability gap funding. In line with the revival plan, BSNL issued sovereign guaranteed bonds worth ₹4,184.70 Cr in December 2022, carrying an interest coupon rate of 7.72% per annum to repay high cost bank loans. This noteworthy in overall indebtedness is expected to yield considerable savings in terms of financial expenses.

3.4   In response to an inquiry about any initiatives taken for debt restructuring, BSNL submitted the following written reply to the Committee:

> "Sovereign guarantee bonds of Rs.2,685 crore has already been raised by BSNL during the last two years and approval for raising sovereign guarantee bonds of Rs.10783 Crores in FY 2023-24 has been sought from DoT. Upon getting the approval, the same will be raised and the debt will be restructured."

3.5   BSNL has further informed the Committee about the Opex and Capex of BSNL in a written reply that:

> "Liabilities related to both operational (Opex) and capital (Capex) has decreased significantly over the past 18 months and BSNL has discharged all its outstanding obligations. Presently, all new liabilities are being settled regularly as and when approved."

		Liabilities	(₹ in Crore)	
		31.03.2022	31.03.2023	30.09.2023
A	Opex			
	Opex - Vendor	7145	612	61
	Opex - Employee	1581	0	25
	Total Opex	8726		
B	Capex	157	0	0
	Total A+B	8883	612	86

3.6   Regarding the factors responsible for the precarious financial condition of the Company, BSNL, in a written reply, submitted as under:

> "The revenues of the company has been declining, however now the same is stable in the past three years despite absence of major revenue driver i.e. 4G services. The EBITDA of the company has also been positive in every quarter in the past three years. BSNL have reduced the operational expenditure and the debt has been reduced/restructured, thereby reducing the Finance cost. BSNL has compensated the dip in revenue from copper based landline products (now getting outdated) by Revenue from enterprise business and FTTH services (futuristic products) is on the rise and with 4G services on the anvil, BSNL's financial health would be getting better. The primary reason for the poor financial health in the past years can be attributed to high maintenance cost of the legacy equipments & network, huge manpower cost & inability to procure 4G equipment and expand. Further, the Viability gap funding for the services given in rural areas was also not provided earlier, and has been released recently, after the approval of revival package in July 2022. The model of BSNL now is primarily based on partnership with local entrepreneurs, which has brought down the OPEX and provided a better level of service. Partners bring in the CAPEX too and get a share in the revenue. Services are also being maintained by the partners on a SLA based model. Presently, most of the telecom players had to face similar hurdle such as below cost pricing, shortage of chips etc. However, the specific hurdle in respect of not being to be able to start the 4G services in time was specific to BSNL."

3.7   Further, in the context of financial constraints faced by the Company, during the briefing meeting, the representative of BSNL, deposed before the Committee as under:

"आज की तारीख में यदि हम फाइनेंशयल कंस्ट्रेंट्स की बात करें तो बीएसएनएल में फाइनेंशयल कंस्ट्रेंट नहीं है। सर, मैं यह इस लए कह रहा हूं क आज से एक साल पहले बीएसएनएल बहुत ही बुरी स्थिति में था और बहुत ही ड फकल्ट फाइनेंशयल कंस्ट्रेंट के रास्ते से गुजर रहा था। ले कन, वाएब्लिटी गैप फं डंग मलने के बाद और कै पटल एक्सपें डचर में भारत सरकार के द्वारा सपोर्ट देने के निर्णय के बाद आज की तारीख में बीएसएनएल में फाइनेंशएल कंस्ट्रेंट नहीं है और हम अपने नेटवर्क अपग्रेडेशन के सारे इश्यूज को आगे बढ़ा रहे हैं, जिससे नेटवर्क की गुणवत्ता बढ़े और उसकी पहुंच भी बढ़े। अगर हम कंस्ट्रेंट को देखें तो केवल एक ही कंस्ट्रेंट है क 4जी और 5जी स र्वसेज को हम कतनी जल्दी मार्केट में ला सकते हैं क्यों क नीतिगत निर्णय है क हमें अपने देश में ही बनी टेक्नोलॉजी का उपयोग करना है।"

3.8   Referring to the matter of declining trend in revenue, the representatives of BSNL, during the evidence, deposed before the Committee as under:

"…… पिछले पांच सालों से बीएसएनएल, जो उसका डक्लाइंग रेवेन्यु है, उसको अरेस्ट कर सका है। आज की तारीख में हम अपने रेवेन्यु को पिछले साल से बढ़ा सके हैं। हमने लगभग 1,400 करोड़ रुपए से अपने रेवेन्यु को बढ़ाया है। इसके अलावा जो लॉसेज थे, जो 15,500 करोड़ रुपए की पीक पर पहुंचे थे, उनको लगभग हमने आधा कर लया है। अब वे घटकर 6,662 करोड़ रुपए, जो ऑपरेशंस के थे और तकरीबन 1,700 करोड़ रुपए एक्स्ट्रा ऑ र्डनरी एक्सपें डचर के थे। अत: यदि हम पिछले चार सालों में देखें, तो बीएसएनएल अपने नेटवर्क के रेवेन्यूज को स्टेब्लाइज कर पाया और वीआरएस आने के बाद हमने अपने इंप्लॉय एक्सपें डचर को लगभग आधा कया। जो लगभग 15,000 करोड़ रुपए होता था, उसको हम 7,500 करोड़ रुपए के आसपास ले आए हैं। इसके अलावा हमने अपने ऑपरेटिंग एक्सपें डचर पर काफी कंट्रोल कया है। जो 12,000 – 13,000 करोड़ रुपए के बीच में होता था, उसको घटाकर आज की तारीख में हम 9,500 – 9,800 करोड़ रुपए के बीच में ले आए हैं। इसी के साथ पिछले साल हमने अपनी डेब्ट को भी रीस्ट्रक्चर कया है। उसकी वजह से आज की तारीख में हमारी डेब्ट लगभग 13,000 करोड़ रुपए पिछले डेढ़ साल में कम हुआ है। इसी के साथ जो एक्सपें डचर रिटर्न रेट ऑफ इन्ट्रेस्ट था, उसको भी हमने रिड्यूस कया है।"

3.9   In a written reply to the Committee, BSNL outlined the strategies it has adopted to boost revenue from its existing telecom services and its plans to introduce new services aimed at improving financial sustainability, with a focus on retaining and increasing its subscriber base:

"BSNL management is striving hard to take all the possible measures to improve the Quality of Service to its customer. BSNL is increasing its capacity, augmenting its technologies and enhancing its footprint including by providing 4G services on a pan India basis. BSNL is leveraging its data services to increase the customer base by backhaul expansion of MPLS, lease line and FTTH services. 70% of the lease lines of BSNL are now working on fiber. Several steps have been taken for upgrading and

augmenting the capacities such as:

- ➢ BSNL is already started process of replacing its end of life Broadband Network Gateways (BNGs) and Regional Point of Presence (RPOP) with new technology CUPS BNGs (Control plane User plane Architecture). The access network elements are now migrated to the new gateways so as to provide enhanced network capacity for higher internet bandwidth to the customers. Peering links and Caching capacities have been augmented manifolds to provide better customer experience (high internet speed). Super core routers have been commissioned and super edge routers for internet traffic capacity enhancement to improve end to end user browsing experience. To Strengthen the Network capacity, complete IP based network for carrying customer data to Broadband Gateways, CPAN (Converged Packet Access Network) have been procured and are under deployment. BSNL is completely revamping its strategies to onboard new partners in facilitating acquisition of customers and maintaining BSNL services to customers. IT enabled support and monitoring is being done to address the customer's concerns.

- ➢ As regards wireline services are concerned, BSNL has expanded FTTH service rollout through partnership models bringing in local entrepreneurs for the last mile services. BSNL is providing high speed FTTH connections by empanelling Cable TV Operators/ ITI engineers/ Graduates by promoting AtmaNirbhar Bharat and generating Employment/ Additional Business opportunities. Partners are enabled with IT tools for realtime access to all customers information related to service requests, bills issued, payment made, etc Digital onboarding and KYC of customers is done by partners using mobile app, doorstep service, no need to visit BSNL exchange for any service requirements. Mobile App for bill collection is used by partners for door to door collection in addition to large chunk of payments that customers do in online mode. Efforts are being made to enroll the apartment & societies as Telecom Infrastructure Partners (TIPs) and handhold them to get bulk connections. Mobile App called Teevra provided to all partners wherein complete network and customer details are available to partners for troubleshooting customer issues, following up for bill payments etc. A centralized Network Operations Team at Each Business Area Location has been established enabled with IT tools to access all Network Elements and resolve the operations issues.

- ➢ As regards wireless services are concerned, BSNL has launched the 4G services which shall be deployed across the Country. To motivate channel partners for acquiring mobile customers, commission for acquiring new connections has been increased. One part of commission is paid upfront, and one part of commission is linked with customer retention and meeting the targets assigned. BSNL offers competitive and affordable tariff plans as per market trends. Promotional schemes like increased validity on selected vouchers, bundling OTT content with various tariff vouchers and other lucrative offers are given to subscribers time to time.

- ➢ For enterprise Business growth, Business models/strategies of competitors are studies and new products/services as per market dynamics such as SDWAN, Multicasting, ILLoGPON, IDC (Cloud Services), Cyber Security,

IoT/M2M Communications, C Pass etc. Regular visits to customers by National Account Managers (NAMs)/Key Account Managers (KAMs) and other senior officials for new business acquisition as well as service quality assurance is being carried out. Tariffs are rationalized as per market dynamics."

3.10 When asked about the impact of government policies and regulations on BSNL's financial viability and operational flexibility, and to provide details of the financial support and investments made by the government at various stages/phases, along with the resulting improvements in the company's financial condition, BSNL in a written reply submitted the following:

"Preference to Make in India, adherence to provisions of GFR has been a limiting factor for BSNL. The decision to go for indigenous 4G equipments have delayed the 4G services as telecom is a high technology sector and only 4-5 global OEMs are there in the market providing this technology. Development and maturating of the indigenous technology is a challenge. However, BSNL is a Government Company and such a mandate would help in development, manufacturing and maturing of complex 4G/5G technology indigenously in the Country and would be a matter of pride for the Country.

As regards the improvement in financial health, it is stated that with the VRS scheme, about 78,500 people in BSNL had opted for VRS and salary expenditure on annual basis has reduced by ₹7,000 to 8,000 crore on an annual basis. By implemented a strong financial control in the last four years, the administrative operating expenditure of BSNL which used to be around ₹12 thousand crores, has come down to between ₹9500 crores to ₹9800 crores, which came with sustainability. BSNL has been EBITDA positive for the last three years, before that the Company was incurring operating losses and BSNL has earned operating profit of approximately Rs.1600 crore last year.

With the sovereign guarantee given by the Government, BSNL has replaced the high cost debt with optimum cost and restructured it by ₹8,500 crores. Last year, because of the better performance and the support which BSNL received from the Government, BSNL has been able to reduce the debt by ₹10,500 crore which has resulted into a reduction of financial cost to nearly ₹1200 crore in the current financial year.

With the VRS support, 4G CAPEX support, Viability Gap funding, AGR dues settlement support, providing sovereign guarantee, assignment of 4G/5G structure in the form of equity infusion, alongwith the better operational controls and performance delivery is helping BSNL to improve its financial health."

3.11 When asked about specific financial management responsibilities of the DoT in relation to BSNL and how has it ensured the financial viability of the Company, DoT, in a written reply, submitted as under:

"To improve the quality of service and to increase subscriber base of BSNL in urban

and rural areas, Government has provided various packages, as detailed below:

- The Union Cabinet on 23.10.2019 approved the revival package of Rs 70,000 Cr (approx.) for "Revival of BSNL and MTNL" by reducing employee costs through VRS, debt restructuring by raising of sovereign guarantee bonds, monetisation of assets etc. With this, both BSNL and MTNL have become operationally profitable since 2020-21 and remained so since then.
- The Union Cabinet on 27.07.2022 approved revival package for BSNL amounting to ₹1.64 lakhs crores. The revival measures focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet, augmenting its fibre network by merging Bharat Broadband Nigam Limited (BBNL) with BSNL.
- Further, the Union Cabinet on 07.06.2023 approved the allotment of 4G/5G spectrum to BSNL with the total outlay of ₹89,047 Cr through equity infusion.
- Apart from the above, the Government also provides Viability Gap Funding of 1 crore for Shri Amarnathji Yatra every year from FY 2014-15 onwards."

3.12 In response to a request for details on recent policy interventions by the Department of Telecommunications (DoT) aimed at driving growth and innovation in the telecom sector, and their impact on BSNL, the DoT provided the following written reply:

"The Government has undertaken reforms for orderly growth, drive innovation to promote competition protection of consumer interests, and ensuring affordable telecom services.

- The Policy of Asset Monetization of BSNL has been issued by DoT on 28.06.2021. Its main purpose is to drive growth in BSNL by using its non-core assets as a source of revenue for its capex requirements and debt servicing which will help to sustain the Company in the long run. BSNL has earned ₹5694.03 crores through its Core and Non-core Assets from lease/rent/sale etc. since the revival plan approved by Cabinet (2019 till September-2023).

- The DoT has taken various policy decisions through Digital Communications Innovation Square (DCIS) sub-scheme under Champion Services Sector Scheme (CSSS) to promote and support translation of innovative ideas and knowledge in engineering derived from fundamental or applied research into pilot scale operation, field deployment or viable technology development (product or process) within a definite timeframe. Further, Public Procurement (Preference to Make in India) Order has provided a much needed impetus to domestic telecom equipments manufacturing Industry for procurement of domestic telecom equipments in the Government procurement. These steps has effected BSNL in building its infrastructure with domestically manufactured telecom equipment. "

3.13 When asked to provide mechanisms does DoT use to provide operational support to BSNL and how has it ensured its competitiveness, DoT, in a written reply, submitted as under:

> "Cabinet note approved in June, 2022, has provision of VGF as "Sanctioning ₹13,789 Cr as Viability Gap Funding (VGF) in form of grant-in-aid to BSNL towards unviable rural wire-line operations for FY 2014-15 to 2019-20 through budgetary support in FY 2022-23. Similar reimbursement will also be allowed to BSNL for FY 2020-21 and onwards for five years on this principle, subject to a ceiling of ₹ 7,200 crore for this duration of six years.""

3.14 Given the DoT exclusive role in monitoring and evaluating BSNL's performance, the Committee requested information on the following: the mechanisms for monitoring and ensuring BSNL's competitiveness, actionable points and actions taken from the BSNL-DoT MoU to improve ratings, and details on performance review parameters and measures taken by DoT to enhance BSNL's physical performance; DoT provided the following written response:

> "As per DPE's direction, MoU (Memorandum of Understanding) is signed between a Central Public Sector Enterprises (CPSE) with the administrative Ministry. Accordingly, BSNL signs MOU with DoT. MoU Rating awarded by DPE on yearly basis for the last 10 years based on MoU signed between BSNL & DoT on the following parameters:
>
> - Revenue from Operations
> - CAPEX
> - EBITDA as percentage (%) of Revenue
> - Assets Turnover Ratio
> - Total Expense to Total Income
> - Acceptance/ Rejection of Invoices of Goods & Services through TReDS Portal within stipulated time
> - Procurement from GeM as per approved procurement plan
> - Trade Receivables as number of days of Revenue from Operation
>
> The MoU rating of BSNL for last year (2022) was <u>poor</u> and now, the MoU rating as submitted to DPE for the year 2023 is <u>very good</u> (73), which indicates improvement in the MoU rating. The performance of BSNL is regularly reviewed at Secretary (T) and Addl. Secretary (T) level. Also, a comparative study of BSNL vis-à-vis other telecom operators was conducted. The MoU has been signed between DoT and BSNL for the F.Y. 2023-24 and present MoU parameter figures are sent to DPE."

B. Financial Handholding

3.15 BSNL in a written reply has informed the Committee that it had never sought financial assistance from international financial institutions or banks.

Further, highlighting the Government support for the Company, representatives of BSNL deposed before the Committee as under:

"सर, आज की तारीख में हमारी जो ल मटेशंस हैं, मैं तीन बिन्दु आपके ध्यान में लाना चाहूँगा, जो हमारी ल मटेशन थी और सरकार ने कस तरह से इन्टरवेंशन करके हमें सपोर्ट कया है। पहला, हमारे पास जो कैपेक्स था, पैसा लगाने के लिए नहीं था, वर्ष 2017 से लेकर वर्ष 2022 तक बीएसएनएल के पास पैसा नहीं था और लायबि लटी बहुत सं चत थी। आप सब लोग जनप्रतिनि ध हैं, आपको जानकारी होगी क बीएसएनएल कम से कम 12 से 13 हजार करोड़ रुपये के अपने वेंडर्स के ड्यूज का भुगतान नहीं कर पा रहा था, वर्ष 2020, वर्ष 2021 और वर्ष 2022 में। आज मुझे कहते हुए बड़ी खुशी है क एक भी पैसा बीएसएनएल के पास, जिसको हमें भुगतान करना है और पैसा देना है, वह हमारे पास बकाया हो, ऐसा नहीं है। हमने सबका भुगतान कर दिया है।

...सर, हमें टोटल जो पैकेज दिया है, उसकी अमाउंट यह है। पहला पैकेज 70 हजार करोड़ रुपये का था, जिसमें कैश कम्पोनेन्ट नहीं था, ले कन मेजोरिटी ऑफ दैट वाज फोर एजीआर ड्यूज, स्पेक्ट्रम लायबि लटी और कर्मचारियों के वीआरएस के लिए था। जो कैश कम्पोनेन्ट हमें दिया है, वह आज की तारीख में 21 हजार करोड़ रुपये का इन्वेस्टमेंट है, जो कैपेक्स में करना है, जो कैश बेस्ड है। बाकी सारे जो कम्पोनेन्ट हैं, वे न्यूट्रल हैं क एजीआर का पैसा आएगा, वह भारत सरकार को रिटर्न करना है मतलब जितना मलेगा, उतना ही वापस करना है। स्पेक्ट्रम के लिए जो मलेगा, उतना ही अगले दिन रिटर्न करना है। सुबह 11 बजे मेरे अकाउंट में आता है, शाम को 4 बजे मैं भारत सरकार को वापस कर देता हूँ। .....

......सर, मुझे जो पैसा मला है, वह 21 हजार करोड़ रुपये मला है, ले कन अगर पूरा पैकेज देखें तो दो लाख करोड़ रुपये के ऊपर का है।

....सर, दो लाख करोड़ रुपये में अगर हम देखें तो जब कर्मचारियों को वीआरएस दिया गया, तो उसकी जो इनकॉस्ट थी, वह लगभग 30 हजार करोड़ रुपये की थी। फर 4जी के लिए जो स्पेक्ट्रम दिया गया, वह लगभग 24 हजार करोड़ रुपये का है। उसके बाद जो एजीआर ड्यूज के लिए, सेटलमेंट के लिए दिया गया, वह करीबन 27 हजार करोड़ रुपये का है। उसके बाद जो अभी 5जी का स्पेक्ट्रम एलोकेट कया है, वह 89 हजार करोड़ रुपये का है। ये सारी चीजें नॉन कैश आइटम हैं। इसका मतलब कंपनी में ऐसेट आ रही है, कैश नहीं आ रहा है या कंपनी की लायबि लटी को हमने स्क्वायर ऑफ कया। बिल्कुल सर। सर, मुझे कहने में कोई परेशानी नहीं है कि वर्ष 2020 के बाद से सरकार का बीएसएनएल के ऊपर बहुत वरदहस्त रहा है और इसीलिए आज बीएसएनएल चल रहा है। अगर सरकार का वरदहस्त नहीं होता तो बीएसएनएल आज की तारीख में मृत संगठन के समान होता।"

C. Revival Plan

3.16   When asked to provide the financial support options available to BSNL, including capital infusion, loans, grants etc. and how DoT has helped in the matter, DoT, in a written reply, submitted as under:

"As on date, following funds have been released by DoT to BSNL in respect of Revival package of ₹ 1.64 lakh crore:

Item wise	Fund released by DoT to BSNL (Rs. In Crore)
CAPEX Support	5013.00
Spectrum including GST	35451.44
Viability Gap Funding	17389.00
Sovereign Guarantee Bonds	4184.70
AGR Settlement	26983.71
TOTAL	**89021.85**

3.17   When asked about the proposals of BSNL to bring the Company out of losses and revival package for the Company has been approved by the Government, BSNL, in a written reply, informed as under:

i.   "Increasing the BSNL Mobile Business Rollout PAN India 4G network on indigenous Core with competitive pricing for mobile broadband. Create emphasis on Value Added Services & M2M services.
ii.   Expand FTTH through partnership models with investments in access networks by partners. Targeted marketing by strategic partnerships with equipment manufacturers & content providers (for triple play services).
iii.   Target End to End solutions for BFSI sector/Startups/MSME sector.
iv.   And being preferred partner of Government for Telecom Projects with focus on timely executions and high security assurances.
v.   Monetization of Towers and others assets.
    Highlights of the three revival packages given to BSNL since 2019 are as follows:

    1st BSNL Revival Package approved in 2019 – Major features and implementation status are as follows: -

i.   Voluntary Retirement Scheme (VRS): About 93,000 out of 1,75,000 BSNL/MTNL employees given VRS.
ii.   Sovereign guarantee given by government ₹15,000 Cr: BSNL/MTNL raised Rs 15,000 Cr at low interest rates.
iii.   4G spectrum allotment against equity infusion: Value in 2019 was ₹24,084 Crore, revised to ₹14,148 Crore as per latest Spectrum auctions in 2022.
iv.   Monetization of BSNL assets: Permission to monetize Towers & Land assets (12,663 towers leased with a monthly rental income of around Rs ₹82 crores, in

addition, land assets sold/rented has generated income of more than ₹1000 crore in the past 4 year).

v. Merger of MTNL with BSNL: Merger put on hold in December 2020 by GoM, and 4G Spectrum allotted to BSNL for Delhi & Mumbai also.

2nd BSNL Revival Package was approved in 2022 - Major features and implementation status are as follows: -

i. Sovereign Guarantee for Bonds to restructure BSNL's debt repayment liabilities of Rs 22,828 crore for three years: Sovereign Guarantee of ₹ 8446 cr issued for raising Bonds in FY 2022-23 out of which funds of Rs 4184.70 raised.

ii. Settlement of AGR dues against Equity : Completed.

iii. Allotment of 5G spectrum against equity infusion in BSNL: As 5G spectrum auctions were finalized after the revival package was approved, frequency bands and value approved in the next package.

iv. Merger of BBNL with BSNL: Merger formalities are in final stages. BSNL and BBNL board has approved the merger w.e.f. 1.10.2023 subject to regulatory compliances.

v. Support of Rs 22,471 Cr for CAPEX (including 4G): Support of ₹ 3013 Cr. Received.

vi. Viability Gap Funding for rural operations for next five years: ₹16,189 Cr (upto 2021-22) received.

vii. Retaining ITS officers in BSNL: Against the sanctioned post of 560 ITS officers in BSNL/MTNL, 495 ITS officers posted in BSNL/MTNL.

3rd BSNL Revival Package approved in 2023 - Major features and implementation status are as follows:-

Allotment of 5G spectrum - through ₹89,047 Crore against equity infusion in BSNL. As 5G spectrum auctions were finalized after the revival package was approved on 27th July 2022, the value and frequency bands (700 MHz) has been approved by union cabinet in 2023."

3.18 When asked to provide recent policy decisions or amendments that have had a significant impact on the telecom sector and the operations of entities like BSNL, DoT, in a written reply, submitted as under:

"DoT continuously examine and take steps for reforms. It is a continuous process. Various reforms have been done to promote ease of doing business in the sector which will bring in capital investment in the sector. The Union Cabinet in its meeting held on 27.07.2022 considered and approved the proposals of DoT for "Revival of BSNL and merger of BBNL with BSNL" vide its Cabinet Note dated 25.07.2022. The Cabinet approved the following:

- Raising Sovereign Guarantee bonds by BSNL with tenure of 10 years or more, for an amount of 22,828 Cr over three FYs (8,446 Cr in 2022-23, 6,522 Cr in 2023-24 and 7,860 Cr in 2024-25), with waiver of guarantee fee, to repay high cost debt and restructure it with new sustainable loan. BSNL will repay the principal/interest. –

That for 2022-23, BSNL raised Rs 4184.70 Cr at 7.72% on 22.12.2022. DEA has allowed the unutilized portion of SG of Rs 4261.30 Cr to FY 2023-24. Further, SG Bonds of 6,522 Cr. for FY 2023-24 has been approved by DEA, Presidential orders are to be released.

- Settlement of AGR dues of BSNL (33,404 Cr as on 31.03.2022) through equity conversion including GST of 5,344 Cr. The Government will provide budgetary support to BSNL. AGR dues to BSNL would also be settled on the same principle for 5 years from 1st Apr, 2022 onwards. The exact AGR dues/interest will be certified by DoT. –

That total Rs 22,520.81 Cr along with GST of Rs. 4,462.90 Cr (total of Rs 26,983.71 crore) has been released to BSNL for settlement of AGR dues. BSNL has issued the equity certificate to DoT.

- BSNL to re-issue 9% non-cumulative preference shares of 7,500 Cr to be subscribed by GoI. The Government will make budgetary provision for 7,500 Cr in FY 2022-23. –

 That NCLT has approved the proposal.

- Administratively allotment of spectrum in 900/1800 MHz band with budgetary support of 44,993 Cr (with GST of 6,863 Cr)) as equity infusion in BSNL in FY2022-23, subject to revision of said amount as per price discovered in the auction conducted in FY 2022. Allotment to BSNL will be done in all LSAs with effect from 29.02.2020 and from date of allotment in Delhi/Mumbai LSAs. The cost on pro-rata basis will be settled for spectrum held by MTNL (5 MHz in Delhi/Mumbai) from 05.04.2019 till date of spectrum allotment to BSNL. The license related conditions will be as applicable under extant policy. –

That Spectrum charges of ₹23,373.44 Cr. against 900 MHz band for 20 LSAs has been paid on 19.09.2022 and ₹12,078.43 Cr. has been paid against 700 MHz band and 900/1800 MHz band spectrum.

- BSNL will provide all telecom services in Delhi and Mumbai through leasing of operational assets or other appropriate model. With operations by BSNL in Delhi/Mumbai, MTNL would be left with land/building assets which it will continue to monetize to discharge its loan liabilities.

- In view of unsustainable debt of MTNL, for further detailed examination to resolve matters such as asset monetization, AGR dues, debt resolution and further course of action for merger of MTNL with BSNL, a Committee of Secretaries (CoS) comprising of Secretary DoE, Secretary DoT, Secretary DIPAM and Secretary DPE will be constituted to recommend the way forward. Finance Minister and Minister of Communications will be empowered to decide the way forward. The Government will provide a budgetary support of 1,600 Cr for restructuring and operational integration of the Telecom PSUs as a one-time grant. –

That notification was issued on 08.08.2022 for constitution of CoS. BSNL has engaged a consultant (M/s Deloitte). The detailed background of the merger has been submitted to CoS.

- BBNL will be merged with BSNL. Roles/responsibilities being discharged by BBNL will be carried out by BSNL. –

That Scheme of merger has been approved on 26.07.2023.

- Sanctioning the capex of 22,471 Cr (₹4,513 Cr in FY2022-23, 5,769 Cr in FY 2023-24, 8,609 Cr in FY 2024-25 and 3,580 Cr in 2025-26) as equity infusion in BSNL. This includes projected requirement of MTNL for 1851 Cr (₹513 Cr in FY 2022-23, ₹689 Cr in FY 2023-24 and ₹649 Cr in FY 2024-25) in Delhi/Mumbai also. The Government will make the budgetary provision accordingly in respective years. With these investment, BSNL is expected to be profitable in FY2026-27. –

That ₹3,013 Cr has been released to BSNL. Out of this, ₹513 Cr is towards for capex expenditure in Delhi/Mumbai area as per the Cabinet approval. DoT has also, issued ₹ 2,000 Cr. for the F.Y. 2023-24.

- The process to be followed for procurement of 4G equipment under Atmanirbhar initiative will be placed before the GoM for approval. Accordingly, BSNL will finalize the procurement -

That in line with the 'AtmaNirbhar Bharat' initiative of the Government of India, BSNL issued 4G tender under Phase IX.2 Project on dated 22.10.2022 for procurement of 1 Lakh eNodeBs & associated core equipment for all zone of BSNL and including MTNL Delhi & Mumbai area. The evaluation of the bid was concluded and approved by the Management Committee & further by BSNL board.

- Sanctioning 13,789 Cr as Viability Gap Funding (VGF) in form of grant-in-aid to BSNL towards unviable rural wire-line operations for FY2014-15 to 2019-20 through budgetary support in FY 2022-23. Similar reimbursement will also be allowed to BSNL for FY 2020-21 and onwards for five years also on this principle, subject to a ceiling of 7,200 Cr for this duration of six years. That ₹13,789 Cr as VGF for period upto 2019-20 has been released to BSNL in three tranches. ₹2,400 Cr as VGF has been released to BSNL, for FY 2020-21, 2021-22. ₹1,200 Cr as VGF has been released to BSNL, for FY2022-23 Amendment in Special Reserve for posting of ITS Group-A officers in BSNL/MTNL as per Cabinet decision 2016, to operate 560 ITS cadre posts (HAG–34, SAG-353, JAG-173) in BSNL/MTNL on non-diminishing basis for five years (from Jan, 2022 to Dec, 2026). The special reserve is to be diminished in a phased manner thereafter as the PSUs develops their own cadre. – That implemented.

- Authorised capital of BSNL will be increased from ₹40,000 Cr to ₹1,50,000 Cr, as a result of capital infusion on account of spectrum, capex and AGR dues. –

That presently, the authorized capital has been increased upto ₹2,10,000 crore"

CHAPTER-4

NAVIGATING THE FREQUENCY FRONTIER

A.   Addressing the Transition to 4G/5G for BSNL

4.1   In their testimony to the Committee on 4G technology, BSNL representatives shared that, while 4G arrived in India in 2016, it had been available globally for a decade prior. The decision to develop 4G in India came in 2020, placing us ten years behind. Starting late inevitably means reaching late, and this delay is an acknowledged reality. However, the crucial step was to begin. Work on 5G is already underway, with a dedicated group formed to ensure that by 2030, India is equipped with the latest technology.

4.2   The Committee note that in response to a request for the roadmap on 2G/3G replacement, 4G/5G rollout, and BharatNet connectivity, BSNL provided the following in a written reply:

> "BSNL is deploying swadeshi 4G technology in partnership with Indian manufacturers at around 1 Lakh sites. The said equipment is upgradable to 5G with minimum hardware and software upgrade. BSNL has issued purchase order to M/s TCS and M/s ITI on 22.06.2023 and 08.06.2023. The deployment of 4G network is likely to be completed by December 2024. Once the 4G services are started, the same can be upgraded through software to 5G. BSNL is likely to upgrade its network to support 5G starting from December 2024 onwards.
>
> BSNL is successfully extending the Bharatnet FTTH connections through its partners i.e. Bharat Net Udyamis or Local entrepreneurs on revenue sharing model, on a pilot basis. As on 31.08.23, more than 4 lakh Bharatnet Udyami connections have been provided. 4,425 No. of Partners are registered as Bharatnet Udyami with BSNL. 8,543 No. of nodes belonging to partners have been installed & integrated in the Network. As on 31.08.23, around 45,000 Govt. Institutions in the various States have Bharatnet connections. Based on the success of the Pilot project, the Union Cabinet has recently approved Amended Bharatnet project with an outlay of Rs 1.4 lakh cr to cover all GPs on ring architecture and all non-GP villages on demand, to enable all rural citizens to have access to broadband services. BSNL has been selected as the Project Management Agency and a target of provision of 1.5 cr FTTH connections has been set for next five years, across all states."

4.3   While explaining to the Committee about the potential impact of non-availability of 4G spectrum on competitiveness and revenue generation of BSNL, representatives of BSNL submitted before the Committee as under:

> *"हमारे पास 4जी की स र्विसेज न होने की वजह से, मार्केट जहां 4जी और 5जी की तरफ है, हम 2जी तथा 3जी में है, ले कन उसके बावजूद भी हम आज की तारीख में लगभग 5600 करोड़ रुपये का रेवेन्यू मोबाइल से कमा रहे हैं। अगर हम मार्केट के हिस्से को देखें तो 98 परसेंट रेवेन्यू और 98 परसेंट ट्रै फक*

जो आज की तारीख में जनरेट हो रहा है, वह 4जी से हो रहा है। हमारे पास 3जी होने की वजह से हम कम्पीटेटिव्ली डसएडवांटेज की पॉजीशन में है। हमने पछले साल लीज्ड लाइन स कट्स में करीबन 4390 करोड़ का रेवेन्यू कमाया। अगर हम इन सब को मलाकर देखें तो हमने लगभग 19,128 करोड़ रुपये का रेवेन्यू स र्वसेज के थू कमाया है, जिसमें 18 हजार करोड़ रुपये प्योर स र्वस रेवेन्यू है और 1200 करोड़ रुपये रूरल स र्वसेस को प्रोवाइड करने के लए एज ए वीजीए फं डंग मली हुई है।"

4.4   The Committee was informed that, according to a policy decision by the Government, the Country will develop indigenous technology in collaboration with Indian domestic manufacturers, which will be used for the deployment of 4G technology. While this decision has certain benefits, it also comes with some limitations. In this context, when the Committee inquired about the measures being taken by BSNL for the deployment of 4G technology, the BSNL deposed before the Committee as under:

"....इस निर्णय के कुछ फायदे हैं और कुछ ल मटेशंस भी हैं। अगर मैं फायदे की बात करूँ, तो देश के वकास के लए टेक्नोलॉजिकल डेवलपर्मेंट बहुत आवश्यक है। हम देख रहे हैं क आज साइबर सक्युरिटी की बात हो रही है, देश में आत्मनिर्भरता की बात हो रही है, तो देश में टेक्नोलॉजी का वकास होना, जो हर व्यक्ति के जीवन को छूता है, इस लए डेटा प्रोटेक्शन और डेटा की प्राइवेसी शायद अपनी टेक्नोलॉजी के द्वारा ही पूरी तरह से सुर क्षत हो सकता है। इस लए यह एक बहुत बड़ा पॉजिटिव पॉइंट है, ले कन इसका एक दूसरा साइड भी है क जहाँ हमारे कं पटिटर्स 4 जी और 5 जी की स र्वसेज लांच कर पा रहे हैं, क्यों क वे फॉरेन टेक्नोलॉजी यूज कर रहे हैं, एक टेस्टेड टेक्नोलॉजी यूज कर रहे हैं, ऐ प्रूवेन टेक्नोलॉजी यूज कर रहे हैं और हम टेक्नोलॉजी को डेवलप कर रहे हैं। Development of technology of such a complex nature is a time taking process which is delaying my march into a technology upgradation and network expansion. But being a Government entity and the directions of the Government and the support which the Government has provided, we have undertaken this activity under the guidance…

मुझे यह कहने में खुशी है क 4जी टैक्नोलॉजी के डेवलपमेंट के लए काफी प्रयास हुए और प्रगति हुई और अब काफी प्रगति के बाद हमने पंजाब में 200 साइट्स 15 जुलाई को कमीशन कर दी हैं, जो क इं डयन टैक्नोलॉजी पर हैं। उनकी लाइव नेटवर्क में, आज की तारीख में, टेस्टिंग हो रही है। अब मैं इक्युपमेंट के बारे में बताता हूं। एक लेबॉरेट्री कंडीशन में, कंट्रोल्ड एनवॉयर्नमेंट में सारे पैरामीटर्स को क्लियर कया था, इस लए हमने एक लाख बीटीएस खरीदने के लए टीसीएस, सीडॉट और तेजस के कनसॉ शयम को ऑर्डर प्लेस कर दिया है। उसके इक्युपमेंट की सप्लाई सतंबर महीने से शुरू हो जाएगी और जून, 2024 तक यह इक्युपमेंट आ जाना चाहिए और अक्टूबर, 2024 तक हम एक लाख बीटीएस को कमीशन कर पाने में सफल हो सकेंगे। यह टैक्नोलॉजी 4जी की होगी, ले कन हम जो इक्युपमेंट परचेज कर रहे हैं, चाहे वे कोर हो, चाहे रेन हो, वह 5जी अपग्रेडेबल इक्युपमेंट है।

इसका मतलब यह है क 700 मेगाहर्ट्ज़ में बीटीएस में जो हमारे रे डयो इक्युपमेंट्स लग रहे हैं और आरएच लग रहे हैं, वे सॉफ्टवेयर के द्वारा, हार्डवेयर नहीं लगाना पड़ेगा, सॉफ्टवेयर के द्वारा 5जी टैक्नोलॉजी को देने में सक्षम होंगे। जैसा क मैंने कहा क हर सक्के के दो पहलू हैं, देश का वकास और देश की आत्मनिर्भरता के लिए यह बहुत जरूरी प्रयास है। ले कन बीएसएल के इन्ट्रेस्ट में यह थोड़ा सा हमको कॉम्पिटिशन में एक लोअर पेडेस्ट्रियन पर रख रहा है, क्यों क इस टैक्नोलॉजी के मैच्योर होने में, प्रूवेन होने में और कस्टमर के अडॉप्शन में वक्त लगेगा, जो हमको थोड़ा सा पीछे करती है। सरकार का जो निर्णय है, वह देश हित में है और हम उसके साथ खड़े हुए हैं।"

4.5   Regarding the provision of network availability and provision of 4G in the hinterlands of the Country, BSNL during their testimony, submitted the following before the Committee:

"…….हम एक बहुत बड़ा प्रोजेक्ट कर रहे हैं, जो क सरकार का एक निर्णय था क गांव-गांव तक 4जी की स वसेज पहुंचे, हर गांव तक पहुंचे। आज अगर हम देखते हैं तो देश में लगभग 36,000 ऐसे गांव आइडेंटिफाई हुए, जहां 4जी की सु वधा आज की तारीख में नहीं है। हमने उन गांवों का सर्वे कया, as per the Cabinet approval और सर्वे के बाद हमने यह पाया क लगभग 19,000 गांवों में हमने जगहें चन्हित की हैं, जिनमें अगर हम टॉवर लगाते हैं, तो करीबन 26,000 गांवों को हम 4जी की सु वधा दे सकेंगे। अगर कसी और गांव के बारे में भी हमें पता लगता है, जहां 4जी की सु वधा आज की तारीख में नहीं है, तो उन गांवों में नया टॉवर लगाकर वहां 4जी की सु वधा दी जाएगी। इस प्रोजेक्ट को करने के लिए भारत सरकार ने हमको 30,000 करोड़ रुपए का बजट एलोकेट कया है। यह इं डिजिनियस टैक्नोलॉजी के ऊपर ही होगा। यह उसमें एक कंडीशन है। अगर हम देखें तो 24,706 गांव इती शयली आइडेंटिफाई किए गए थे। अभी तक हमने तकरीबन 44,000 गांवों का सर्वे कया है। उसके बाद 19,000 टॉवर्स की लोकेशंस हमने आइडेंटिफाई की हैं। 90,419 आज की तरीख में टॉवर लोकेशंस हैं, जो हमको देने हैं। 17,508 गांवों की साइट्स का हैंडओवर हम वेंडर को कर चुके हैं। सरकार की सारी एजेंसीज ने, चाहे वे केंद्रीय नेतृत्च के अंदर हों या राज्य सरकार की एजेंसीज हों, सभी ने बहुत अच्छा सहयोग दिया। इसकी वजह से 18,000 जगह में से 15,723 जगहों पर लैंड एलॉटमेंट कंप्लीट हो चुका है। उसके अंदर आज की तारीख में 13,611 जगहों पर जॉइंट सर्वे होकर साइन हो चुके हैं। सॉइल टेस्टिंग का वर्क लगभग 10,000 जगहों पर कंप्लीट हो चुका है। 2,839 जगहों पर टॉवर फाउंडेशन कंप्लीट हो गई है। 2,345 जगहों पर आज की तारीख में फाउंडेशन का काम चल रहा है। 604 टॉवर्स फज़िकली खड़े हो गए हैं और 194 टॉवर्स का इरेक्शन इस वक्त चल रहा है। हमारा टार्गेट यह है क इस प्रोजेक्ट को सतंबर, 2024 तक कंप्लीट करके भारत सरकार की आकांक्षाओं को हम पूरा कर सकें। अल्टीमेटली लगभग 20,000 – 22,000 नए टॉवर्स इसमें खड़े करने होंगे। अत: यह एक रास्ता है। इस कार्य को करने के लिए बहुत ही ड फकल्ट एरियाज हैं, जिन जगहों पर पहुंच पाना बहुत मुश्किल है। कई जगहें ऐसी हैं, जहां आज की तारीख में न तो रोड्स हैं, न ब्रिजेज़ हैं। ऐसे में 40 मीटर के टॉवर को लाना – ले जाना और वहां इरेक्ट करना बहुत ही चैलेंजिंग एस्पेक्ट है। जो

मैजॉरिटी जगहें, जो इस प्रोजेक्ट के अंदर आ रही हैं, उनकी तीन ब्रॉडर क्ला स फकेशन के बारे में मैं कहना चाहूंगा। पहला, जो नॉर्थ ईस्ट के एरियाज हैं और हाई हिली एरियाज ऑफ जम्मू कश्मीर, लद्दाख, हिमाचल प्रदेश और उत्तराखंड में नॉन कम शयल वाइबिलेटी की वजह से कसी अन्य ऑपरेटर ने इन स र्वसेज को नहीं दिया। दूसरा एस्पेक्ट यह है क देश में जो लेफ्ट वंग एक्सट्री मस्ट्स एरियाज हैं, जो नक्सल प्रभा वत क्षेत्र हैं, वहां भी कोई ऑपरेटर अपनी स र्वस को नहीं लगा रहा है। यह एक बहुत बड़ा क्षेत्र है, चाहे वह आंध्र प्रदेश का क्षेत्र हो, झारखंड का क्षेत्र हो, एमपी का हो या छत्तीसगढ़ का हो या कसी अन्य प्रदेश का हो, इन पर कार्य कया जा रहा है।"

4.6   On being asked about hurdles the Company is facing for its expansion plan in 4G and 5G services on indigenous technology and what are Company's future plan in this regard, BSNL in a written reply, submitted that:

> "the major hurdle the BSNL is facing in its 4G expansion plan lies in the fact that the 4G technology being deployed may still take time to be tested and proven. BSNL is deploying indigenously designed, developed and manufactured technology, which though is required for the self-reliance of the nation, has its own sets of challenges especially considering that the technology is very complex and available with only four countries globally. Since Indigenous 4G and 5G equipment are being used for the first time in BSNL's network, stability and performance of the network in live environment with provision of all features at par with the private operators is a big challenge. The scale of testing and manufacturing involved is also humongous. With regard to 5G technology, BSNL has specifically submitted that the 4G equipment being procured by BSNL is upgradable to 5G with software upgradation and once the 4G services are started, the same can be upgraded through software to 5G and BSNL is likely to upgrade its network to support 5G starting from December 2024."

4.7   When inquired about the matter for provision of 5G/6G with a view to increase the customer base, the representative of BSNL, during the evidence, put fourth the following views:

> *"....आज की तारीख में, पहले तो अभी हम उस स्थिति पर नहीं थे क तत्काल 5जी पर जा पाएं, क्यों क हमारा जो इक्विपमेंट है, वह 4जी से 5जी को अपग्रेडेबि लटी था। दूसरी चीज यह है क इस 5जी में अभी जिसने भी इन्वेस्टमेंट कया है, कसी के पास यूज केस नहीं है, सारे ऑपरेटर लगाने के बाद कोई भी पैसा नहीं कमा पा रहा है। 5जी में न तो टैरिफ बढ़ा है, न यूज है, न उसका आज की तारीख में बदलाव है, तो जिन भी ऑपरेटर्स ने अभी इन्वेस्टमेंट कया है, उनके इन्वेस्टमेंट का रेट ऑफ रिटर्न ऑलमोस्ट नगण्य है। ये सारे ऑपरेटर अगर कल आईएमसी का जो दिल्ली में चल रहा था, शुक्रवार, शनिवार और र ववार को इं डयन मोबाइल कांग्रेस थी और उसमें सारे ऑपरेटर इस चीज की चर्चा कर रहे थे क 5जी का इन्वेस्टमेंट जहाँ हम बहुत ज्यादा कर रहे हैं, उसका रिटर्न क्या है। हिन्दुस्तान के अंदर लगभग साढ़े तीन लाख साइट आज की तारीख में ऐसी हैं, जो 5जी इनेबल्ड हैं*

और एक साइट लगाने में लगभग 20 लाख रुपये खर्च होते हैं। लगभग 70 हजार करोड़ रुपये का इन्वेस्टमेंट करने के बाद हमें रेवेन्यू टर्म्स में क्या मिला। अगर रेवेन्यू टर्म्स में कोई चीज नहीं मिल रही है और हम आगे जाएंगे, 70 हजार करोड़ रुपये का तो इक्विपमेंट में इन्वेस्टमेंट है और 80 हजार करोड़ रुपये का इन्वेस्टमेंट स्पेक्ट्रम में है। 1.5 लाख करोड़ रुपये का इन्वेस्टमेंट करने के बाद रेट ऑफ रिटर्न क्या है? अदरवाइज हम अपने आपको यह पाएंगे कि हम क्लास बेस्ड सर्विस प्रोवाइडर होंगे, मास बेस्ड सर्विस प्रोवाइडर नहीं बचेंगे। हर ऑपरेटर यह चाहता है कि वह क्लास प्लस मास दोनों को सर्व कर सके, क्यों कि टेलीकॉम वॉल्यूम का गेम है, यह निश मार्केट का गेम नहीं है। आप केवल निश मार्केट से प्ले नहीं कर सकते, आपको सर्विसेज मास बेस पर देनी पड़ेंगी, तभी आप इस मार्केट में सर्वाइव कर सकते हैं। "

4.8   The Committee have been informed that there are only 05 suppliers of 4G/5G technology in the world i.e. Nokia (Finland), Ericsson (Germany), Huawei & ZTE (China) and Samsung (South Korea). These 05 Companies provide 4G/5G technology to the competitiors of BSNL.

4.9   When asked about the deployment of 4G/5G technology in the world by the existing 05 Companies and the current status of our indigenous 4G technology, during the briefing meeting, the representative of BSNL, deposed before the Committee as under:

".... उन्होंने पूरी दुनिया में अपनी टेक्नोलॉजी डिप्लॉय कर दिया है और उन्हीं का इक्विपमेंट दुनिया में सब जगह चलता है। हम अपनी टेक्नोलॉजी को लैब में टेस्ट कर चुके हैं। उसके बाद 200 साइट्स लाइव एनवायरनमेंट में लगा दिया है जिनकी आज की तारीख में टेस्टिंग चल रही है। अगर हम देखें तो 2100 में केवल 3 टेस्ट आज की तारीख में पेन्डिंग है और कोर की स्टेबिलाइजेशन का इश्यू पेन्डिंग है। हम काफी नजदीक हैं। अक्टूबर में जब हम इक्विपमेंट लगाने जा रहे हैं तो हमारा बिल्कुल यह मानना है कि हम कि कनारे पर खड़े हैं कि हम पहुंच जाएंगे।"

4.10   On being asked whether BSNL is also utilizing any 4G/5G technology of foreign origin, BSNL, in a written reply, submitted as under:

"BSNL is in the process of deploying indigenous swadeshi 4G Technology-Indigenously designed, developed and manufactured. However, BSNL is providing 4G services through manufacturers of foreign origin at only on 8600 sites on existing 3G spectrum. However, at such places, BSNL is not providing 3G & 4G services simultaneously."

4.11   BSNL has conveyed its dedication to bridging the digital divide between urban and rural areas by focusing on affordable rural telephony and enhancing telecom services in remote and challenging regions.

Despite obstacles, BSNL has informed the Committee that the Company is committed to improving connectivity at reasonable costs and has undertaken significant projects assigned by the Government:

a) **4G Coverage Expansion:** BSNL is working to provide 4G mobile services to 24,680 previously uncovered villages, with plans to add 20% more. This involves establishing 18,692 new towers, upgrading 1,038 existing ones, and expanding 4G coverage to 6,279 villages currently served by only 2G/3G. The initiative also includes enhancing connectivity in post office and bank villages, as well as in areas covered by the Vibrant Village Program in various states.

b) **LWE(Left Wing Extremism) Project Phase-I Upgrades:** The USOF has approved the extension of operations and maintenance for 2,343 2G sites until October 2023, with a plan to upgrade these to 4G using indigenous equipment and existing infrastructure.

c) **Lakshadweep 4G Services:** BSNL is expanding 4G services in Lakshadweep and has also installed over 2,800 FTTH connections, including for government institutions.

d) **BOPs/BIPs Connectivity:** The Union Cabinet has authorized the provision of 4G services, including five years of maintenance, at Border Outposts (BOPs) and Border Inposts (BIPs).

e) **BharatNet Project:** BSNL is implementing the BharatNet Project across 17 circles to build an optical fiber network for rural broadband connectivity. The project aims to extend high-bandwidth connectivity to Panchayats and ensure fair access to all service providers.

f) **BharatNet Project Status:**

- **BharatNet-I:** 104,218 GPs, 251,725 km of OFC laid, 104,071 GPs service-ready (99.9%).

- **BharatNet-II:** 24,678 GPs, 75,391 km of OFC laid, 22,693 GPs service-ready (91.96%).

g) **Pilot Scheme for BharatNet Utilization:** Initiated on October 1, 2022, the pilot aimed to provide 100,000 FTTH connections, later expanded to 500,000. Over 400,000 BharatNet Udyami connections have been successfully rolled out, with around 45,000 government institutions receiving FTTH connections. Following this success, the Union Cabinet has approved an expanded BharatNet project with a ₹1.4 lakh crore budget, targeting 15 million FTTH connections over the next five years, with BSNL managing the project.

B. Strategic Spectrum Allocation: Ensuring BSNL's Competitiveness in the Next-Gen Telecom Landscape

4.12   When asked to explain the criteria and process used by the Department for conducting spectrum auctions and determining reserve prices, the DoT provided the following written information:

> "With regard to the steps taken to prevent monopolization of spectrum resources, it is highlighted that the Notice Inviting Applications for every auction conducted for the assignment of spectrum contains conditions for the spectrum cap for the eligible bidders and thereby preventing monopolization of spectrum resources."

4.13   When asked about ensuring fair and transparent spectrum auctions, preventing monopolization, and the process and criteria for allocating radio frequency spectrum to telecom operators, the DoT provided the following written response:

> "Before the conduct of every spectrum auction, the Department of Telecommunications sends a reference to the TRAI seeking its recommendations on the various aspects of the spectrum auction including the reserve prices for the spectrum to be made available for bidding.
>
> Based on the recommendations of TRAI and the further considerations by the Standing Committee on TRAI Recommendations and the Digital Communications Commission (DCC) the approval of the Union Cabinet is sought by the Department for the various aspects related to the auction of spectrum including the reserve price of the spectrum made available for bidding. Subsequently, the reserve price for the various frequency bands which is approved by the Union Cabinet is made available to the eligible bidders through a Notice Inviting Applications….
>
>
> …. The existing policy for the assignment of spectrum to the Telecom Service Providers (TSPs) with Access Service authorization is through auction. The Department of Telecommunications, after identifying the quantum of available spectrum in the various spectrum bands send a reference to the Telecom Regulatory Authority of India (TRAI) seeking its recommendations on various aspects related to the spectrum auction. Based on the recommendations of TRAI, the department takes the required approval from the Union Cabinet and subsequently   issues a Notice Inviting Application (NIA) for the auction of spectrum. The NIA contains the necessary technical, financial and other eligibility conditions based on which the eligible bidders can participate in the spectrum auction process. Thereafter, the spectrum auction is carried out through an online platform of an approved auctioneer. Based on the outcome of the spectrum auctions and on receipt of necessary payment, frequency assignment letters are issued to the successful bidders for providing their service."

4.14　The representatives of BSNL testified during the evidence regarding the allocation of spectrum as under:

".....सर, हमारे पास जो स्पैक्ट्रम था, जो बिफोर रिवाइवल पैकेज था, बीएसएनएल के पास 4जी सर्विसेज करने के लिए स्पेक्ट्रम नहीं था। हमारे पास जो स्पेक्ट्रम था, वह केवल 2जी और 3जी सर्विसेज प्रदान करने के लिए था। जब भारत सरकार ने 2022 में हमें रिवाइवल पैकेज दिया, तो उस समय उन्होंने 4जी स्पेक्ट्रम प्रदान करने के लिए 10 मेगाहर्टज का स्पेक्ट्रम 2,100 मेगाहर्टज में प्रदान कया, जिससे हम 4जी सर्विसेज प्रदान कर सकते हैं। वर्ष 2022 के पहले हम इस स्थिति में नहीं थे क हम 4जी सर्विसेज प्रदान कर सकें। वर्ष 2022 के बाद हम इस स्थिति में हैं क हम 4जी सर्विसेज प्रदान कर सकते हैं।

.......सर, मेरी स्थिति यह थी क जो मेरे पास नहीं था और जिसे करने की स्थिति में नहीं थे, आज की तारीख में भी बीएसएनएल की 4जी सर्विसेज बहुत लिमटेड मैनर में अवलेबल हैं, जो क 8,900 साइट्स पर ही अवलेबल हैं। इसका कारण यह है क वर्ष 2022 में हमें रिवाइवल पैकेज दिया गया, जिसमें क स्पेक्ट्रम तो हमें एलोकेट कर दिया गया, लेकिन साथ ही साथ हम पर एक बंदिश भी डाली गई, जो क देश के हित में है, लेकिन कंपनी के जो चैलेंजेज हैं, उसके साथ वह जुड़ी हुई है। उसमें हमारे ऊपर एक बंदिश डाली गई, जिसे इंस्ट्रक्शन कहते हैं। हमें इंस्ट्रक्शन दिया गया क आप देश में वक सत, देश में निर्मित और देश में डिजाइंड 4जी टेक्नोलॉजी का उपयोग करेंगे। अगर हम वश्व में देखें तो केवल चार कंपनियाँ हैं, जो 4जी इक्विपमेंट बनाती हैं। नोकया, इरेक्शन, हुआवे, जेट्टी और उसके बाद आपकी सैमसंग, चार देश और पाँच कंपनियाँ हैं। वर्ल्ड के 99 परसेंट इक्विपमेंट्स यही कंपनियाँ प्रोवाइड करती हैं। हमें एक इंस्ट्रक्शन दिया गया क आपको देश में 4जी टेक्नोलॉजी का वकास करना है, फिर उसका निर्माण करना है। एंपावर्ड टेक्नोलॉजी ग्रुप ने वर्ष 2021 की मीटिंग में हमें यह निर्णय दिया था।"

4.15　On the matter of participating in spectrum allocation, the representatives of BSNL provided the following information before the Committee:

"....मैं यह नहीं कहूंगा क भारत सरकार की तरफ से कोई डायरेक्शन आया हो क हम स्पेक्ट्रम के ऑक्शन में भाग नहीं ले सकते। इसका कारण था क स्पेक्ट्रम की पेमेंट करने के लिए हमें पैसे की आवश्यकता थी। हम पैसा बाजार से नहीं उठा सकते थे। वर्ष 2009 में जब भारत सरकार ने स्पेक्ट्रम कया तो बीएसएनएल और एमटीएनएल ने उस समय भाग नहीं लिया था क्योंक 3जी की सर्विसेज के लिए एडमिनिस्ट्रवली स्पेक्ट्रम एलोकेट कर दिया गया था। उसमें एक कंडशन थी क जो स्पेक्ट्रम में सबसे बड़ी बोली लगेगी वह पेमेंट बीएसएनएल और एमटीएनएल को भी करनी पड़ेगी। जब हमने वह भुगतान कया तो लगभग 30 हजार करोड़ रुपये का भुगतान करने के बाद एमटीएनएल स्थायी तौर पर डेप्ट ट्रैप में चली गई और आज की तारीख में 23 हजार करोड़ रुपये का डेप्ट स्पेक्ट्रम के

भुगतान की वजह से है और उनका टोटल डेप्ट लगभग 29 हजार करोड़ रुपये का है। इसी तरह से बीएसएनएल के पास 40 हजार करोड़ रुपये का कैश होता था। उस भुगतान करने के बाद यदि आप देखेंगे तो वर्ष 2022 में हमने 30 हजार करोड़ रुपये के डेप्ट ले लिए। बीएसएनएल की फाइनेंशियल कंडीशन वर्ष 2014-15 में उस तरह की नहीं थी, जहां मार्केट से पैसा लेकर वह स्पेक्ट्रम में भाग ले सके। हर प्राइवेट कम्पनी में भी प्रमोटर्स ने काफी सिग्निफिकेंट इंवेस्टमेंट किया था। उसके बाद वे ग्रो कर सके। यदि हम रिलायंस जियो को देखें तो ढाई लाख से तीन लाख करोड़ रुपये का इंवेस्टमेंट किया था। एयरटेल मित्तल साहब ने और सिंगापुर टेलीकॉम ने किया था और वीआईएल में इंवेस्टमेंट नहीं हुआ तो उसकी कहानी हमारे सामने है। बिरला जी ने और वोडा फोन के प्रमोटर पीएलसी यूके है, उसने इंवेस्टमेंट न करने का निर्णय लिया। यह बहुत हाई इंवेस्टमेंट सेक्टर है। चार लाख करोड़ रुपये का इंवेस्टमेंट जियो ने पछले आठ साल में किया है। एयरटेल ने 1 लाख 65 हजार करोड़ रुपये का इंवेस्टमेंट किया है। ये रिसोर्सेज कोई प्रो फट से नहीं लाया है। ये इंवेस्टमेंट या तो प्रमोटर के द्वारा या डेप्ट के द्वारा आया है। जियो में 100 प्रतिशत प्रमोटर द्वारा और एयरटेल में प्रमोटर और डेप्ट द्वारा है। वीआईएल ने डेप्ट द्वारा है और इस वजह से आज के समय में 2 लाख 19 हजार करोड़ रुपये का डेप्ट है। इस वजह से वीआईएल के सर्वाइवल के अपने चैलेंजेज हैं। बीएसएनएल ने भी वही रास्ता पकड़ा होता तो आज की तारीख में करीब दो लाख करोड़ रुपये का लोन होता और आगे बढ़ने का हम जो प्रयास कर रहे हैं, तो यह भी हमारे सामने बहुत मुश्किल परिस्थिति खड़ी हो जाती।"

4.16 It was further added that: -

".... As on date, the Government has reserved both 4G and 5G spectrums to us, and 2G spectrum which might expire in 2020 has also been provided for re-allotment. So, we have taken one band of 900 mhz and 2 bands of 1800 mhz in three States and I think we have paid Rs. 18-19 thousand crore for that. But it is a cash-neutral transaction. That means the Government has infused the equity and I have made the payment. On 30th of October, that means the day before yesterday, I have approved Rs.12,000 crore spectrum taken over because we are in a position to roll out 4G services in five States that is, Punjab, Haryana, UP (West), Himachal Pradesh and Uttarakhand. So, we have taken it and made the payment allotment of spectrum is coming in one or two days in the month of November. The DOT will issue the instruction to me to take and use that spectrum. If you ask me if there is any limitation on part of the Government to use the spectrum, I will say 'no'. There is no spectrum. That is why we have come out with a very clear policy as to how we are going to take the spectrum and in which month we are going to take. In January, 2024, we will take 225 mhz spectrum. I have already taken 75 mhz of new allocation in the month of

October. This will be available in the month of November for use to us. As on date, spectrum is not a constraint."

4.17   While addressing the issue of financial provisions for 5G spectrum allocation, the representative of BSNL provided the following information before the Committee:

"...89 हजार करोड़ रुपये स्पेक्ट्रम 5जी के लए दिए गए। केंद्रीय केबिनेट ने हमें स्पेक्ट्रम 5जी स र्वसेज लॉंच करने के लए एलोकेट कया है।"

CHAPTER-5

TELECOM SERVICES

A. Wireline Services

5.1 The Company has been in the forefront of technology with 100% digital new technology switching network. BSNL telecom network, therefore, is part of modern global network, providing access to Countries around the world for transporting information in the form of voice, data and video. The details of the wireline services of BSNL are given as under:

Sl. No.	Parameter	Unit	Status
1	Total No. of Exchanges	Nos.	19,062
2	Total Switching Capacity (Wireline copper)	Lakh Lines	154.166
3	Total Direct Exchange (Wireline Copper connection)	Lakh Lines	27.068
4	FTTH Voice connection	Lakh Lines	31.548
5	ISDN PRIs	Lakh Lines	3.609
6	VNOs	Lakh Lines	1.081
7	Total connection (Wireline + FTTH Voice + PRI + VNO)	Lakh Lines	63.307

5.2 On being asked to explain about the factors contributing to fluctuation in wireline telephone connections, with an increase in 2021-22 after several years of decline, BSNL, in a written reply, stated that primarily, this was due to a change in practice of accounting for the FTTH voice connections, wherein the manner it was decided since May 2021 to include the FTTH voice connections in the total wire line connections. Hence, the increase is seen.

B. Mobile Services

5.3 As on 30.09.2023, the following mobile sevices were provided by the Company: -

Sl. No.	Parameter	Urban Area	Rural Area	Status (Nos)
1	Total GSM Mobile BTS (2G+3G+4G)	77,959	77,655	1,55,614
2	2G BTS	36,712	47,452	84,164
3	3G BTS	35,617	27,040	62,657
4	4G BTS (eNode B)	5,630	3,163	8,793

The coverage of BSNL network is given below:

Sl. No.	Area Category	Total (Nos)	Covered
1	DHQ (District Head Quarter)	734	734
2	BHQ(Block Head Quarter)	6,573	6,506
3	Villages	6,41,525	4,34,434
4	3G facility Rolled out City/Towns	6,283	

Sl.No.	Parameter	Total (Km)	Covered
1	National Highways	77,706	67,699
2	Rail Routes	60,516	50,196
3	State Highways	1,63,612	1,19,505

C. Broadband and Wifi Services

5.4   BSNL had launched its Broadband services in January 2005 using ADSL2+ technology. As on 30.09.2023, 3.96 lakh connections are working on Copper network. As per the growing requirement of the customers for higher speed on internet, BSNL has launched FTTH services as well with brand name as Bharat Fiber 32.68 Lakh number of FTTH customers are provided the Fiber broadband connection. It also provides wireless Broadband Services on 3G and 4G having total 208.09 Lakh connections. Further, it also provides Wi-Fi broadband services. Total Wi-Fi unique users are 6.05 Lakh.

Sl. No.	Area Category	Total (Nos)	Covered
1	DHQ	734	732
2	BHQ	6,573	6,004
3	Villages	6,41,525	1,65,560
4	Cities	4,322	4,237

While replying to a question of provision of broadband connections in the Government institutions, the representative of DoT, during evidence, deposed as under:

"….As regards broadband base, in BharatNet Phase-III, which is extended BharatNet, the proposal is to give fixed line connection to 1.5 crore consumers. As you have rightly said, some of the institutions also need to be connected. The hon. Cabinet has approved that that priority is to be given to schools, PSUs, Anganwadi centres, etc., also for connections."

5.5   On being asked to elaborate on the challenges BSNL faced that resulted in a negative growth in broadband connections, particularly the substantial decline in the year 2021-22 and 2022-23, BSNL, in a written reply, submitted as under:

> "Broadband was being provided on copper network with speeds in the range of 2 mbps to 8 mbps. There has been local interruptions due to large infrastructure augmentation works being carried out in the Country, thus continued speed had been an issue. With passage of time, people required faster internet and therefore the copper broadband started losing its relevance, the technological limitation was more acute with spread of 4G services. Post COVID there was further increase in data requirement, for concurrent users, which became difficult to cater on copper. However, as a strategy BSNL started FTTH (Fiber based broadband with internet speeds upto 200-300 mbps) across India and now is moving towards migration to fibre based network by phasing out its copper-based network. BSNL has enrolled local entrepreneurs for provisioning and maintaining of last mile of FTTH connections. This strategy seems to be showing good results. BSNL FTTH-BB connections have increased from 12.83 lakhs as on 31st March,2021 to 21.43 lakhs as on 31st March,2022 which have further increased to 29.93 lakhs as on 31st March,2023. While the revenue from Copper broadband was Rs 1237 crores in the FY 2021-22 which reduced to Rs 752 crores in the FY 2022-23; the revenue from FTTH broadband was Rs 1590 crores in the FY 2021-22 has increased to Rs 2071 crores in the FY 2022-23. The increase in revenue from FTTH has compensated for the decrease in revenue from Copper broadband connections."

5.6   When specifically asked to furnish about strategies DoT employed to promote the expansion of broadband and internet services, particularly in rural and remote areas, and the manner to ensure affordable access among underserved communities, DoT, in a written reply, submitted as under:

> "It is stated that Government of India had launched a redesigned and expanded Scheme for the year 2022-23 named as "Scheme for Special Assistance to states for Capital Investment 2022-23". Department of Expenditure (DoE) vide their OM.No. 44(12)/PF-S/2022-23(CAPEX) dated 06.04.2022 circulated the guidelines on the Scheme for Special Assistance to States for Capital Investment 2022-23. It was mentioned in the guidelines that an amount of ₹ 3000 crores have been earmarked for Part-V (Optical Fibre Cable) of the scheme. This amount was available to States for capital projects on Optical Fibre Cable (OFC) Network and could be used to extend BharatNet to villages from the GPs covered as at present for Last Mile Connectivity (LMC).
>
> DoT was given the responsibility to examine the eligibility of the states and scrutinize the project proposals received from States under Part-V of the Scheme and recommend State-wise list of projects to the DoE for approval and release of funds under Part-V of the Scheme. After examination of the proposals by this department, 26 State Government proposals amounting to Rs 2894 crores have been

recommended to Department of Expenditure. In response, Department of Expenditure has approved projects amounting to Rs 2716 crores in respect of 24 states.

Govt. has taken several steps to increase the broadband penetration in rural and remote areas through USOF funded schemes and plans to provide coverage in all parts of Country in a phased manner and details are as follows:

BharatNet, one of the biggest rural telecom projects of the world, is being implemented in a phased manner to provide broadband connectivity at all Gram Panchayats (approx. 2,64,000) in the Country. The infrastructure created by BharatNet is a national asset and non-discriminatory access to Service Providers is to be provided under the project. As on 31.10.2023, 6,64,572 km Optical Fibre Cable has been laid, and 1,98,864 GPs are Service Ready on OFC. In addition, 4829 GPs have been connected over satellite media. Total 2,03,693 GPs are service ready for broadband service. Further, 6,84,596 FTTH connections are installed by BSNL & others ISPs using BharatNet. Overall data usage on BharatNet is about 85,222 (TB) for the month of September, 2023.

Since its inception, USOF has undertaken many Mobile Schemes to provide mobile services in remote & rural areas of the Country. Under various mobile schemes like-Comprehensive Telecom Development Plan of North Eastern Region (CTDP-NER), Left Wing Extremism (LWE)-Phase-I & II, Arunachal Pradesh and 2 Districts of Assam, Meghalaya, 354 Uncovered Villages, Mobile Services in Aspirational Districts, mobile services in Andaman & Nicobar Islands etc. launched by USOF by installing around 6,393 mobile towers, around 7,500 villages have been covered.

The Union Cabinet on 27.07.2022 approved a project for saturation of 4G mobile services in uncovered villages across the Country at a total cost of ₹ 26,316 Cr. The project will provide 4G mobile services in 24,680 uncovered villages in remote and difficult areas. The project has a provision to include 20% additional villages on account of rehabilitation, new-settlements, withdrawal of services by existing operators etc. In addition, 6,279 villages having only 2G/3G connectivity shall be upgraded to 4G. The project is being executed by BSNL. The project is targeted to be completed by March, 2024.

For making available high quality and high-speed internet access to the States of North Eastern Region of the Country, 20 Gbps International Bandwidth has been hired through BSNL for Internet Connectivity to Agartala from Bangladesh Submarine Cable Company Limited (BSCCL), Bangladesh via Cox Bazar/Kuakata at the cost of ₹ 17.15 Crores. 10 Gbps Bandwidth was commissioned on 26.11.2021 and additional 10 Gbps Bandwidth was commission on 21.04.2022 for Internet Connectivity.

Andaman and Nicobar Islands: Submarine cable has been laid from Chennai to Port Blair and further to seven other islands of A&N. The project costed ₹ 1224 Crore and was commissioned in Aug'2020. The project has significantly enhanced the quality of life of A&N people. With the enhanced connectivity the private operators viz. RJIL (56 sites) and Airtel (34 sites) have now launched 5G services. The present bandwidth utilization including inter island is 93 Gbps

Lakshadweep: USOF/DOT has undertaken a Submarine OFC project for extending

connectivity between Mainland (Kochi) and Lakshadweep islands covering all inhabited 11 Islands; Kavaratti, Kalpeni, Agatti, Amini, Androth, Minicoy, Bangaram, Bitra, Chetlat, Kiltan and Kadmath. The total length of submarine OFC that has been laid in this project is 1869 km at a project cost of ₹ 1072 Crore. The project has been completed and trial traffic has been fed in the network.

Recently Union Cabinet have approved the 'Amended BharatNet Program' on 04-08-2023 to upgrade existing approx. 1.64 Lakh GPs (excluding around 53,000 GPs of State led model already being executed in ring topology) and also to connect the remaining around 47,000 GPs using ring topology. For upgradation of the network and creation of balance GPs on ring basis, a total capex of 42,847 Crore and Opex of 48,717 Crore (for O&M of the network for 10 years) has been provided. The time line for completion of BharatNet project is Mar-2027."

5.7 Referring to a survey in connection with provision of broadband connection in rural areas, the representative of BSNL, during the evidence, deposed before the Committee as under:

"......रूरल एरिया में हमने 10 हजार घरों का सर्वे कराया, तो उनकी अपेक्षा यह है क मुझे जो कनेक्शन मले, वह लगभग 350-400 रुपये में मले, न क शहर की तरह जो क 600-700 रुपये में मलता है। सरकार इस पॉ लसी में एक वीजीएफ का कांसेप्ट लेकर आयी, जिससे क हम 400 रुपये तक इस कनेक्शन को रूरल एरिया में दे सकें तो अपफ्रंट कॉस्ट और मंथली कॉस्ट को सपोर्ट करने का दिया गया।

दूसरी चीज एंप्लॉयमेंट जनरेशन की है। जब हम 60 हजार गाँवों तक पहुँचे तो इन कनेक्शंस को लगाने के लए हर गाँव में मनिमम दो लोग और कम से कम तीन से चार लोगों को हमने एंप्लॉयमेंट दिया है। इन 60 हजार गाँवों में कम से कम 2 लाख लोग एंप्लॉयड हुए हैं। हाई टेक्नोलॉजी एरिया में स्किल सेट को डेवलप किया। इसके साथ-साथ सबसे बड़ी बात यह है क डिजिटल इन्फ्यूशन हो रहा है, लोगों को अपने प्रोडक्ट को बेच पाना और साथ ही साथ जो लोग गाँव में रहते हुए शहरों में काम करते थे, इस को वड काल में ऐसे-ऐसे लोग आए, यह बात शेयर करने में मुझे कोई हिचक नहीं है, इवेन जो लोग अमेरिका में काम कर रहे थे, वे को वड में यहाँ आए तो वे अमेरिका की कंपनी में यहाँ रहते हुए, सुदूर क्षेत्र में होते हुए भी इस एफटीटीएच कनेक्शन के माध्यम से अपनी नौकरी को जारी रख सके। उसके अलावा यहाँ पर अब बहुत सारे कॉल सेंटर डेवलप होने शुरू हुए हैं। बहुत सारी जो इंटरनेट बेस्ड इकोनॉमी हैं, वे डेवलप होनी शुरू हुई हैं। इसको देखते हुए जो पछले 10 दिन में निर्णय लया गया है, उसमें यह है क 1.5 करोड़ नए कनेक्शन लगाने का कार्य बीएसएनएल को दिया गया है, जो क हमें अगले 5 साल में करना है। भारत सरकार लगभग 14 हजार करोड़ रुपये की सपोर्ट इस प्रोजेक्ट को दे रही है। यह बहुत बड़ी जिम्मेदारी है। अगर हम देखें तो पूरे अर्बन क्षेत्र में भी पूरे हिन्दुस्तान में आज की तारीख में लगभग 3 करोड़ एफटीटीएच कनेक्शन काम कर रहे हैं। जब पूरे हिन्दुस्तान में 3 करोड़ कनेक्शन काम कर रहे हैं, अकेले रूरल क्षेत्र में 1.5 करोड़ कनेक्शन अगले 5 साल में लगाना एक बहुत

बड़ी जिम्मेदारी है। इतने डिस्पर्स एरिया में उसको मैन्टेन करना, कठिन एरिया में सर्विस देना, इकोनॉमिक मॉडल को बनाना, यह अपने आपमें बहुत ही चैलेंजिंग टास्क है।"

D. Enterprise Business

5.8   BSNL Provides Enterprise Business Services by provisioning of Bulk Telecom Services to the esteemed Enterprise Customer like MPLS-VPN, Internet Leased Line, Leased Line, Dark Fibre, Multicasting, Managed Network Services (MNS) , Corporate Solution, V-SAT /Mobile Satellite Phone/ INMARSAT-C, Local Lead, Managed Conference, Global MPLS, ASA-AUA, Hot Line, DSPT, ILL Over GPON, SDWAN, VPNoBB/FTTH, Land Line, IDC, PABX, SIP Trunk, IN/Toll-Free services Bulk-Push SMS, Pre-paid/Post-paid SIM, VPNo3G, VAS etc. BSNL started its International Long Distance (ILD) operations in the year 2004 and is offering various ILD services. BSNL has four ILD (TDM) gateways for voice at Mumbai New Delhi, Chennai, and Ernakulum. BSNL has one international Internet Gateway at Agartala and six internet gateway routers at Bangalore, Kolkata, Chennai, New Delhi, Mumbai and Ernakulum. BSNL have submarine cable link between India and Sri Lanka (BLCS) in partnership with M/s Sri Lanka Telecom (SLT). BSNL has ownership interest of approx. 7.0% in the EIG (Europe India gateway) cable system from Mumbai to London.

5.9   When asked about how the Company was contributing towards national building by facilitating the execution of various Government programmes and initiatives *viz.* National Optical Fiber Network (NOFN), Network For Spectrum (NFS) for Defence Services, Smart City concept, etc., BSNL, in a written reply, informed as under:

> "BSNL is executing BharatNet Project on behalf of BBNL in 17 Circles covering 1,04,240 GPs for establishment of an optical fibre based network for providing broadband connectivity to Gram Panchayats for Universal services to rural population of the Country as proposed by Govt. of India.
>
> The objective of the project is to extend the existing optical fibre network to Panchayats by utilizing the Universal Service Obligation Fund (USOF) and creating an institutional mechanism for management and operation of National Optical Fibre Network (NOFN) for Non-discriminatory access to all the service providers. This has facilitated high bandwidth connectivity in the villages…..
>
> **Amended Bharatnet**
>
> Based on the success of the Pilot project, the Union Cabinet has recently approved Amended Bharatnet project with an outlay of Rs 1.4 lakh cr to cover all GPs on ring architecture and all non-GP villages on demand, to enable all rural citizens to have

access to broadband services. BSNL has been selected as the Project Management Agency and a target of provision of 1.5 crore FTTH connections across all states has been set for next five years.

Smart City Project

Currently, BSNL is implementing Smart City Project in Rajkot as Lead Master System Integrator (MSI). Besides this, BSNL is also implementing Mangalore and Aurangabad Smart City Projects as consortium partner, and has also provided its network for many other Smart City Projects (Agra, Tumkur, Belgavi, Kochi, Dehradun, Ranchi, Nasik, etc.). BSNL has also provided standalone solutions and has implemented various CCTV Surveillance project, Intelligent Traffic Management Services project, Smart Classroom, Solid Waste Management, E-Governance projects, etc."

5.10   When asked about the collective efforts being made by BSNL and the Government for reliable and secure service Network to serve consumers as well as National security interest, BSNL, in a written reply, submitted as under:

"BSNL, on behalf of DoT, is implementing the project of Network for Spectrum (NFS) on turn-key basis for Defense Tri-services for releasing of spectrum utilized by Defence Forces. BSNL is implementing NFS Project on behalf of DoT. Under this project, complete Telecom Network (OF Cable, Transmission Equipments, Microwave, Satellite, Encryptors, End Point Equipments, data centers) is being set up covering Army Stations, Navy Stations and Air Force Stations across the Country with a Tri-services backbone. The project is likely to be completed shortly.

BSNL has been tasked by Government to provide 4G mobile services including 5 years of O&M at BOPs/BIPs. BSNL is carrying out the O&M for LWE Phase-I 2G sites up to October 2023 and 4G Up-gradation of all sites using indigenous equipment at incremental cost using existing infrastructure of 2G wherever possible.

Further, BSNL will not be doing any future dealing with land bordering Countries, in line with the policies of Government.

BSNL is in the process of deploying indigenous swadeshi 4G Technology-Indigenously designed, developed and manufactured (IDDM). This technology base has been developed by CDOT, Tejas and TCS. Since the complete technology stack-hardware, software and RAN are developed in the Country, it would be of great strategical and security interests of the Country."

5.11   The Committee sought information on whether BSNL provides free broadband, internet, or other services to specific customer categories, including educational institutions, students, railways, defense, the marine sector, and R&D areas. Furthermore, BSNL was asked to identify the areas, cities, or villages where its network is strongest and weakest. The Company also furnished the information regarding the details on the number of Wi-Fi Zones established since 'Mission Varanasi,' which was the first city to create a Wi-Fi zone in February 2015, and to outline

any new Wi-Fi Zones planned for the near future. Lastly, BSNL was asked to provide data on internet coverage across the Country, separated by urban and rural areas, and to compare the services provided by BSNL with those of private telecom operators. On the aforementioned points, Company in the a written submitted the following written information:

"Towards promoting the 'Atma Nirbhar Bharat' initiative of GoI, BSNL floated an EoI on 01.01.2021 to allow the Indian vendors to demonstrate and prove their products technically so as to enable them to participate in BSNL's 4G tender. BSNL expansion plan is linked with the "Atmanirbhar Bharat Abhiyan" and is targeted to place India at world stage with countries developing in-house telecom stack. BSNL has been designated as strategic company in Telecom sector by Govt of India….

…Supply of 4G equipment is likely to start from November 2023 and the complete roll out of 1 Lakh eNodeB of 4G network in BSNL is expected to be completed by December 2024…

….BSNL is not providing free broadband, internet and other telecom services to its customers as of now, being a commercial organization & is undergoing non-profit from many years, viz educational establishments, students, railways, defence, marine sector, R&D areas etc. However, BSNL is providing concessional & free landline to Gallantry awardees of three defense services and President Awardees of Police and other paramilitary serviceman…

…The Pan India Hot-Spots locations are 33,451, where 48,419 Access Points are working Pan India….

…As per the TRAI performance report available (for the quarter ending March 2023), the number of internet connections in rural and urban areas is as follows:-

	Urban (All Operator)	Rural (All Operators)
Number of Internet Connections	35.79 Cr	52.32 Cr
Tele density/Coverage	107.11%	39.84%

5.12   Referring to the matter of FTTH and landline, the representatives of BSNL, during the evidence, deposed before the Committee as under:

"….. जहां 11 लाख एफटीटीएच कनेक्शंस होते थे, उनको हमने 29 लाख कया और आज की तारीख में 34 लाख कस्टमर्स को एफटीटीएच की स र्वसेज प्रदान कर रहे हैं। लगभग एक लाख कस्टमर्स हम मंथ-टू-मंथ ग्रॉस बेसेस पर ए डशनली जोड़ रहे हैं। अगर हम लीज्ड लाइन स र्कट को देखें, तो 2,82,000 कनेक्शंस काम कर रहे हैं। जितना भी बैं कंग इंडस्ट्री काम कर रही है, जितनी भी इंश्योरेंस कंपनीज काम कर रही हैं, पूरे के पूरे देश में जो ज्यू ड शयल सस्टम काम कर रहा है, सारे पोस्ट ऑ फसेज काम कर रहे हैं, वे बीएसएनएल के लीज्ड लाइन नेटवर्क पर काम कर रहे हैं। आज की तारीख में 20,000 एसबीआई की लाइंस और पोस्ट ऑ फसेज की लगभग 22,000 लाइंस और उसी

तरह से सारे कोर्ट्स की लगभग 3,000 लाइंस इसी नेटवर्क पर चल रही हैं, जिसके द्वारा हम कस्टमर इंटरफेस संग और सिटिजन्स इंटरफेस संग डफरेंट डपार्टमेंट्स से दे पा रहे हैं।"

5.13 Referring the matter regarding decline in broadband connections, the representative of BSNL, during the evidence, deposed before the Committee as under:

".........ब्रॉडबैंड में टैक्नोलॉजी का परिवर्तन हो गया है। जो ब्रॉडबैंड है, उसमें कॉपर नेटवर्क की बात थी। कॉपर का नेटवर्क का जो यूज है, वह कम होता चला जा रहा है। इसी के साथ जो एफटीटीएच स वर्सेज हैं, उनकी बढ़ोतरी होती जा रही हैं। इस लए, आप देखें क जहां ब्रॉडबैंड का रेवेन्यू घटा है, उतनी ही तेजी से मैंने एफटीटीएच का रेवेन्यू बढ़ाया भी है। अत: यह टैक्नोलॉजी का परिवर्तन है। हमारे पास टैक्नोलॉजी का मार्च करने के लए 2018-2022 तक चार सालों तक पैसे नहीं होते थे। अत: हमने इस पूरे नेटवक को पार्टनर शप मॉडल से बिल्ट कया, जिसमें बीएसएनएल ने कोई इनवेस्टमेंट एक्सेस नेटवर्क पर नहीं कया, बल्कि पार्टनर्स से इनवेस्टमेंट कया और बीएसएनएल ने अपने नेटवर्क को लीवरेज करते हुए उनको इंटरनेट की सु वधाएं दीं।"

E. Status of various services

5.14 The Committee were informed that Company's performance is reviewed by DoT on the basis of MOU parameters. Further, Government funded projects of national importance are monitored regularly by DOT/MOC/PMO. Besides the MOU parameters, physical parameters to review the Physical performance of BSNL and achievement by BSNL in the last five years is as under: -

Sn	Parameter	Unit	Status as on				
			March19	March 20	March 21	March 22	March 23
1	Total Telephone Connection	Lakh	1268.10	1285.18	1249.60	1211.74	1108.26
	Wireline	Lakh	111.68	87.27	66.49	75.09	71.06
	Mobile (GSM)	Lakh	1156.43	1197.91	1183.10	1136.65	1037.20
2	Wireless Broadband Connection	Lakh	123.53	175.21	197.70	233.42	217.65
3	Wireline Broadband (Copper)	Lakh	88.51	75.51	47.09	16.63	5.47
4	Wireline Broadband (FTTH)	Lakh	3.36	5.04	12.83	21.44	30.09
5	Leased Circuit	Lakh	2.75	2.85	2.79	2.76	2.82
6	OF Cable	RKM	848895	857375	863755	874843	883841

Chapter - 6

Human Resources

A. Manpower

6.1 BSNL has 58,736 working employees including those who were transferred from erstwhile Department of Telecom Operations (DTO) & Department of Telecom Services (DTS). The details of BSNL workforce in each of categories i.e. SC, ST, OBC, EWS & General including women workforce category-wise are as follows: -

	Employees data as on 30-09-2023			
		SC	ST	OBC	Women employees
Executive	29485	5986	2204	8185	4490
Non-exec	29251	6270	1999	4473	6730
Total	58736	12256	4203	12658	11220

6.2 The year-wise details of employees in executive and non-executive category are as follows:

S.No	Year	Executive	Non-Executive	Total
1	31.03.2018	48455	135067	183522
2	31.03.2019	47116	119858	166974
3	31.03.2020	30887	38937	69824
4	31.03.2021	30184	34352	64536
5	31.03.2022	29657	32551	62208
6	31.03.2023	29750	30354	60104

6.3 While observing a continuous decline in the workforce of the Company, when the Committee asked about whether BSNL is able to fulfill its vision with the declining workforce, BSNL, in a written reply, submitted, as under:

"Yes, BSNL has now largely remodeled its processes and moved to IT based systems so as to largely make up for the reduced workforce."

6.4 With reference to the number of employees in BSNL, CMD, during the evidence, deposed before the Committee as under:

"…पहले बीएसएनएल में 1 लाख 80 हजार लोग होते थे। अब हमारे पास 58 हजार लोग हैं। पछले चार सालों के अंदर हम वन-थर्ड हो गए हैं। मैं एक क्रे डट अपने ऑ फसर्स और स्टॉफ को भी देना चाहूंगा क एक दिन में एक लाख लोग जाने के बाद भी नेटवर्क डसरप्ट नहीं हुआ, It continues to function without a single disruption of service anywhere. That is the strength of BSNL. This is because of that I would say the organisation can work in crisis much better than in non-crisis."

6.5 When enquired about the reasons for huge difference in terms of share of connections despite of the fact that private players are having less number of employees than that of Government supported BSNL, the representative of DoT deposed as under:

"....सर, मैं केवल एक ही पॉइंट बताऊंगा क अगर हम इन्वेस्टमेंट की बात करें तो जीओ ने पछले 5 साल में नेटवर्क में लगभग 4 लाख करोड़ रुपये का इन्वेस्टमेंट कया है और हमने 8 हजार करोड़ रुपये का इन्वेस्टमेंट कया है तो 4 लाख करोड़ रुपये और 8 हजार करोड़ रुपये में बहुत डफरेंस है। दूसरी चीज यह है क जब हमको पैकेज दिया गया तो उसमें हमारे लए चार साल में 22 हजार करोड़ रुपये का प्रो वज़न कै पटल एक्सपैं डचर के लए कया गया है। हमने अपने सारे टेंडर फाइनलाइज कर दिया है और इक्विपमेंट्स की डलीवरी तथा उनका इन्स्टॉलेशन प्रोग्रेस में है। By month of June, we will be able to do every single equipment which is coming and it will all get installed other than the 4G. 4G will take its own time because of development and sterilization of technology. जहां तक एम्प्लॉई की बात है तो निश्चित रूप से बीएसएनएल में आज लगभग 58 हजार लोग काम करते हैं, जब क जीओ में यह संख्या 21 हजार के आस पास है। So, numbers of BSNL are very high. यह बिल्कुल सच बात है।"

6.6 When asked to furnish about the details of pending cases before the Courts/ Tribunal/ Arbitration regarding grievances of employees (present as well as retired), BSNL, in a written reply, submitted as under:

"There are various court cases filed by employees in CAT, High Courts and Supreme Court for redressal of grievances related to their service matters. As such wide-ranging issues are under contest in these cases are mentioned below:

- Pay scales, fixation of pay, Pension, Gratuity, Allowances, Recovery of excess payment, etc. These cases are defended as per the applicable FR SR, instructions of Govt. of India / DOT and other policy decisions taken by the BSNL Management. Numbers of legal matters are being defended in Pers Legal section in various CATbenches/High Court/Supreme Court. These cases are related to service matter of SDE(T) and above, JAO and above, CSS/OL, PA/PS of field units.

- Main relief sought in the above litigation are promotion, which are pending due toreservation to SC/ST and PwBD, revision of seniority lists in different cadres, Pay fixationetc.

- At present about 400 cases are being defended in CAT/ High Court/ Supreme Court acrossthe Country."

B.   Pay Structure and Allowances:

6.7 BSNL has three sets of employees, (a) ITS on deputation from DOT, (b) DOT employees absorbed in BSNL after formation of BSNL (c) BSNL recruits. In this regard, BSNL were asked to

furnish the details about the pay, perk, facilities and conditions of the services for the three sets of employees, to which BSNL responded as under:

> "The ITS officers on deputation in BSNL are drawing Pay & Allowances as per the 7th CPC (2016) in CDA pattern. The absorbed employees and BSNL recruited employees draw pay as per 2nd PRC (2007) for CPSEs in IDA pattern. The Perks & allowances are paid as per the affordability of BSNL.....

> .....Revision of pay under 3rd PRC is due w.e.f. 01.01.2017. A proposal for implementation of 3rd PRC in respect of executives was sent to DOT on 14.11.2017. However, since BSNL is not meeting the affordability criteria, approval of DOT has not been received so far. ....

> .....The absorbed employees of BSNL get pension from DOT after their retirement under Rule 37-A of the CCS (Pension) Rules1972 (now revise as Rule 37 of CCS (Pension) Rules, 2021). The BSNL recruited employees get pension under BSNL Employees Superannuation Pension Trust Rules formed under the provisions of 2nd PRC.

BSNL Directly Recruited Employees

Superannuation benefits – Employer's Contributions		FY 2022-23	From 01.04.2022 upto 30.09.2023
(i)	EPF	Rs. 402.91 Crores	Rs. 212.06 Crores
(ii)	Gratuity	Rs. 84 Crores	Rs. 67 Crores
(iii)	Pension Fund (SPS)	Rs. 158.78 Crores	Rs. 82.11 Crores
	Total	Rs. 645.69 Crores	Rs. 361.17 Crores

(i) Total Employees as on 31.03.2023 = 36,014

Per employee Cost = Rs. 1.79 Lakhs (FY 2022-23)

(ii) Total Employees as on 30.09.2023 = 35,601

Per employee Cost = Rs. 1.01 Lakhs (upto 30.09.2023)

(ii) Absorbed Employees

Superannuation benefits – Employer's Contributions	FY 2022-23	From 01.04.2022 upto 30.09.2023
Pension Contribution to DOT	Rs. 179.61 Crores	Rs. 90.06 Crores

(i) Total Employees as on 31.03.2023 = 23,582

Per employee Cost = Rs. 0.76 Lakh (FY 2022-23)

(ii) Total Employees as on 30.09.2023 = 22,643

Per employee Cost = Rs. 0.40 Lakh (upto 30.09.2023)"

6.8   A comparison of manpower cost of BSNL compares with that of leading private setor players, as furnished by DoT, is as under:

	BSNL	Voda idea	Bharti	Jio
Employee Cost (as % of total revenue) for the FY 2022- 2023	38.4	4.0	2.3	1.8

On being asked whether (i) BSNL Executives have not been extended the standard pay scales despite the recommendation of BSNL Board in the year 2016 and (ii) about the reasons, the pay scales have been kept provisional during implementation of 2nd PRC, BSNL, in a written reply, submitted as under:

"A proposal was sent to DOT for the approval of E2 (Rs. 20,600-46500/-) and E3 (Rs. 24900-50500/-) standard pay scales in replacement of existing E1A (Rs. 9850-250-14600/-) and E2A (Rs. 11875-300-17275/-) IDA pay scales w.e.f. 01.01.2007 in respect of JTOs and SDEs & equivalent executives.

However, the proposal was not agreed to by DOT. As per Presidential Order dated 28.03.2017, DOT has approved revised E1 (Rs. 16400-40500/-) and E2 (Rs. 20600-46500/-) IDA scales in replacement of pre-revised E1A and E2A IDA scales and the same has been reiterated by DoT again vide letter dated 29.04.2022."

6.9   On being asked about the issue, when 30 percent fitment was extended to all the BSNL Executives during implementation of 2nd PRC, why the 30 percent superannuation benefits contribution was not implemented for all the employees, BSNL, in a written reply, stated as under:

"As per DPE guidelines, the payment of Superannuation benefits within the ceiling of 30% of Basic pay plus DA per month is dependent upon the affordability, capacity to pay and sustainability of the CPSE.

It is estimated that BSNL is making a monthly contribution of around 25.1% of Basic pay plus DA towards Superannuation benefits – 12% EPF, 4.8% Gratuity, 5% Pension (3 % w.e.f 05.05.2016 & 2% w.e.f01.04.2017) and 3.3% of Post-Retirement Medical benefit.

In view of the financial position of the Company, it is not possible to make any addition in the superannuation benefit."

6.10 The Committee note that the recommendation of the 3rd PRC has not yet been implementated in BSNL. In reply, the representative of DoT, deposed before the Committee as under:

"….PRC is a thing which is controlled by DPE guidelines. So, if any enterprise is not able to deliver profits, we are constraint to offer any kind of wage revision or pay revision to it. So, we are aligned with overall approach of the Government. That is one. With respect to taking care that in the given environment the approach what the Government along with BSNL we are trying to drive, we do not want to have just the punishment mechanism or the warning mechanism and that is the reason we came out with the reward and punishment mechanisms. You all will agree with us, Sir, that generally, it is being considered that the Government or the PSU officers are not accountable. So, that was the factor we try to bring in that everyone has to be accountable in the work. They are also being rewarded. It is necessary that all the time money brings the price or image. Many a times a little high collar being the best performer of the Country or the best performer of the circle will also boost the energy. Our workers are committed. Now, we are about 60,000 in number which has come down drastically. As regards our approach to join hands with private, we are trying to compensate the workload does not come directly on the employees. Instead of doing everything by our own self, we are moving towards getting the work managed with the partners. That is the approach we are trying to adopt. We will have the results visible. It is going positive. Also, the revenue has not gone down. It is consistently improving. We hope for the good in the days to come. But we will take the note of your guidance and have regular interaction with the employees so that there is no further stress to them and they get covered."

6.11 On being asked to furnish details of the pension mechanism for BSNL recruited employees as notified by Government during formation of BSNL and Gazette Notification of 3rd March 2014, BSNL, in a written reply, submitted as under:

"The mechanism of payment of pension in respect of BSNL recruited employees has been implemented from 05.05.2016 as per the DPE guidelines within the ceiling of 30% of Basic pay plus DA. Presently BSNL is making monthly contribution in LIC pension fund for BSNL direct recruits of 5% (3 % w.e.f 05.05.2016 & an addition of 2% more w.e.f 01.04.2017) of Basic pay plus DA per month. After retirement of BSNL direct recruits, the pension to BSNL direct recruit is payable by LIC as per the accumulation in the pension fund of individual employee."

6.12 On being asked as to why the benefits in terms of net financial increase in salary after implementation of 2nd PRC have not been extended for BSNL Executives Recruited/Promoted post 1.1.2007, BSNL, in a written reply, submitted as under:

"The pay in respect of the executives promoted after 01.01.2007 has been allowed

as per the 2nd PRC revised pay-scale applicable for different post."

6.13   When inquired about the promotional avenues for technically and professionally qualified employees in BSNL, stagnation details and also about how many times departmental examinations have been conducted for promotion during the last 10 years and the success rate thereof. In reply thereto, BSNL, in a written reply, submitted as under:

> "Post VRS manpower plan and restructuring of the organisation, Recruitment Rules of all executive cadres have been revised in order to improve the promotional avenues and promote meritocracy in promotion by introducing LICE quota in various grades, with the approval of BSNL Board. As per the revised sanctioned strength effective from 01.02.2020, promotions in various grades/Streams have been conducted to fil up all the vacant posts in due process.
>
> In order to remove stagnations, a large number of promotions have been done during the year 2021, 2022 & 2023 and almost all the vacant posts in various grades/ Streams have been filled up except in few grades/ Streams where litigations are pending in various Courts. Further, any delay in promotion is duly taken care of by grant of Time Bound Upgradation under BSNL Executive Promotion Policy vide which every Executive if not given post-based promotion at least within five years is granted next higher pay Scale upgradation on completion of 4-6 years of service for first upgradation and subsequent upgradations are given after every five years of service till E-6 IDA pay scale. Management is making concerted efforts by taking all the necessary measures to resolve the pending legal cases affecting the promotion.
>
> Limited Internal Competitive Examination (34) for promotion have been conducted successfully by BSNL in the last 10 years. During 1.5 years, 6 LICE have been conducted, where 4357 candidates appeared and 1423 are successful. Further, under DPC (Departmental Promotion Committee), the total 14076 number of executive's promotions have been done through 1728 numbers of DPC."

6.14   When enquired about why Post Retirement Medical Benefit Fund has not been introduced in BSNL despite DPE guidelines in this regard and are BSNL Employees are being made to purchase Health Insurance on their own cost instead of BSNL providing this cover, BSNL, in a written reply submitted as under:

> "Post Retirement all Medical Benefits have been extended to the retired BSNL employees under its BSNL MRS Scheme with no upper limit for Indoor Treatment. The "BSNL Employees Health Insurance Policy" has been introduced purely on voluntarily/optional basis during the COVID-19 pandemic period when Hospital were not providing the treatment as per CGHS rates and BSNL MRS Scheme for BSNL employees. The Health Insurance Policy was formulated in addition to BSNL MRS Scheme during the emergent conditions such COVID etc. This Insurance Policy is optional and the willing BSNL employees are required to exercise their options to join the scheme voluntarily. However, the BSNL MRS Scheme with no ceiling limit is already operation with the inception of BSNL with unlimited facilities."

6.15   Further, when further asked to furnish about specific mechanisms which are in place to address any disparities/ discrepancies in pay/allowances and whether any matter is lying for the approval of Government in this regard, DoT, in a written reply, submitted as under:

> "…. the pay structure in BSNL is well defined. Therefore, there is no disparity in pay of the employees in BSNL. Moreover, in case of any discrepancy or anomaly in pay related matters, the same is resolved as per the instruction of DPE / DoP&T. At present, no such proposal is pending in DoT"

6.16   While referring to pay related issue of employees of the Company, the representative of BSNL, during the evidence, deposed before the Committee as under:

> *"….बीएसएनएल में थर्ड पीआरसी का इम्प्लीमेंटेशन नहीं होगा।*
>
> *Everybody has been given benefit in second PRC. In BSNL, second PRC is given to everybody with thirty per cent fitment. Now, there are three categories of employees in BSNL. First, the persons who are in the executive category are absorbed and then comes the category of people who are absorbed in executive and non-executive. Then, the second category constitutes people who are recruited by BSNL, both executive and non-executive. Then, comes the third category constituting people who are under deputation from the Government. So, there are around 500 people who are on deputation. Out of 58,000 people, 57,500 people are the BSNL employees, and out of the same, nearly 35,000 are BSNL recruited and nearly 25,000 are absorbed in BSNL. So, now the question arises as to how they are being treated. In the case of BSNL-absorbed employees, they get the pension from the Government of India. I make the pension contribution like any other Government employee. So, that is the way they move forward. Then comes the BSNL employees who are directly-recruited employees on which we make three payments to them for their post-retirement benefit -- Employee Provident Fund at the rate of 12 per cent of their Basic + DA, Superannuation Benefit as 5 per cent of Basic + DA, and then Gratuity Payment as per the Gratuity Law. The third category constitutes officers who are on deputation. Their contribution is paid to the Government of India and their pay is as per the 7th Pay Commission and not as per the 2nd PRC Commission because they are the Government employees. So, whether you are executive or non-executive, you have got whole thirty per cent fitment. Now, there are a few people who are raising this issue before us. There are certain JTOs and JOs who have been recruited post 2009. So, once you are recruited after the implementation of the second PRC, you are fixed on the lowest of the pay scale. They want that they should be given better benefits. In the advertisement, we mentioned about E1A. We have given five additional increments to those people. But the people who have been recruited post that particular date, that benefit has not been extended. That is the whole issue.*
>
> *I think around 4000 to 5000 people should be there in that group. But you have to implement that policy. Have I discriminated between executive and non-executive? No, it is not the case. Have I discriminated between one group and another group? No, that is also not the case .*
>
> *Whatever your recruitment rules provide for this, it has been implemented without fear*

or favour."

6.17   While referring to the matter of pay and allowance of BSNL employees, during the evidence, the representative of DoT, deposed as under:

> *"With respect to the salaries, I think, nowadays, it is highly stabilised. There is no breakage and delay. BSNL has come out with the scheme of technology partners in investment along with Bharat Udyami wherein last mile connectivity with respect to fibre or equipment is being delivered by individual entrepreneur in the village or in group of the villages. We provide connectivity to that place and there is revenue sharing. The moment he provides the connection, he gets his share. That is also automated. The flow of revenue has also been streamlined to such an extent that if a local entrepreneur with 50 numbers gets started his business, he is able to earn Rs. 25 to Rs. 30,000 per month."*

CHAPTER - 7

MISCELLANEOUS

A. Synergizing for Strength: Merging BBNL and BSNL

7.1   The Committee were informed that BSNL plans to leverage the integration of BBNL to improve its services and network infrastructure. The decision about the merger was taken by Union Cabinet on July 27, 2022. This merger will optimize the utilization of fiber optic networks from both companies. Committee were informed that to grab the opportunities present in the telecom Industry and keeping in faith on the management and its staff, Union Cabinet in, approved revival measures having focus on infusing fresh capital for upgrading BSNL services, allocating spectrum, de-stressing its balance sheet, and augmenting its fibre network by merging Bharat Broadband Nigam Limited (BBNL) with BSNL. BBNL – middle mile n/w custodian / creator – so end to end through BSNL being Telecom Service Provider so that utilization of BBNL network, which was minimal, can be made better through merger with BSNL. BBNL is a middle mile Infrastructure provider withfiber between blocks and panchayats. The upstream fiber from Block to internet cloud is available with BSNL and the access to provide the services to customers as last mile is also available with BSNL, being a Telecom Service Licensee. While BBNL would have required an ISP/TSPlicense to provide services to the customers, as well as backhaul hiring from BSNL. Further, BBNL did not have the required presence at field / village levels for utilization of the network. BSNL, being a Telecom Service Provider, having a pan India reach, is in a better position to provide the services to the customers and toutilize the infrastructure laid under BharatNet. Therefore, it has been decided by the Government to merge Bharat Broadband Network Ltd (BBNL) with BSNL. The infrastructure created under BharatNet will continue to be national asset, accessible on a non-discriminatory basis to all the Telecom Service Providers. Since BSNL has a reach to customers as well as the presence of its staff at all levels being an all India level operator, in the interest of unified maintenance, management and utilization of the network and to make a single organisation responsible for all the activities, it was decided by Government to merge with BSNL with BBNL.

7.2   BSNL has successfully implemented a pilot program involving Bharat Net Udyamis (local entrepreneurs) to expand Bharatnet FTTH connections on a revenue-sharing basis. As of August 31, 2023, over 4 lakh connections have been provided through this partnership model. Currently, 4,425 partners are registered as Bharatnet Udyamis with BSNL, and 8,543 nodes belonging to

these partners have been integrated into the network. Furthermore, approximately 45,000 government institutions across various states have been connected to Bharatnet as of August 31, 2023. The merger will facilitate the provision of FTTH connections in these areas as well. Monthly data consumption from these connections has surged from 500 GB to 8.3 crore GB (83,000 TB) in the past year. The average consumption on the rural network has now reached 170-180 GB per connection per month.

7.3   BSNL, in subsequent written replies have provided the following written information to the Committee:

> "As per the Cabinet decision dated 27.07.2022, BBNL is being merged with BSNL. Accordingly, a separate vertical has already been created within BSNL. The deployment of manpower in the BharatNet vertical consists of 54 ITS officers, 9 IP&TAFS officers, 367 BSNL level officers, approximately 8000 contractual staff in the NOC and field (every District and Block) is worked out for supervision and execution along with 3,900 Bharatnet Udyami for utilization of BharatNet Ph –I /II/ III assets. Recently, BSNL Board approved proposal for creation of additional post of one full time functional director to be designated as Director (Bharatnet) and one Non- official independent Director in BSNL Board, which is under examination of the administrative ministry i.e. DoT."

7.4   Highlighting the importance of project towards digitization of rural areas the representative of BSNL, during evidence, deposed before the Committee as under:

> *".....अर्बन में 220 जीबी पर कस्टमर, पर मंथ कंजम्पशन है और रूरल में 187 जीबी है। That is why, I would like to say क जब हमने इस प्रोजेक्ट को आज से 8 महीने पहले शुरू कया था, तब हमें भी उम्मीद नहीं थी क इतना अच्छा रिस्पॉन्स मलेगा। 3-4 चीज़ें बहुत अच्छी तरह उपयोग हो रही हैं। एक तो लोगों के एजुकेशन के लए बच्चे बहुत अच्छा उपयोग कर रहे हैं। दूसरा, जो बहुत सारे लोग ग्रामीण क्षेत्रों से बाहर नौकरी कर रहे थे और जिनको वर्क फ्रॉम होम की सु वधा है, ऐसे बहुत सारे लोग रीलोकेट कए हैं। ईवन यूएस के लोग अपने गांवों के अंदर रहने चले गए हैं और टेक्सास में अपनी कंपनी में नौकरी करते हुए वर्क फ्रॉम हो रहे हैं। There are so many success cases. तीसरा, डजिटल स र्व सज़ का जो आज की तारीख में देश में बदलाव हो रहा है क गांव का व्यक्ति पहले ब्लॉक या जिले में आ कर डजिटल स र्व सज़ का उपयोग करता था, सीएससी के थ्रू और अन्य माध्यम से हो रहा है। चौथा, अभी माननीय गृह मंत्री साहब का एक आदेश है क हर गांव के 5-6 कलोमीटर के अंदर एक बैंक होना चाहिए। अभी हमें इस पर निर्देश मले हैं। लगभग 6,200 ऐसी जगहें चन्हित की गई हैं, जहां पर आज की तारीख में भी 6 कलोमीटर में बैंक नहीं हैं। अगर वहां पर बैंक पहुंचाने हैं तो हमें वहां पर इंटरनेट की सु वधा देनी होगी और वह तब तक संभव नहीं है, जब तक इंटरनेट कनेक्टि वटी नहीं पहुंचेगी। हमें यह निर्देश मला है क जो 6,289 नए पोस्ट आ फस और*

बैंक्स खोले जा रहे हैं, उनको इंटरनेट की सु वधा दी जाए। वह तभी पाॅ सबल है, जब इस तरह का इंफ्रास्ट्रक्चर गांव और ब्लॉक तक पहुंचेगा। इसके साथ ही प्राइमरी हेल्थ सेंटर पर बहुत कनेक्टि वटी आ रही है। स्कूल के बारे में बताना चाहूंगा जैसे कल एक नवंबर है और हरियाणा सरकार एक बहुत बड़ा प्रोजेक्ट 60,000 गांवों में ले कर जा रही है क जहां भी स्कूल्स हैं, वे हर स्कूल को स्मार्ट कर रहे हैं। उन्होंने हमें आदेश दिया है क वहां कल एक हज़ार कनेक्शन लगा कर स्कूलों को स्मार्ट करेंगे।"

B. Universal Service Obligation Fund (USOF)

7.5 The Committee has been informed that the Universal Service Obligation Fund (USOF) was created under Indian Telegraph Act (Amendment)-2003. The goals and objectives of schemes under USOF are to provide for quality and affordable mobile and digital services across the rural and remote areas of the Country; allowing non-discriminatory access to mobile and network services along with equitable access to knowledge and information dissemination, leading to rapid socio-economic development with improved standard of living. A number of schemes have been launched since the creation of USOF in 2003. Details of disbursement (in ₹ Crore) during last 9 Years in various USOF Projects as on 31-03-2023 is as follows:

(₹ in Crore)

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Grand Total
Disbursement from USOF	2,087	3,100	7,227	6,999	4,788	2,926	7,200	8,300	3,500	46,127

7.6 BSNL has been nominated as Project Implementing Agency in various USOF funded projects as mentioned below:

a) BharatNet

b) Comprehensive Telecom Development Plan for Islands except provision of 4G mobile services in Andman & Nicobar Island.

c) Re-provisioning of Digital Satellite Phone Terminals (DSPTs) provided to MHA agencies (CAPFs), MoD agencies (Army, BRO) and other agencies using VSAT connectivity under BharatNet Project

d) Scheme for Mobile Communication Services in Left Wing Extremism (LWE-I) Affected Areas

e) Saturation of 4G mobile services in uncovered villages across the Country

f) Border Out Posts (BOPs) and Border Intelligence Posts (BIPs) Project

The Committee has been informed that Govt. has taken several steps to increase the broadband penetration in rural and remote areas through USOF funded schemes and plans to provide coverage in all parts of Country in a phased manner and details are as under:

- BharatNet, one of the biggest rural telecom projects of the world, is being implemented in a phased manner to provide broadband connectivity at all Gram Panchayats (around 2,64,000) in the Country. The infrastructure created by BharatNet is a national asset and aims to provide non-discriminatory access to Telecom Service Providers under the project. As on 31.10.2023, 6,64,572 km Optical Fibre Cable has been laid, and 1,98,864 GPs are Service Ready on OFC. In addition, 4829 GPs have been connected over satellite media. Total 2,03,693 GPs are service ready for broadband service. Further, 6,84,596 FTTH connections are installed by BSNL & others ISPs using BharatNet. Overall data usage on BharatNet is about 85,222 (TB) for the month of September, 2023.

- Since its inception, USOF has undertaken many Mobile Schemes to provide mobile services in remote & rural areas of the Country. Under various mobile schemes like-Comprehensive Telecom Development Plan of North Eastern Region (CTDP-NER), Left Wing Extremism (LWE)-Phase-I & II, Arunachal Pradesh and 2 Districts of Assam, Meghalaya, 354 Uncovered Villages, Mobile Services in Aspirational Districts, mobile services in Andaman & Nicobar Islands etc. launched by USOF by installing around 6,393 mobile towers covering around 7,500 villages.

- The Union Cabinet on 27.07.2022 approved a project for saturation of 4G mobile services in uncovered villages across the Country at a total cost of ₹ 26,316 Cr. The project will provide 4G mobile services in 24,680 uncovered villages in remote and difficult areas. The project has a provision to include 20% additional villages on account of rehabilitation, new-settlements, withdrawal of services by existing operators etc. In addition, 6,279 villages having only 2G/3G connectivity shall be upgraded to 4G. The project is being executed by BSNL. The project is targeted to be completed by March -2024.

- For making available high quality and high-speed internet access to the States of North Eastern Region of the Country, 20 Gbps International Bandwidth has been hired through BSNL for Internet Connectivity to Agartala from Bangladesh Submarine Cable Company Limited (BSCCL), Bangladesh via Cox Bazar/Kuakata at the cost of ₹ 17.15 Crores. 10 Gbps Bandwidth was commissioned on 26.11.2021 and additional 10 Gbps Bandwidth was commission on 21.04.2022 for Internet Connectivity.

- Andaman and Nicobar Islands: Submarine cable has been laid from Chennai to Port Blair and further to seven other islands of A&N. The project costed ₹ 1224 Crore and was commissioned in Aug'2020. The project has significantly enhanced the quality of life of A&N people. With the enhanced connectivity the private operators viz. RJIL (56 sites) and Airtel (34 sites) have now launched 5G services. The present bandwidth utilization including inter island is 93 Gbps.

- Lakshadweep: USOF/DOT has undertaken a Submarine OFC project for extending connectivity between Mainland (Kochi) and Lakshadweep islands covering all inhabited 11 Islands; Kavaratti, Kalpeni, Agatti, Amini, Androth, Minicoy, Bangaram, Bitra, Chetlat, Kiltan and Kadmath. The total length of submarine OFC that has been laid in this project is 1869 km at a project cost of ₹ 1072 Crore. The project has been completed and trial traffic has been fed in the network.

- The Amended BharatNet program has been approved by cabinet on 04.08.2023, the scope of BharatNet has been extended to all 6.4 lakh inhabited Gram Panchayats (GPs)/villages including upgradation of existing network of Bharatnet Phase-I and II, build the network in uncovered GPs and O&M of the entire network for 10 years. BSNL has been nominated as the Project Management Agency. The tendering activities are under process.

Telecom Technology Development Fund: Apart from the existing R&D funding mechanisms, the annual collections under the Universal Service Obligation Fund (USOF) shall also be utilized by the Department of Telecommunications (DoT) for funding research and development of technologies, products, and services for purpose of providing telecom services in rural and remote areas.

An allocation of 5% of annual collections from USOF is available for funding

R&D in the Telecom sector, starting with the funds collected in the financial year 2021-22. The Scheme is open for receiving applications every year for the products, Chipset/ Open application/ Pilots etc. The last date for submission of application for the financial year 2023-24 was 31st October 2023. Total 8 applications costing total amount ₹266 Crore have been approved and 16 applications are under consideration at various levels.

7.7   The Committee were informed that BSNL requested the Universal Service Obligation Fund (USOF) for an extension of Operation & Maintenance (O&M) for the LWE Phase I 2G sites until October 2023. In this context, when the Committee inquired whether the extension had been granted and whether 4G active equipment had also been received, the Department of Telecommunications (DoT) provided the following written response:

> "Yes, the O&M extension has been granted to BSNL for O&M of LWE-1 2G sites till October, 2023. BSNL issued 4G tender under Phase IX.2 Project for procurement of 1 Lakh eNodeBs & associated core equipment for all zone of BSNL and including MTNL Delhi & Mumbai area and the bids against the same were opened on 23.11.2022. "

C.   Customer Centric Challenges

7.8   BSNL has informed the Committee that it has implemented an efficient, customer-centric social media redressal program, allowing customers to easily raise and resolve their grievances. The Committee were further informed that the Average redressal rate of complaints is 96 percent and the average time of redressal is 8 days. BSNL have further informed that they operate 24/7 call centers serving GSM and landline customers in their local language, as well as in Hindi and English. Customers can provide feedback by dialing 1503/1504 from their phone.

7.9   Apart from this, BSNL offers two online platforms for promptly addressing service deficiencies and resolving various customer issues: the 'Teerva App' and BSNL's Twitter (now X) Handles. In a written response, BSNL provided the following details about these platforms:

> **"Teerva App**
> BSNL 'Teevra App' is an in house developed App used by BSNL field officers and last mile Partners for checking the status of network elements as well to check the status of a particular broadband connection. The complete snapshot of the data for a connection – including Optical Power levels - is displayed for any connection. The App has enabled field units for doing the diagnosis for any complaint round the clock without depending upon any human intervention. For any complaint, the field officer/ partner first checks the status of connection in the App to identify the fault. The App

gives the facility to the field teams to check the faults as well as new connections pending in their account. The App also gives a snapshot status of the Broadband Network elements working in an area/. The count of the total elements, down elements is shown and on clicking the link list of the down elements is displayed. The App also has a feature to check the real-time status of any network element and the status of that element. Teevra App is not used to receive complaints from customers.

BSNL Twitter Handles

Customers put their query and complaints on BSNL Twitter Handles. Dedicated team reads the tweets and decides whether the tweet needs any action i.e. if the tweet is a query, request or complaint. In case of query, response is given via direct message and in case of complaint / request, the same is lodged in the CRM, which are resolved by the nodal officers and post resolution in CRM, SMS is auto triggered to the customer via CRM."

7.10   In their testimony before the Committee, the BSNL representative emphasized the necessity of a robust customer grievance redressal mechanism, as under:

"… First thing, today in BSNL also, every single complaint comes to us, we assign it to individual person, we send the message to the person in BSNL, not MTNL. I am making a distinction between BSNL and MTNL. Secondly, when the complaint is attended, an SMS goes to the customer asking him whether he is satisfied or not. If there is a repeat complaint within 30 days, a four-digit happy code is created and sent to the customer. Unless the person who is going there does not key in the happy code, the fault will not be cleared from the system. Third, to check that there is not a fraudulent clearance of fault, we have implemented that for every single fault when it is cleared, an IPDR is created. We check if the first data session has been established or not, or first call, incoming or outgoing, has taken place or not. If not, then those numbers go to IVRS to call the person again. But the kind of a calling system from the call centre to the person is not so perfect. The reason is that we have certain tendering limitation and process limitation, but we are committed to make it happen in next six months. So, these are implemented; these are not implemented. We have also come out with the app. Every single app has the facility where fault can be booked and it can be tracked like by whom it has been handled and in what time it has been done. But customer interface improvement is a holistic approach. There are three pillars on which we are working. First, there is customer acquisition. That means we should make the appearance of our customer centre much better. Second, we are investing in technology so that the customer is not required to come to BSNL office. The moment he comes to a person, wherever there is human interface, there is a problem. So, we are trying 99 per cent things to happen through the app only. If there is further requirement, you make a complaint to the call centre. We are implementing the billing system where everything should be available on self-care function. We have implemented it in Western Zone. We want to remove the possibility of customer coming to the BSNL office. If somebody wants to come, he is welcome. But he is not required to forcibly come to office to interact with anybody. That is the way we want to do it. In the next one year, it will get implemented in all mobile and fixed line networks. We are upgrading our OSS, PSS and billing software so that this can be implemented."

7.11 When the Committee sought details on the average number of complaints received daily, monthly, and annually regarding poor network connectivity, BSNL provided the following information:

Poor Complaint of Network of landline connectivity	Average Daily	Average Monthly	Average Yearly
2019-20	31665	965786	11589427
2020-21	25724	782525	9389101
2021-22	23108	702860	8434325
2022-23	16010	486975	4843703
2023-2024(upto Sep 2023)	13345	407030	2442180
Poor Network complaint of Mobile connectivity	Average Daily	Average Monthly	Average Yearly
2022-23	903	27495	329941
2023-2024(upto Sep 2023)	366	11142	133704

7.12 The Committte were further informed that, BSNL's Grievance Redressal Mechanism/Portal boasts an average complaint resolution rate, with efforts aimed at resolving issues to the customer's satisfaction within the first three hours or less, setting a benchmark when compared to private competitors. The reply submitted by BSNL is as under:

"a) BSNL has a well-structured and multilayered Customer Grievances Redressal Mechanism including Customer Dispute Resolution Mechanism. The Customer Redressal setup in BSNL has been introduced right from the Corporate Office to BA (Business Area) levels.

b) BSNL strives to provide uninterrupted telecom services to the valuable customers. BSNL has an extensive grass root level Fault Restoration System (FRS) to book the complaints and ensure prompt rectification of any fault. The grievance handling mechanism takes care of registration of complaint/ grievance, acknowledgement, forwarding to the concerned unit of BSNL, redressal, escalation if needed, feedback and monitoring.

c) Different channels for grievance/complaint redressal are:

i. **Call centres/IVRS based:** Customer may use toll free "consumer care numbers" for booking their complaints at our Complaint Centers (Call Centers).

ii. **Web Based:** BSNL has established Web Based complaint monitoring system to enable the Consumers to book and monitor the status of their complaints in their respective service areas.

iii. **E-mails**: Complaints can also be booked through e-mail addresses which are available under Circle websites. The same can be accessed by clicking www.bsnl.co.in

iv. **Facebook/Twitter:** Complaints can also be lodged from BSNL Facebook page BSNL India, www.facebook.com/CMDBSNL, Twitter accounts Twitter/BSNLCO andwww.twitter.com/CMDBSNL

v. **SMSs**: The complaints can also be booked by sending SMS to Short Code 53334/long code 9478053334.

vi. **Walk-in**: BSNL has vast network Customer Care Centres (CSCs). Besides these local officers are available to listen to complainants in person.

vii. **Mobile Application**: Customers can also access BSNL services through "My BSNL" Mobile Application for Android and Windows smartphone.

viii. **Inhouse PG Portal:** Customers can also book complaints through BSNL's "Public Grievances Redressal management System" (PGRMS).

ix. If a consumer is not able to get his/her complaint/ redressed through the above mechanism of Consumer complaint redressal channels, he/she can escalate the same at BSNL Corporate Office either through letter/ e-mail or through telephone to CMD BSNL / PGM CDN, BSNL."

7.13 In response to queries about Service Level Agreements with outsourcing partners and customer feedback, BSNL outlined its reliance on external service providers, supported by digital monitoring tools and performance-based SLAs. BSNL provided the following information in a written reply:

"BSNL has onboarded partners for service provisioning and maintaining. BSNL has also entered into SLA based agreements with partners to maintain the services to customers. BSNL has provided digital interface for onboarding, fault booking and maintenance, bill payment for its mobile as well as wireline customers. Now, more than 60-70% bills paid are being paid through digital mode. There is IT enabled monitoring for better network maintenance services.

BSNL is making all efforts to retain the subscribers by improving the quality of service and customer satisfaction.For wireline connections, Network operation center operatesin each Business Area in the circle to centrally coordinate on the QoS activities.Proactive measures are being taken through the data available on QoS portals for improving network uptime and speedy resolution of faults.The Standard Operating Procedure (SOP) for fixed line Operations is made available for maintenance of Network Elements. Network operation center coordinates with field teams like mobile, transmissionetc for early resolutions of faults. Network operation center team uses various digital IT tools for day to day monitoring of Network Elements and fault resolutions. Real Time Support to Customers is being provided to customers by using these IT tools, BSNL last mile Partner can provide real time support to customers. Improvement in services has been observed."

D.   Network Security

7.14   When asked about the network security and the efforts of the Government in dealing with any kind of cyber attack, during the evidence, the representative of DoT, deposed before the Committee as under:

"….. in general, I will tell you how the Government is taking care of the spyware and malware. In the telecommunication network, we have taken care of this issue in multiple fashion. One is, any equipment which is being put into the telecom network has to be safe-to-connect. So, the security has been asked to be a part of the internal design. So, 'safety with design' is the principle. The policy of security has been enforced on all the telecom service providers. Then, there is a provision for telecom security directive which says that the product which is being procured has to be from a trusted source. So, the related activities are being supervised by the National Security Council Secretariat directly under the PMO, headed by the National Security Advisor. Then, it may happen that the initial supply may come nicely but thereafter, during the updates, somebody can put further the same kind of stuff. So, for that, again, there are provisions to have checks for any major updates with the due process of having the safe-to-connect and all other testing. In addition to that, annual security audit has to be carried out by the third-party professionals. Then, the security audit of those networks is being performed by the DoT. In terms of monitoring the online kind of threats coming on any machine, in the network, the DoT has deployed telecom security operating centres which 24/7 looks into three kinds of the attacks expected on the Country. One is primarily the rogues. It is already known worldwide that these are the IPs or places which keep on doing the attacks in different parts of the Country. Based on the partnership of international threat intelligence and the Country concerned, under various agreements, they are blocked. If any message still comes, we try to detect from which machine it is coming. So, that is being taken care at that front. Also, we try to detect it through its behavioural patterns. Normally, whenever two transactions happen, there is a slight difference between the calling pattern and surfing pattern. If something is highly mechanical, we understand that somebody is playing behind. So, on the basis of behavioural analysis, the scrutiny of malicious network is being done. All set of malwares are barred. No communication is taking place. another place for manipulation is the dark fibre.

the communication within the Country on the dark fibre is being monitored and communication from one private IP to another private IP is not allowed. So, this is the larger framework how we try to do.

In addition to that, you may be aware that we have the Indian Computer Emergency Response Team in our sister Ministry, the Ministry of Electronics and Information and Technology. They are also joining together with us. Then, there is a National Centre for Critical Communication Infrastructure Protection under the NTRO. So, NSCS, NTRO, the MeitY and the DoT along with our security agencies all are working together to combat the threats that we observe. We try to prevent them at the very first stage itself."

PART – II

OBSERVATIONS AND RECOMMENDATIONS OF THE COMMITTEE

1. Overview

1.1   The Committee note that BSNL, a Government-owned telecommunications Company with an authorized share capital of ₹210,000 Crore, reported a total income of ₹20,699 Crore for FY 2022-23. BSNL offers diverse services, including landlines, mobile (2G, 3G, 4G), internet, broadband (FTTH), and national/ international long-distance services. BSNL is focused on network modernization, particularly in 4G and 5G, and aims to improve its market position by expanding services, enhancing customer care, and prioritizing FTTH connections, especially in rural areas. As the Company is operating in a competitive market, it's market share lags behind private players like Jio and Airtel, with notable regional disparities—Kerala has a higher share (24.57%) while Bihar's is low (6.47%). BSNL's wireline services benefit from a fully digital network with over 19,000 exchanges. In mobile services, as of September 2023, BSNL operates 1,55,614 BTS, with a significant presence in rural areas but limited 4G deployment. BSNL's broadband services have transitioned from ADSL2+ to FTTH under Bharat Fiber, crucial for high-speed internet demand in rural areas. In enterprise services, BSNL offers MPLS-VPN, Internet Leased Line, and managed network services, playing a vital role in national projects like BharatNet. The Committee opine that BSNL's strategic focus on network expansion, technological innovation, and service diversification is aimed at bolstering its market standing despite challenges from private competitors and regulatory constraints and can yield the desired results. Before finalizing their observations and recommendations, the Committee reviewed the input from the BSNL and Department of Telecommunications and carefully considered the evidence provided by all stakeholders, including the information and clarifications submitted. Following thorough internal deliberation, the Committee reached their conclusions and formulated the suggestions detailed in the following paragraphs. The Committee hope that observations/recommendations given by them in this Report will be implemented in right spirit.

2. Market Share

2.1   Committee note the dominance of wireless connections (98.18 million) compared to wireline connections (6.43 million), showcasing India's preference for mobile connectivity. Kerala leads in wireline connections with 999,776, heavily driven by rural users, while Uttar Pradesh (East) has the highest wireless subscriber base at 8.65 million. Urban areas generally have a higher number of wireline connections, while rural areas show a greater uptake in wireless connections. States like Haryana and Himachal Pradesh exhibit a noteworthy rural wireless penetration, highlighting mobile network expansion in less urbanized regions. In contrast, wireline connections remain concentrated in urban hubs. This distribution reflects ongoing efforts to bridge the digital divide, although rural areas still lag in wireline connectivity. Further the BSNL's declining market share compared to private operators is a key concern. For example, in Bihar, BSNL holds a mere 6.47% market share compared to Jio's 41.22% and Airtel's 43.65%. A similar trend is observed across various Licensed Service Areas (LSAs), with BSNL's total market share in the wireless segment at 9.04%, far behind Jio's 38.21% and Airtel's 32.48%. Even in Kerala, where BSNL performs relatively well with a 24.57% market share, it still faces stiff competition from private players. Committee observe that to counter this, BSNL and the DoT have initiated various modernization and expansion efforts. These include upgrading mobile networks, with orders placed for 100,000 new 4G sites and plans to cover rural and border areas. Additionally, BSNL is expanding its Fiber-to-the-Home (FTTH) services, with connections rising from 1.28 million in March 2021 to 3.28 million in September 2023. Other infrastructure upgradation undertaken by BSNL include improving broadband gateways, increasing internet bandwidth capacity, and replacing outdated equipment. BSNL is also enhancing its service delivery through IT-enabled monitoring systems and partnerships with local entrepreneurs for last-mile connectivity. These includes collaboration under BharatNet to provide FTTH services in rural areas, along with extensive channel partner engagements and new enterprise services such as MPLS-VPN, leased lines, and cloud-based solutions.

2.2   The Committee note that BSNL's limited 4G coverage, especially in rural areas, has hampered its ability to compete with private operators and BSNL has placed an order for 1 lakh new 4G sites and plans to add more than 20,000 additional sites, particularly in underserved regions. The Committee recommend that the DoT should ensure that these

plans are expedited and that BSNL receives the necessary support to deploy these sites at the earliest. The Committee may be apprised of the progress made in this regard. The Committee observe that BSNL has shown progress in expanding its Fiber-to-the-Home (FTTH) connections. To further capitalize on this growth, Committee desire that BSNL should continue to invest in expanding its fiber network, particularly in rural and underserved areas and the DoT should support BSNL by facilitating the laying of 6,00,000 km of fiber under the BharatNet scheme, aiming to provide 1.5 crore FTTH connections over the next five years under intimation to them. Further, DoT should ensure that BSNL has access to the necessary capital and resources to continue with its modernization efforts. The details of capital and resources made available to BSNL by DoT and modernization efforts undertaken may be intimated to the Committee in the ATR. The Committee observe that BSNL's service distribution shows significant disparities between urban and rural areas, especially in wireless connections where rural areas have a higher number of 2G BTS compared to 4G BTS (47,452 vs. 3,163). Committee believe that despite rapid urbanization, majority of India still live in hinterlands and this apathy towards the rural areas is not expected from a CPSU. To address this, BSNL should prioritize the deployment of 4G and eventually 5G services in rural regions.

3.Assets Management

3.1   Committee note that out of the 17,700 sites identified by BSNL for tower installation, land acquisition had been completed for over 15,000 sites, while around 1,800 sites were yet to be acquired. Currently, BSNL operates around 100,000 existing towers, with plans to install equipment in 20,000 new locations. BSNL's asset monetization strategy focuses on utilizing underused land and buildings. Between 2019 and August 2023, the company generated over ₹1,070 crore in revenue from land rentals and sales. Notably, in 2022-23, BSNL earned ₹257.85 crore through rentals and ₹48.51 crore from land sales. By August 2023, an additional ₹117.25 crore had been generated through rentals, and ₹39.25 crore from sales. The company has also made significant progress in leasing its tower assets. Between 2019 and 2024, BSNL leased over 12,600 towers, earning around ₹1,024 crore in 2022-23 alone. Further, BSNL's asset monetization roadmap includes plans to sell surplus land and lease vacant built-up spaces, with a target of achieving 20% revenue growth from rentals over the next three years. In addition to direct sales and rentals, BSNL's

monetization efforts are supported by policy and regulatory frameworks, with approvals required for properties valued over ₹10 crore. BSNL has already processed the sale of properties amounting to ₹359.74 crore through presidential approval, while additional properties valued at ₹585.82 crore and ₹496 crore await Group of Ministers' approval. Since the Cabinet's revival plan approval in 2019, BSNL has monetized assets worth ₹5,694 crore, through both core and non-core assets, including land leases and rentals. The Committee acknowledge that BSNL has made significant progress in monetizing its assets, however, further optimization is essential to achieve the targeted consistent revenue growth of 20% Year over Year (YoY). The Committee believe that to achieve these goals, BSNL should adopt a more aggressive and strategic approach for monetization of assets by involving exploring innovative leasing models, exploring public-private partnerships (PPP) or the Build, Own, Operate, and Transfer (BOOT) model for certain high-value properties. The Committee also note that BSNL has identified and is effectively utilizing a substantial portion of its building space for rental income, contributing significantly to its revenue. Nonetheless, the Committee are of the view that to reach its goal of ₹1,000 crore in rental income, BSNL should develop a comprehensive asset utilization strategy. The Committee further observe from the information furnished to them that the BSNL's revenue from leasing towers has shown fluctuations, with a peak of ₹1,050.42 crore in 2021-22 and a decrease to ₹430.34 crore up to August 2023. The Committee feel that to stabilize and increase tower leasing revenue, BSNL should aim to expand its leasing agreements with other service providers. This could involve increasing the number of leased towers and negotiating better leasing terms. Committee believe that BSNL should also consider leveraging its tower assets for new services, such as hosting equipment for emerging technologies like 5G.

3.2   The Committee observe that the C&AG has recommended that BSNL undertake a thorough reconciliation of its real estate data to ensure accurate records of estate holdings. C&AG also suggested for formulating a time-bound plan to assert its legal rights over its properties and actively address encroachments. Such measures could significantly enhance the efficiency of BSNL's estate management and contribute to its financial stability. In the same vein, the Committee would like to recommend that BSNL must prioritize the creation of a unified and accurate database for its real estate holdings. The audit identified a significant mismatch between databases with inconsistencies in records

for over 757 land parcels, which hampers effective management. The Committee would recommend BSNL to reconcile its estate records, establish a centralized, validated system, and ensure regular physical verification of assets. Additionally, they should develop a clear, time-bound action plan to resolve legal and documentation issues hindering monetization.

4. Financial Performance

4.1   The Committee note that BSNL's revenue from operations has shown a declining trend from ₹22,668 crore in 2017-18 to ₹16,809 crore in 2021-22, with a slight recovery to ₹19,128 crore in 2022-23. Despite not having 4G services, BSNL has managed to stabilize its revenues in recent years, indicating a resilient revenue base. However, the overall income has not shown significant growth, and the Company continues to incur substantial losses, with a net loss of ₹8,162 crore in 2022-23. BSNL's capital expenditure (Capex) liabilities have been cleared, and the Company is now focused on network upgrades, including the deployment of 4G services. The Committee believe that that BSNL need to prioritizes efficient utilization of Capex, particularly in enhancing its network infrastructure to provide competitive services in the market. Given the strategic importance of indigenous technology development, BSNL's focus on utilizing domestic 4G equipment should be supported, but with clear timelines and performance metrics. The Committee recommend that BSNL and DoT should closely monitor the impact of 4G services on revenue growth and ensure that BSNL capitalizes on this new service to improve its financial health.

4.2   Committee note that BSNL has encountered significant challenges, including high maintenance costs for outdated equipment, delays in 4G deployment, and intense competition from private telecom companies. To address these issues, BSNL has adopted a new business model by partnering with local entrepreneurs for service delivery and network expansion. This approach has effectively reduced operational costs and enhanced service quality. Committee advise BSNL to closely monitor the success of this partnership model and to consider expanding it if it continues to deliver positive results. Furthermore, BSNL has informed the Committee that, because of its decision to attempt to "Make in India" and adherence to GFR provisions as against readily available from components from global vendors, have slowed donwn BSNL's rollout of 4G services. Developing and maturing indigenous 4G technology poses challenges, but as a government entity, BSNL's

efforts will boost local manufacturing and technological advancement, making it a source of national pride. The Committee acknowledge that Government policies, such as the "Make in India" initiative and adherence to GFR provisions, might have influenced BSNL's operational flexibility. Therefore, the Committee recommend and desire that DoT in consultation with other Government agencies involved in the process should adopt a more balanced approach that supports domestic industry development while ensuring that BSNL can remain competitive in the fast-changing telecom sector. The Committee may be apprised of the action taken and progress made in these directions.

5. Financial Handholding

5.1 The Committee note that the BSNL's survival and operations have been heavily dependent on substantial government support. The Company has explicitly acknowledged that it would not have survived without this government intervention, especially post-2020. The Committee further note that BSNL has not sought any assistance from international financial institutions, relying instead on extensive financial packages from the Indian government, totaling over ₹2 lakh crores. This support has been crucial in stabilizing BSNL's operations, enabling it to clear significant vendor dues and avoid defaults, which would have otherwise jeopardized its existence. The government's financial assistance includes ₹22,000 crore allocated for CAPEX investment over four years, with funds earmarked for wireline and wireless network improvements. BSNL has already begun utilizing these funds, particularly for enhancing its optical fiber network. Additionally, the Government has administratively allocated spectrum in the 900/1800 MHz bands and settled AGR dues through equity conversion, further reducing BSNL's financial liabilities and enabling it to focus on network modernization. Further, the Viability Gap Funding (VGF) of ₹13,789 crore has been provided to support BSNL's rural wireline operations, ensuring that the company continues to serve unviable but essential areas. Moreover, BSNL has raised ₹22,828 crore through Sovereign Guarantee Bonds, helping to manage its debt and liquidity. While these measures have kept BSNL afloat, the Committee feel that the company must now focus on reducing its reliance on Government aid, and there is a need to enhance its operational efficiency, explore new revenue streams, and strategically invest in infrastructure and technology to ensure long-term sustainability. The Committee would further recommend BSNL to closely monitor the progress of CAPEX and VGF (Viablity Gap

Funding) utilization to ensure that the funds are being used effectively and within the stipulated timelines. The Committee would like to recommend an audit mechanism to be developed by the controlling Ministry to ensure that the investments and other measures lead to tangible improvements towards achieving the long-term goals of the Company such as the network infrastructure and service quality.

6. Revival Plan

6.1   The Committee note that BSNL has significantly reduced its total debt by ₹13,410 crore over the 18 months, i.e. from ₹32,978 crore as of March 2022 to ₹19,568 crore by September 2023. This debt reduction was primarily achieved through the issuance of sovereign guaranteed bonds and repayment of high-cost loans using viability gap funding. The Committee commend BSNL's efforts in debt restructuring and encourage continued financial prudence to further reduce interest costs and improve cash flow. The Committee, further, observe that the first BSNL revival package, approved in 2019, was pivotal in addressing immediate financial strains. Key components included a Voluntary Retirement Scheme (VRS) for about 93,000 employees, which aimed to reduce the company's wage burden. Sovereign guarantees enabled BSNL to raise ₹15,000 crore at low interest rates. Spectrum allocation for 4G, valued at ₹24,084 crore (revised to ₹14,148 crore), was intended to bolster network capabilities. The monetization of BSNL's assets, such as leasing 12,663 towers and generating over ₹1,000 crore from land sales, provided crucial liquidity. Despite these efforts the Committee observe that some challenges persisted, including the postponement of the MTNL merger and incomplete spectrum allocation for Delhi and Mumbai. Similarly, the second revival package, approved in 2022, introduced measures to further stabilize BSNL. The package provided a sovereign guarantee of ₹22,828 crore to restructure debt, with ₹4,184.70 crore successfully raised in FY 2022-23. AGR dues, amounting to ₹33,404 crore, were settled through equity conversion, and the allotment of 5G spectrum was supported with equity infusion. Viability Gap Funding (VGF) of ₹16,189 crore addressed rural operations, and the merger of BBNL with BSNL, now finalized, was aimed at enhancing operational efficiency. The support of ₹22,471 crore for CAPEX saw partial release, with ₹3,013 crore disbursed, underpinning infrastructure improvements. The third package, approved in 2023, marked a significant escalation in support with an allotment of ₹89,047 crore for 5G spectrum, further enhancing BSNL's technological

capabilities. The authorized capital was increased to ₹2,10,000 crore to accommodate spectrum costs and capital expenditures. The government's ongoing commitment, demonstrated through continuous funding and policy reforms, reflects a strategic focus on long-term sustainability. The infusion of ₹13,789 crore in VGF for unviable rural operations and the procurement of 4G equipment under the Atmanirbhar Bharat initiative emphasize a comprehensive approach to BSNL's revival, aiming to ensure both technological advancement and financial stability.

6.2   As clear from the above, the revival packages emphasize infrastructure upgrades and spectrum allotments, including significant investments in 4G and 5G technologies. The Committee would recommend BSNL to focus on accelerating the rollout of these technologies to enhance service quality and expand market reach. Further, the substantial financial support provided through the revival packages—totaling over ₹2 lakh crore—highlights the critical need for effective financial management. To maximize the impact of these funds, Committee would suggest BSNL to implement robust financial controls and reporting systems. Regular audits and transparent reporting of capital expenditures, asset monetization, and debt management should be enforced to ensure that resources are utilized efficiently and that financial goals are met. The Committee would like to see the progress in this regard. Lastly, the Committee observe that aaccording to the Department of Public Enterprises (DPE), BSNL's Memorandum of Understanding (MoU) ratings have ranged from "Fair" in 2013-14 to "Very Good" in 2022-23. This fluctuation underscores the company's evolving operational efficiency and performance. The ratings over the years indicate that while BSNL has made notable progress in some areas, there have been sustained issues impacting its overall effectiveness. Given the mixed MoU ratings of BSNL over the past decade, the Committee believe that it is crucial to establish a more rigorous monitoring and evaluation mechanism. Regular performance reviews should be conducted by the administrative ministry incorporating clear benchmarks and timelines to ensure that BSNL's revival measures are effectively implemented.

7. Addressing the Transition to 4G/5G for BSNL

7.1   The Committee note that BSNL has faced a challenging and delayed transition to 4G/5G technology, when compared not just with global standards but with the national standards as well. As per BSNL's testimony, while 4G technology was introduced globally

a decade before India, BSNL's decision to develop this technology was only made in 2020, resulting in a considerable lag. BSNL is actively deploying swadeshi 4G technology across approximately 100,000 sites, with a completion target set for December 2024. Committee further note that the 4G infrastructure being installed is designed to be easily upgradable to 5G through software updates, although the full transition to 5G is projected to commence only from December 2024. This approach aligns with the government's policy of promoting indigenous technology, which, while beneficial for national self-reliance and data security, presents unique challenges in terms of technology maturity and market competition. BSNL faces several hurdles in its expansion efforts. Firstly, the deployment of indigenous 4G technology, though crucial for national security and technological self-sufficiency, is complicated by its relative novelty and the lack of extensive global testing. This has resulted in delays and concerns about the stability and performance of the network in live environments compared to established foreign technologies. Additionally, BSNL is at a competitive disadvantage as it is still reliant on 2G/3G networks for a significant portion of its services, whereas competitors are rapidly expanding their 4G and 5G services. The lack of 4G spectrum availability further exacerbates this issue, with 98% of current market revenue and traffic generated by 4G services that BSNL cannot fully tap into. To address these challenges, the Committee would suggest BSNL to consider a multi-pronged strategy, firstly, accelerating the testing and stabilization of indigenous 4G technology is crucial, therefore, BSNL should enhance collaboration with Indian technology developers and global experts to expedite the validation and refinement process. Further, the Committee feel that BSNL may explore partnerships with foreign technology providers for temporary integration which could help bridge the technology gap while the indigenous solutions reaches maturity. Given the financial and operational pressures, it is recommended that BSNL reassess its investment strategies in 5G technology by, focusing on clear use cases and potential return on investment before substantial expenditure. Lastly, continued support from the government in terms of policy and financial backing will be essential for BSNL to overcome these hurdles and achieve its ambitious targets for network expansion and technology upgradation.

8. Assessing the progress of BSNL in 4G Deployment and Future 5G plans

8.1 **The Committee observe that adoption and deployment of 4G technology, began in 2020 despite its global introduction a decade earlier which has placed BSNL at a competitive disadvantage, with the majority of the telecom market now dominated by 4G and even 5G technologies. This delay has directly impacted BSNL's revenue generation capabilities, with 98% of the market's revenue stemming from 4G services, while BSNL continues to rely heavily on 2G and 3G networks. The Committee therefore feel that BSNL needs to prioritize the expedite testing and deployment of the indigenous 4G technology to reduce the competitive disadvantage it currently faces. Given that the technology is still under evaluation, the Committee desire that BSNL should explore partnerships or technology-sharing agreements to ensure rapid stabilization and performance optimization, along with capturing the unexplored market or where 4G/5G services are yet to be given by any Company. It will not only contribute in Bharat Net project by GOI but also enhance Company's business with its objective/mission to fulfill the demand in far flung areas. The Committee observe that the BSNL has embarked on deploying indigenous 4G technology across 1 lakh sites, with plans for completion by December 2024. This equipment is designed to be upgraded to 5G with minimal hardware changes, indicating a future-proofing strategy. However, the deployment and testing of this indigenous technology have faced challenges due to the complexity and the nascent stage of development. Only 200 sites have been commissioned so far, and the technology's performance is still under evaluation in a live environment. The Committee applud the BSNL's strategy of deploying 4G equipment that is upgradable to 5G. However, the Committee urge BSNL to establish a clear and actionable roadmap for the 5G upgrade starting in December 2024, ensuring minimal disruption and swift implementation to stay competitive in the telecom market. The Committee would like to be apprised of the further developments taking place in this regard.**

8.2 **The Committee note that BSNL's BharatNet project, which extends fiber-to-the-home (FTTH) connections to rural areas, has made significant progress with over 4 lakh connections provided through local entrepreneurs. The recent Cabinet approval for an expanded BharatNet project with an outlay of ₹1.4 lakh crore underlines the government's commitment to bridging the digital divide, with BSNL as the Project Management Agency. The Committee also note BSNL's significant challenges in expanding 4G services in remote**

and difficult terrains, particularly in regions like the North East, Jammu & Kashmir, and Naxal-affected areas. Despite these challenges, the progress in the BharatNet project and the 4G saturation in uncovered villages are positive developments. The Committee desire that BSNL continue its focus on rural and remote connectivity, ensuring that the digital divide is addressed comprehensively. The Committee also suggest increased monitoring and support from the government to overcome the logistical and infrastructural challenges in these areas. For example by making available Universal Services Obligations Funds (USFO).

9. Strategic Spectrum Allocation

9.1   The Committee observe that the DoT has a structured process for spectrum allocation that includes seeking recommendations from the Telecom Regulatory Authority of India (TRAI), obtaining approval from the Union Cabinet, and conducting auctions through an online platform. Thus, ensuring a transparent and fair allocation process. Along with that, the process also includes mechanisms, such as spectrum caps, to prevent monopolization, which is crucial for maintaining a competitive market. The Committee would thus suggest that to ensure the equitable and effective allocation of spectrum, the DoT should continue to refine its auction process, making sure that reserve prices are set at such levels that balance revenue generation with the need to foster competition. When auctioning spectrum, the DoT should consider the current market positions of both private and public sector players, since, unlike private sector operators, public sector units like BSNL have social obligations mandated by the Government. Additionally, the DoT should provide clearer guidelines and support mechanisms for state-owned operators such as BSNL, who may face financial constraints. This will ensure that PSUs can participate effectively in spectrum auctions without being disadvantaged due to their financial position. The Committee note that prior to the revival package in 2022, BSNL did not have access to the necessary spectrum to provide 4G services. The Company was allocated 10 MHz of spectrum in the 2100 MHz band as part of the revival package, allowing it to roll out 4G services. However, the deployment has been limited to around 8,900 sites due to restrictions on using indigenously developed technology, which, while in the national interest, has posed significant operational challenges. BSNL has faced financial difficulties

in acquiring spectrum due to its inability to raise funds from the market. The historical debt burden from previous spectrum payments has further strained its financial position. The Committee further note that unlike private operators who have received significant investments, BSNL's financial struggles have limited its ability to compete effectively in the market. Therefore, the Committee would like to recommend that the Company should also invest in building capacity for indigenously developed technology, as mandated by the Government, to overcome the operational challenges it currently faces.

10. Telecom Services

10.1 The Committee note that BSNL have a vast network infrastructure with 19,062 exchanges and a total switching capacity (Wireline Copper) of 154.166 lakh lines, which is currently being underutilized, with only 27.068 lakh in active use. The inclusion of 31.548 lakh FTTH connections has bolstered BSNL's wireline customer base, highlighting a strategic shift towards fiber technology over traditional copper lines. The Committee also note that in mobile services, BSNL operates 155,614 BTS, predominantly focused on 2G and 3G, with a limited 4G presence, indicating a slow transition to more competitive technology. The Committee further note that rural mobile coverage also remains a challenge, with only about two-thirds of villages covered by BSNL's network. Further, BSNL's broadband services are evolving, with a decline in copper-based connections to 3.96 lakh, offset by an increase in FTTH connections, now at 32.68 lakh. Despite the potential, Wi-Fi services remain underutilized, with just 6.05 lakh unique users. Financially, the outdated copper infrastructure is becoming less viable, with revenues dropping significantly. However, FTTH services have seen a revenue increase, helping BSNL stay competitive. Government initiatives like BharatNet, with BSNL as a key player, are crucial in expanding rural broadband connectivity, supporting digital inclusion across India. The Committee hope that BSNL would continue the expansion of FTTH services to mitigate the decline in copper broadband connections and also focus on increasing Wi-Fi hotspots in public and educational institutions to widen its broadband user base. The Committee in this regard would suggest BSNL to use government initiatives like BharatNet and the Smart City project to utilize their infrastructure and services offerings to capitalize on these projects to enhance its enterprise services and expand its market presence along with improving digital literacy of the rural areas of the Country.

11. Human Resources

11.1   The Committee note that the BSNL workforce has drastically reduced from 183,522 in 2018 to 58,736 in 2023. The reduction is approximately 68%. As of September 2023, BSNL employs 58,736 workers, with a breakdown as follows: SC (12,256), ST (4,203), OBC (12,658), and Women (11,220). The distribution of women employees is notably lower, particularly in executive, i.e. 4490 against the total strength of 29485 executive strength as of 30.09.2023 indicating potential gender disparity in higher positions. Also, as per the information shared with the Committee, it is evident that the BSNL's employee cost as a percentage of total revenue is significantly higher at 38.4% compared to private sector competitors like Jio (1.8%), Bharti Airtel (2.3%), and Vodafone Idea (4.0%). The Committee observe that despite this significant reduction, BSNL has managed to maintain operations without service disruptions. While the Committee applaud BSNL for effectively managing operations with a reduced workforce, it also recognize that this may place additional strain on the remaining employees, potentially impacting service quality and employee morale. Consequent to the reduction in workforce, the employee benefits expense has drastically reduced from ₹14,837 crore in 2017-18 to ₹7,949 crore in 2022-23, largely due to the Voluntary Retirement Scheme (VRS) implemented by BSNL. Given the drastic reduction in workforce, the Committee suggest that BSNL should focus on optimizing its remaining workforce through targeted training programs and IT-based systems. Additionally, BSNL may consider outsourcing non-core activities to reduce employee costs and increase operational efficiency. Further, to address the gender disparity, particularly in executive roles, BSNL should implement targeted recruitment and promotion policies for women. This could include mentorship programs, leadership training, and flexible working conditions to attract and retain more women in higher positions. Lastly, the Committee opine that BSNL should aim to increase its contribution towards superannuation benefits to the 30% ceiling as per DPE guidelines.

12. Pay Structure and Allowances

12.1   From the information available to the Committee, it is clear that the pay and benefits for employees at BSNL and ITS are notably distinct due to differing pay structures and

financial constraints. Despite recommendations from the 3rd Pay Revision Committee (PRC), BSNL has not implemented these changes due to financial constraints. ITS officers, who are central government employees, receive salaries based on the 7th Pay Commission (CDA pattern), which typically results in higher pay scales compared to BSNL employees. In contrast, BSNL employees are divided into three categories: (i) those on deputation from DOT, (ii) absorbed DOT employees, and (iii) BSNL directly recruited employees. ITS officers enjoy more comprehensive allowances and perks in line with central government standards, whereas BSNL employees' benefits are constrained by the company's financial limitations. In terms of superannuation, ITS officers benefit from pensions under the CCS (Pension) Rules, providing them with a robust retirement package. On the other hand, BSNL absorbed employees also receive pensions from DOT but under different terms, while BSNL's directly recruited employees receive retirement benefits through the BSNL Employees Superannuation Pension Trust, including EPF, Gratuity, and a Pension Fund, though these benefits are less extensive compared to central government schemes. In terms of health and medical benefits, ITS officers are covered by extensive government medical schemes, whereas BSNL employees have access to the BSNL MRS Scheme and optional health insurance policies, with absorbed employees also benefiting from medical coverage under CCS (Pension) Rules and CGHS. The Committee observe that the financial impact of these differences is significant. For FY 2022-23, BSNL's per-employee cost for directly recruited employees is notably higher than for absorbed employees, reflecting the additional contributions towards EPF, Gratuity, and the Pension Fund. Furthermore, BSNL's employee costs as a percentage of total revenue are much higher compared to private sector players like Vodafone Idea, Bharti, and Jio.Committee further observe that the promotion and career development opportunities are structured for both ITS and BSNL employees, though BSNL faces challenges related to timely promotions and career growth. While ITS officers follow central government rules for career progression, BSNL employees have encountered delays and issues with promotional avenues due to organizational constraints.

12.2   In view of the above Committee would like to suggest the Company to address the disparities between ITS and BSNL employees. BSNL should focus on harmonizing pay structures by aligning them with the 7th Pay Commission standards or as per the pay structures of the other similarly placed CPSUs. The Committee feel that enhancing

superannuation benefits and pushing for the implementation of the 3rd Pay Revision Committee recommendations would help improve retirement security for BSNL employees. Regular promotions and clear career development pathways are essential to address stagnation, while expanding medical coverage and post-retirement benefits would improve overall employee welfare. Reviewing and adjusting allowances to remain competitive, seeking government support for financial assistance, and maintaining transparent communication with employees are also crucial for fostering equity and satisfaction within the organization, therefore the Company should reconsider their policy toward pay structure and allowances to address the disparity amongst BSNL employees.

13. Merging BBNL and BSNL

13.1   The Committee observe that the merger of Bharat Broadband Network Limited (BBNL) with Bharat Sanchar Nigam Limited (BSNL) represents a strategic initiative by the Indian government to optimize the utilization of telecom infrastructure, particularly in rural areas. The Union Cabinet approved this move in July 2022, with the intent to enhance BSNL's service capabilities by integrating BBNL's middle-mile infrastructure with BSNL's extensive telecom network. The Committee have been informed that this merger is expected to address the previously underutilized BBNL network by leveraging BSNL's pan-India reach, field presence, and ability to provide end-to-end connectivity, including last-mile services. The Committee further note that the BSNL has already created a dedicated vertical within its structure to manage the integration, deploying significant manpower, including officers and contractual staff, to supervise and execute the BharatNet projects. The Committee note that the integration has shown promising results, particularly in rural areas where BSNL has successfully extended BharatNet Fiber-to-the-Home (FTTH) connections through local entrepreneurs, significantly increasing data consumption from these connections. The average data consumption in rural areas has reached 170-180 GB per month, which is close to the urban average, indicating the project's success and potential to bridge the digital divide. The Committee are happy to note that the merger of BBNL with BSNL and believe that this is a well-timed and necessary step towards optimizing telecom infrastructure in India, particularly in rural areas. The success of this initiative will depend on BSNL's ability to effectively manage and expand the integrated network, ensuring that the benefits reach the most remote areas of the country. The

Committee would like to be apprised about the progress made in this regard.

14. Universal Service Obligation Fund (USOF)

14.1   The Committee note that Universal Service Obligation Fund (USOF), established under the Indian Telegraph Act (Amendment) 2003, is vital for providing quality mobile and digital services in India's rural and remote areas. With ₹46,127 crores disbursed over nine years, USOF supports key projects like BharatNet and various mobile schemes in challenging regions, including the North Eastern Region and island territories. The Department of Telecommunications (DoT) has reported significant progress, such as increased connectivity through mobile towers and submarine cables, enhancing digital access and enabling 5G services in remote areas. The Committee note that BSNL, as the key implementing agency, continues to expand its network, particularly with ongoing 4G rollouts in underserved villages. However, while significant progress has been made, there are areas where further efforts are needed. For instance, the 4G equipment for sites in Left Wing Extremism (LWE) areas is yet to be fully received, and the complete rollout of BSNL's 4G network is expected to extend into December 2024. The Committee applaud the effective utilization of the USOF in expanding telecom infrastructure across rural and remote areas and encourages the continuation of such efforts to ensure universal coverage. The Committee desire that the timely completion of ongoing projects, particularly the rollout of 4G services in underserved areas, should be prioritized to meet the growing demand for digital connectivity and also recommend that the DoT and BSNL expedite the procurement and deployment of necessary equipment, especially in sensitive regions like LWE areas, to enhance network reliability and support socio-economic development.

15. Customer Centric Challenges

15.1   The Committee observe that the BSNL has implemented an efficient, customer-centric grievance redressal system, achieving a 96% complaint resolution rate with an average resolution time of 8 days. BSNL operates 24/7 call centers in multiple languages and uses platforms like the Teerva App and Twitter for network monitoring and customer interaction. However, despite these efforts, BSNL continues to face a high volume of complaints, particularly regarding network connectivity, which has shown a declining trend in recent years. The implementation of service level agreements (SLAs) with external partners, supported by digital monitoring tools, has improved network maintenance, but

BSNL still face many challenges. The Committee desire that BSNL should focus on further reducing the average complaint resolution time, potentially aiming for a benchmark closer to three hours, as they have set internally. The Committee further desire that while ongoing efforts to minimize human interaction through app-based solutions should be accelerated to enhance customer experience, BSNL, should also continue improving its network infrastructure and expand the successful elements of its SLA models to further incentivize performance and accountability among its partners. The Committee would like to suggest BSNL should prioritize the resolution of network complaints, especially in areas with persistent issues, by increasing proactive measures. The Committee may be apprised of the steps taken in these directions.

16. Network Security

16.1 Committee observe that the DoT has implemented a comprehensive approach to network security, including the development of the Telecom Security Operations Centre (TSOC), which plays a crucial role in monitoring and detecting cyber threats. The TSOC has successfully identified and mitigated numerous security risks, including botnets, ransomware, and Distributed Denial of Service (DDoS) attacks. Additionally, the DoT has established strict protocols to ensure that telecom equipment is sourced from trusted suppliers and that updates undergo rigorous checks to prevent security breaches. While appreciating the measures, the Committee would suggest that the DoT should continue to enhance the capabilities of TSOC by integrating advanced artificial intelligence and machine learning tools to improve threat detection and response times. Regular updates to security protocols should be enforced, especially in light of emerging technologies and evolving cyber threats. Further, the Committee would like Ministry to undertake public awareness initiatives such as cybersecurity which may aid in reducing risks at the user level, complementing the efforts made at the infrastructure level.

17. Conclusion

17.1 In conclusion, the Committee recognize the substantial efforts made by BSNL to overcome its challenges and modernize its services. However, the road to recovery and long-term sustainability requires continued focus on innovation, efficient use of resources, and strategic investments in technology. The deployment of 4G and 5G services,

particularly in underserved areas, is critical for BSNL to regain market share and compete effectively with private operators. The Committee strongly believe that both the DoT and BSNL will expedite these deployments and closely monitor their impact on service quality and customer acquisition. Furthermore, the financial handholding provided by the government has been pivotal in stabilizing BSNL, but it is now essential for the Company to reduce its dependency on such support. BSNL should enhance its operational efficiency, explore new revenue streams, and implement robust financial controls to ensure the effective utilization of funds. The Committee again emphasize the importance of regular audits, transparent reporting, and rigorous performance reviews to track the progress of BSNL's revival initiatives. The success of BSNL's revival will depend on its ability to adapt to the rapidly changing telecom landscape, address the digital divide, and maintain a competitive edge through technological advancements and strategic partnerships. The Committee urges the Department of Telecommunications (DoT) to continue providing oversight and support to ensure that BSNL remains on a path of recovery, growth, and sustainable development.

New Delhi;   **BAIJAYANT PANDA**
<u>**13 December, 2024**</u>   **Chairperson**
22 Agrahayana, 1946(S)   **Committee on Public Undertakings**

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2024)

MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 25th August, 2023 from 1100 hrs. to 1225 hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Santosh Kumar Gangwar   -   Chairperson

MEMBERS

LOK SABHA

2.   Shri Arjunlal Meena
3.   Shri Janardan Mishra
4.   Shri Ravneet Singh Bittu

RAJYA SABHA

5.   Shri Syed Nasir Hussain
6.   Dr. Anil Jain
7.   Shri Prakash Javadekar
8.   Shri Binoy Viswam

SECRETARIAT

1.	Shri Neeraj Semwal	-	Joint Secretary
2.	Shri Santosh Kumar	-	Director
3.	Shri G.C. Dobhal	-	Additional Director
4.	Smt. Mriganka Achal	-	Deputy Secretary

REPRESENTATIVES OF THE BHARAT SANCHAR NIGAM LIMITED (BSNL)

1.	Shri P.K. Purwar	-	CMD
2.	Shri Vivek Banzal	-	Director (CFA)
3.	Shri Sandeep Govil	-	Director (CM)
4.	Shri V. Ramesh	-	Director (Enterprise)
5.	Shri Arvind Vadnerkar	-	Director (HR)
6.	Shri Rajeev Kumar	-	Director (Finance)

2.   At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have a briefing from the representatives of the Bharat Sanchar Nigam Limited (BSNL) in connection with its comprehensive examination. The Committee Secretariat, then, made a Power Point Presentation explaining major issues relating to the subject.

[The witnesses were, then, called in]

3.   The Chairperson welcomed the representatives of BSNL to the sitting of the Committee and also drew attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of briefing before the Parliamentary Committee. The Chairperson, then, emphasized on important aspects relating to the functioning and performance of BSNL, *viz.*, reasons for net loss to the tune of Rs.8,162 crore in 2022- 23; the year from which the Company has been making losses; accumulated losses; effective steps taken/being taken to bring back the Company on right track; planning to launch nationwide 4G telecom network and its timeline; steps taken, if any, towards the implementation of 5G telecom network to compete with private sector companies and technological developments/advancement achieved in this direction; steps taken by the Company to improve quality of services for its customers; and difficulties faced/being faced by the Company including the financial constraints, etc.

4.   Thereafter, the representatives of BSNL made a Power Point Presentation and briefed the Committee regarding various services provided by the Company; Company's financial status; Company's performance; status of 4G network; Revenue status; issues relating to its employees; and measures taken for improvement of Company's performance etc.

5.   The Members, then, sought clarifications on various issues relating to the subject *viz.* professionalism in comparison to other private companies; technology upgradation especially from 3G to 4G and 5G; reasons for non-availability of 4G and 5G technology presently and roadmap therefor; productivity related issues; poor network particularly in villages, tribal belt, remote areas etc.; cost cutting measures taken in areas besides downsizing manpower; and data privacy related issues; share of

Company in data consumption *vis-à-vis* total data consumption in the Country; details of revival packages/assistance provided to BSNL since its incorporation etc.

6.   The representatives of the BSNL clarified on some of the issues on which information was readily available with them. In respect of points for which information was not readily available, the Chairperson while thanking the representatives of BSNL for their valuable deliberations desired that written replies may be furnished to the Committee Secretariat within 10 days.

7.   Thereafter, the Committee decided to undertake a study visit to Leh, Srinagar and Gulmarg from 12th to 16th September, 2023 to have hands on experience on the functioning of certain CPSU's

[The Committee, then, adjourned.]

A verbatim copy of the proceedings has been kept on record.

/--------------------/

MINUTES OF THE TWENTY FIRST SITTING OF THE COMMITTEE

The Committee sat on Tuesday, the 31st October, 2023 from 1100 hrs. to 13.20 hrs. in Committee Room No. '3', Ground Floor, Extension to Parliament House Annexe (EPHA), New Delhi.

PRESENT

Shri Santosh Kumar Gangwar   -   Chairperson

MEMBERS

LOK SABHA

2.   Dr. Heena Vijaykumar Gavit
3.   Smt. K. Kanimozhi
4.   Smt. Poonamben Hematbhai Maadam
5.   Shri Nama Nageswara Rao
6.   Shri Sushil Kumar Singh

RAJYA SABHA

7.   Dr. Radha Mohan Das Agrawal
8.   Shri Syed Nasir Hussain
9.   Dr. Amar Patnaik
10.   Shri Binoy Viswam

SECRETARIAT

1.   Shri Santosh Kumar   -   Director
2.   Shri G.C. Dobhal   -   Additional Director
3.   Smt. Mriganka Achal   -   Deputy Secretary

REPRESENTATIVES OF THE BHARAT SANCHAR NIGAM LIMITED (BSNL)

1.   Shri Pravin Kumar Purwar -   CMD
2.   Shri Vivek Banzal   -   Director (CFA)
3.   Shri Sandeep Govil   -   Director (CM) & HR
4.   Shri Rajeev Kumar   -   Director (Finance)
5.   Shri V. Ramesh   -   Director (Enterprise)

2.   At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have evidence of the representatives of Bharat Sanchar Nigam Limited (BSNL) in connection with its comprehensive examination. The Committee Secretariat, then, made a Power Point Presentation explaining major issues relating to the subject.

[The witnesses were, thereafter, called in]

3.   Then, the Chairperson welcomed the representatives of BSNL to the sitting of the Committee and also drew their attention to Direction 55(1) of the Directions by the Speaker regarding maintaining confidentiality of the discussion before the Parliamentary Committee. The Chairperson, thereafter, asked the definite steps being taken by the Company to minimize losses and to bring back the Company on right track; the success achieved and difficulties faced in introducing 4G/5G by BSNL; status of 1 Gbps WiFi 6 Services, and wireline services to retail customers; the steps taken in competing with private sector companies; issues relating to complaint redressal, service quality and network issues especially in villages and remote areas with steps taken to improve the same etc.

4.   Thereafter, the representatives of BSNL made a Power Point Presentation and briefed the Committee regarding various services provided by the Company; Company's financial status; status of 4G network; issues relating to its employees; the measures taken for improvement of Company's performance, etc.

5.   The Members, then, sought clarifications on various issues relating to the subject *viz.* significant decrease in revenue of BSNL; status of lying of optical fiber cable and Optical Line Termination (OLT) Exchange partnership; status/implementation of 5G and 6G in BSNL; implementation of decision of empowered technology group (2021); capitalization made by the Government in BSNL and status of spectrum acquisition; status of administrative expenditure during the last five years; revenue generated from monetization of fixed assets/ towers along with the details of the roadmap for future monetization; timely receipt of rentals of leased/rented out property by BSNL; issues related to sale of land, issues related to manpower/ pay scales and disinvestment of

BSNL; issues relating to telephone/mobiles bills of MPs, non-participation in auction for allotment of spectrum earlier by BSNL; per customer consumption of data in urban and rural areas; features of mobile in landline; broadband connectivity in Andaman & Nicobar Islands & Lakshadweep; more stress on speedy complaint redressal, etc.

6.   The Committee, further, desired to know whether BSNL had monetized or is in process of monetization or renting/leasing those assets, too, which they have obtained on lease from various other Departments/State Governments and whether any request/objection has been received from lessor for return of land in case of its no use for the purpose given for.

7.   The representatives of the BSNL clarified on many of the issues on which information was readily available with them. In respect of points for which information was not readily available, the Chairperson, while thanking the representatives of BSNL for their valuable deliberations, desired that written replies may be furnished to the Committee Secretariat within 10 days.

[The Committee, then, adjourned.]

A verbatim copy of the proceedings has been kept on record.

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2024)

MINUTES OF THE TWENTY SECOND SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 22nd November, 2023 from 1100 hrs. to 12.25hrs. in Committee Room 'D', Ground Floor, Parliament House Annexe (PHA), New Delhi.

PRESENT

***Dr. Radha Mohan Das Agrawal** - Chairperson

MEMBERS

LOK SABHA

2. Shri Ravneet Singh Bittu
3. Shri Uday Pratap Singh

RAJYA SABHA

4. Dr. Amar Patnaik
5. Shri Binoy Viswam

SECRETARIAT

1. Shri Neeraj Semwal - Joint Secretary
2. Shri Santosh Kumar - Director
3. Shri G.C. Dobhal - Additional Director

REPRESENTATIVES OF THE DEPARTMENT OF TELECOMMUNICATIONS

1. Shri Ajay Kumar Sahu - Member(S), DoT
2. Shri Sunil Kumar Singhal - Dy. Director General, DoT
3. Shri Radhacharan Shakya - Dy. Director General, DoT
4. Shri Sunil Kumar Verma - Joint Secretary, DoT

2. The Sitting was adjourned for want of quorum.

*Dr. Radha Mohan Das Agarwal, MP & Member of the Committee acted as Chairperson in absence of Shri Santosh Kumar Gangwar, MP & Chairperson of CoPU in pursuance of Rule 258(3).

COMMITTEE ON PUBLIC UNDERTAKINGS (2023-2024)

MINUTES OF THE TWENTY SIXTH SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 14th December, 2023 from 3.30 hrs. to 4.30 hrs. in Committee Room '62', First Floor, Samvidhan Sadan (SS), New Delhi.

PRESENT

Shri Santosh Kumar Gangwar   -   Chairperson

MEMBERS

LOK SABHA

2.   Shri Sudip Bandyopadhyay
3.   Shri Lavu Sri Krishna Devarayalu
4.   Shri Janardan Mishra
5.   Shri Nama Nageswara Rao

RAJYA SABHA

6.   Shri Syed Nasir Hussain
7.   Shri Prakash Javadekar
8.   Dr. Amar Patnaik
9.   Shri V. Vijayasai Reddy
10.   Shri Binoy Viswam

SECRETARIAT

1.   Shri Neeraj Semwal   -   Joint Secretary
2.   Smt. Jyochnamayi Sinha   -   Director
3.   Shri G.C. Dobhal   -   Additional Director
4.   Smt. Mriganka Achal   -   Deputy Secretary

WITNESSES
REPRESENTATIVES OF THE DEPARTMENT OF TELECOMMUNICATIONS (DoT)(MINISTRY OF COMMUNICATIONS)

1.   Ms. Gunjan Dave   -   Member, DoT
2.   Shri Niraj Verma   -   Administrator, USOF, DoT
3.   Shri Sunil Kumar Verma   -   Joint Secretary, DoT
4.   Shri Radhacharan Shakya   -   Dy. Director General, DoT
5.   Shri Sunil Kumar Purwar   -   CMD, BSNL

2.   At the outset, the Chairperson welcomed the Members of the Committee at the sitting convened to have an evidence of the representatives of the Department of Telecommunications (Ministry of Communications) in connection with the comprehensive examination of the subject 'Bharat Sanchar Nigam Limited'.

[The witnesses were, then, ushered in]

3.   The Chairperson welcomed the representatives of DoT to the sitting of the Committee and drew their attention to Direction 55(1) of the 'Directions by the Speaker' regarding maintaining confidentiality of the discussion held before the Parliament Committee. Then, the Chairperson recalled that the last sitting of the Committee held on 22 November, 2023 was adjourned for want of quorum, in which the Committee informally deliberated extensively on various issues with the representatives of DoT. Further, the Chairperson recalled the issues discussed in the said sitting of the Committee on the subject which included, fixing responsibility on the officer who made the note to the Hon. Minister of Communications to announce that BSNL was going to start 5G by August, 2023; the Company should keep in mind, while selling its assets to meet its present financial requirement, that there might be in a situation in future when the Company may need those assets; framing policy for 4G & 5G, need to prepare a roadmap for 6G & 7G technology; un-satisfactory performance of BSNL despite infusion of funds to the tune of Rs.2.5 lakh crore; reasons for not utilising its capacity by BSNL as against the capacity of private Telecom operators who make their business fruitful on the basis of Government spectrum, base stations and mobile towers; rationale behind the large number of Executives and non-Executives working in BSNL; declining in Customer Base in Landline segment; rule permitting/barring top executives to join private companies immediately after retirement; assessment on top BSNL officials who joined private companies just after their retirements; issues related to non- implementation of recommendations of 3rd Pay Revision Committee (PRC) and plan to settle those pay related issues with the employees and their unions; restrictions, if any, on FDI from countries sharing land borders with the country under automatic route and rational behind such restrictions, etc. Thereafter, the Chairperson proposed that all those important issues, as discussed informally in the last sitting of the Committed with the representatives of DoT, may be taken on record officially and treated as prelude to the discussion which was being held in the sitting. The Committee agreed to theproposal of Hon'ble Chairperson.

4.   Thereafter, the representatives of DoT through a Power Point Presentation briefed the Committee regarding financial help provided by DoT; Company's financial status; status of 4G network; issues relating to its employees; the measures taken for improvement of Company's performance, etc.

5.   The Members, then, sought clarifications on various issues relating to the subject *viz.* additional money for capital infusion in BSNL; implementation of BharatNet Phase-II during the year 2023; no improvement in Company's financial status despite selling of assets so far; significant decrease in revenue of BSNL; status/implementation of 5G and 6G in BSNL; status of customer base; availability of broadband in public institutes;

6.   The representatives of the DoT clarified on many of the issues on which information was readily available with them. The Chairperson thanked the representatives of DoT for their valuable deliberations. In respect of points, as discussed at both the sittings of the Committee held on 22 November, 2023 and 14 December, 2023, for which information was not readily available, the Chairpersondesired that written replies thereto may be furnished to the Committee Secretariat within10 days.

[The witnesses were, then, withdrew]

7.   The Committee, thereafter, discussed and decided to undertake a study visit to Udaipur, Mumbai, Portblair and Havelok from 16 to 20 January, 2024 to have hands on experience on the functioning of certain CPSU's.

The Committee, then, adjourned.

A verbatim copy of the proceedings has been kept on record.

COMMITTEE ON PUBLIC UNDERTAKINGS
(2024-25)

MINUTES OF THE EIGHTEENTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 13th December, 2024 from 1030 hrs. to 1040 hrs. in Room No. '147' (Chairperson's Chamber), Samvidhan Sadan, New Delhi.

PRESENT

Shri Baijayant Panda   -   **Chairperson**

MEMBERS

Lok Sabha

2. Shri R.K. Chaudhary
3. Shri Chandra Prakash Joshi
4. Shri Kaushalendra Kumar
5. Shri Shankar Lalwani
6. Shri B.Y. Raghavendra
7. Shri Mukesh Rajput
8. Shri Sukhjinder Singh Randhawa
9. Shri Kodikunnil Suresh

Rajya Sabha
10. Shri Neeraj Dangi
11. Dr. Bhagwat Karad
12. Shri Arun Singh

SECRETARIAT

1.	Shri Neeraj Semwal	-	Joint Secretary
2.	Smt. Jyochnamayi Sinha	-	Director
3.	Smt. Mriganka Achal	-	Deputy Secretary

2.   The Hon'ble Chairperson briefly apprised the Members on the two draft Reports. The Committee then considered and adopted the following two draft reports, without any changes/modifications, on the following two selected subjects: -

i. 'Bharat Sanchar Nigam Limited (BSNL) (Comprehensive Examination); and

ii. Action Taken by the Government on the Observations/ Recommendations contained in the Twenty Second Report (17th Lok Sabha) on "Unfruitful Expenditure Towards Construction of Copper Ore Tailings Beneficiation Plant relating to HINDUSTAN COPPER LIMITED (HCL)" [Based on Audit Para No. 6.1 of C&AG Report No. 14 of 2021 on].

3.   The Committee authorized the Chairperson to finalize the draft Reports on the basis of factual verification as suggested by C&AG and concerned Ministry/Department and presenting the Reports during the ongoing session of Parliament.

The Committee, then, adjourned.

/-------/