

Important CAG Remarks against BharatNet Project

- In 2022, the government recognised these underperformances and decided to merge BBNL into BSNL and dissolve the SPV indicating a tacit admission that the existing governance model needed a reset. Going forward, with ABP placed under a single agency (BSNL), the government has signalled a strategic shift towards more centralised execution.
- BBNL was ill-equipped from the start to handle a project of BharatNet's scale.
- The company had a minimal permanent workforce (only 15 staff) and relied heavily on employees on deputation from other telecom PSUs.
- BBNL suffered from acute leadership gaps during the period from 2019-20 to 2023-24, as key senior executive posts at Level-I 57 remained vacant in the range of 24 *percent* to 100 *percent* and posts at Level-II 58 remained vacant in the range of 85 *percent* to 89 *percent*
- Thus, lack of qualified Human Resources at Key managerial and technical positions adversely affected the functioning of BBNL as SPV.
- Detailed Project Report (DPR) preparation, the starting point of project commencement, was carried out on the basis of desktop surveys although physical surveys were mandated.
- BBNL implemented projects in Punjab and Bihar without preparing DPRs under Private led model.
- In the satellite component meant to provide connectivity in remote areas, BBNL did not install Wi-Fi Access Points even in service ready GPs, thereby preventing end users from accessing the intended broadband services.
- Further, as on November 2025, only six States (seven Circles) achieved 100 *per cent* Service ready status with delays ranging from two to six years across all the Implementation models.

- The delayed roll out deferred the availability of broadband connectivity in rural areas envisaged to enable access to services such as education, healthcare, business, entertainment, e-governance to the rural population thereby undermining the objective of early socio-economic transformation
- The network infrastructure has been largely deployed covering over 96.70 *per cent* of targeted GPs, however the same could not be translated into efficient operation, utilisation and revenue generation.
- Operational performance remained significantly low with persistent downtime, low availability and poor fault-resolution record.
- As of November 2025, only 33.20 *per cent*³ of service-ready GPs were operational. The main cause of downtime was fibre faults or cuts, accounting for approximately 48 *per cent* of non-operational cases.
- Moreover, the Mean Time to Restore (MTTR) fibre faults stood at an average of 17 days, reflecting delayed maintenance response.
- Additionally, the inability to integrate fibre fault localisation systems hampered maintenance.
- The operational status of BharatNet remains a challenge across States except in Gujarat and Punjab where the operational GPs were above 90 *per cent*.
- Only 17.91 *per cent* of the available bandwidth was utilised.
- Further, key stakeholders, including major telecom service providers, withdrew due to service quality concerns.
- Despite demand, dark fibre was not leased in many cases due to absence of policy or delayed decisions at State Implementing Agency level.
- Low utilisation has curtailed BharatNet's potential to drive grassroots transformation.

- The project was conceived to be self-sustaining but high maintenance costs vis a vis paltry revenue, have cut short that expectation. Financial oversight emerged as a concern.
- The milestone based payment model was weakest under the CPSU led model contributing to lower service delivery, while the private-led model demonstrated stronger financial discipline and better service delivery.
- It is also noted that BSNL under the CPSU led model diverted funds of ₹2,001.43 crore from the project for other purposes which has since been recouped and submission of Utilisation Certificates is now required under Amended BharatNet Program
- **Overall, Audit concludes that while BharatNet has achieved substantial infrastructural success, it has fallen short of its broader objective of bridging the digital divide.**
- **The decision to merge BBNL with BSNL and implement BharatNet under a single-agency model (BSNL) through ABP reflects an acknowledgement of the governance and execution deficiencies noted in the project.**
- To transform BharatNet into a successful digital connectivity initiative, several reforms as suggested in recommendations may be considered during implementation.
- These gain greater significance given that ABP approved by the Cabinet in August 2023 aims to expand the scope of the project from 2.5 lakh GPs in the earlier phases to 6.4 lakh villages/GPs across India.
- Private telecom companies like Airtel, Vodafone, Idea, and RJIO utilise the BharatNet infrastructure to provide broadband services to their customers.
