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Performance Audit Report on BharatNet Presented in Parliament

Performance Audit - Civil Report No. 19 of 2026 on 'Performance Audit on BharatNet' was tabled in the Parliament on 12.08.2026. This Report of the Comptroller and Auditor General of India contains significant findings of the Performance Audit on BharatNet, Department of Telecommunications, Ministry of Communications for the period from 2017-18 to 2022-23 focussing on Phase-II of the project.

The instances mentioned in this Report are those which came to notice during test audit conducted from October 2023 to August 2024. The status of the project has been updated up to November 2025 wherever considered relevant.

Rural broadband connectivity serves as a critical catalyst for socio-economic development and the BharatNet project stands as one of the world's largest telecommunications initiatives aimed at addressing this need. The project, implemented in phases, seeks to provide broadband access to approximately 2.5 lakh Gram Panchayats (GPs) across India. The selection of this project for a Performance Audit acknowledges its immense potential to transform rural communities through digital inclusion.

The BharatNet project was conceived in October 2011 and has been executed through a Special Purpose Vehicle, Bharat Broadband Network Limited (BBNL) incorporated in 2012. BBNL steered the project in Phase-I and Phase-II. The project is funded by the Universal Service Obligation Fund (USOF) now called Digital Bharat Nidhi (DBN). As of November 2025, an expenditure of ₹39,888 crore has been incurred against an approved budget of ₹42,068 crore (₹11,148 crore in Phase-I and ₹30,920 crore in Phase-II). As of November 2025, BharatNet had achieved service ready status in 2.19 lakh GPs (96.70 *per cent*) against the revised scope of 2.26 lakh GPs. (Para 1.1, 1.5,3.3.2)

The audit mainly focusses on Phase-II of the project and aims to seek an assurance on two aspects of the project: the capability of the project to deliver effective last mile connectivity with optimal utilisation and the robustness of its governance structure in identifying and overcoming implementation challenges. We audited Bharat Broadband Network Limited and Bharat Sanchar Nigam Limited (BSNL) Corporate offices, USOF, Department of Telecommunications and field units across eight selected States and one Union Territory.
(Para 2.1, 2.2, 2.3)

We found deficiencies in the project's planning and implementation. Though Phase-II was planned in 20 states (21 Circles) through three implementation models – Central Public Sector

Undertaking (CPSU) led model, State-led model and Private led model, it could be implemented in 13 States (14 Circles) only. 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.

(Para 3.1, 3.2)

The network infrastructure has been largely deployed—covering over 96.70 *per cent* (November 2025) 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* 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*.

(Para 1.5, 3.2.5, 4.2)

We noted that 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.

(Para 4.3)

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. We 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 (ABP).

(Para 3.3, 4.4)

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 audit 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.

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