

**Press Brief on Comptroller and Auditor General of India Report No. 16 of 2023 - Union Government - Finance and Communication (Compliance Audit) - for the year ended 31 March 2022.**

**Tabled in the Parliament on: 09 August 2023.**

This Report of the Comptroller and Auditor General of India contains significant Audit findings, which arose from the compliance audit of the Ministry of Communications (MoC), Ministry of Electronics and Information Technology (MeitY) and Ministry of Finance (MoF). The instances mentioned in this Report are those that came to notice in the course of test audit during the period 2021-22 as well as those that came to notice in earlier years, but could not be reported in the previous Audit Reports.

**Conservation of Heritage Buildings of Department of Posts**

Absence of a Conservation policy and a dedicated organisational structure hampered concerted efforts at conservation. The delay in identification and completion of documentation of its Heritage Buildings by the DoP led to their deterioration over time. The Department did not always involve specialised agencies for conservation of its Heritage Buildings and violated the extant rules and regulations whilst carrying out the civil works. The funds allocated to the Department for its mandated activities were inadequate. Inadequate planning and poor management, coupled with the absence of periodical physical verification further aggravated the dilapidated condition of the Heritage Buildings. Thus, the Department lacked the required sense of purpose and an appropriate strategy for the conservation and protection of its Heritage Buildings.

*We recommended the Department of Posts to develop a Comprehensive Conservation Policy to bring in the requisite clarity in identification and conservation / maintenance of Heritage Structures across Circles including the allocation of adequate resources. We also recommended that the powers and scope of work of the Heritage Branch (created in September 2020) need to be clearly defined to ensure quick decision making. It should be made the nodal department / dedicated cell within the DoP to handle all the Heritage Buildings related matters dedicatedly.*

**(Paragraph 2.1)**

**Wasteful expenditure on setting up of Centre of Excellence at Ajmer**

Standardization Testing and Quality Certification (STQC) as well as Ministry of Electronics and Information Technology (MeitY) failed to survey the industrial growth in and near Ajmer before establishing of the lab for test and calibration of large area solar photo voltaic panel and telecom equipment. Poor / inefficient planning coupled with ineffective monitoring led to wasteful expenditure of ₹21.83 crore on establishment of Electronics Test and Development Centre (ETDC) Ajmer.

**(Paragraph 3.1)**

## **Delay in implementation of “Indigenous Magnetic Resonance Imaging (IMRI)” Project**

Progress with regard to manufacturing of the magnet was greatly delayed due to delay in appointment of the Consultant for design validation of the proposed magnet. Consequently, project objective of providing low-cost MRI scans was not yet achieved due to gaps in project planning and execution.

**(Paragraph 3.2)**

## **Estate Management in Bharat Sanchar Nigam Limited**

BSNL is in possession of substantial land and real estate holdings, but has not instituted a comprehensive Estate Management Policy. Even a Land Management Policy, as assured to PAC, has not been comprehensively formulated. The Company does not have a reconciled and validated centralised record of its real estate assets till date.

Despite assurances to the PAC, BSNL has incomplete records of ownership of its real estate, hindering utilization of its assets through sale or rental. Even in cases where the Company has clear title of ownership, it was unable to commercially exploit its vacant land and built-up spaces to leverage the same to generate additional revenue. Though the issue was flagged by the PAC, the Company is still grappling with the menace of encroachments and has not taken effective steps to safeguard its property. Targeted monetisation was severely hampered due to lack of due diligence in selecting and proposing the properties for monetisation.

*We recommended that BSNL may reconcile the different data sets and ensure availability of accurate data of the estate holdings. BSNL may also put in place a time bound plan with clearly delineated action points to enforce legal rights and agreements with agencies that have taken the Company’s land on lease or are in adverse possession.*

**(Paragraph 4.1)**

## **Setting up of 25,000 Wi-Fi Hotspots in BSNL Rural Telephone Exchanges**

Telecom Commission approved DoT’s proposal in December 2016 for setting up 25,000 Wi-Fi Hotspots using the infrastructure of BSNL’s telephone exchanges in rural areas to provide services on payment basis. This Project was to be funded from Universal Service Obligation Fund (USOF).

BSNL did not carry out the required due diligence whilst formulating and submitting its proposal to Telecom Commission for installation of Wi-Fi Hotspots in the rural exchanges. Consequently, 13.77 per cent of the sites were closed or relocated and the expenditure incurred on installing Hotspots in these exchanges was unfruitful. Further, there were delays in commissioning of 700 Wi-Fi Hotspots ranging up to 790 days (upto 26 months) in ten Telecom Circles. Downtime penalty also increased with rising number of Wi-Fi Hotspots installed. Due to this, BSNL paid a hefty penalty to the tune of 9.45 per cent of the revised project cost during 2017-18 to 2021-22.

*We recommended that BSNL needs to set up a mechanism to comprehensively evaluate the implementation issues of any scheme so as to ensure gainful use of public monies while formulating proposals for implementing government schemes; BSNL should devise a steady revenue generation model to make identified Wi-Fi Hotspots self-sustaining, if need be, by upgrading them to the newest technology and also look towards effective performance and maintenance of the installed Wi-Fi Hotspots; conduct effective impact assessment and thereby reducing downtime penalty.*

**(Paragraph 4.2)**

#### **Idling of Aadhaar Enrolment Kits in Aadhaar Enrolment Centres in BSNL**

BSNL procured 6,000 Aadhaar Enrolment Kits during 2018-19 worth ₹77.88 crore. Out of them, 3,941 kits remained non-operational till December 2022. This resulted in blockade of Government funds of ₹51.15 crore. Further, UIDAI imposed disincentive of ₹0.65 crore on BSNL.

**(Paragraph 4.3)**

#### **Loss of revenue due to not applying revised tariff rates**

We observed that Calcutta Telephones District continued to issue bills for Intermediate Data Rate (IDR) Satellite links at normal leased line rates applicable for OFC / Copper media instead of applying the prescribed charges for IDR links. Likewise, Odisha Telecom Circle did not revise the annual rental bills after revision of the same by BSNL Corporate Office from time to time. The total amount of short billing worked out to ₹4.26 crore (excluding tax of ₹0.77 crore).

**(Paragraph 4.4)**

#### **Wasteful expenditure on procurement of Security Thread (Magnetic)**

SPM Hoshangabad procured 7.5 MT excess Security Thread (Magnetic) valuing ₹7.82 crore which was lying idle in the store for more than five years and subsequently declared non-moving item at net realisable value of ₹1 in the stock register indicating that the raw material could no longer be put to use.

**(Paragraph 5.1)**