



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2024**

**Union Government
Finance and Communication
Report No. 5 of 2026
(Compliance Audit)**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended March 2024 has been prepared for submission to the President under Article 151 of the Constitution of India.

This Report contains significant results of Compliance Audit of the Departments under Ministry of Communications, Department of Expenditure under Ministry of Finance, Ministry of Electronics and Information Technology and the Public Sector Undertakings under Ministry of Communications. The instances mentioned in this Report are those that came to notice in the course of test audit during the period 2023-24 as well as those that came to notice in earlier years but could not be reported in the previous Audit Reports. Matters relating to the period subsequent to 2023-24 have also been included, wherever relevant.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

EXECUTIVE SUMMARY

Introduction

This Report of the Comptroller and Auditor General of India contains significant audit findings noticed during the compliance audit of the Ministry of Communications, Department of Expenditure in the Ministry of Finance and the Ministry of Electronics and Information Technology. It contains six chapters. **Chapter I** provides the profile of the Ministries / Departments under the audit jurisdiction and overview of the audit. **Chapters II, III, IV and V** relate to audit findings / observations arising out of the compliance audit of the Department of Posts (DoP) and Department of Telecommunications (DoT) under Ministry of Communications (MoC), Department of Expenditure (DoE) under Ministry of Finance (MoF) and Ministry of Electronics and Information Technology (MeitY) respectively. Audit findings of Public Sector Undertakings (PSUs) under the Ministry of Communications are shown in **Chapter VI**.

During FY 2023-24, recoveries amounting to ₹411.92 crore were pointed out by Audit of which the auditee units accepted recoveries of ₹257.73 crore and effected recoveries of ₹83.95 crore. Highlights of the audit findings along with recommendations on paragraphs included in the Audit Report are as follows:

Chapter II: Department of Posts:

- A. Non-levy of Goods and Services Tax amounting to ₹78.92 crore on the late fee collected from Postal Life Insurance (PLI) / Rural Postal Life Insurance (RPLI) policy holders:** Department of Posts could not adhere to the clauses of Central Goods and Services Tax (CGST) Act 2017 which resulted in non-levy and non-collection of GST on the late fee collected alongside the delayed payment of PLI / RPLI premium by policy holders for the period from July 2017 to December 2023, which amounted to ₹78.92 crore. **(Para 2.1)**
- B. Absence of adequate controls led to excess payment of ₹1.05 crore to e-commerce biller:** The Department of Posts [Kolkata Rail Mail Service (RMS Division)] had entered into agreement with M/s Naaptol Online Shopping Private Limited, an e-commerce biller, on 11 July 2016 for booking, transmitting and delivering articles presented by the biller for a period of three years. The agreements also covered Cash on Delivery (CoD) facility. Due to lack of preventive controls in Systems, Applications, and Products in Data Processing (SAP) and non-application of the existing manual checks in processing CoD payments, the department made excess payments amounting to ₹1.05 crore to the biller. **(Para 2.2)**

Chapter III: Department of Telecommunications:

A. Delayed roll-out and non-recovery of penalties worth ₹8.49 crore from Universal Service Provider:

Digital Bharat Nidhi (DBN) entered into an agreement with Bharti Airtel Ltd. in December 2017 to provide mobile coverage in Assam and Sikkim, with all sites to be commissioned by June 2019. The roll-out period was further extended up to October 2020. By April 2021, only 431 of the approved 756 sites were commissioned. Finally, DBN revised the target to 562 sites, but 124 sites still remained uncommissioned (April 2025), attracting Liquidated Damages (LD) and Non-Performance Penalty (NPP) amounting to ₹19.47 crore. Out of this, DBN recovered only ₹10.98 crore, leaving ₹8.49 crore outstanding even four years after expiry of the roll-out period. The prolonged delays and pending recoveries indicate weak contract enforcement. DBN needs to expedite commissioning of pending sites and ensure recovery of outstanding LD and NPP from Bharti Airtel Ltd. **(Para 3.1)**

B. Non-recovery of Customer Acquisition Form penalty of ₹107.07 crore by Department of Telecommunications:

Under the Unified License (UL) Agreement, telecom licensees are mandated to thoroughly verify each customer before activation of mobile services. This process is monitored through the Customer Acquisition Form (CAF), with the Licensed Service Area (LSA) offices of Department of Telecommunications (DoT), responsible for conducting monthly audits to ensure adherence to DoT's verification norms. Based on 2008 DoT orders, LSAs are to conduct CAF audit of 0.1 *per cent* of the subscriber base monthly and a financial penalty structure ranging from ₹1,000 to ₹50,000 per non-compliant CAF, is to be applied based on the operator's overall verification compliance rate. Out of the penalties amounting to ₹143.09 crore levied for deficiencies in subscribers' verification during 2022-23 to 2024-25, only ₹36.02 crore (25 *per cent*) was recovered, with ₹107.07 crore (75 *per cent*) still pending (March 2025). The persistence of high unrecovered dues undermines the deterrent effect of the penalty framework and signals enforcement gaps in recovery. **(Para 3.2)**

Chapter IV: Department of Expenditure:

Non-compliance with Central Government Employees Group Insurance Scheme (CGEGIS)

Guidelines: The CGEGIS was introduced in 1982 for the Central Government employees with the objective to provide, at a low cost and on a wholly contributory and self-financing basis, the twin benefits of an insurance cover to help their families in the event of death in service and a lump-sum payment to augment their resources on retirement.

Audit observed the following non-compliances with the scheme guidelines:

- i. Non-incorporation of interest in Insurance Fund.
- ii. Annual simple interest on Savings Fund balances instead of compounding quarterly.
- iii. Depletion of overall CGEGIS fund balances.

- iv. Non-review of the scheme periodically as prescribed.

Considering non-compliance with the Scheme Guidelines, the Scheme should be reviewed.

(Para 4.1)

Chapter V: Ministry of Electronics and Information Technology:

A. Subject Specific Compliance Audit on Skill Development Initiatives in MeitY:

The Ministry of Electronics and Information Technology implements key initiatives to enhance skill development through schemes such as Skill Development in Electronics System Design and Manufacturing sector (ESDM-I & II), Skill Development of Youth in Aspirational Districts (SDYAD) and Future Skills PRIME (FSP). The audit reviewed performance of these schemes from 2018-19 to 2022-23 with focus on implementation, monitoring, fund utilisation and achievement of intended outcomes, particularly in relation to training, certification and employability.

(Para 5.1)

In the ESDM schemes, while overall enrolment and certification numbers were significant, issues were noted in maintaining uniqueness of beneficiaries due to instances of multiple registrations of candidates with similar demographic details. The scheme was operated and managed by Programme Management Unit (PMU) through affiliated Training Partners (TPs). It was observed that registration-cum-certification fee was not collected by 33 out of 40 TPs. Delays were observed in conduct of assessments and in issuance of certificates, affecting timely progress of beneficiaries. Placement levels remained modest and delayed implementation of the 'Place and Train' model limited the placement support available to candidates certified previously. In addition, tracking of trainees was carried out for only three months rather than one year and reimbursement claims of Training Partners remained pending for extended periods, indicating delays in processing and settlement. Delays were also observed in fund release and submission of Utilisation Certificates.

(Para 5.1.7)

In the SDYAD scheme, Training Partners could not be engaged in several districts, resulting in no candidates getting registered in these districts. The registration portal lacked provision for uploading supporting documents, which led to data validation gaps, including multiple registrations and invalid entries. Placement outcomes were low compared to the number of trained and certified candidates. Manual processing of invoices by Training Partners, instead of through the online portal prescribed in the guidelines, was observed. Year-end release of funds and subsequent unspent balances highlighted an unrealistic assessment of fund requirement.

(Para 5.1.8)

In the FSP programme, Deep Skilling paid courses experienced low enrolment rate compared to Deep Skilling free courses; however, they achieved significantly higher completion rate. Lack of Industry recognition of certification under this programme was noted as an area affecting learner motivation.

(Para 5.1.9)

Overall, while the schemes achieved considerable outreach and training coverage, certain implementation, monitoring and fund management issues reduced the full realisation of intended benefits, particularly in terms of timely certification and enhanced employability.

(Para 5.1.7, Para 5.1.8 and Para 5.1.9)

Recommendations:

The Ministry may

- i. Strengthen Aadhaar authentication / e-KYC process / portal functionality to enforce uniqueness of beneficiaries, ensuring that scheme benefits reach the intended recipients.***
- ii. Monitor the Training Partners and Key Implementing Agency (KIAs) more proactively to address the delays in assessment and certification.***
- iii. Ensure compliance with the Common Norms with respect to tracking of trainees.***
- iv. Ensure compliance with scheme guidelines for generation of invoice towards training charges from online portal by the TP.***
- v. Put in place a system to deliver on the employability envisaged by the schemes.***

B. Audit of Implementation of Common Service Centres 2.0 Project:

The Common Service Centre (CSC) scheme was first approved by the Government of India in September 2006 with the vision of creating one lakh service delivery outlets, roughly one centre for every six villages. The purpose was to provide citizens a wide range of e-services at the grassroots level with convenient access, thereby bridging the digital divide and strengthening governance. (Para 5.2.1)

Building on the initial framework, the Government approved the CSC 2.0 project in August 2015 with an overall outlay of ₹475.11 crore. The project aimed to expand the reach of digital service delivery by establishing at least one CSC in every Gram Panchayat, covering more than 2.5 lakh Gram Panchayats across the country within four years. This expansion strategy also included strengthening and integrating the one lakh CSCs already operational under the first phase, while adding an additional 1.5 lakh centres. (Para 5.2.1)

The CSC 2.0 project has significantly advanced digital inclusion by expanding the reach of CSCs and transactions across rural India. During 2018-2024, the number of transactions grew by 291 *per cent* and the value of transactions rose by 322 *per cent*. The number of transactions peaked in 2021-22 primarily on account of 16.57 crore e-Shram registrations for the informal workforce. However, its effectiveness is constrained by incomplete integration of State e-services, weak financial sustainability of Village Level Entrepreneurs (VLEs), high incidence of inactive CSCs and imposition of training charges without approval. Limited State / UT participation, gaps in monitoring and physical verification, inconsistent branding, low women participation and delays in grievance redressal further undermine service delivery. Strengthening State involvement, ensuring financial viability of VLEs, improving oversight and

streamlining grievance handling are essential for CSCs to deliver on their promise of accessible and sustainable last-mile e-governance. (Para 5.2.1, 5.2.3 and 5.2.4)

Recommendations:

The Ministry / CSC-SPV may

- i. Consider learning lessons from the successful 4,913 VLEs and associate these VLEs with the training / awareness programmes in and around their districts.***
- ii. Review the revenue-sharing model and provide regular training to strengthen VLE sustainability, while promoting successful VLEs as role models.***
- iii. Proactively identify and support inactive CSCs to restore functionality.***
- iv. Adopt a target-based approach to increase women's participation as VLEs.***
- v. Ensure integration of all State / UT e-services with the Digital Seva Portal.***
- vi. Complete timely physical verification of CSCs to improve oversight and service delivery.***
- vii. Involve District e-Governance Society and local administration in VLE selection, CSC location and infrastructure support.***
- viii. Review and discontinue pre-induction training charges on VLEs.***
- ix. Strengthen CSC monitoring through SPECTA and regular oversight of service delivery.***

Chapter VI: Public Sector Undertakings under the Ministry of Communications:

A. Subject Specific Compliance Audit on Promotion of Financial Inclusion by India Post Payments Bank (IPPB): This audit highlights several issues that impact the primary mandate of IPPB to promote financial inclusion in India for unbanked, underbanked and underserved population. Our audit indicates that while IPPB has made strides in expanding its network and acquiring customers, significant operational, regulatory and systemic issues have hindered its effectiveness in promoting financial inclusion. (Para 6.1.1)

Audit observed that inadequate deployment of Individual Business Correspondents (IBC) hampered rural outreach. There was widespread dormancy and inactivity in IPPB's existing customer accounts. Further, a high volume of declined transactions for IPPB's Unified Payments Interface services was noted, which undermined customers' trust. The data from National Payment Corporation of India revealed that IPPB's technical decline rate for UPI transactions was significantly high - 3.29 *per cent* in FY 2021–22 and 7.82 *per cent* in FY 2022-23, far exceeding RBI's target of less than one *per cent*. In FY 2023–24, IPPB's UPI services experienced outages equivalent to 362 hours, significantly higher than Fino (19 hours), Airtel (52 hours) and Paytm Payments Bank (zero hours). (Para 6.1.5)

Additionally, accounts were opened without verified mobile numbers and multiple Customer Information Files were linked to the same mobile number. IPPB's Doorstep Banking services

were found with limited uptake, with many requests delayed, cancelled, or unattended. Audit observed failed transactions due to non-linking of IPPB accounts with the post office savings bank accounts and non-utilisation of NABARD assistance for financial literacy camps. Further, weak security checks associated with the use of Micro-ATM devices for performing IPPB operations were noticed. **(Para 6.1.5)**

Recommendations:

The IPPB may

- i. Establish a centralised mechanism for monitoring IBC deployment and introduce suitable incentive structures to attract IBCs in difficult or low-potential areas.***
- ii. Adopt a proactive dormancy management framework with real-time monitoring of inactive accounts, targeted revival in Aspirational Districts and simplified reactivation without imposing additional financial burden on customers.***
- iii. Implement robust monitoring and effective response to meet the prescribed benchmarks related to the UPI transactions consistently to protect the customer trust.***
- iv. Complete comprehensive data cleansing to eliminate invalid or duplicate linkages and identify the gaps in validation during account opening to strengthen its IT system.***
- v. Improve its tracking mechanism in the Customer Doorstep Request Management system and enhance the service delivery to ensure timely and quality delivery of doorstep banking services.***
- vi. Launch targeted campaigns and system prompts to promote proactive Post Office Savings Account linkage, especially for high-balance and DBT-linked accounts.***
- vii. Strive to strengthen coordination between IPPB circles and NABARD state offices, enhance monitoring of sanctioned vs. conducted camps and remove arbitrary internal caps that restrict fund utilisation.***

B. Subject Specific Compliance Audit on Management of Tower Properties in Bharat Sanchar Nigam Limited (BSNL):

The audit of BSNL's tower infrastructure for the period (2018–19 to 2022-23) found irregularities in asset management, their utilisation and revenue realisation. Title deeds of 36 per cent of land parcels on which telecom towers were erected were not registered in the name of BSNL and 27 per cent of leasehold tower sites are functioning on expired agreements in selected Circles. The continued operation on expired leases exposes BSNL to legal risks and potential financial liabilities. Tower data maintained by circles and Corporate Office shows persistent mismatches. BSNL despite having owned towers in Odisha circle, hired seven towers from the private vendors. **(Para 6.2.2, Para 6.2.3)**

Large quantities of tower material worth ₹59.77 crore remained unutilised which resulted in blocking of funds and deterioration of material. 81 erected towers valued at ₹11.13 crore remained idle since installation for a period ranging from three to seven years in three circles. Further, delayed utilisation of towers due to delay between erection and Base Transceiver Stations (BTS) installation for 84 towers in Odisha circle resulted in estimated revenue loss of ₹6.22 crore. BSNL also delayed handing over 1,092 sites to Telecom Service Providers, leading to revenue loss of ₹10.87 crore. **(Para 6.2.3)**

Further, 1,740 tower sites remained non-functional for long periods (up to 16 years) resulting in missed opportunity for revenue generation through leasing or redeployment. Weak internal controls led to non-levy of late payment fees (₹7.24 crore), non-billing of land rental charges (₹2.33 crore) and non-billing of Infrastructure Provisioning Fee (₹0.55 crore) to TSPs resulting in under recovery of dues. **(Para 6.2.3)**

Recommendations:

BSNL may

- i. Develop a robust, real-time Management Information System to monitor, validate and manage all tower-related data, including functionality status, site utilisation, leasing arrangements and billing cycles.***
- ii. Prioritise and resolve land ownership issues and renew expired lease agreements to avoid legal complications that may hinder operational continuity.***
- iii. Optimise utilisation of idle and non-functional towers by ensuring regular review and timely action for reuse and relocation or leasing.***
- iv. Implement a centralised billing and recovery mechanism to ensure accurate and timely realisation of revenue from Telecom Service Providers, as per Master Service Agreements.***

Chapter	Introduction
I	

1.1 Authority for Audit

The mandate of the Comptroller and Auditor General with regard to audit of Union and States, Government companies and corporations, bodies and authorities is derived from the Constitution and the Comptroller and Auditor General's (DPC) Act, 1971. The Comptroller and Auditor General of India is the sole authority prescribed in the Constitution entrusted with the responsibility of audit of accounts of the Union and of the States. Under Section 13 (read with Section 17) and Section 16 of the Act, it is the duty of the Comptroller and Auditor General to audit all expenditure, all receipts and other transactions of the Governments of the Union, of each State and each Union Territory. Comptroller and Auditor General's mandate, under the Constitution and under Section 14, 15, 19 and 20 of the Act, also covers audit of bodies, authorities, Government companies and corporations. The Audit Reports of the Comptroller and Auditor General are placed before Parliament or the Legislature of the State or the Union Territory, as the case may be.

The Auditing Standards adopted by the Comptroller and Auditor General of India require that the materiality level for reporting be commensurate with the nature, volume and magnitude of transactions. The findings of Audit are expected to enable the Executive to take corrective actions and also to frame policies and directives that will lead to improved financial management of the organisations, thereby contributing to better governance.

This report deals with the compliance audit of Communication, Finance and Electronics and Information Technology Ministries / Departments. This chapter, in addition to explaining the planning and extent of audit, provides a brief analysis of the expenditure of Communication, Finance and Electronics and Information Technology Ministries / Departments and their financial management. Chapters II onwards present findings / observations arising out of the compliance audit of the Communication, Finance and Electronics and Information Technology Ministries / Departments and Autonomous Bodies along with Central Public Sector Enterprises (CPSEs) under their administrative control.

1.2 Planning and conduct of Audit

Compliance audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of Government to ascertain whether the provisions of the Constitution of India and applicable laws, rules, regulations, orders and instructions issued by the competent authorities are being complied with and also to determine their legality, adequacy, transparency, propriety, prudence and effectiveness in terms of achievement of the intended objectives.

During the Annual Audit Planning process, units for Compliance Audit are selected on the basis of risk assessment, besides other parameters like topicality, materiality, social

relevance, etc. Risk assessment includes appraisal of internal control systems of the units, as well as findings in previous Audit Reports.

Following the conduct of Audit, Inspection Reports are issued to the head of units. Based on the replies received, audit observations are settled on demonstration of compliance, where necessary. Important audit findings arising out of these Inspection Reports, pending compliance are issued separately as Draft Paras to the heads of the Administrative Ministries / Departments for their comments and processed for inclusion in the Audit Reports, which are submitted to the President of India under Article 151 of the Constitution of India.

1.3 Audit coverage

This Audit Report covers the following Ministries / Departments of the Government of India and their units including CPSEs:

- 1) Ministry of Communications
 - a) Department of Posts
 - b) Department of Telecommunications
- 2) Ministry of Finance
 - a) Department of Economic Affairs
 - b) Department of Expenditure
- 3) Ministry of Electronics and Information Technology
- 4) Ministry of Statistics and Programme Implementation

1.4 Brief profile of auditee entities

Brief profile of auditee entities is discussed in the succeeding paragraphs.

1.4.1 Ministry of Communications

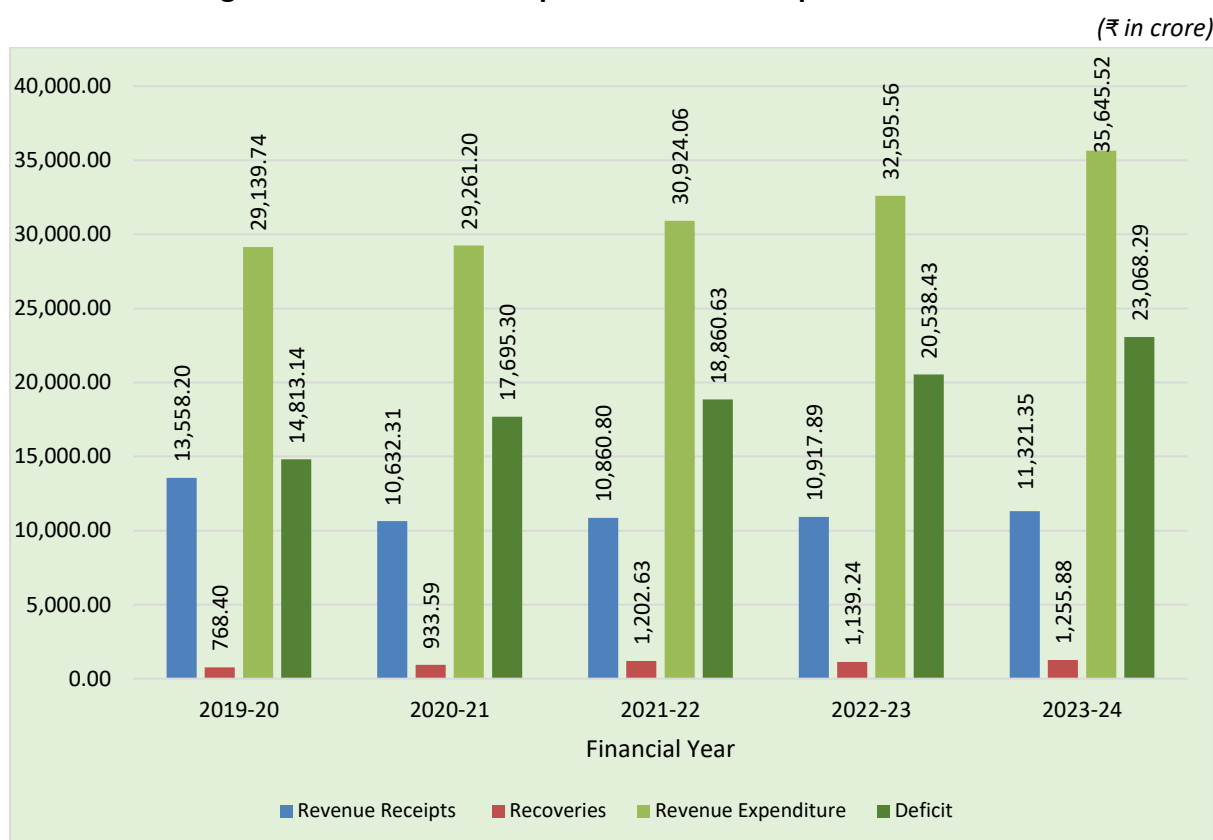
Ministry of Communications (MoC) under the Government of India consists of two departments, viz. Department of Telecommunications (DoT) and the Department of Posts (DoP). DoT is responsible for providing telecommunication services and DoP is responsible for providing postal services in India.

1.4.1.1 Department of Posts

The Postal network of India is one of the largest networks in the world, having more than 1.64 lakh post offices, of which 91 *per cent* are in rural areas. It extends its services to the remotest corners of the country. While the core activity of the Department is processing, transmission and delivery of mail, it also undertakes a diverse range of retail services including money remittance, banking, insurance, passport services and Aadhar enrolment cum updation services. DoP has also been given the responsibility for the disbursement of social benefit payments under the Central Government's programs, such as the Mahatma Gandhi National Rural Employment Guarantee Scheme and Social Security Pension Schemes. The revenue

receipts, recoveries and revenue expenditure of DoP for the FY 2019-20 to FY 2023-24 are shown in **Figure 1.1**.

Figure 1.1: Revenue Receipts and Revenue Expenditure of DoP



Source: Appropriation Accounts of DoP for the FY 2019-20 to FY 2023-24

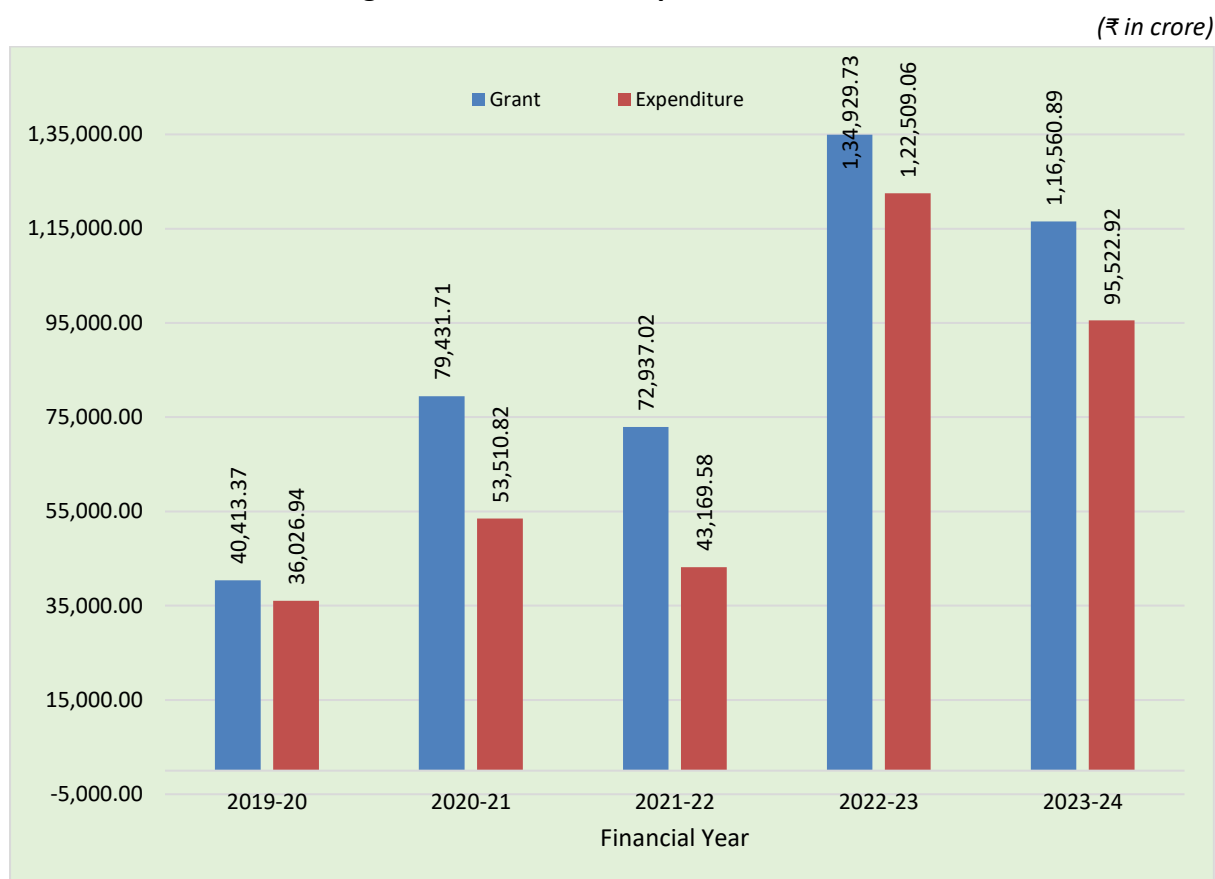
The revenue receipts increased from ₹10,917.89 crore in FY 2022-23 to ₹11,321.35 crore in FY 2023-24. However, the deficit continued to grow due to a steady rise in revenue expenditure. The increase in revenue expenditure is attributed to the increase in expenses such as pay and allowances, contingencies, bonuses, pensionary charges, etc.

DoP has only one PSU, namely, India Post Payments Bank Limited, incorporated in August 2016, having a Capital investment of ₹2,105.00 crore as on 31 March 2024 (Detail as per **Appendix I**). The brief profile of India Post Payments Bank Limited is detailed in **Appendix II**.

1.4.1.2 Department of Telecommunications

The Department of Telecommunications (DoT) operating under the Ministry of Communications is responsible for managing and regulating the country's telecommunication services, including policy formulation, licensing and spectrum management. It also enforces wireless regulatory measures by monitoring wireless transmission of all users in the country. The grant and expenditure of DoT during FY 2019-20 to FY 2023-24 are given in **Figure 1.2**.

Figure 1.2: Grant and Expenditure of DoT

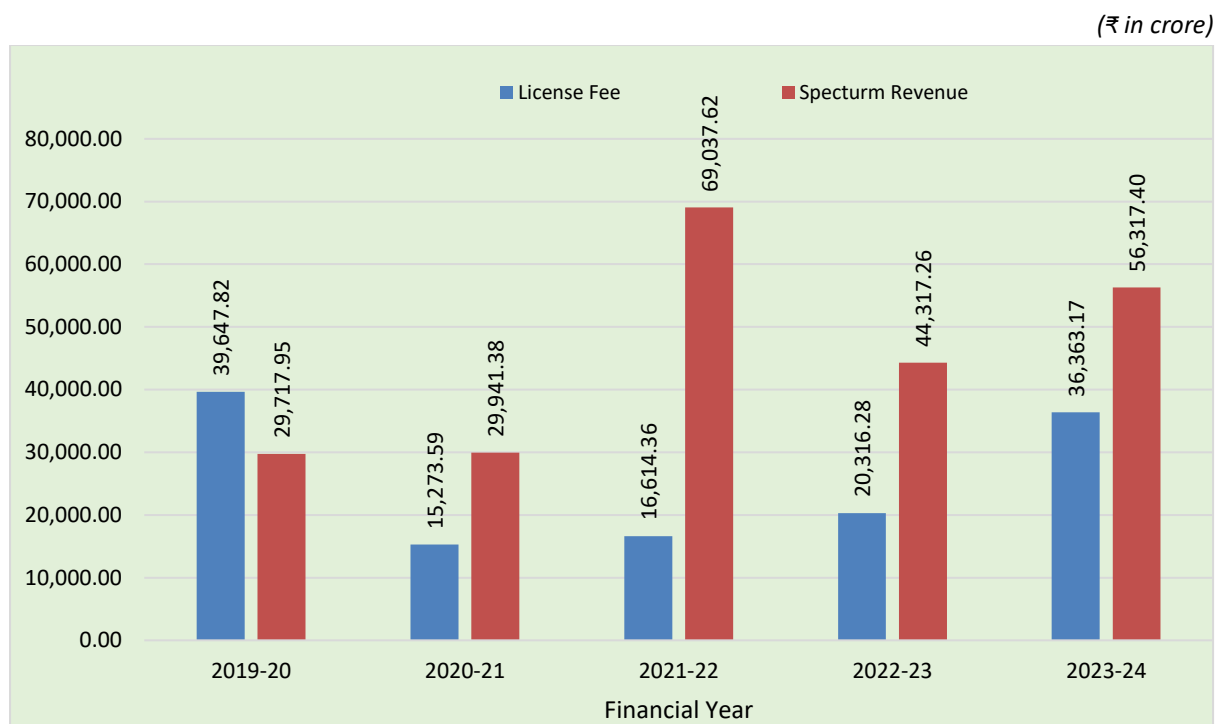


Source: Appropriation Accounts of DoT for the FY 2019-20 to FY 2023-24

In 2023-24, the Grant was reduced by 14 per cent while the expenditure was reduced by 22 per cent compared to 2022-23. The main reason for this fall in expenditure in 2023-24 is that an amount of ₹2,000 crore was transferred to the Digital Bharat Nidhi [Universal Service Obligation (USO) Fund] against the transfer of ₹53,500 crore made in 2022-23. This fall in expenditure was partly offset because capital infusion in BSNL was lower in 2022-23 (₹26,386.44 crore) as compared to 2023-24 (₹56,785.04 crore). Further details on the USOF are given in Para 1.4.1.2A.

Major sources of revenue of the Department are license fee and spectrum revenue received from Telecom Service Providers (TSPs). License fee is a percentage of revenue earned by the license holders. The main components of spectrum revenue are the amount collected from the auction of spectrum and the spectrum usage charges paid by the TSPs. The details of license fee and spectrum revenue received during the last five years are given in **Figure 1.3**.

Figure 1.3: Details of License Fee and Spectrum Usage Charges during FY 2019-20 to FY 2023-24



Source: Union Government Finance Accounts for the FY 2019-20 to FY 2023-24

There was an increase of 79 per cent in the collection of the License Fee from FY 2022-23 to FY 2023-24, while the collection of spectrum revenue also went up by 27 per cent during the same period.

1.4.1.2A Reserve Funds under DoT: Digital Bharat Nidhi (Universal Service Obligation Fund)

To give impetus to rural telephony, the Government of India (GoI) constituted the Universal Service Obligation Fund (USOF) by an Act of Parliament with effect from 01 April 2002. The USOF has been renamed Digital Bharat Nidhi (DBN) in the Telecommunications Act, 2023. The primary aim of DBN (USOF) is to support universal service through promoting access and delivery of telecommunication services in underserved rural, remote and urban areas. The resources for meeting the Universal Service Obligation (USO) were to be raised through Universal Access Levy (UAL) as a percentage of revenue earned by all telecom operators under various licenses. As per Para 25 of the Telecommunications Act, 2023, the sums of money received towards DBN shall first be credited to the Consolidated Fund of India and the Central Government may credit such proceeds to the Fund from time to time through appropriations in the budget for the intended uses. Important schemes under implementation through USOF are the Bharat Net project, 4G Saturation Scheme, Comprehensive Telecom Development Plan for North-Eastern Region, etc.

Details of receipts and expenditure incurred out of the Fund for the last five years are as per **Figure 1.4**.

Figure 1.4: Details of receipts and expenditure incurred out of the DBN

(₹ in crore)

Year	Receipt (Universal Access Levy)	Actual Transfer to the Fund	Short Transfer with reference to Actual Receipts	Cumulative Short Transfer	Actual disbursement from the Fund	Balance in the Fund as per UGFA
(1)	(2)	(3)	(4) = (2)-(3)	(5)	(6)	(7) = Previous Year's Balance in Fund + (3)-(6)
Opening Balance as at the end of FY 2018-19				50,550.04	-	0.00
2019-20	7,961.53	2,926.00	5,035.53	55,585.57	2,926.00	0.00
2020-21	9,471.23	7,200.00	2,271.23	57,856.80	7,200.00	0.00
2021-22	10,376.23	8,300.00	2,076.23	59,933.03	8,300.00	0.00
2022-23	12,692.68	53,500.00	(40,807.32)	19,125.71	3,500.00	50,000.00
2023-24	22,722.41	2,000.00	20,722.41	39,848.12	8,380.50	43,619.50

Source: Union Government Finance Accounts (UGFA)

The Public Accounts Committee (14th & 49th Report of 15th Lok Sabha) had recommended that the Government should credit the full amount collected as Universal Service Levy in the USO Fund, more so when proceeds to the Fund are meant to be utilised exclusively for meeting the Universal Service Obligation. In view of large balance pending transfer and comparatively lower rate of utilisation, the Ministry may take measures to ensure more effective transfer in compliance with PAC recommendations and for utilisation of the Universal Access Levy.

1.4.1.2B Regulatory Framework of the Telecom Sector

a. Telecom Regulatory Authority of India

Telecom Regulatory Authority of India (TRAI) was established with effect from 20 February 1997 by an Act of Parliament to regulate telecom services to ensure fair competition and protect consumer interests. The objective of TRAI also includes fixing the terms and conditions of inter-connectivity between the service providers and ensuring technical compatibility and effective inter-connection between different service providers. It also regulates the arrangement amongst service providers for sharing their revenue derived from providing telecommunication services. TRAI also lays down and enforces standards of Quality of Service (QoS) to safeguard users' interests.

TRAI is wholly funded by the Government grants. TRAI utilised a sum of ₹250.39 crore out of the Grant-in-Aid of ₹375 crore received during the year 2023-24.

b. Telecom Disputes Settlement and Appellate Tribunal

Telecom Disputes Settlement and Appellate Tribunal (TDSAT) was set up on 24 January 2000 by way of an amendment to the TRAI Act to adjudicate any dispute between a licensor and a licensee, between two or more service providers, between a service provider and a group of consumers and to hear and dispose of appeals against any direction, decision or order of TRAI. Since its constitution, TDSAT has disposed of 11,227 cases out of total of 16,593 cases filed before it¹.

1.4.1.2C Public Sector Undertakings under the administrative control of DoT

There are 10 PSUs under DoT. Total capital invested by the Government in these PSUs was ₹87,131.85 crore as on 31 March 2024 (Details as per **Appendix I**). Brief profile of major PSUs under the administrative control of the Department is given below:

a. Bharat Sanchar Nigam Limited

Bharat Sanchar Nigam Limited (BSNL), fully owned by the Government of India formed in October 2000, provides telecom services countrywide, excluding Delhi and Mumbai. BSNL provides various types of telecom services, namely telephone services on landline, Global System for Mobile Communications (GSM), Broadband Internet, Enterprise data services and Long-Distance Telecom Service.

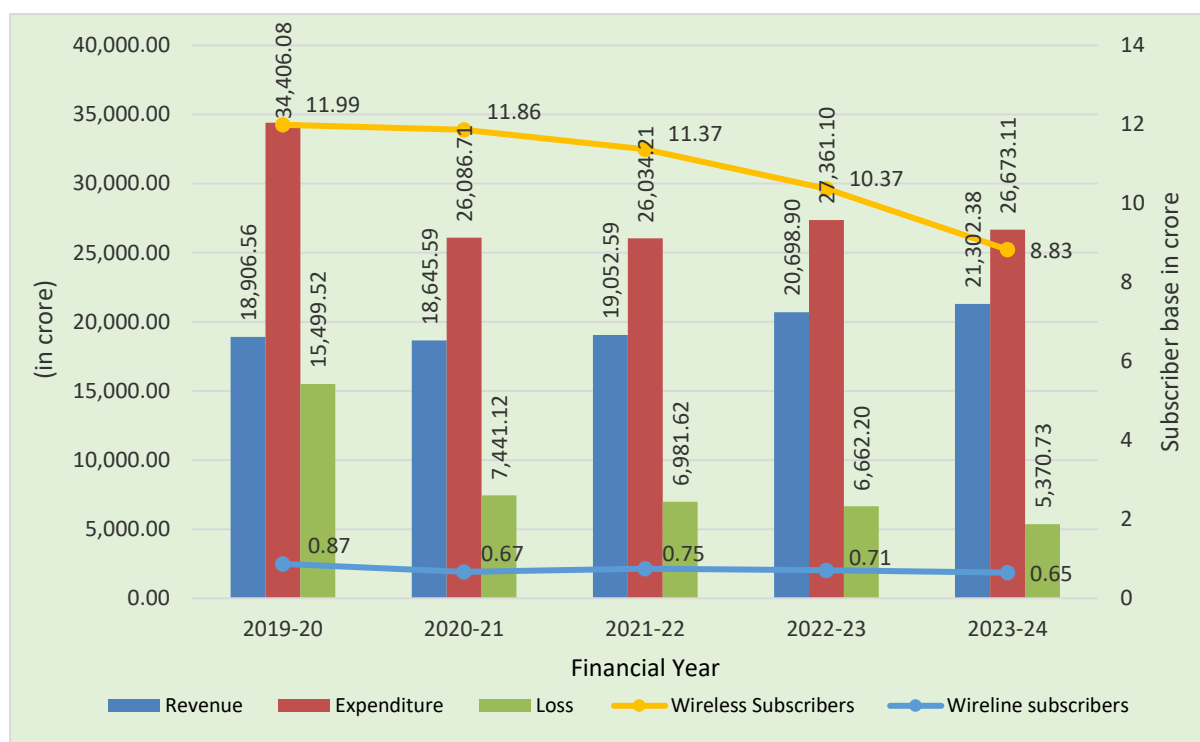
The Union Cabinet, in its meeting dated 27.07.2022, approved the revival of BSNL which, inter alia, provides for the administrative allotment of spectrum, infusion of fresh capital into the Company for upgrading BSNL services, settlement of AGR dues and provisions for CAPEX, among other measures. As a part of the revival package, the equity infusion of ₹46,380.38 crore was made by the DoT in the year 2023-24, as compared to ₹26,386.44 crore in the year 2022-23. This is an increase of 75.77 *per cent* in the year 2023-24 as compared to 2022-23. At the end of March 2024, the Government investment in BSNL was ₹85,266.82 crore.

BSNL is implementing various schemes funded through DBN (USOF), such as BharatNet project, Saturation of 4G Mobile Services, Augmentation of bandwidth in Andaman and Nicobar Islands, etc.

The overall performance of the company in the past five years is given in **Figure 1.5**. The total revenue earned and loss incurred by the company during the FY 2023-24 were ₹21,302.38 crore and ₹5,370.73 crore respectively.

¹ As per Annual Report of DoT for the year 2023-24

Figure 1.5: Performance of BSNL during the last five years



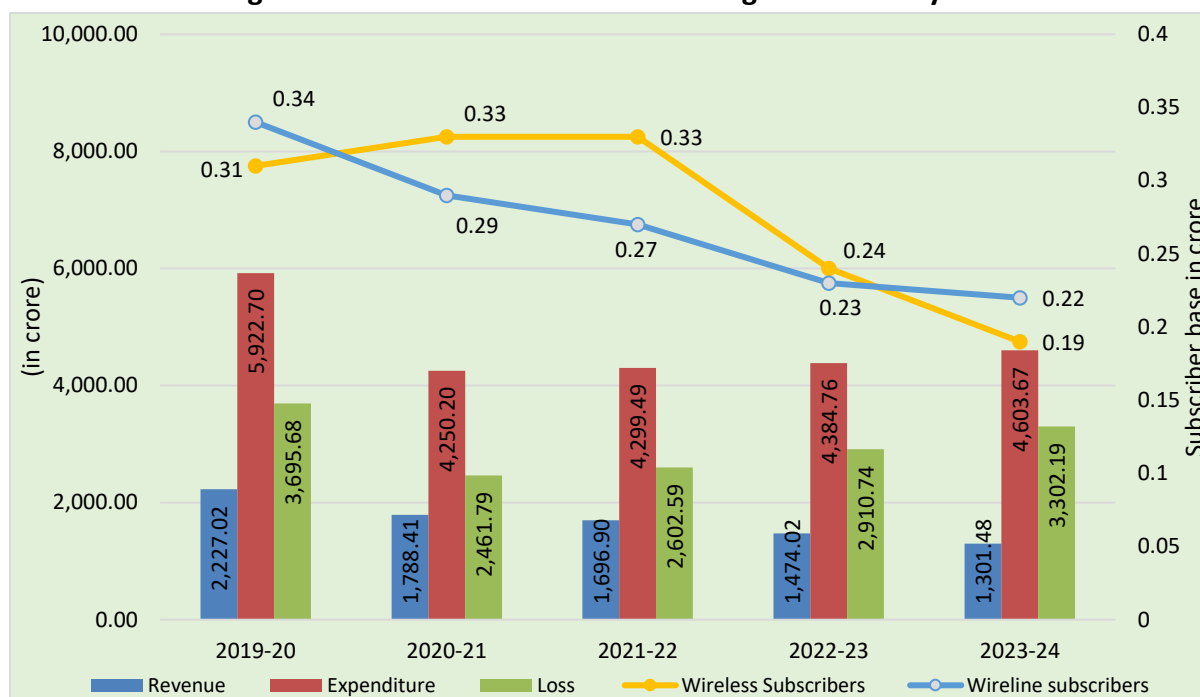
Source: Annual Reports of BSNL for the FY 2019-20 to FY 2023-24 and Performance indicators by TRAI

The main sources of revenue of the company were Cellular, Broadband and Enterprise Data services. **Figure 1.5** shows that, there is a decrease in the wireless as well as wireline subscriber base in the last five years, however revenue increased in FY 2023-24 over the previous year, which is attributable to increase in revenue from the sale of services – Leased lines, Fibre to the Home (FTTH) and leasing of fibre infrastructure. During the last five years, the revenue of the company grew from ₹18,906.56 crore in FY 2019-20 to ₹21,302.38 crore in FY 2023-24, registering a growth of 12.67 per cent.

b. Mahanagar Telephone Nigam Limited

Mahanagar Telephone Nigam Limited (MTNL) was set up in 1986, under the Companies Act, 1956, as a wholly owned Government Company and is responsible for the control, management and operation of telecommunications networks in Delhi and Mumbai. MTNL is providing fixed line, broadband and mobile services in these two metropolitan cities. MTNL is a listed company and at the end of March 2024, 56.25 per cent shares valuing ₹354.38 crore are with the Government and the rest with other shareholders. The company’s total revenue during the financial year 2023-24 was ₹1,301.48 crore and it incurred a loss of ₹3,302.19 crore. The overall performance of the company in the last five years is given in **Figure 1.6**.

Figure 1.6: Performance of MTNL during the last five years



Source: Annual Reports of MTNL and Performance indicators by TRAI for the FY 2019-20 to FY 2023-24

It is evident from the above that there is a decline in the number of both wireless and wireline subscribers, resulting in a continuous decline in the revenue of the Company.

MTNL also has a wholly-owned subsidiary, Millennium Telecom Ltd (MTL), for setting up submarine cable projects and providing IT solutions.

Profile of remaining PSUs under the Department of Telecommunications is in **Appendix II**.

1.4.2 Ministry of Finance

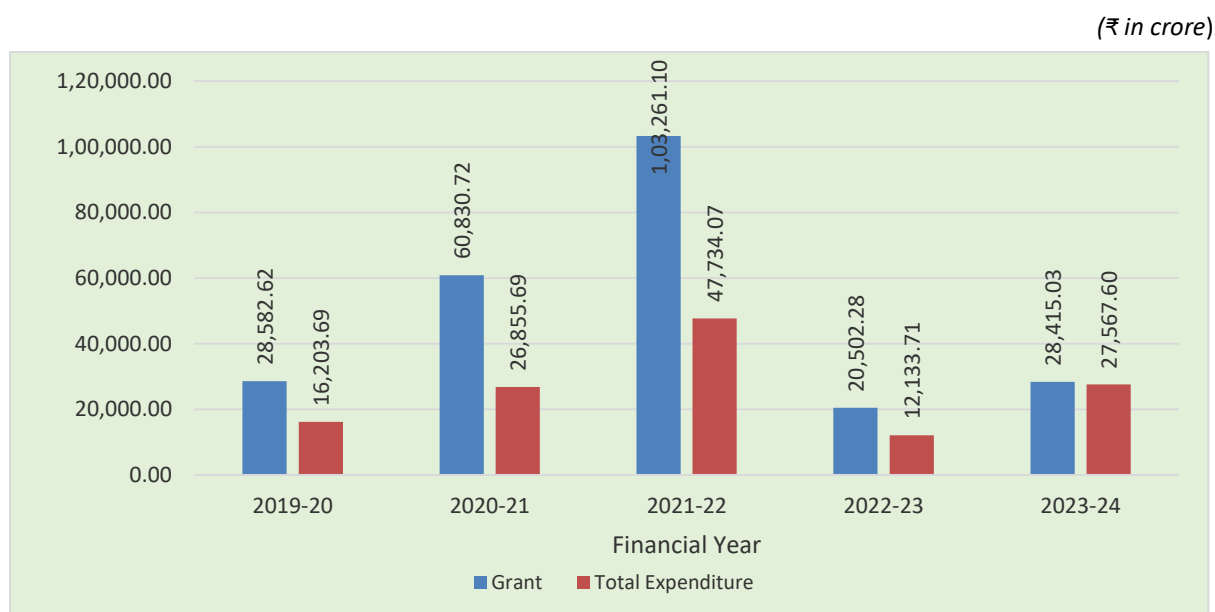
The Ministry of Finance (MoF) is concerned with taxation, financial legislation, financial institutions, capital markets, Centre and State finances and the Union Budget. The Ministry comprises six Departments viz. Department of Expenditure, Department of Economic Affairs, Department of Revenue, Department of Financial Services, Department of Public Enterprises and Department of Investment and Public Asset Management.

This Report covers Department of Economic Affairs (DEA) and Department of Expenditure (DoE).

1.4.2.1 Department of Economic Affairs

DEA is responsible to advise on economic issues having a bearing on internal and external aspects of Indian Economy, including inflation, price control, foreign exchange management, Official Development Assistance and preparation of Union Budget, bilateral and multilateral engagements with international financial institutions and with other countries. The comparative position of Grant and expenditure of DEA during FY 2019-20 to FY 2023-24 is given in **Figure 1.7**.

Figure 1.7: Grant and Expenditure of DEA



Source: Appropriation Accounts of DEA for FY 2019-20 to FY 2023-24

In FY 2023-24, the total Grant of DEA was ₹28,415.03 crore, an increase of 39 *per cent* over the previous year. Expenditure of the DEA in FY 2023-24 was ₹27,567.6 crore, an increase of 127 *per cent* from the previous year.

There were savings in the budgetary allocations which were mainly due to non-filling of vacant posts and availability of unspent balances of the previous year with the implementing agencies etc.

There are four PSUs under the administrative control of DEA. The total capital invested by the government in these PSUs was ₹3,587.52 crore at the end of 31 March 2024 (Detail as per **Appendix I**). Brief profiles of these PSUs are detailed in **Appendix II**.

1.4.2.1A Regulatory Framework of the Finance Sector (DEA)

a. Securities and Exchange Board of India

Securities and Exchange Board of India (SEBI) is a statutory regulatory body established on 30 January 1992 with an objective of monitoring and regulating the Indian capital and securities market while ensuring to protect the interests of the investors, formulating regulations and guidelines.

b. International Financial Services Centres Authority

International Financial Services Centres Authority (IFSCA) has been established as a unified regulator under the International Financial Services Centres Authority Act, 2019.

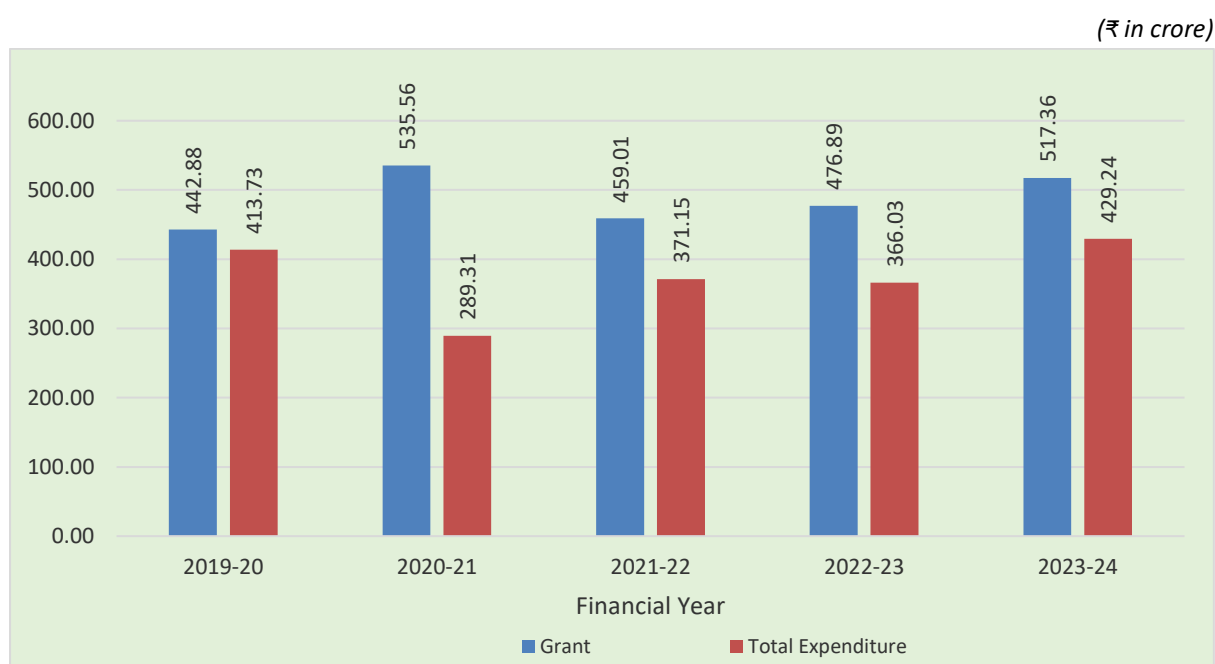
The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy, as well as to serve as an international financial platform for the entire region and the global economy as a whole.

1.4.2.2 Department of Expenditure

Department of Expenditure (DoE) is the nodal Department for overseeing the public financial management system in the Central Government and matters connected with state finances. It is responsible for the implementation of the recommendations of the Finance Commission and Central Pay Commission, monitoring of audit comments / observations and preparation of Central Government Accounts. It further assists central Ministries / Departments in controlling the costs and prices of public services, reviewing systems and procedures to optimise output and outcomes of public expenditure. The principal activities of the Department include overseeing the expenditure management in the Central Ministries / Departments through the interface with the Financial Advisers and the administration of the Financial Rules / Regulations / Orders, pre-sanction appraisal of major schemes / projects, handling bulk of the central budgetary resources transferred to the State.

The comparative position of Grant and Expenditure of DoE during FY 2019-20 to FY 2023-24 is given in **Figure 1.8**.

Figure 1.8: Grant and Expenditure of DoE



Source: Appropriation Accounts of DoE for the FY 2019-20 to FY 2023-24

Grant for FY 2023-24 was ₹517.36 crore as against ₹476.89 crore for FY 2022-23, whereas Expenditure for the FY 2023-24 was ₹429.24 crore as against ₹366.03 crore during FY 2022-23. There was an eight *per cent* increase in Grant and a 17 *per cent* increase in expenditure of DoE in FY 2023-24 from the previous year.

The savings in FY 2023-24 were mainly due to non-filling up of vacant posts, non-completion of Mission Karma yogi Lab Construction and non / less procurement of office items, non-completion of procurement of IT related hardware and software and less procurement of machinery and equipment, furniture and fixtures, etc.

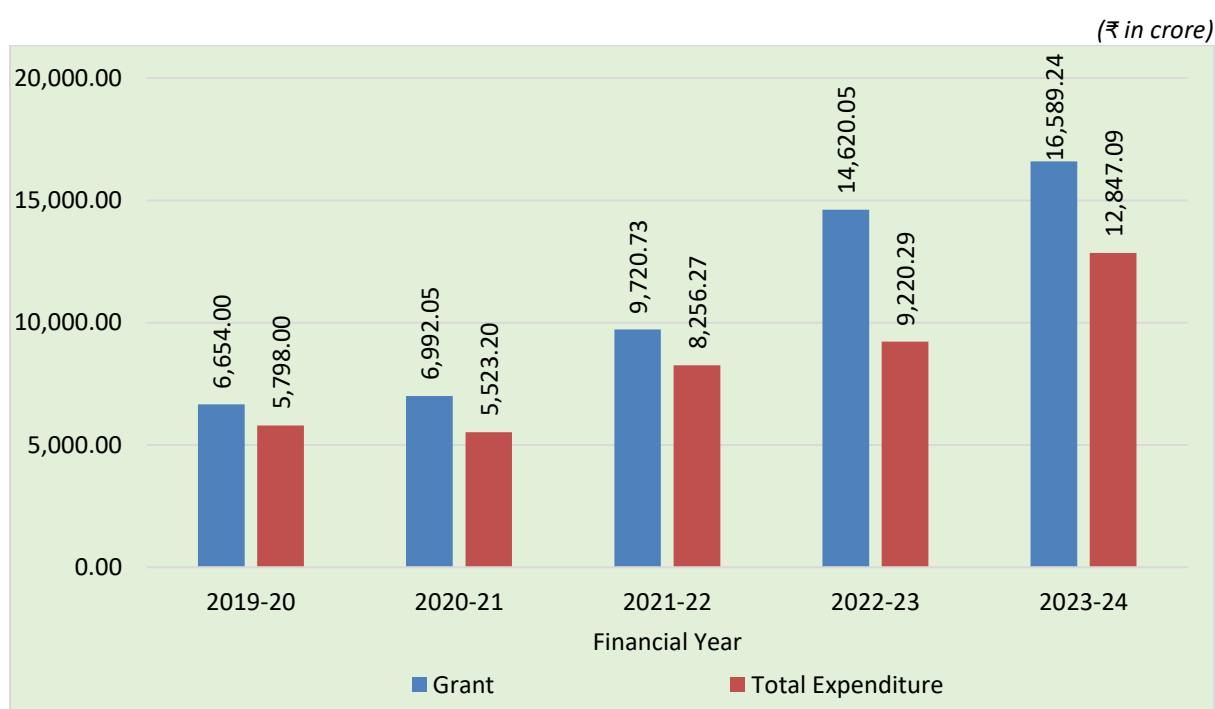
1.4.3 Ministry of Electronics and Information Technology

Ministry of Electronics and Information Technology (MeitY) is responsible for formulation, implementation and review of national policies in Information Technology, Electronics and Internet (all matters other than licensing of Internet Service Providers).

MeitY is the nodal Ministry for the implementation of the Digital India Programme of the Government of India. The Digital India Programme is designed to transform India into a knowledge-based economy and a digitally empowered society by ensuring digital services, digital access, bridging the digital divide, digital inclusion and digital empowerment.

The Grants received vis-à-vis Expenditure incurred by MeitY during the period from FY 2019-20 to FY 2023-24 are given in **Figure 1.9**.

Figure 1.9: Grants and Expenditure



Source: Appropriation Accounts of MeitY for the FY 2019-20 to FY 2023-24

In FY 2023-24, the total grant of MeitY was ₹16,589.24 crore, an increase by 13 *per cent* over the previous year. Similarly, expenditure of MeitY in FY 2023-24 was ₹12,847.09 crore, registering an increase by 39 *per cent* from the previous year. Further, there were savings in the budgetary allocations which occurred due to less utilisation under Modified Programme for Development of Semi Conductors and Display Manufacturing due to non receipt of proposals from North Eastern Region, less utilisation under research and development projects, non execution of work in National Informatics Centre, less utilisation under cyber security projects, less utilisation under promotion of IT and ITes Industries due to non receipt of proposals and less disbursement of incentives.

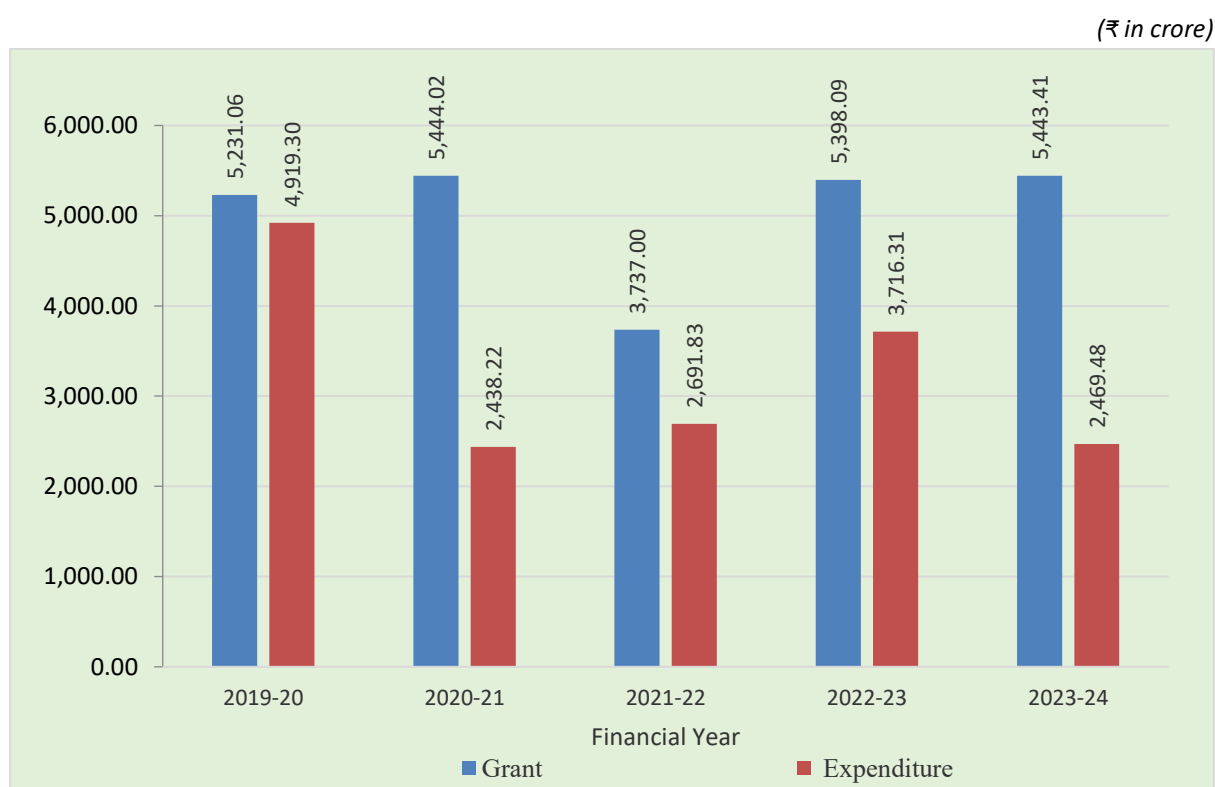
There are five PSUs under the administrative control of MeitY. The total capital invested in these PSUs was ₹2.00 crore at the end of 31 March 2024 (Detail as per **Appendix I**). The brief profile of Attached Offices and PSUs under MeitY is given in **Appendix II**.

1.4.4 Ministry of Statistics and Programme Implementation

The Ministry came into existence as an independent ministry in 1999 after the merger of the Department of Statistics and the Department of Programme Implementation. The surveys conducted by the Ministry are based on scientific sampling methods. The Ministry has two wings- the Statistics Wing (National Statistical Office) and the Programme Implementation Wing. Besides these two wings, there is the National Statistical Commission created through a Resolution of the Government of India (MoSPI) and one autonomous Institute, viz., the Indian Statistical Institute, declared as an institute of National importance by an Act of Parliament.

The grants and expenditure of MoSPI during FY 2019-20 to FY 2023-24 are given in **Figure 1.10**.

Figure 1.10: Grant and Expenditure of MoSPI



Source: Appropriation Accounts of MoSPI for the FY 2019-20 to FY 2023-24

As seen from the above figure, Grant for FY 2023-24 was ₹5,443.41 crore, as against ₹5,398.09 crore for FY 2022-23, whereas Expenditure for the year FY 2023-24 was ₹2,469.48 crore as against ₹3,716.31 crore during FY 2022-23.

The savings were mainly due to less utilisation of funds by the implementing District Authorities / implementing agencies towards the MPLAD Scheme and hiring of less

outsourced staff than as anticipated and non-completion of the National Integrated Information Project owing to litigation.

1.5 Overview of Audit

1.5.1 Recoveries at the instance of Audit

During FY 2023-24, recoveries amounting to ₹411.92 crore were pointed out by Audit in all the Ministries / Departments and the CPSEs covered in this report through Inspection Reports. Out of this, the auditee units accepted recoveries of ₹257.73 crore and effected recoveries of ₹83.95 crore.

1.5.2 Response of the Ministries / Departments to Audit Paragraphs

On the recommendation of the Public Accounts Committee (PAC), the Ministry of Finance issued directions to all Ministries to send their responses to the draft paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks of receipt of the paragraphs. Accordingly, the draft paragraphs are forwarded to Secretaries of the Ministries / Departments concerned, drawing their attention to the audit findings and requesting them to send their response within the stipulated time.

The response of the concerned Ministries / Departments received in respect of all paragraphs has been considered and suitably incorporated in the Report.

1.5.3 Follow up on Audit Reports

A. Civil Departments:

On the recommendation of the Public Accounts Committee, office of Controller General of Accounts has introduced Audit Para Monitoring System (APMS) Portal in year 2011, a web based computerized monitoring system for effective monitoring of submission of Action Taken Notes (ATN) on C&AG audit paragraphs (except paras examined by Committee on Public Undertakings), Action Taken Reply (ATR) on PAC observations / recommendations and Explanatory Notes (ENs) on Excess expenditure or saving of ₹100 crore and above.

A review of the position of receipt of ATNs on paragraphs included in Audit Reports, Union Government (Finance & Communication) up to 31 August 2025, has revealed that ATNs in respect of 145 paragraphs relating to MoC, MeitY and MoF were pending at various stages. Year wise details are indicated in **Appendix III**.

B. Public Sector Undertakings:

Audit Reports of the C&AG represent the culmination of the process of scrutiny of accounts and records maintained in various offices and departments of PSUs. It is, therefore, necessary that an appropriate and timely response is received from the Executive on the audit findings included in the Audit Reports.

In the meeting of the Committee of Secretaries, it was decided (June 2010) to make special efforts to clear the pending ATNs / ATRs on C&AG Audit Paras and COPU recommendations

within the next three months. While conveying this decision (July 2010), the Ministry of Finance recommended an institutional mechanism to expedite action in the future.

A review of the position of receipt of ATNs relating to PSUs under the administrative control of MoC, MeitY and MoF included in the Audit Reports up to August 2025 revealed that ATNs in respect of 61 paras (including 48 paras of BSNL) were pending as detailed in the **Appendix IV**.

1.5.4 Status of Accounts of Central Autonomous Bodies / Public Sector Undertakings of MoC / MeitY / MoF

As per Rule 237 of GFR, 2017, the dates prescribed for submission of the annual accounts of Central Autonomous Bodies (CABs) for Audit leading to the issue of Audit Certificate by the C&AG and for submission of annual report and audited accounts to the nodal Ministry for timely submission to the Parliament are listed below:

Particulars	Timeline
(i) Approved and authenticated annual accounts to be made available by the Autonomous Body to the concerned Audit Office and commencement of audit of annual accounts	30 June
(ii) Issue of the final SAR in English version with audit certificate to the Autonomous Body / Government concerned	31 October
(iii) Submission of the Annual Report and Audited Accounts to the Nodal Ministry for it to be laid on the Table of the Parliament	31 December

The status of submission of Accounts, Certification and submission to Parliament in respect of CABs and status of certification of accounts of PSUs under the administrative control of Ministries / Departments under the Audit Jurisdiction for the year 2023-24 is detailed in **Appendix V**.

1.5.5 Results of Certification Audit

Comments under section 143 of the Companies Act 2013 were issued to the concerned PSUs during certification of annual accounts of PSUs for the year 2023-24. In addition, Separate Audit Reports (SARs) for Central Autonomous Bodies (CABs) audited under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for the FY 2023-24 were appended to the certified final accounts tabled in the Parliament. Significant comments raised are attached in **Appendix VI**.

SECTION-A

Chapter

Department of Posts (DoP)

II

2.1 Non-levy of Goods and Services Tax (GST) amounting to ₹78.92 crore on the late fee collected from Postal Life Insurance (PLI) / Rural Postal Life Insurance (RPLI) policy holders

Department of Posts (DoP) could not adhere to the clauses of Central Goods and Services Tax (CGST) Act 2017 which resulted in non-levy and non-collection of GST on the late fee collected alongside the delayed payment of PLI / RPLI premium by policy holders for the period from July 2017 to December 2023, which amounted to ₹78.92 crore.

Department of Posts, Ministry of Communications provides Postal Life Insurance (PLI) / Rural Postal Life Insurance (RPLI) services to the citizens of India through its wide network of Head Post Offices (HOs) / Sub Post Offices (SOs) and Branch Post Offices (BOs).

Section 15(1) and 15(2) of Central Goods and Services Tax (CGST) Act, 2017 stipulate that the value of supply of goods or services or both shall be the transaction value, which is the price actually paid or payable and includes interest or late fee or penalty for delayed payment of any consideration for any supply. Rule 84(d) of Postal Financial Handbook Vol.-II, 2022 reiterates the above provision as stipulated in the CGST Act, 2017. Further, the Ministry of Finance, Department of Revenue issued clarification² (August 2022) regarding GST applicability on the late payment of surcharge and fee. It stipulated that the acceptance of late payments with interest or late payment fee, fine or penalty as a facility granted by a supplier is to be naturally bundled with the main supply.

Scrutiny of records during May 2023 to February 2024 on test check basis of PLI / RPLI premium receipts in Head Post Offices and e-lekha records furnished by the office of Director of Accounts (Postal) in Postal circles³ revealed that during the period from July 2017 to December 2023, the GST at applicable rate⁴ was levied only on the premium amount and not on the late fee collected on delayed payment of premium by PLI / RPLI policy holders. The total amount of late fee collected in respect of all 23 Postal circles from PLI / RPLI policy holders was ₹438.43 crore on which GST amounting to ₹78.92 crore was not levied (**Annexure 2.1**).

On being pointed out, it was replied (June 2023-March 2024) by the Postal units that the Postal Directorate had not issued any order to levy GST on default fee and there is no provision in the McCamish software⁵ for the applicability of GST on default fee.

² Circular No. 178/10/2022-GST dated 3.08.2022 (Para 9)

³ Andhra Pradesh, Assam, Bihar, Chhattisgarh, Delhi, Gujarat, Haryana, H.P, J&K, Jharkhand, Karnataka, Kerala, M.P, Maharashtra, North East, Odisha, Punjab, Rajasthan, T. Nadu, Telangana, Uttarakhand, U.P and West Bengal

⁴ GST on PLI / RPLI premium is at the rate of 2.25 per cent and on default fee is at the rate of 18 per cent.

⁵ A software used for PLI/RPLI

The reply of Postal units is not tenable as the above said provisions of GST were notified in 2017 and further the same was reiterated by Department of Posts itself vide Rule 84(d) of Postal Financial Handbook Vol-II, 2022 (incorporated up to March 2022).

At the instance of audit, Directorate of PLI instructed (December 2023, January 2024 and March 2024) all the circles to reconcile the payable GST amount and pay the GST at the rate of 18 *per cent* on the late fee without any delay for the period from July 2017 to December 2023 to avoid accumulation of interest and penalty. Charging of GST on the late fee has been initiated manually from January 2024.

Further, the Ministry replied (March 2025) that the total amount of ₹438.43 crore was collected as late fee from PLI / RPLI policy holders for the period from July 2017 to December 2023 on which GST amounting to ₹78.92 crore was payable and DoP has paid GST amounting to ₹80.08⁶ crore to GST authorities. Also, it stated that the functionality for automatic deduction of GST on late fee has since been incorporated in McCamish software. Lastly, the decision has been taken for incorporation of provision in McCamish software for the recovery of GST amount on late fee pertaining to the period from July 2017 to December 2023 along with subsequent premium payments by concerned policy holders.

Due to non-adherence to the clauses of CGST Act, 2017 resulting in non-levy and non-collection of GST for the period from July 2017 to December 2023 from the policy holders, the liability of bearing the GST charges on late fee has been shifted to Department of Posts.

2.2 Absence of adequate controls led to excess payment of ₹1.05 crore to e-commerce biller

The Department of Posts made excess payment amounting to ₹1.05 crore to an e-commerce biller due to lack of preventive controls in SAP and non-application of existing manual checks in processing Cash-on-Delivery (CoD) payments.

The Department of Posts [Kolkata Rail Mail Service (RMS Division)] entered into two agreements with an e-commerce biller⁷ (for articles generated at Hooghly) on 11 July 2016 for booking, transmitting and delivering such articles presented by the biller as Business Parcel consignments and Express Parcel consignments respectively, for a period of three years. The agreements also covered Cash on Delivery (CoD) facility, as required by the biller.

Under the Cash on Delivery facility, the Department collects the amount at the time of delivery of consignments from addressee and remits the amount to the sender / e-commerce biller⁷ through e-Payment. The e-payment is processed through Systems, Applications and Products in Data Processing (SAP) system by the Department. After article delivery, entries are updated in the Delivery Postman Management System (DPMS) within SAP. Collected cash

⁶ 14 Circles paid more GST and nine Circles paid less GST than payable

⁷ M/s Naaptol Online Shopping Private Limited

is transferred to the Nodal Payment Post Office, where a Liability Document is created in SAP. A query-based check exists to detect duplicate CoD liabilities before payment processing, however, this requires manual intervention.

The Kolkata RMS Division created (September 2016) two biller IDs- EPCOD⁸-7052 and BPCOD⁹-7055 for Express Parcel and Business Parcel deliveries respectively for M/s Naaptol Online Shopping Private Limited and designated (October 2016) Park Street Head Post Office (HPO), Kolkata as Nodal Payment Post Office for collecting the CoD amount from Delivery Post Offices and remitting the same to the biller by cheque.

On analysis of SAP data pertaining to Park Street HPO and review of controls in SAP, the Audit observed the following for the year 2018:

- No in-built system control existed in SAP to prevent creation of multiple liability documents and multiple payments for the same delivery assignments. The manual checks for creation of multiple liability documents for the same delivery assignments, were also not exercised by Park Street HPO, during August-December 2018. This had resulted in multiple payments being processed for the same assignment. Following table illustrates some examples of creation of multiple liabilities and multiple payments for same delivery assignments in SAP system.

Table 2.1
Examples of Multiple payments for same Assignment for Biller ID- EPCOD-7052

Assignment Number	Liability Document Number	Posting date	Amount (in ₹)	Payment Document Number	Payment date
YB024909039IN	3302421804	12-09-2018	1,940.00	4118159992	13-09-2018
	3303014743	19-09-2018	1,940.00	4119223114	20-09-2018
YB024928024IN	3302119726	23-08-2018	940.00	4115979191	25-08-2018
	3302466633	14-09-2018	940.00	4118524585	15-09-2018
	3302914573	19-09-2018	940.00	4119223114	20-09-2018
YB024969077IN	3302160568	26-08-2018	940.00	4116336926	28-08-2018
	3302542736	14-09-2018	940.00	4118524585	15-09-2018
YB060222821IN	3302287445	04-09-2018	4,099.00	4117639826	07-09-2018
	3302543574	14-09-2018	4,099.00	4118524585	15-09-2018
YB060222897IN	3302261982	01-09-2018	2,339.00	4117189495	04-09-2018
	3302541163	14-09-2018	2,339.00	4118524585	15-09-2018

Source: SAP data of Park Street Head Post Office, Kolkata

- The multiple payments against the same article delivery assignments, during August-December 2018, resulted in excess payment of ₹1.05 crore remitted to M/s Naaptol

⁸ Express Parcel Cash on Delivery

⁹ Business Parcel Cash on Delivery

Online Shopping Private Limited, over and above the actual CoD collections by the Department, as detailed in the table below:

Table 2.2
Details of excess payment remitted to M/s Naaptol Online Shopping Private Limited by Department of Posts

Biller ID EPCOD-7052				Biller ID BPCOD-7055			
Number of times payment remitted for same Assignment	Number of such Assignments	Payment due to be remitted (in ₹)	Total Payment Remitted (in ₹)	Number of times payment remitted for same Assignment	Number of such Assignments	Payment due to be remitted (in ₹)	Total Payment Remitted (in ₹)
2	1,720	27,09,173	54,18,346	2	834	18,57,727	37,15,454
3	898	12,79,779	38,39,337	3	307	6,49,222	19,47,666
4	14	21,015	84,060	4	313	6,69,988	26,79,952
6	1	940	5,640				
Grand Total	2,633	40,10,907	93,47,383	Grand Total	1454	31,76,937	83,43,072
Total excess payment remitted (A)			53,36,476	Total excess payment remitted (B)			51,66,135
Grand Total of excess payment remitted to M/s Naaptol (A+B)					₹1,05,02,611		

Source: SAP data of Park Street Head Post Office, Kolkata

In its response, Park Street HPO, Kolkata agreed with the same and informed (November 2024) that it had made reference to M/s Naaptol Online Shopping Private Limited for refund of excess payment of ₹1.05 crore. The office of the Chief Post Master General, West Bengal Postal circle in its reply (January 2025), forwarded the investigation report in connection with this matter, which confirmed Audit findings of multiple payments against the same article Assignments, during August-December 2018, resulting in excess payment to M/s Naaptol Online Shopping Private Limited. The report also mentioned that duplicate-check procedures were not followed, allowing multiple payments.

The Ministry (June 2025) while accepting audit findings, confirmed that the SAP system lacked automatic duplicate detection and assured that the upcoming IT system which is being rolled out in 2025 would address this gap. The Ministry further informed that refund is yet to be made by M/s Naaptol Online Shopping Private Limited for the excess payment.

The absence of adequate preventive controls in the SAP system and not exercising laid down manual checks at the procedural level led to excess payments of ₹1.05 crore to an e-commerce biller whose contract expired in 2019.

Chapter

III

Department of Telecommunications (DoT)

3.1 Delayed roll-out and non-recovery of penalties worth ₹8.49 crore from Universal Service Provider

Digital Bharat Nidhi's agreement with Bharti Airtel Limited to provide mobile coverage in parts of the Northeastern Region suffered prolonged delays, with several sites commissioned well past contractual deadlines. Even after revising targets, 124 sites remained uncommissioned and ₹8.49 crore in penalties remained unrecovered for over four years after the roll-out period expired

The Universal Service Obligation Fund (USOF¹⁰), now renamed Digital Bharat Nidhi (DBN¹¹), was created to support affordable mobile and digital services in rural, remote and underserved areas, with its mandate later expanded to include underserved urban areas and Research and Development (R&D) promotion. In December 2017, DBN entered into an agreement with M/s Bharti Airtel Limited (BAL) to provide mobile coverage in identified uncovered villages and along National Highways in Assam-A¹², Assam-B, Assam-C, Assam-D & Sikkim Units of Northeastern Region.

As per the agreement, the Universal Service Provider (USP) i.e. BAL was to complete surveys within nine months and commission all sites within 18 months from the date of signing the agreement (by June 2019). The roll-out period was further extended up to October 2020 by way of amendments to the agreement. Clause 6.6.2 of the agreement provided for levy of Liquidated Damages (LD) at two *per cent* of category-specific Representative Rate¹³ (RR) per site per month (maximum 10 *per cent* per site) for delays in commissioning beyond November 2020 (30 days after expiry of roll-out period). Further, Clause 7.5.1 of the agreement prescribed a Non-Performance Penalty (NPP) of five *per cent* RR per site for sites not commissioned within six months of expiry of the roll-out period (by 30 April 2021).

Audit observed (December 2023) that as on 30 April 2021, only 431 of the approved 756 sites were commissioned, warranting levy of LD and NPP for non-commissioning of remaining 325 sites. Ministry later (March 2025) clarified that DBN approved total 763 sites¹⁴ for commissioning, of which 201 were dropped, thus revising the target to 562 sites. Ministry further clarified that against the revised target, 438 were commissioned and DBN has determined penalties of ₹19.47 crore¹⁵ for non-commissioning of remaining 124 sites, of which ₹9.80 crore was recovered.

¹⁰ USOF was established in April 2002 by an Act of Parliament by amending the Indian Telegraph Act, 1885

¹¹ Renamed by the Telecommunications Act, 2023 as 'Digital Bharat Nidhi' (DBN).

¹² Assam-A, Assam-B etc. are categories which group the areas falling under various specific districts of Assam.

¹³ Category specific Representative Rate is the Representative Rate of Subsidy payable per site based on the site location and type of infrastructure.

¹⁴ Seven sites were accorded post-facto approval in April 2024.

¹⁵ LD for ₹ 12.98 crore and NPP for ₹ 6.49 crore.

The reply itself confirms the fact that there is prolonged delay in commissioning of 124 sites of even the revised target of 562 sites. Moreover, the balance recovery of ₹8.49 crore¹⁶ is still pending (as observed in April 2025), despite more than four years having elapsed since the expiry of the roll-out period, indicating deficiencies in enforcing contractual provisions and securing timely recoveries. DBN should expedite commissioning of pending sites and recover outstanding LD and NPP from BAL without delay, while strengthening site selection processes and contract monitoring to prevent recurrence.

3.2 Non-recovery of Customer Acquisition Form (CAF) penalty of ₹107.07 crore by Department of Telecommunications

Department of Telecommunications could recover only 25 per cent of total penalty imposed under the Customer Acquisition Form (CAF) penalty from the Telecom Service Providers during the year 2022-23 to 2024-25. The persistence of high unrecovered dues undermines the deterrent effect of the penalty framework and signals enforcement gaps in recovery.

Under the Unified License (UL) Agreement, telecom licensees are mandated to thoroughly verify each customer before activation of mobile services. This process is monitored through the Customer Acquisition Form (CAF), with the Licensed Service Area (LSA) offices of Department of Telecommunications (DoT), responsible for conducting monthly audits to ensure adherence to DoT's verification norms. Based on 2008 DoT orders, LSAs are to conduct CAF audit of 0.1 per cent of the subscriber base monthly and a financial penalty structure ranging from ₹1,000 to ₹50,000 per non-compliant CAF, is to be applied based on the operator's overall verification compliance rate (effective from April 2009).

Audit scrutiny revealed that as of 15 March 2025, penalties amounting to ₹143.09 crore were imposed across 22 LSAs for deficiencies in subscribers' verification during 2022-23 to 2024-25. However, only ₹36.02 crore (i.e. 25 per cent of total penalty imposed) was recovered from the concerned Telecom Service Providers (TSPs), leaving a significant outstanding amount of ₹107.07 crore (i.e. 75 per cent). Out of this, ₹86.31 crore pertains to TSPs under insolvency, ₹8.33 crore under litigation, ₹0.08 crore under dispute and ₹12.35 crore represents undisputed recoverable dues, including carry-forward amounts from prior periods.

The Ministry while providing (July 2025) the status of recoverable amounts stated that ₹94.64 crore is under litigation / insolvency / liquidation process and ₹12.32 crore remains unrecovered from BSNL / MTNL. Ministry further stated that DoT and LSAs have been pursuing the matter with BSNL for recovery of outstanding.

The reply of the Ministry is not convincing as it has been seen in the last three years of financial statement of BSNL for the year 2022-23, 2023-24 and 2024-25 that the CAF penalty demanded by the DoT are not shown as liability, but it is shown as contingent liability considering it disputed. Further, the persistence of high unrecovered dues undermines the

¹⁶ As per audit scrutiny ₹10.98 crore has been recovered as on 25.03.2025.

deterrent effect of the penalty framework. The Department may consider strengthening a mechanism for uniform interpretation of verification norms and work out penalty computation across different LSA offices by establishing uniform Standard Operating Procedure (SOP), to avoid frequent legal challenges by service providers.

Chapter	Department of Expenditure (DoE)
IV	

4.1 Non-compliance with Central Government Employees Group Insurance Scheme (CGEGIS) Guidelines

The Central Government Employees Group Insurance Scheme (CGEGIS) was introduced with effect from 01 January 1982 for the Central Government employees with the objective to provide, at a low cost and on a wholly contributory and self-financing basis, the twin benefits of an insurance cover to help their families in the event of death in service and a lump-sum payment to augment their resources on retirement. The subscriptions by the members towards the scheme are recovered every month from their salary and is bifurcated into two funds, namely Savings Fund and Insurance Fund in the ratio of 70:30. Rates of Group-wise CGEGIS subscription from 01.01.1982 onwards are shown in **Table 4.1**.

Table 4.1: Group-wise CGEGIS Subscription Rate

Group	Upto 31.12.1989		w.e.f. 01.01.1990	
	Rate of subscription (₹ per month)	Insurance cover (₹)	Rate of subscription (₹ per month)	Insurance cover (₹)
A	80	80,000	120	1,20,000
B	40	40,000	60	60,000
C	20	20,000	30	30,000
D	10	10,000	15*	15,000

*erstwhile Group 'D' employees placed in Pay Band-1 with Grade pay of ₹1800 were classified as Group 'C' and the CGEGIS premium is to be recovered at the rate of ₹30 per month from 01.01.2011 (OM No.7(1)/EV/2008, dt:10.09.2010)

Several offices under Department of Expenditure (DoE), Ministry of Finance (MoF) have defined roles pertaining to the scheme. The Establishment-V section under the Personnel and Establishment Division is responsible for administering and reviewing the scheme. The Finance Accounts section, DAMA (Data Analytics and Monthly Accounts) section of office of the Controller General of Accounts (CGA) and Pay & Accounts Office-Internal Debt & Accounts (PAO-IDA) under the Office of CCA (Chief Controller of Accounts - Finance), are involved in interest calculation and accounting related functions of the scheme.

On detailed scrutiny of the scheme, we observed that:

4.1.1 Non incorporation of interest in Insurance Fund

As per Para 7.2 of MoF OM dated 15 May 1989 (CGEGIS Guidelines), the positive and negative balances under Insurance Fund shall be credited or debited, as the case may be, with the

amount of interest calculated at the prevailing rate of interest on the Post Office Savings Bank (POSB) Deposits.

Audit observed that interest on Insurance Fund balance was not debited from or credited to Insurance Fund. Rate of interest for POSB is 4 *per cent* per annum since 2016-17. Details of year-wise opening and closing balances of Insurance Fund and interest due thereon as calculated by audit from FY 2016-17 to FY 2023-24 are shown in **Table 4.2**.

Table 4.2: Year-wise balances of Insurance Fund as per the figures furnished by Ministry and as calculated by Audit including interest

(₹ in crore)

Year	As per Ministry				As per Audit			
	Opening Balance	Receipt	Payment	Closing Balance	Opening Balance	Closing Balance	Interest at the rate of 4 <i>per cent</i> p.a on (6)	Closing balance (including Interest)
	(1)	(2)	(3)	(4)	(5)	(6) = (5)+(2)-(3)	(7)	(8) = (6) + (7)
2016-17	-291.82	51.96	48.01	-287.87	-291.82	-287.87	-11.51	-299.38
2017-18	-287.87	54.62	38.66	-271.92	-299.38	-283.42	-11.34	-294.76
2018-19	-271.92	49.02	43.90	-266.79	-294.76	-289.64	-11.59	-301.23
2019-20	-266.79	84.73	57.50	-239.56	-301.23	-274.00	-10.96	-284.96
2020-21	-239.56	53.11	69.17	-255.64	-284.96	-301.02	-12.04	-313.06
2021-22	-255.64	42.27	94.58	-307.95	-313.06	-365.37	-14.61	-379.98
2022-23	-307.95	29.43	66.34	-344.86	-379.98	-416.89	-16.68	-433.57
2023-24	-344.86	74.97	65.05	-334.94	-433.57	-423.65	-16.95	-440.60

Table 4.2 above shows that the Ministry reported a negative closing balance of ₹(334.94) crore at the end of FY 2023–24. Had interest been accounted for, the negative closing balance would have been ₹(440.60) crore. Thus, non-crediting / debiting of interest on Insurance Fund led to erosion of self-financing capability of the Scheme and increased burden on the public exchequer. The Ministry replied (October 2024) that they would analyze and incorporate it accordingly.

4.1.2 Annual Simple interest on Savings Fund balances instead of compounded quarterly

As per para 8.2 of the scheme guidelines, for actual benefits from Savings Fund to employees, interest is to be compounded quarterly. Further, para 8.5 stipulates that interest on Savings

Fund balance is also to be compounded quarterly at the rates prescribed by the Department of Economic Affairs from time to time.

Audit observed that, though conditions at para 8.2 is being complied with, para 8.5 is not followed by the Ministry. The interest on Savings Fund balance is being compounded annually instead of quarterly, resulting in short crediting of interest on Savings Fund. Calculation of short credited interest on Savings Fund, on test check basis for FY 2023-24, comes to ₹7.51 crore (details in **Annexure 4.1**). Assuming quarterly compounding has not been used since the scheme's inception, the total short crediting could be significant, affecting the balances of both Savings Fund and overall CGEGIS fund significantly. While agreeing to the audit observation, the Ministry stated (July 2025) that they compounded the interest for the FY 2024-25.

4.1.3 Depletion of overall CGEGIS balances

From the details of balances in CGEGIS fund as per Statement No.14 of Union Government Finance Accounts (UGFA) of respective years (**Annexure 4.2**), we observed that since 2017-18, the disbursements from the fund were more than the additions. The ratio of disbursements to additions during 2016-17 was 0.96 and this ratio has increased to 1.23 during 2023-24. It indicates that the annual pay outs are depleting the balances being carried forward every year. The balances at the end of FY have been coming down progressively (**Figure-4.1**), from ₹4,429 crore in March 2017 to ₹3,775 crore in March 2024. This is an area of concern as, going forward, the balances may turn adverse. It has already turned negative in Insurance Fund and the negative fund has increased (**Figure-4.2**) to ₹335 crore in 2023-24 from ₹288 crore in 2016-17. This would inflate the liabilities of the Union Government as more resources are to be deployed to fund benefits for CGEGIS subscribers.

Figure-4.1: Closing Balance in CGEGIS Fund for last eight FYs

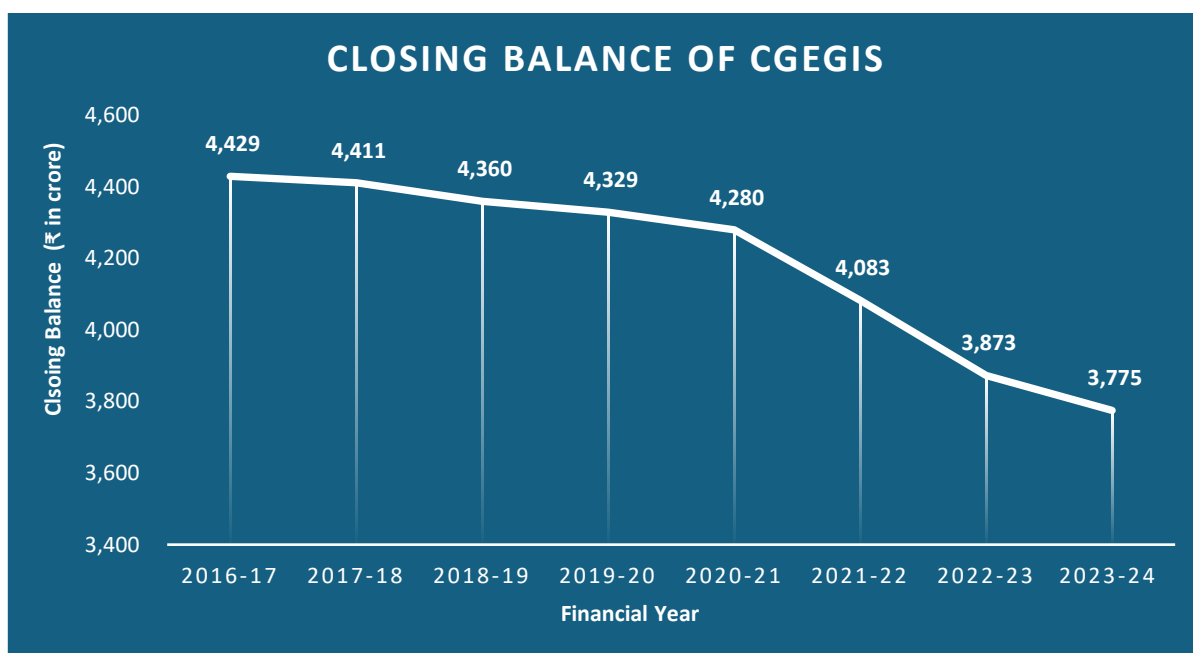
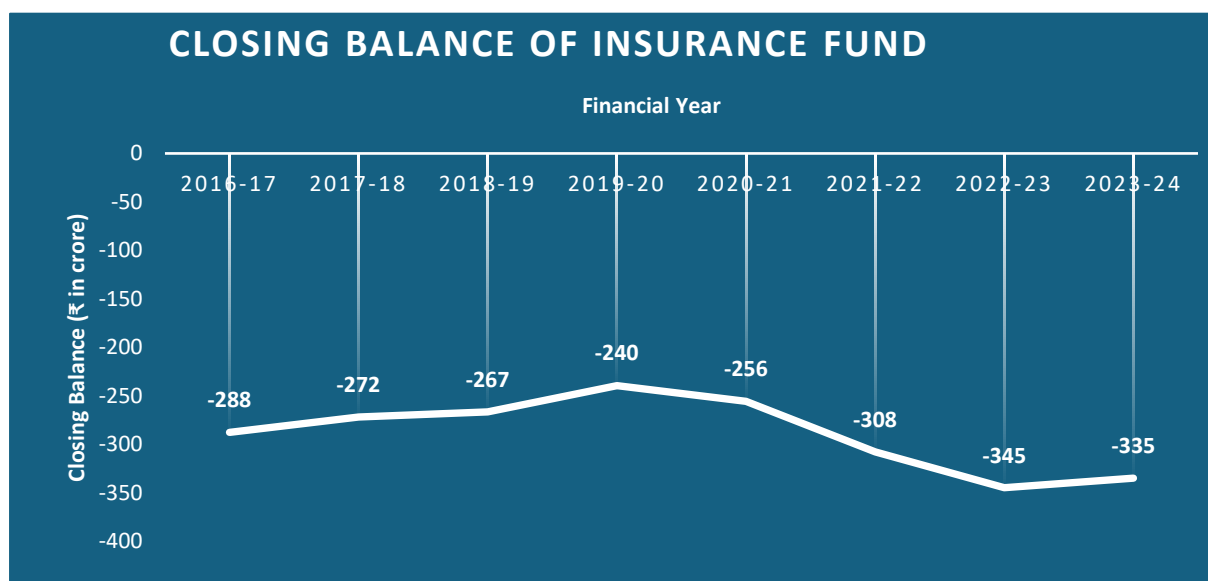


Figure-4.2: Closing Balance of Insurance Fund for last eight FYs



The Ministry (March 2025) confirmed the details of balances of CGEGIS as per Union Government Finance Accounts (UGFA) statements, without commenting on the depletion of CGEGIS fund balance.

4.1.4 Non review of the scheme periodically as prescribed

Further, the Scheme Guidelines stipulate that the working of the scheme is to be reviewed every three years to ensure that the scheme remains self-financing and self-supporting.

Audit observed that at the time of introduction of the scheme (01.01.1982), the subscriptions were apportioned as 31.25 *per cent* in Insurance Fund and 68.75 *per cent* in Savings Fund. Subsequently, w.e.f. 01.01.1988, the apportionment of the subscription was revised to 30 *per cent* in Insurance Fund and 70 *per cent* in Savings Fund. This revision was based on change in mortality rate of the subscribers from 3.75 per thousand (1982) to 3.60 per thousand (1988). The fund bifurcation ratio has not been revised since then despite change in mortality rate as conveyed (October 2023) by DoE to Department of Personnel & Training (DoPT).

In this regard DoE stated (November 2024) that they are communicating with DoPT for revision of bifurcation ratio.

4.1.5 Conclusion

Considering non-compliance with the Scheme Guidelines in crediting / debiting interest on the fund balance and depleting balance in CGEGIS fund, it is recommended that the scheme should be reviewed at the earliest.

Chapter	Ministry of Electronics and Information Technology (MeitY)
V	

5.1 Subject Specific Compliance Audit on Skill Development Initiatives in MeitY

5.1.1 Introduction

The Ministry of Electronics and Information Technology (MeitY) plays a key role in driving India's progress in technology by making and reviewing policies for IT and Electronics. The skill development activities of the Ministry are implemented by its Human Resources Development (HRD) Division primarily through the two autonomous societies viz. National Institute of Electronics and Information Technology (NIELIT) and Centre for Development of Advanced Computing (C-DAC) and also through other attached organisations of MeitY like Education and Research Network of India (ERNET), National Informatics Centre (NIC), Centre for Materials for Electronics Technology (C-MET), etc.

This Subject Specific Compliance Audit (SSCA) covered three key schemes implemented by Human Resources Development (HRD) Division, MeitY as mentioned below:

- i. Skill Development in Electronics System Design and Manufacturing sector (ESDM I and II)
- ii. Skill Development of Youth [Scheduled Caste (SC), Scheduled Tribe (ST), Economically Weaker Section (EWS) (women)] in Aspirational Districts in the area of Information Electronics and Communication Technology (IECT) leading to enhancement in Employability (SDYAD)
- iii. Future Skills PRIME- Programme for Re-skilling / Up-skilling of IT Manpower for Employability (FSP)

5.1.2 Targets Vs Achievement

The target vis-a-vis achievement (as of March 2024) and budget and expenditure of the schemes are given below:

Table-5.1 Target and Achievement (Number of candidates)

Scheme	ESDM I (October 2013)	ESDM II (December 2014)	SDYAD (February 2020)	FSP (December 2019)					
				Deep Skilling (DS) (Subscription)	Deep Skilling DS (Free)	Founda- tion course (FC)	Bridge Course (BC)	Govern- ment Official Training (GOT)	Training of Trainers (ToT)
Target	90,000	3,28,000	21,600 18,209 (revised)	2,50,000	50,000	50,000	50,000	10,000	2,000
Enrolled	1,08,625	3,85,303	16,516	30,045	3,43,593	1,06,520	43,660	11,595	2,370

Scheme	ESDM I (October 2013)	ESDM II (December 2014)	SDYAD (February 2020)	FSP (December 2019)					
				Deep Skilling (DS) (Subscription)	Deep Skilling DS (Free)	Founda- tion course (FC)	Bridge Course (BC)	Govern- ment Official Training (GOT)	Training of Trainers (ToT)
Enrolled to Target	121%	117%	91%	12%	687%	213%	87%	116%	119%
Trained	1,08,438	3,79,950	14,722	23,233	1,46,115	46,471	15,192	11,451	2,367
Per cent of trained candidates w.r.t. to training target	120%	116%	81%	9%	292%	93%	30%	115%	118%
Certified	82,775	2,57,607	6,821	12,883	24,120	15,492	3,661	10,002	2,041
Per cent of certified candidates w.r.t.to training target	92%	79%	37%	5%	48%	31%	7%	100%	102%
Placed	36,859	83,615	951	Scheme aims to create a re-skilling / up-skilling of the IT professionals.					
Placed to Certified	45%	32%	14%						

Analysis of the target vs achievement is brought out in Para no. 5.1.7.4, Para no. 5.1.8.3 and Para no. 5.1.9.1.

Table-5.2 Budget and Expenditure (as on 31 March 2024) (₹ in crore)

Details	ESDM-I	ESDM-II	SDYAD	FSP
Approved Grant-in-Aid	₹100.00 crore	₹354.85 crore	₹29.81 crore (February 2020) revised to ₹32.86 crore (February 2024)	₹436.87 crore
Released (till March 2024)	₹76.68 crore	₹274.55 crore	₹19.17 crore	₹154.88 crore
Total Expenditure (till March 2024)	₹66.71 crore ¹⁷	₹189.01 crore	₹16.12 crore ¹⁸	₹156.50 crore ¹⁹

In ESDM schemes, a major portion of the approved Grant-in-Aid (GIA) comprising the Course Fee, Registration cum Certification Fee (RCCF), overheads and placement expenses was linked to the certification and placement of candidates. Analysis of budget and expenditure revealed that the shortfall in achieving certification and placement targets resulted in under-spending on these components, leading to under-utilisation of the approved GIA. Similarly, under FSP,

¹⁷ Overall, 87 per cent of GIA was spent under ESDM-I and 69 per cent under ESDM-II up to March 2024.

¹⁸ In SDYAD, 84 per cent of GIA was spent upto March 2024.

¹⁹ In FSP, excess expenditure was incurred (101 per cent).

a substantial portion of the approved GIA was earmarked for incentive payments, which were contingent upon candidates claiming the incentive post assessment. We noticed that minimal claim of incentives led to reduced expenditure on incentives and consequent under-utilisation of the approved GIA. Further in SDYAD scheme, the approved GIA could not be fully utilised due to under-spending on training and assessment of candidates. (Head wise Budget and Expenditure is given at **Annexure 5.1**).

5.1.3 Audit Sampling

In the case of ESDM, 13 States / UTs viz., Karnataka, Kerala and Telangana for ESDM I scheme and Andhra Pradesh, Arunachal Pradesh, Bihar, Delhi, Madhya Pradesh, Maharashtra, Odisha, Puducherry, Tamil Nadu and West Bengal for ESDM II were taken as the sample using Stratified Random sampling methodology. We conducted survey in 40 Training Partners. In respect of SDYAD, we conducted audit in nine districts of five States viz. Nagaland, Kerala, J&K, Tamil Nadu and Bihar selected using Stratified Random sampling methodology. CDAC-Noida (PMU Administration) and Hyderabad (PMU Tech) were selected as the sample institutions for FSP.

5.1.4 Audit Scope and Methodology

Audit covered the period from 2018-19 to 2022-23. The audit was conducted in the Ministry of Electronics and Information Technology and Key Implementing Agencies / PMU / PCU. Entry Conference was held with the Ministry on 27 September 2023 and Exit Conference was held on 28 October 2024.

Audit methodology involved examination of records / documents at MeitY, PMUs, Implementing Units, Analysis of Scheme related Database and field visits to NIELIT / CDAC centres, concerned Training Partners (TPs) / Resource Centres (RCs).

5.1.5 Audit Objectives

The main audit objectives were to ascertain:

- Whether the implementation structure is adequate for the intended coverage, training, certification and placement of the candidates enrolled under the skill development programs.
- Whether monitoring of the schemes was adequate.

5.1.6 Audit Criteria

Important criteria for the audit were:

- National Policy on Electronics 2012 & 2019, National Occupational Standards (NOS), GFR 2017 and related rules / regulations of Ministry of Finance.
- Administrative Approvals, Detailed Project Report (DPR), Guidelines and Standard Operating Procedure (SOP), Memorandum of Understanding (MoUs) / Agreements between stakeholders.

- Guidelines / Norms issued by Cabinet relating to Skill Development.
- Minutes of Meeting - Project Review and Steering Group (PRSG), Technical Sub-Committee (TSC), Expert Committee etc.
- Common Norms issued by Ministry of Skill Development and Entrepreneurship (MSDE), National Skill Qualification Framework (NSQF) Guidelines issued by Ministry of Finance.

5.1.7 Skill Development in Electronics System Design and Manufacturing sector (ESDM I and II)

MeitY launched ESDM-I (October 2013) and ESDM-II (December 2014) to develop skills in the Electronics System Design and Manufacturing (ESDM) sector with the objective of enhancing the availability of skilled manpower in the ESDM sector and create an ecosystem for its development across the country. ESDM-I covered six States²⁰ (later nine States / UTs²¹), while ESDM-II was launched (December 2014) nationwide. Both the schemes were extended in phases²² till 31 August 2025. Targeted beneficiaries consist of 8th / 10th pass candidates, Industrial Training Institute (ITI) holders, Polytechnics, Undergraduates and Graduates. The ESDM Scheme is operated and managed by the Programme Management Unit (PMU) at NIELIT, under the aegis of MeitY and implemented through State Implementing Agencies (SIAs) and Key Implementing Agencies (KIAs), namely NIELIT, Telecom Sector Skill Council (TSSC) and Electronics Sector Skills Council of India (ESSCI), through their affiliated Training Partners (TPs).

The implementation modalities and process flow of these schemes are given in **Annexure 5.2**.

Audit Observations

5.1.7.1 Registration Process

The Scheme Guidelines stipulated that TP should ensure that candidate has a valid Aadhaar number at the time of registration so that uniqueness of a beneficiary can be maintained through Aadhaar authentication or e-KYC process. In case Aadhaar is not available, TP has to ensure that the candidate enrol for Aadhaar and take enrolment number as a unique ID. It further stipulated that a candidate is eligible to get benefit under this scheme only once. A candidate was permitted to undergo two courses at a time only in manufacturing sector courses at successive levels.

We observed, from the databases of 4.78 lakh beneficiaries (as on December 2023), that 446 beneficiaries²³ with identical demographic details (same name and date of birth) were

²⁰ Andhra Pradesh, Jammu & Kashmir, Uttarakhand, Kerala, Punjab and Karnataka

²¹ Later expanded to Telangana (September 2014), Uttar Pradesh (September 2014) and Ladakh (January 2021)

²² Extended upto March 2020 in November 2018, March 2021 in February 2020, March 2022 in March 2021, March 2023 in December 2021, March 2024 in March 2023, December 2024 in April 2024, August 2025 in July 2025

²³ Of the total 446 beneficiaries cases, 369 pertain to the Service sector, 33 to the Manufacturing sector and 44 to both Service and Manufacturing sectors. 219 cases were within the same training partner.

enrolled and certified multiple times in the ESDM portal with different IDs, spread under same / different TPs raising concerns about uniqueness of beneficiaries.

MeitY replied (July 2024) that all the candidates have been registered with different Aadhaar numbers / Aadhaar enrolment numbers as per the condition available on the web portal. After checking the individual data as shared by the audit team, it has been noted that data was extracted by applying the filter on date of birth and name of the candidates only. It may be noted that more than 100 candidates with the same details were enrolled with different Aadhaar / Aadhaar enrolment numbers and other candidates were having different parents name, photo and Aadhaar / Aadhaar enrolment number.

Out of the certificates issued to above 446 certificates, only 14 certificates were made available to audit. We observed that in all the certificates produced to audit, they showed similarities not only in the name and date of birth, but also in other fields such as father's / mother's name, district / State, TP and photograph. Two case studies highlight the above inconsistency indicating duplication in registration.

Box 5.1 : Case Studies

Case Study-1

As per Scheme Guidelines, a candidate cannot register for more than one course in service sector. Mr. D.B. received certification on 15 March 2021 from ESSCI (Electronic Sector Skill Council of India) through TBL Education Pvt Ltd (TP) for the course "Field Technician-Networking and Storage" (a service sector course) with registration ID "ESDM-AS-STU-004871" in Morigaon District, Assam. The registration listed his mother as Ms. H.B. and his father as Mr. S.B. On 23 April 2021, Mr. D.B. was again certified by ESSCI through TBL Education Pvt Ltd (TP) for the course "Installation Technician-Computing and Peripherals," (a service sector course) with registration ID "ESDM-AS-STU-008974". This registration listed his mother as Ms G.B. and his father as Mr. S.B. Both certificates feature the same photograph of the candidate. The first certificate includes the Aadhaar number while the second certificate states "Not Available" for the Aadhaar number.

Case Study-2

Mr. A.K. got certified on 16 September 2022 by the Telecom Sector Skill Council (TSSC) from the Zentek Educational and Welfare Society (TP) for the course on "Solar Panel Installation Technician" (Service sector course) with registration ID as "ESDM-UP-STU-016111" in Gautam Buddha Nagar, Uttar Pradesh. The registration listed his mother as Ms. Ge.D. and his father as Mr. J.P.S. Mr. A.K. got certified again on 29 September 2022 by the TSSC from the same Institute for the same course on "Solar Panel Installation Technician" with registration ID as "ESDM-UP-STU-016344" in Gautam Buddha Nagar, Uttar Pradesh. This registration listed his mother as Ms Gi.D. and his father as Mr. J.P.S. Both the certificates

have the same photograph of the candidate. The first certificate includes the Aadhaar number while the second certificate states (i.e; blank) for the Aadhaar number.

Meity replied (May 2025) that out of a total of 4.93 lakh+ candidates, it has been observed that in very few cases (0.02 *per cent*) the photos uploaded by the candidate / TP are not proper / duplicate. This has been duly noted and KIAs / TPs have been sensitised to ensure that the photos uploaded are also unique for all case.

Registration / Certification of candidates without Aadhaar / enrolment numbers / Valid ID authentication point to weaknesses in the portal's de-duplication mechanism and the risk of inflated reporting of certified candidates and excess expenditure under the Scheme.

5.1.7.2 Non-collection of Registration-cum-Certification Fees (RCCF) from the candidates in ESDM Scheme

The Scheme guidelines require the Training Partners (TPs) to collect the Registration-cum-Certification Fees (RCCF) from each candidate at the time of enrolment for onward submission to the KIA (NIELIT / ESSCI / TSSC as the case may be) within five working days of the commencement of a batch. However, our survey in 40 TPs revealed that 33 of them were not collecting the RCCF from candidates at the time of enrolment. Instead, these TPs were bearing the costs themselves and subsequently claiming the reimbursement from KIA for successful candidates in contravention of the above Guidelines.

MeitY (December 2024) replied that due to various socio-economic reasons, the candidates were unable to remit the RCCF. Currently, it is being ensured that the RCCF amount from the respective training partners were collected and thereafter this amount was refunded back to the TPs after the candidates were successfully certified through a KIA-based third-party assessment to ensure only serious and willing candidates were mobilized and trained by the respective Training Partners for promoting transparency and accountability under these schemes.

Audit acknowledges the socio-economic challenges reported by the Ministry. However, the non-collection of RCCF from candidates constitutes a clear violation of scheme provisions. In addition, this practice defeats the intended purpose of ensuring participation by willing candidates through their financial commitments.

5.1.7.3 Assessment and Certification

As per the Scheme guidelines, assessment of candidates should be completed within two weeks of course completion. We observed (March 2024) that the assessments were not conducted for 1,526 batches, consisting of 42,120 candidates. This included 320 batches of 8103 candidates since 2019-20. This observation is further emphasised by the 8th Project Review and Steering Group (PRSG), which mentioned (May 2024) that certification for 44,940 students out of a total of 4,88,388 trained students was pending as of March 2024.

Further, KIA is required to upload assessment results on ESDM Portal within five working days of the conducting assessment and upload certificates on the portal within five days of declaration of result. We observed delay in issuing and uploading of certificates by KIAs in three²⁴ selected States, with delays ranging between 25 to 736 days in four to six batches involving 279 students.

MeitY replied (May 2025) that assessment delays were primarily caused by delayed RCCF payments by Training Partners to KIA and difficulties faced in mobilising candidates and coordinating schedules with third-party assessors after training.

Prolonged delays in assessments and certification exhibits weak oversight by the Ministry affecting candidate's ability to seek employment thereby undermining the scheme's objective of employability; reducing motivation and engagement of TPs and candidates. Proactive monitoring of TPs and KIAs should be ensured to address delays.

5.1.7.4 Placement Initiatives and Employment Outcome

i. As per the scheme guidelines²⁵, the success of the ESDM Scheme is measured in terms of placement of certified candidates. Audit noted that out of 4.88 lakh trained candidates in ESDM-I & II (as on March 2024), 3.40 lakh candidates were certified (69.70 *per cent* of trained), resulting in certification gap of 1.48 lakh as stated in Table 5.1. While 10 courses were found to be successful with 100 *per cent* placement of 1388 candidates, enrolment of 6256 candidates in 43 courses was unproductive with zero placement. Further, a total of 25 *per cent*²⁶ of the trained candidates could be finally placed.

MeitY stated (October 2024) that placement-focused models, such as the 'Place and Train' approach now being implemented, are designed to ensure that enrolments and training are better aligned with the requirements of prospective employers.

Reply of MeitY does not address the audit observation. Though the requirement of adopting placement-linked models such as "Place & Train" was stipulated in the scheme guidelines in 2015, it was implemented only from July 2022. Thus, the certified candidates due to the delayed introduction (till July 2022) of the Place and Train model were deprived of the placement support, thereby limiting the intended impact of the scheme.

ii. Further, the guidelines stipulated²⁷ that Training Partners (TPs) were required to obtain Letters of Intent (Lols) from industries for placement and submit them to the Programme Management Unit (PMU) through the Key Implementing Agencies (KIAs). These Lols were to be reviewed and shortlisted by the PMU, then recommended by the Coordination Committee and finally approved by the Expert Committee and conveyed to the respective KIA. The scheme guidelines stipulated a 15-day timeframe for the entire approval process, counted from the date of Lol submission. After getting the approval, the respective KIA / TP were

²⁴ Madhya Pradesh, Odisha and Maharashtra.

²⁵ Responsibility for KIAs, Para 5 (f) (6).

²⁶ A total of 1,20,474 candidates could be placed out of 4,88,388 trained candidates (together in Scheme I and II as referenced in Table 5.1)

²⁷ Responsibility for KIAs, Para 5.

required to upload batch details within next 15 days for batch initiation failing which the seats would get surrendered / merged back within the main vacancy pool.

We observed in Electronics Sector Skill Council of India (ESSCI) that in 111 LoIs out of 300 LoIs submitted by the KIA, there were delays ranging from 120 to 491 days in obtaining approval for the LoIs leading to further delays in timely implementation of this model.

MeitY (July 2024) stated that the model includes the processes of evaluation of LOI received from industries, which includes document verification and confirmation emails from the concerned companies. Delays were also observed in the LOI process partly due to the impact of COVID-19, which halted training and led to the closure of industries and the cancellation of tie-ups. In some cases, the PMU received late LOIs due to delays by the KIAs, as per the issuance date by the industries.

Audit acknowledges that while certification performance has improved significantly (from 69.70 *per cent* to 76 *per cent* as of June 2025), placement performance remains low i.e; 28 *per cent*. The Ministry needs to take further appropriate measures to enhance placement / employability as envisaged in the Scheme.

5.1.7.5 Tracking of Trainees in ESDM Scheme

According to the Common Norms²⁸ for skill development schemes notified by the Government of India in August 2015, all the trainees trained under a project will be tracked for a period of one year in case of fresh entrants and 14 months in case of reskilling and upskilling from the date of completion / certification of training with respect to their career progression, retention and other parameters.

However, we observed that the schemes tracked this key metric of employment for only three months in contravention of the Common Norms.

MeitY stated in May 2025 that the ESDM Sector Schemes (Scheme-I and Scheme-II) were approved by the Ministry prior to the notification of the Common Norms in August 2015.

Although the Ministry had revised (June 2016) the structure of the ESDM Schemes in line with the Common Norms, the tracking period for candidates was not extended accordingly. It limits the impact of the Schemes in terms of employability. Ministry may adopt compliance with the Common Norms for tracking of trainees to enhance the intended impact of the Scheme including improvement in placement performance.

²⁸ Common Norms seek to rationalise the whole spectrum of skill development processes and systems including inputs, outputs, funding/ cost norms, third party certification and assessment, monitoring / tracking mechanisms and empanelment of training providers.

5.1.7.6 Reimbursement of Registration cum Certification Fees (RCCF) and Course Fees (CF) to the Training Partners

An examination of the invoice database revealed that an amount of ₹8.93 crore for the reimbursement of Course Fee (CF) and RCCF was pending up to 42 months²⁹. As of March 2024 funds were required to be released to the TPs for 1040 batches across both schemes, where assessments and certifications had been completed.

MeitY stated (July 2024) that verification of the requisite documents and further submission of documents (in case of mistakes / wrong documents) for compliance was time consuming and resulted in delayed processing and reimbursement of CF / RCCF amount to respective TPs. Out of 1040 batches, hard copy of invoices of only 787 batches have been received by PMU and 253 invoices were pending at respective KIAs. Out of physically received 787 batches, 417 batches were processed and 370 batches are pending due to further requirement of documents / action from KIA / TP. It was decided during April 2024 that all the pending reimbursements may be completed by 31 December 2024.

While the reasons for delays in processing are acknowledged, but the pendency of reimbursements could not be cleared and remained (as on 27 June 2025) at ₹4.79 crore.

The prolonged pendency of reimbursement claims and admittance of the Ministry indicates gaps in effective monitoring and requires institution of a timely resolution mechanism to prevent causing financial strain on the TPs.

5.1.7.7 Fund Management and Planning

a) Delayed Fund Release: According to GFR - 232 (vi), a mechanism should be designed to prevent the release of large amounts of funds towards the end of the year. We observed 19 cases where funds amounting to ₹37.21 crore were released at the fag end of the year during 2014-15 to 2021-22 under both schemes (ESDM I and II).

No response was received from the Ministry in this regard, as of May 2025.

Release of substantial funds at the fag end of the financial year constrain the effective utilisation of funds or increases the risk of hurried expenditure.

b) Delayed submission of Utilisation Certificates: Rule 238 mandates submission of Utilization Certificate within twelve months of the closure of the financial year by the organisation concerned. We observed delays in submission of Utilisation Certificates, ranging from one to three years in ESDM I and one to two years in ESDM II.

MeitY accepted audit observation and stated (May 2025) that any delay in assessment / certification of candidates by KIA appointed third-party assessors resulted in some delay in processing of claims / invoices. Therefore, there was a cascading effect in submission of UCs. Further submission of UCs is being addressed through improved monitoring mechanisms which will significantly strengthen the financial and operational integrity of the scheme.

²⁹ ₹0.99 crore pertains to 2020-21, ₹0.62 crore to 2021-22, ₹1.59 crore to 2022-23 and ₹4.64 crore to 2023-24. An additional ₹1.09 crore relates to entries where the physical invoice received date is not available and hence the invoice year could not be determined.

Delayed submission of Utilisation Certificates weakens financial oversight and increases the risk of fund diversion.

5.1.8 Skill Development of youth [SC / ST / EWS (women)] in Aspirational Districts in the area of Information Electronics and Communication Technology (IECT) leading to enhancement in Employability (SDYAD)

NITI Aayog identified 112 Aspirational Districts on the basis of socio-economic themes³⁰. MeitY initially introduced the scheme in February 2020 in 60 aspirational districts, aiming to improve skills in the IECT sector through four training³¹ courses, amongst the youth [SC / ST / EWS (Women)] to enhance employability which was later expanded (June 2023) to 81 districts. The Scheme was to end in February 2023 but was extended in phases³² upto August 2025.

NIELIT HQ, the Project Coordination Unit (PCU) engages Training Partners (TPs) to conduct training and handles overall management while the three Regional PCUs at Lucknow, Guwahati and Aurangabad oversee regional implementation.

The implementation modalities and process flow of these schemes are given in **Annexure 5.2**.

Audit observations

5.1.8.1 Districts with zero registration in SDYAD Scheme

The Training Partners were responsible for selection of beneficiary / candidate, conducting training of candidates and help them in training & certification related matters.

However, in 21 districts, no TPs could be selected (as on March 2024) by NIELIT. Further, in 18 out of 21 districts, though added in June 2023, TPs could not be identified even after lapse of nine months by Regional NIELIT Centres leading to nil registrations in 17 of these 18 districts.

MeitY stated (May 2025) that the major challenge was non-availability of potential TPs in the region.

Thus, this highlights gaps in planning and assessment of district-wise TP availability.

5.1.8.2 Data lacking validations and authenticity

According to the Scheme Standard Operating Procedures (SOP), Training Partners (TP) would assist candidates with online Registration after thorough checking and uploading the requisite documents³³ of every student in a batch, on the online portal. In case at a later stage after admission of a candidate, the document of beneficiary uploaded on portal is

³⁰ Health & Nutrition, Education, Agriculture & Water Resources, Financial Inclusion & Skill Development and Infrastructure.

³¹ Certified Data Entry and Office Assistant (Upskilling), Certified Computer Application Accounting and Publishing Assistant, Diploma in Installation and Repair of Consumer Electronics Products and Solar LED Lighting Product (Design & Manufacturing).

³² Extended upto February 2024 in June 2023 and upto February 2025 in February 2024, Upto August 2025 in March 2025.

³³ such as caste certificates, educational qualification certificates (10th / 12th / ITI), ID proofs, EWS certificates.

found fake, then TP would not get any reimbursement for training and certification. The SOP also stipulates that a student can take benefit under this scheme only once.

We reviewed the online registration portal of NIELIT HQ (<http://student.NIELIT.gov.in>) and found that the portal only provided options for uploading photo, signature and left-hand thumb impression, but did not allow for uploading other documents such as caste certificates, educational qualification certificates, ID proofs, EWS certificates etc. Thus, the portal lacked adequate checks to verify the duplication of students' records.

Review of database of registered candidates (12840 records as on 23 February 2023) available on the Management Information System (MIS) portal, disclosed the following irregularities:

a) Multiple enrolments by:

- i. same candidate in the same course (256 records of 14 NIELIT centres)
- ii. same candidate in more than one course (154 records of 10 NIELIT centres)
- iii. same candidate in same course with different NIELIT centre (one case)

b) Existence of functionality: Although the Scheme was intended for SC, ST and EWS (women) candidates, the database revealed four instances where the same candidate selected more than one category simultaneously. The portal allows multiple category selection (among SC, ST and EWS) and does not disable the other options once a category is chosen. Such functionality of multiple enrolments / category selection at a time may distort the Scheme's reporting and may result in selection of ineligible candidate.

c) Registrations with Invalid Mobile numbers (50 records) such as mobile numbers with nine and four digits, mobile numbers starting with digit three etc. thereby suggesting deficiency in the data validation control mechanism of the Portal.

NIELIT HQ replied (March 2023) that the records were entered twice mistakenly by TPs in MIS portal, however registration ID of these candidates is unique and candidates are allowed to appear in the examination based on registration number only and no double benefit was provided. However, duplicity from the MIS database would be removed at the earliest.

NIELIT HQ admitted the absence of any feature for uploading of documents in the portal and the presence of manual mechanism of examination of documents at TP level. Fund crunch was stated as the reason for non-development of these features in the portal.

MeitY accepted (May 2025) the audit observations and stated that NIELIT had introduced significant enhancement in the online portal to improve data accuracy.

5.1.8.3 Low placement initiative

The Scheme envisaged training of SC, ST, EWS (women) youths in the domain of Information and Communication Technology (ICT) which will increase their employability. According to SOP, NIELIT Centre through Regional Project Coordination Unit (RPCU) & TP of concerned District shall conduct Job fair at NIELIT Centre / tie-up with industry / online remote interview, if possible and facilitate certified candidates to get suitable job. The second PRSG

(February 2022) recommended to get the candidates placed or connect them with potential industries. The 4th PRSG (June 2023) directed KIA to establish a special placement cell and do groundwork for getting more candidates placed and to set up a link with contemporary schemes / programmes of other ministries for placement.

The scheme implementation was confronted with absence of adequate number of takers which prima facie led to reduction in original target and extension of the Scheme upto August 2025 . As shown in Table 5.1, only 14 *per cent* of total Certified candidates were placed under the Scheme as of March 2024 indicating a poor employment outcome.

MeitY replied (May 2025) that placement is not a mandatory part of scheme / project, however, NIELIT with the support of RPCU and Model Career Centre (MCC), was able to place more than 1000 candidates.

While Audit notes the efforts made by the Ministry in facilitating the placements in keeping with the Scheme Guidelines, SOP and PRSG directions, there is need for strengthening placement linkages to realise the intended impact of the Scheme.

5.1.8.4 Raising of Manual invoice by Training Partner (TP)

As per Standard Operating Procedures (SOP), after completion of training and certification of a batch, invoice towards training charges would be generated from online portal by the TP and payments would be made after due verification by Nodal Officer of NIELIT.

We however observed (March 2024) that contrary to these provisions, payments were made to the TPs based on manual invoices, without uploading the required documents³⁴ on the portal.

NIELIT HQ stated (April 2024) that though there is a provision of online monitoring and verification of bills, but due to non-availability of fund, the utility could not be implemented.

Further MeitY stated (May 2025) that online invoice generation facility in NIELIT portal is under final stage.

Delay in implementing the online invoice generation and monitoring facility exhibits a deviation from SOP provisions and existence of weak internal control mechanism. Further the response regarding non availability of funds is not substantiated by facts, as unspent amount of ₹1.76 crore (first year) and ₹1.28 crore (second year) received as Grants-in Aid, was refunded to MeitY, part of which could have been utilised for portal development in line with the scheme provisions. Further as against approved GIA of ₹8 lakh, on software and hardware equipment, an amount of ₹3 lakh remained unspent (August 2025).

³⁴ copy of attendance, caste certificates, age proof and educational qualification.

5.1.8.5 Release of funds at the fag end of the year

According to GFR Rule 232 (vi), a mechanism should be designed to prevent the release of large amounts of funds towards the end of the financial year. We observed (May 2024) that out of GIA released of ₹19.17 crore, sum of ₹6 crore for the FY 2021-22 was released on the last day of the FY against the GFR provisions.

Table 5.3: GIA released, utilised and unspent

GIA release	GIA utilised	Unspent GIA
₹6.00 crore released on 30 March 2022	₹4.71 crore during 2022-23	₹1.28 crore Refunded on 10 July 2023

MeitY stated (May 2025) that the scheme was initiated during 2019-20 and afterwards due to covid-19 pandemic and lockdown, it took two years to recover from such disruptions which attributed NIELIT to postpone the training program in Aspirational Districts. This delay adversely impacted the utilisation of released GIA, submission of UCs and return of unspent GIAs. The fund finally released on 30 March 2022 to NIELIT, the UCs were settled.

Audit notes the Ministry's reply and acknowledges the constraints cited. However, the release of funds on the last day of the financial year was not in compliance of GFR and risked effective utilisation and monitoring of funds.

5.1.9 Future Skills PRIME- Programme for Re-skilling / up-skilling of IT Manpower for Employability (FSP)

The Scheme, introduced in December 2019, aimed to build a national ecosystem for re-skilling and up-skilling in emerging technologies. The Scheme targets IT professionals, non-IT professionals, government / PSU employees and fresh recruits. The programme consists of five types of courses Foundation courses, Bridge courses, Deep Skilling (DS) pathways (both free and subscription-based), Government Official Training (GOT) and Training of Trainers (ToT) across 10 emerging technologies³⁵. The trainings are imparted in online and blended mode through Future Skills PRIME portal. The Scheme is handled by Programme Management Unit (PMU) through National Association of Software and Service Companies (NASSCOM), Centre for Development of Advanced Computing (C-DAC) and NIELIT Resource Centres. The Scheme was to end in December 2022 but was extended in phases³⁶ upto March 2027.

Project Review and Steering Group (PRSG)³⁷ was put in place for each Scheme to review the progress of the Scheme, ensure the time-bound implementation of the Scheme and recommend fund release.

The implementation modalities and process flow of these schemes are given in **Annexure 5.2**.

³⁵ Artificial Intelligence, Augmented Reality & Virtual Reality, 3D Printing & Manufacturing, Block Chain, Big Data, Cloud Computing, Cyber Security, Internet of Things (IoT), Robotics Process Automation (RPA) and Social & Mobile.

³⁶ Extended upto December 2023 in May 2022 and upto March 2027 in March 2024.

³⁷ The PRSGs were chaired by Joint Secretary (MeitY) / Scientist G and Group Coordinator.

Audit observation

5.1.9.1 Deep Skilling (DS) courses in FSP scheme

We noted that the DS subscription based pathways could achieve only 12 per cent enrolments of the target indicating low interest / preference for the paid course as against 687 per cent enrolments of the target in DS Free pathway (an unpaid course). We further observed³⁸ that Deep Skilling (DS) Subscription pathways (a paid course) had higher completion rate (77 per cent) vis-à-vis DS Free pathway (an unpaid course) which had lower completion rate (43 per cent). The courses are run by Sector Skill Council (SSC)-NASSCOM.

The overall FSP deliverance for Deep Skilling, in initial four years, could attract the learners only for free courses and not for paid courses though paid courses learners showed more commitment to completion of courses.

3rd PRSG (December 2023) noted that the industry does not offer any additional merit to learners who complete certification leading to lack of motivation among them. Thus, due to low recognition for Sector Skill Council (SSC) NASSCOM certification amongst industry players and scheme beneficiaries being working professionals, there was absence of demand driven approach which had led to short-fall in takers under this Scheme.

MeitY replied (May 2025) that SSC NASSCOM has worked on improving its marketing and awareness campaigns for Deep Skilling through digital advertisements, awareness campaigns, marketing on social media and on-ground engagement with academia and industry ecosystem across the country. The efforts taken by SSC NASSCOM resulted in overall course completion on Deep Skilling by more than 84,000 in 2024-25.

While the Ministry's efforts in enhancing marketing and outreach are acknowledged, the Ministry needs to address the issues pointed out by the PRSG regarding absence of industry recognition and demand driven approach.

5.1.10 Recommendations

- i. Ministry may strengthen Aadhaar authentication / e-KYC process / portal functionality to enforce uniqueness of beneficiaries, ensuring that Scheme benefits reach the intended recipients.*
- ii. Ministry may monitor the Training Partners and Key Implementing Agency (KIAs) more proactively to address the delay in Assessment and Certification.*
- iii. Ministry may ensure compliance with the Common Norms with respect to tracking of trainees.*
- iv. Ministry may ensure compliance with Scheme Guidelines for generation of invoice towards training charges from online portal by the TP.*

³⁸ Statistics in Table-5.1.

- v. **Ministry may put in place a system to deliver on the employability envisaged by the Schemes.**

5.2 Audit of Implementation of Common Service Centres (CSC) 2.0 Project

5.2.1 Introduction

The Common Service Centre (CSC) scheme was first approved by the Government of India in September 2006 with the vision of creating one lakh service delivery outlets, roughly one centre for every six villages. The purpose was to provide citizens at the grassroots level with convenient access to a wide range of e-services, thereby bridging the digital divide and strengthening governance.

Building on the initial framework, the Government approved the CSC 2.0 project in August 2015 with an overall outlay of ₹475.11 crore. The Ministry of Electronics and Information Technology (MeitY) was designated as the nodal Ministry to implement and oversee the initiative. Its key objectives included providing non-discriminatory access to e-services, extending a self-sustaining CSC network to every Gram Panchayat, empowering District e-Governance Societies under local administration for effective implementation and creating a robust institutional framework to support project management and handholding Village Level Entrepreneurs (VLEs). The project aimed to expand the reach of digital service delivery by establishing at least one CSC in every Gram Panchayat, covering more than 2.5 lakh Gram Panchayats across the country within four years. This expansion strategy also included strengthening and integrating the one lakh CSCs already operational under the first phase, while adding an additional 1.5 lakh centres.

Organisation set-up for implementation of CSC 2.0 project is as follows:

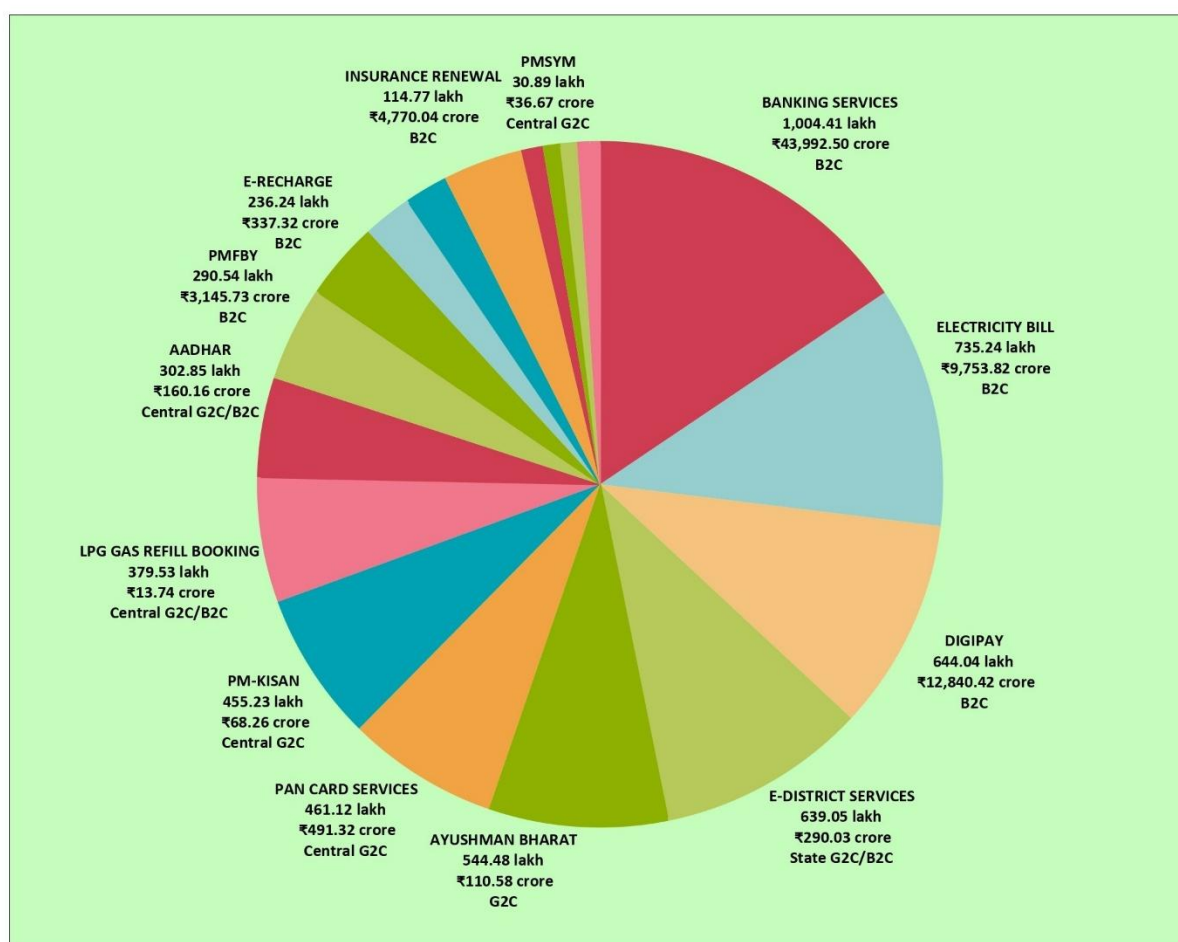
- Ministry of Electronics and Information Technology (MeitY) is the nodal Ministry for the project. It provides policy support for the implementation of the project and also monitors the implementation of the project through Project Review and Steering Group (PRSG)³⁹. National Level Resources (NLRs) engaged by the CSC-SPV provide support to the Ministry for program management (including administrative and financial management and co-ordination with stakeholders).
- CSC e-Governance Services India Limited (CSC-SPV), a non-government company registered under Companies Act 1956 formed in July 2009 is the implementing agency for the project. It was to develop a national level universal CSC technological platform and is to act as a coordinating agency for development, enablement, on-boarding and delivery of services centrally through the platform to ensure availability of a standard list of services at all CSCs. It has to undertake capacity building and entrepreneurship training programme to cover all the existing and new VLEs.

³⁹ Chaired by the Additional Secretary, MeitY with members including CEO, CSC-SPV, representatives from NITI Aayog, Department of Telecom, Department of Expenditure, Ministry of Panchayati Raj, Ministry of Rural Development and representatives from three States / UTs.

- State Designated Agency (SDA) under the nodal department of State / UT is responsible for project implementation and management of the project in the State through State Level Resources (SLRs) also called State Project Managers.
- District e-Governance Society (DeGS) under District Magistrate / District Collector is responsible for selection of VLEs, the operation of CSC Network, monitoring at District level and handholding of VLEs within the district through District Level Resources (DLRs) called District Managers.
- Village level Entrepreneur is an individual who operates and manages CSC and is responsible to bear the entire capital and operational expenditure.

The CSC 2.0 project was conceived not merely as an expansion in numbers but as a shift to a service and transaction-oriented model, with a wide bouquet of services accessible to rural citizens through their local centres.

Figure-5.1 and Table 5.4: Total transaction volume and transaction value of various services⁴⁰ offered through CSC network in rural areas (2018-19 to 2022-23)



Source: Data provided by CSC e-Governance Services India Limited

⁴⁰ Figure contains data of transactions on DSP for the period 2018-19 to 2022-23 and transactions of Banking & Digipay for the period 2022-23 only.

Table 5.4

Service Category	Transaction Count (in lakh)	Transactions Value (₹ in crore)	Percentage Transactions	Percentage Transaction Value
BANKING SERVICES	1,004.41	43,992.50	15.26	54.34
ELECTRICITY BILL	735.24	9,753.82	11.17	12.05
DIGIPAY	644.04	12,840.42	9.79	15.86
E-DISTRICT SERVICES	639.05	290.03	9.71	0.36
AYUSHMAN BHARAT	544.48	110.58	8.27	0.14
PAN CARD SERVICES	461.12	491.32	7.01	0.61
PM-KISAN	455.23	68.26	6.92	0.08
LPG GAS REFILL BOOKING	379.53	13.74	5.77	0.02
AADHAR	302.85	160.16	4.60	0.20
PMFBY	290.54	3,145.73	4.42	3.89
E-RECHARGE	236.24	337.32	3.59	0.42
STATE GOV (G2C)	149.45	54.37	2.27	0.07
BBPS	132.12	1,025.00	2.01	1.27
TOURS AND TRAVELS	128.06	1,770.86	1.95	2.19
INSURANCE RENEWAL	114.77	4,770.04	1.74	5.89
AGRICULTURE	66.20	21.83	1.01	0.03
LABOUR SERVICES	53.15	23.39	0.81	0.03
INSURANCE SALES-GI	50.01	918.75	0.76	1.13
ESTAMP	37.76	219.53	0.57	0.27
PMSYM	30.89	36.67	0.47	0.05

At the heart of the CSC ecosystem are the Village Level Entrepreneurs (VLEs). Each VLE is an individual responsible for operating and managing a CSC, bearing both the capital investment and recurring operational expenses. Their financial sustainability depends on a commission-based revenue-sharing model, under which 80 *per cent* of the commission earned on each successful transaction flows directly to the VLE, while the remaining 20 *per cent* is retained by the CSC-SPV, the implementing agency.

Each VLE has a unique CSC ID and pre-paid wallet mapped with their CSC ID. The VLE recharges the pre-paid wallet and makes transactions through Digital Seva Portal (DSP). On successful completion of transaction, the transaction amount is deducted from the wallet after leaving VLE's share. Thus, in real time, VLE gets their credit. However, in some services like Insurance, DigiPay, Banking, e-Shram, Scholarship verification, the CSC-SPV transfers the commission to the VLEs account periodically.

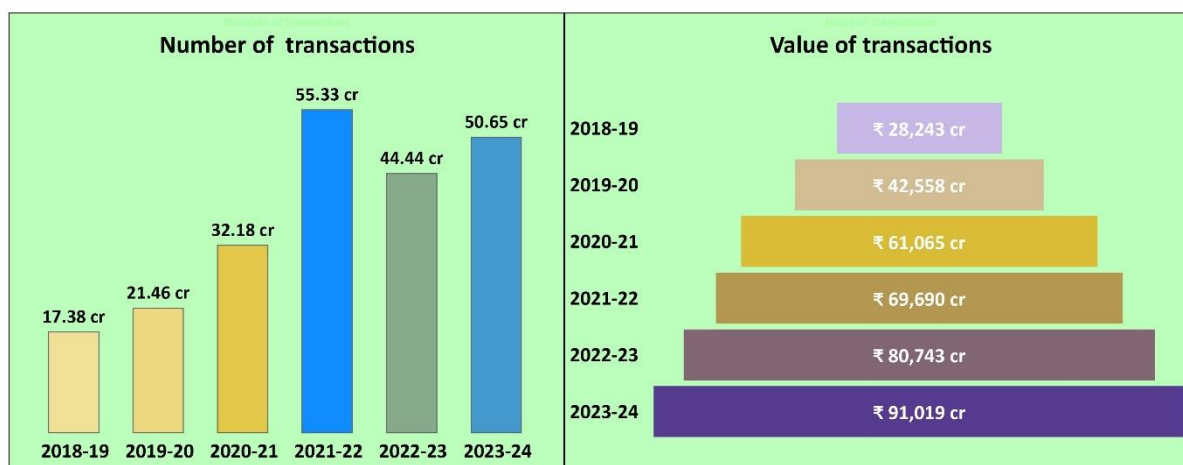
To streamline service delivery and create a unified platform, the CSC-SPV launched the Digital Seva Portal in February 2017. This technological backbone was designed as a universal interface through which all service providers were expected to integrate their services, ensuring consistency, accessibility and scalability across the entire CSC network.

The project also sought to consolidate service delivery on a single technological platform, thereby ensuring accountability, transparency and efficiency. In doing so, it aimed to enhance the sustainability of VLEs through a fair commission-sharing structure, while also encouraging greater participation of women entrepreneurs in the CSC ecosystem.

Through the portal, CSCs offer a total of 848 products under 60 services including G2C (Central / State Government to Citizen) services. These include services under Aadhaar, Election Commission, PAN card, passport etc. They also offer other Business to Citizen (B2C) services i.e. Ticket Booking, Utility Bill Payments, E-Commerce, E-Recharge, etc. List of services provided at CSC centres is at **Annexure 5.3**.

The year-wise details of transactions done by CSCs and their value are shown in **Figure 5.2** below:

Figure 5.2: Year-wise number of transactions and value of transactions



Source: National Monthly Report of CSC-SPV : March-2019, March-2020, March-2021, March-2022, March-2023 and March-2024

We noted that the scheme expanded in its reach over 2018-2024, with a significant rise in number of transactions (291 *per cent*) and value of transactions (322 *per cent*). The number of transactions peaked in 2021-22 primarily on account of 16.57 crore e-Shram registration for the informal workforce.

As of 31 March 2024, the project had broadly met its target of establishing CSCs at the Gram Panchayat level. However, performance at the village level was relatively lower. While 81.78 *per cent* of villages were covered under the CSC network, only 72.79 *per cent* of these had at least one active CSC. This gap between coverage and active service delivery highlights the importance of not just physical presence but also functionality and sustainability of centres in meeting the intended goals of CSC 2.0.

Figure 5.3: Status of coverage of Gram Panchayats (GPs) and Villages as on 31 March 2024



Source: National Monthly Progress Report of CSC-SPV: March 2024 for GP and for Village, data from CSC-SPV

5.2.2 Audit Scope, Methodology and Audit Objectives

The Audit was conducted from September 2023 to March 2024 and covered the period from 2018-19 to 2022-23. Scrutiny of records was extended to earlier period as per requirement. Audit was conducted at MeitY, CSC e-Governance Services India Limited (Corporate Office and State offices of 10 selected States / UTs).

The Audit commenced with entry conference with the Ministry on 27 September 2023. We sampled 10 States / UTs for field audit and selected 315 CSCs⁴¹ for joint physical verification (audit team and CSC-SPV representative) during December 2023 to January 2024. The details of sample is at **Annexure-5.4**. We also conducted a beneficiary's survey⁴² in May 2024. Audit was concluded with the exit conference on 13 January 2025.

The audit was undertaken with the following objectives:

- To examine whether Project design is sustainable for the VLEs, geared to provide hassle-free e-services across various categories to the villagers.
- To examine whether the training and incentives empowered VLEs to become self-sufficient.
- To examine whether there was an institutional mechanism to review the success of the CSCs and to make timely interventions.

5.2.3 Audit Findings - Project Implementation

5.2.3.1 Sustainability

According to the CSC 2.0 guidelines (para 8.2.2), each centre is expected to be equipped with basic ICT infrastructure such as a computer or laptop, printer, scanner, webcam, biometric device and power backup. The responsibility for this investment rests entirely with the Village Level Entrepreneur (VLE). The conservative estimated cost⁴³ of ICT infrastructure is around ₹ 50,000.

An analysis of earnings data⁴⁴ of VLEs⁴⁵ during 2018-19 to 2022-23 revealed that most operators struggled to recover even this modest investment. About 86 *per cent* of rural VLEs earned less than ₹500 per month, implying a payback period of over eight years. Between 7.5 and 18.5 *per cent* of rural VLEs reported no earnings at all, while less than three *per cent* earned more than ₹3,000 per month.

⁴¹ Out of the sampled 315 CSCs, 231 could be physically verified. 81 CSCs were found closed during physical verification and three CSCs were found relocated / registered beyond audit period / same CSC linked to two GP.

⁴² Beneficiary survey was conducted in 210 CSCs as 21 CSCs were reported to be inactive.

⁴³ Audit made this estimate conservatively on the basis of ICT products available on e-commerce websites.

⁴⁴ Merchant-wise transaction data dump (April 2018 to March 2024) provided by CSC-SPV.

⁴⁵ Number of active rural VLEs during 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 were 2,47,128, 3,07,530, 4,01,430, 4,99,647 and 5,99,800 respectively.

A small segment of 4,913 VLEs did achieve monthly earnings exceeding ₹10,000 in 2022-23. Their success was largely tied to the type of services offered: over 80 *per cent* focused on recurring Business-to-Citizen (B2C) services, primarily banking transactions, while only four *per cent* on Government-to-Citizen (G2C) services. Around 13 *per cent* provided diversified services to achieve higher earnings.

Case Study – A successful VLE in Uttar Pradesh

One Village Level Entrepreneur (VLE) from a Gram Panchayat in Mainpuri district, Uttar Pradesh, has been associated with the CSC ecosystem since 2012. With a postgraduate degree in education, he began his journey by operating the centre from a rented shop, which over time grew into a self-owned establishment—a reflection of his steady progress and determination.

Through active participation in workshops and regular meetings, the VLE enhanced his technical knowledge and gained the confidence to offer a wide portfolio of services. His centre today delivers a broad spectrum of citizen-oriented services, including Banking, Aadhaar updation, Insurance, Electricity bill payments, Aadhaar Enabled Payment System (AEPS) transactions, Digi-Pay, Mobile recharges, Income tax return, Railway and Air ticket booking, as well as schemes such as PM-Kisan and pension-related services. His role as a Business Correspondent for a nationalised bank provided him with economic stability and a consistent source of income.

The VLE currently earns between ₹30,000 and ₹35,000 per month, demonstrating how entrepreneurship within the CSC model can lead to financial independence with the right mix of services and customer outreach. Like many rural service providers, however, he continues to face challenges in managing customer expectations, as most of his clientele expect immediate solutions even when delays occur due to technical issues beyond his control.

To strengthen his service quality and visibility, he actively seeks customer feedback via WhatsApp and has expanded his presence on social media platforms such as Facebook, Instagram and Google My Business. Additionally, he invests in local advertising through print media and pamphlet distribution, by setting aside about ₹2,000 per month for promotional activities. His long-term goal is not limited to business growth alone; he is also committed to promoting financial literacy in his village, helping fellow citizens better understand Banking, Insurance and Digital services.

This example highlights how, despite operational challenges, a proactive and innovative approach can enable VLEs to turn CSCs into viable and impactful enterprises at the grassroots level.

Low transaction volumes further reflected weak business viability, with nearly half the VLEs (46.49 *per cent* in 2022-23) recording between one and 100 transactions in the entire year (**Annexure-5.5**).

CSC-SPV acknowledged (September 2024) these challenges and highlighted its efforts such as training and workshops to improve VLEs' entrepreneurial skills and awareness campaigns for

rural citizens to promote the services offered at CSCs. MeitY emphasized (May 2025) the overall growth of the CSC network from 85,000 centres in 2014 to 5.7 lakh by February 2025.

The expansion of CSC network and the entrepreneurial opportunities they create are noteworthy. However, the persistently low earnings of a substantial proportion of VLEs point to structural issues that cannot be addressed through training and awareness alone. Targeted measures are needed to ensure that CSCs remain financially viable for VLEs and truly sustainable in the long term.

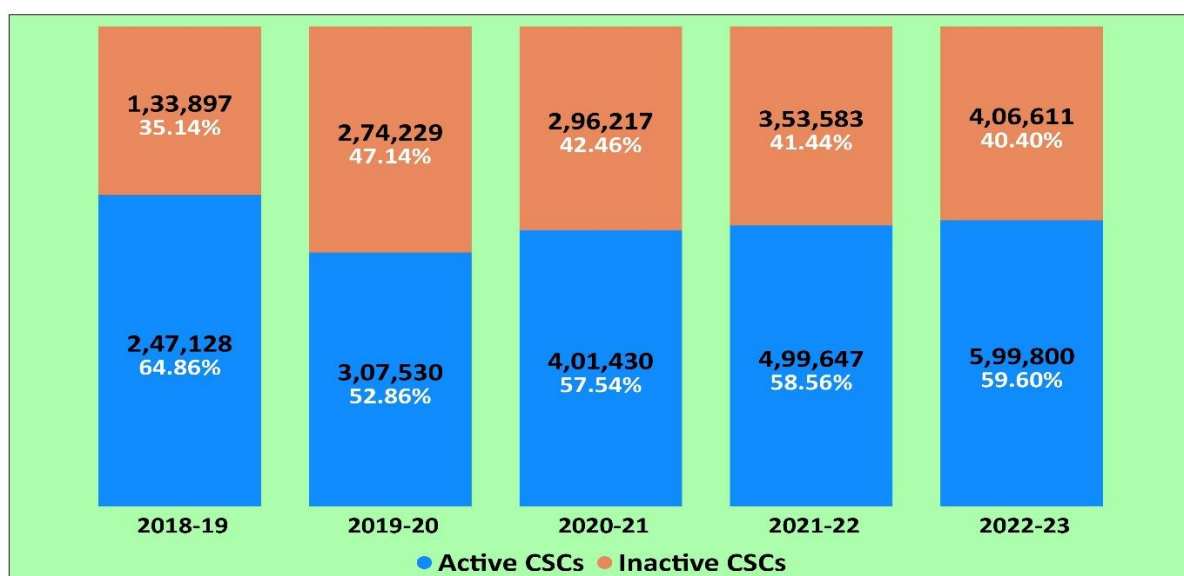
CSC-SPV may consider learning lessons from the successful 4,913 VLEs and associate these VLEs with the training / awareness programmes in and around their districts.

5.2.3.2 Inactive CSCs

The Scheme Guidelines envisaged establishment of at least one CSC per Gram Panchayat and one CSC in each village⁴⁶.

On analysis of data, Audit noted that while the number of CSCs steadily increased between 2018-19 and 2022-23, on the other hand the inactive⁴⁷ CSCs remained in the range of 35 per cent to 47 per cent, during this period.

Figure 5.6: Total active rural and inactive rural CSCs during audit period



Physical verification of 315 sampled CSCs revealed that 81 of these CSCs were closed, depriving potential last-mile users of access to essential G2C / B2C e-services (**Annexure-5.6**).

Further analysis showed that 10.07 per cent of VLEs (50,340) active in 2021-22 became inactive in 2022-23. Of these, nearly 80 per cent had carried out fewer than 12 transactions (i.e., one per month) and 88.31 per cent fewer than 24 transactions (i.e., two per month) in 2021-22, indicating a clear correlation between low service activity and eventual inactivity.

⁴⁶ By seventh Project Review and Steering Group

⁴⁷ We considered a VLE inactive if it did not carry out any transaction continuously for 365 days. CSC-SPV in its addendum to their CSC registration manual has taken the same view.

The Ministry stated (May 2025) that active / inactive status is a continuous process linked to VLEs’ willingness and self-sustained business activities, but does not affect the overall sustainability of the CSC network.

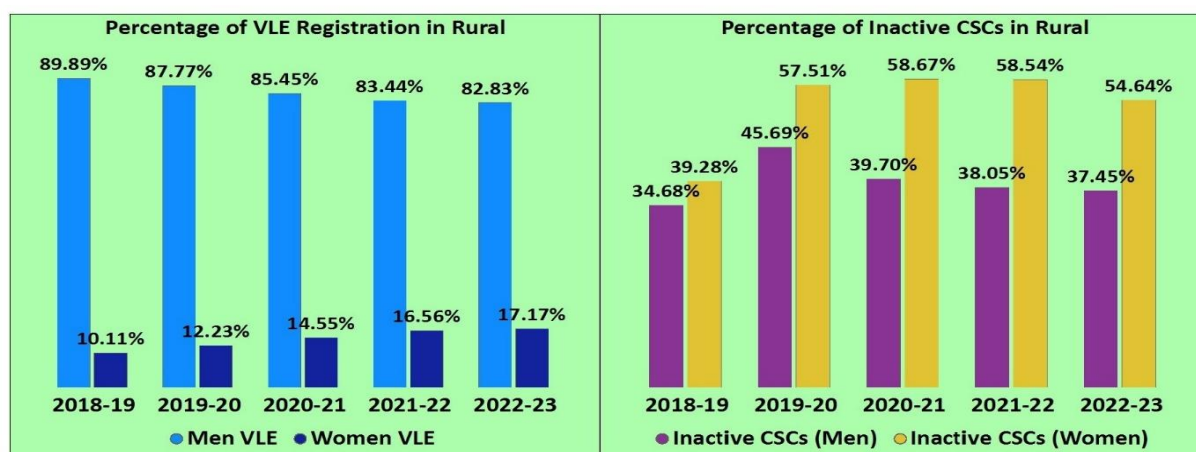
While acknowledging the expansion of the network, Audit is of the view that proactive monitoring is required. CSC-SPV needs to identify VLEs at risk of inactivity based on declining transaction volumes, address underlying issues and provide timely handholding support to prevent closures and ensure sustained service delivery at the last mile.

5.2.3.3 Participation of women

Although the CSC 2.0 Guidelines (Para 9.2) envisaged preference for women in the selection of Village Level Entrepreneurs to promote women’s empowerment, neither the States / UTs (initially responsible for selection) nor CSC-SPV (after it assumed the role of registering VLEs) issued specific guidelines in this regard. Consequently, the objective of enhancing women’s participation in CSCs was not effectively pursued.

Audit analysis of CSC data between 2018-19 and 2022-23 showed that the proportion of women VLEs in rural CSCs remained consistently low, ranging between 10.11 per cent and 17.17 per cent. Moreover, inactivity among women run CSCs was significantly higher, with more than half of such CSCs remaining non-functional during the period 2019-20 to 2022-23. As of March 2023, 94,419 out of 1,72,810 CSCs operated by women (54.64 per cent) were inactive, indicating a worrying trend of unsustainability.

Figure 5.7: Status of women VLE in comparison to men VLE



CSC-SPV in its response (September 2024 / May 2025) highlighted initiatives such as awareness workshops and the DigiPay Sakhi scheme, through which over 34,000 SHG women members were engaged in providing services. MeitY endorsed this position, stating that the responsibility rested with CSC-SPV.

Audit, however, noted that despite these measures, there was no structured follow-up plan or specific directions to actively increase women’s participation. The intended goal of empowering women through greater involvement in CSCs remained unfulfilled.

The Ministry may consider to adopt a clear, target-based strategy with defined timelines to improve both participation and sustainability of women VLEs in the CSC ecosystem.

5.2.3.4 Service delivery at CSCs

A key objective of CSC 2.0 was to provide non-discriminatory access to e-services and establish CSCs as comprehensive service delivery hubs offering Government, Private and Social services to rural citizens. By March 2023, 848 products across 60 categories were available on the Digital Seva Portal (DSP).

Physical verification of 231 (out of 315) sampled CSCs⁴⁸ revealed that key services such as Aadhaar⁴⁹, e-District services⁵⁰, Pradhan Mantri Fasal Bima Yojana (PMFBY⁵¹) and Banking⁵² were not provided in 88.31 per cent, 63.64 per cent, 48.48 per cent and 47.19 per cent of these centres respectively (**Annexure-5.7**). In Beneficiary survey, 608 (54.23 per cent) of 1,121 beneficiaries at these CSCs reported that Aadhaar services / e-District / Banking were required by them but were not available at centres (**Annexure-5.8**).

In response, CSC-SPV claimed (September 2024) that citizens were receiving most e-services as intended, while MeitY attributed (May 2025) gaps in Aadhaar and Banking services to regulatory restrictions and stated that efforts were underway to expand coverage across more States / UTs.

Audit emphasizes that CSC-SPV may take steps in order to ensure availability of key services such as Aadhaar, e-District services, PMFBY and Banking on the Digital Seva Portal and their consistent delivery across all CSCs to achieve the core objective of the project.

5.2.3.5 Integration of State bound services into Digital Seva Portal

Guidelines (Para 8.3.3.1) mandate integration of State e-services, portals of utility services and other Government department portals with the Digital Seva Portal (DSP) to ensure consolidated delivery of e-services. Audit observed (April 2024) that such integration had been completed (March 2024) in only 12 States and 2 Union Territories, indicating inadequate coordination and follow-up by the Ministry and CSC-SPV with the States / UTs responsible for this process. As a result, the project has seen fragmented implementation, restricting its effectiveness and limiting citizens' access to State provided e-services.

The Ministry acknowledged (May 2025) the gaps and stated that CSC-SPV has been continuously approaching and coordinating with State Governments to integrate services and negotiations are ongoing with 13 States and 4 UTs.

While these efforts are noted, the continued absence of full integration even after more than nine years highlights weaknesses in escalation mechanisms and a lack of proactive follow-up with State authorities. In contrast, State-specific e-service delivery models such as Akshaya

⁴⁸ In 10 states: Bihar, Jammu & Kashmir, Kerala, Punjab, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh and West Bengal.

⁴⁹ Aadhaar services constitute 4.6 per cent of total transaction volume of various services offered through CSC at all India level.

⁵⁰ e-District services constitute 9.71 per cent of total transaction volume of various services offered through CSC at all India level.

⁵¹ PMFBY constitute 4.42 per cent of total transaction volume of various services offered through CSC at all India level.

⁵² Banking services constitute 15.26 per cent of total transaction volume and 54.34 per cent of total transaction value of various services offered through CSC at all India level.

Centres⁵³ in Kerala and MeeSeva⁵⁴ in Telangana have performed significantly better in terms of transactions and footfall and have consequently earned higher average monthly incomes compared to CSCs, as depicted below:

Table 5.5: Comparison of Common Service Centres with Akshaya and MeeSeva Centres

	Number of centres at end of March 2023	Transactions for the year 2019-20 to 2022-23 (in lakh)	Average income per centre per month (in ₹)
MeeSeva, Telangana	5,242	912	3,000 to 10,000
CSC Telangana	11,558	72	261
Akshaya Centre, Kerala	2,868	2,173	1.39 lakh
CSC Kerala	10,060	84	234

Availability of a wide range of State e-services and the presence of a comparatively smaller number of centres were contributing factors to the superior performance of these models, further affecting the business potential and relevance of CSCs.

5.2.3.6 Incomplete data in SPECTA dashboard

Para 13.1.1 of the Guidelines envisaged monitoring of the CSC network through automated MIS reports. For this purpose, SPECTA tool was developed. As per the registration manual, every VLE is required to furnish personal, residential and banking details at the time of registration.

Audit observed that key particulars such as VLE name, location and codes were missing in respect of 10,469 VLEs who had nonetheless carried out transactions worth ₹87.71 crore up to March 2024.

CSC-SPV stated (May 2024) that the database was being updated and affected VLEs would be asked to confirm entries, while MeitY held (May 2025) CSC-SPV responsible for maintaining the database.

The replies reflect a systemic deficiency, as VLEs were permitted to transact without furnishing complete mandatory details, undermining the reliability of SPECTA for effective monitoring.

5.2.3.7 Non-conducting of physical verification of CSCs by CSC-SPV

Para 13.2.1 of the Guidelines required periodic field-level verification of CSCs through a geo-tagged application to confirm their location, infrastructure and functioning. Audit observed that CSC-SPV did not achieve its annual targets of verification, as detailed in table below:

⁵³ Akshaya centres were established in Kerala in 2002 with the primary goal of promoting e-literacy and these centres later started offering various e-services. Akshaya centres are equipped to handle all State Government-to-Citizen (G2C) services, such as e-District services and ration card services etc. CSCs are not able to provide State G2C services. As a result, people tend to prefer Akshaya centres for their service needs adversely affecting the business potential of CSCs.

⁵⁴ MeeSeva centres were launched in 1999 in Telangana. MeeSeva provides all State Government-to-Citizen (G2C) services.

Table 5.6: Target and Achievement of physical verification of CSCs by CSC-SPV

Upto	Target	Achievements	Per cent
March 2020	5,16,869	70,338	13.61
March 2021	7,97,117	2,93,985	36.88
March 2022	9,22,746	4,41,643	47.86
March 2023	5,19,652	2,92,510	56.29

Further, physical verification of sampled CSCs revealed 81 closed CSCs and deficiencies in the 231 functioning CSCs, such as lack of printers (2.6 per cent), scanners (5.2 per cent), webcams (19 per cent), power backup (24.24 per cent) and display of rate lists (74.9 per cent) (**Annexure-5.9**). These gaps deprived users of reliable access to essential G2C / B2C services.

MeitY attributed (May 2025) delays to the COVID-19 pandemic and emphasized that CSC-SPV remained accountable for utilisation of resources and continuation of verification beyond CSC 2.0.

Audit holds that incomplete verification left CSCs vulnerable to inadequate infrastructure, functioning from unmapped locations, overcharging, or operation by persons other than the registered VLEs.

Recommendations:

The Ministry / CSC-SPV may

- i. Consider learning lessons from the successful 4,913 VLEs and associate these VLEs with the training / awareness programmes in and around their districts.*
- ii. Review the revenue-sharing model and provide regular training to strengthen VLE sustainability, while promoting successful VLEs as role models.*
- iii. Proactively identify and support inactive CSCs to restore functionality.*
- iv. Adopt a target-based approach to increase women's participation as VLEs.*
- v. Ensure integration of all State / UT e-services with the Digital Seva Portal.*
- vi. Complete timely physical verification of CSCs to improve oversight and service delivery.*

5.2.4 Audit Findings – Governance

5.2.4.1 Participation of States / UTs

The project guidelines envisaged active participation of States / UTs through a designated nodal department, State Designated Agencies (SDA) and District e-Governance Societies (DeGS). These agencies were responsible for project implementation, selection and support of VLEs and local-level monitoring. Despite communications by the Ministry in December 2015 and January 2016, States / UTs and DeGS did not participate in VLE selection, which was instead carried out directly by CSC-SPV through an online process.

This limited participation of States / UTs contributed to key implementation gaps such as incomplete integration of State e-services with the Digital Seva Portal, absence of guidelines to encourage women VLEs, a significant number of inactive CSCs and irregular training requirements for aspiring VLEs.

The Ministry in its reply (May 2025) attributed responsibility completely to CSC-SPV and stated that the State Governments were involved in monitoring and steering mechanism.

Audit is of the view that the Ministry needs to take proactive steps to secure active participation of States / UTs and strengthen coordination mechanisms to ensure effective project implementation. Successful State-led models such as Akshaya centres in Kerala and MeeSeva in Telangana demonstrate that when States take ownership, service delivery is more effective, citizen access improves and VLEs enjoy higher income levels.

5.2.4.2 Common branding at CSCs

The project guidelines required all CSCs to adopt a common national branding with State / UT co-branding to ensure a standardized nationwide identity. To facilitate this, MeitY approved a common branding logo in March 2016 and CSC-SPV later decided (April 2019) to paint all verified CSCs in uniform colour.

Audit observed that by March 2023, common branding was displayed at only 1.45 lakh CSCs (57 per cent) out of 2.54 lakh registered centres at the Gram Panchayat level. Further, physical verification showed that in 226 out of 231 CSCs, branding was not done at Government cost.

MeitY stated (May 2025) that branding was displayed at 2.97 lakh CSCs by March 2024 and stated that costs were borne by VLEs due to fund reallocation and wear-and-tear of branding boards.

This added additional financial burden on VLEs, undermined the intent of uniform branding support and further affected the financial sustainability of CSCs.

5.2.4.3 Imposition of training charges

Guidelines mandated compulsory entrepreneurship training for VLEs at project cost to ensure their sustainability. In May 2018, CSC-SPV launched the Tele-Centre Entrepreneur Course (TEC) as a certification programme. However, in 2020–21, CSC-SPV made the TEC course a mandatory eligibility condition for aspiring VLEs without MeitY's approval and collected ₹108.89 crore as course fees during 2020–23. Meanwhile, of the ₹21.40 crore originally allocated for training, ₹7.26 crore was re-appropriated to other heads in August 2022.

CSC-SPV stated that TEC certification programme is managed by CSC academy, an independent entity registered under the Society's Act in collaboration with Indian School of Business (ISB). CSC academy is responsible for designing, implementing and managing the TEC programme, including utilisation of fees collected for the training. CSC-SPV does not directly allocate or manage these funds. CSC-SPV approved this programme as it aimed to enhance

the skills of VLEs, enabling them to operate CSC more effectively. However, CSC-SPV has no financial engagement in the programme.

MeitY confirmed (September 2024) that TEC did not have its approval but later stated (May 2025) that it was introduced as a pre-induction training for applicants and not for existing VLEs.

This response reinforces the audit observation, as the guidelines did not prescribe pre-induction training at the cost of aspirants. Imposing mandatory charges on applicants, despite low earnings of VLEs, placed additional financial burden and undermined their sustainability.

5.2.4.4 Monitoring of CSC 2.0 project

The Project Review and Steering Group (PRSG⁵⁵) constituted in January 2016 was required to meet quarterly to monitor CSC 2.0 implementation. However, the first meeting was held only in April 2018 and subsequent meetings up to the ninth were delayed by one month to over 11 months, contrary to prescribed timelines. This irregular monitoring contributed to persistent issues such as poor internet connectivity in remote areas, unreliable power supply and the limited integration of State / UT e-services on the Digital Seva Portal.

Notably, the issue of VLE sustainability was discussed only in the eighth PRSG (March 2022), six years after project rollout, with NITI Aayog highlighting the challenge of financial viability in sparsely populated villages. However, no clear roadmap emerged to address sustainability concerns alongside CSC expansion.

MeitY acknowledged that quarterly meetings were not held, but cited alternative monitoring mechanisms such as SPECTA and monthly reports, while clarifying that 10 PRSG meetings were conducted.

While CSC-SPV has succeeded in establishing 2.5 lakh rural CSCs, the absence of timely and regular PRSG oversight limited resolution of critical issues and delayed attention to VLE sustainability, which is central to the project's long-term success.

5.2.4.5 Grievance redressal mechanism and helpdesk in CSC-SPV

CSC-SPV has put in place a grievance redressal system for VLEs with an escalation matrix and facility for a helpline number as well as registering complaint on Digital Seva Portal. Complaints are registered within a day and assigned a ticket number, with the aim of providing a first response within 24 hours and resolution within two working days. The grievance raising process by the VLE is given in the following illustration:

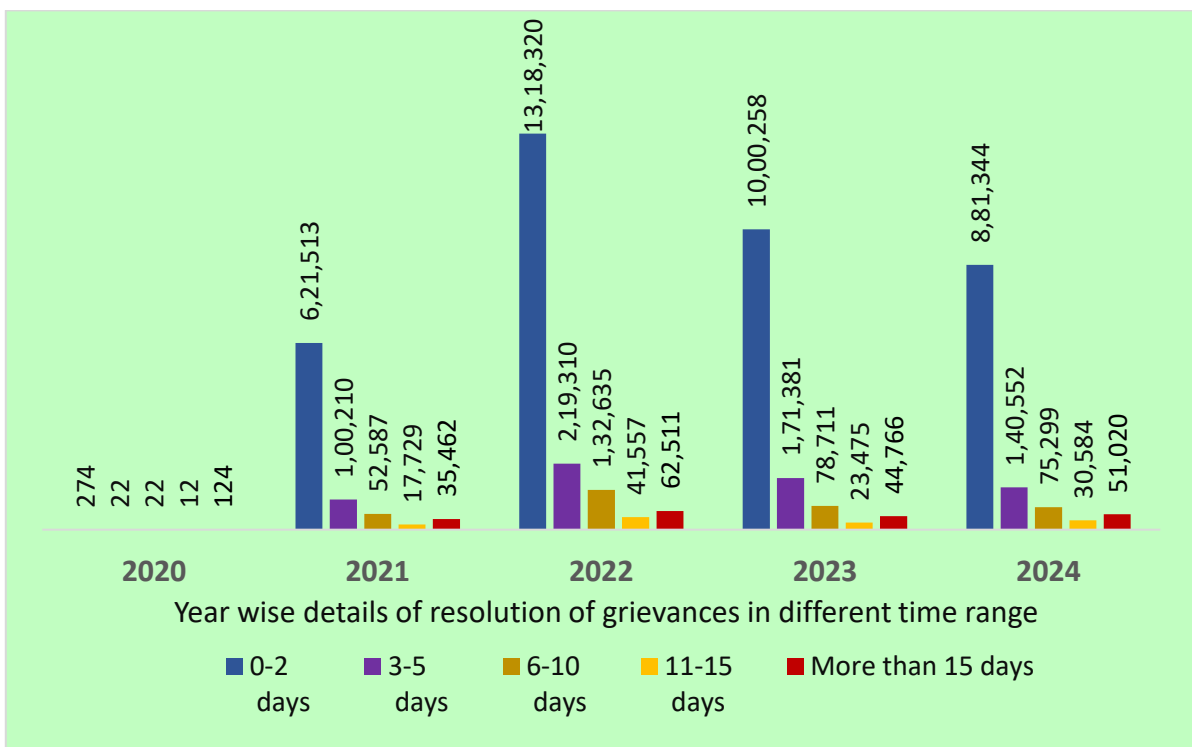
The customer approaches the VLE for services such as PAN card application or Railway ticket booking. The VLE processes these requests through the Digital Seva Portal, which is integrated with the respective systems (NSDL / UTITSL for PAN and IRCTC for railway bookings). At times, the application or booking may fail or the VLE's wallet may get debited without successful completion of the service. In such cases, the debited amount is generally refunded

⁵⁵ Chaired by Additional Secretary, MeitY with members including CEO, CSC-SPV, representatives from NITI Aayog, Department of Telecom, Department of Expenditure, Ministry of Panchayati Raj, Ministry of Rural Development and representatives from three States/UTs.

automatically within 24 hours. If the refund is not processed, the VLE may raise a grievance through the CSC grievance redressal mechanism available on the Digital Seva Portal. In failed transaction cases, the VLE also has the option to reapply for the service. The resolution of such grievances is limited to service activation, service resumption or wallet settlement. Thus, grievances raised by VLEs primarily pertain to their inability to deliver a service through the Digital Seva Portal.

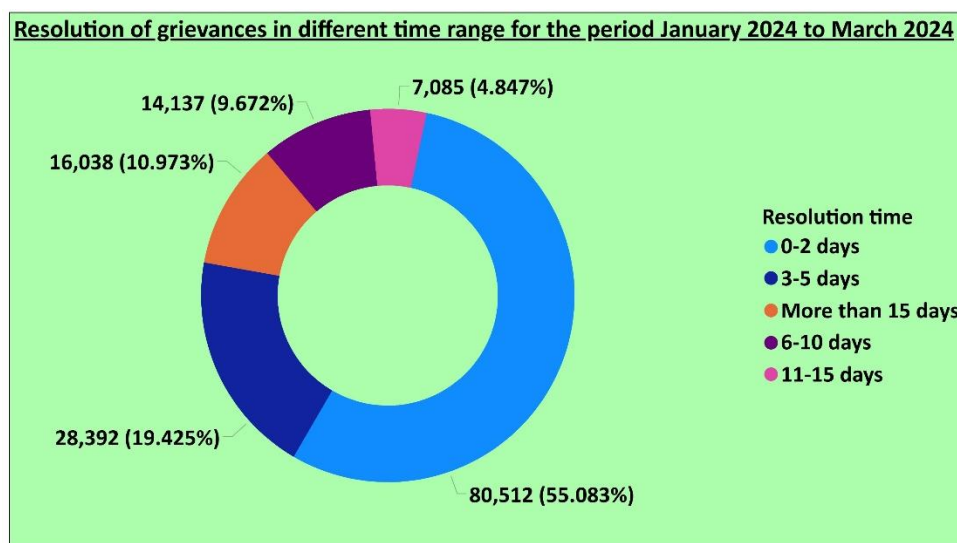
During 2020–24, about 51 lakh grievances were raised, mostly relating to Government services, Telecom, Travel, Electricity and Education. Audit observed delays in resolving the grievances raised by VLEs as indicated below in **Figure 5.8**.

Figure- 5.8: Year-wise details of resolution time of grievances lodged by VLEs during the period from 2020 to 2024



Audit analysis of grievance data (containing reason specified by VLEs) for the period January 2024 to March 2024 also showed delays in resolution with 44.9 *per cent* of cases taking more than two days and 11 *per cent* cases taking over 15 days for resolution as indicated below in **Figure 5.9**.

Figure- 5.9: Details of resolution time of grievances lodged by VLEs during the period from January 2024 to March 2024



We observed that many complaints under PAN Services, IRCTC registration, Pradhan Mantri Fasal Bima Yojana⁵⁶(PMFBY) and Ayushman Bharat Scheme⁵⁷ remained unresolved for more than 15 days.

MeitY replied (May 2025) that CSC-SPV's grievance redressal system ensures timely and efficient resolution of complaints from VLEs and citizens using CSC services.

Persistent delays affect service delivery and citizen satisfaction. This highlights the need for stronger monitoring and streamlining of grievance redressal to ensure quicker resolution.

Recommendations:

The Ministry / CSC-SPV may

- i. Involve District e-Governance Society and local administration in VLE selection, CSC location and infrastructure support.*
- ii. Review and discontinue pre-induction training charges on VLEs.*
- iii. Strengthen CSC monitoring through SPECTA and regular oversight of service delivery.*

5.2.5 Conclusion

The CSC 2.0 project has significantly advanced digital inclusion by expanding centres and transactions across rural India. However, its effectiveness is constrained by incomplete integration of State e-services, weak financial sustainability of Village Level Entrepreneurs, high incidence of inactive CSCs and imposition of training charges without approval. Limited State / UT participation, gaps in monitoring and physical verification, inconsistent branding, low women's participation and delays in grievance redressal further undermine service

⁵⁶ Issues arise when crop insurance applications submitted through the portal are not accepted in the insurer's system.

⁵⁷ VLEs enable the customer to generate Ayushman Bharat Cards through the Digital Seva Portal for health insurance cover.

delivery. Strengthening State involvement, ensuring financial viability of VLEs, improving oversight and streamlining grievance handling are essential for CSCs to deliver on their promise of accessible and sustainable last-mile e-governance.

SECTION-B

Chapter

VI

Public Sector Undertakings under
Ministry of Communications

6.1 Subject Specific Compliance Audit on Promotion of Financial inclusion by India Post Payments Bank

6.1.1 Introduction

The Reserve Bank of India introduced Payments Banks as a new model of banking aimed at providing basic financial services, such as deposits and payments, especially to the unbanked and underbanked population. Unlike traditional banks, Payments Banks are not permitted to issue loans or credit cards. They are designed to facilitate transactions, promote digital banking and enhance financial inclusion by accepting deposits (up to a prescribed limit) and to offer easy access to banking.

India Post Payments Bank (IPPB) is an initiative of the Government of India under the Department of Posts, Ministry of Communications. The Union Cabinet approved its establishment in June 2016 with a budget of ₹800 crore, which included ₹400 crore as equity and ₹400 crore as grant for five years. IPPB was incorporated in August 2016 as a public limited company. Initially, it was to roll out 650 branches at district headquarters by September 2017 and integrate with all post offices at sub-district levels to serve as access points.

In August 2018, the Cabinet revised the project cost⁵⁸ to ₹1,435 crore and extended the deadline for linking all 1.55 lakh post offices with IPPB to December 2018. The total outlay was further increased⁵⁹ to ₹2,255 crore in April 2022.

The key objectives of IPPB are:

- To promote financial inclusion in India for unbanked, underbanked and underserved society.
- To build the most accessible, affordable and trusted bank for the common man and reducing the opportunity cost for the underbanked populace through assisted doorstep banking.
- To serve social sector beneficiaries, migrant labours, un-organized sector employees, Micro, Small and Medium Enterprises (MSMEs), Panchayats, low-income households in both rural and urban areas.

⁵⁸ Increase in Technology Cost and an accelerated rollout driving up HR Costs.

⁵⁹ To maintain regulatory requirement of net worth and leverage ratio as prescribed by RBI and Technology upgradation.

6.1.1.1 Services Offered

Until October 2021, IPPB provided Current Account facilities for small merchants and business owners. It currently offers four types of Savings Accounts:

- Regular Savings Account: Allows unlimited deposits, withdrawals and remittances.
- Digital Savings Account: Opened via mobile app using Aadhaar and PAN with a validity period of one year; upgraded to Regular Account after KYC completion.
- Basic Savings Account: A zero-balance account offering limited (four) free debit transactions per month.
- Premium Savings Account: Introduced in 2022 with value-added services like cashback on eligible transactions carried out through virtual Debit Cards and utility bill payments.

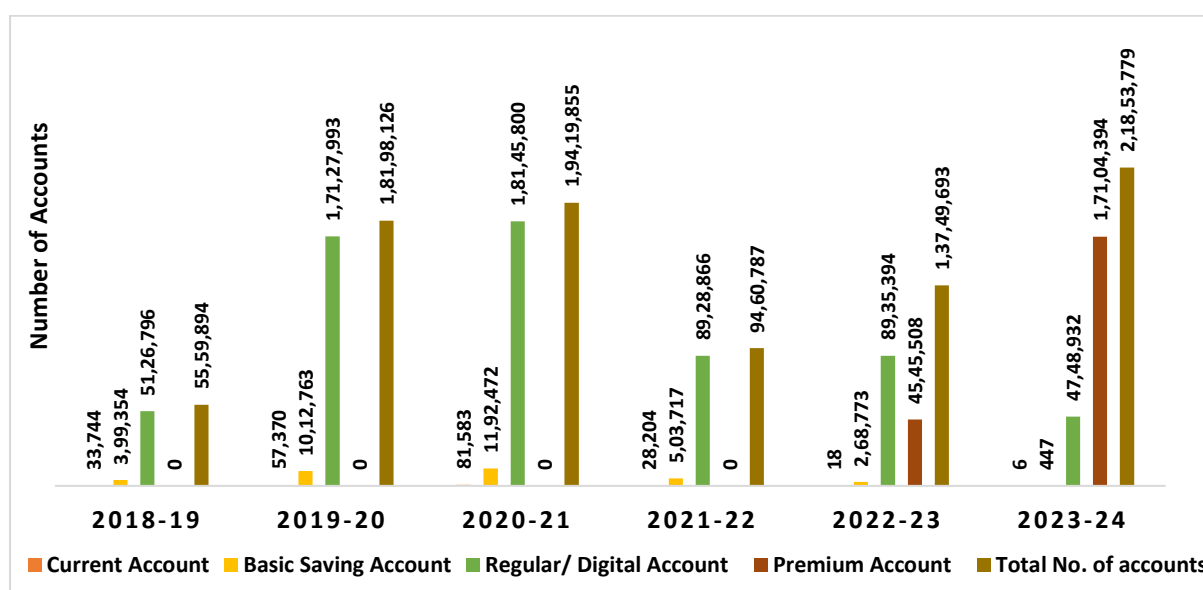
A Savings account can have maximum balance of up to ₹2 lakh. Any balance exceeding this limit will be transferred to a linked Post Office Savings Account (POSA), provided the account holder maintains a savings account with the Post Office Savings Bank. Interest is paid at two *per cent* per annum for balances up to ₹1 lakh and 2.5 *per cent* per annum for amounts between ₹1 lakh-2 lakh.

Other services include domestic money transfers, Direct Benefit Transfers (DBT), utility bill payments and distribution of third-party products like loans, insurance and investment schemes.

6.1.1.2 Details of Savings Accounts and roll out status of Access Points

By the end of March 2024, 8.82 crore accounts were opened with IPPB. Year wise number of accounts under Current Account and each category of Savings Account is as below:

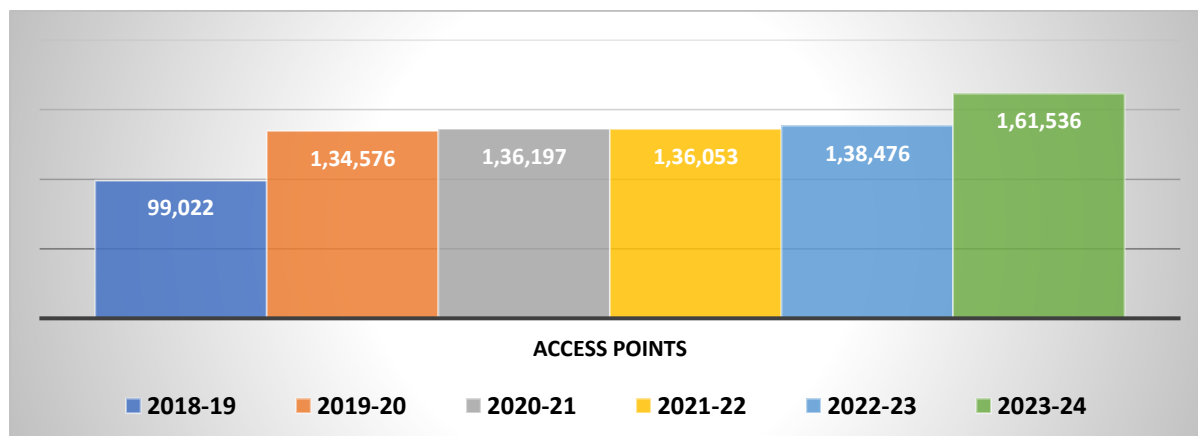
Figure 6.1: Year-wise numbers of IPPB accounts opened



Source: Data obtained from IPPB

As per the Cabinet Note (May 2016), all post offices were to serve as IPPB access points. By March 2024, there were 1,61,536 live access points, with over 83 per cent located in rural areas, as depicted below in figure:

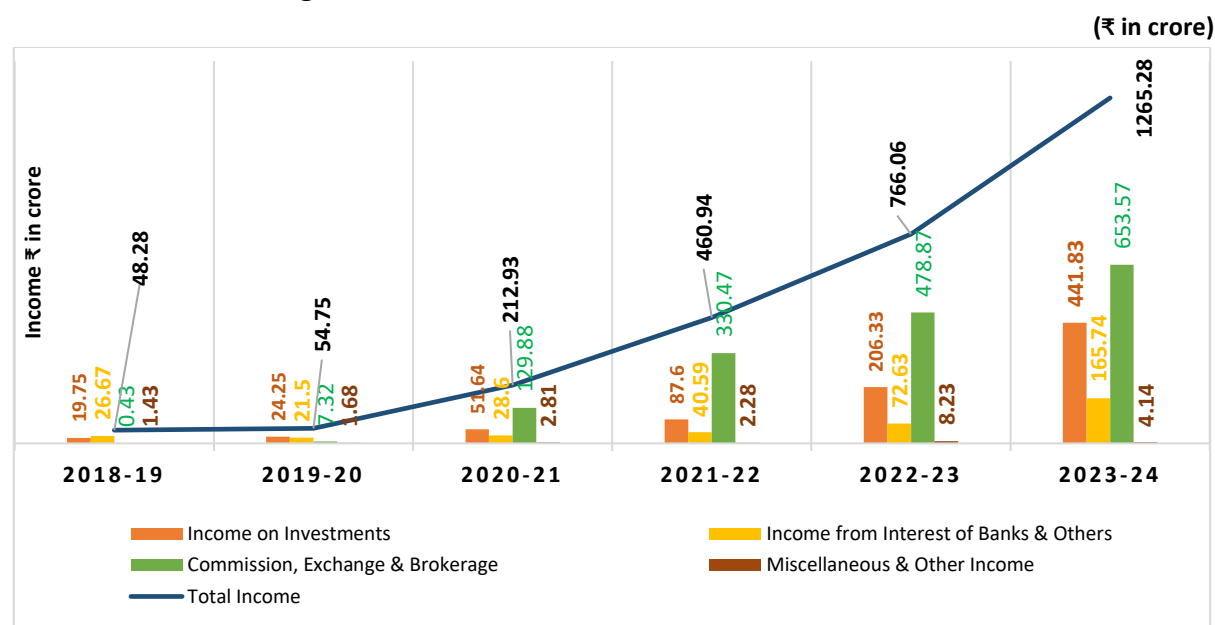
Figure 6.2: Year wise numbers of Live Access Points



6.1.2 Financial Performance

The CASA (Current and Savings Account) balance rose from ₹93.07 crore in 2018 to ₹3,764.30 crore by FY 2023-24, reflecting substantial expansion. IPPB's total income saw steady growth in its initial years and has surged from FY 2020-21 onwards with the launch of new products⁶⁰. IPPB reached operational break-even in FY 2022-23, posting a net profit of ₹20.16 crore, which increased to ₹34.24 crore in FY 2023-24.

Figure 6.3: Year wise details of Income of the Bank



Source: Annual Reports of IPPB

⁶⁰ New products and services like Direct Money Transfer, Digital Life Certificate, Bharat Bill Payment Service, DakPay- UPI, IPPB Mobile Banking App with UPI & RuPay, Virtual Debit Card, Prime Minister Jeevan Jyoti Bima Yojana and Life Insurance were launched during the year 2020-21.

6.1.3 Organisational Structure

Headquartered in New Delhi, IPPB is led by a Managing Director & CEO, while the Secretary, Department of Posts, functions as its Non-Executive Chairperson. The operational network mirrors India's postal structure, divided into 23 circles with 650 branch offices and over 1.61 lakh access points housed in General, Head, Sub and Branch Post Offices.

Sub Post Offices operate in both rural and urban areas, while Branch Post Offices cater primarily to rural locations. Postal staff, including postmen and Gramin Dak Sevaks (GDS), function as frontline agents for IPPB (known as End-Users for IPPB) and receive commission for delivering banking services.

6.1.4 Audit Objective, Scope and Methodology

The objective of this Audit is to examine whether planning and implementation of services by IPPB was adequate in achieving the mandate of financial inclusion. Audit was conducted during September 2023 to March 2024, covering the period from 2016-17 to 2022-23. Eight postal circles⁶¹ including 42 IPPB Branches (two from Aspirational Districts⁶² per selected postal circle) were selected for audit based on number of customers.

Audit examined records from the IPPB Corporate Office focusing on compliance with IPPB's implementation, MoU signed between IPPB and DoP, Cabinet approvals, RBI guidelines and Postal Directorate instructions. During the course of audit, besides engagement with the Ministry and the IPPB, interactions were also held with the customers as service seekers and Gramin Dak Sevaks as front-end service providers.

6.1.5 Audit Findings

6.1.5.1 Roll out of Access Points

6.1.5.1(a) Inadequate deployment of Individual Business Correspondents hampered rural outreach

To enhance financial inclusion, RBI guidelines (October 2016) allow banks (including Payments Banks like IPPB) to engage Individual Business Correspondents⁶³ (IBCs) for delivering basic financial services such as account opening, utility bill payments and fund transfers. Though IBCs are not permitted to conduct cash transactions or Aadhaar-related services, they can play a key role in expanding IPPB's reach in underserved areas.

As per the October 2021 Standard Operating Procedure (SOP), each IPPB access point was expected to appoint two to five IBCs, with at least one covering unbanked or under-banked Gram Panchayats. Circle-level committees were responsible for identifying villages requiring IBC deployment and ensuring appointments through IPPB branches.

⁶¹ Bihar, Haryana, Madhya Pradesh, Maharashtra, North-East, Rajasthan, Tamil Nadu and Uttar Pradesh.

⁶² Aspirational Districts, as defined by NITI Aayog, are those districts in India that are lagging in socio-economic indicators. NITI AAYOG has prescribed the list of Aspirational Districts in the country for the purpose of financial inclusion and other Government schemes

⁶³ A person or an entity, who is authorized to provide non-cash banking services on behalf of the Bank

Audit scrutiny up to March 2024 revealed shortfall in IBC deployment across selected circles, where the average IBC deployment was just 0.20 IBCs per access point, far below the prescribed minimum of two (**Annexure-6.1**). Audit conducted test check of IBC deployment in 2022-23 in the selected circles and found IPPB achieved only 16.27 *per cent* of its deployment target fixed by itself, activating just 393 IBCs out of the 2,415 planned, as shown below:

Table 6.1: Target versus Achievement in activation of IBCs.

Name of the circle ⁶⁴	Target	Achievement	Achievement (<i>per cent</i>)
Madhya Pradesh	341	88	25.81
Maharashtra	312	51	16.35
North East	203	04	1.97
Rajasthan	425	79	18.59
Tamil Nadu	475	92	19.37
Uttar Pradesh	659	79	11.99
Total	2,415	393	16.27

The performance was particularly poor in the North East, where only four IBCs were deployed. Management (May 2024) stated that service limitations like restrictions on full account operations and lack of product variety discouraged potential IBCs and future deployment would improve once a broader suite of services becomes available. In some areas like the North East, difficult terrain was also cited as a barrier. Ministry in its reply added (August 2025) that it is not mandatory for an IBC to be located at designated IPPB access points and they are appointed where offering services to customers is challenging due to absence of DoP network or any service-related issues.

Audit is of the view that these replies do not adequately address the fundamental issue of inadequate rural outreach. The 2021 SOP envisaged IBC deployment at all access points, particularly in unbanked areas, not merely where DoP services were absent.

Recommendation:

IPPB may establish a centralised mechanism for monitoring IBC deployment and introduce suitable incentive structures to attract IBCs in difficult or low-potential areas

6.1.5.1(b) Widespread dormancy and inactivity in IPPB customer accounts

A key objective of India Post Payments Bank (IPPB) is to enhance financial inclusion through widespread access and active customer engagement. However, audit findings reveal a significant gap between account opening and sustained usage.

⁶⁴ Except Bihar and Haryana

As per RBI guidelines, accounts are considered inactive after one year of no customer-initiated transactions and dormant after two years. Out of the 5.13 crore savings accounts opened by IPPB up to March 2022, nearly 2.98 crore accounts (58 *per cent*) had turned dormant by March 2024, as shown below.

Table 6.2: Number of dormant accounts vis a vis total number of Accounts (in crore)

Year	Total number of accounts in Branch	Total number of dormant accounts in Branch	Cumulative number of dormant accounts in Branch
2018-19	0.55	0.39	0.39
2019-20	1.79	1.25	1.64
2020-21	1.89	1.08	2.72
2021-22	0.90	0.26	2.98
Total	5.13	2.98	

In Aspirational Districts (ADs), which should be the key focus areas of financial inclusion, IPPB opened 63.57 lakh accounts by 2021-22, of which 31.30 lakh accounts (49.24 *per cent*) have already become dormant by March 2024.

Audit further observed that 7.5 *per cent* (10,373 out of 1,38,476) of the access points set up by March 2023 had 10 or fewer accounts, indicating minimal customer outreach. Of these, 1,564 access points had no accounts at all, reflecting zero customer engagement. Out of these non-functional outlets, 1,165 (74.5 *per cent*) lacked trained end-users, making them incapable of providing IPPB services (**Annexure-6.2**). Additionally, 4,743 access points (3.4 *per cent*), having a total of 8,675 accounts, had all accounts dormant, effectively rendering them non-operational.

Further, out of the 1.37 crore accounts opened during the year 2022-23, 20.85 lakh (15.16 *per cent*) accounts have become inactive as there were no transactions in these accounts for the last one year and are likely to become dormant account.

Management (May 2024) attributed the dormancy to constraints in staffing, connectivity and training, stating that many inactive accounts were old DBT-linked accounts opened before UPI rollout. It added that a revival plan launched in April 2023, aided by revised RBI guidelines (January 2024), was helping to reduce dormancy. The Ministry (August 2025) further stated that customers were being contacted through SMS, Dak Chaupals and awareness campaigns and that account upgrades to premium schemes were undertaken only with customers' consent, after explaining features and associated charges. It also reported the activation of 51.94 lakh accounts during the last two quarters of 2024-25.

Audit acknowledges that while these initiatives are steps in the right direction, the revival plan was launched belatedly and account reactivation was largely dependent on customers upgrading to premium savings accounts after re-KYC, which imposed an additional recurring cost on low-income users. The requirement of re-KYC and optional paid upgrades, even if done with customer's consent, may discourage low-value account holders from reactivation. The revival strategy lacks sustained engagement measures such as simplified reactivation processes or data-driven targeting of inactive segments.

Recommendation:

IPPB may adopt a proactive dormancy management framework with real-time monitoring of inactive accounts, targeted revival in Aspirational Districts and simplified reactivation without imposing additional financial burden on customers.

6.1.5.2 Service Quality

6.1.5.2(a) Poor service quality and high rate of declined UPI transactions undermined customers' trust

IPPB launched UPI services in December 2020 through platforms like the IPPB Mobile Banking app, DakPay and Micro ATMs to promote digital financial inclusion and reduce cash dependency.

However, data from National Payment Corporations of India (NPCI) revealed that IPPB's technical decline⁶⁵ (TD) rate for UPI transactions was significantly high-3.29 *per cent* in FY 2021-22 and 7.82 *per cent* in FY 2022-23, far exceeding RBI's target of less than one *per cent* and performing worse than peer payments banks⁶⁶ (**Annexure-6.3**). In FY 2023-24, IPPB's UPI services experienced 97 outages, totalling 362 hours (**Annexure- 6.4**), much higher than Fino (19 hrs), Airtel (52 hrs) and Paytm Payments Bank (zero hrs). Additionally, weak performance in Debit Reversal Success⁶⁷ rates caused customers' dissatisfaction and growing complaints, eroding confidence in IPPB's digital services. The Debit Reversal Success rate was 35.43 *per cent* in 2021-22 which slightly improved to 51.97 *per cent* in 2022-23 whereas the average of the four Payments Banks was around 80 *per cent* during these two years (**Annexure-6.3**).

Management stated (May 2024) that infrastructure upgrades, including bandwidth enhancement and database management, had reduced technical decline rates and the Ministry (August 2025) endorsed these measures, citing improvements such as network commissioning, Hardware Security Module (HSM) upgradation and transaction segregation.

⁶⁵ Technical Decline (TD) - Transaction decline due to technical reasons, such as unavailability of systems and network issues on bank or NPCI side.

⁶⁶ In 2021-22, technical decline was 0.15 *per cent*, 1.56 *per cent* and 2.83 *per cent* in case of Paytm PB, Airtel PB and Fino PB respectively. In 2022-23, technical decline was 0.08 *per cent*, 1.96 *per cent* and 4.11 *per cent* in case of Paytm PB, Airtel PB and Fino PB respectively

⁶⁷ The Debit Reversal Success percentage indicates the *per cent* of total cases, where a customer account may be debited and their bank is unable to confirm instantly about the status of reversal of such a debit. When reversal / credit is not processed instantly, it is processed manually by the bank as per the extant RBI guidelines.

However, the reply did not address the persistent issues of prolonged downtime, low Debit Reversal Success and high business declines. Audit holds that these continuing deficiencies reflect inadequate system resilience, monitoring and root cause analysis of transaction failures.

Recommendation:

IPPB may implement robust monitoring and effective response to meet the prescribed benchmarks related to the UPI Transactions consistently to protect the customer’s trust.

6.1.5.2(b) Opening of accounts with unverified mobile numbers and linking multiple CIFs⁶⁸ to same mobile number.

Although RBI guidelines do not mandate a “One Mobile, One CIF” rule, they encourage responsible mobile number usage for account security and operational integrity. IPPB introduced a “One Mobile One CIF” policy in September 2020, replacing its earlier practice of allowing up to five CIFs per mobile number. Under this policy, customers with multiple CIFs linked to a single mobile number were to receive a 15-day SMS notice to update their number, failing which mobile banking access would be disabled.

As of March 2024, out of 8.61 crore cases, in around 1.22 crore cases, multiple CIFs were linked to one mobile number, in violation of IPPB’s policy, as depicted below:

Cases of one number linked with one mobile (X)	7,39,10,520
Cases of two to five CIFs linked with one mobile number (A)	1,21,70,402
Cases of more than five, up to ten CIFs, linked with one mobile number (B)	71,048
Cases more than ten CIFs linked with one mobile number (C)	1,136
Total cases of multiple CIFs linked with one mobile number (D=A+B+C)	1,22,42,586
Total CIFs (X+D)	8,61,53,106

Further, IPPB requires that each CIF is linked to a single mobile number which is validated through OTP during account opening. Audit scrutiny of IPPB’s Finacle⁶⁹ system revealed that during 2019-20, several accounts were opened with clearly invalid mobile numbers (e.g., 9999999999, 7777777777), often linked to multiple CIFs across branches (**Annexure 6.5**). These entries, point to serious control lapses in the account-opening process.

Management stated (May 2024) that most multiple-linkage cases pertained to old accounts created before the 2020 policy and that efforts were being made through outreach camps to update mobile details. The Ministry (August 2025) added that the earlier five CIF per mobile

⁶⁸ Customer Information Files

⁶⁹ Finacle is a web-based, integrated core banking solution that provides a centralized platform for managing various financial and operational tasks and allows for anytime, anywhere banking.

approach was adopted due to rural connectivity limitations and that only 1,565 junk numbers currently exist, with discrepancies in six post 2021 accounts under review.

Audit finds these replies only partly convincing, as the persistence of unverified or duplicate mobile linkages indicates inadequate cleansing of legacy data and weak validation in the banking system.

Recommendation:

IPPB may complete comprehensive data cleansing to eliminate invalid or duplicate linkages and identify the gaps in validation during account opening to strengthen its IT System.

6.1.5.2(c) Inadequate reach and service quality of Doorstep Banking

IPPB offers Doorstep Banking⁷⁰, branded as "Aapka Bank Aapke Dwar", utilizing its extensive postal network to provide services including account opening, fund transfers, cash deposits and withdrawals, bill payments, insurance purchases and access to Aadhaar-linked accounts for cash withdrawals from other banks at the doorstep of the customers.

The Doorstep Banking saw limited uptake with only 47,204 requests received over five years (2018-2023) from a customer base of 6.51 crore. Audit found that 57.46 per cent of these requests were either unattended or delayed beyond two days. Further, there was no defined service timelines outlined by the Bank.

A test-check of Customer Doorstep Request Management (CDRM) data (October-December 2022) revealed 1,477 of 3,812 customer requests (38.77 per cent) were unassigned. Further, out of the total requests received, 3,503 requests were for KYC-based account conversion, out of which 1,314 (37.51 per cent) were not fulfilled, resulting in account closures. A further analysis of above data revealed that out of 3,812 customer requests, 564 pertained to the Aspirational Districts out of which 229 requests (41 per cent) remained unassigned. Out of 3,503 requests for KYC based account conversion, 524 pertained to Aspirational Districts out of which, 210 were not fulfilled resulting in closure of accounts.

Audit also observed vague request logs, discrepancies between reported and actual services and service denial due to lack of end users in certain areas. Even premium account holders, entitled to free doorstep banking services, were often advised to visit post offices.

Management stated (May 2024) that service delays, denials and a ₹25 fee (September 2021–August 2023) discouraged use of doorstep banking, especially by DBT beneficiaries. The charge was removed in August 2023 to improve uptake. The Ministry endorsed (August 2025) the reply of management.

⁷⁰ Customers can request services via a call center or placing ad-hoc request through GDS, postmen, or post offices. However, these services are not available through the IPPB Mobile Banking App. A service charge for Doorstep banking was revised to ₹20 plus GST per doorstep visit per customer service effective from 01-09-2021 which was subsequently discontinued with effect from 25-08-2023.

The reply may be seen in light of the fact that inadequate manpower and weak request-tracking were also the key constraints, not merely the service charge. The withdrawal of service charge, without corresponding improvements in service quality, monitoring, or agent availability, would be ineffective to improve the doorstep banking experience. Furthermore, the absence of a structured request-tracking system and the use of vague closure remarks hinder effective resolution and oversight.

Recommendation:

IPPB may improve its tracking mechanism in the CDRM system and enhance the service delivery to ensure timely and quality delivery of doorstep banking services.

6.1.5.3 Missed business opportunities

6.1.5.3(a) Failed Transactions due to non-linking of IPPB accounts with Post Office Savings Bank accounts

IPPB allows customers to link their savings accounts with Post Office Savings Accounts (POSA) to manage balances exceeding ₹2 lakh, avoid transaction rejections and access sweep-in / out and higher interest benefits. DoP had directed in August 2021 to prioritise IPPB-POSA linkage for revenue gains as the average balance of POSA linked accounts were higher in DoP than the unlinked accounts⁷¹. Despite these advantages and DoP directions, only 32.7 lakh (5.02 per cent) of 6.51 crore accounts were linked with POSA as of 31 March 2023.

Due to non-linkage, all transactions whereby the ceiling of ₹2 lakh was breached, were rejected. During 2019-20 to January 2024, 55,479 such rejections (54,412 via APBS⁷² and 1,067 via NACH⁷³) involving ₹1,301.79 crore occurred. In respect of Aspirational Districts, the figure of rejections was 4,288 (4,134 via APBS and 154 via NACH) involving ₹93.25 crore. The actual rejected amount could be higher due to multiple failed credit attempts.

Management stated (May 2024) that POSA linkage was optional and that customers were contacted post-transaction failure for linkage facilitation. The Ministry (August 2025) added that linkage had since increased to 45 lakh accounts (around 4 per cent of customers), with a target of 25 lakh additional linkages during FY 2025-26.

The replies may be viewed in light of the fact that the issue stems from weak customer awareness, lack of pre-emptive linkage drives and limited coordination between IPPB and DoP. The reactive approach of contacting customers after transaction failure reflects inadequate preventive control.

⁷¹ The average balance for 25 lakh POSA linked accounts was ₹1,960 whereas the average balance for 430 lakh non-POSA linked accounts was ₹517 only.

⁷² APBS - Aadhaar Payment Bridge System is helping the government and government agencies make direct benefit transfers for various central and state-sponsored schemes.

⁷³ NACH - National Automated Clearing House (NACH) is an offline web-based system for bulk push and pull transactions. NACH provides an electronic mandate platform to register mandates, facilitating a paperless collection process for corporates and banks. It provides for both account-based and Aadhaar-based transactions.

Recommendation:

The Bank may launch targeted campaigns and system prompts to promote proactive POSA linkage, especially for high-balance and DBT-linked accounts.

6.1.5.3(b) Non-utilisation of ₹4.30 crore NABARD assistance for Financial Literacy Camps (FLCs)

NABARD, through its Financial Inclusion Fund (FIF), aims to bridge the financial inclusion gap in backward districts facing various socio-economic challenges, designated as Special Focus Districts (SFDs). Grants from the FIF are provided to cover the expenses of banks implementing financial literacy initiatives, including Payments Banks like IPPB. In the "Financial and Digital Literacy Camps" scheme, IPPB was eligible for ₹6,000 per camp in SFDs and ₹5,000 in other districts to conduct literacy programs on various topics for rural populations.

Audit observed that IPPB could not leverage NABARD's assistance to enhance financial literacy and expand services in underserved regions between 2019-20 and 2022-23. Despite NABARD sanctioning funds for 11,654 camps in eight audited circles, IPPB conducted only 5,173 camps, representing a mere 44.39 *per cent* of the target, spending only ₹1.30 crore (23.26 *per cent*) of the total sanctioned amount of ₹5.59 crore. Regions such as Rajasthan, Uttar Pradesh, Tamil Nadu and the North East circles utilised less than 25 *per cent* of their available funds, with even the top-performing Madhya Pradesh circle using only 62.41 *per cent* (**Annexure 6.6**).

Management (May 2024) attributed the shortfall to manpower constraints and the COVID-19 pandemic. The Ministry added that utilisation depended on NABARD's state-level approvals and that IPPB capped costs at ₹1,500 per camp to reduce expenditure, while also conducting literacy activities through other collaborations.

The replies do not adequately justify under-utilisation, as the shortfall persisted well beyond the pandemic period and IPPB's internal capping policy diluted the purpose of NABARD's funding support. Limited coordination with NABARD and weak monitoring led to missed opportunities for outreach in financially excluded areas.

Recommendation:

IPPB may strive to strengthen coordination between IPPB circles and NABARD State Offices, enhance monitoring of sanctioned vs. conducted camps and remove arbitrary internal caps that restrict fund utilisation.

6.1.5.4 System security issues: Weak security controls over Micro-ATM devices

RBI's Information Security guidelines emphasize strong user identification and authentication to ensure accountability. However, Audit found that IPPB's Micro-ATM devices, used by Gramin Dak Sevaks (end-users for banking operations), did not employ biometric or multi-

factor authentication-despite having the technical capability. Instead, users could access the system with just login credentials, creating vulnerabilities.

Weak authentication mechanisms undermine transaction security and enable misuse of IPPB devices. In one instance (January 2024, Dausa branch), a Micro-ATM assigned to a Gramin Dak Sevak at a distant BO was misused by an office assistant to perform transactions within the branch, highlighting the risk of unauthorized access and potential fraud.

The Ministry stated (August 2025) that the Bank has initiated geo-tagging of devices and implemented multiple authentication layers, including SIM verification, password login and control through Mobile Device Management (MDM) requiring mandatory password access.

IPPB may further strengthen authentication mechanisms by mandating biometric or OTP-based second-factor verification, integrating real-time geo-fencing to track device location and carrying out periodic review of user access logs.

6.1.6 Conclusion

India Post Payments Bank (IPPB) was envisioned as a game-changer in advancing financial inclusion by leveraging the vast postal network. However, the audit revealed that IPPB's outreach and service delivery continue to be hampered by operational inefficiencies, inadequate internal controls and underutilisation of available resources. This is evident from the fact that nearly 58 *per cent* of the bank accounts opened upto March 2022 became dormant within two years of their opening. While it could achieve only 16.27 *per cent* target fixed by itself for deployment of IBCs, its Doorstep Banking services also had very few uptake, limiting the Bank's reach in rural areas. Furthermore, technical shortcomings such as frequent UPI transaction failures which was as high as 7.82 *per cent*, low success rates for debit reversal rates (52 *per cent* for IPPB as against approximately 80 *per cent* for the private sector Payments Banks) and inadequate authentication controls over Micro-ATM device have undermined customer confidence and raised concerns regarding the security and reliability of IPPB's operations.

Financial and operational linkages could have strengthened performance of the Bank as well as the DoP. Integration of IPPB system with Post Office Savings Accounts were poorly implemented, resulting in failed transactions and customer inconvenience. Further, IPPB did not effectively utilise ₹4.30 crore of NABARD assistance for financial literacy initiatives, missing an important opportunity to promote awareness and inclusion in underserved regions.

The Bank needs to adopt a data-driven and risk-based approach to operational management, enhance technology resilience and strengthen coordination with the Department of Posts and agencies like NABARD to improve its reach. A robust framework for customer engagement, service quality monitoring and information security is essential for IPPB to realise its mandate of providing accessible, reliable and inclusive banking services across rural India.

6.2 Subject Specific Compliance Audit on Management of Tower properties in Bharat Sanchar Nigam Limited (BSNL)

6.2.1 Introduction

Bharat Sanchar Nigam Limited (BSNL), a Public Sector Enterprise under the Department of Telecommunications, was established on 1 October 2000 and commenced mobile services in October 2002, taking over operations from the erstwhile Department of Telecom Services (DTS) and Department of Telecom Operations (DTO). Telecom towers form the backbone of mobile networks and BSNL owns and operates a substantial infrastructure of 66,200 towers across all telecom circles⁷⁴ as of March 2025. These towers, located on both owned and rented sites, had a book value of ₹3,766.10 crore.

To augment revenue, BSNL has been sharing its tower infrastructure with private Telecom Service Providers (TSPs) such as Airtel, Vodafone Idea and Reliance Jio. As of March 2025, 11,994 towers were shared. The table below summarises BSNL's tower infrastructure⁷⁵, sharing arrangements and infrastructure provisioning revenue from 2018-19 to 2024-25.

Table 6.3: Details of tower holding of BSNL

Year (as on 31 March of the financial year)	Total No. of Towers with BSNL	No. of towers shared with other TSPs	Revenue (Infrastructure Provisioning Fee ⁷⁶) (₹ in crore)
2018-19	68,029	13,567	659.64
2019-20	68,050	13,490	661.25
2020-21	67,470	13,469	621.57
2021-22	67,436	13,399	643.07
2022-23	67,464	12,684	637.19
2023-24	67,340	12,502	673.07
2024-25	66,200	11,994	698.68

6.2.2 Audit Scope, Objectives and Criteria

The audit covered a seven-year period from 2018-19 to 2022-23⁷⁷ and was conducted at the BSNL Corporate Office. In addition, records from 30 Business Areas (BAs) across 10 selected

⁷⁴ Except Delhi and Mumbai which are covered by MTNL.

⁷⁵ Tower infrastructure comprises of passive infrastructure such as building, tower and electrical equipment including battery and power plant, dark fibre, duct space, Right of Way etc.

⁷⁶ Monthly Base Rental is known as Passive Infrastructure Provisioning fee as per Sub-Clause 1.1 under Schedule 3 of Master Service Agreement (MSA) between BSNL and TSPs

⁷⁷ Updated upto 2024-25 wherever considered relevant

BSNL circles (**Annexure 6.7**) were examined. Where necessary, scrutiny was extended to earlier periods to verify legacy issues related to tower infrastructure.

The audit was undertaken as a Subject Specific Compliance Audit (SSCA) with the following key objectives:

- To assess the adequacy and completeness of estate records of tower sites for safeguarding BSNL's financial and operational interests;
- To assess whether the tower infrastructure was optimally utilised to enhance telecom service delivery; and
- To examine the financial viability of the tower infrastructure, whether created or leased out.

The audit involved examination of relevant files, guidelines, circulars and notifications issued by the BSNL Corporate Office, minutes and agenda notes of Board meetings concerning tower infrastructure and the Master Service Agreements signed with other TSPs for tower sharing.

An entry meeting with BSNL Management was held on 14 December 2023 and the exit meeting was held on 6 June 2024.

6.2.3 Audit Findings

6.2.3.1 Adequacy and completeness of Estate records

6.2.3.1(a) Non-transfer of Land titles to BSNL

BSNL was established on 1 October 2000, consequent to the Union Cabinet's decision in September 2000 to corporatise the Department of Telecom Services (DTS) and the Department of Telecom Operations (DTO). Accordingly, all associated assets and liabilities of DTO and DTS, including land parcels, were to be transferred to BSNL.

Audit scrutiny of records from selected circles revealed that the title deeds for 599 out of 1,680 land parcels (36 *per cent*), on which telecom towers had been erected, were not registered in the name of BSNL (**Annexure 6.8**). The primary reasons for non-transfer of titles included missing land documents, pending mutation with State authorities and joint ownership with other entities.

BSNL stated (June 2024) that although the Company was formed in 2000, permission to begin mutation was received only in 2012-13 for 7,585 sites. Since then, the process has been ongoing but delays persist due to lack of records and denial of mutation by some States. The Ministry (June 2025) endorsed BSNL's response.

However, audit noted that only three (Ayodhya, Jamshedpur and Dhanbad) out of the 30 audited Business Areas had set mutation targets. Despite holding the land for over 20 years, BSNL has not ensured proper registration. Without clear land titles, BSNL may face legal and financial risks, especially if it tries to monetise these assets. The company must set

clear timelines for all Business Areas and work proactively with State authorities to complete mutation.

6.2.3.1(b) Non-renewal of lease agreements for tower sites

For land taken on lease, a valid lease agreement is essential to avoid legal and financial risks. In addition to land it owns, BSNL operates towers on leased properties across various circles.

Audit scrutiny of records from selected circles revealed that out of 7,242 leasehold tower sites, lease agreements for 1,981 sites (27 per cent) had expired between July 1997 and February 2024. These sites have been functioning without valid agreements for extended periods. Notably, 40 per cent of these expired leases have remained un-renewed for over five years, as shown in the table below:

Table 6.4: Age-wise classification of number of sites where lease agreement has expired

Age (years)	Maharashtra	Bihar	Jharkhand	Odisha	UP (E)	UP (W)	MP	Chhattisgarh	Rajasthan	Tamil Nadu	Total
Less than 5 years	21	145	88	76	145	137	24	72	341	133	1,182
5-10 years	29	176	43	16	69	31	4	41	47	29	485
10-15 years	8	61	36	4	27	19	8	35	10	13	221
15 years and above	3	19	18	0	3	6	3	4	35	2	93
Total	61	401	185	96	244	193	39	152	433	177	1,981

Reasons cited by the circles for non-renewal included missing lease deeds, disputes with landlords and demand for high rents.

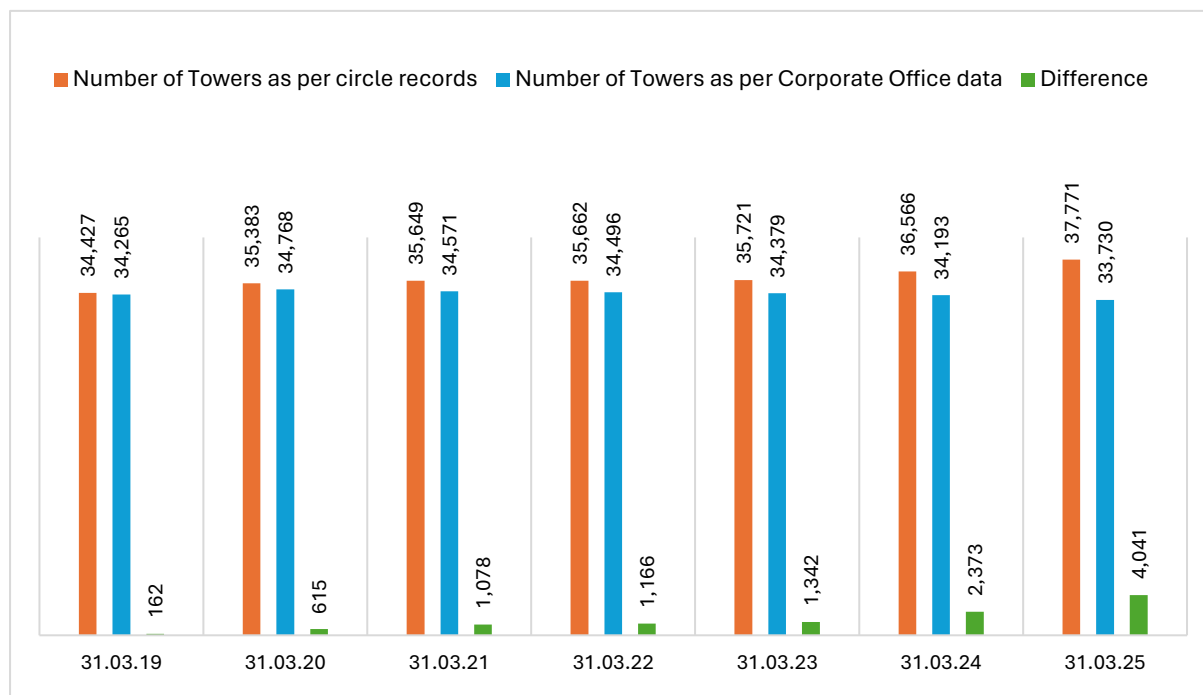
BSNL management (June 2024) stated that lease renewal is an ongoing process and negotiations are underway with landowners, who are mostly private individuals. Circles have been directed to expedite renewals within a fixed timeframe. The Ministry (June 2025) supported this response.

However, continued operation on expired leases exposes BSNL to legal risks and potential financial liabilities, including arrears of rent or eviction threats. Timely renewal of all lease agreements is necessary to safeguard the company's operational and financial interests.

6.2.3.1(c) Inaccurate and Inconsistent tower data management

Accurate tower site data is essential for effective planning, utilisation and cost control in telecom operations. However, a comparison between tower data maintained by BSNL Corporate Office and that reported by 10 selected circles⁷⁸ revealed persistent and widening mismatches over the years as depicted below in figure 6.4⁷⁹:

Figure 6.4: Discrepancy in Tower Data



The growing difference indicates inadequate coordination and lack of regular data reconciliation between circles and Corporate office.

In one specific case, audit observed that in Odisha circle, seven towers (**Annexure 6.9**) were hired from private vendors (M/s ATC Ltd., M/s Ascend Ltd. and M/s Bharti Infra Ltd⁸⁰) despite the fact that BSNL owned towers (funded under the USO Fund Subsidy scheme⁸¹) were already existing at those locations. Due to this duplication and BSNL's inability to bring the USOF sites into state of readiness, it incurred rental expenditure on hiring of sites at Brahmanbil since April 2017 and at Balipata since August 2014.

BSNL management (June 2024) stated that all circles had been instructed to certify the absence of idle or underutilised towers near proposed sites before seeking approval for new infrastructure. Odisha circle was also asked to dismantle non-functional USO towers and

⁷⁸ Bihar, Jharkhand, UP (East), UP(West), Madhya Pradesh, Chhattisgarh, Tamil Nadu, Rajasthan, Odisha and Maharashtra.

⁷⁹ As data of tower sites as on 31-3-2024 and 31-3-2025 in respect of MP circle was not available, the data as of 31-3-2023 was taken for the purpose of reconciliation.

⁸⁰ M/s Bharti Infra Ltd is now known as M/s Indus Towers Ltd (M/s ITL).

⁸¹ BSNL had erected 330 towers with funding arrangement from USO Fund under subsidy scheme effective from June 2007 and was valid for six and half years. As per agreement signed between DoT and BSNL, on expiry of the subsidy period of the project in November 2013, the towers would become assets of BSNL.

surrender redundant hired sites. It was further stated that a centralized CNMC⁸² Portal existed for tower data and circles were responsible for regular updates. The Ministry (June 2025) supported this response and highlighted efforts to improve real-time data accuracy through fresh instructions to the circles.

Despite the existence of the CNMC portal and instructions for data validation, the persistent and increasing mismatch over the years indicates inadequate oversight and ineffective data reconciliation between the Corporate Office and field units. This undermines operational planning and results in avoidable expenditure, as seen in Odisha circle.

6.2.3.2 Utilisation of Tower Infrastructure

6.2.3.2(a) Idling of Tower Material valued at ₹59.77 crore due to poor utilisation

As per BSNL's procurement guidelines (June 2001), assessment of telecom store requirements must be based on existing inventory, supplies in pipeline and past consumption patterns. It is also incumbent upon the management to ensure prompt and effective utilisation of procured material with periodic identification of slow / non-moving items to optimise inventory.

Audit scrutiny revealed that tower material⁸³ worth ₹59.77 crore, procured between 2005-06 and 2012-13, remained unutilised in the selected circles as of March 2025⁸⁴. A significant portion was concentrated UP (East) circle (46 per cent), followed by Tamil Nadu circle (12.72 per cent) and Jharkhand circle (12.30 per cent), indicating substantial inefficiencies in inventory and project planning. The prolonged idling of such critical infrastructure components resulted in blocking of funds and visible material deterioration as evident from illustrative photographs below:



Jharkhand circle



Odisha circle

⁸² Centralized Network Management Centre (CNMC) is a system developed by BSNL for real-time monitoring and management of their mobile network.

⁸³ Tower material is recorded in terms of height viz. 20 meters, 40 meters, 60 meters, 80 meters and 100 meters etc., it also includes antenna mounting fixture.

⁸⁴ The status of Idling of tower materials in UP (West) circle is as on March 2024.

In response, BSNL management accepted the observation, attributing the non-utilisation to fund constraints and limited allocation of Base Transceiver Stations (BTSs), which led to non-execution of mobile projects. They stated that instructions had been issued to plan for time-bound utilisation, disposal or scrapping of the stores and assured that the materials would be deployed in future projects. The Ministry (June 2025) reiterated this, asserting that most of the items had been utilised or disposed of while the rest were being planned for upcoming expansion works.

However, the Management's reply confirms that timely action was not taken over several years, leading to prolonged idling and deterioration of materials. The assurance of future utilisation remains uncertain and the lapse reflects systemic weakness in procurement planning and material utilisation.

6.2.3.2(b) Non-Utilisation and delayed utilisation of erected towers resulting in blocked Capital and loss of Revenue

Infrastructure should be commissioned promptly after erection of towers to ensure efficient capital utilisation and timely revenue generation. Audit observed that in three⁸⁵ of the 10 selected BSNL circles erected towers remained unutilised or idle for extended periods:

- 81 towers, valued at ₹11.13 crore, remained idle since installation for a period ranging from three to seven years⁸⁶ across Odisha (51), UP (East) (15) and Maharashtra (15).
- In Odisha circle, 84 towers experienced a delay of 3 to 74 months between erection and BTS installation, resulting in estimated revenue loss of ₹6.22 crore⁸⁷ due to delayed utilisation (**Annexure 6.10**).

Illustrative pictures of idling of tower in Phapanda Chhak and Pasasingha (Mahadia) in Odisha circle are given below:



Phapanda Chhak



Pasasingha (Mahadia)

⁸⁵ Odisha, Maharashtra and UP (East)

⁸⁶ Installed between 2017-18 to 2022-23 in Odisha, between 2018-19 to 2022-23 in Maharashtra (data pertains to Kolhapur BA only) and during March 2018 to April 2022 in UP (East)

⁸⁷ The revenue loss was calculated by Audit based on the projection of revenue in project estimate, considering a capacity of 875 lines per BTS and prepaid revenue of ₹44 per line per month.

Circles attributed the non-utilisation to non-availability of equipment and optical fibre connectivity. BSNL Corporate Office stated (June 2024) that the towers would be used in the upcoming Phase IX.2 mobile network expansion. It further informed that circles have been directed to prepare utilisation plans for idle towers, for use in 4G expansion and leasing to other TSPs. The Ministry endorsed (June 2025) this reply, stating that the towers are ready for commissioning in future projects.

The reasons cited by BSNL, reflect inadequate planning and poor coordination between infrastructure creation and service deployment. There was no change in the status of utilisation of these erected towers upto March 2025. The Management's assurance of future utilisation does not address the issues of prolonged delay (up to 74 months in some cases), idling of assets worth ₹11.13 crore and estimated loss of revenue of ₹6.22 crore.

6.2.3.2(c) Loss of revenue of ₹10.87 crore due to delay in provisioning of tower sites to TSPs

As per Schedule 2 of the Master Service Agreements (MSAs) signed between BSNL and TSPs BSNL was required to hand over sites within 30 days of receipt of a confirmed service order or within a mutually agreed timeline aligned with the rollout plan of the TSPs. Delays beyond 30 days were to be escalated to BSNL Corporate Office.

Audit observed that in Maharashtra, Odisha, Bihar and Jharkhand circles, BSNL did not adhere to these timelines for 1,092 sites allotted to Reliance Jio (RJIL), Bharti Airtel (BAL) and Vodafone Idea (VI) between 2011-12 and 2024-25. In 92 per cent of the cases, delays extended up to six months, with one instance stretching to 933 days. This led to a loss of revenue of ₹10.87 crore. The age-wise distribution of delays is summarised below:

Table 6.5: Age wise analysis

Age	No. of sites				
	Maharashtra	Bihar	Jharkhand	Odisha	Total
Up to 6 months	729	66	74	134	1003
6 months to 1 year	27	3	9	44	83
1 to 2 years	2	0	0	3	5
More than 2 years	0	0	1	0	1
Total number of sites	758	69	84	181	1092
Potential loss of rental income due to delay (₹ in crore)	6.55	0.66	1.00	2.66	10.87

BSNL (June 2024) attributed the delays to the non-alignment of two separate activities—tower erection and deployment of associated infrastructure, stating that they cannot always be executed simultaneously. The field units have been instructed to prioritise provisioning of infrastructure for leased-out sites to avoid future revenue loss. The Ministry endorsed (June 2025) the reply.

The reply of BSNL does not justify the magnitude and frequency of delays. BSNL had the responsibility to coordinate tower construction and infrastructure readiness before accepting service orders from TSPs. Prolonged and repeated delays indicate systemic inefficiencies, weak project coordination and poor contract adherence, resulting in avoidable revenue loss and erosion of client confidence.

6.2.3.2(d) Non-functional / Non-radiating⁸⁸ tower sites

As per the operational requirement, BSNL incurs significant capital and recurring expenditure for erecting and maintaining mobile tower infrastructure, including rental (if leased), energy charges and security expenses. These towers are expected to remain functional to ensure uninterrupted service delivery and secure revenue generation.

Audit scrutiny of records in 10 selected BSNL circles revealed that 1,740 tower sites remained non-functional or non-radiating (**Annexure 6.11**) for extended periods ranging from a few months to as long as 16 years (2009 to 2025). Reasons included faulty or unavailable equipment and Optical Fibre Cable (OFC) disruptions. In seven out of 10 circles⁸⁹, 404 idle towers were analysed age-wise and 338 towers (83.6 per cent) were found idle for more than two years as depicted below:

Table 6.6: Duration of idling of towers

Period of Idling	Maharashtra ⁹⁰	Bihar	Jharkhand	Odisha ⁹¹	UP (E)	UP (W)	Rajasthan	Total
Up to 6 months	0	9	0	0	0	0	0	9
6 months to one year	0	10	0	5	0	0	4	19
1-2 years	4	33	0	1	0	0	0	38
More than 2 years	16	81	55	71	29	9	77	338
Total	20	133	55	77	29	9	81	404

⁸⁸ Non radiating towers means Base Transceiver Station (BTS) is not functional and antenna attached with tower is not emitting radiations. Data on idling was not provided to Audit for three circles - Madhya Pradesh, Chhattisgarh and Tamil Nadu.

⁸⁹ In respect of Maharashtra circle, for eight number of Towers, information for the duration of idling tower was not provided.

⁹¹ In respect of Odisha circle, for four number of Towers, information for the duration of idling tower was not provided.

Additionally, three circles (Madhya Pradesh, Chhattisgarh and Tamil Nadu) did not furnish data on the duration of idling of 1,324 tower sites, indicating weak internal monitoring.

In response (June 2024), BSNL management stated that the circles were instructed to review the non-functional sites and utilise them by relocating IP sites, enabling 4G rollout or leasing them to other TSPs. They were also directed to certify that no idle tower existed in the vicinity before issuing new infrastructure provisioning orders. This response was endorsed by the Ministry in June 2025.

However, despite repeated instructions from BSNL Corporate Office, the continued existence of a large number of idle towers indicates lapses in implementation and ineffective oversight at the circle level. These idle assets not only represent sunk costs but also reflect missed opportunities for revenue generation through leasing or redeployment.

6.2.3.3 Financial Issues

6.2.3.3(a) Weak Internal Controls leading to non-billing and revenue loss

Schedule 3 of the Master Service Agreements signed between BSNL and TSPs, laid down terms and conditions of payment of various components of the Infrastructure Provisioning Fee (IPF)⁹². It included provisions for timely billing, charging of interest on delayed payments and recovery of additional land rentals. Audit noted multiple instances where BSNL could not enforce these terms, resulting in revenue losses and indicating poor financial management, as described below:

A. Non-levy of Late Payment Fee

Clause 4 of Schedule 3 mandates charging infrastructure fees in advance, with a 15-day grace period beyond which interest⁹³ on overdue amounts becomes applicable. Audit found that five⁹⁴ out of 10 audited BSNL circles, did not levy late payment fee of ₹7.24 crore from TSPs between July 2018 and March 2025 (**Annexure 6.12**).

The BSNL Corporate Office stated (June 2024) that to maintain long-term business relationships, it was mutually agreed among operators not to levy interest. The Ministry endorsed (June 2025) this view. However, no formal documentation of such a waiver or its financial rationale was provided to Audit.

B. Non-billing of rental charges

Clause 1.1(a) and 1.2(a) of Schedule 3 provide for monthly base rentals of ₹38,700 (GBT sites) and ₹24,900 (RTT sites), along with proportional recovery of land rent exceeding ₹5,000 per

⁹² IPF is monthly service charges as per Schedule 3 of MSA including rent and energy charges

⁹³ At the rate of two *per cent* per annum above the Prime Lending Rate of State Bank of India prevalent on the day the payment becomes due in case of BAL and VIL and 18 *per cent* per annum in case of RJIL.

⁹⁴ Odisha, Bihar, Jharkhand, Rajasthan and Tamil Nadu.

site. In Odisha, Tamil Nadu, Maharashtra and Bihar circles⁹⁵, land rental charges amounting to ₹2.33 crore for 244 sites leased to BAL, VIL and RJIL were not billed between November 2011 and March 2025 (**Annexure 6.13**).

While management did not cite specific reasons, it assured (June 2024) that circles were instructed to bill the dues promptly. Maharashtra and Bihar circles acted and raised the bills only after Audit pointed out the lapse in February and April 2025, respectively.

C. Non-billing of Infrastructure Provisioning Fee (IPF)

In Odisha and Tamil Nadu circles, IPF was not billed for eight sites leased to BAL, RJIL and VIL for 27-35 billing cycles during 2021-2025, leading to revenue loss of ₹0.55 crore. Tamil Nadu circle stated billing was pending for approval while Odisha circle billed and recovered ₹0.51 crore in April 2024 after audit intervention.

These instances point to systemic lapses in internal control and revenue assurance processes at the circle level, resulting in under-recovery of dues and delayed billing in violation of agreed contractual terms.

6.2.4 Conclusion

Effective tower management is essential for telecom operators to ensure service reliability, cost efficiency and maximisation of revenue through data-driven decision-making. However, the audit of BSNL's tower infrastructure revealed significant deficiencies like weak controls over tower ownership and lease documentation, idle tower material worth ₹59.77 crore, non-functional towers for long periods, loss of revenue of ₹10.87 crore due to delay in provisioning of tower sites to TSPs, loss of revenue due to non-levy and non-billing of various charges to TSPs. These issues reflect operational inefficiencies and weak oversight as well as gaps in asset utilisation and revenue realisation. These issues also highlight the urgent need for stronger internal controls, timely decision-making and improved accountability to enhance financial and operational performance.

6.2.5 Recommendations

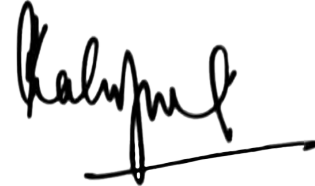
BSNL may

- i. Develop a robust, real-time Management Information System to monitor, validate and manage all tower-related data, including functionality status, site utilisation, leasing arrangements and billing cycles.***
- ii. Prioritise and resolve land ownership issues and renew expired lease agreements to avoid legal complications that may hinder operational continuity.***

⁹⁵ The period of short billing is between April 2016 and October 2024 in Odisha, between November 2011 and March 2025 in Tamil Nadu, between February 2012 and December 2023 in Maharashtra and between April 2017 and December 2023 in Bihar.

- iii. *Optimise utilisation of idle and non-functional towers by ensuring regular review and timely action for reuse and relocation or leasing.*
- iv. *Implement a centralised billing and recovery mechanism to ensure accurate and timely realisation of revenue from Telecom Service Providers, as per Master Service Agreements.*

New Delhi
Dated: 17 March 2026



(KHALID BIN JAMAL)
Director General of Audit
Finance & Communication

Countersigned

New Delhi
Dated: 19 March 2026



(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES & ANNEXURES

Appendix I*{Refer to Paragraph 1.4.1.1, 1.4.1.2C, 1.4.2.1 and 1.4.3}***Statement of Central Public Sector Undertakings under Ministry of Communications (MoC), Ministry of Electronics and Information Technology (MeitY) and Ministry of Finance (MoF) as of 31 March 2024**

Sl. No.	Name of the CPSUs	Percentage of Government of India Investment to the paid-up capital	Paid up share capital Amount of Investment (₹ in crore)	Revenue (₹ in crore)	Profit / (Loss) (₹ in crore)
Ministry of Communications					
Department of Telecommunications					
1	Bharat Sanchar Nigam Limited	100	85,266.82	21,302.38	(5,370.73)
2	BSNL Tower Corporation Ltd	Subsidiary of BSNL		14.39	3.21
3	Mahanagar Telephone Nigam Limited	56.25	354.38	1,301.48	(3,302.19)
4	Millennium Telecom Limited (MTL)	Subsidiary of MTNL		0.38	0.25
5	Bharat Broadband Network Limited (BBNL)	100	60.00	571.37	2.14
6	ITI Limited	97.80	1,391.45	1,308.13	(569.06)
7	Tamilnadu Telecommunications Limited (TTL)	Subsidiary of TCIL		0.03	(14.62)
8	Telecommunications Consultants India Limited (TCIL)	100	59.20	2,603.46	73.37
9	TCIL Lakhnadone Toll Road Limited	Subsidiary of TCIL		2.81	(0.63)
10	TCIL Bina Toll Road Limited	Subsidiary of TCIL		4.37	(2.79)
Total			87,131.85	27,108.8	(9,181.05)
Department of Posts					
11	India Post Payments Bank	100	2,105.00	1,265.29	34.24

Sl. No.	Name of the CPSUs	Percentage of Government of India Investment to the paid-up capital	Paid up share capital Amount of Investment (₹ in crore)	Revenue (₹ in crore)	Profit / (Loss) (₹ in crore)
Ministry of Electronics and Information Technology					
12	National Informatics Center Services Inc.	100	2.00	2,357.86	196.82
13	CSC e-Governance Services India Limited	*(Government of India has only 1 share)		1,753.56	131.67
14	CSC Wi-Fi CHOUPAL	Subsidiary of CSC		10.99	0.33
15	CSC Grameen E store	Subsidiary of CSC		6.21	0.92
16	Digital India Corporation	No share capital		417.36	11.76
Total			2.00	4,545.98	341.5
Ministry of Finance					
Department of Economic Affairs					
17	Security Printing and Minting Corporation of India Limited (SPMCIL)	99.99	987.50	5,078.88	911.04
18	Bank Note Paper Mill India Pvt Ltd. (BNPMIPL)#	JV of SPMCIL and BRBNMPL	800.00	1,250.35	231.79
19	Bharatiya Reserve Bank Note Mudran Pvt Ltd. (BRBNMPL)#	Subsidiary of RBI	1,800.00	3,085.99	566.40
20	National Investment and Infrastructure Fund Trustee Ltd. (NIIFTL)	100	0.02	0.32	0.13
Total			3,587.52	9,415.54	1,709.36

*The Government of India has only one share constituting 0.000001 per cent of the total paid-up capital.

#BNPMIPL and BRBNMPL are private limited companies, however Government of India exercises control over them.

Appendix II

{Refer to Paragraph 1.4.1.1, 1.4.1.2C, 1.4.2.1 and 1.4.3}

Brief profile of attached Offices and Public Sector Undertakings (PSUs) under Department of Telecommunications (DoT), Department of Posts (DoP) and Ministry of Electronics and Information Technology (MeitY)

Department of Telecommunications (DoT), Ministry of Communications (MoC):		
1	ITI Limited (PSU)	ITI Ltd, started as a departmental factory in 1948, is a telecom technology PSU for the manufacturing of telecom equipment. It has manufacturing plants at Srinagar in Jammu & Kashmir, Naini, Rae Bareli and Mankapur in Uttar Pradesh and Palakkad in Kerala, along with an R&D Centre in Bengaluru. The government held 97.80 <i>per cent</i> share of the company valued at ₹1,391.45 crore as on 31 March 2024. Total revenue and loss during the FY 2023-24 were ₹1,308.13 crore and ₹569.06 crore, respectively.
2	Telecommunications Consultants India Limited (TCIL) (PSU)	Telecommunications Consultants India Limited (TCIL), fully owned by GoI, was set-up in 1978 with the main objective of providing world-class technology in all the fields of telecommunications and information technology, to excel in its operations in the overseas and domestic markets by developing proper marketing strategies and to acquire state-of-the-art technology. The government's investment in the company at the end of March 2024 was ₹59.20 crore. The Company's total revenue and profit during the financial year 2023-24 were ₹2,603.46 crore and ₹73.37 crore, respectively.
3	Bharat Broadband Network Limited (BBNL) (PSU)	Bharat Broadband Network Limited, a special purpose vehicle (SPV), fully owned by the Government of India, was incorporated in 2012 under the Companies Act, 1956, to execute the BharatNet Project, erstwhile National Optical Fibre Network Project (NOFN). The government's total investment in the Company as on 31 March 2024 was ₹60.00 crore. The revenue earned was ₹571.37 crore and profit was ₹2.14 crore during the FY 2023-24. The Union Cabinet in the meeting held on 27 July 2022, approved the merger of Bharat Broadband Network Limited with Bharat Sanchar Nigam Limited, which is under process.
4	Millennium Telecom Ltd. (MTL) (PSU)	Millennium Telecom Ltd. (MTL) is a wholly owned unlisted subsidiary of Mahanagar Telephone Nigam Limited (MTNL), a Government of India Central Public Sector Enterprises (CPSE). MTL was incorporated in February 2000 and has its registered office in New Delhi. Services offered by MTL included Cloud services, Wi-Fi solution, project on e-governance, Managed services, Turnkey ICT solution, GIS based services, capacity building and skill development, etc. The Company's total revenue was ₹0.38 crore and it earned a profit of ₹0.25 crore during the year 2023-24.
5	BSNL Tower Corporation Limited (BTCL) (PSU)	BSNL Tower Corporation Limited (BTCL) was incorporated on 04.01.2018 as a wholly owned subsidiary of the Bharat Sanchar Nigam Limited (BSNL). BTCL has started its commercial operation to carry out the non-telecom activities e.g. to participate in Smart City Projects, all EB works / business / EOI / Tender / Bids / RFPs where SI / Partner / External / Non Telecom component is substantial; Civil/BW Wing - Execution of external works as Project Management Consultant for clients such as State Governments, Public Sector Banks, Autonomous Bodies; Empanelment of solution provider under CFA vertical etc. The company commenced commercial operations from the FY 2020-21. During the Financial Year 2023-24 Company has earned revenue from operations of ₹12.89 crore and profit for the period is ₹3.21 crore.

6	Tamilnadu Telecommunications Ltd. (TTL) (PSU)	Tamilnadu Telecommunications Ltd. (TTL) was incorporated in the year 1988 in association with Tamilnadu Industrial Development Corporation (TIDCO) and M/s Fujikura of Japan for manufacture of Telecom Cable. TCIL's stake in TTL is 49 <i>per cent</i> . The performance of the company is decreasing over the past few years due to paucity of orders. The present demand is mostly for Ribbon-Type cables, for which TTL does not have the requisite manufacturing machinery. Considering the same, TTL is trying to explore options for monetisation of TTL Land to meet its expenses. During the Financial Year 2023-24 the operating turnover of the Company was Nil and the loss after Tax during the year was ₹14.62 crore.
7	TCIL Bina Toll Road Limited (TBTRL) (PSU)	TCIL Bina Toll Road Limited (TBTRL) was incorporated on 11.07.2012 as a wholly owned subsidiary of Telecommunications Consultants India Ltd (TCIL) with the object of execution of Bina-Kurwai Saronj Toll Road Project on design, build, finance, operate and transfer (DBFOT) basis. The Project was completed in 2014 and toll collection started in April 2014. During the Financial Year 2023-24, the operating turnover of the Company was ₹4.32 crore and the loss after Tax was ₹2.79 crore.
8	TCIL Lakhnadone Toll Road Limited (TLTRL) (PSU)	TCIL Lakhnadone Toll Road Limited (TLTRL) was incorporated on 21.08.2013 as a wholly owned subsidiary by TCIL with the objective of execution of Lakhnadone-Ghansore Road Project on Build, Operate and Transfer (BOT) Model. The Project was completed on 29.06.2016 and the toll collection started w.e.f. 06.07.2016. During the Financial Year 2023-24, the operating turnover of the Company was ₹2.81 crore and the loss after Tax during the year was ₹0.63 crore.

Department of Posts (DoP), Ministry of Communications (MoC):

1	India Post Payments Bank (IPPB) (PSU)	India Post Payments Bank was incorporated as a Public Limited Company on 17 August 2016, under the DoP, with 100 <i>per cent</i> equity from the Government of India, with the vision to promote financial inclusion and to increase access of the people to the formal financial system. IPPB offers demand deposits such as savings and current accounts up to a balance of ₹2 Lakh, digitally enabled payments and remittance services between entities and individuals and also provides access to third-party financial services, such as insurance, mutual funds, pension, credit products and forex in partnership with insurance companies, mutual fund houses, pension providers, banks, international money transfer organizations, etc. The total capital investment of the Government was ₹2,105.00 crore as on 31 March 2024. The company's total revenue was ₹1,265.29 crore and it earned a profit of ₹34.24 crore during the FY 2023-24.
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Ministry of Electronics and Information Technology (MeitY):

1	National Informatics Centre (NIC) (Attached Office)	National Informatics Centre provides network backbone and e-Governance support to the Central Government, State Governments, UT Administrations, Districts and other Government bodies. It offers a wide range of Information and Communication Technology services in close collaboration with Central and State Governments in the areas of (a) Centrally sponsored schemes and Central sector schemes, (b) State sector and State-sponsored projects and (c) District Administration-sponsored projects.
2	Standardisation, Testing and Quality Certification Directorate (STQC) (Attached Office)	STQC, established in 1980, is an internationally recognised Assurance Service Provider to both Hardware and Software sectors to provide state-of-the-art technology-based quality assurance services to its clients and to align with MeitY's mandate to focus on the IT sector.

3	Unique Identification Authority of India (UIDAI) (Statutory Authority)	<p>The Unique Identification Authority of India is a statutory authority established under the provisions of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 ("Aadhaar Act 2016") on 12 July 2016 by the Government of India, under MeitY.</p> <p>UIDAI was created with the objective of issuing Unique Identification numbers, a unique identity named as "Aadhaar", to all residents of India that is (a) robust enough to eliminate duplicate and fake identities and (b) can be verified and authenticated in an easy, cost-effective way.</p> <p>UIDAI received a Grant-in-aid of ₹800 crore during FY 2023-24 and it spent ₹800 crore, leaving a nil balance as the utilised grant. UIDAI also earns revenue by way of fees received for rendering authentication and enrolment services. All receipts are credited to the UIDAI Fund created by the Government with effect from March 2019.</p>
4	Digital India Corporation (DIC) (PSU)	<p>Digital India Corporation is a 'not-for-profit' Company set up under Section 8 of the Companies Act, 2013, with an objective to bring the benefits of Information and Communication Technology (ICT) to the common man. The application areas of the company include the use of ICT for healthcare, education, livelihood and empowerment of the disabled. The company is limited by guarantee and does not have any share capital. The audit of this Company was entrusted to C&AG under the provisions of Sections 143(5) and 143(6) of the Companies Act, 2013. The company works with leading institutions for undertaking development work. It had a total income of ₹417.36 crore (mainly on account of Grant-in-Aid) during the year ended 31 March 2024.</p>
5	National Informatics Centre Services Inc. (NICS) (PSU)	<p>National Informatics Centre Services Inc. (NICS) was set up in 1995 as Section-25 (now Section 8 of the Companies Act, 2013) under the National Informatics Centre to provide total IT solutions to the Government organisations. The main objectives of NICS are to provide economic, scientific, technological, social and cultural development of India by promoting the utilisation of Information Technology. The Company's total revenue during the FY 2023-24 was ₹2,357.86 crore and it earned a profit of ₹196.82 crore.</p>
6	CSC e-Governance Services India Limited (PSU)	<p>Common Service Centres (CSC) scheme is one of the mission-mode projects under the Digital India Programme. CSC e-Governance Services India Limited, a Special Purpose Vehicle, has been set up by the MeitY under the Companies Act, 2013, to oversee the implementation of the CSC scheme. CSC SPV provides a centralised collaborative framework for the delivery of services to citizens through CSCs, besides ensuring systemic viability and sustainability of the Scheme. Total revenue during the FY 2023-24 was ₹1,753.56 crore and it earned a profit of ₹131.67 crore.</p>
7	CSC Wi-Fi Choupal Services India Private Limited (PSU)	<p>In early 2016, CSC Wi-Fi Choupal Service India Pvt. Ltd was set up for the development of affordable and reliable ICT solutions in the rural areas. Wi-Fi Choupal facilitates the delivery of Broadband Connectivity for all across Gram Panchayats & villages, Fibre maintenance, Gigabyte Passive Optical Network (GPON) infrastructure with professional teams, Wi-Fi audio / video calling solutions and Application development & support to various government institutions, etc. The company's total revenue during the FY 2023-24 was ₹10.99 crore and it earned a profit of ₹0.33 crore.</p>
8	CSC Gramin e-Store Services India Private Limited (PSU)	<p>CSC Gramin e-Store Services India Pvt. Ltd. was incorporated on 31 July 2020 by CSC e-Governance Services India Ltd, the apex enterprise, set up to digitally empower the citizens of India. CSC Gramin e-Store is committed to enabling rural e-Commerce through its network of Village Level Entrepreneurs (VLE), Promoting Vocal for Local by partnering with local manufacturers like Self Help Groups (SHG), Farmers, MSMEs, etc. The company's total revenue during the FY 2023-24 was ₹6.21 crore and it earned a profit of ₹0.92 crore.</p>

Department of Economic Affairs (DEA), Ministry of Finance (MoF):		
1	Security Printing and Minting Corporation of India Limited (SPMCIL) (PSU)	Security Printing and Minting Corporation of India Limited, a wholly owned Schedule 'A' Miniratna Category-I company of the Government of India, was incorporated in 2006 for the management, control, maintenance and operations of the erstwhile nine production units under the Coin and Currency division, DEA, Ministry of Finance, Government of India. SPMCIL is engaged in the manufacturing / production of Currency and Bank Notes, Security Paper, Non-Judicial Stamp Papers, Postal Stamps & Stationery, Travel Documents viz. Passport and Visa, Security certificates, Cheques, Bonds, Warrant, Special Certificates with security features, Security Inks, Circulation & Commemorative Coins, Medallions, Refining of Gold & Silver and Assay of Precious Metals. The Government's total investment in the Company was ₹987.50 crore as on 31 March 2024. The company's total revenue during the year FY 2023-24 was ₹5,078.88 crore and it earned a profit of ₹911.04 crore.
2	Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)	Bharatiya Reserve Bank Note Mudran Private Limited is a specialised division of the Reserve Bank of India established in 1995. It prints Indian banknotes. BRBNMPL supplies a major portion of the bank note requirement in the country, with the remaining requirements being met through SPMCIL. Government's total investment in the company was ₹1,800 crore as on 31 March 2024 and the company's total revenue during the year FY 2023-24 was ₹3,085.99 crore and it earned a profit of ₹566.40 crore.
3	Bank Note Paper Mill India Private Limited (BNPMIPL)	Bank Note Paper Mill India Private Limited was incorporated and registered on October 13, 2010, as a Joint Venture between SPMCIL and BRBNMPL for the production of banknote papers. The Government's total investment in the company was ₹800 crore as on 31 March 2024. The company's total revenue during the year FY 2023-24 was ₹1,250.35 crore and it earned a profit of ₹231.79 crore.
4	National Investment and Infrastructure Fund (NIIFTL) (PSU)	National Investment and Infrastructure Fund is India's first infrastructure-specific investment fund or a sovereign wealth fund that was set up by the Government of India in February 2015. The objective behind creating this fund was to maximise economic impact in commercially viable projects, both Greenfield and Brownfield, mainly through infrastructure investment. NIIFTL manages three funds: Master Fund, Fund of Funds and Strategic Fund. The funds were set up to make infrastructure investments in India by raising capital from domestic and international institutional investors. Government's total investment in the company is ₹0.02 crore and the company's total revenue during the year FY 2023-24 was ₹0.32 crore and it earned a profit of ₹0.13 crore.

Appendix III
{Refer to Paragraph 1.5.3(A)}

**Summarised position of Action Taken Notes
awaited from Ministries / Departments as of 31 August 2025**

Number and year of Audit Report		ATN Due	Not received at all	Under correspondence
Ministry of Communications				
Department of Posts				
1	01 of 2025	3	1	2
	Total	3	1	2
Department of Telecommunications				
1	01 of 2025	1	0	1
	Total	1	0	1
Ministry of Electronics and Information Technology				
1	01 of 2025	2	0	2
	Total	2	0	2
Ministry of Finance				
Department of Expenditure				
1	02 of 2019	1	1	0
2	04 of 2020	1	0	1
3	07 of 2021	5	0	5
4	31 of 2022	35	32	3
5	21 of 2023	28	17	11
6	04 of 2025	64	64	0
	Total	134	114	20
Department of Economic Affairs				
1	01 of 2024	1	-	1
2	03 of 2025	2	2	0
3	19 of 2025	2	2	0
	Total	5	4	1
	Grand Total	145	119	26

Appendix IV
{Refer to Paragraph 1.5.3(B)}

Summarised position of Action Taken Notes awaited from Public Sector Undertakings as of 31 August 2025

Number and year of Audit Report		ATN Due	Not received at all	Under correspondence
Ministry of Communications				
Bharat Sanchar Nigam Limited				
1	6 of 2000	2	NIL	2
2	6 of 2001	2	NIL	2
3	6 of 2002	1	NIL	1
4	5 of 2003	5	NIL	5
5	5 of 2004	2	NIL	2
6	5 of 2005	2	NIL	2
7	9 of 2006 (PA)	2	NIL	2
8	13 of 2006	4	NIL	4
9	10 of 2007 (PA)	1	NIL	1
10	12 of 2007	6	NIL	6
11	9 of 2008 (PA)	1	NIL	1
12	CA 10 of 2008	1	NIL	1
13	CA 12 of 2008	5	NIL	5
14	09 of 2009-10	1	NIL	1
15	CA 25 of 2009	4	NIL	4
16	3 of 2011-12	2	NIL	2
17	8 of 2012-13	1	NIL	1
19	29 of 2016	1	NIL	1
20	03 of 2021	1	NIL	1
21	16 of 2023	3	NIL	3
22	01 of 2025	1	NIL	1
Total		48	NIL	48
Mahanagar Telephone Nigam Limited				
1	5 of 2004	1	NIL	1
2	10 of 2007 (PA)	1	NIL	1
3	12 of 2007	1	NIL	1
4	CA 12 of 2008	1	NIL	1

Number and year of Audit Report		ATN Due	Not received at all	Under correspondence
Total		4	NIL	4
ITI Limited				
1	10 of 2007	1	NIL	1
2	12 of 2007	1	NIL	1
3	12 of 2008	1	NIL	1
4	03 of 2021	1	NIL	1
Total		4	NIL	4
Ministry of Electronics and Information Technology				
National Informatics Centre Services Inc.				
1	55 of 2015	1	NIL	1
2	21 of 2017	1	NIL	1
3	03 of 2021	1	1	NIL
4	15 of 2022	1	1	NIL
Total		4	2	2
Ministry of Finance				
Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)				
1	15 of 2022	1	1	NIL
Total		1	1	NIL
Grand Total		61	3	58

Appendix V
{Refer to Paragraph 1.5.4}

**Certification and submission of Accounts in respect of Central Autonomous Bodies (ABs)
for the year 2023-24**

Sl. No.	Name of Organisation	Administrative Ministry	Due date of submission	Actual Date of submission	Date of Certification	Date of laying in the Parliament
1	UIDAI	Electronic & IT	30-06-2024	01-07-2024	07-11-2024	LS:12-03-2025 RS:21-03-2025
2	TRAI	Communications	30-06-2024	05-07-2024	10-12-2024	LS:12-03-2025 RS:20-03-2025
3	TRAI-CPF	Communications	30-06-2024	11-07-2024	13-11-2024	LS:12-03-2025 RS:20-03-2025
4	IFSCA	Ministry of Finance	30-06-2024	05-07-2024	30-10-2024	LS: 10-02-2025 RS: 11-02-2025
5	SEBI	Ministry of Finance	30-06-2024	27-06-2024	02-12-2024	LS: 03-02-2025 RS: 04-02-2025

Details of Certification and submission of Accounts in respect of Public Sector Undertakings (PSUs) for the year 2023-24

Sl. No.	Name of Organisation	Administrative Ministry	Due date of submission	Actual Date of submission	Date of Certification
1	BSNL	Communications	30-06-2024	30-05-2024	12-09-2024
2	BTCL	Communications	30-06-2024	11-07-2024	04-09-2024
3	MTNL	Communications	30-06-2024	31-05-2024	04-09-2024
4	MTL	Communications	30-06-2024	12-06-2024	22-08-2024
5	CSC e-Gov. Services India Ltd.	Electronic & IT	30-06-2024	11-09-2024	10-12-2024
6	CSC Wi-Fi Choupal	Electronic & IT	30-06-2024	30-07-2024	09-10-2024
7	ITI	Communications	30-06-2024	24-06-2024	11-09-2024
8	TCIL	Communications	30-06-2024	27-05-2024	16-08-2024
9	TCIL LTRL	Communications	30-06-2024	29-05-2024	19-07-2024
10	TCIL BTRL	Communications	30-06-2024	29-05-2024	26-07-2024
11	TTL	Communications	30-06-2024	30.05.2024	12-08-2024
12	IPPB	Communications	30-06-2024	28-06-2024	09-10-2024
13	NICSI	Electronic & IT	30-06-2024	31-07-2024	27-09-2024
14	BBNL	Communications	30-06-2024	04-09-2024	14-11-2024
15	DIC	Electronic & IT	30-06-2024	13-11-2024	11-03-2025
16	SPMCIL	Finance	30-06-2024	19-07-2024	27-09-2024
17	BRBNMPL	Finance	30-06-2024	22-07-2024	27-09-2024
18	BNPMIPL	Finance	30-06-2024	04-07-2024	25-09-2024

Sl. No.	Name of Organisation	Administrative Ministry	Due date of submission	Actual Date of submission	Date of Certification
19	NIIFTL	Finance	30-06-2024	30-07-2024	14-08-2024
20	CSC Grameen e-Store Services India Pvt. Ltd.	Electronic & IT	30-06-2024	16-08-2024	17-09-2024

Appendix VI
{Refer to Paragraph 1.5.5}

**(A) Significant Observations on the Accounts of Central Public Sector Enterprises
for the year 2023-24**

Sl. No.	Name of the CPSE	Observation
1	ITI Ltd.	<p>Profit and Loss</p> <p>Expenses</p> <p>Other expenses– ₹167.14 crore (Note 30)</p> <p>The above head is understated by an amount of ₹2.42 crore due to non-provisioning of expenditure pertaining to year 2023-24. This also resulted in understatement of loss by the same amount.</p>
2	Mahanagar Telephone Nigam Ltd.	<p>Balance Sheet</p> <p>Assets</p> <p>Current Assets</p> <p>Trade Receivable: ₹496.45 crore (Note No. 15)</p> <p>The above head is overstated by an amount of ₹15.27 crore due to non-provisioning of trade receivables on account of wireless services. This is in violation of company's accounting policy for wireless services which provides for 100 <i>per cent</i> provision for debtors outstanding for more than 180 days. This has also resulted in understatement of loss by the same amount.</p> <p>Standalone Cash Flow Statement for the year 31 March 2024</p> <p>Net Cash used in investing activities: ₹100.11 crore</p> <p>Cash Flow from Investing Activities includes accrued interest of ₹0.92 crore. This is in violation of Para 43 of Ind AS 07. Cash flow statement is deficient to this extent.</p> <p>Comments on Notes to Accounts</p> <p>Details of Contingent Liabilities, pending litigation and other matters</p> <p>Sales Tax, Service Tax, Excise Duty, Municipal Tax Demands Disputed and under Appeal: ₹529.71 crore -Note 50(b)</p> <p>The above head is understated by an amount of ₹9.73 crore due to not including statutory dues on account of labour cess.</p> <p>Commitments (Note No.51)</p> <p>Other Commitments: Nil</p> <p>The above head is understated by an amount of ₹8.10 crore due to non-disclosure of the commitments towards contract for Comprehensive maintenance and provisioning of different type of Telecom services on copper network.</p> <p>Comment on Disclosure</p> <p>The company has not disclosed a significant event that has taken place after 31 March 2024 that it has applied to deposit title deeds of immovable properties valuing ₹1,258.26 crore in the Hon'ble High Court of Delhi in lieu of deposit of amount equivalent to arbitration award of ₹450 crore (approximately). The same is also not in line with the provisions of Ind AS 10.</p>

Sl. No.	Name of the CPSE	Observation
		<p>Comments on the Statutory Auditor's Report</p> <p>The Statutory Auditors have not complied with the directions of CARO 2020 to the extent of following-</p> <ol style="list-style-type: none"> i. Details of the immovable properties whose title deeds are not in the name of the company have not been disclosed. ii. The disputed amount paid to the income tax department does not include the amount of interest charged on it.
3	Bharat Sanchar Nigam Ltd.	<p>Comments on Profit and Loss Account</p> <p>Revenue from operations: ₹19,330.71 crore (Note No. 32)</p> <p>Other Operating revenue: ₹3,522.18 crore</p> <p>The above head is overstated by an amount of ₹69.11 crore due to booking of revenue in respect of LWE project for the period beyond 30.04.2023 which is in contravention of Corporate Office's instructions dated 14.03.2024 in this regard. This also resulted in understatement of the loss by the same amount.</p> <p>Expenses</p> <p>Other expenses-₹9,401.73 crore (Note 37)</p> <p>The above head is understated by an amount of ₹420.98 crore due to non-inclusion of the penalty imposed by the TERM Cell of DoT on account of Customer Application Form (CAF) and EMF penalty. This resulted in understatement of loss also by the same amount. This issue was commented last year also.</p> <p>Comments on Balance Sheet</p> <p>Other Non-Current Assets -₹3,644.30 crore (Note No.11)</p> <p>Capital Advance – ₹3,083.44 crore</p> <p>The above head is overstated by an amount of ₹2.03 crore due to inclusion of Custom Duty payable as advance to vendor instead of booking it as capital expenditure being component of the total cost of asset procured.</p> <p>This also resulted in understatement of PPE by the same amount and depreciation thereon.</p> <p>Other financials assets ₹9,553.62 crore (Note No.17)</p> <p>The above head is overstated by an amount of ₹4.44 crore due to the inclusion of following-</p> <ol style="list-style-type: none"> i. ₹2.94 crore amount shown as receivable from USO Fund pertaining to O&M of LWE sites. The same has been disallowed by the USO Fund. ii. ₹1.50 crore due to inclusion of miscellaneous recoverable pending from 9 to 19 years. <p>By not providing for these amounts, loss for the year is also understated by that extent.</p> <p>Current Liabilities</p> <p>Provisions- ₹212.69 crore (Note no 31)</p> <p>The above head is understated by not including an amount of ₹4.46 crore on account of arrear electricity bill payable to Power Department,</p>

Sl. No.	Name of the CPSE	Observation
		<p>Government of Arunachal. BSNL reversed the expenses booked under this head on the grounds that same was represented to the concerned authority for waiver of interest and penalty. This also resulted in understatement of the loss by the same amount.</p> <p>Comments on Statement of Cash Flow</p> <p>Net Change in working Capital</p> <p>The company has included change in Non-Current Financial Assets and Liabilities for calculating changes in Working Capital instead of showing the same under Cash Flow from Investing Activities. This depiction is not in line with the Ind AS 7. Thus, the Cash Flow Statement is deficient to that extent. This issue was commented upon last year also.</p>
4	CSC E-Governance Services India Ltd.	<p>A. Comments on Profitability</p> <p>1. Revenue from operations: (Note no. 27) Sales of services from UID: ₹186.82 crore</p> <p>(i) The above income includes ₹2.17 crore received as GST with the sales revenue which should have been accounted as liability since it is to be passed on to the Government. This resulted in overstatement of Income and understatement of liability by this extent.</p> <p>(ii) The above head is understated by ₹2.09 crore due to non accountal of accrued income for the months of October 2023 to January 2024 whose sales were confirmed to management before date of closing of Balance Sheet for the year 2023-24. This also resulted in understatement of current assets (sundry debtors) by this amount. Penalties imposed by UIDAI for this period amounting to ₹5.49 crore imposed by UIDAI on this sales revenue may be disclosed in the Notes to Accounts.</p> <p>B. Comments on Financial Position</p> <p>Other Assets: ₹274.17 crore (Note-15)</p> <p>Other Liabilities: ₹673.80 crore (Note-25)</p> <p>Other assets and other liabilities are understated by an amount of ₹4.46 crore due to netting off the debit and credit balances of the grants under the projects amounting to ₹199.81 crore and ₹12.34 crore respectively. This is also violation of the provisions of Ind AS-1 pertaining to 'Presentation of Financial statements' also.</p> <p>The Statutory Auditor's Report on sub directions issued by C&AG under section 143(5) of the Companies Act is also deficient to this extent as they did not offer comment on excess spending and necessary approval from the respective nodal Ministry / Department.</p>
5	Bhartiya Reserve Bank Note Mudran Pvt Ltd.	<p>1. Profit and Loss Account</p> <p>Expenses</p> <p>Employees Benefit Expenses- ₹439.64 crore (Note 34)</p> <p>The above head is overstated by ₹3.07 crore due to provision made by the company for Leave Travel Facility in respect of those employees who have neither availed the facility nor submitted any application / claim for availing LTF as on 31 March 2024.</p>

Sl. No.	Name of the CPSE	Observation
		<p>This also resulted in understatement of profit of the Company for the year 2023-24 by the same amount. This comment was raised in the year 2022-23 also.</p> <p>2. Explanatory Notes to Accounts forming part of Financial Statements (Note No 46 c)</p> <p>The note does not disclose the details of salary, allowances and other benefits of CFO cum CS who is among the Key Management Personnel of the Board of the Company.</p>
6	India Post Payment Bank Ltd.	<p>1. Balance Sheet-Assets Other Assets: ₹732.63 crore (Schedule-11)</p> <p>The above head is overstated by a amount of ₹26.89 crore due to non-adjustment of the provision created for receivables for more than one year. Instead of reducing the receivables from DoP by ₹26.89 crore, the Bank has created a provision of ₹26.89 crore in the accounts. This has also resulted in overstatement of other Liabilities and Provisions by the same amount.</p> <p>2. Balance Sheet-Assets Other Assets: ₹732.63 crore (Schedule-11) Deferred Tax assets (net) ₹152.43 crore</p> <p>The above head is understated by an amount of ₹10.94 crore due to non-inclusion of provisions made an account of gratuity and doubtful debts while calculating deferred tax.</p> <p>This has also resulted in the understatement of the net profit by the same amount.</p> <p>3. Income and Expenditure-Income Other Assets: ₹657.72 crore (Schedule-14)</p> <p>The above head is overstated by an amount of ₹23.62 crore due to charging of SMS sent to the customers at the rates higher than the rates prescribed by the Reserve Bank of India.</p> <p>This has also resulted in understatement of the liabilities and provisions by the same amount.</p> <p>4. Cash Flow Statement</p> <p>The cash flow statement is deficient to the following extent:</p> <ol style="list-style-type: none"> IPPB has not presented the reconciliation statement of the cash and cash equivalent in compliance with Para 42 of Accounting Standard 3. IPPB has included accrued interest, which is a non-cash item, in the cash flow from operations. This has resulted in non-compliance with Accounting Standard 3. <p>5. Contingent Liabilities: ₹64.30 crore (Schedule-12)</p> <p>The above head is understated by an amount of ₹203.03 crore due to non-disclosure of claim filed by M/s EIT Service India Pvt. Ltd. before the learned sole arbitrator.</p>
7	Telecommunications Consultants India Ltd.	<p>Other Current Assets: - ₹1,181.25 crore (Note 17)</p> <p>The above head is overstated by amount of ₹4.87 crore due to inclusion of old outstanding advances given to the sub-contractors. The company has</p>

Sl. No.	Name of the CPSE	Observation
		not made provision for these advances even though arbitration award has been given in favour of the sub-contractors. This has also resulted in overstatement of the Other Current Assets, understatement of Provisions and overstatement of profit for the year by ₹4.87 crore.
8	Millenium Telecom Ltd.	<p>Non-current Asset Other Non-Current Assets (Note 4)- ₹30.95 lakh</p> <p>(i) The above head is understated by an amount of ₹9.42 lakh due to excess provisioning done for the income tax assets under non-current assets for the year 2007-08. This has also resulted in overstatement of the Provisions by the same amount. This issue was commented on last year also.</p> <p>(ii) The above head is overstated by an amount of ₹40.36 lakh due to under provisioning of the income tax assets. This has also resulted in overstatement of profit by the same amount.</p> <p>Comment on Contingent liabilities (Note no 26) The above head is understated by an amount of ₹59.13 lakh due to non-disclosure of the demand raised by District Labour Court Ghaziabad under Payment of Wages Act 1936. The Statutory Auditor's have also not reported this in their Report.</p> <p>Comment on Significant accounting policies and other explanatory information (Note 27) The method of dividend payment is not in line with the guidelines issued by DIPAM. This has resulted in payment of less dividend by an amount ₹15.87 lakh. The company has not disclosed this in its Financial Statements and the Statutory Auditors have also not reported this in their Report.</p> <p>Comment on Cash flow Statement Reconciliation for cash and cash equivalents with the Balance Equivalents: ₹6 crore The above head is overstated by an amount ₹5.83 crore due to inclusion of FDR with maturity period of more than three months.</p>
9	National Informatics Centre Services Inc.	<p>Balance Sheet Assets Other Non-current Assets (Note No. 9) Advances other than Capital Advances- ₹14.50 crore</p> <p>The above head is overstated by an amount of ₹4.53 crore due to inclusion of advances to the supplier of manpower services outstanding for a period more than three years old. Non-provision of these advances is in contravention of the Company's accounting policy in this regard. This resulted in understatement of the expenditure and overstatement of the profit for the year by this amount.</p> <p>Comment on the Statutory Auditor's Report Report on Directions issued by the C&AG of India u/s 143(5) of the Companies Act The Statutory Auditor's response to the directions of C&AG of India issued under section 143 (5) of the Companies Act, 2013 point no. 3 (funds received / receivables for specific schemes) is factually incorrect as the</p>

Sl. No.	Name of the CPSE	Observation
		company received funds of ₹961.02 crore during the year 2023-24 from different Ministries / Departments for specific schemes whereas as per the report of the Statutory Auditors, during the year 2023-24, no such funds were either received / receivable by the Company from any Central / State agencies.
10	Bharat Broadband Network Ltd.	<p>A. Comment on Financial Position</p> <p>1. Balance Sheet</p> <p>Current Liabilities</p> <p>Other Current Liabilities: ₹12,999.77 crore (Note no.9)</p> <p>BBNL has not made provision of ₹86.94 lakh on account of GST payable on Accrued Revenue as per the GST Act and interest of ₹21.20 lakh payable thereon due to delayed payment of GST.</p> <p>This has resulted into understatement of Other Current Liabilities by ₹1.08 crore and understatement of expense by the same amount.</p> <p>2. Assets</p> <p>Non-Current Assets</p> <p>Capital Work-in-Progress: ₹11,105.31 crore (Note No.11)</p> <p>The above does not include ₹240.17 crore towards CAPEX amount sanctioned by BBNL on 13.03.2024 for payment to M/s Tamilnadu Fibernet Corporation Limited (TANFINET) on completion of fourth milestone for implementation of BharatNet Phase-II in the state of Tamil Nadu.</p> <p>This resulted into understatement of Capital Work in Progress as well Current Liability by ₹240.17 crore and overstatement of capital commitment by the same amount.</p> <p>B. Comments on Independent Auditor's Report:</p> <p>3. Independent Auditor's Report</p> <p>Annexure A to the Independent Auditor's Report</p> <p>Para No. i (c) of Annexure A to the Independent Auditor's Report, where information related to title deeds of all the immovable properties which were not held in the name of the company were given, is deficient as the same is not disclosed as per the format and details prescribed by CARO 2020. This resulted into non-compliance of CARO 2020.</p>
11	CSC Wi-Fi Choupal Services India Pvt. Ltd.	<p>Balance Sheet</p> <p>Current Assets- Financial Assets</p> <p>Bank balances other than above: ₹2.36 crore (Note No. 19)</p> <p>The above head is overstated by an amount of ₹2.15 crore due to inclusion of earmarked Fixed Deposits as current assets. This is in contravention of Ind AS-I.</p> <p>This also resulted in understatement of the non-current assets by the same amount.</p>

**(B) Significant Observations on the Accounts of Central Autonomous Bodies
for the year 2023-24**

Sl. No.	Name of the CAB	Observation
1	Securities and Exchange Board of India	<p>A. Balance Sheet</p> <p>1. Fixed Assets: ₹1,610.07 crore (Schedule 6) Computer / Peripherals-Software: ₹17.52 crore The above does not include Computer Software (SCORES V 2.0) amounting to ₹5.75 crore which was approved as Project Go Live with effect from 13.03.2024. Non- capitalisation of the software resulted in understatement of Computer Software by ₹5.75 crore, understatement of Sundry Creditors by ₹3.69 crore, overstatement of CWIP by ₹2.06 crore. Non-capitalisation resulted in understatement of depreciation and surplus by ₹9.94 lakh. This also violated SEBI's own accounting policy in this regard.</p> <p>2. Investment from Earmarked funds: ₹2,332.15 crore (Schedule 7) Investment of AO penalties retained in Fixed Deposits: ₹100.84 crore The above does not include an amount of ₹1.73 crore. being interest accrued on fixed deposit of ₹25.00 crore invested during the year 2023-24 from 'AO penalties collected'. This has resulted in understatement of AO penalty Deposit account (asset) and AO Penalty retained account (liability) by ₹1.73 crore.</p> <p>B. General Comments</p> <p>3. Current Liabilities and Provisions include an amount of ₹2.58 crore on account of EMD, Security Deposit and Retention Money from contractors / suppliers for various works which are outstanding from 3 to 15 years without justified need for retention.</p> <p>C. Grant in Aid No Grant in Aid was received from the Government of India or any other Government agency during the year.</p>
2	Telecom Regulatory Authority of India	<p>A. Balance Sheet</p> <p>1. Fixed Assets (Schedule-8) Capital Work in Progress-nil Capital work in progress is understated by an amount of ₹454.53 crore due to non-inclusion of the amount paid to MoHUA and NSL towards purchase of office space at Nauroji Nagar Delhi from the grant received from DoT. This also resulted in understatement of the Corpus / Capital by the same amount. This is in contravention of accrual basis of accounting.</p> <p>2. Current Assets, Loans, Advances etc. (Schedule-11) Prepayments: ₹12,13,618/- The above head is understated by an amount of ₹7.52 crore due to not including advance payment made for maintenance of the office space purchased at Nauroji Nagar Delhi out of the grant received from DoT for two years. This also resulted in understatement of the Corpus / Capital by the same amount.</p> <p>3. Current Liabilities and Provisions (Schedule 7) Provisions: ₹44,55,33,235/- The above head is understated by an amount of ₹5.51 crore due to non-provisioning of the expenditure in various heads pertaining to the year 2023-24.</p>

Sl. No.	Name of the CAB	Observation
		<p>This also resulted in overstatement of Income by the same amount.</p> <p>B. Contingent Liabilities and Notes on Accounts (Schedule 25)</p> <p>Capital Commitment</p> <p>The above head is understated by an amount of ₹28.76 crore due to non-disclosure of the amount payable towards development of interior works in the newly purchased office space at Nauroji Nagar Delhi.</p> <p>C. Grant –in Aid</p> <p>(a) Revenue grants:</p> <p>Out of the grants in aid of ₹126.74 crore (including the unspent balance of ₹14.74 crore of earlier year) received during the year, TRAI utilised a sum of ₹105.34 crore, leaving a balance of ₹21.40 crore as unutilised grant as on 31 March 2024.</p> <p>(b) Capital grants:</p> <p>Out of the grants in aid of ₹248.26 crore (including unspent balance of ₹46.71 crore of earlier year and sum of ₹1.65 crore received as Interest on FDR of Building Account) received during the year, TRAI utilised a sum of ₹145.05 crore, leaving a balance of ₹103.17 crore, as unutilised grant as on 31 March 2024.</p>
3	International Financial Services Centres Authority	<p>A. Income & Expenditure Account</p> <p>1. Income-Fees / Subscriptions ₹62.66 crore (Sch. XIII)</p> <p>The above head is overstated by an amount of ₹56.05 lakh due to inclusion of Registration fee received in advance during the year from various agencies in contravention of accrual basis of accounting. This also resulted in understatement of current liabilities by the same amount.</p> <p>2. Expenditure-Other Administrative Expenses etc. (Sch. XIX)</p> <p>The above head is understated by an amount of ₹20 lakh due to non provisioning of the claim, which has been rejected by the GST department. This also resulted in overstatement of the Surplus as well Current Assets, Loans and Advances for the year by the same amount.</p> <p>B. Receipts and Payments Account</p> <p>Receipt</p> <p>3. The above head is overstated by an amount of ₹61.94 lakh due to inclusion of interest accrued on Bank FDs. Inclusion of the non-cash items in the opening and closing balances of Receipt and Payment account is not in line with the basic accounting principles.</p> <p>C. General Comments</p> <p>4. Not accounting for the interest received and paid to Govt. of India on Grant in aid is not as per the Common Format of Accounts for the Autonomous Bodies.</p> <p>D. Grant-in-aid</p> <p>The Grant-in-Aid of ₹64.64 crore for General, salary and capital head was received during the year and ₹41.38 crore was un-utilised amount of the previous financial year. IFSCA utilised ₹100.35 crore during the year, leaving a balance of ₹5.67 crore as unutilised grant as on 31 March 2024.</p>

Sl. No.	Name of the CAB	Observation
4	Telecom Regulatory Authority of India – Contributory Provident Fund	<p>A. Balance Sheet</p> <p>Current Assets, Loans, Advances etc (Schedule-11)</p> <p>Bank Balances</p> <p>On Deposit Accounts (Includes margin money): ₹23,05,00,000</p> <p>TRAI-CPF earned interest of ₹1.90 crore, which was added to the cumulative Fixed Deposits by the banks as interest amount reinvested. However, this amount was shown as interest accrued instead of Fixed Deposits by TRAI-CPF. This resulted in understatement of FDs and overstatement of accrued interest by the same amount.</p> <p>B. Receipts and Payments Account</p> <p>Opening and closing balance of Deposit Accounts was not shown in the Receipt and Payment Accounts. This is against the Uniform Format of Accounts for the Autonomous Bodies prescribed for preparation of the Receipts and Payment Account.</p> <p>C. Significant Accounting Policies (Schedule-24)</p> <p>The Financial Statements of the Trust are deficient to the extent of non-disclosure of the accounting policy pertaining to Investments. This is violation of Accounting Standard 1 related to Disclosure of Accounting policies.</p>

Annexure 2.1
{Refer to Paragraph-2.1}

**Circle-wise details of GST leviable on late fee collected from PLI / RPLI holders from
July 2017 to December 2023 (in ₹)**

Sl. No.	Name of postal circle	Total amount of late fee collected PLI / RPLI	Amount of GST payable at the rate of 18 per cent on late fee	GST paid by DOP
1	Andhra Pradesh	34,13,63,487	6,14,45,428	7,80,99,096
2	Assam	7,91,44,046	1,42,45,928	1,44,33,904
3	Bihar	17,62,49,193	3,17,24,855	3,05,03,664
4	Chhattisgarh	6,92,13,686	1,24,58,463	1,24,58,409
5	Delhi	23,83,34,557	4,29,00,220	4,38,89,052
6	Gujarat	44,27,27,772	7,96,90,999	7,88,29,278
7	Haryana	7,80,87,363	1,40,55,725	1,40,57,284
8	Himachal Pradesh	2,40,67,427	43,32,137	43,32,133
9	Jammu & Kashmir	4,41,59,390	79,48,690	40,36,379
10	Jharkhand	2,12,93,633	38,32,852	38,32,855
11	Karnataka	49,67,76,160	8,94,19,709	8,95,78,762
12	Kerala	17,55,35,193	3,15,96,335	3,15,67,941
13	Madhya Pradesh	11,28,30,973	2,03,09,575	2,12,63,407
14	Maharashtra	43,06,57,365	7,75,18,326	7,75,33,788
15	North East	3,07,90,396	55,42,271	55,42,272
16	Odisha	21,29,66,970	3,83,34,055	3,83,33,657
17	Punjab	670,45,986	1,20,68,277	1,21,11,203
18	Rajasthan	20,16,48,406	3,62,96,713	2,25,93,458
19	Telangana	18,15,64,809	3,26,81,666	4,66,29,551
20	Tamil Nadu	42,25,12,450	7,60,52,241	7,78,01,483
21	Uttar Pradesh	29,05,38,604	5,22,96,949	4,74,28,748
22	Uttarakhand	7,04,86,072	1,26,87,493	1,27,69,420
23	West Bengal	17,63,23,541	3,17,38,237	3,31,50,032
Total		438,43,17,479	78,91,77,144	80,07,75,776

Annexure 4.1
{Refer to Paragraph 4.1.2}

Interest calculated (Quarterly compounded) on Savings Fund for FY 2023-24 by Audit (in ₹)

Month (2023-24)	Interest calculated by Ministry at simple rate of interest					Interest worked out by Audit (compounded quarterly)				
	Opening Balance	Net During the Year	Closing Balance	Quarterly progress	Interest @ 7.1 per cent from April 2023 to March 2024 (On Qtrly. Prog.)	Actual Interest (Total of Quarterly progress / 12)	Closing Balance (including quarterly interest)	Interest @ 7.1 per cent from April 2023 to March 2024	Actual Instt (Total of Quarterly progress / 12)	Difference
April	40765422454.89	-191014779.70	40574407675.19		(On Qtrly. Prog.)		40574407675.19			
May	40574407675.19	-397461161.30	40176946513.89				40176946513.89			
June	40176946513.89	-565118788.80	39611827725.09	120363181914.17	8545785915.91	712148826.33	39611827725.09	8545785915.91	712148826.33	0.00
July	39611827725.09	-552566343.30	39059261381.79				39771410208.12			
August	39059261381.79	-75283532.30	38983977849.49				39696126675.82			
September	38983977849.49	-362134701.40	38621843148.09	116665082379.37	8283220848.94	690268404.08	39333991974.42	8434908548.94	702909045.75	12640641.67
October	38621843148.09	-730254084.40	37891589063.69				39306646935.76			
November	37891589063.69	-341025664.10	37550563399.59				38965621271.66			
December	37550563399.59	-379539310.60	37171024088.99	112613176552.27	7995535535.21	666294627.93	38586081961.06	8296942861.96	691411905.16	25117277.23
January	37171024088.99	-460174750.20	36710849338.79				38817319116.02			
February	36710849338.79	-445760678.90	36265088659.89				38371558437.12			
March	36265088659.89	226733421.40	36491822081.29	109467760079.97	7772210965.68	647684247.14	38598291858.52	8220889028.23	685074085.69	37389838.55
Total 2023-24	463382801299.38	-4273600373.60	459109200925.78		Interest during the Year	2716396105.48			2791543862.93	75147757.45
						271.64			279.15	7.51

₹ in crore

Annexure 4.2
{Refer to Paragraph 4.1.3}

**Details of Opening Balance, Additions, Disbursements, Closing Balance under CGEGIS as
per Statement No.14 of UGFAs of FY 2016-17 to FY 2023-24**

(₹ in thousands)

FY	Amount on 1 April	Additions during the year	Disbursements during the year	Amount as on 31 March
2016-17	4,408,87,55	538,21,53	518,03,87	4,429,05,21
2017-18	4,429,05,21	533,35,97	551,64,45	4,410,76,73
2018-19	4,411,00,37	511,29,64	562,67,45	4,359,62,56
2019-20	4,359,62,56	633,99,19	664,69,01	4,328,92,74
2020-21	4,328,92,74	490,18,53	539,40,52	4,279,70,75
2021-22	4,279,70,75	450,40,79	647,37,25	4,082,74,29
2022-23	4,082,74,29	341,71,66	551,78,75	3,872,67,20
2023-24	3,872,67,20	430,30,86	528,05,02	3,774,93,04

Annexure 5.1
{Refer to Paragraph 5.1.2}

Head-wise budget and expenditure position of ESDM I and II Scheme upto March 2024

(₹ in crore)

Sl. No.	Budget Head	Scheme I	Scheme II	Total	Scheme I	Scheme II	Total
		GIA	GIA	Total GIA	Expenditure	Expenditure	Expenditure
1	Course Fee (Skilling Assistance)	78.04	278.47	356.51	55.36	157.24	212.60
2	Overhead + Placement	7.80	28.44	36.24		0.84	0.84
3	RCCF	10.80	39.36	50.16	6.80	25.03	31.83
4	PMU / MIS* (Details of sub-heads shown below)						
a	Awareness & Publicity	0.40	1.60	2.00	0.04	0.09	0.13
b	MIS	0.35	0.35	0.70	0.07	0.15	0.22
c	Manpower	1.39	2.37	3.76	3.67	4.33	8.00
d	Travel / Transport	0.36	1.92	2.28	0.08	0.08	0.16
e	Impact Assessment	0.25	1.00	1.25	0.18	0.38	0.56
f	Equipment, Furniture, Fixtures, Refurbishment	0.19	0.21	0.40	0.07	0.14	0.21
g	Office Expenses	0.07	0.21	0.28	0.05	0.13	0.18
h	Contingency / Miscellaneous	0.05	0.14	0.19	0.01	0.03	0.04
i	Institutional Overheads	0.30	0.78	1.08	0.38	0.57	0.95
	Total PMU	3.36	8.58	11.94	4.37	5.90	10.27
	Total	100.00	354.85	454.85	66.71	189.01	255.72

Head-wise budget and expenditure position of FSP upto March 2024 (₹ in crore)

Sl. No.	Heads	GIA	Total expenditure
1	Blended learning resource centre cost	72.7	71.09
2	Program Management Unit	9.04	8.63
3	Platform design, operation and management cost	78.8	61.32
4	Advocacy and Awareness	9.22	8.23
5	Assessment and Certification	24.73	0.67
6	Incentive	235	0
7	Train the trainer / Govt. official cost	7	6.56
8	Impact Assessment	0.38	0
	Total	436.87	156.5

Head-wise budget and expenditure position in SDYAD upto March 2024 (₹ in crore)

Sl. No.	Heads	GIA	Expenditure incurred
1	Fund required for Training and assessment of candidates (including GST)	24.86	13.53
2	Manpower for PCU & RPCU	1.17	1.00
3	Travel / Transport	0.15	0.47
4	Equipment (Hardware & Software) at PCU & RPCU	0.08	0.05
5	Furniture, Fixture, Refurbishment	0.04	0.01
6	Advertisement, Awareness, Publicity & Centre Identification	0.60	0.15
7	MIS & Placement Portal	0.15	0.13
8	Impact Assessment	0.05	0.00
9	Contingencies / Miscellaneous @5 per cent of 1, 2 & 3	1.35	0.00
10	Institutional Overhead / Fund management Fee @5 per cent of 1, 2 & 3	1.36	0.78
	Total	29.81	16.12

Annexure 5.2
{Refer to Paragraph 5.1.7, 5.1.8 and 5.1.9}

Implementation modality and process flow of ESDM-I and II, SDYAD and FSP

Details	ESDM-I	ESDM-II	SDYAD	FSP
Selection of TP	Training Partners (TPs) obtains affiliation with a Key Implementing Agencies (KIAs NIELIT, ESSCI or TSSC) based on affiliation norms of KIAs.		A three member committee Chaired by Centre Head or his representative, from NIELIT HQ will short list the TP based on prescribed criteria.	The Resource Centres of C-DAC & NIELIT administers the Bridge Course, Government officials Training (GoT) and Training of Trainers (ToT) course categories. Sector Skills Council (SSC) NASSCOM administers Foundation and Deepskilling (Subscription and Free) course categories.
Mobilization of candidate	TP + KIA / SIA publicize the Scheme and mobilize candidates for admissions.		Applications will be invited through online portal with publicity in regional or local dailies / website / direct counselling at educational institutions or names / list or data of candidates may be provided / uploaded by Department of Social Welfare / Department of SC / ST Development / Department of Women and Child Development of the concerned State Government / Local employment exchange etc.	SSC NASSCOM mobilizes candidates through marketing and awareness programs and on boards them on the learning framework.
Enrolment	TPs screen applicants, verify eligibility & documents, collect candidate undertakings. TP uploads enrolled candidates to the ESDM		Preliminary Registration for admission in any course will be done online by candidates and TP will assist	It is the responsibility of the beneficiary to provide the correct details, to ensure consistency and the validity of the

Details	ESDM-I	ESDM-II	SDYAD	FSP
	Portal to form batches (batch formation subject to KIA approval).		candidates in Registration. It will be the responsibility of TP to ensure that no student is enrolled multiple times in one course or in multiple courses under the scheme.	information provided from the time of registration till certification w.r.t. the course concerned.
Criteria	Target Beneficiaries consist of 8 th / 10 th Pass candidates, Industrial Training Institute (ITI) degree holders, Polytechnics, Undergraduates and Graduates 60 per cent general / 40 per cent reserved (SC 15 per cent, ST 7.5 per cent, EWS 17.5 per cent).		SC / ST / EWS(Women) youths of 60 Aspirational Districts of 18 States. Revised in January 2023 to 18,209 SC / ST / EWS(Women) youths of 81 Aspirational Districts of 19 States. Minimum eligibility criteria: 10 th Class / 12 th Class / ITI.	IT employees in IT / Non-IT firms. Fresh Recruits (who have been offered employment) but are yet to take up a job, as well as those undergoing / selected for Internship & Apprenticeship roles in IT / ITes.
Collection of RCCF / Course Fee	TP collects Registration cum Certification Fee (RCCF) ranging between ₹500 and ₹1,905 per candidate from all candidates at the time of enrolment (amount depends on course level) and records payments. TP transfers cumulative RCCF to the respective KIA within five working days of batch start and updates the portal with NEFT / transaction details. The course fee ranges between ₹5,000 to ₹19,600 per candidate which is reimbursed to TP.		The charges for the Courses is reimbursed to the TP on course completion and raising of invoices. The course fee is aligned to common norms.	Candidates pay course fee ranging from ₹68 (after maximum discount applicable) to ₹2,53,390 online at the time of registration.
Training	TP mobilizes / assigns trainers and provides NSQF-aligned course		Training will be conducted in four NSQF-aligned courses viz Certification Course	NSQF-aligned Courses are offered in a online / blended mode on the FSP platform.

Details	ESDM-I	ESDM-II	SDYAD	FSP
	content, materials and required books. TP maintains day-wise attendance (electronic / biometric) - minimum 70 <i>per cent</i> attendance is mandatory to be eligible for assessment.		in Data Entry and Office Automation, Diploma in Installation & Repair of Consumer Electronics Products, Advance Diploma in Computer Application Accounting and Publishing, Solar-LED Lighting Product (Design and Manufacturing).	
Assessment	Upon training completion TP informs KIA; KIA schedules assessments to be held within two weeks of training completion and allocates assessor(s).		Examination would be conducted through online mode by Examination Section NIELIT HQ.	On successful completion of the course, the candidate has to undergo Assessment on the Future Skills PRIME Portal by paying ₹600 (Assessment Fee).
Certification	KIA uploads certificates to the Portal within five days of results; TP downloads and distributes certificates to candidates (certificates follow a common KIA template / serial no.).		All the successful participants are issued Digital Certificate by NIELIT HQ.	On successful assessment, NASSCOM certificate is awarded to the candidate.
Reimbursement of claims to TP / Candidate	TP submits reimbursement claims (Course Fee + RCCF) via the Portal to KIA; KIA reviews and recommends / forward the claim (to SIA / NIELIT-PMU) within 10 working days of a complete claim. If the claim is in order according to scheme guidelines the payment is completed. For RCCF reimbursement is 100 <i>per cent</i> for all categories under ESDM-I and 100 <i>per cent</i> for reserved category and 75		After completion of training and certification of a batch, invoice will be generated from online portal by the TP. TP will verify the invoice online, upload attendance of students and other necessary documents in that batch after due attestation and forward it to Nodal Officer of the NIELIT Centre in the corresponding State.	For the successfully certified candidates, incentive amount (assessment fee and 50 <i>per cent</i> of course fee subject to a maximum of ₹12,000) is paid to the candidate through Aadhaar based direct benefit transfer.

Details	ESDM-I	ESDM-II	SDYAD	FSP
	<p><i>per cent</i> for general category under ESDM-II</p> <p>For Reserved category student 100 <i>per cent</i> of course fee is reimbursed and for general candidate 75 <i>per cent</i> of Course fee is reimbursed</p> <p>First instalment = 70 <i>per cent</i> (payable on successful certification); second instalment = 30 <i>per cent</i> (placement-linked).</p> <p>100 <i>per cent</i> of placement linked incentive is released upon 70 <i>per cent</i> of batch placement else case to case basis.</p>		<p>Nodal Officer (NIELIT Centres) will further verify these details, take approval of Director and payment will be done to TP by Centre.</p>	

Annexure 5.3
{Refer to Paragraph 5.2.1}

List of services provided by CSC through Digital Seva Portal as on 31 March 2023

Sl. No.	Service category	Type of service	Number of products
1	Aadhaar	Central (G2C) / B2C	9
2	Agriculture	Central (G2C) / B2C	19
3	Ayushman Bharat	Central (G2C) / State (G2C)	3
4	Banking Services	Banking / B2C	32
5	Bharat Bill Payment System (BBPS)	B2C	15
6	Central G2C	Central (G2C)	1
7	Credit Information Bureau (India) Limited (CIBIL)	B2C	1
8	Centralised Public Grievance Redress and Monitoring System (CPGRAMS)	Central (G2C)	1
9	Diginame.in	B2C	3
10	DigiPay	B2C	1
11	E-Commerce	B2C	6
12	E-Courts	Central (G2C)	4
13	E-District Services	State (G2C) / B2C	74
14	Education	Central (G2C) / B2C	91
15	Election	Central (G2C) / B2C	14
16	Electricity Bill	B2C	57
17	E-Mobility	B2C	2
18	Employment Service	Central (G2C) / B2C / Banking	3
19	E-Recharge	B2C	19
20	E-Shram	Central (G2C)	2
21	E-stamp	Central (G2C)	1
22	E-vahan	B2C	2
23	E-vigyapan	B2C	1
24	Fastag Service	B2C	13
25	Food Safety and Standards Authority of India (FSSAI)	Central (G2C)	2
26	Health Care Services	B2C	33
27	Health Insurance	B2C	4
28	Insurance Renewal	B2C	20

Sl. No.	Service category	Type of service	Number of products
29	Insurance Sales- General Insurance (GI)	B2C	101
30	Insurance Sales - Life Insurance (LI)	B2C	124
31	IT Return Filing	B2C	6
32	Labour Services	State (G2C) / B2C	21
33	Loan Service	State (G2C) / B2C / Banking	14
34	LPG Gas Refill Booking	Central (G2C) / B2C	6
35	Micro, Small and Medium Enterprises (MSME)	Central (G2C) / B2C	3
36	Municipal Services	State (G2C)	1
37	Other	B2C	7
38	PAN Card Services	Central (G2C)	5
39	Passport	Central (G2C)	1
40	Pension Services	Central (G2C) / State (G2C)	6
41	PM Cares	Central (G2C)	2
42	PM Street Vendor's AtmaNirbhar	Central (G2C)	2
43	Pradhan Mantri Awas Yojana (PMAY)	Central (G2C)	1
44	Pradhan Mantri Fasal Bima Yojana (PMFBY)	B2C	17
45	Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)	Central (G2C)	1
46	Pradhan Mantri Kisan Maandhan Yojana (PM-KMY)	Central (G2C)	2
47	Pradhan Mantri Laghu Vyapari Maan-Dhan Yojana (PM-LVM)	Central (G2C)	1
48	Pradhan Mantri Shram Yogi Maan-Dhan (PMSYM)	Central (G2C)	3
49	Pradhan Mantri Unauthorised Colony Awas Adhikar Yojana' (PM-UDAY)	State (G2C)	1
50	Post Office	Central (G2C)	1
51	Recruitment Service	Central (G2C) / State (G2C) / B2C	6
52	Road & Transport	Central (G2C) / B2C	4
53	Skill Development	B2C	18

Sl. No.	Service category	Type of service	Number of products
54	State Gov (G2C)	Central (G2C) / State (G2C) / B2C	32
55	Swachh Bharat Abhiyan	Central (G2C)	1
56	Tele-Law	Central (G2C)	1
57	Tours and Travels	Central (G2C) / B2C	22
58	Udyam Parichay	Central (G2C)	1
59	Water Bill Payment	B2C	3
60	WiFi Choupal	B2C	1
Grand Total			848

G2C: Government to Citizen

B2C: Business to Citizen

Annexure 5.4
{Refer to Paragraph 5.2.2}

Details of sampled data for field audit, physical verification of CSCs and beneficiary survey

Sl. No.	Name of State/UT	Total Number of Districts	Number of Districts sampled @25 per cent of total number of Districts (Ranges between minimum two and maximum 10)	Number of Block / sub-District sampled (@ two Blocks / sub-District per sampled District)	Number of GP Sampled (@5 GPs per District)	Number of GPs covered during VLE survey	Number of GPs covered during beneficiary survey	Number of Beneficiary Surveyed during Beneficiary Survey
1	Bihar	38	10	20	50	47	47	247
2	Jammu & Kashmir	20	5	10	25	21	20	129
3	Kerala	14	4	8	20	18	16	86
4	Punjab	23	6	12	30	21	21	109
5	Sikkim	6	2	4	10	3	2	10
6	Tamil Nadu	37	10	20	50	34	28	140
7	Telangana	33	8	16	40	23	22	115
8	Tripura	8	2	4	10	6	6	30
9	Uttar Pradesh	75	10	20	50	34	31	170
10	West Bengal	22	6	12	30	24	17	85
TOTAL		276	63	126	315	231	210	1121

Stratified random sampling method was adopted for sampling of States / UTs for field audit and CSC (located in a GP) for physical verification. 10 States / UTs were selected by dividing States / UTs into two groups of 100 per cent and below 100 per cent GP coverage by CSC network and overall 30 per cent of States/UTs were sampled from both groups. 315 CSCs (one CSC per GP) were selected by sampling 25 per cent of districts under each selected State / UT with criteria of minimum 2 and maximum 10 districts and two blocks / sub-districts in each sampled district and finally, sampling five active CSCs located in GPs in these two blocks / Sub-districts.

Annexure 5.5

{Refer to Paragraph 5.2.3.1}

Details of transactions in rural CSCs during the period from 2018-19 to 2022-23

Sl. No.	Year	Total number of active CSCs (rural)	Number of active CSCs doing 1,001 & above transactions	Number of active CSCs doing 101 to 500 transactions	Number of active CSCs doing 501 to 1,000 transactions	Number of active CSCs doing 1 to 100 transactions	Per cent of active CSCs doing 1,001 & above transactions	Per cent of active CSCs doing 501 to 1,000 transactions	Per cent of active CSCs doing 101 to 500 transactions	Per cent of active CSCs doing 1 to 100 transactions
1	2018-19	2,47,128	9,164	61,189	1,62,202	3.71%	5.90%	24.76%	65.63%	
2	2019-20	3,07,530	15,671	85,619	1,82,312	5.10%	7.78%	27.84%	59.28%	
3	2020-21	4,01,430	14,740	1,09,685	2,51,616	3.67%	6.32%	27.32%	62.68%	
4	2021-22	4,99,647	23,155	1,34,234	3,09,593	4.63%	6.54%	26.87%	61.96%	
5	2022-23	5,99,800	72,445	1,88,309	2,78,846	12.08%	10.04%	31.40%	46.49%	

Data Source: Dump data provided by CSC e-Governance Services India Limited.

Note: Table contains data from transactions on DSP for the period 2018-19 to 2022-23 and transactions of Banking & Digipay for the period 2022-23 only.

Annexure 5.6

{Refer to Paragraph 5.2.3.2}

Status of CSCs selected for physical verification

Sl. No.	Name of State/UT	No. of sampled CSCs	No. of active / available CSCs	No. of in-active / unavailable CSCs	Per cent of in-active CSCs
1	Uttar Pradesh	50	34	16	32
2	Tamil Nadu	50	34	16	32
3	Telangana	40	23	15	37.5
4	Kerala	20	18	2	10
5	West Bengal	30	24	6	20
6	Tripura	10	6	3	30
7	Sikkim	10	3	7	70
8	Punjab	30	21	9	30
9	Jammu & Kashmir	25	21	4	16
10	Bihar	50	47	3	6
	Total	315	231	81	25.7

Out of the sampled 315 CSCs, 231 could be physically verified. 81 CSCs were found closed during physical verification and three CSCs were found relocated / registered beyond audit period / same CSC linked to two GP.

Annexure 5.7
{Refer to Paragraph 5.2.3.4}

Non-provision of popular services at rural CSCs

State/UT	Bihar	J&K	Kerala	Sikkim	Telangana	Tripura	Uttar Pradesh	West Bengal	Tamil Nadu	Punjab	Overall	Per cent of CSCs where services were not provided / delivered
	Total no. of sampled CSCs-50	Total no. of sampled CSCs-25	Total no. of sampled CSCs-20	Total no. of sampled CSCs-10	Total no. of sampled CSCs-40	Total no. of sampled CSCs-10	Total no. of sampled CSCs-50	Total no. of sampled CSCs-30	Total no. of sampled CSCs-50	Total no. of sampled CSCs-30	Total no. of sampled CSCs-315	
Name of Service	No. of CSCs actually visited-47	No. of CSCs actually visited-21	No. of CSCs actually visited-18	No. of CSCs actually visited-3	No. of CSCs actually visited-23	No. of CSCs actually visited-6	No. of CSCs actually visited-34	No. of CSCs actually visited-24	No. of CSCs actually visited-34	No. of CSCs actually visited-21	No. of CSCs actually visited-231	Total no. of CSCs where service is provided
Aadhaar	5	0	0	1	7	1	7	1	2	3	27	88.31
Agriculture	42	21	1	1	19	6	32	2	32	20	176	23.81
Ayushman Bharat	40	21	0	1	22	6	13	0	26	21	150	35.06
Banking Services	25	21	0	1	16	2	18	3	16	20	122	47.19
Bharat Bill Payment System	37	21	17	2	22	6	33	22	34	21	215	6.93
DigiPay	41	21	9	1	23	6	33	7	33	21	195	15.58
E-District Services	11	21	0	0	1	6	12	14	19	0	84	63.64
Electricity Bill	45	0	16	1	2	6	33	18	33	21	175	24.24
E-Recharge	39	21	14	2	15	6	32	19	32	21	201	12.99
E-Stamp	5	0	0	0	0	3	4	1	2	0	15	93.51
Insurance Renewal	32	20	8	2	12	6	27	12	30	21	170	26.41
Insurance Sales-GI	26	20	6	1	14	6	24	5	26	21	149	35.50
Labour Services	29	0	0	0	2	6	32	0	24	6	99	57.14

State/UT	Bihar	J&K	Kerala	Sikkim	Telangana	Tripura	Uttar Pradesh	West Bengal	Tamil Nadu	Punjab	Overall	Per cent of CSCs where services were not provided / delivered
	Total no. of sampled CSCs-50	Total no. of sampled CSCs-25	Total no. of sampled CSCs-20	Total no. of sampled CSCs-10	Total no. of sampled CSCs-40	Total no. of sampled CSCs-10	Total no. of sampled CSCs-50	Total no. of sampled CSCs-30	Total no. of sampled CSCs-50	Total no. of sampled CSCs-30	Total no. of sampled CSCs-315	
	No. of CSCs actually visited-47	No. of CSCs actually visited-21	No. of CSCs actually visited-18	No. of CSCs actually visited-3	No. of CSCs actually visited-23	No. of CSCs actually visited-6	No. of CSCs actually visited-34	No. of CSCs actually visited-24	No. of CSCs actually visited-34	No. of CSCs actually visited-21	No. of CSCs actually visited-231	
Name of Service	Number of CSC's where service is provided											
LPG Gas Refill Booking	30	20	1	0	13	0	27	11	28	21	151	34.63
PAN Card Services	43	20	16	2	21	6	34	22	33	21	218	5.63
Pradhan Mantri Fasal Bima Yojana	20	20	4	0	1	6	31	0	31	6	119	48.48
Pradhan Mantri Kisan Samman Nidhi	39	20	17	2	19	6	31	18	32	21	205	11.26
Pradhan Mantri Shram Yogi Maan-Dhan	19	20	0	0	9	6	23	4	32	18	131	43.29
State Gov (G2C)	29	20	0	0	4	6	21	0	33	1	114	50.65
Tours and Travels	26	20	9	1	14	6	26	13	21	18	154	33.33

Annexure 5.8
{Refer to Paragraph 5.2.3.4}

Popular services not available at CSCs

Sl. No.	Name of State/UT	Number of beneficiary surveyed	Number of beneficiaries reported service required but not provided / available at CSC			
			Aadhaar Service	e-District	Banking	Total
1	Bihar	247	127	60	14	201
2	Jammu & Kashmir	129	97	4	0	101
3	Kerala	86	25	17	1	43
4	Punjab	109	20	19	0	39
5	Sikkim	10	0	0	0	0
6	Tamil Nadu	140	0	0	0	0
7	Telangana	115	32	13	2	47
8	Tripura	30	13	1	3	17
9	Uttar Pradesh	170	123	5	4	132
10	West Bengal	85	8	0	20	28
Total		1121	445	119	44	608

Annexure 5.9
(Refer to Paragraph 5.2.3.7)

Inadequate infrastructure (Printer, Scanner, Webcam and Power Backup) at CSCs during physical verification

Sl. No.	State / UT	No. of CSCs physically visited	No. of CSCs without Printer	No. of CSCs without Scanner	No. of CSCs without Webcam	No. of CSCs without Power Backup	No. of CSCs where rate-list was not displayed
1	Bihar	47	1	1	20	6	45
2	Jammu & Kashmir	21	0	0	0	2	0
3	Kerala	18	0	0	2	4	18
4	Punjab	21	0	1	2	4	21
5	Telangana	23	0	4	4	7	21
6	Tamil Nadu	34	0	0	3	10	31
7	Tripura	6	1	2	1	4	6
8	Sikkim	3	0	0	0	3	3
9	West Bengal	24	2	2	10	15	24
10	Uttar Pradesh	34	2	2	2	1	4
Total		231	6	12	44	56	173

As per CSC Guidelines (Para 8.2.2) printer, scanner, webcam and power backup are required for delivery of services.

Annexure 6.1
{Refer to Paragraph-6.1.5.1(a)}

Deployment of IBCs against the Access Points (APs)

Name of the circle	No. of Access Points	No. of IBCs deployed	Average number of IBCs deployed per AP
Bihar	8,835	1,404	0.16
Haryana	Data not available		
Madhya Pradesh	10,273	2,767	0.27
Maharashtra	13,787	2,500	0.18
North East	2,394	154	0.06
Rajasthan	11,067	1,875	0.17
Tamil Nadu	11,805	3,706	0.31
Uttar Pradesh	17,915	2,447	0.14
Total	76,076	14,853	0.20

Annexure 6.2
{Refer to Paragraph-6.1.5.1(b)}

Annexure showing the number of accounts opened in the number of Access Points

Number of accounts in the Access Points	Number of Access Points	Cumulative total number of APs
0	1,564	1,564 (1.13%)
1	3,190	4,754 (3.43%)
2	1,354	6,108 (4.41%)
3	835	6,943 (5.01%)
4	650	7,593 (5.48%)
5	519	8,112 (5.86%)
06 to 10	2,261	10,373 (7.49%)
11 to 50	12,823	23,196 (16.75%)
51 to 100	13,962	37,158 (26.83%)
101 to 200	24,316	61,474 (44.39%)
201 to 300	18,173	79,647 (57.52%)
301 to 400	13,031	92,678 (66.93%)
401 to 500	9,630	1,02,308 (73.88%)
501 to 1,000	21,643	1,23,951 (89.51%)
1,001 to 5,000	13,646	1,37,597 (99.37%)
5,001 to 10,000	696	1,38,293 (99.87%)
10,001 to 15,000	128	1,38,421 (99.96%)
15,001 to 20,000	21	1,38,442 (99.98%)
20,001 to 25,000	20	1,38,462 (99.99%)
25,001 to 50,000	13	1,38,475 (99.99%)
>=50,000	1	1,38,476 (100%)
Total	1,38,476	

Annexure 6.3
{Refer to Paragraph-6.1.5.2(a)}

Annexure showing performance of four Payments Banks during 2021-22 and 2022-23

(in crore)

Year	UPI Remitter Banks (Payments Bank-PB)	Total Volume of Txn	Transactions (Txn)			Transactions in percentage			Debit Reversal (DR)		
			Approved Txn	BD* Txn	TD** Txn	Approved %	BD %	TD %	Total DR Count	DR Success Txn	DR Success in %
2021-22	Paytm PB	268.59	253.99	14.19	0.41	94.56%	5.28%	0.15%	1.39	1.28	92.13%
	Airtel PB	59.04	50.83	7.29	0.92	86.09%	12.35%	1.56%	0.52	0.41	79.25%
	IPPB	34.77	27.79	5.83	1.15	79.93%	16.78%	3.29%	0.69	0.24	35.43%
	Fino PB	15.88	12.63	2.79	0.45	79.57%	17.60%	2.83%	0.15	0.13	91.43%
	Total	378.28	345.24	30.11	2.92	91.27%	7.96%	0.77%	2.59	2.06	79.62%
	Average	94.57	86.31	7.53	0.73	91.27%	7.96%	0.77%	0.65	0.52	79.62%
2022-23	Paytm PB	419.40	402.07	17.00	0.33	95.87%	4.05%	0.08%	1.30	1.18	91.01%
	Airtel PB	157.30	132.24	21.98	3.08	84.07%	13.97%	1.96%	1.33	0.94	71.29%
	IPPB	139.11	100.18	28.04	10.88	72.02%	20.16%	7.82%	1.83	0.95	51.97%
	Fino PB	61.86	48.93	10.39	2.54	79.09%	16.79%	4.11%	0.80	0.48	60.43%
	Total	777.67	683.42	77.41	16.83	87.88%	9.95%	2.16%	4.45	3.56	79.92%
	Average	194.42	170.85	19.35	4.21	87.88%	9.95%	2.16%	1.11	0.89	79.92%

*-Business Decline

** -Technical Decline

Date of launch: Airtel PB-Jan.2017, Fino PB -April 2017 IPPB September 2018 and Paytm PB - Nov. 2017

Annexure 6.4
{Refer to Paragraph-6.1.5.2(a)}

Statistical information on UPI downtime of four Payments Banks

Name of Payments Bank	Airtel Payment Bank		Fino Payments Bank		India Post Payments Bank Ltd		Paytm Payments Bank Limited	
	Incident count	Downtime in hours	Incident count	Downtime in hours	Incident count	Downtime in hours	Incident count	Downtime in hours
Apr-2023	1	8:33:00	0	0:00	27	109:31:00	0	0:00
May-2023	0	0:00	0	0:00	0	0:00	0	0:00
Jun-2023	2	8:08:00	0	0:00	11	64:23:00	0	0:00
Jul-2023	3	8:08:00	4	9:43:00	7	25:24:00	0	0:00
Aug-2023	2	3:38:00	1	2:43:00	4	10:10:00	0	0:00
Sep-2023	0	0:00	1	0:51:00	4	12:00:00	0	0:00
Oct-2023	0	0:00	2	3:09:00	2	14:02:00	0	0:00
Nov-2023	1	1:21:00	1	1:06:00	2	3:23:00	0	0:00
Dec-2023	4	10:55:00	0	0:00	10	28:56:00	0	0:00
Jan-2024	4	12:55:00	1	1:06:00	6	25:31:00	0	0:00
Feb-2024	0	0:00	0	0:00	7	19:39:00	0	0:00
Mar-2024	0	0:00	2	2:10:00	17	48:52:00	0	0:00
Total	17	52:38:00	12	19:48:00	97	361:51:00	0	0:00:00

Source: <https://www.npci.org.in/statistics/bd-td-and-uptime>

Annexure 6.5
{Refer to Paragraph-6.1.5.2(b)}

Statement showing sample of account opened with unverified numbers

Mobile No.	No. of CIF	CIF NUMBER	Status	A/c Opening Date
9999999999	10	052610041748	Dormant	01-08-2019
		052610041707	Dormant	01-08-2019
		052610042021	Dormant	03-08-2019
		052610041774	Dormant	01-08-2019
		052610040628	Dormant	20-07-2019
		100000011377	Dormant	27-07-2018
		001610010186	Dormant	22-07-2019
		052610041781	Dormant	01-08-2019
		052610041776	Dormant	01-08-2019
9111111111	5	046910001573	Dormant	15-06-2019
		049410019610	Active	20-02-2020
		047410016107	Active	25-09-2019
		048410016649	Dormant	21-11-2019
		041410016214	Dormant	19-02-2020
9898989898	5	048410013045	Dormant	30-09-2019
		048410013063	Active	30-09-2019
		048410013083	Active	30-09-2019
		048410013069	Active	30-09-2019
		048410013041	Active	30-09-2019
9222222222	5	054110081028	Dormant	22-06-2020
		034810027183	Dormant	10-01-2020
		048410016370	Active	19-11-2020
		054110053790	Dormant	15-02-2020
		048410016460	Active	20-11-2020
9000000000	5	001410031412	Dormant	18-10-2019
		048510009338	Active	26-09-2019
		048510009353	Dormant	26-09-2019
		025710018816	Dormant	29-11-2019
		025710018789	Dormant	29-11-2019
9000000001	4	048410008249	Active	18-09-2019
		048410015141	Dormant	22-10-2019
		024510011346	Dormant	22-08-2019
		048410015965	Dormant	11-11-2019
9000000002	4	048410016373	Dormant	19-11-2019
		048410016375	Dormant	19-11-2019
		024510013769	Dormant	31-10-2019
		048410004479	Active	05-06-2019
9000000003	3	048410005228	Active	02-07-2019
		048410016378	Dormant	19-11-2019
		048410016382	Active	19-11-2019

Mobile No.	No. of CIF	CIF NUMBER	Status	A/c Opening Date
9000000005	5	048410016403	Dormant	19-11-2019
		048410016404	Dormant	19-11-2019
		048410015094	Dormant	22-10-2019
		048410016413	Dormant	19-11-2019
		048410005233	Active	02-02-2019
999998888888	3	034710009189	Dormant	08-07-2019
		001410155437	Active	11-03-2020
		024510015604	Dormant	07-12-2019
9900000000	4	009210131696	Dormant	20-07-2020
		009210131680	Dormant	20-07-2020
		009210131677	Dormant	20-07-2020
		009210131695	Active	11-03-2020
9800000000	3	010110146257	Dormant	23-05-2020
		010110093643	Dormant	24-04-2020
		008410065385	Active	26-06-2019
9600000000	3	048410005196	Active	02-07-2019
		057210022223	Inactive	09-01-2020
		057210022233	Active	09-01-2020
9400000000	5	025710009179	Dormant	03-08-2019
		025710009180	Active	03-08-2019
		025710009183	Dormant	03-08-2019
		025710009184	Dormant	03-08-2019
		025710009182	Dormant	03-08-2019
9100000000	5	049410011615	Dormant	15-11-2019
		048510012287	Dormant	31-10-2019
		049410011355	Active	07-11-2019
		049410014858	Dormant	07-01-2020
		008010099548	Active	08-07-2020
9876543210	3	048510009529	Dormant	27-09-2019
		048510009164	Dormant	26-09-2019
		048510009585	Dormant	27-09-2019
8888888888	5	011210007826	Dormant	15-06-2019
		011210007823	Active	15-06-2019
		056410014458	Dormant	03-12-2019
		041410012938	Dormant	03-02-2020
		011210007856	Dormant	15-06-2019
8000000000	4	048510010280	Dormant	01-10-2019
		048510010275	Dormant	01-10-2019
		001410031257	Dormant	18-10-2019
		048510009862	Active	27-09-2019
8585858585	5	002710159449	Dormant	19-02-2020
		029810016661	Dormant	12-12-2019
		029810016658	Dormant	12-12-2019
		029810016659	Dormant	12-12-2019

Mobile No.	No. of CIF	CIF NUMBER	Status	A/c Opening Date
		029810017382	Dormant	30-12-2019
7000000000	4	052610063539	Dormant	24-02-2020
		024610080785	Dormant	12-02-2020
		024610112545	Dormant	10-03-2020
		052610063500	Dormant	24-02-2023
7777777777	5	011210007897	Dormant	15-06-2019
		034810026026	Dormant	07-01-2020
		034810019580	Active	05-12-2019
		011210007819	Active	15-06-2019
		041410012939	Dormant	03-02-2020
7000000001	5	046210036793	Dormant	08-03-2020
		046210039697	Dormant	11-03-2020
		046210036045	Dormant	08-03-2020
		046210036039	Dormant	08-03-2020
		046210036392	Dormant	08-03-2020
7000000002	3	046210039378	Dormant	07-02-2020
		046210039377	Dormant	11-03-2020
		046210039537	Dormant	11-03-2020
6000000000	3	041410013312	Dormant	07-02-2020
		041410013314	Dormant	07-02-2020
		041410013333	Dormant	07-02-2020
6000000001	3	048410016155	Dormant	16-11-2019
		048410017868	Active	03-12-2019
		048410016320	Active	18-11-2019

Annexure 6.6
{Refer to Paragraph-6.1.5.3(b)}

Circle wise non-utilisation of Financial Inclusion Fund (FIF)

(₹ in crore)

Name of the States	No. of camps to be organised	Amount sanctioned	No. of camps organised	Short fall in camps organised	Amount utilised	Amount Un-utilised	
						Amount	In per cent
Bihar	795	0.40	267	528	0.12	0.28	71.11
Haryana	854	0.23	555	299	0.11	0.12	49.52
Madhya Pradesh	2,050	0.92	1,802	248	0.57	0.35	37.59
Maharashtra	1,597	0.32	629	968	0.09	0.23	72.30
North East	1,237	0.74	264	973	0.16	0.58	78.76
Rajasthan	1,584	1.52	455	1,129	0.04	1.48	97.68
Tamil Nadu	2,149	0.76	643	1,506	0.1	0.66	86.29
Uttar Pradesh	1,388	0.71	558	830	0.11	0.60	84.60
Total	11,654	5.60	5,173	6,481	1.30	4.30	76.79

Annexure 6.7
{Refer to Paragraph 6.2.2}

List of Business Areas across ten BSNL circles selected for audit

Sl. No.	Name of circle	Name of BA /OA
1	UP (West)	BA Agra
		BA Bareilly
		BA Ghaziabad
2	UP (East)	BA Sultanpur
		BA Ayodhya
		BA Gorakhpur
3	Tamil Nadu	BA Madurai
		BA Tirunelveli
		BA Thanjavur
4	Bihar	BA Darbhanga
		BA Muzaffarpur
		BA Bhagalpur
5	Chhattisgarh	BA Raipur
		BA Bilaspur
		BA Bastar
6	Madhya Pradesh	BA Indore
		BA Sagar
		BA Gwalior
7	Jharkhand	BA Jamshedpur
		BA Ranchi
		BA Dhanbad
8	Maharashtra	BA Pune
		BA Chandrapur
		BA Kolhapur
9	Odisha	BA Dhenkanal
		BA Balasore
		BA Cuttack
10	Rajasthan	BA Jaipur
		BA Bikaner
		BA Jodhpur

Annexure 6.8
{Refer to Paragraph-6.2.3.1(a)}

Statement showing non-mutation of land with tower installations in the name of BSNL

Name of circle	Selected Business Area / Operational Area	No. of Towers erected on land owned by BSNL	No. of Towers on BSNL land for which land records are available or land mutated in name of BSNL	No. of Towers on BSNL land due for mutation in name of BSNL
UP (W)	BA Agra	#	#	#
	BA Bareilly	44	27	17
	BA Ghaziabad	39	23	16
UP (E)	OA Sultanpur	12	2	10
	OA Ayodhya	18	1	17
	BA Gorakhpur	87	37	50
Tamil Nadu	BA Madurai	99	85	14
	BA Tirunelveli	100	95	5
	BA Thanjavur	64	46	18
Bihar	BA Darbhanga	62	11	51
	BA Muzaffarpur	76	8	68
	BA Bhagalpur	66	5	61
Chhattisgarh	BA Raipur	56	41	15
	BA Bilaspur	#	#	#
	BA Bastar	#	#	#
MP circle	OA Indore	42	24	18
	BA Sagar	92	63	29
	OA Gwalior	22	10	12
Jharkhand	BA Jamshedpur	24	11	13
	BA Ranchi	#	#	#
	BA Dhanbad	46	16	30
Maharashtra	BA Pune	9	7	2
	BA Chandrapur	4	0	4
	BA Kolhapur	15	7	8
Odisha	BA Dhenkanal	45	23	22
	BA Balasore	49	4	45
	BA Cuttack	35	15	20
Rajasthan	BA Jaipur	172	155	17
	BA Bikaner	106	94	12
	BA Jodhpur	296	271	25
	Total	1,680	1,081	599

No information provided by BSNL

Annexure 6.9
{Refer to Paragraph-6.2.3.1(c)}

Statement showing IP sites hired where USO towers were available

Sl. No.	Data as per USO site details of Odisha				Data as per CNMC portal of IP sites hired by BSNL Odisha				Distance between both sites in KM (Rounded to nearest whole number)
	District name	Name of village where tower is located	Latitude (in Degree North)	Longitude (in Degree East)	SSA Name	Site name	Latitude (in Degree North)	Longitude (in Degree East)	
1	Angul	Balipata	20.98745	84.85535	Angul	Balipata	20.98465	84.85472	0
2	Angul	Seepur	21.17508	85.15601	Angul	Seepur	21.16505	85.15446	1
3	Bargarh	Barahmnabil (AGL)	21.04509	84.93266	Angul	Barahmnabil (AGL)	21.05278	84.93228	1
4	Mayurbhanj	Badadalima	22.45789	86.07539	Mayurbhanj	Badadalima	22.44460	86.07530	1
5	Gajapati	Aliganda	19.53873	84.16933	Gajapati	Aliganda	19.54452	84.17099	1
6	Sundergarh	Talsara	22.37296	84.09630	Sundergarh	Talsara	22.36109	84.09978	1
7	Baragarh	Bijepur Kharmunda	21.13584	83.48904	Baragarh	Bijepur Kharmunda	21.13591	83.48911	0

Annexure 6.10
{Refer to Paragraph-6.2.3.2(b)}

Statement showing loss of potential revenue due to delay in utilisation of erected towers in BSNL Odisha circle

Sl. No.	SSA	Site Type	Site Name	Tower erection date	BTS Created On	Delay in month from date of erection of tower to date of use (BTS created)	Loss of revenue for delay @ ₹44 (prepaid) per month per line (total line 875 per BTS)* (₹ in crore)
1	Baleswar	GBT	Bhoisahi	18-12-2017	12-09-2019	21	0.08
2	Baleswar	RTP	Cinema-Bazar-Bls	30-04-2017	27-02-2018	10	0.04
3	Baleswar	GBT	Motiganj	10-02-2018	15-03-2019	13	0.05
4	Baleswar	GBT	Padabadagaon	15-12-2018	06-06-2019	6	0.02
5	Baleswar	GBT	Fm University-Nb	01-09-2016	27-07-2018	23	0.09
6	Baripada	GBT	Dahikoti	25-11-2017	15-04-2019	17	0.07
7	Baripada	GBT	Sankucha	12-07-2017	08-04-2019	21	0.08
8	Baripada	GBT	Betnoti-3	25-11-2017	12-04-2019	17	0.06
9	Berhampur	GBT	Nimina	11-09-2017	29-12-2022	65	0.25
10	Berhampur	GBT	Gopalpur Port	22-01-2017	30-08-2017	7	0.03
11	Berhampur	GBT	Bhetanai Te	07-03-2017	14-12-2017	9	0.04
12	Berhampur	GBT	Surmani-Bs	07-03-2017	14-01-2023	71	0.27
13	Berhampur	GBT	Dhobabadi	30-03-2016	29-08-2017	17	0.07
14	Berhampur	GBT	Taratarini Jn	24-04-2017	16-11-2017	7	0.03
15	Berhampur	GBT	Mathura (Polasara)	20-03-2016	28-08-2017	18	0.07
16	Berhampur	GBT	Turuburai	11-09-2017	18-10-2019	26	0.10
17	Berhampur	RTT	Kmr Plaza Ber	23-12-2016	30-08-2017	8	0.03
18	Berhampur	GBT	Phasi / Danapur	20-03-2016	29-08-2017	18	0.07
19	Berhampur	GBT	Kulagada	27-04-2017	28-06-2018	14	0.05
20	Berhampur	GBT	Devi Nagar, Chatrapur	21-01-2017	28-08-2017	7	0.03
21	Berhampur	GBT	Lanjia (Dakhinapur Xge)	30-01-2017	29-08-2017	7	0.03
22	Berhampur	GBT	Chikarda	30-03-2016	28-06-2016	3	0.01

Sl. No.	SSA	Site Type	Site Name	Tower erection date	BTS Created On	Delay in month from date of erection of tower to date of use (BTS created)	Loss of revenue for delay @ ₹44 (prepaid) per month per line (total line 875 per BTS)* (₹ in crore)
23	Berhampur	GBT	Subarnapur	07-03-2017	24-08-2017	6	0.02
24	Bhubaneswar	GBT	Satya Vihar_1	21-08-2016	21-09-2017	13	0.05
25	Bhubaneswar	GBT	Niser	20-01-2016	23-03-2018	26	0.10
26	Bhubaneswar	GBT	Lingipur-3	13-03-2018	26-03-2019	13	0.05
27	Bhubaneswar	GBT	Rajdhani Engineering College	06-09-2017	17-02-2018	5	0.02
28	Bhubaneswar	GBT	Ins Chilika	10-07-2016	30-11-2019	41	0.16
29	Bhubaneswar	GBT	Aiims Sijua-2_2	05-09-2017	20-03-2018	7	0.03
30	Bhubaneswar	GBT	Centurian University	05-09-2017	10-06-2019	21	0.08
31	Bhubaneswar	RTP	Northen Height	25-04-2017	20-09-2017	5	0.02
32	Bhubaneswar	GBT	Dhaulti Chowk	05-09-2017	17-02-2018	6	0.02
33	Bhubaneswar	GBT	Nabinbag	25-11-2017	19-07-2022	57	0.22
34	Bhubaneswar	GBT	Nanput	31-10-2017	13-06-2019	20	0.08
35	Bhubaneswar	RTP	Z Estate	19-05-2017	30-12-2017	8	0.03
36	Bhubaneswar	GBT	Jamusahi	10-08-2017	30-11-2019	28	0.11
37	Bhubaneswar	GBT	Baliharchandi	20-08-2016	20-09-2017	13	0.05
38	Bhubaneswar	GBT	Krishanaprasad	25-12-2017	25-10-2019	22	0.09
39	Bhubaneswar	GBT	Lokanath Ghat	30-11-2017	15-11-2018	12	0.04
40	Cuttack	GBT	Sarapada	20-12-2016	11-01-2018	13	0.05
41	Cuttack	GBT	Sirlo Nuagaon	10-08-2016	31-08-2022	74	0.28
42	Cuttack	GBT	Khapuria	21-12-2016	19-01-2018	13	0.05
43	Cuttack	GBT	Osap 6-Battalion	21-03-2017	10-01-2018	10	0.04
44	Cuttack	GBT	Daitary-2	10-10-2016	26-05-2017	8	0.03
45	Cuttack	GBT	Mangarajpur	10-10-2016	29-07-2017	10	0.04
46	Cuttack	GBT	Praharajpur	02-06-2016	29-07-2017	14	0.05
47	Cuttack	GBT	Lokapada	02-10-2017	19-03-2019	18	0.07
48	Cuttack	GBT	Jaguleipada	25-04-2016	16-09-2017	17	0.07

Sl. No.	SSA	Site Type	Site Name	Tower erection date	BTS Created On	Delay in month from date of erection of tower to date of use (BTS created)	Loss of revenue for delay @ ₹44 (prepaid) per month per line (total line 875 per BTS)* (₹ in crore)
49	Dhenkanal	GBT	Soubhagya Nagar	21-04-2017	20-11-2017	7	0.03
50	Dhenkanal	GBT	Chirulei	25-04-2017	21-11-2019	31	0.12
51	Dhenkanal	GBT	Dhurpada	24-01-2017	17-01-2018	12	0.05
52	Dhenkanal	GBT	Kumudi	27-04-2017	11-12-2017	8	0.03
53	Dhenkanal	GBT	Kandaraposi	24-01-2017	23-10-2019	33	0.13
54	Koraput	GBT	Admn Building,Jeypore	25-10-2016	14-10-2019	36	0.14
55	Koraput	GBT	Nalco Store (Panchputamali)	15-10-2016	31-05-2018	20	0.08
56	Koraput	GBT	Semi Mobile Crusher(Smcp)	02-01-2017	01-09-2017	8	0.03
57	Phulbani	GBT	Dhalapur(Phu)	30-06-2016	01-10-2019	40	0.15
58	Phulbani	GBT	Sarasara	25-03-2017	28-09-2017	6	0.02
59	Phulbani	GBT	Chahali	31-03-2017	17-02-2018	11	0.04
60	Phulbani	GBT	Gumagarh	31-10-2016	17-02-2018	16	0.06
61	Phulbani	GBT	Tajungia	15-11-2016	27-09-2017	11	0.04
62	Phulbani	GBT	Arabaka	27-03-2017	27-03-2018	12	0.05
63	Phulbani	GBT	Tudipaju	15-09-2016	28-09-2017	13	0.05
64	Phulbani	GBT	Rutungia	15-03-2016	15-02-2018	23	0.09
65	Phulbani	GBT	Kirikuti	27-12-2017	21-01-2021	37	0.14
66	Phulbani	GBT	Kudutuli	20-02-2018	19-10-2019	20	0.08
67	Phulbani	GBT	Phulbani Town Ps-Nb	23-08-2016	06-08-2018	24	0.09
68	Phulbani	GBT	Pitabari	21-06-2016	26-09-2017	15	0.06
69	Phulbani	GBT	Adasikumpa	15-10-2016	13-09-2019	35	0.14
70	Phulbani	GBT	R Nuagaon	27-03-2017	26-03-2018	12	0.05
71	Phulbani	GBT	Sirtiguda	31-12-2017	17-02-2023	62	0.24
72	Phulbani	GBT	Kelapada	07-02-2017	26-09-2017	8	0.03
73	Phulbani	GBT	Gandhi Chhak-Nb	12-06-2016	26-09-2017	16	0.06
74	Phulbani	GBT	Dasingbadi	14-02-2018	13-05-2019	15	0.06

Sl. No.	SSA	Site Type	Site Name	Tower erection date	BTS Created On	Delay in month from date of erection of tower to date of use (BTS created)	Loss of revenue for delay @ ₹44 (prepaid) per month per line (total line 875 per BTS)* (₹ in crore)
75	Phulbani	GBT	Bisipada	25-02-2016	25-09-2017	19	0.07
76	Phulbani	GBT	Gadapur	31-12-2016	25-09-2017	9	0.03
77	Phulbani	GBT	Daringbadi-II	14-02-2018	13-09-2019	19	0.07
78	Phulbani	GBT	Ratingia	31-03-2017	26-10-2019	31	0.12
79	Phulbani	GBT	Kainjhar	05-02-2017	26-09-2017	8	0.03
80	Sambalpur	GBT	Guderpali	15-07-2017	25-03-2021	45	0.17
81	Sambalpur	GBT	Kudopalli	05-08-2017	16-11-2019	28	0.11
82	Sambalpur	GBT	Limchod	10-08-2017	19-10-2019	27	0.10
83	Sambalpur	GBT	Bti Gosala	27-09-2017	28-02-2018	5	0.02
84	Sundargarh	GBT	Mohanty Poda	10-11-2016	06-09-2017	10	0.04
Total							6.23

*The revenue loss was calculated by Audit based on the projection of revenue in project estimate, considering a capacity of 875 lines per BTS and prepaid revenue of ₹44 per line per month.

Annexure 6.11
{Refer to Paragraph-6.2.3.2(d)}

Statement showing details of Idling towers in BSNL

Circle	BA / OA	Number of Non-functional / non-radiating tower	Period since non-functioning
Maharashtra	Kolhapur	11	2016-17
	Pune	#	#
	Chandrapur	17	2014-15
UP (E)	Ayodhya	15	2020
	Sultanpur	10	2016
	Gorakhpur	4	2013
UP (W)	Bareilly	#	#
	Ghaziabad	8	2019
	Agra	1	2014
Odisha	Circle	81	#
Bihar	Darbhanga	25	2015
	Bhagalpur	76	2017
	Muzaffarpur	32	2017
Jharkhand	Circle	55	2021
Chhattisgarh	Circle	214	2009
MP	Circle	1095	#
Tamil Nadu	Thanjavur	0	#
	Madurai	15	#
	Tirunelveli	#	#
Rajasthan	Circle	81	#
	Total	1740	

Information not provided by BSNL

Annexure 6.12
{Refer to Paragraph-6.2.3.3(a) A}

Statement showing details of non-billing of late fee

Sl. No.	Name of circle	Name of TSP to whom bill was raised	Period of delay in payment of bills	Non-billing of Late fee (₹ in crore)
1	Odisha	M/s BAL	April 2019 to January 2025	0.2412
		M/s VIL	January 2019 to February 2025	1.8286
		M/s RJIL	May 2019 to May 2021	0.2807
2	Bihar	M/s BAL	July 2018 to March 2025	0.8631
		M/s RJIL	July 2018 to March 2025	0.8245
3	Jharkhand	M/s BAL	January 2022 to March 2025	0.0137
		M/s VIL	February 2024 to March 2025	0.0002
		M/s RJIL	April 2019 to March 2025	0.5002
4	Rajasthan	M/s RJIL	August 2020 to March 2025	1.3698
5	Tamil Nadu	M/s BAL	October 2020 to March 2025	0.6872
		M/s RJIL	November 2022 to March 2025	0.6346
Total				7.24

Annexure-6.13
{Refer to Paragraph-6.2.3.3(a) B}

Statement showing details of non-billing of additional rental

Name of circle	Name of Sharing TSP	Period of short billing	No. of sites where short billing noticed	Non billing of additional rental (₹ in crore)
Odisha	M/s RJIL, M/s BAL, M/s VIL	April 2016 to October 2024	26	0.35
Tamil Nadu	M/s RJIL, M/s BAL, M/s VIL	November 2011 to March 2025	170	1.28
Maharashtra	M/s RJIL, M/s BAL, M/s VIL	February 2012 to December 2023	41	0.62
Bihar	M/s RJIL	April 2017 to December 2023	7	0.08
Total			244	2.33

Glossary

ABs	Autonomous Bodies
ADs	Aspirational Districts
AEPS	Aadhaar Enabled Payment System
AGR	Adjusted Gross Revenue
APBS	Aadhaar Payment Bridge System
APMS	Audit Para Monitoring System
ATM	Automated Teller Machine
ATN	Action Taken Notes
ATR	Action Taken Report
BAs	Business Areas
BBPS	Bharat Bill Payment System
BAL	Bharti Airtel Limited
B2C	Business to Citizen
BSNL	Bharat Sanchar Nigam Limited
BOs	Branch Post Offices
BPCOD	Business parcel – Cash on Delivery
BTSS	Base Transceiver Stations
BC	Bridge Course
CABs	Central Autonomous Bodies
CAF	Customer Acquisition Form
C&AG	Comptroller and Auditor General of India
CASA	Current and Savings Account
CDRM	Customer Doorstep Request Management
CAPEX	Capital Expenditure
CCA	Chief Controller of Accounts
CCTV	Closed-Circuit Television
C-DAC	Centre for Development of Advanced Computing
CF	Course Fee
CFI	Consolidated Fund of India
CGA	Controller General of Accounts
CGST	Central Goods and Services Tax
CGEGIS	Central Government Employees Group Insurance Scheme
CIBIL	Credit Information Bureau (India) Limited
CEO	Chief Executive Officer
C-MET	Centre for Materials for Electronics Technology

CNMC	Centralized Network Management Centre
COD	Cash on Delivery
COPU	Committee on Public Undertakings
CPC	Central Pay Commission
CPGRAMS	Centralised Public Grievance Redress and Monitoring System
CPSEs	Central Public Sector Enterprises
CSC	Common Service Centre
CSC-SPV	CSC e-Governance Services India Limited
DAMA	Data Analytics and Monthly Accounts
DBN	Digital Bharat Nidhi
DBT	Direct Benefit Transfer
DeGS	District e-Governance Society
DLRs	District Level Resources
DoP	Department of Post
DoT	Department of Telecommunications
DEA	Department of Economic Affairs
DoE	Department of Expenditure
DoPT	Department of Personnel & Training
DoR	Department of Revenue
DPC	Duties, Powers and Conditions of Service
DPMS	Delivery Postman Management System
DPR	Detailed Project Report
DS	Deep Skilling
DSP	Digital Seva Portal
DTO	Department of Telecom Operations
DTS	Department of Telecom Services
EPCOD	Express parcel – Cash on Delivery
ERNET	Education and Research Network of India
ENs	Explanatory Notes
ESDM	Electronics System Design and Manufacturing
EWS	Economically Weaker Section
ESSCI	Electronics Sector Skills Council of India
FC	Foundation Course
FLCs	Financial Literacy Camps
FIF	Financial Inclusion Fund
FY	Financial Year

FSSAI	Food Safety and Standards Authority of India
FSP	Future Skills PRIME
FTTH	Fibre to the Home
G2C	Government to Citizen
GDS	Gramin Dak Sevaks
GI	General Insurance
GIA	Grant-in-Aid
GOI	Government of India
GOT	Government Official Training
GPs	Gram Panchayats
GSM	Global System for Mobile Communications
GST	Goods and Services Tax
HOs	Head Post Offices
HSM	Hardware Security Module
HRD	Human Resources Development
ICT	Information and Communication Technology
IECT	Information Electronics and Communication Technology
IFSCA	International Financial Services Centres Authority
IPPB	India Post Payments Bank
IPPBL	India Post Payments Bank Limited
IBCs	Individual Business Correspondents
IRCTC	Indian Railway Catering and Tourism Corporation
IoT	Internet of Things
IF	Insurance Fund
IPF	Infrastructure Provisioning Fee
ISB	Indian School of Business
IT	Information Technology
ITI	Industrial Training Institute
KIAs	Key Implementing Agencies
KYC	Know Your Customer
LD	Liquidated Damages
LI	Life Insurance
LoI	Letters of Intent
LSA	Licensed Service Area
MCC	Model Career Centre
MIS	Management Information System

MDM	Mobile Device Management
MPLAD	Members of Parliament Local Area Development Scheme
MSMEs	Micro, Small and Medium Enterprises
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MEITY	Ministry of Electronics and Information Technology
MOC	Ministry of Communications
MOF	Ministry of Finance
MOSPI	Ministry of Statistics and Program Implementation
MoUs	Memorandum of Understandings
MTL	Millennium Telecom Limited
MTNL	Mahanagar Telephone Nigam Limited
MSAs	Master Service Agreements
MSDE	Ministry of Skill Development and Entrepreneurship
NSDL	National Securities Depository Limited
NACH	National Automated Clearing House
NASSCOM	National Association of Software and Service Companies
NIELIT	National Institute of Electronics and Information Technology
NIC	National Informatics Centre
NPP	Non-Performance Penalty
NOS	National Occupational Standards
NLRs	National Level Resources
NSQF	National Skill Qualification Framework
OA	Operational Area
OFC	Optical Fibre Cable
OTP	One Time Password
PAC	Public Accounts Committee
PAO-IDA	Pay & Accounts Office-Internal Debt & Accounts
PCU	Project Coordination Unit
PLI	Postal Life Insurance
PMAY	Pradhan Mantri Awas Yojana
PMFBY	Pradhan Mantri Fasal Bima Yojana
PM-LVM	Pradhan Mantri Laghu Vyapari Maan-dhan Yojana
PM-KISAN	Pradhan Mantri Kisan Samman Nidhi
PM-KMY	Pradhan Mantri Kisan Maandhan Yojana
PM-SYM	Pradhan Mantri Shram Yogi Maan-dhan
PM-UDAY	Pradhan Mantri Unauthorised Colony Awas Adhikar Yojana

PMU	Programme Management Unit
PSUs	Public Sector Undertakings
POSA	Post Office Savings Account
POSB	Post Office Savings Bank
PRSG	Project Review and Steering Group
QoS	Quality of Service
RBI	Reserve Bank of India
RCs	Resource Centres
RCCF	Registration cum Certification Fee
RFP	Request for Proposal
RJIL	Reliance Jio Infocomm Limited
RPCU	Regional Project Coordination Unit
RR	Representative Rate
RMS	Rail Mail Service
RPLI	Rural Postal Life Insurance
RPA	Robotics Process Automation
SARs	Separate Audit Reports
SIA	State Implementing Agencies
SC	Scheduled Caste
SDA	State Designated Agency
SDYAD	Skill Development of Youth in Aspirational Districts
ST	Scheduled Tribe
SF	Savings Fund
SEBI	Securities and Exchange Board of India
SFDs	Special Focus Districts
SIM	Subscriber Identity Module
SMS	Short Message Service
SOP	Standard Operating Procedure
SSCA	Subject Specific Compliance Audit
SSC	Sector Skill Council
SUC	Spectrum Usage Charges
SOs	Sub Post Offices
SSPS	Social Security Pension Schemes
TD	Technical Decline
TDSAT	Telecom Dispute Settlement and Appellate Tribunal
TEC	Tele-Centre Entrepreneur Course

ToT	Training of Trainers
TPs	Training Partners
TRAI	Telecom Regulatory Authority of India
TSPs	Telecom Service Providers
TSC	Technical Sub-Committee
TSSC	Telecom Sector Skill Council
UAL	Universal Access Levy
UCs	Utilisation Certificates
UGFA	Union Government Finance Accounts
UL	Unified License
UPI	Unified Payments Interface
USOF	Universal Service Obligation Fund
USO	Universal Service Obligation
USP	Universal Service Provider
UTs	Union Territories
UTITSL	UTI Infrastructure Technology and Services Limited
VI	Vodafone Idea
VLEs	Village Level Entrepreneurs

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