

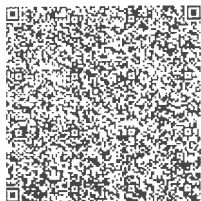


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**Agreement**  
**on**  
**Utilization of BharatNet network**  
**for providing**  
**Rural Home Fibre Connections under Amended**  
**BharatNet Program**  
**by**  
**Bharat Sanchar Nigam Limited (BSNL)**

**No. 30-167-9/2023-USOF**  
**Dated: 09.04.2025**



**GOVERNMENT OF INDIA**  
**MINISTRY OF COMMUNICATIONS**  
**DEPARTMENT OF TELECOMMUNICATIONS**  
**OFFICE OF THE ADMINISTRATOR, DBN**  
**20, ASHOKA ROAD, NEW DELHI-110001, INDIA**



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## SECTION - I

### AGREEMENT

**Government of India**  
**Department of Telecommunications**  
**Office of the Administrator, Digital Bharat Nidhi**  
**20, Ashoka Road, Sanchar Bhawan, New Delhi – 110001**

### AGREEMENT

This AGREEMENT (hereafter referred as “Agreement”) is made and entered into on the 09<sup>th</sup> day of April, 2025.

### BETWEEN

The President of India, acting through the Administrator, Digital Bharat Nidhi (DBN) who for the purpose of this Agreement is being represented by **Sh. Arun Gupta, Director (U), Digital Bharat Nidhi (DBN), Department of Telecommunications** under Government of India and having its office at 2nd Floor, Sanchar Bhawan, 20 Ashoka Road, New Delhi - 110001, (hereinafter referred to as the ‘Administrator’, which expression, unless repugnant to the context or meaning thereof, shall include its successors, administrators or assignees;) of the First Part;

### AND

Bharat Sanchar Nigam Limited (BSNL), a Company registered under the Companies Act 1956 and fully owned by Government of India, having its registered office at Bharat Sanchar Bhawan, H.C. Mathur Lane, New Delhi-110001, acting through **Sh. Ashutosh Jain, PGM (BharatNet Utilization), BSNL Corporate Office**, Bharat Sanchar Nigam Limited, the authorized signatory, (hereinafter referred to as “BSNL”, which expression, unless repugnant to the context or meaning thereof, shall include its successors, administrators or permitted assignees;) of the Second Part.

WHEREAS, USOF (now DBN) created by Indian Telegraph (Amendment) Act, 2003 in Dec 2003, is engaged in implementation of guidelines laid down by Government for providing Universal Services Support, suggesting changes in policies to enable increased access to all types of telecommunications services and creation of infrastructure like OFC in rural and remote areas throughout the nation, formulating DBN projects/schemes under the various streams provided in the Indian Telegraph Rules, 1951, in consultation with telecom service providers and various stakeholders etc.

WHEREAS, BSNL provides telecom services across the length and breadth of the country. BSNL is providing all types of telecom services namely telephone services on landline, mobile, broadband, internet, leased circuits and long-distance telecom services. Rural telephony is one of the focus areas of BSNL along with special emphasis on development of telecommunication facilities in North-Eastern region, tribal areas as well as in the LWE-affected areas.

WHEREAS, the Union Cabinet approved (27.07.2022) merger of BBNL in BSNL as a part of Cabinet Note dated 25.07.2022 captioned "Revival of BSNL and merger of BSNL and BBNL" in order to create synergy in terms of cost reduction and revenue enhancement. The Cabinet Note mentioned that the roles/responsibilities being discharged by BBNL will be carried out by BSNL with the following guiding principles:

- i) BharatNet to be funded by DBN and infrastructure to be a national asset owned by DBN, accessible on a non-discriminatory basis to all Service Providers. Any discriminatory use of BharatNet shall attract penalties.
- ii) BSNL to be responsible for targets by Government for FTTX services in all villages.
- iii) Agreement to be signed between DBN and BSNL on constructions, O&M, utilization of the BharatNet network, payment terms and conditions etc.
- iv) Payment for O&M works to be based on outcome-linked measurable Service Level Agreements (SLAs) including penalties for non-performance. Payments for any new constructions of the network to be based on the achievement of the milestones.

- v) Minister of Communications to be delegated the powers to take decisions on all issues arising out of the merger of BBNL with BSNL.

WHEREAS, Union Cabinet approved amended BharatNet program on 04.08.2023 to expand the scope with a focus on utilization of services and engage professional agencies for Operations and Maintenance (O&M) of the network.

WHEREAS, an agreement with BSNL on amended BharatNet Program for BharatNet related work and activities is separately signed, this agreement between DBN and BSNL is regarding the utilization of the BharatNet Network, guidelines, timelines and other details for providing FTTH connections under amended BharatNet Program approved by Union Cabinet on 04.08.2023.

### **OBJECTIVE OF THE AGREEMENT**

The objective of the agreement is to utilize the BharatNet infrastructure in an effective and efficient manner to provide active 1.50 crore rural home fibre connections in five-year period on subsidy/performance incentive payment to BSNL.

### **NOW THIS AGREEMENT WITNESSES AS FOLLOWS:**

In consideration of the mutual covenants set out in this Agreement, the parties hereby agree as follows:

1.1. This Agreement is divided into five sections as follows:

- i) Section-I: Agreement
- ii) Section-II: General Conditions
- iii) Section-III: Operating Conditions
- iv) Section-IV: Financial Conditions
- v) Section-V: Definitions

All the Sections and Annexures together form the Agreement.

- 1.2. **No Partnership** – Nothing in this Agreement shall be construed to constitute a partnership or agency between the Parties. BSNL shall not make any assurance, promise or covenant nor shall hold itself out as competent to do so, on behalf of the Administrator nor shall pledge the credit of the Administrator for any transaction in relation to this Agreement.
- 1.3. **No Employment** – Nothing in this Agreement shall constitute an offer or assurance of employment of any nature whatsoever to BSNL or any person employed by or under it for this Agreement.
- 1.4. **Indemnity** – BSNL shall indemnify and at all times keep the Administrator indemnified and harmless against any direct loss to it or any claims by any third person, for any personal injury to anybody or loss to property, movable or immovable, caused by or attributable to any act or omission of BSNL or any of his officer, employee, agent or professional etc. while performing or purporting to perform this Agreement.
- 1.5. **Waiver** – Neither the failure of either Party to insist on any occasion upon the performance of the provisions of this Agreement nor time or other indulgence granted by a Party to the other Party shall be treated or deemed as waiver of such breach or acceptance of any variation or the relinquishment of any such right thereunder. Waiver by either Party of any default by the other Party in the observance or performance of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent default or of other provisions of or obligations under this Agreement nor shall affect the validity or enforceability of this Agreement in any manner.
- 1.6. **Severability of Terms** – If for any reason whatsoever, any provision of this Agreement is or becomes invalid, illegal or unenforceable or is declared by any court of competent jurisdiction or any other instrumentality to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not be affected in any manner.





**IN WITNESS WHEREOF** the parties hereto set their hand on the Agreement through their duly authorized representatives, at New Delhi on the day, month & year first above written.

Signed for and on behalf of  
President of India by

Sh. Arun Gupta  
Director (U)  
Digital Bharat Nidhi  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi – 110001.

(अरुण गुप्ता)  
(ARUN GUPTA)  
निदेशक (यू) डी बी एन  
Director (U) DSN  
दूरसंचार निधन, भारत सरकार  
Dept. of Telecom, Govt. of India  
नई दिल्ली, New Delhi

Signed for and on behalf of  
Bharat Sanchar Nigam Limited  
by, authorized signatory BSNL

Sh. Ashutosh Jain  
PGM (BharatNet Utilization)  
Bharat Sanchar Nigam Limited  
Bharat Sanchar Bhawan  
H.C. Mathur Lane, Janpath  
New Delhi – 110001.

(आशुतोष जैन)  
(ASHUTOSH JAIN)  
प्रधान महाप्रबंधक (भारत नेट उपयोग)  
Chief Executive Officer (Bharat Net Utilisation)  
भारत संचार निगम लि. निगमित कार्यालय, नई दिल्ली  
BSNL Corporate Office, New Delhi

In the presence of

**Witnesses:**

(PRAMOD KUMAR PANDYA)

DDG (III), DSN

Digital Bharat Nidhi,  
Department of Telecommunications  
Sanchar Bhawan, 20 Ashoka Road  
New Delhi – 110001.

UTHAM CHAND MEENA

DSM, BSNLCO

Bharat Sanchar Nigam Limited  
Bharat Sanchar Bhawan  
H.C. Mathur Lane, Janpath  
New Delhi – 110001.

## SECTION-II

### GENERAL CONDITIONS

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2. This Agreement shall be subject to the terms and conditions (including Transfer or Assignment or Franchising) of the Registration/Certificate/License conditions for Infrastructure Providers Category-II (IP-II)/Basic Services/Cellular Mobile Telephone Services (CMTS)/Unified Access Service License (UASL)/National Long-Distance License (NLD)/ Internet Service Provider (ISP)/ Unified License (UL), etc. issued by DoT and any future evolution of licenses from time to time, as applicable.

#### 2.1. Scope of agreement

- 2.1.1. The scope of the Agreement is to provide active 1.50 crore rural home fibre connections distributed across all States/UTs with priority to cover Government institutions including schools, Primary Health Centers, Anganwadis, Panchayat offices etc., using the BNU model over the next five years with funding support from DBN, as per the Cabinet approval dated 04.08.23.

- 2.1.2. The scope and modalities of utilization under state-led model shall be decided in due course.

- 2.1.3. Distribution of 1.50 crore rural home fibre connections to be provided using BharatNet under different models such as BSNL, ISP and State-led model shall be decided with the approval of Hon'ble MoC.

#### 2.2. Roles and responsibilities

##### 2.2.1. BSNL

- i) BSNL shall be responsible for taking over all the works and responsibilities of the BBNL for utilization of the BharatNet.
- ii) BSNL shall ensure non-discriminatory access of the BharatNet network to all Service Providers.

- iii) BSNL shall provide, operate and maintain Last Mile Connectivity from GP/village to household using BNU model.
- iv) BSNL shall provide all reports of physical and financial progress of the project from time to time to DBN/DoT.
- v) BSNL shall be responsible for meeting utilisation target as fixed by Union Government as per the Cabinet approval dated 04.08.23 and as decided by DoT/DBN from time to time.
- vi) BSNL to provide Internet leased line (ILL) to all blocks with sufficient bandwidth to ensure minimum 25 Mbps download speed to every home and institutional fibre subscriber.
- vii) BSNL to provide password protected online access of NOC and dashboard to the concerned stake-holders.
- viii) BSNL shall comply with the orders/ directions/ regulations /guidelines issued by DoT/TRAI/DBN from time to time.
- ix) BSNL shall ensure branding of BharatNet Program for the equipment installed and FTTH connections provided at every Node (Block/GP).
- x) BSNL shall devise suitable complaint and Grievance redressal system for BharatNet products and services.

### **2.2.2. Coordination at State/UT level**

LSAs shall facilitate project execution, any coordination with the State government, horizontal connectivity requirements for Government Institutions etc. and for any issues faced by BSNL to be taken in the State Broadband Committee in their respective state/circle.

### **2.2.3. DBN**

- i) DBN shall monitor and review the implementation of the project from time to time as required.

- ii) DBN shall provide subsidy/performance incentive for BharatNet utilisation for providing rural home fiber connections as per Union Cabinet approval dated 04.08.23.
- iii) DBN shall monitor the fund disbursement and its utilization.
- iv) DBN shall have the right to appoint TPA for verification.
- v) DBN reserves right to get various reports related to utilization.
- vi) DBN can issue directions/orders/guidelines etc. from time to time for meeting the objectives of this agreement.

### **2.3. Duration of Agreement**

This agreement shall be valid for 10 years. The effective date of the agreement will be the date of signing of this agreement.

- 2.4. BSNL shall continue to provide and maintain rural home fibre connections including services to the customers till permanently disconnected.

### **2.5. Extension of Agreement**

The Administrator may extend, if deemed expedient, the validity of Agreement for such period and on such terms as may be mutually agreed. The decision of the Administrator shall be final in this regard.

### **2.6. Modifications in the terms and conditions of Agreement**

- i) The Administrator reserves the right to modify at any time the terms and conditions of the Agreement, if in the opinion of the Administrator it is necessary or expedient to do so in public interest or in the interest of the security of the State or for the proper conduct of the service. Provisions of the terms and conditions and their compliances are to be reviewed by Administrator and changes, if any, are to be done on mutual consultations. However, decision of Secretary (T), DoT in this regard, shall be final and binding on all the parties.
- ii) DoT reserves the right to modify the distribution of FTTH connections among BSNL, ISP & state led model and Governance structure along

with composition of various committees/ PMU with the approval of Hon'ble MoC.

## **2.7. Requirement to furnish information**

BSNL shall furnish to the Administrator, on demand, such documents, accounts, estimates, returns, reports or other information as may be called for by the Administrator.

## **2.8. Governance structure**

**2.8.1.** The Cabinet approval has delegated power to the Minister of Communications to make necessary changes including the scope of work, use of alternate and superior technology, technical specifications, funding modalities, revised cost estimates of individual components, inter-se allocation, timelines of the project, packages, guidelines for operation of subsidy, guidelines for State-led model, BharatNet Udyami model, PMA agreement with BSNL, MoU on BharatNet with states, or any other issue arising out of above, within the approved cost of the project.

**2.8.2.** For the purpose to facilitate resolution of issues and ensure inter-agency coordination and effective monitoring of project execution, O&M and utilisation, there existing mechanism of layering of decision making through Empowered committee at the level of Secretary (Telecom) and Steering committee at the level of Administrator, DBN shall continue. The meetings of steering committee shall be regularly held to review the progress of project and take decisions regarding any issues related to implementation of the project. The issues related to changes in scope of work, technical specifications etc. as mentioned in clause 2.8.1 or issues referred by Steering committee shall be taken by the Empowered committee.

**2.8.3.** The following Standing Committees constituted under National Broadband Mission at the State-level & District-level shall ensure monitoring/steering of project implementation, O&M and utilisation of the BharatNet infrastructure in the respective State and District:

- i) **State Broadband Committee (SBC):** The convener of the committee at the State-level shall bring in agenda related to RoW, power connections, building issues, security of equipment, OFC damages to BharatNet, utilization, etc. Respective LSAs shall be the convener for such meetings.
- ii) **District-level Telecom Committee (DLTC):** The convener of the committee shall bring agenda related to district-specific issues of O&M, utilisation and other related issues in the meetings.

**2.8.4.** The composition of the Empowered Committee, Steering Committee, State Broadband committee and District-level telecom committee is given at **Annexure-II-A**.

**2.8.5.** Management committee of BSNL is empowered to take decisions on day-to-day issues pertaining to provide rural home fibre connections using BharatNet infrastructure.

## **2.9. Suspensions, Revocation or Termination of Agreement**

**2.9.1.** The Administrator reserves the right to suspend the operation of the Agreement in whole or in part, at any time, if, in the opinion of the Administrator it is necessary or expedient to do so in public interest or in the interest of the security of the State. However, the Administrator shall not be responsible for any damage, claim or loss caused or arising out of such action. The suspension of the Agreement will not be a cause or ground for extension of the period of the Agreement and suspension period will be counted towards period spent under the validity of Agreement.

**2.9.2.** The Administrator reserves the right to revoke the Agreement at any time in public interest by giving a notice of 60 days counted from the date of issue of such notice. Such termination shall not affect the rights and liabilities of parties as accrued prior to the termination.

**2.9.3.** Wherever considered appropriate, Administrator may conduct an inquiry to determine whether there has been any breach in compliance of the terms and conditions of the Agreement by BSNL and during such inquiry



BSNL shall extend all reasonable facilities and shall endeavour to remove the hindrance of every type.

- 2.9.4.** It shall be the responsibility of BSNL to maintain the Quality of service as prescribed in the Agreement, during the period of notice for termination of Agreement.

**2.10. Right to inspect, test and monitor**

- 2.10.1.** The Administrator or his authorized representative shall have the right to inspect the created OFC network, rural home fibre connections, the associated nodes and also the equipment installed for providing the network bandwidth by implementing agencies in particular, but not limited to, physical inspection of terminating interfaces, distribution frames, etc. and conduct the service monitoring and performance tests as per the Agreement. BSNL will provide the necessary facilities for monitoring of the system, as required by the Administrator or his authorized representative(s). The Inspection will ordinarily be carried out after reasonable notice except in circumstances where giving such a notice will defeat the very purpose of the inspection.

- 2.10.2.** Wherever considered appropriate, Administrator may conduct any inquiry, either suo-moto or on a complaint, to determine whether there has been any breach in compliance of terms & conditions of the Agreement by BSNL, and during such inquiry, BSNL shall arrange all reasonable facilities without any hindrance.

**2.11. Disputes Settlement**

- 2.11.1.** In the event of any dispute or difference arising under the Agreement, or in connection thereof, except as to the matter, the decision of which is specifically provided elsewhere under the Agreement, the decision of the Central Government shall be binding on the either party.

- 2.11.2.** Pending the decision on a dispute, difference or claim, the Parties shall continue to perform all of their obligations under this Agreement without prejudice to a final decision pending in this regard.

## 2.12. Force-Majeure

**2.12.1.** If at any time, during the continuance of the Agreement, the performance in whole or in part, by either party, of any obligation under this is prevented or delayed, by reason of war, or hostility, acts of the public enemy, terrorism, civic commotion, sabotage, Act of State or direction from Statutory Authority, explosion, epidemic, quarantine restriction, strikes and lockouts (not limited to the establishments or facilities of BSNL), fire, floods, natural calamities or any act of GOD (hereinafter referred to as EVENT), provided notice of happenings of any such EVENT is given by the affected party to the other, within 10 Calendar days from the date of occurrence thereof, neither party shall, by reason of such event, be entitled to terminate the Agreement, nor shall either party have any such claims for damages against the other, in respect of such non-performance or delay in performance. Provided SERVICE under the Agreement shall be resumed as soon as practicable, after such EVENT comes to an end or ceases to exist.

**2.12.2.** The decision of the Administrator as to whether the service may be so resumed (and the time frame within which the service may be resumed) or not, shall be final, binding and conclusive.

**2.12.3.** It is understood and declared that any strike, lock out or labour dispute or unrest only in the undertaking of BSNL or the reasonable harshness of the nature due to the terrain or difficulties arising from remoteness of the area will not be treated as an EVENT.

## 2.13. Set off Clause

**2.13.1.** In the event any sum of money or claim becomes recoverable from or payable by the BSNL to the Administrator against this Agreement, such money or claim can be (without restricting any right of set off for counter claim given or employed by law) deducted or adjusted against any amount or sum of money then due or which at any time thereafter may become due to BSNL under this Agreement or any other Agreement or Contract between the Administrator and the BSNL.



**2.13.2.** The aforesaid sum of money payable to BSNL shall include any valuable security, which can be converted into money.

**2.13.3.** After exercising the right of set off, a notice shall always be given immediately by the Administrator to BSNL.

**2.14. Other Obligations**

**2.14.1.** BSNL shall be bound by the terms and conditions of the Agreement as well as by such orders/directions/regulations/ guidelines issued by TRAI from time to time and instructions as issued by the Administrator, DBN.

**2.14.2.** BSNL will abide by the terms & conditions of the MoU signed by DBN with various State Governments/ UTs/PSUs/PSPs/SIAs etc. and coordinate with these agencies.

**2.14.3.** BSNL shall abide by the terms & conditions of the Cabinet approval dated 04.08.2023 on Amended BharatNet Program and terms & conditions of Cabinet approval dated 27.07.2022 on merger of BBNL in BSNL as a part of Cabinet Note dated 25.07.2022 captioned "Revival of BSNL and merger of BSNL and BBNL"

**2.14.4.** BSNL represents and warrants to the Administrator that

- i) It is duly organized and validly incorporated under the laws of India, and has full power and authority to execute and perform its obligations under this Agreement;
- ii) It has taken all necessary corporate and other actions under applicable laws to authorize the execution and delivery of this Agreement and to validly exercise its rights and perform its obligations under this Agreement;
- iii) This Agreement constitutes its legally valid and binding obligation, enforceable against it in accordance with the terms hereof;




## SECTION-III

### OPERATING CONDITIONS



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3. The terms and conditions of the NLDO or BSO or CMTS or UASL or ISP or Unified License (UL) Agreement, etc. and any future evolution of licenses from time to time, as applicable, shall prevail and shall be binding mutatis mutandis for BharatNet Program. The same shall also be applicable in case of migration to or award of new license in lieu of the NLDO/BSO/ CMTS/ UASL/UL/ISP license.

#### 3.1. Amended BharatNet Program - Utilisation

- 3.1.1. BharatNet Program has been amended to expand its scope with focus on utilisation of services and engage professional agencies for O&M of the network vide Cabinet approval dated 04.08.2023. Under the amended BharatNet scheme, BSNL has been appointed as the single Project management Agency (PMA) with overall responsibility inter-alia including bandwidth provisioning at block level and utilisation of BharatNet network.

- 3.1.2. Under the amended BharatNet program, following broad points have inter-alia been approved by the Union Cabinet:

- 
- i) For extending the scope of BharatNet to all 6.4 lakh inhabited GPs/villages, with project to be implemented across 28 States and 6 UTs, including upgradation of existing network of BharatNet Phase-I and Phase-II, build the network in uncovered GPs, and O&M for 10 years.
  - ii) BharatNet to be expanded to 3.80 lakh villages beyond the proposed 2.64 lakh GPs on demand basis.
  - iii) BSNL to provide Internet Leased line (ILL) to all 7,269 blocks with sufficient bandwidth to ensure minimum 25 Mbps download speed to every home fibre subscriber.
- 

- iv) BharatNet Udyamis to be roped in for providing and maintaining last mile connectivity from villages to households.
- iv) BSNL to provide 1.50 Crore rural home fibre connections distributed across all States/UTs with priority to cover Government institutes including schools, primary health centres, Anganwadis, Panchayat offices etc. using the BNU model over the next five years.
- v) In order to fast track last mile connectivity, about 100 districts to be identified for prioritizing home fibre connections.
- vi) A State Support Agreement to be signed with all States/UTs to ensure stable policy of support including access to GP Bhawans and villages, power connections, custodian of BharatNet equipment, access and security of BharatNet equipment and utilisation of electric poles for BharatNet OFC etc.

### **3.2. ILL at blocks**

**3.2.1.** BSNL shall ensure provisioning of adequate backhaul bandwidth of required service quality at the block-level so that the ONTs at the GPs are fed with the required backhaul.

**3.2.2.** BSNL shall ensure overall SLA of 99% uptime for Internet leased line (ILL) provided at the Block level.

### **3.3. Network Operations Centre (NOC)**

A network operations centre will monitor the network as per Cabinet approval dated 04.08.2023.

### **3.4. State support agreement**

A State support agreement is under process of finalisation. Till its finalisation, the existing tripartite MoU signed amongst DoT, BBNL and State Govt. shall be applicable.

### 3.5. SLA monitoring

The SLA and related penalties will be notified once the same is finalized and will form the part of the agreement.

### 3.6. Timelines

Timelines for providing 1.5 Cr. FTTH connections under BNU model is given at **Annexure-III B**. However, distribution of FTTH connections among BSNL, other ISP and State led model will be decided later.

### 3.7. Guidelines for providing FTTH connections under the BNU model:

**3.7.1.** BSNL shall provide rural home fibre connections, as per the scope of the agreement, distributed across all States/UTs with priority to cover Government institutions including schools, Primary Health Centers, Anganwadis, Panchayat offices etc., using the BNU model over the next five years. In order to fast track last mile connectivity about 100 districts will be identified for prioritizing home fibre connections. The targets, and subsidy for delivery of home fibre connections are given at (**Annexure-III B**).

**3.7.2.** All villages under amended BharatNet Program will be categorized by BSNL, based on the population range, as per the census data of the year 2011 projected till 2024 based on state-wise rural projected decadal growth till 2024 as per Population projections for India and states 2011-2036 - National Population Commission. As and when, the latest Census data is available, the same may be used by BSNL. If any major deviations is found regarding the population of a village, the same may be reviewed by the steering committee on prospective basis.

**3.7.3.** In order to fast track, roll out of rural home fibre connections, BSNL will start to provide the connections in GPs/Villages from Phase-I & Phase-II network in parallel with the constructions of Amended BharatNet Program. These connections (including other FTTH connections also which are running using BharatNet) shall be shifted to constructed/upgraded GPs in ring topology as and when constructions of such GPs in ring topology is completed.

**3.7.4.** For Last Mile Connectivity, the project will adhere to provisions of Department for Promotion of Industry and Industrial Trade (DPIIT)'s Public Procurement (Preference to Make in India) Order, 2017 as amended to promote Indian vendors indigenously designed/ developed and manufactured products meeting local content criteria to the extent possible.

**3.7.5.** All policies/guidelines issued by Government of India on the matter of public procurement by CPSEs including procurement from MSMEs shall be fully complied by BSNL.

**3.7.6.** BSNL shall make detailed policy guidelines for selection of BNUs, which include the following broad principles:

- i) BSNL will make detailed Policy for selection of BNU in a transparent manner.
- ii) BharatNet Udyamis will be used for providing and maintaining last-mile connectivity from village to household.
- iii) BNUs will be given a one-time financial incentive for activating new home fibre connections.
- iv) To incentivize continuity of services, BNUs will also receive a share of the monthly revenue (on established market practice).
- v) BNU could be a village level entrepreneur, Internet Service Provider, Self Help Group (SHG), etc.
- vi) BSNL will clearly define the role and responsibilities of BSNL and BNUs.
- vii) BSNL will sign Agreement with BNUs. The Agreement should include Service Quality parameters for providing and maintaining Last Mile Connectivity and also techno-commercial arrangement between BSNL and BNU.
- viii) BSNL will involve BNUs for public awareness and marketing of rural fibre connections also.

- ix) BSNL will provide training to BNUs for their Capacity Building including cyber security aspect.
- x) BSNL may make arrangement for star rating of BNUs by the customers for their performances.
- xi) BSNL will ensure continuous Last Mile Management without interruptions of services to the rural home fibre connections maintained by the BNUs. The same may also be ensured in case of services of BNU get discontinued.
- xii) BSNL shall setup a Portal for BNUs for management of connections, incentive claims, etc.

**3.7.7.** BSNL and other ISPs, who would provide BharatNet services, are free to devise suitable home fibre connection tariffs for post-paid and pre-paid, taking into consideration the clause No. 4.17 of this Agreement. Over the Top (OTT) contents, as per their local popularity, will be offered on a best effort basis by BSNL or other ISPs.

**3.7.8.** BSNL shall ensure upgradation of their core network and ILL infrastructure required for providing sufficient bandwidth of ILL at 7,269 Blocks, without any additional financial implication to DBN, to ensure minimum 25 Mbps download speed to every home fibre subscriber. However, BSNL shall ensure that wherever the customer demands for higher bandwidth, the same will be provided to customer at applicable rate.

**3.7.9.** BSNL shall integrate their Operation Support System (OSS), Business Support System (BSS) with the BharatNet's Network Operations Centre (NOC) for monitoring of rural home fibre connections, Service Level Agreement, etc.

**3.7.10.** BSNL shall provide non-discriminatory access to service providers for utilising BharatNet assets.

**3.7.11.** BSNL shall ensure to provide rural home fibre connections in those GPs/villages only, where BharatNet network is available.



**3.7.12** Uniqueness of each rural home fibre connections shall be identified based on LGD code of villages also.

**3.8. Branding & Publicity:** There should be Unique Identity for rural fibre home connections using BharatNet UDYAMI model since the programme caters to the pan India developmental requirements and is aimed at achieving digital inclusivity across the country. It is thus important that the programme maintains uniformity in its core features throughout its implementation process. Therefore, BSNL will do the following for Branding, Publicity and Awareness of the program:

- i) The program name/tagline and logo as decided by the DoT will be used by the BSNL.
- ii) The program name/tagline/logo shall be used by BSNL in their communications/campaign and equipment including ONT devices provided for rural connections.
- iii) BSNL will do the publicity and awareness campaign of the program. BNU's may also be involved for village level campaign.
- iv) A Citizen Centric Portal/Dashboard will be created by BSNL for disseminating all information about the program. This portal could also be used for registering demand of the rural fibre connections in a Village/GP.
- v) BSNL will provide single window interface (including APP) to customers for all pre as well as post connection activities such as booking, collection of tariff charges, provisioning and handling the complaint.
- vi) BSNL shall give wide publicity to the scheme by way of appropriate marketing tools such as media advertisements, road-shows, banners, display boards, etc.
- vii) BSNL shall give wide publicity to the present scheme and place detailed information about the scheme in the public domain including its website.

- 3.9.** BSNL shall not charge tariffs higher than the tariff as per TRAI Orders / Regulations/ Directions issued with regard to such service in rural areas from time to time from the customers for the service.
- 3.10.** BSNL will communicate to the customer that FTTH connection is being provided with financial support from the Digital Bharat Nidhi under DoT, Govt. of India in each monthly bill of the customer.
- 3.11.** BSNL shall comply with the Cabinet approval on Amended BharatNet Program and terms & conditions under the ISP License / Unified License, etc., as applicable, for providing rural home fibre connections.





## SECTION-IV

### FINANCIAL CONDITIONS

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- 4.1. As per Cabinet approval dated 04.08.2023, BSNL will be paid Subsidy for provision of home fibre connections against earmarked targets for BSNL and will be governed through this agreement with BSNL. The targets, and subsidy for delivery of home fibre connections are given at **(Annexure-III B)**.
- 4.2. The Cabinet approval on Amended BharatNet Program on 04.08.2023, include the following:
- i) EFC has recommended the proposal with total outlay of ₹ 1,39,579 crore (inclusive of GST) to be funded from DBN inclusive of three years for creation and upgradation of network along with ten years for operations and maintenance and providing 1.50 crore home fibre connections in five-year period along with incentivizing BSNL by ₹1,000 per operational connection. The component wise breakup of total outlay as recommended by EFC is at Annexure-IX of the Cabinet Note.
  - ii) The proposed costs are estimated costs and actual disbursed amount would be based on market discovered costs through open bidding process in all cases, except in case of resources to be assigned by BSNL on nomination basis.
- 4.3. As per the Annexure-IX of the Cabinet Note, for providing 1.5 Cr FTTH connections, the estimated cost is Rs. 14,686 Cr. and performance incentive to BSNL is Rs. 1500 Cr. Thus, DBN funding support for providing 1.5 Cr. FTTH connections on net addition basis, shall be limited to the aforesaid estimated cost and performance incentive.
- 4.4. Subsidy **Management:** Subsidy per home fibre connection comprises:
- i) Capital Incentive (including OFC, Customer Premises Equipment, all other accessories etc.) and



- ii) Support towards provision of Internet Lease Line (ILL).
  - iii) One-time Capital Incentive to be paid on provision of home fibre connection and ILL subsidy to be distributed over five years.
- 4.5. Full subsidy will be disbursed on the provision of rural home fibre connection and disbursement shall be on the basis of net rural home fibre connections at last day of every quarter till net rural home fibre connections reaches 1.5 Crore.
  - 4.6. Any connection working with unique customer (in the same name and same address), which has completed period of 2.5 years and gets disconnected thereafter, shall not be counted for the purpose of netting.
  - 4.7. A review shall be carried out by the Steering Committee on completion of 12 months of the scheme, to review the subsidy support, netting effect, performance incentives, SLA, target & its achievements, etc. for modifications required, if any, including for any unfunded costs including sunk costs.
  - 4.8. The payment is in the form of subsidy, GST will not be applicable. However, in case of incidence of any indirect taxes due to change in law, the same shall be reimbursed by DBN.
  - 4.9. BSNL shall submit the Utilization Certificate (UC) of actual utilization of the subsidy received for the purpose for which it was approved.
  - 4.10. All GPs/ villages institutions are included in this proposal for providing Home Fibre connections and no additional amount shall be paid to BSNL for connections in these institutions.
  - 4.11. Subsidy payment will be made to BSNL only for net additions to FTTH connections. Net addition means the number of FTTH connections added after adjusting of Home Fibre connections permanently closed.
  - 4.12. BSNL shall comply with the following conditions. In case of violation, penalty/deterrent, as decided by Administrator, shall be levied by DBN on BSNL:

- i) No duplication in subsidy support to BSNL through any other projects of Central or State Governments or any other sources for providing rural home fibre connections.
- ii) Subsidy shall be given only for new connections and no funding is allowed for already working connections.
- iii) No installations charges (including OFC, Customer Premises Equipment, all other accessories, etc.) are to be taken from the customer.

**4.13.** The revenue accrued and payable to the DBN, as per the extant revenue share agreement between DBN and BSNL, shall be adjusted and subsidy claims shall be submitted by the BSNL after netting of the revenue earned. After the subsidy period is over, BSNL will pay revenue share to DBN, as per the extant revenue share agreement.

**4.14.** BSNL will make a portal for registration of demand by the villagers and showing total demand registered till date. Demand registered on the portal will be visible to general public.

**4.15.** BSNL will publish a list of GPs/villages to be covered in a given year in its BharatNet portal. BSNL will launch Home Fibre Connectivity in all such GPs/Villages, which have minimum demand for five (5) Home Fibre Connections. BSNL shall be responsible for providing connection within 30 days from the date of such minimum demand.

**4.16.** Non-delivery/ non-provision of Home Fibre connections in 30 (thirty) days period will attract penalty @ ₹ 100 per connection/month subject to maximum of ₹ 1,000.

**4.17.** BSNL will ensure that ILL subsidy should entirely be passed on to the end customers, so that an affordable and subsidized tariff/ plan will be available to the rural customers. BSNL shall submit a self-certification to this effect on quarterly basis.

**4.18.** BSNL is bound with overall SLA of 99% uptime with penalty provisions for ILL is to be provided at block level by BSNL.

**4.19.** BSNL to ensure that no duplicate Capex subsidy will be paid for the same modem.

**4.20.** Performance incentive to BSNL: BSNL shall be provided incentive for the 1.50 crore FTTH Connections @ ₹ 1,000 per active connection. However, this shall be provided in phases over the scheme period starting with ₹ 300 for 1st year, ₹ 100 for the 2nd year and ₹ 200 each for 3 years for each active connection totalling to ₹ 1,000 per connection.

**4.21.** Schedule for Disbursement of subsidy:

- i) Release of subsidy support shall be contingent upon physical progress and utilization of funds made available by BSNL.
- ii) BSNL shall submit single claim for each quarter along with supporting documents within 30 days of the end of quarter through PMIS tool or as prescribed centrally to CGCA with circle/state wise details as per the format prescribed subsequently. Subsequent to the submission of claim by BSNL, CGCA shall ensure settlement of claims through CCA on quarterly basis, based on claim statement, along with supporting documents. The detailed documents required shall be shared in due course along with the formats, which shall form integral part of this Agreement.
- iii) The subsidy shall be paid after making adjustment, if any, for the previous payments instalment(s).
- iv) Final adjustment, if any, in respect of excess or shortage in the disbursed amount shall be made, based on the statements duly certified by Statutory Auditors of the BSNL. Auditor report is mandatory for final settlement of account.
- v) The claims of BSNL would be said to be settled only after adjustment & recovery of any outstanding dues, etc. as per the Agreement or recovery of inadmissible/excess funding as ascertained on the basis of scrutiny conducted by DBN or its authorized representatives to authenticate the claims during the Agreement period.

#### 4.22. Release of Funds:

Disbursement of claims shall be by electronic transfer of fund (PFMS) through the Cash Section, DoT HQ, Sanchar Bhawan on the basis of the Sanction Order till payment to BSNL is effected centrally by DBN or by the respective Controller of Communication Accounts (CCAs), as the case may be.

#### 4.23. Miscellaneous

- i) BSNL shall keep separate accounting for the subsidy disbursed under this agreement.
- ii) Annual Audit: The aforesaid requisition of fund by BSNL for each financial year shall be required to be audited by the auditors of BSNL appointed under Section 225/Section 619 of the Companies Act, 1956. The report of the Auditors should be in the prescribed format to be filed with the Administrator DBN within 7 (seven) calendar days of the date of signing the audit report but not later than 30 September of the following year.
- iii) No interest shall be payable for any short/late payment made to BSNL by the Administrator DBN.
- iv) All the relevant records of BSNL shall be subject to such scrutiny as may be prescribed by the Administrator so as to facilitate independent verification of the funds released for the Project.
- v) Administrator, DBN reserves the right to prescribe procedures, formats and certificates with respect to physical and financial progress of the project, financial reports for reconciliation and verification. Depending on the stage of completion of the project and requirements, the same may be prescribed which has to be furnished by BSNL.
- vi) In order to ensure proper utilization of funds released and verification thereof, the Administrator can modify, alter or substitute and amend, if deemed necessary, whatever is stated herein.

- vii) Bank Guarantees: Performance Bank Guarantee (PBG) is not required from BSNL so long as BSNL continues to be wholly owned by the Government of India.

#### 4.24. Maintenance of Records:

- i) The BSNL will draw, keep and furnish accounts for FTTH connections for which the Agreement has been entered into and it shall fully comply with Orders, Directions or Regulations, as may be issued from time to time, by the ADMINISTRATOR.
- ii) The Administrator shall have the right to call for and BSNL shall be obliged to maintain supply and provide for examination the relevant NOC (Network Operation Centre) data, books of accounts, measurement books, log books and any record(s) relating to BharatNet (including FTTH connections).
- iii) BSNL shall invariably preserve all accounting records and other records (electronic as well as hard copy) for a period as prescribed under Government guidelines. Any dereliction thereof shall be treated as a material breach independent of any other breach, sufficient to give cause for cancellation of the Agreement.
- iv) The relevant records of BSNL shall be subject to such scrutiny as may be prescribed by the Administrator so as to facilitate independent verification of the amount due to BSNL as funding from DBN.

#### 4.25. Monitoring Mechanism

- i) The progress of the works shall be monitored through the Centralized Network Operating Centre (NOC) and the access to the same shall also be provided to DBN or any designated agency. The reports shall be made available as required or as required by DoT/DBN. BSNL shall provide necessary data / progress reports / funds utilization reports or any other reports whenever required by DoT/DBN.



- ii) BSNL shall provide access and integrate NOC, NMS and relevant IT systems with DBN PMIS tool.
- iii) Right to Inspect: DBN shall have the access to all physical and financial records and systems pertaining to the work at all times. All signatories to this Agreement shall facilitate the inspection of the project assets by and verification of records/systems by DBN or any designated agency to ensure proper utilization of the funds disbursed. The physical progress of work along with relevant financial details of the project will be required to be submitted on a monthly basis through online reporting system.



## SECTION-V

### DEFINITIONS

#### INTERPRETATION OF TERMS/ DEFINITIONS

Unless the context otherwise requires, the different terms and expressions used shall have the meaning assigned to them in the following paragraphs:

- 5.1 ADMINISTRATOR** means the Administrator, Digital Bharat Nidhi in the Department of Telecommunications under Ministry of Communications.
- 5.2 AGREEMENT** shall mean the Agreement signed by BSNL with the Administrator, related to BharatNet for provision of Broadband connectivity to the Gram Panchayats/Villages to be executed by BSNL.
- 5.3 EFFECTIVE DATE** is the date on which this Agreement comes into effect.
- 5.4 LICENSE** means a License granted or having effect as if granted under Section 4 of the Indian Telegraph Act 1885 and Indian Wireless Act 1933.
- 5.5 SERVICE AREA** means the territorial jurisdiction as specified under the Basic Service Licence except the areas that may be notified to be excluded from time to time.
- 5.6 TRAI** means Telecom Regulatory Authority of India constituted under the TRAI Act, 1997 as amended from time to time.
- 5.7 USO** means Universal Service Obligation as enunciated in Indian Telegraph Act and the Rules framed there under.
- 5.8 USO FUND** means the fund established under Indian Telegraph (Amendment) Act, 2003, Indian Telegraph (Amendment) Act, 2006 and Rules framed there under.
- 5.9 DIGITAL BHARAT NIDHI** established under new Telecommunications Act, 2023 and rules framed there under.



- 5.10 CCA** means Controller of Communications Account.
- 5.11 LSA** means the 22 Licensed Service Areas (LSA). These LSAs are headed by Advisor or Sr. DDG level officers.
- 5.12 BharatNet:** BharatNet is a flagship scheme of Govt. of India implemented under a phased manner to provide broadband connectivity to all Gram Panchayats (approx. 2.6 lakh) in the country. The scope of the scheme has been expanded up to all inhabited villages.
- 5.13 BharatNet Phase-I:** The Union Cabinet approved (25.10.2011) the project for creation of National Optical Fibre Network (NOFN/now BharatNet) to provide Broadband connectivity for connecting Block Headquarters (BHQs) to Gram Panchayats (GPs) by using existing fibre of Central Public Sector Undertakings (CPSUs) – Bharat Sanchar Nigam Limited (BSNL), RailTel Corporation of India Limited (RailTel) and Power Grid Corporation of India Limited (PGCIL) and laying incremental fibre to bridge the connectivity gap up to the GPs. The incremental Optical Fibre Cable (OFC) so laid was to be owned by the Government and the ownership of the existing fibre was to be continued to be vested with the existing owners. Bharat Broadband Network Limited (BBNL) was incorporated on February 25, 2012 as a Special Purpose Vehicle (now to be merged with BSNL) for the execution, management and operations of NOFN. This was considered as Phase-I of BharatNet. The Phase-I was completed in December, 2017 with the implementation of over 1 lakh GPs. Subsequently, the scope of Phase-I was expanded to 1.25 lakh GPs (Revised Work-front Phase-I) as per the Cabinet approval of July 19, 2017.
- 5.14 BharatNet Phase-II:** On 19.07.2017, the Union Cabinet approved a modified strategy for BharatNet, which integrates the implementation experience of Phase-I of the project and aligns it with the vision of Digital India. The modified strategy provides an optimal mix of media (OFC/ Radio/ satellite) to connect Gram Panchayats (GPs), each GP to be provided with up to 1 Gbps bandwidth (on wired media), laying of fresh fibre between GPs and Block, multiple implementing Models-State-led Model, Private Sector and CPSU Model, along with Last Mile

connectivity in GPs through Wi-Fi or any other suitable broadband technology.

**5.15 Amended BharatNet program:** This is the revised BharatNet scheme as approved by Union Cabinet on 04.08.2023 for extending the scope of BharatNet to all 6.4 lakh inhabited GPs/villages, with project to be implemented across 28 states and 6 UTs, including upgradation of existing network of BharatNet Phase-I and Phase-II, build the network in uncovered GPs, and O&M for 10 years. The approval, inter alia, includes provisioning of 1.50 Crore rural home fibre connections distributed across all States/UTs with priority to cover Government institute including schools, primary health centres, Anganwadis, Panchayat offices etc using the BNU model over the next five years.

**5.16 FTTH** means Fibre to the Home. 'FTTH' and 'rural home fibre connection' has the same meaning.



## ANNEXURES

### Annexure-II A

**Table2A-1: Empowered Committee composition**

S.No.	Name	Designation
1.	Secretary (Telecom), DoT	Chairperson
2.	Member (Finance), DoT	Member
3.	Member (Technology), DoT	Member
4.	Administrator, DBN	Member & Convenor
5.	Chief Secretary of the concerned State or his nominee	Member
6.	CMD, BSNL	Member

**Table2A-2: Steering Committee composition**

S.No.	Name	Designation
1.	Administrator, DBN	Chairperson
2.	CMD, BSNL	Member
3.	Director BharatNet, BSNL	Member
4.	Joint Administrator(T&A) DBN	Member
5.	Deputy Administrator or Director concerned	Convenor
6.	Joint Administrator(F) DBN	Member
7.	DDG(SP) DBN	Member
8.	DDG (Concerned)DBN	Member
9.	Principal Secretary (IT)s or equivalent of one state under state-led model and two states other than state-led model as decided by Administrator DBN	Special invitees

**Table2A-3: State Broadband Committee (SBC) composition**

S.No.	Name	Designation
1.	Chief Secretary, State/UT government or equivalent	Chairperson
2.	Principal Secretary (IT), State/UT government or equivalent	Member
3.	Principal Secretary, Department of Forest	Member
4.	Circle CGM, BSNL	Member
5.	Advisor/Sr. DDG, LSA	Member & Convenor
6.	BharatNet BA head, BSNL circle	Member

**Table2A-4: District Level Telecom Committee (DLTC) composition**

S.No.	Name	Designation
1.	District Collector	Chairman
2.	Chief Executive Officer, Zila Parishad	Member
3.	Suptd. Engineer, Vidyut Vitran Nigam Ltd.	Member
4.	District Forest Officer	Member
5.	District level officer of IT department of State Govt.	Member
6.	District Head of BSNL (GM/DGM/DET level as applicable)	Member & Convenor
7.	Representative of the licensee u/s 4(1) of Telegraph Act, 1885	Member



## Annexure-III B

Table 3B-1: Timelines for providing 1.5 Cr FTTH connections

Populati on Range	Cost (in ₹ per Connecti on)	Estimated connections (in lakhs)					
		Year 1	Year 2	Year 3	Year 4	Year 5	Total
		15.9	24.2	29.7	42.2	37.9	150.0
3000+	8,900	12.5	18.9	18.9	25.8	14.2	90.3
2000- 3000	10,500	1.9	3.1	4.6	9.2	8.1	26.9
1000- 2000	11,500	1.3	1.9	5.1	6.4	14.2	29.0
<1000	12,900	0.3	0.3	1.0	0.8	1.5	3.8

Table 3B-2: Subsidy for Home Fibre connections:

Populat ion Range	Subsidy (in ₹ per Connecti on)	One-time financial incentive (₹ crores)					
		Year 1	Year 2	Year 3	Year 4	Year 5	Total
		1,493	2,262	2,892	4,104	3,936	14,686
3000+	8,900	1,110	1,684	1,684	2,296	1,263	8,037
2000- 3000	10,500	202	323	485	970	849	2,829
1000- 2000	11,500	148	222	592	740	1,628	3,329
<1000	12,900	33	33	131	98	196	491

