GOVERNMENT OF KERALA

Abstract
Electronics and Information Technology Department – Kerala Fibre Optic Network
(K-FON) Project – Administrative Sanction Accorded – Orders Issued

ELECTRONICS & INFORMATION TECHNOLOGY (B) DEPARTMENT
G.O.(Ms) No. 10/2017/ITD
Dated, Thiruvananthapuram, 18/05/2017

Read:- Letter No. KSWAN/34/2017-KSITM/514 dated 03/05/2017 from the Director,
Kerala State IT Mission, Thiruvananthapuram.

ORDER

In the budget speech 2017 (Paras 131 & 132) Hon’ble Finance Minister has
announced that free internet connections will be provided to 20 lakh BPL families.
For others, cost effective state of the art internet services will be provided through
an optical fibre network at affordable rate. Thus Kerala is poised to become the only
State in India where internet facility will be the right of the citizen. The universal
basic internet facility will be made available to all citizens and Government
machinery through a new optic fiber pathway created in parallel to KSEB electric
power network. It was also announced that the fund needed for the capital
investment will be provided through KIIFB.

2. Towards achieving this goal, a state wide optical network named Kerala
Fibre Optic Network (K-FON) need be established. Kerala Fibre Optic Network (K-
FON) aims to build a state wide optical fibre network infrastructure for providing
high speed connectivity to all Government, educational institutions (approx. 30,000
numbers) and leveraging the network to the Telecom/Internet service providers on
non discriminatory basis to provide quality and affordable internet services to the
citizens. The network will provide ensured quality access to Government and non-
Governmental services, apart from educational, health, social welfare, entertainment
and knowledge based service facilities to common people through computer and
mobile phone.

3. The draft DPR was presented before the Apex Committee on e-Governance
headed by Chief Secretary held on 26.4.2017 discussed the matter and directed to
take immediate necessary steps to issue Administrative Sanction for the project. As
per letter read above, the Director, Kerala State IT Mission has submitted Detailed
Project Report at an estimate cost of Rs. 1028.20 crores excluding taxes, with the
following components:-

....P/2
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Description</th>
<th>Amount in INR Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Setting up of Crore Network</td>
<td>475.40</td>
</tr>
<tr>
<td>2.</td>
<td>Setting up of Access Network</td>
<td>432.00</td>
</tr>
<tr>
<td>3.</td>
<td>Operational charges per year (Core and Access network)</td>
<td>104.40</td>
</tr>
<tr>
<td>4.</td>
<td>Establishment to SPV and operations</td>
<td>16.40</td>
</tr>
</tbody>
</table>

**Total Amount (Exclusive of Taxes)**  
Rs. 1028.20

4. The expenditure for providing free internet to 20 Lakh poor families will be in addition to the above amount. A delivery model will be worked out and an open tender will be floated to provide connectivity to such families.

5. In the above circumstances and in accordance with stage 1 (2) of guidelines for availing financial resources form KIIFB, Government are pleased to accord Administrative Sanction for implementing Kerala Fiber Optic Network (K-FON) Project at an estimated cost of Rs. 1028.20 Crores (Rupees One Thousand Twenty Eight Crores and Twenty Lakh only) excluding taxes.

6. Government are also pleased to designate Kerala State Information Technology Infrastructure Ltd. (KSIDIL) as the implementing agency of this project. Managing Director, KSIDIL is authorised to take steps to implement the project through a competitive tendering process once the approval from KIIFB is obtained. Managing Director, KSIDIL will also submit a comprehensive proposal outlining the constitution of the PMU, on the functional arrangement proposed with KSEBL and strengthening of KSIDIL as an effective SPV to implement the project in a time bound manner. The project needs to be made fully operational in 18 months.

By order of the Governor  
M. SIVASANKAR  
SECRETARY

To

The Director, Kerala State IT Mission, Thiruvananthapuram  
The Managing Director, Kerala State IT Infrastructure Ltd., Thiruvananthapuram.  
The Chairman and Managing Director, KSEB Limited, Pattom, Thiruvananthapuram.  
The Principal Accountant General (A&E/Audit), Kerala, Thiruvananthapuram.  
The Joint Fund Manager, KIIFB, 4th Floor, India Heights, Govt. Womens College Road, Vazhuthacaud, Thycud(Po), Thiruvananthapuram.  
The Finance (Planning (B)/PUD/Infrastructure) Department  
Web & New Media, I&PRD ( for uploading in Govt. website)  
Stock File/ Office Copy

Forwarded/By Order

[Signature]
Section Officer