52

**STANDING COMMITTEE ON
COMMUNICATIONS AND INFORMATION TECHNOLOGY
(2023-24)**

SEVENTEENTH LOK SABHA

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-Fifth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)]'

FIFTY-SECOND REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

December 2023/ Agrahayana 1945 (Saka)

FIFTY-SECOND REPORT

STANDING COMMITTEE ON
COMMUNICATIONS AND INFORMATION TECHNOLOGY
(2023-24)

SEVENTEENTH LOK SABHA

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-fifth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)]'

Presented to Lok Sabha on	19.12.2023
Laid in Rajya Sabha on	19.12.2023

LOK SABHA SECRETARIAT
NEW DELHI

December, 2023/Agrahayana,1945 (Saka)

CONTENTS

Composition of the Standing Committee on Communications and Information Technology (2023-24)

Shri Prataprao Jadhav - Chairperson

Lok Sabha

2. Smt. Sumalatha Ambareesh
3. Shri Karti P. Chidambaram
4. Dr. Nishikant Dubey
5. Smt. Sunita Duggal
6. Shri Jayadev Galla
7. Shri S. Jagathrakshakan
8. Smt. Raksha Nikhil Khadse
9. Dr. Sukanta Majumdar
10. Shri P. R. Natarajan
11. Shri Santosh Pandey
12. Dr. Gaddam Ranjith Reddy
13. Shri Sanjay Seth
14. Shri Ganesh Singh
15. Shri Parvesh Sahib Singh
16. Shri Shatrughan Prasad Sinha
17. Shri L.S. Tejasvi Surya
18. Dr. T. Sumathy (A) Thamizhachi Thangapandian
19. Dr. M. K. Vishnu Prasad
20. **VACANT***
21. **VACANT****

Rajya Sabha

22. Dr. Anil Agrawal
23. Dr. Laxmikant Bajpayee
24. Dr. John Brittas
25. Shri Syed Nasir Hussain
26. Shri Ilaiyaraaja
27. Shri Jaggesh
28. Shri Praful Patel
29. Shri Kartikeya Sharma
30. Shri Jawhar Sircar
31. Shri Lahar Singh Siroya

Secretariat

1. Shri Satpal Gulati   -   Additional Secretary
2. Smt. A. Jyothirmayi   -   Director
3. Shri Arjun Choudhary   -   Executive Officer

Committee constituted w.e.f. 13th September, 2023 *vide* Para No.7371 of Bulletin Part-II dated 16th September, 2023.
* Col. Rajyavardhan Singh Rathore resigned from Lok Sabha w.e.f. 06th December, 2023.
** Smt. Mahua Moitra ceased to be a Member of the Lok Sabha w.e.f. 08th December, 2023.

INTRODUCTION

I, the Chairperson, Standing Committee on Communications and Information Technology (2023-24), having been authorized by the Committee, present this Fifty-second Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-fifth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2023-24)' of the Ministry of Electronics and Information Technology.

2.   The Forty-fifth Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 21st March, 2023.   The Ministry of Electronics and Information Technology furnished their Action Taken Notes on the Observations/Recommendations contained in the Forty-fifth Report on 16th August, 2023.

3.   The Report was considered and adopted by the Committee at their Sitting held on 14th December, 2023

4.   For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5.   An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Forty-fifth Report of the Committee is given at Annexure-II.

New Delhi;   **PRATAPRAO JADHAV,**
15 December, 2023   **Chairperson,**
 24 Agrahayana, 1945 (Saka)   **Standing Committee on**
                          Communications and Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Communications and Information Technology deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-Fifth Report (Seventeenth Lok Sabha) on the 'Demands for Grants (2023-24)' relating to the Ministry of Electronics and Information Technology.

2.   The Forty-fifth Report was presented to Lok Sabha/laid in Rajya Sabha on 21st March, 2023. It contained 15 Observations/Recommendations.

3.   Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Ministry of Electronics and Information Technology and are categorized as under:

(i)   Observations/Recommendations which have been accepted by the Government

  Rec. Sl. Nos.: 1,2,3,6,9,11,12 and 14.

<div align="right">

Total - 08

Chapter-II

</div>

(ii)   Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government

  Rec. Sl. No.: Nil

<div align="right">

Total - 00

Chapter-III

</div>

(iii)   Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration

  Rec. Sl. Nos.: 10 and13.

Total - 02

Chapter-IV

(iv) Observations/Recommendations in respect of which the replies of the Government are of interim in nature

Rec. Sl. Nos.: 4,5,7,8 and 15.

Total - 05

Chapter-V

4. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Statement on the Observations/Recommendations contained in Chapter-I and final action taken replies to the Observations/Recommendations contained in Chapter-V of this Report be furnished to them at an early date.

5. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations.

(Recommendation Sl. No. 3)

Position of Outstanding Utilization Certificates (UCs)

6. The Committee, in their Original Report, had recommended as under:

"The Committee note that as on 31stJanuary 2023, a total of 131 Utilization certificates amounting to Rs. 355.55 crore were due. The Ministry further informed that it has taken several initiatives for reducing the number of pending UCs and the measures taken by MeitY to liquidate the pending UCs are proving to be fruitful as the pending UCs amount for any particular period is continuously on a decreasing trend. The

Ministry further added that during the period from 01.04.2022 to 06.02.2023, Utilization Certificates amounting to Rs. 1332.33 crore have been liquidated. In order to reduce the quantum of pending UCs as well as holding the implementing agencies more accountable, the Ministry are monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects and to ensure that the grants released by MeitY are being fully utilised. UC status is also reviewed from time to time to ascertain utilization status of released grant to various agencies and aim towards zero pending UC and minimum unspent balance with the grantee institutions. While lauding the efforts of the Ministry in liquidating Utilization Certificates amounting to Rs. 1332.33 crore during the period from 1 April 2022 to 6 February 2023, the Committee recommend that efforts be made in the same direction to ensure that release of subsequent grants to important Government schemes/projects is not adversely affected dueto gradual buildup of pendency in Utilization Certificates. Further, the Committee would like to be apprised of the period to which these 131 UCs are pending along with the details thereof".

7.   The Ministry of Electronics and Information Technology, in the Action Taken Note, have stated as under:

As recommended by the Committee, MeitY has been continuing its efforts to ensure that release of subsequent grants to important Government schemes/projects is not adversely affected due to gradual build-up of pendency in Utilization Certificates. It is informed that the status of these pending UCs as on 05.06.2023 is as under:

Description	UCs in respect of releases made up to 31.03.2021	
	Number	Amount (Rs. in crore)
Status of Pending UCs as on 31.01.2023	131	355.55
Status of Pending UCs as on 05.06.2023	89	184.26
Status of Liquidation	**42**	**171.29**

The year-wise and scheme-wise details of pending UCs for the said period are as under:

Year-wise details of Pending UCs in respect of releases made up to 31st March 2021

Year	Status of Pending UCs as on 05.06.2023	
	No.	Amount (Rs. in crore)
2002-2003	3	0.19
2003-2004	1	0.01
2004-2005	2	0.19
2006-2007	2	0.33
2007-2008	7	20.11
2008-2009	4	0.47
2010-2011	4	0.49
2011-2012	4	1.90
2012-2013	3	11.31
2013-2014	4	12.72
2014-2015	1	0.20
2015-2016	5	9.60
2016-2017	17	41.08
2018-2019	8	19.55
2019-2020	2	5.05
2020-2021	22	61.06
TOTAL	**89**	**184.26**

Scheme-wise details of Pending UCs in respect of releases made up to 31st March 2021

Scheme	Status of Pending UCs as on 05.06.2023	
	No.	Amount (Rs. in crore)
Manpower Development	10	3.16
Electronic Governance	68	133.68
Promotion of Electronics and IT Hardware Manufacturing	05	44.56
R&D in Information Technology, Electronics and CCBT	03	1.57
Cyber Security Projects	01	0.10
Promotion of IT/ITeS Industries	02	1.19
TOTAL	89	184.26

8.   **The Committee in their Original Report had recommended that efforts be made to ensure that release of subsequent grants to important Government schemes/projects is not adversely affected due to gradual build up of pendency in Utilization Certificates (UCs). The Committee also directed to be apprised of the period to which 131 pending UCs with other details related to them thereof. The Ministry in their Action Taken reply have merely furnished the details of pending UCs year wise and scheme-wise. However, the Ministry have not furnished their roadmap to liquidate these pending UCs. The Committee note that pending UCs hamper subsequent grants to the Schemes of the Ministry thereby defeating the very purpose. The Committee are of the view that the Ministry should take concerted efforts to liquidate all pending UCs as early as possible and apprise them regarding the same.**

(Recommendation Sl. No. 5)

National Informatics Centre (NIC)- Manpower issues

9.   The Committee, in their Original Report, had recommended as under:

"The Committee note that the proposal for creation of 1407 new posts (subsequently reworked to 1392) is pending for approval since 2014. The proposal was initiated in 2014 and was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance (MoF) for concurrence. The proposal was received back from the Ministry of Finance for seeking clarifications on some points which have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to Ministry of Finance through MeitY for further consideration in February, 2020. MoF has made some further observations and sought additional information. Necessary inputs are being compiled for re-submission to MoF.Apart from the above, NIC has also moved a separate proposal in the year 2022 for the creation of 212 new posts to meet the requirement of deploying technical manpower at the level of DIO and ADIO in the newly created District Centres in the states. The proposal is yet to be approved. In addition to above, NIC has also initiated the drive for recruitment of 754 Scientific & Technical (S&T) Group-A and Below Group-A posts (including 598 S&T vacant posts under Mission Mode

Recruitment (MMR)) of the level of Scientific/Technical Assistant-A to Scientist-F through recruiting agency NIELIT in the year 2022- 23 against the vacancies arising due to superannuation, VRS, Resignations and Deaths etc including anticipated vacancies till December 2023. Given the significant role played by NIC as key IT infrastructure provider for the Government, the Committee recommend the Ministry to undertake a review of requirements at NIC with follow up action on all pending recruitments in a time-bound manner. The Ministry may furnish a detailed note to the Committee containing year-wise data since 2014 regarding the sanctioned strength, the actual strength, the status of proposal for creation of new posts and the status of filling up of the vacancies arising due to superannuation, VRS, Resignations and Deaths etc. The Committee may also be apprised of the action taken".

10.   The Ministry of Electronics and Information Technology, in the Action Taken Note, have stated as under:

(i) The year-wise data since 2014 regarding sanctioned strength, the actual strength is given below:

Data as on	Post sanctioned	Men in position	Vacancy	Remarks
01.03.2014	4534	4074	460	
01.03.2015	4534	4109	425	
01.03.2016	4534	4058	476	
01.03.2017	4536*	3969	567	* Created 1 post of Scientist-C & 1 post of STA-B encadred for Cab. Sectt.
01.03.2018	4950 **	3894	1056	**Created 2 posts of Sci-F for PFMS, 1 post of Sci-E for DGCA, 12 posts of Sci-D (4 for Cyber Security & 8 for PFMS), 111 posts of Sci-C (4 for DGCA, 99 for Cyber Security & 8 for PFMS), 288 post of Sci-B (252 for Cyber Security & 36 for PFMS)
01.03.2019	4838 ^	3963	875	^ Abolished 1 post of Assistant Vigilance Officer, 1 post of Transport Supervisor, 1 post of Vigilance Assistant, 2 posts of Care Taker, 1 post of Sr. Reprographer, 9 posts of Steno Grade-III, 16 posts of JSA, 1 post of Asst. Manager/Store Keeper, 80 posts of MTS.

01.03.2020	4839 ^^	3976	863	^^ Created 1 post of Director
01.03.2021	4839	3857	982	
01.03.2022	4831 ^^^	3866	965	^^^Abolished 3 posts of Tradesman-B (DEO), 1 post of Care Taker, 1 post of Sr. Reprographer, 1 post of Cook & 2 posts of Canteen Attendant.

(ii) Status of proposal for creation of new posts:

- The proposal for creation of 1407 (reworked now to 1392) posts in NIC was initiated in 2014. The proposal was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance for concurrence. The proposal was received back from Ministry of Finance for seeking clarifications on some points which have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to the Ministry of Finance through MeitY for further consideration in February, 2020. M/o Finance have made some further observations and sought additional information. Necessary inputs have been compiled and submitted for re-submission to Ministry of Finance.

- The proposal for creation of 212 new posts to meet out the requirement of deploying technical manpower of the level of DIO & ADIO in newly created District Centres in the states was received back from IFD, MeitY seeking additional information. Necessary inputs are being compiled for re-submission.

(iii) Status of filling up of vacancies arising due to superannuation, VRS, Resignations and Deaths etc.:

Details of recruitment conducted since 2013 till date are as given below:

Recruitment Year	Advertisement no.	Advertised post & no. of posts
2013	NIELIT/2013/Rectt./01	Scientific/Technical Assistant-A (150 posts)
2017	NIELIT/NDL/NIC/2017/7	Scientist-B (81 posts) Scientific/Technical Assistant-A (259 posts)
2020	NIELIT/NIC/2020/1	Scientist-B (288 posts) Scientific/Technical Assistant-A (207 posts)
2022	NIELIT/NIC/2022/2 **(In process)**	Scientist-F (2 posts) Scientist-E (1 post) Scientist-D (12 posts) Scientist-C (141 posts)

2023	NIELIT/NIC/2023/1 **(In process)**	Scientist-B (71 posts) Scientific Officer/Engineer-SB (196 posts) Scientific/Technical Assistant-A (331 posts)

11.   **In their Original Report, the Committee had raised concern over the prolonged vacancies in the NIC and had recommended that the Ministry undertake a review of requirements at NIC with follow up action on all pending recruitments in a time-bound manner. In their Action Taken Notes submitted to the Committee, the Ministry have furnished the details of vacancies as on 01.03.2023 in the NIC consequent to abolishment of some posts. The Committee observe that creation of new posts in NIC is a very time consuming process as the proposal of creation of 1407 posts (reworked later to 1392 posts) initiated in 2014 is still pending. Further, there have been around 20 per cent vacancies against the sanctioned strength of NIC in the previous years. The Committee note that NIC is a critical IT infrastructure provider of the country and caters to software related requirements of almost all the Departments of Government of India and State Governments. Considering this, the Committee are of the view that adequate number of technical and scientific officials are sine qua non not only for the functioning of the organization but also to meet the cyber infrastructure requirement of the Country. In view of the significance of the requirement of adequate staff in the NIC, the Committee express their concern over lack of time bound recruitment process in NIC to fill vacant posts. The Committee call upon the Ministry to expedite the process of recruitment.**

(Recommendation Sl. No. 10)

Common Service Centres (CSCs) – Need for suitable monitoring mechanism

12.   The Committee, in their Original Report, had recommended as under:

"The Committee note that Common Service Centre – Special Purpose Vehicle (CSC-SPV) is an important component of the Electronic Governance including EAP scheme under the Digital India Programme. MeitY has implemented the network of

Common Services Centres (CSC) for delivery of public services to every citizen in assisted mode. The CSC scheme envisages setting up of at-least one CSC in each of 2.50 lakh Gram Panchayats (GPs) across the country, for delivery of various Government-to-Citizens (G2C) and other citizen centric e-Services to citizens. It is a self-sustainable entrepreneurship model which is run by Village Level Entrepreneurs (VLEs). As on October 2022, total 5,21,225 CSCs are operational across all states & Union Territories of the country, out of which, total 4,14,766 CSCs are operational at Gram Panchayat (GP) level. More than 400+ services across the country are being delivered through CSCs (CSC-SPV Portal) to the citizen across the country. Setting up of CSCs is also aimed at alleviating the primary challenges faced in implementation of Electronics Governance Scheme such as digital literacy, digital connectivity, accessibility to services, ease in availing the digital services, the digital divide gap etc. through implementation of 'Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)' to promote digital literacy in rural India and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity. The Committee are given to understand that Common Service Centres (CSCs) have a predominant role in successful implementation of Electronic Governance scheme. Keeping in view the fact that successful delivery of e-Governance services through CSCs ride on a number of factors such as availability of digital connectivity, accessibility to services, ease in availing the digital services and overall digital literacy etc., parameters such as total number CSCs or the number of services offered through them may not be helpful if there is no internet connectivity and therefore such parameters may not accurately reflect successful implementation of Electronic Governance scheme. In view of the above, the Committee recommend setting up of a suitable monitoring mechanism to ensure that Common Services Centres (CSCs) in each of 2.50 lakh Gram Panchayats (GPs) across the country are functional and successfully delivering e-Governance services to the citizens as per the prescribed norms. There is also a need to develop a suitable feedback mechanism wherein the users can share their feedback of availing services through these CSCs. The Committee note Ministry's admission that CSC e-Governance Services India Limited is not a Government-owned company and would like to know the basis of tie-ups of CSC e-Governance Services India Limited with State Governments for delivery of services. In

this regard the Committee would also like the Ministry to examine implementation aspects of CSC scheme."

13.   The Ministry of Electronics and Information Technology, in the Action Taken Note, have stated as under:

Monitoring Mechanism

CSC E-Governance Services India Limited - A Special Purpose Vehicle (CSC SPV) apprised that it has the following mechanism for suitably monitoring the functionality of Common Services Centers (CSCs) in rural and urban areas:

- The District level functionaries (District Manager/District Coordinators) of CSC SPV under the project CSC 2.0 visit 75 CSCs in a month in all the districts (excluding North East Region (NER) & difficult terrain), the district functionaries visit 45 CSCs in a month in NER to ensure the functionality of the CSCs as well as hand holding the Village level entrepreneurs (VLEs) to delivery of services to the citizen.

- The State team (State Project Managers/State Coordinators) also undertake field visits regularly to supervise the functionality of the CSCs. They also hold weekly/fortnightly/monthly meeting to review and monitor the performance of the CSCs.

- CSC SPV centrally holds the quarterly review meetings with the State Heads and the vertical heads to review performance of the CSCs.

- CSC SPV has also developed a digital analytics dashboard to monitor the functions of CSCs as well as status of delivery of services through the Common Services Centres. This dashboard displays the details of CSCs which delivered services to the citizens during the last two financial years – Month-wise, weekly, and daily basis.
- Further CSC SPV informed that IT secretary of all the State/ UT Administrations, District collectors, the designated authorities in the Ministry of Information Technology (MeitY) can access to the dashboard to see the details of the CSCs delivering various services. Apart from them, the State teams of CSC-SPV as well as district level functionaries also access the dashboard regularly to monitor the functionality of the CSCs.

Feedback mechanism

- CSC SPV apprised that it has set up a toll-free helpdesk number through which VLEs can raise tickets to get redressal of their issues and problems.

- The citizens may also lodge their feedback through phone number and email to CSC SPV available on the website https://cscspv.in/.

- Efforts are being made by CSC SPV to further improve the feedback mechanism for citizen about their experience on availing the services of CSC.

Tie-ups of CSC e-Governance Services India Limited with State Governments

- CSC SPV apprised that it has tied up with various State Governments/State Government organisations/States' statutory bodies for integration of their services with the Digital Seva portal (service delivery platform, managed and operated by CSC SPV) for delivery of services to the citizens through the Common Services Centres. It may be stated that the project "CSC 2.0: A way forward" has been approved by MeitY to be implemented by CSC SPV with the objective to expend CSC network in 2.5 lakh Gram Panchayats (GPs) on self-sustainable model.

- As per the implementation of the project "CSC 2.0", - "All the respective applications will be integrated with the proposed universal platform of CSC (managed by CSC SPV, i.e. CSC e-Governance Service India Limited) for all the services. This includes integration of State/UT portals, e-Districts services". Accordingly, CSC-SPV tied up with various State Governments/State Government organisations/Statutory bodies for integration of States' services with the Digital Seva Portal for making CSC (VLE) self-sustainable. Under which central/state governments & UT Administrations has integrated their services to be delivered through the Digital Seva Portal of CSCSPV. Till date (as on July, 2023) 12 States and 2 Union Territories have integrated their services with the Digital Seva Portal.

- Further, some of the state governments have a CSC like structure in their own states for delivery states for delivery of services to citizens, and some states has allowed private entities along with CSCSPV to deliver these services for easy access to citizen in his/her locality. CSCSPV is making continuous efforts to integrate various services with the Digital Seva Portal.

14.   **The Committee in their Original Report had recommended setting up of a suitable monitoring mechanism to ensure that Common Services Centres (CSCs) in each of 2.50 lakh Gram Panchayats (GPs) across the country are functional and successfully delivering e-Governance services to the citizens as per the prescribed norms. The Committee had also emphasised the need to develop a suitable feedback mechanism wherein the users can share their feedback of availing services through these CSCs. Regular monitoring of any scheme or**

organization is essential for ensuring accountability, transparency and responsiveness in its functioning. The Committee are of the considered view that an organization like CSC with more than 5 lakh centres operational across all States & Union Territories of the Country and involved in the implementation of significant schemes such as CSC 2.0, PMGDISHA, BharatNet aimed at 'Digitally Empowered Society and Knowledge Economy', requires suitable monitoring and oversight mechanism involving all stakeholders such as patron Ministry/Ministries, State Governments, District Authorities and other organizations to ensure its accountability. Similarly, an easily accessible and convenient feedback mechanism is required not only for quick grievance redressal of general public but also to improve the quality of services being provided by CSC. The Committee therefore may be apprised about the steps taken by the Ministry to set up a suitable monitoring mechanism and efforts being made by CSC SPV to further improve the feedback mechanism for citizen about their experience on availing the services of CSC. The action taken by the Ministry in this regard may be submitted at the earliest.

(Recommendation Sl. No.13)

Promotion of Digital Payments – Lack of coordination amongst different stakeholders

15.   The Committee, in their Original Report, had recommended as under:

"The Committee note that the Ministry is undertaking a number of activities for promotion of digital payments which inter-alia include (i) incentivizing merchants, individuals and banks for digital payments; (ii) launch of innovative Payment solutions such as e-RUPI, UPI123PAY, UPI Lite BHIM 2.0 & AEPS; (iii) development of Digital Payment acceptance infrastructure and Digital Payments Dashboard, Awareness & Capacity building initiatives; (iv) promotion of Fintech startups; and (v) campaigns to educate citizens about cyber frauds. The Committee are glad to note that the number of digital transactions taking place in the country has almost doubled from 4572 crore transactions in the year 2019-20 to about 8840 crore transactions in the year 2021-22 with the growth trajectory likely to continue in future. However, with widespread

adoption of digital modes of payment, there is likelihood of rise in frauds relating to digital transactions which needs to be curtailed by way of adopting security safeguards, quick response, an effective grievance redressal mechanism and so on. When asked about the nodal agency to address issues faced by end-users in digital payments space, the Ministry have informed that as per Gazette Notification dated 13.02.2017, Government of India (Allocation of Business) Rules, 1961, the matter regarding "Promotion of Digital transactions including Digital Payments" has been allocated to Ministry of Electronics & IT (MeitY). Further, the PSS Act, 2007 (Payment and Settlement Systems Act) provides for the regulation and supervision of payment systems in India and designates the RBI as the authority for that purpose and all related matters. The above referred act is administered by Deptt of Financial Services, GOI. Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes, with a special focus on cyber-crimes against women and children. The Committee had sought data regarding total number of cases of fraud for each type of digital payments mode during the last three years and the nature of such frauds. However, till the time of finalization of this Report, the requisite information was not furnished by the Ministry and the same may be furnished expeditiously. The Committee further note that while all efforts including provision of annual budget of Rs. 1500 crore are aimed at promotion of digital payments, there is a need to have commensurate focus on coordination amongst different stakeholders in the digital payments ecosystem such as the Fintech App providers, the telecom service providers, the respective banks, RBI, MHA portal for cybercrime, the local police and so on which are currently working in silos. In the present scenario, victims of digital payment fraud end up running from pillar to post and have to deal with multiple stakeholders causing undue harassment and resulting in general reluctance in reporting cases of digital payments related frauds. The Committee strongly recommend creation of a nodal agency having all the stakeholders in the digital payments ecosystem on board to address issues relating to digital payments which can greatly aid in coordination amongst the different stakeholders including the law enforcement agencies, creating standard operating procedures and protocols to be followed in cases of digital payments related frauds. Thereby the victims are not hassled and are able to recover their losses

to the extent possible within a reasonable timeframe. The Committee would like to be apprised of the progress made in this regard."

16. The Ministry of Electronics and Information Technology, in the Action Taken Note, have stated as under:

As desired by the committee, total number of cases related to Grievances and Frauds for last three years is as mentioned below:

Part 1: Grievances

S No	Mode of Digital Payment	Total number of user grievances (received and disposed-off)		
		F.Y 2019-20	F.Y 2020-21	F.Y 2021-22
1	ATM/Debit Cards	67,091	60,203	41,375
2	Credit Cards	26,015	40,721	32,162
3	Mobile/Electronic Banking	39,758	46,984	41,548
4	Prepaid Payment Instruments	175	253	218

Source: RBI

Part 2(a): Frauds with RBI as source

Details of number of frauds and amount involved reported by banks in the category 'Card/Internet - Debit Cards, Credit Cards and Internet Banking' during the last three years (2019-20 to 2021-22)						
	2019-20		2020-21		2021-22	
Category of fraud	Number of Frauds	Amount involved (₹ in crore)	Number of Frauds	Amount involved (₹ in crore)	Number of Frauds	Amount involved (₹ in crore)
Card/Internet - **ATM/Debit Cards**	36978	102.13	35264	90.75	26877	88.54
Card/Internet - **Credit Cards**	26580	74.69	18248	51.24	21612	92.59
Card/Internet - **Internet Banking**	9828	67.19	20476	86.66	17404	77.47
Total	73386	244.01	73988	228.65	65893	258.61

Notes:							
1. The data may change subject to rectification/updation made subsequent to first reporting by banks (in respect of individual frauds).							
2. The amount of frauds worth of less than ₹1 lakh has been captured from April 01, 2017							

Source: RBI

Part 2(b): Frauds with NPCI as source

Details of number of frauds in the category 'UPI during the last three years (2019-20 to 2021-22) with NPCI as source			
Period	Volume of Transaction in Lakh	Count of Fraud reported cases in Lakh	% of Fraud Cases
FY19-20	125,186.19	0.18	**0.0001%**
FY20-21	223,306.54	0.77	**0.0003%**
FY21-22	459,675.68	0.84	**0.0002%**
FY22-23 * (Upto Feb,2023)	750,657.19	0.95	**0.0001%**

Source: NPCI

Further, 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the capacity building of their Law Enforcement Agencies (LEAs), prevention, detection, investigation and prosecution of crimes including cyber-crimes through their LEAs. The LEAs take legal action as per provisions of law against the offenders and Ministry of Home Affairs supplements the initiatives of the State Governments through financial assistance under various schemes for their capacity building and advisories to deal with cyber-crimes.

Ministry of Home Affairs has launched the Indian Cybercrime Coordination Centre (I4C) to deal with cyber crime in the country in a coordinated and comprehensive manner and National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber complaints.

The following are the objectives of I4C:

i.   To act as a nodal point to curb Cybercrime in the country.
ii. To strengthen the fight against Cybercrime committed against women and children.
iii. Facilitate easy filing Cybercrime related complaints and identifying Cybercrime trends and patterns.

iv.   To act as an early warning system for Law Enforcement Agencies for proactive Cybercrime prevention and detection.
v.   Awareness creation among public about preventing Cybercrime.
vi.   Assist States/UTs in capacity building of Police Officers, Public Prosecutors and Judicial Officers in the area of cyber forensic, investigation, cyber hygiene, cyber-criminology, etc.

As such I4C is a nodal agency to curb cybercrime in the country and is interacting with all stakeholders.

17.   **The Committee in their Original Report had strongly recommended for creation of a nodal agency having all the stakeholders in the digital payments ecosystem on board to address issues relating to digital payments which could greatly aid in coordination amongst the different stakeholders including the law enforcement agencies, creating standard operating procedures and protocols to be followed in cases of digital payments related frauds. However, the Ministry in their Action Taken Notes have submitted that Indian Cybercrime Coordination Centre (I4C) is a nodal agency to curb cybercrime in the country and is interacting with all stakeholders. The Committee are of the considered view that cybercrime is a very broad domain involving different types of social, financial, political and other crimes committed using a digital system. The magnitude of cybercrime in India is very vast and is on the rise as the usage of mobiles and computers is ever increasing in the country and there is a lack of commensurate awareness and digital literacy among the general public. The Committee opine that cybercrimes involving financial aspects in itself is a very broad domain and requires a nodal agency focused and wholly dedicated to financial cyber crime and emerging cyber hubs in different parts of the country. The Ministry have informed the Committee that as per Gazette Notification dated 13.02.2017, Government of India (Allocation of Business) Rules, 1961, the matter regarding "Promotion of Digital transactions including Digital Payments" has been allocated to Ministry of Electronics & IT (MeitY). In this aspect, the onus lies on the Ministry to not only promote digital transactions but also aid in tackling digital and financial cyber crime in the country and ensuring cyber security. In view of the foregoing, the Committee reiterate their earlier recommendation to**

constitute a nodal agency to not only look into the cases of cyber fraud but also in its prevention aspects. The Committee may be apprised of the action taken in this regard within three months.

*****

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Budget Analysis - Utilization of funds during 2022-23

(Recommendation Sl. No. 1)

During the year 2022-23, as against the proposed amount of Rs. 16,223.21 crore, the Ministry had been allocated Rs. 14,300.00 crore which was reduced to Rs. 11,719.95 crore at RE stage and the actual expenditure as on 31.01.2023 was Rs. 6060.38 crore. In terms of percentage, the utilisation stands at 51.71% with respect to the Revised Estimate which means the Ministry has to spend the remaining 48.29% in the last two months of the Financial Year 2022-23.This is in contrast to past few years wherein the Ministry had been able to achieve far better utilization of the allocated funds. When asked about the reasons for the shortfall in utilization, the Committee are given to understand that implementation of Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes and Covid-19 induced disruption in the supply chain were amongst the primary reasons for low utilization of funds in 2022-23. Due to implementation of Revised Procedure for Flow of Funds in respect of Central Sector and Centrally Sponsored Schemes, no substantial amount could be released during the first two quarters of FY 2022-23 and the pace of expenditure gained momentum only during the third quarter which has resulted in 51.71% utilization of the RE allocation by the end of January 2023. The Ministry has expressed hope of achieving full utilization of funds allocated in RE 2022-23 by the end of March 2023 in view of the receipt of disbursal proposals under various incentive schemes which are presently being examined for necessary disbursements. Expressing concern at the significantly low utilization of allocated funds during 2022-23 by the Ministry, the Committee hope that the Revised Procedure for Flow of Funds in respect of Central Sector and Centrally Sponsored Schemes has been put into place by now and with the impact of Covid-19 receding, the Ministry would be able to achieve full utilization of funds for 2022-23 by the end of March, 2023.

Reply of the Government

Despite the best efforts of MeitY, the actual expenditure during FY 2022-23 remained at Rs.9220.28 cr which is 78.67% of RE provision of Rs.11719.95 cr. The actual expenditure is partially low due to lapse of unspent provision of Rs.627.63 crore (in respect of schemes under Model-I and other TSA accounts of Autonomous Bodies, etc) into Consolidated Fund of India (CFI) at the end of the financial year with regard to late release of funds in view of implementation of Revised Procedure for Flow of Funds.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Budget Analysis - Enhanced allocation during 2023-24

(Recommendation Sl. No. 2)

The Committee note that even though there was under utilization of funds during 2022-23, the Ministry has been allocated Rs. 16,549.04 crore at BE stage for the year 2023-24 which is an increase of about 16% in comparison to BE 2022-23.The revenue provision in BE 2023-24 has been increased by Rs.2268.37 crore compared to that in BE 2022-23. The increased provision in BE 2023-24 is mainly due to allocations made for the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India amounting to Rs.3000 crore. The Government of India has approved this comprehensive programme with an outlay of ₹ 76,000 crore in furtherance of the vision of Aatmanirbhar Bharat and for positioning India as the global hub for electronic system designing and manufacturing (ESDM). This Programme contains various schemes to attract investments in the field of semiconductors and display manufacturing. However, the capital provision in BE 2023-24 has been reduced by Rs.19.33 cr from that provided in BE 2022-23. The reduction was due to reduced requirement of funds for machinery and equipment by NIC since their services would henceforth be rendered on Public-Private-Partnership (PPP) mode. The Committee recommend that the overall increase of about 16% in allocations made at BE 2023-24 over BE 2022-23 particularly the enhanced allocations under important schemes such as the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India are optimally utilized.

The Committee hope that they do not end up reduced at RE stage by MoF due to underutilization by the Ministry as it happened in FY 2022-23.

Reply of the Government

The Observations of the Committee have been noted. MeitY would take all efforts to ensure that the funds allocated under various schemes, especially under "Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India are optimally utilized and no reduction is being made by MoF at RE stage due to underutilization of funds during the first two quarters.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Position of Outstanding Utilization Certificates (UCs)

(Recommendation Sl. No. 3)

The Committee note that as on 31stJanuary 2023, a total of 131 Utilization certificates amounting to Rs. 355.55 crore were due. The Ministry further informed that it has taken several initiatives for reducing the number of pending UCs and the measures taken by MeitY to liquidate the pending UCs are proving to be fruitful as the pending UCs amount for any particular period is continuously on a decreasing trend. The Ministry further added that during the period from 01.04.2022 to 06.02.2023, Utilization Certificates amounting to Rs. 1332.33 crore have been liquidated. In order to reduce the quantum of pending UCs as well as holding the implementing agencies more accountable, the Ministry are monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects and to ensure that the grants released by MeitY are being fully utilised. UC status is also reviewed from time to time to ascertain utilization status of released grant to various agencies and aim towards zero pending UC and minimum unspent balance with the grantee institutions. While lauding the efforts of the Ministry in liquidating Utilization Certificates amounting to Rs. 1332.33 crore during the period from 1 April 2022 to 6 February 2023, the Committee recommend that efforts be made in the same direction to ensure that release of subsequent grants to important

Government schemes/projects is not adversely affected dueto gradual buildup of pendency in Utilization Certificates. Further, the Committee would like to be apprised of the period to which these 131 UCs are pending along with the details thereof.

Reply of the Government

As recommended by the Committee, MeitY has been continuing its efforts to ensure that release of subsequent grants to important Government schemes/projects is not adversely affected due to gradual build-up of pendency in Utilization Certificates. It is informed that The status of these pending UCs as on 05.06.2023 is as under:

Description	UCs in respect of releases made up to 31.03.2021	
	Number	**Amount (Rs. in crore)**
Status of Pending UCs as on 31.01.2023	131	355.55
Status of Pending UCs as on 05.06.2023	89	184.26
Status of Liquidation	**42**	**171.29**

The year-wise and scheme-wise details of pending UCs for the said period are as under:

Year-wise details of Pending UCs in respect of releases made up to 31st March 2021

Year	Status of Pending UCs as on 05.06.2023	
	No.	**Amount (Rs. in crore)**
2002-2003	3	0.19
2003-2004	1	0.01
2004-2005	2	0.19
2006-2007	2	0.33
2007-2008	7	20.11
2008-2009	4	0.47
2010-2011	4	0.49
2011-2012	4	1.90
2012-2013	3	11.31
2013-2014	4	12.72
2014-2015	1	0.20
2015-2016	5	9.60
2016-2017	17	41.08
2018-2019	8	19.55
2019-2020	2	5.05

2020-2021	22	61.06
TOTAL	**89**	**184.26**

Scheme-wise details of Pending UCs in respect of releases made up to 31st March 2021

Scheme	Status of Pending UCs as on 05.06.2023	
	No.	Amount (Rs. in crore)
Manpower Development	10	3.16
Electronic Governance	68	133.68
Promotion of Electronics and IT Hardware Manufacturing	05	44.56
R&D in Information Technology, Electronics and CCBT	03	1.57
Cyber Security Projects	01	0.10
Promotion of IT/ITeS Industries	02	1.19
TOTAL	89	184.26

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Comments of the Committee

(Pl. See Para No. 8 of Chapter-I)

National Informatics Centre (NIC) – Need to focus on user feedback and convenience

(Recommendation Sl. No. 6)

The Committee note that NIC offers a number of popular user applications such as NIC email, eOffice and Sandes instant messaging App whose user base has increased significantly over the years. The NIC email users have increased from 23 lakh in 2019-20 to around 32 lakh in 2022-23. During the same period, eOffice user base, has increased from around 2.7 lakh to 8.75 lakh. The Sandes Instant Messaging App users have increased from 4618 in 2019-20 to a whopping 35 lakh in 2023-24.

The Sandes App has also been integrated with other e-Governance Apps for providing notification services. The number of e-Governance Apps integrated with Sandes have increased from 18 in 2019-20 to around 350 in 2023-24. In order to further augment the user base of these applications, various steps are being taken by the Ministry which *inter-alia* include conducting training programmes/workshops and interactive sessions for various Government of India Ministries/Departments across the country, Capacity Building Programmes (CBP) on eOffice for Ministries/Departments organized by NIC/NICSI and addition of video tutorials in Email portal and Kavach App for increasing user awareness etc.While all these initiatives to promote widespread usage of NIC products/Applications are laudable, the Committee feel that there is a need to pay particular attention to obtaining user feedback with option to provide the same through the Software product/Application itself in a user-friendly manner. This needs to be incorporate in successive iterations/versions of these popular NIC products/Applications to give further impetus to their widespread adoption. A case in point is the recent addition of Kavach App for authentication resulting in additional step required for log-in thereby making the process cumbersome and may dissuade users from accessing and using the product/App regularly. There is a parallel need to evaluate whether such safety features can be implemented in a more user friendly manner without adverse effect on accessibility of these products/Apps.

<u>Reply of the Government</u>

Email:

E-mail serves as the backbone of all e-Governance initiatives in the country. The service was implemented by NIC under the Digital India's Early Harvest Program and has been massively used by both Center and State Governments. The service provides 24x7x365 support to a user base of more than 32.8 lakh official sunder Ministries/ Departments/ Statutory bodies/ Autonomous bodies of both Central and State/ UT Governments. There are 4.5 crores email transactions everyday with 1.2 crore Malicious attacks/ emails blocked per day.

An email support ticket can be raised through 'support@nic.in', 'servicedesk@nic.in' or call at1800 111 555 wherein the user can register their feedbacks/change requests and log complaints. Additionally, NIC has deputed more than 600 delegated admins/ NIC coordinator at various ministries/departments to provide instant support solutions to email users.

The complaints are analyzed for necessary action. Additionally, the feedback/ change requests received are gone through feasibility and impact assessments followed by design, development, testing and roll-out. Post this, the feedbacks/change requests are implemented to the extent such that usability or performance is not compromised.

Basis the feedbacks received from the users over the period, email services have upgraded their services such as by providing multi-lingual support, Internationalized Domain Name (IDN), Standardized Official Template, User Persona, Video Conferencing Integration, Undo Send, Briefcase, development of dashboard, addition of sticky notes, incorporation of caution email etc. The security features offered in the service are Multifactor Authentication, Geofencing, Device Mapping, Mail encryption etc.

EOffice

1. As the eOffice product has been rolled out in nearly all the Central Government Ministries / Departments, several State Secretariats, Districts, and Public Sector Undertakings (PSUs); the support to users becomes extremely critical. A multilevel support system has been set up for the implementation of eOffice across the country. The on-site rollout team at the L0 level is set up by the implementing user department for providing hands-on / troubleshooting support to the end users. This team can further escalate / coordinate with the next level (Service Desk). At Level 1, a Service Desk [Website: https://servicedesk.nic.in, Contact No.: 1800111555] set up by the NIC is the common platform to register any issue. NIC Teams in NIC State units and Ministries / Departments form the Level 2 support layer. Finally, it is governed by the NIC eOffice Project Division at NIC Headquarters at Level 3.

2. An eOffice Support Portal [https://support.eoffice.gov.in] is also in place, through which the users can register their feedbacks or change requests. The reported

feedbacks / change requests goes through the process of analysis and feasibility, impact assessment followed by design, development, testing and roll-out. Further, the feedbacks / change requests are implemented in generic manner as configurable parameters to the extent possible without compromising on usability or performance.

3. As eOffice product is rolled out in different kinds of organisations with a huge user base, varying from highest levels in the Government to the lowest; the feedbacks / change requests from them enriched the product in unparalleled way. Based on various interactions with users and feedbacks received, a major release of eOffice-eFile application (eFile v7.x) was conceptualized, re-architected, developed and launched by NIC in June 2020. The major developments in eFile v7.x are rich user experience, enhanced performance and security, integration with eOffice-KMS (Knowledge Management System) 7.x, rich set of APIs for integration with other external applications, localization of application to suit regional users, enhanced browser compatibility, etc.

4. As on date, 15 releases of eFile v7.x have been released by NIC. Based on another feedback received from many senior officials, the latest release of eFile v7.x (May 2023) brought about easy of working in eSign, which is in compliance with the UIDAI guidelines. Based on this, now officials do not have to enter Aadhar every time while signing.

5. A systematic capacity building exercise becomes an important activity for successful and sustained implementation of eOffice. The Capacity Building Programmes (CBP) on eOffice for various categories (Users, Master Trainers, Product Administrators, System Administrators) of 3-5 days duration are regularly conducted as per the calendar released on training site [https://eoffice.gov.in/Training/]. In last two years, 209 training programmes have been organized covering 8028 users.

6. Besides structured CBP sessions as mentioned in point 5, many short duration offline/online sessions also conducted based on specific requirements from the user departments.

Sandes

NIC is approaching various Ministries, Organizations, and Departments and giving presentation, demonstration of Sandes. The testing of Sandes has been done by more

than 230 organizations. The feedback and suggestions received from them has been evaluated and incorporated in the system.

Some of the recent enhancements and improvements done are:

1. Timely delivery of messages and notifications
2. Improving UI/UX
3. Enhancements for syncing of Sandes contact list with mobile device phone book.
4. Improvement in "Unable To Decrypt (UTD)" messages at the receiver end
5. Integration with SFU based Audio/Video component
6. Optimization of iOS app for random app crash / hang issue
7. Re-architected existing Platform for scaling
8. Augmentation of present infrastructure setup for catering approx 1 Cr. users
9. The project proposal for roll out, operation and maintenance of Sandes for the next 2 years for 2 Cr users is prepared and submitted for approval.

After the recent changes, the enhanced platform has been security audited again by CIRA (Cyber Information Research Agency), CDAC and in house ASD-NIC.

Integration of e-Gov application (G2C and C2G):

Sandes supports service based model for G2C and C2G two way communications through e-Gov applications. Till date more than 285 e-Gov applications are integrated with Sandes and efforts are being made to integrated more applications to enable the e-Gov applications to send free and secured messages to the target users.

Some of the e-Gov application integrated with Sandes are National Career Services, JoSAA, Ladli Beti, NRLM, IGKVMIS, Entebhoomi, Crop Estimation Survey, iHRMS Punjab, e-JanMa, eKalyani, e-Panchayat Sabha, eKamaan, e-permit, NIC-Meet, e-Prashana, eAwas, e-DMS,iORA, - MEGEDB, JK Hospitality Online Booking, G-SPARK, Samadhan, CG VIDHAN SABHA, JK ESTATES, For the People, Sarathi, POWERLAKPortal, ASHA Gullak.

Adoption of the System

Various Ministries and organisations are given presentations, demos and hand holding for using Sandes for official communication. The user base has increased from 19 Lakhs in 2022 to 25.65 Lakhs and they have exchanged approximately 6.14 Cr messages using this platform.

Recently, presentation was given to Dept. of Revenue, Sashastra Seema Bal (SSB), AIIMS Raipur, AIIMS Delhi, Publication Division (Ministry of Information and Broadcasting), Office of Registrar General India, Tripura Police, Cabinet Secretariat and they have been onboarded for using Sandes for official communication.

Some Stats:

1. Approximate mobile messages exchanged daily: 57,000.
2. Approximate e-Gov application messages: 1 lakh.
3. Approximate messages exchanged by Government users: 35000
4. Approximate online users =1.8 lakhs
5. Total number of registered users = 25.65 Lakhs
6. Total Govt. users = 1.02 Lakhs
7. Total public users (including verified public users) = 24.63Lakhs

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget

(Vol. II) dated 16/08/2023)

Electronic Governance including EAP

(Recommendation Sl. No.9)

The Committee note that during 2022-23, the actual utilization in the scheme stands at Rs. 500.64 crore which is around 95% of the Revised Estimate. When asked about the status of implementation of State Wide Area Network (SWAN) in all the States/UTs, it was informed that SWANs have been made operational in all States/UTs except UT of Ladakh. The UT of Ladakh has selected network operator for

implementation of SWAN and the Ladakh SWAN is expected to be implemented by June 2023. Regarding the major impediments in implementation of the scheme and measures to address them, the Ministry informed that the primary challenges faced for implementation of Electronics Governance Scheme include digital literacy, digital connectivity, accessibility to services, ease in availing the digital services and the awareness/ readiness amongst the departments to adopt the services. Besides these challenges, the digital divide gap is also attributed to the fact that many citizens belonging to the weaker sections are deprived of availing the digital services. On the measures taken to address the above impediments, it was informed that the Government has already taken necessary measures to tackle these challenges through implementing 'Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)' to usher in digital literacy in rural India and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity. Government is also providing the services in assisted mode through CSCs to digitally illiterate and taking steps through various other channels also. Moreover, Government is striving hard to create awareness amongst citizens as well as the departments for onboarding and consumption of the digital services. Appreciating the efforts made by the Ministry, the Committee hope that the implementation of SWAN in the remaining UT of Ladakh be expedited. The Ministry may provide an updated status of the total number of Gram Panchayats (State-wise) which have already been connected with 100 Mbps connectivity as part of the BharatNet project as it was a major initiative to remove impediments to Electronic Governance including EAP scheme.

Reply of the Government

Please note that the BharatNet Project is implemented by BBNL (SPV of DoT) and exclusively funded by the Department of Telecommunication (DoT) through their own budgetary allocation. The Ministry of Electronics and Information Technology (MeitY) does not provide any financial assistance for the implementation of the BharatNet Project. Moreover, as per the information available on the BharatNet/BBNL official website (https://www.bbnl.nic.in/), a total of 1,92,880 Gram Panchayats (GPs) have been connected with optical fiber cables (OFC) and equipped with the necessary infrastructure.

Promotion of Electronics and IT Hardware Manufacturing (MSIPS, EDF and Manufacturing Clusters)

(Recommendation Sl. No.11)

The Committee note that there has been a gradual decline in utilization of allocated funds since FY 2019-20 under the scheme 'Promotion of Electronics and IT Hardware Manufacturing (MSIPS, EDF and Manufacturing Clusters)' with the actual utilization witnessing a gradual decline from 95% in 2019-20 to 68% in 2020-21, 59% in 2021-22 and a measly 17% in 2022-23. The scheme comprises of Modified Special Incentive Package Scheme (M-SIPS), Electronics Manufacturing Clusters (EMC), EMC 2.0, Electronics Development Fund (EDF) and Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) sub-schemes to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports. The major hurdles being encountered in the implementation of the scheme include disabilities in domestic electronics manufacturing which render domestic manufacturing less competitive. The three most significant factors contributing to disabilities in domestic electronics manufacturing include the state of infrastructure, quality and reliability of power, and cost of finance. The diversity and velocity of technology change pose another significant challenge in promoting domestic electronics manufacturing. Since electronics is all pervasive and spans multiple sectors, convergence between different technologies, applications, devices, systems, and software, is constantly driving technology changes. In addition, the half-life of technologies has been continuously reducing and is estimated to be even less than six months in certain verticals. In view of the foregoing, the Committee recommend measures to speed up disbursement of financial incentives to the applicants to ensure timely release of financial incentives to the intended beneficiaries. If need be, a comprehensive study may be undertaken to see the efficacy of the scheme.

Reply of the Government

MSIPS: Under MSIPS, incentives are provided on reimbursement basis after incurring of investment by the Applicant companies. During FY 2020-21 and FY 2021-22, shortfall in release was due to the Covid-19 pandemic as business and investment activities slowed down considerably. Post covid, the applicant companies are changing their investment plan due to change in technology. MeitY is facilitating the applicants for approval of change in investment plan. After approval of the new investment plan, more incentives are likely to be disbursed in the current financial year 2023-24.

To reduce the delay, regular workshops are being held by MeitY's empaneled verification agency for M-SIPS. Also, MeitY conducts meetings with applicant and verification agencies to resolve the issue on regular basis.

SPECS: Under SPECS, incentives are provided on reimbursement basis after incurring of investment by the Applicant companies. The scheme was notified on 1st April 2020, being the covid period business and investment activities slowed down considerably. The applicants approved under the scheme are gradually increasing their investment, so more number of applicants will be submitting their disbursement claim and more incentives are likely to be disbursed in current Financial Year 2023-24.
To reduce any delay, regular workshops are being held by MeitY's empaneled Project Management Agency (PMA) for SPECS. Also, MeitY conducts meetings with applicant and PMA to resolve the issue on regular basis.

Electronics Development Fund: EDF is currently in divestment phase and no further budget allocation is expected under EDF.

EMC & EMC 2.0: Under EMC & EMC 2.0 scheme, disbursement of funds is in upfront nature and subjected to deposition of pari-passu contribution as well as compliance of other requisite terms & conditions applicable thereupon. The 1st and 2nd wave of COVID-19 pandemic and post lockdown conditions impacted hugely the developmental activity at the project site and disrupted entire supply chain ecosystem with cash strapped situation resulted into about 2 years delay in implementation of such projects.

Thereafter, Department of Expenditure, Ministry of Finance introduced revised procedure for flow of funds for Central Sector Scheme. Due to issues in implementation of such revised procedure against the scheme, the release of funds got stuck up despite of having adequate no. of claims/requests. The amicable resolution is being worked out in this regard which will speed up the progress of the disbursement of Grant-in-aid in the current FY 2023-24.

To ensure the release of Grant-in-aid, the implementing agencies are being pursued to sketch their disbursement schedule based on compliance of eligibility criteria. The project progress is also being monitored through Project Review Committee (PRC) and internal reviews held on time to time.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Promotion of Digital Payments

(Recommendation Sl. No.12)

The Committee note that Promotion of digital payments ecosystem is an essential aspect of Digital India programme and has the potential to transform Indian economy by extending inclusive financial services. The objectives of the Scheme inter-alia include Enhancement of the digital payments acceptance infrastructure in J&K, NE, Rural and other un-tapped areas, End-to-end integration of digital payments in the complete supply-chain of major trades of the States & UTs, Promotion of digital payments in Government sector across the country, Promotion and enablement of startups in Fintech domain, Strengthening of Cyber-security in Digital Payments including robust grievance redressal mechanism and Internationalisation of domestic payment modes (RuPay card & UPI). The budgetary allocation for Promotion of Digital Payments scheme under the Digital India Programme was significantly increased at RE stage for the year 2022-23. Regarding the ten-fold increase in allocation to this scheme at RE stage *vis-à-vis* the amount allocated at BE stage during the year 2022-23, the Ministry informed that for FY 2022-23, it was announced in the budget that 'The financial support for digital payment ecosystem announced in the previous

Budget will continue in 2022-23'. In compliance with Budget announcement for FY 2022-23, the incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant) for a period of one year from April 2022 got approved in January, 2023 which accounts for increase in RE, for FY 2022-23. For the year 2023-24, as against the proposed amount of Rs. 890.65 crore, the scheme has been allocated Rs. 1500 crore. Regarding the utilization of the increased allocation to the scheme *vis-à-vis* the proposed amount during the year 2023-24, the Committee were apprised that increased allocation for FY 2022-23 as well as FY 2023-24 are to be utilized for 'Incentive scheme for promotion of RuPay Debit Card and low-value BHIM-UPI transactions (person-to-merchant). The Committee feel that keeping in view the focus on promotion of digital payments, increase in the budget for Promotion of Digital Payments scheme under the Digital India Programme is a move in the right direction. While lauding efforts of MeitY in promotion of Digital Payments, the Committee recommend that sustained efforts be made by the Ministry to promote use of digital payments platforms in order to achieve the goal of a less-cash economy. The Committee opine that along with the focus on promotion of digital payments, there should be simultaneous efforts to develop robust security mechanisms for digital payments. The Committee would like to be apprised of specific measures taken in this regard.

Reply of the Government

The following measures have been taken by Ministry of Electronics & IT(MeitY) to develop robust security mechanisms:

i. **National Cyber Security Policy 2013** was released in July 2013. The Policy caters to the cyber security requirements of Govt. and non-Govt. entities as well as large, medium & small enterprises and home users. This policy aims at facilitating creation of secure computing environment and enabling adequate trust and confidence in electronic transactions and also guiding stakeholders' actions for protecting cyber space.

ii. **Indian Computer Emergency Response Team (CERT-In)** has been setup under section 70B of IT Act for 24 X 7 Cyber Security Incident Response. CERT-In is designated to serve as national nodal agency for incident response. All organisations have been mandated to report cyber security incidents to CERT-In expeditiously.

iii. **National Critical Information Infrastructure Protection Centre (NCIIPC)** has been setup under section 70A of IT Act to serve as the national agency in respect of Critical Information Infrastructure Protection.

iv. **Cyber Crisis Management Plan** - Government has formulated Cyber Crisis Management Plan (CCMP) for countering cyber-attacks and cyber terrorism for implementation by all Ministries/ Departments of Central Government, State Governments and their organizations and critical sectors. In addition, guideline documents and templates have been published to assist development and implementation of sectoral Cyber Crisis Management Plans. CCMP provides strategic framework to coordinate recovery from cyber-crisis.

v. **Appointment of Chief Information Security Officers (CISOs**) - MeitY has issued directions to all Central Government Ministries/Departments, State/UT Governments and their organisations to designate/appoint CISOs to assess their cyber security requirements and implement the best practices in order to IT infrastructure in organization.

vi. With the increasing digitisation, challenges of online cyber threats have increased manifold. The Government is running capacity building, awareness and training programmes such as:

   a. **Information Security Education and Awareness (ISEA)** programme for capacity building, training through formal & non-formal courses and creation of mass awareness in the area of Information Security in the country. The academic activities of the project are implemented through a network of 52 academic and training institutions across the country. Mass awareness programmes are conducted across schools, colleges and for senior citizen, women, Government officials and general public.

   b. **Online trainings in cyber security for Government officials** - MeitY is running two types of online training courses in Cyber Security for officials of Central Government Ministries/Departments:

      i. Generic Training in Cyber Security (Awareness training) of about 6-8 hrs duration for all officials/staff
      ii. Foundation Training (Advance Level) in Cyber Security for technically qualified or with requisite aptitude in cyber security / IT officials

   c. **Cyber Surakshit Bharat (CSB)** in public-private partnership to educate & enable Chief Information Security Officers (CISO) & broader IT community in Central/State Governments, Banks, PSUs and Government organisations to address the challenges of cyber security.

d. **Stay Safe Online Campaign** to create awareness about cyber risk and online harm, this campaign will make citizens of all age groups, especially children, students, women, senior citizens, specially-abled, teachers, faculty, officials of Central/State Governments, etc. aware of the cyber risk and ways to deal with it.

Further, the following steps have been taken by CERT-In to enhance the cyber security posture of digital payment ecosystem and prevent cyber attacks:

i. Indian Computer Emergency Response Team (CERT-In) issues alerts and advisories regarding latest cyber threats/vulnerabilities and countermeasures to protect computers and networks on an ongoing basis. CERT-In has issued 69 focused advisories on awareness of security aspects of digital payments, from November 2016 to December 2022, that aim at creating cyber security know-how by analyzing the threat vectors and suggesting best practices for the specific area in cyber security for organisations and users.

ii. Cyber Swachhta Kendra (Botnet Cleaning and Malware Analysis Centre) of CERT-In is working with various banks and financial institutions to track infected systems and vulnerable services/systems within their networks. Cyber Swachhta Kendra advises the infected/vulnerable systems to Banks and Financial institutions on daily basis along with remedial measures to clean and secure the systems. CERT-In is regularly issuing tailored alerts to financial institutions to enable proactive threat prevention by the respective entities. Currently 182 financial sector organizations are receiving daily inputs related to malware and vulnerable services.

iii. CERT-In is operating incident response help desk wherein incidents like phishing websites which lures victims to divulge sensitive credential information are reported by users and organisations. CERT-In is working in coordination with banks, RBI, Internet Service Providers, Law Enforcement Agencies and international CERTs to track and disable such phishing websites and mitigate fraudulent activities.

iv. CERT-In has formulated a Cyber Crisis Management Plan (CCMP) for countering cyber-attacks and cyber terrorism for implementation by all Ministries/ Departments of Central Government, State Governments and their organizations and critical sectors. Guideline documents and templates have been published to assist development and implementation of sectoral Crisis Management Plans. CERT-In along with RBI is enabling implementation of CCMP in Banks by means of cyber security framework and best cyber security practices/guidelines.

v. Cyber Security Mock Drills and Exercises are being conducted regularly by CERT-In for assessment of cyber security posture and preparedness of

organizations in Government and critical sectors. So far 75 such exercises & drills and table top exercises have been conducted by CERT-In, where 1015 organisations from different States and sectors have participated. CERT-In is enabling the finance sector to deal with cyber-attacks by conducting workshops as well as dedicated cyber security exercises and joint cyber security exercises with Reserve Bank of India (RBI) and Institute for Development and Research in Banking Technology (IDRBT).

vi. CERT-In is providing the requisite leadership for the Computer Security Incident Response Team-Finance Sector (CSIRT-Fin) operations under its umbrella for responding to, containment and mitigation of cyber security incidents reported from the financial sector.

vii. CERT-In operates an automated cyber threat exchange platform for proactively collecting, analysing and sharing tailored alerts with organisations across sectors for proactive threat mitigation actions by them.

viii. CERT-In has empanelled 150 security auditing organisations to support and audit implementation of Information Security Best Practices.

ix. CERT-In has set up the National Cyber Coordination Centre to generate situational awareness regarding existing and potential cyber security threats.

x. As part of services of CERT-In, for creation of awareness in the area of cyber security as well as training / upgrading the technical knowhow of various stakeholders, CERT-In observing the Cyber Security Awareness Month during October of every year, Safer Internet Day on 1st Tuesday of February Month every year, SwachhtaPakhwada from 1 to 15 February of every year and Cyber JagrooktaDiwas (CJD) on 1st Wednesday of every month by organising various events and activities for citizens as well as the technical cyber community in India. CERT-In, in association with C-DAC, conducted an online awareness campaign for citizens, covering topics such as general online safety, social media risks and safety, mobile related frauds and safety, secure digital payment practices etc. through videos and quizzes on MyGov platform.

xi. CERT-In and the Reserve Bank of India (RBI) jointly carry out a cyber security awareness campaign on 'beware and be aware of financial frauds' through the Digital India Platform.

Reserve Bank of India (RBI) has taken various steps to enhance security of digital payment transactions (including card transactions) and reduce frauds. These include various benefits (in terms of increased safety of transaction, efficiency in grievance

redressal mechanism, etc.) provided to customers. Following broad measures are taken by RBI:

i. It is mandatory to put in place a system of providing for additional authentication/ validation based on information not visible on the cards for all on-line card not present transactions. In case of customer complaint regarding issues, if any, about transactions effected without the Additional Factor of Authentication (AFA), the issuer bank shall reimburse the loss to the customer further without demur.

ii. The mandate for additional authentication / validation shall apply to all transactions using cards issued in India.

iii. Card networks have been advised to ensure mandatory PIN authentication for all transactions performed using credit, debit and prepaid cards – magnetic stripe or EMV Chip and PIN based.

iv. Banks have been advised to put a system in place of online alerts for all types of transactions irrespective of the amount, involving usage of cards at various channels.

v. At the time of issue/ re-issue, all cards (physical and virtual) shall be enabled for use only at contact-based points of usage (viz. ATMs and PoS devices) within India. Issuers shall provide cardholders a facility for enabling card not present (domestic and international) transactions and card present (international) transactions and contactless transactions.

vi. All new cards issued - debit and credit, domestic and international - by banks shall be EMV Chip and PIN based cards.

vii. Instructions have been issued to limit the liability of customers in case of unauthorised electronic payment transactions resulting in debit to PPIs issued by banks and authorised non-banks.

viii. Prepaid Payment Instruments (PPIs) shall establish a mechanism for monitoring, handling and follow-up of cyber security incidents and cyber security breaches. The same shall be reported immediately to DPSS, Central Office, RBI, Mumbai. It shall also be reported to CERT-In as per the details notified by CERT-In.

ix. Banks have been advised to put in place appropriate risk mitigation measures like transaction limit, transaction velocity limit, fraud checks and others depending on the bank's own risk perception, unless otherwise mandated by the RBI.

x. All mobile banking transactions involving debit to the account shall be permitted only by validation through a two-factor authentication (2FA). One of the factors of authentication shall be MPIN or any higher standard.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021-

Budget (Vol. II) dated 16/08/2023)

Promotion of Digital Payments – Need for centralized data repository for fraud prevention

(Recommendation Sl. No.14)

Regarding the nodal agency for issues relating to digital payments, the Committee were apprised that Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes, with a special focus on cyber-crimes against women and children. All States/UTs have been on boarded on the system, which comprises around 177 Banks, e-Wallets, UPI service providers, E-commerce companies, etc. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber frauds/complaints. While the National Cyber Crime Reporting Portal is a great initiative lauched by the Ministry of Home Affairs in curbing the menace of cyber-crime in general and cyber-crimes against women and children in particular, there are certain grey areas which still remain to be addressed. In many instances, the amount involved in digital payment related fraud may not be significant enough for the victim to initiate a formal complaint and carry on with the follow up which may involve expending time, energy and legal costs to recover the losses. In other instances there may be a failed attempt to coerce a target by means of social engineering or through some lucrative deals via email/SMS without the actual fraud happening and the intended target may wish to report/flag/notify or forward to the law enforcement agencies as a pre-emptive measure so as to prevent others from falling in the trap. In both the above instances, the National Cyber Crime Reporting Portal of Ministry of Home Affairs may not be able to help the victim or the intended victim. In order to prevent such incidents from going unreported, the Committee strongly recommend that in cases where the victim may not be inclined to follow up with a formal complaint or in cases of attempted fraud relating to digital payments, MeitY may create a centralized database/helpline or nodal agency where such incidents can be reported by the victims/intended victims and where such information can be used to preempt further such incidents of digital payments related frauds. Such a database would not only help prevent future instances of fraud but can be of immense value to other stakeholders in the digital payments ecosystem such as Indian Cyber Crime

Coordination Centre (I4C), the law enforcement agencies, CERT-In, NCCC, Fintechs, Telecom Service Providers (TSPs), banks, RBI etc. besides having immense academic and research value. The Committee may be apprised of the progress made in the matter.

Reply of the Government

The committee has recommended MeitY to create a centralized database/helpline or nodal agency other than cybercrime portal initiated by MHA for attempted fraud related to digital payments, wherein, such incidents can be reported by the victims/intended victims so that such information can be used to preempt further such incidents of digital payments related frauds.

In this regard, it is submitted that CERT-In is operating incident response help desk wherein incidents like phishing websites which lures victims to divulge sensitive credential information are reported by users and organisations. CERT-In is working in coordination with banks, RBI, Internet Service Providers, Law Enforcement Agencies and international CERTs to track and disable such phishing websites and mitigate fraudulent activities. The following channels may be used to report the incident:

incident@cert-in.org.in
Helpdesk: 1800114949
Fax: 1800116969

Further, in order to prevent Cyber Financial frauds, Department of Telecommunications, GOI has designed and implemented indigenous AI (Artificial Intelligence) and Facial Recognition powered solution ASTR for detecting and weeding SIMs taken on fake/forged documents. *The vision of ASTR is to generate pro-active digital intelligence and disconnect such SIMs even before they are used in any cyber-crime, financial frauds etc*. ASTR is being utilized on pan-India basis.

    i.   Total SIMs Analysed so far: 87 out of 134 crores
    ii.   Fake/forged SIMs detected: 42.70 lakh

iii. Fake/forged SIMs disconnected: 23.0 lakh, re-verification going on for the rest.

iv. Digital Intelligence is being shared with the respective State Police for taking legal action against the perpetrators.

List of disconnected fake/forged mobile numbers is being shared with all social media platforms, banks, financial intermediaries, MEITY, MHA I4C and MCA on regular basis for removal of such mobile numbers from all platforms.

Further, 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the capacity building of their Law Enforcement Agencies (LEAs), prevention, detection, investigation and prosecution of crimes including cyber-crimes through their LEAs. The LEAs take legal action as per provisions of law against the offenders.

Also, Digital Payments landscape in India is regulated by Reserve Bank of India (RBI) and RBI had announced introduction of Online Dispute Resolution (ODR) system for resolving customer disputes and grievances pertaining to digital payments, using a system-driven and rule-based mechanism with zero or minimal manual intervention. As a step in this direction, authorised Payment System Operators (PSOs) – banks and non-banks – and their participants are hereby advised to put in place system/s for ODR for resolving disputes and grievances of customers.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

CHAPTER- III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

-Nil-

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

(Recommendation Sl. No. 10)

<u>Common Service Centres (CSCs) – Need for suitable monitoring mechanism</u>

The Committee note that Common Service Centre – Special Purpose Vehicle (CSC-SPV) is an important component of the Electronic Governance including EAP scheme under the Digital India Programme. MeitY has implemented the network of Common Services Centres (CSC) for delivery of public services to every citizen in assisted mode. The CSC scheme envisages setting up of at-least one CSC in each of 2.50 lakh Gram Panchayats (GPs) across the country, for delivery of various Government-to-Citizens (G2C) and other citizen centric e-Services to citizens. It is a self-sustainable entrepreneurship model which is run by Village Level Entrepreneurs (VLEs). As on October 2022, total 5,21,225 CSCs are operational across all states & Union Territories of the country, out of which, total 4,14,766 CSCs are operational at Gram Panchayat (GP) level. More than 400+ services across the country are being delivered through CSCs (CSC-SPV Portal) to the citizen across the country. Setting up of CSCs is also aimed at alleviating the primary challenges faced in implementation of Electronics Governance Scheme such as digital literacy, digital connectivity, accessibility to services, ease in availing the digital services, the digital divide gap etc. through implementation of 'Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)' to promote digital literacy in rural India and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity. The Committee are given to understand that Common Service Centres (CSCs) have a predominant role in successful implementation of Electronic Governance scheme. Keeping in view the fact that successful delivery of eGovernance services through CSCs ride on a number of factors such as availability of digital connectivity, accessibility to services, ease in availing the digital services and overall digital literacy etc., parameters such as total number CSCs or the number of services offered through them may not be helpful if there is no internet connectivity

and therefore such parameters may not accurately reflect successful implementation of Electronic Governance scheme. In view of the above, the Committee recommend setting up of a suitable monitoring mechanism to ensure that Common Services Centres (CSCs) in each of 2.50 lakh Gram Panchayats (GPs) across the country are functional and successfully delivering eGovernance services to the citizens as per the prescribed norms. There is also a need to develop a suitable feedback mechanism wherein the users can share their feedback of availing services through these CSCs. The Committee note Ministry's admission that CSC e-Governance Services India Limited is not a Government-owned company and would like to know the basis of tie-ups of CSC e-Governance Services India Limited with State Governments for delivery of services. In this regard the Committee would also like the Ministry to examine implementation aspects of CSC scheme.

Reply of the Government

Monitoring Mechanism

CSC E-Governance Services India Limited - A Special Purpose Vehicle (CSC SPV) apprised that it has the following mechanism for suitably monitoring the functionality of Common Services Centers (CSCs) in rural and urban areas:

- The District level functionaries (District Manager/District Coordinators) of CSC SPV under the project CSC 2.0 visit 75 CSCs in a month in all the districts (excluding North East Region(NER) & difficult terrain), the district functionaries visit 45 CSCs in a month in NER to ensure the functionality of the CSCs as well as hand holding the Village level entrepreneurs (VLEs) to delivery of services to the citizen.

- The State team (State Project Managers/State Coordinators) also undertake field visits regularly to supervise the functionality of the CSCs. They also hold weekly/fortnightly/monthly meeting to review and monitor the performance of the CSCs.

- CSC SPV centrally holds the quarterly review meetings with the State Heads and the vertical heads to review performance of the CSCs.

- CSC SPV has also developed a digital analytics dashboard to monitor the functions of CSCs as well as status of delivery of services through the Common Services Centres. This dashboard displays the details of CSCs which delivered

services to the citizens during the last two financial years – Month-wise, weekly, and daily basis.

- Further CSC SPV informed that IT secretary of all the State/ UT Administrations, District collectors, the designated authorities in the Ministry of Information Technology (MeitY) can access to the dashboard to see the details of the CSCs delivering various services. Apart from them, the State teams of CSC-SPV as well as district level functionaries also access the dashboard regularly to monitor the functionality of the CSCs.

Feedback mechanism

- CSC SPV apprised that it has set up a toll-free helpdesk number through which VLEs can raise tickets to get redressal of their issues and problems.

- The citizens may also lodge their feedback through phone number and email to CSC SPV available on the website https://cscspv.in/.

- Efforts are being made by CSC SPV to further improve the feedback mechanism for citizen about their experience on availing the services of CSC.

Tie-ups of CSC e-Governance Services India Limited with State Governments

- CSC SPV apprised that it has tied up with various State Governments/State Government organisations/States' statutory bodies for integration of their services with the Digital Seva portal (service delivery platform, managed and operated by CSC SPV) for delivery of services to the citizens through the Common Services Centres. It may be stated that the project "CSC 2.0: A way forward" has been approved by MeitY to be implemented by CSC SPV with the objective to expend CSC network in 2.5 lakh Gram Panchayats (GPs) on self-sustainable model.

- As per the implementation of the project "CSC 2.0", - *"All the respective applications will be integrated with the proposed universal platform of CSC (managed by CSC SPV, i.e. CSC e-Governance Service India Limited) for all the services. This includes integration of State/UT portals, e-Districts services"*. Accordingly, CSC-SPV tied up with various State Governments/State Government organisations/Statutory bodies for integration of States' services with the Digital Seva Portal for making CSC (VLE) self-sustainable. Under which central/state governments & UT Administrations has integrated their services to be delivered through the Digital Seva Portal of CSCSPV. Till date (as on July, 2023) 12 States and 2 Union Territories have integrated their services with the Digital Seva Portal.

- Further, some of the state governments have a CSC like structure in their own states for delivery of services to citizens, and some states has allowed private entities along with CSCSPV to deliver these services for easy access to citizen in his/her locality. CSCSPV is making continuous efforts to integrate various services with the Digital Seva Portal.

Comments of the Committee
(Pl See Para No. 14 of Chapter- I)

(Recommendation Sl. No.13)

<u>**Promotion of Digital Payments – Lack of coordination amongst different stakeholders**</u>

The Committee, in their Original Report, had recommended as under:

"The Committee note that the Ministry is undertaking a number of activities for promotion of digital payments which inter-alia include (i) incentivizing merchants, individuals and banks for digital payments; (ii) launch of innovative Payment solutions such as e-RUPI, UPI123PAY, UPI Lite BHIM 2.0 & AEPS; (iii) development of Digital Payment acceptance infrastructure and Digital Payments Dashboard, Awareness & Capacity building initiatives; (iv) promotion of Fintech startups; and (v) campaigns to educate citizens about cyber frauds. The Committee are glad to note that the number of digital transactions taking place in the country has almost doubled from 4572 crore transactions in the year 2019-20 to about 8840 crore transactions in the year 2021-22 with the growth trajectory likely to continue in future. However, with widespread adoption of digital modes of payment, there is likelihood of rise in frauds relating to digital transactions which needs to be curtailed by way of adopting security safeguards, quick response, an effective grievance redressal mechanism and so on. When asked about the nodal agency to address issues faced by end-users in digital payments space, the Ministry have informed that as per Gazette Notification dated 13.02.2017, Government of India (Allocation of Business) Rules, 1961, the matter regarding "Promotion of Digital transactions including Digital Payments" has been allocated to Ministry of Electronics & IT (MeitY). Further, the PSS Act, 2007 (Payment and Settlement Systems Act) provides for the regulation and supervision of payment systems in India and designates the RBI as the authority for that purpose and all related

matters. The above referred act is administered by Deptt of Financial Services, GOI. Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes, with a special focus on cyber-crimes against women and children. The Committee had sought data regarding total number of cases of fraud for each type of digital payments mode during the last three years and the nature of such frauds. However, till the time of finalization of this Report, the requisite information was not furnished by the Ministry and the same may be furnished expeditiously. The Committee further note that while all efforts including provision of annual budget of Rs. 1500 crore are aimed at promotion of digital payments, there is a need to have commensurate focus on coordination amongst different stakeholders in the digital payments ecosystem such as the Fintech App providers, the telecom service providers, the respective banks, RBI, MHA portal for cybercrime, the local police and so on which are currently working in silos. In the present scenario, victims of digital payment fraud end up running from pillar to post and have to deal with multiple stakeholders causing undue harassment and resulting in general reluctance in reporting cases of digital payments related frauds. The Committee strongly recommend creation of a nodal agency having all the stakeholders in the digital payments ecosystem on board to address issues relating to digital payments which can greatly aid in coordination amongst the different stakeholders including the law enforcement agencies, creating standard operating procedures and protocols to be followed in cases of digital payments related frauds. Thereby the victims are not hassled and are able to recover their losses to the extent possible within a reasonable timeframe. The Committee would like to be apprised of the progress made in this regard."

Reply of the Government

As desired by the committee, total number of cases related to Grievances and Frauds for last three years is as mentioned below:

Part 1: Grievances

SNo	Mode of Digital Payment	Total number of user grievances (received and disposed-off)		
		F.Y 2019-20	F.Y 2020-21	F.Y 2021-22
1	ATM/Debit Cards	67,091	60,203	41,375
2	Credit Cards	26,015	40,721	32,162
3	Mobile/Electronic Banking	39,758	46,984	41,548
4	Prepaid Payment Instruments	175	253	218

Source: RBI

Part 2(a): Frauds with RBI as source

Details of number of frauds and amount involved reported by banks in the category 'Card/Internet - Debit Cards, Credit Cards and Internet Banking' during the last three years (2019-20 to 2021-22)						
	2019-20		2020-21		2021-22	
Category of fraud	Number of Frauds	Amount involved (₹ in crore)	Number of Frauds	Amount involved (₹ in crore)	Number of Frauds	Amount involved (₹ in crore)
Card/Internet - **ATM/Debit Cards**	36978	102.13	35264	90.75	26877	88.54
Card/Internet - **Credit Cards**	26580	74.69	18248	51.24	21612	92.59
Card/Internet - **Internet Banking**	9828	67.19	20476	86.66	17404	77.47
Total	73386	244.01	73988	228.65	65893	258.61
Notes:						
1. The data may change subject to rectification/updation made subsequent to first reporting by banks (in respect of individual frauds).						
2. The amount of frauds worth of less than ₹1 lakh has been captured from April 01, 2017						

Source: RBI

Part 2(b): Frauds with NPCI as source

Details of number of frauds in the category 'UPI during the last three years (2019-20 to 2021-22) with NPCI as source			
Period	Volume of Transaction in Lakh	Count of Fraud reported cases in Lakh	% of Fraud Cases
FY19-20	125,186.19	0.18	**0.0001%**
FY20-21	223,306.54	0.77	**0.0003%**
FY21-22	459,675.68	0.84	**0.0002%**
FY22-23 * (Upto Feb,2023)	750,657.19	0.95	**0.0001%**

Source: NPCI

Further, 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the capacity building of their Law Enforcement Agencies (LEAs), prevention, detection, investigation and prosecution of crimes including cyber-crimes through their LEAs. The LEAs take legal action as per provisions of law against the offenders and Ministry of Home Affairs supplements the initiatives of the State Governments through financial assistance under various schemes for their capacity building and advisories to deal with cyber-crimes.

Ministry of Home Affairs has launched the Indian Cybercrime Coordination Centre (I4C) to deal with cyber crime in the country in a coordinated and comprehensive manner and National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber complaints.

The following are the objectives of I4C:

i. To act as a nodal point to curb Cybercrime in the country.
ii. To strengthen the fight against Cybercrime committed against women and children.
iii. Facilitate easy filing Cybercrime related complaints and identifying Cybercrime trends and patterns.
iv. To act as an early warning system for Law Enforcement Agencies for proactive Cybercrime prevention and detection.
v. Awareness creation among public about preventing Cybercrime.
vi. Assist States/UTs in capacity building of Police Officers, Public Prosecutors and Judicial Officers in the area of cyber forensic, investigation, cyber hygiene, cyber-criminology, etc.

As such I4C is a nodal agency to curb cybercrime in the country and is interacting with all stakeholders.

Comments of the Committee
(Pl See Para No. 17 of Chapter- I)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF
WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

National Informatics Centre (NIC) –providing ICT & eGovernance support

(Recommendation Sl. No.4)

The Committee note that National Informatics Centre (NIC), which was established in 1976, has rich experience in providing ICT and eGovernance support in last 4 decades. By establishing the ICT Network, 'NICNET', NIC has facilitated the institutional linkages with all the Ministries/Departments of the Central Government, 37 State Governments/Union Territories, and about 741+ District Administrations of India. Nationwide Network of National Informatics Centre comprises over 1000 LANs of Govt. offices and more than 5 lakh nodes across over 8000 locations. The data centres of NIC host more than 8000 websites of the Government in secure environment. NIC National Cloud (Meghraj) is presently hosting a number of critical applications on over 20,000 virtual servers supporting over 1200 e-Governance projects / User departments under Digital India. With the launching of Digital India Programme by Hon'ble Prime Minister, the role of NIC has increased manifold. NIC has aligned itself with mission and vision of Digital India Programme. Generic, configurable eGovernance products/applications have been developed using cutting edge technologies including mobile, cloud, data analytics, BI and advanced GIS for important socio-economic sectors covering Rural Development, Food and Civil Supplies, Agriculture, Industry & Commerce, Labour& Employment, Judiciary, Finance, Education etc. NIC has been responsible for country-wide implementation of various e-Governance projects including many Mission Mode Projects of the department. eCourts, Virtual Courts, Soil Health Card, Kisan Rath, eUrvarak, eTransport, eHospital, eOffice, eWayBill, Cooperative Core Banking Solution (CCBS), Immigration Visa Foreigners Registration & Tracking (IVFRT), National Scholarship Portal, eCounselling, NGDRS, GePNIC, eAuction India, DARPAN, PARIVESH, ServicePlus, eHRMS, CollabDDS, CollabCAD, S3WaaS (Secured, Scalable and Sugamya Website as a Service), etc are some of the major ICT initiatives taken up by

NIC. Regarding increase in allocation from BE to RE during 2022-23, the Ministry apprised that the increase of funds Under the Budget Head salaries is due to the payment of arrears to the NIC employees in view of the judgment of the Hon'ble Supreme court of India during RE 2022-23. Regarding the gap between the amount proposed and allocation made at BE during 2023-24, it was informed that mainly the fund requirement under the Capital Budget has been reduced. Due to which the upgradation of ICT infrasturce in the Districts will be taken up in a phased manner depending upon the availability of funds. Keeping in view the critical role played by NIC as a provider of eGovernance support and ICT infrastructure to Central Government, State Governments, UT Administrations, Districts and other Government bodies, the Committee recommend the Ministry to be sensitive to requirements of NIC and address the constraints faced by the organization particularly infrastructure related concerns so that their ability to provide and maintain the critical IT infrastructure backbone is not affected owing to want of resources.

Reply of the Government

- Over the years number of projects has increased exponentially and their National roll-outs have necessitated the need for increased manpower resources across these and core services such as Data Centre, Network Operations, Cyber Security, Video Conferencing etc. Moreover, Digital India program has exponentially increased use of digital services in G-to-C and G-to-G. The increased adoption of ICT has also triggered the need to have specialized infrastructure set ups such as Network Operation Centre, Command and Control Centre, Centre of Excellence for Data Analytics, Artificial Intelligence, Open Stack, iGOT, Sandesh, Training etc.

- NIC is facing tremendous shortage of space to accommodate manpower resources and critical infrastructure at the NIC(HQ) in CGO Complex, New Delhi. The space requirement could be addressed by re-construction/ re-development of Master Earth Station (MES) site of NIC located in CGO Complex, New Delhi.

- The re-development of MES site will provide 35000 Sqft of usable space, which will partially address the space requirement of NIC.

- In this regard, on request of NIC, CPWD has submitted a proposal to reconstruct the existing MES site at an estimated cost of Rs. 85 Crores.

- Administrative Approval and Expenditure Sanction (AA&ES) has been conveyed to the CPWD after concurrence and approval of the layout and estimated cost of the proposed construction work by the competent authority. Handing over the site to CPWD is in process.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

National Informatics Centre (NIC)- Manpower issues

(Recommendation Sl. No.5)

The Committee note that the proposal for creation of 1407 new posts (subsequently reworked to 1392) is pending for approval since 2014. The proposal was initiated in 2014 and was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance (MoF) for concurrence. The proposal was received back from the Ministry of Finance for seeking clarifications on some points which have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to Ministry of Finance through MeitY for further consideration in February, 2020. MoF has made some further observations and sought additional information. Necessary inputs are being compiled for re-submission to MoF.Apart from the above, NIC has also moved a separate proposal in the year 2022 for the creation of 212 new posts to meet the requirement of deploying technical manpower at the level of DIO and ADIO in the newly created District Centres in the states. The proposal is yet to be approved. In addition to above, NIC has also initiated the drive for recruitment of 754 Scientific & Technical (S&T) Group-A and Below Group-A posts (including 598 S&T vacant posts under Mission Mode Recruitment (MMR)) of the level of Scientific/Technical Assistant-A to Scientist-F through recruiting agency NIELIT in the year 2022- 23 against the vacancies arising due to superannuation, VRS, Resignations and Deaths etc including anticipated vacancies till December 2023. Given the significant role played by NIC as key IT infrastructure

provider for the Government, the Committee recommend the Ministry to undertake a review of requirements at NIC with follow up action on all pending recruitments in a time-bound manner. The Ministry may furnish a detailed note to the Committee containing year-wise data since 2014 regarding the sanctioned strength, the actual strength, the status of proposal for creation of new posts and the status of filling up of the vacancies arising due to superannuation, VRS, Resignations and Deaths etc. The Committee may also be apprised of the action taken.

Reply of the Government

(i)   The year-wise data since 2014 regarding sanctioned strength, the actual strength is given below:

Data as on	Post sanctioned	Men in position	Vacancy	Remarks
01.03.2014	4534	4074	460	
01.03.2015	4534	4109	425	
01.03.2016	4534	4058	476	
01.03.2017	4536*	3969	567	* Created 1 post of Scientist-C & 1 post of STA-B encadred for Cab. Sectt.
01.03.2018	4950 **	3894	1056	**Created 2 posts of Sci-F for PFMS, 1 post of Sci-E for DGCA, 12 posts of Sci-D (4 for Cyber Security & 8 for PFMS), 111 posts of Sci-C (4 for DGCA, 99 for Cyber Security & 8 for PFMS), 288 post of Sci-B (252 for Cyber Security & 36 for PFMS)
01.03.2019	4838 ^	3963	875	^ Abolished 1 post of Assistant Vigilance Officer, 1 post of Transport Supervisor, 1 post of Vigilance Assistant, 2 posts of Care Taker, 1 post of Sr. Reprographer, 9 posts of Steno Grade-III, 16 posts of JSA, 1 post of Asst. Manager/Store Keeper, 80 posts of MTS.
01.03.2020	4839 ^^	3976	863	^^ Created 1 post of Director
01.03.2021	4839	3857	982	
01.03.2022	4831 ^^^	3866	965	^^^Abolished 3 posts of Tradesman-B (DEO), 1 post of

				Care Taker, 1 post of Sr. Reprographer, 1 post of Cook & 2 posts of Canteen Attendant.

(ii)   Status of proposal for creation of new posts:

- The proposal for creation of 1407 (reworked now to 1392) posts in NIC was initiated in 2014. The proposal was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance for concurrence. The proposal was received back from Ministry of Finance for seeking clarifications on some points which have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to the Ministry of Finance through MeitY for further consideration in February, 2020. M/o Finance have made some further observations and sought additional information. Necessary inputs have been compiled and submitted for re-submission to Ministry of Finance.

- The proposal for creation of 212 new posts to meet out the requirement of deploying technical manpower of the level of DIO & ADIO in newly created District Centres in the states was received back from IFD, MeitY seeking additional information. Necessary inputs are being compiled for re-submission.

(iii)   Status of filling up of vacancies arising due to superannuation, VRS, Resignations and Deaths etc.:

Details of recruitment conducted since 2013 till date are as given below:

Recruitment Year	Advertisement no.	Advertised post & no. of posts
2013	NIELIT/2013/Rectt./01	Scientific/Technical Assistant-A (150 posts)
2017	NIELIT/NDL/NIC/2017/7	Scientist-B (81 posts) Scientific/Technical Assistant-A (259 posts)
2020	NIELIT/NIC/2020/1	Scientist-B (288 posts) Scientific/Technical Assistant-A (207 posts)
2022	NIELIT/NIC/2022/2 **(In process)**	Scientist-F (2 posts) Scientist-E (1 post) Scientist-D (12 posts) Scientist-C (141 posts)
2023	NIELIT/NIC/2023/1 **(In process)**	Scientist-B (71 posts) Scientific Officer/Engineer-SB (196 posts) Scientific/Technical Assistant-A (331 posts)

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Comments of the Committee
(Pl See Para No. 11 of Chapter- I)

Cyber Security (CERT-In), NCCC & Data Governance

(Recommendation Sl. No.7)

The Committee note that allocation of funds at the BE stage in FY 2022-23 was Rs.215 Cr which was revised to Rs.180 Cr at RE stage i.e. 84% of BE. The reduction at RE stage was due to non-availability of co-location site for Data Centre of National Cyber Coordination Centre (NCCC). Out of total allocation of Rs.180 Cr, an amount of Rs.120 Cr (upto 30.01.2023) had been utilized. The Indian Computer Emergency Response Team (CERT-In) under the Ministry of Electronics and Information Technology (MeitY), Government of India has been designated under Section 70B of the Information Technology Act, 2000 to serve as the national agency in the area of cyber security incident response. CERT-In has setup NCCC to generate necessary situational awareness of existing and potential cyber security threats and enable timely information sharing for proactive, preventive and protective actions by individual entities. The phase-I of NCCC has been operationalized from July 2017. NCCC project was merged with regular activities of CERT-In from the FY 2021-22. The budget requirement of NCCC establishment component has also been merged with regular budget of CERT-In from FY 2021-22. For performing various functions, CERT-In is maintaining systems and solutions and augmenting the same to deal with latest cyber security threats and mitigation measures. Physical targets for FY 2022-23 were primarily for sustaining the existing and ongoing activities *viz.* Cyber Swachhata Kendra, Cyber Threat Intelligence Sharing, tools for Incident response and cyber security auditing, analytic solution and tools for Cyber Security Drills, setting up of vulnerability research Lab for CVE numbering authority, CERT-In ICT Infrastructure (Web, Email and Security etc.) through Annual maintenance as well as augmentation/upgradation. In addition, CERT-In is also targeting to set up a new platform for Cyber Security Training activities a.k.a. Cyber AbhyasSuvidha (CAS) in

the FY 2022-23. There is no shortfall in achieving the set targets. The targets at BE and RE in the FY 2023-24 are for the procurement of capital IT infrastructure items (hardware, software and networking) for CERT-In activities and projects as well as for establishment (Salary, Medical, Travel, Office Expenses and Training etc.) On the impediments faced by CERT-In, it was informed that CERT-In is in urgent need of additional manpower to keep up with the rapid increase in the incidents and cyber security issues, urgent nature of incident response activities including onsite response, to sustain key current as well as planned new activities / projects and to address cyber security issues pertaining to emerging technologies and areas. To address the challenge, CERT-In has already moved a proposal for additional creation of posts at various levels. In view of the fact that CERT-In, which has been designated under Section 70B of IT Act, 2000 to serve as the national agency in the area of cyber security incident response, the Committee recommend the Ministry to meet the requirements of CERT-In and address the constraints faced by the organization in general and shortage of trained manpower in particular so that its ability to discharge its functions as mandated under Section 70B of the IT Act is not adversely affected.

Reply of the Government

The Indian Computer Emergency Response Team (CERT-In) has sub mitted proposal for creation of posts at various levels. The proposal is endorsed by Pers. Division of MeitY and is currently being processed by IFD, MeitY for submission to Department of Expenditure.

Proposal for creation of 59 posts for NCCC was earlier submitted to Dept of Expenditure by MeitY and same is pending at their end.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Digital India Programme – Need for optimum utilization of funds

(Recommendation Sl. No.8)

The Committee note that in 2023-24, the BE allocation to Digital India Programme stands at Rs.4795.24 crore which is a reduction of Rs. 580.94 crore or around 10.81% in comparison to the BE allocation during the last year which stood at Rs. 5376.18 crore. The actual utilization during 2022-23 (till 31.01.2023) stands at 2100.96 crore which is around 39% of the Revised Estimate. When asked whether the Ministry was hopeful of achieving full utilization of funds allocated during 2022-23 by the end of March 2023, it was informed that MeitY was quite hopeful of achieving full utilization of funds allocated in RE 2022-23 by the end of March 2023 in view of receipt of disbursal proposals under various incentive schemes which are presently being examined for necessary disbursements. In 2023-24, barring Promotion of Digital Payments, other major schemes such as Promotion of Electronics and IT Hardware Manufacturing and National Knowledge Network have got reduced allocation in comparison to the previous year. The reasons furnished for reduced allocation to Promotion of Electronics and IT Hardware Manufacturing included non-incurring of expenditure during the 1st half of FY 2022-23 leading to cut in Budget Estimate for the year 2023-24 and lack of clarity on revised procedure for flow of funds. Initially, the scheme was placed in Model 1 and now after a lapse of 8-9 months, the scheme is being shifted to Model 2 and no specific scheme for the welfare of social sector like Scheduled Castes and Scheduled Tribes. Regarding the reduced allocation to National Knowledge Network it was informed that the next phase of NKN i.e. Digital India Infoway (DII) is in the process of approval. Once DII gets approved, the NKN would be subsumed in it and if required, efforts would be made to seek additional funds in the supplementary Demand for Grants. Since FY 2021-22, there has been reduction in utilization of allocated funds in the Digital India Proogramme. In stark contrast to FY 2020-21, when there was almost full utilization of allocation at RE stage, the utilization of RE stage allocation in 2021-22 and 2022-23 (till 31.01.2023) stood at 71% and 30% respectively. Keeping in view the importance of the flagship Digital India Programme that weaves together important sub-schemes of the Government, the Committee exhort the Ministry to improve utilization of the allocated

funds and ensure that implementation of the sub-schemes which form part of the Digital India Program do not get derailed due to underutilization of funds.

Reply of the Government

The esteemed comments of the Committee have been noted. MeitY has been taking all possible efforts to ensure that all the schemes under Digital India Umbrella Programme are successfully implemented through utilization of allocated funds. The utilization of funds under various schemes is being monitored regularly and the impediments in implementation of schemes are also being discussed and sorted out.

(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India and Production Linked Incentive (PLI) Scheme

(Recommendation Sl. No.15)

The Committee note that the scheme Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India was approved on 15.12.2021 with an outlay of Rs. 76,000 crore for the development of sustainable semiconductor and display ecosystem in the country. The scheme was conceptualized in furtherance of the vision of Aatmanirbhar Bharat and to position India as the global hub for Electronic System Design and Manufacturing. The Ministry of Electronics and Information Technology has been mandated to take requisite steps for modernization and commercialization of Semi-conductor Laboratory (SCL), Mohali. The scheme provides (a) incentives for setting up of Semiconductor Fabs in India, (b) setting up of Display Fabs in India, (c) setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, (d) Testing, Marking and Packaging (ATMP) / OSAT facilities in India and (e) Design Linked Incentive (DLI) Scheme. The Committee further note that Semiconductor and Display manufacturing are very complex and technology intensive industry with huge capital investments, high risk, long gestation and payback periods, and rapid changes in technology requiring significant and sustained investments. The programme for Development of Semiconductors and Display Manufacturing Ecosystem in India has further been modified in view of the aggressive incentives offered by countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies. The modified programme aims to provide financial

support to companies investing in semiconductors, display manufacturing and design ecosystem. This will serve to pave the way for India's growing presence in the global electronics value chains. The programme will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. On the achievements under the scheme so far, it has been informed that India Semiconductor Mission (ISM) has been set up as an Independent Business Division within Digital India Corporation having administrative and financial autonomy to drive India's strategies for developing semiconductors and display manufacturing ecosystem. Envisioned to be led by global experts in the Semiconductor and Display industry, ISM will serve as the nodal agency for efficient, coherent and smooth implementation of the schemes. A total of 29 applications have been received under the Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India. Three (3) applications under setting of semiconductor Fabs in India; 2 applications under setting up of Display Fab in India; 3 applications under setting up of compound & ATMP facilities in India; and 21 applications under Design Linked Incentive Scheme, have been received. ISM has recommended one application for approval under the Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India'. ISM has also recommended one application for approval under the Scheme for setting up of semiconductor fabs in India. The Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing was notified on 01.04.2020. The scheme extends an incentive of 3% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target segments viz. Mobile Phones and specified Electronic Components, to eligible companies, for a period of 5 years, to boost domestic manufacturing and attract large investments in the electronics value chain including electronic components and semiconductor packaging. Production Linked Incentive Scheme (PLI) for IT Hardware was notified on 03.03.2021. This scheme extends an incentive of 4% to 2% / 1% on net incremental sales of goods under target segments - Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers for a period of four years (FY2021-22 to FY2024-25). The target IT hardware segments under the Scheme include Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers. The Committee are given to understand that the scheme is running successfully. As of December 2022, under PLI Scheme for Large Scale Electronics Manufacturing, production of ₹2,39,609 crore; investment of ₹5,124 crore and employment of 52,509 has been achieved. Further, As of December 2022, PLI scheme for IT Hardware has led to production of INR 4138 crore, investment of INR 129 crore and generated 514 direct jobs. Further, Round 2 of PLI Scheme for IT Hardware is under formulation. While lauding the Ministry for undertaking the scheme to incentivize such complex and technology intensive industry which involves huge capital investments, high risk, long gestation and payback periods

along with rapid changes in technology requiring significant and sustained investments and facing severe competition from countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies, the Committee hope that both the flagship schemes will help pave the way for India's growing presence in the global electronics value chain.

<u>Reply of the Government</u>

The esteemed comments of the Committee have been noted for compliance.

<u>PLI for LSEM and IT Hardware:</u>

The afore-stated information w.r.t. PLI Scheme for LSEM is updated.

<u>Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India:</u>

One proposal for setting up a Semiconductor Fab and one proposal for setting up of a semiconductor packing facility, are under consideration.
(Ministry of Electronics and Information Technology O.M. No. 2(1)/2021- Budget (Vol. II) dated 16/08/2023)

New Delhi;   **PRATAPRAO JADHAV,**
<u>1</u>5 **December,2023**

                                                                                                     Chairperson,
24 Agrahayana, 1945 (Saka)   **Standing Committee on Communications and Information Technology.**

STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY

(2023-24)

MINUTES OF THE THIRD SITTING OF THE COMMITTEE

The Committee sat on Thursday, the 14 December, 2023 from 1615 hours to 1745 hours in Committee Room No. '3', Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Prataprao Jadhav- Chairperson

MEMBERS

Lok Sabha

2.   Shri Karti P. Chidambaram

3.   Smt. Sunita Duggal

4.   Dr. Sukanta Majumdar

5.   Shri Santosh Pandey

6.   Shri Sanjay Seth

7.   Shri Ganesh Singh

8.   Shri Shatrughan Prasad Sinha

Rajya Sabha

9.   Dr. Anil Aggarwal

10.   Dr. John Brittas

11.   Shri Syed Nasir Hussain

12.   Shri Praful Patel

13.   Shri Kartikeya Sharma

14.   Shri Jawahar Sircar

15.   Shri Lahar Singh Siroya

SECRETARIAT

1.	Shri Satpal Gulati	-	Additional Secretary
2.	Smt. Jyothirmayi	-	Director
3.	Shri Nishant Mehra	-	Deputy Secretary

2.   At the outset, the Chairperson welcomed the Members to the Sitting of the Committee convened to consider and adopt two draft Action Taken Reports on Demands for Grants (2023-24) relating to the Ministries/Departments under their jurisdiction and to have briefing by the representatives of the Ministry of Information and Broadcasting, Department of Telecommunications, Telecom Regulatory Authority of India (TRAI) and All India Digital Cable Federation (AIDCF) on the Subject 'Regulation of Cable Television in India' relating to Ministry of Information and Broadcasting.

3.   The Committee, then, took up the following two draft Reports for consideration and adoption:-

(i)   Draft Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-fifth Report on 'Demands for Grants (2023-24)' relating to the Ministry of Electronics and Information Technology.

(ii)   Draft Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-seventh Report (Seventeenth Lok Sabha) on 'Review of functioning of Central Board of Film Certification (CBFC)' relating to the Ministry of Information and Broadcasting.

4.   The Committee adopted the Reports without modifications.

5.   The Committee authorized the Chairperson to finalize the draft Action Taken Reports and present the same to the House during the current Session of Parliament.

6.   XXXXX…..XXXXX…….. XXXXX…..XXXXX….. XXXXX…..XXXXX

7.   XXXXX…..XXXXX…….. XXXXX…..XXXXX….. XXXXX…..XXXXX

The witnesses then withdrew.

Verbatim Proceedings of the sitting have been kept on record.

The Committee, then, adjourned.

XXX...XXX....Matter not related

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THEIR FORTY-FIFTH REPORT

(SEVENTEENTH LOK SABHA)

[Vide Paragraph No. 5 of Introduction]

(i) Observations/Recommendations which have been accepted by the Government

Rec. Sl. Nos.: 1,2,3,6,9,11,12 and 14

Total -08	
Percentage	53.33

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government

Rec. Sl. No.: Nil

Total - 00	
Percentage	00.00

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration

Rec. Sl. Nos.: 10 and 13

Total - 02	
Percentage	13.33

(iv)   Observations/Recommendations in respect of which the
       replies of the Government are of interim in nature

       Rec. Sl. Nos.: 4,5,7,8 and 15

                                          Total - 05

                              Percentage   33.33