25	# STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2005-2006) **FOURTEENTH LOK SABHA**

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DEPARTMENT OF INFORMATION TECHNOLOGY)

[Action taken by Government on the Recommendations/Observations of the Committee contained in their Fifteenth Report (Fourteenth Lok Sabha) on Demands for Grants (2005-2006)

TWENTY-FIFTH REPORT

सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2005/*Pausa,* 1927 *(Saka)*

TWENTY-FIFTH REPORT

STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2005-2006)

(FOURTEENTH LOK SABHA)

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY
(DEPARTMENT OF INFORMATION TECHNOLOGY)

[Action taken by Government on the Recommendations/Observations of the Committee contained in their Fifteenth Report (Fourteenth Lok Sabha) on Demands for Grants (2005-2006)

Presented to Lok Sabha on 23.12.2005
Laid in Rajya Sabha on 23.12.2005

सत्यमेव जयते

LOK SABHA SECRETARIAT
NEW DELHI

December, 2005/Pausa, 1927 (Saka)

C.I.T. No. 147

Price : Rs. 25.00

CONTENTS

COMPOSITION OF THE STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2005-2006)

Shri M.M. Pallam Raju — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Chaudhary
3. Shri Mani Charenamei
4. Shri Sanjay Shamrao Dhotre
5. Kunwar Jitin Prasada
6. Shri Kailash Joshi
7. Shri P. Karunakaran
8. Dr. P.P. Koya
9. Shri P.S. Gadhavi
10. Shri Ajay Maken
11. Smt. Nivedita Sambhajirao Mane
12. Smt. P. Jayaprada
13. Shri G. Nizamuddin
14. Shri Sohan Potai
15. Shri Ashok Kumar Rawat
16. Shri Chandra Sekhar Sahu
17. Shri Vishnu Deo Sai
18. Shri Tathagata Satpathy
19. Shri K.V. Thangkabalu
20. Shri P.C. Thomas
21. Shri Ram Kripal Yadav

Rajya Sabha

22. Shri Vijay J. Darda
23. Shri Ashwani Kumar
24. Dr. Akhilesh Das
25. Shri Balbir K. Punj

26. Shri Dara Singh
*27. Shri A. Vijayaraghavan
28. Shri N.R. Govindrajar
29. Shri K. Rama Mohana Rao
30. Shri Motiur Rahman
31. Shri Ekanath K. Thakur

<div align="center">

SECRETARIAT

</div>

1. Shri John Joseph	—	*Secretary*
2. Shri P. Sreedharan	—	*Joint Secretary*
3. Shri Raj Shekhar Sharma	—	*Director*
4. Shri Hoti Lal	—	*Assistant Director*
5. Smt. Geeta Parmar	—	*Executive Officer*

---

*Nominated *w.e.f.* 27.9.2005.

INTRODUCTION

I, the Chairman Standing Committee on Information Technology (2005-06) having been authorised by the Committee to submit the Report on their behalf, present this Twenty-Fifth Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Fifteenth Report (Fourteenth Lok Sabha) on "Demands for Grants (2005-2006)" relating to the Department of Information Technology.

2. The Fifteenth Report was presented to Lok Sabha on 21.4.2005 and laid in Rajya Sabha the same day. The Department furnished Action Taken Notes on the Recommendations/Observations contained in the Report on 2.8.2005.

3. The Report was considered and adopted by the Committee at their sitting held on 20.12.2005.

4. For facility of reference and convenience Recommendations/Observations of the Committee have been printed in bold letters in the body of the Report.

5. An analysis of Action Taken by Government on the recommendations/observations contained in the Fifteenth Report (Fourteenth Lok Sabha) of the Committee is given at Annexure-II.

New Delhi;
21 *December,* 2005
30 *Agrahayana,* 1927 *(Saka)*

M.M. PALLAM RAJU,
Chairman,
Standing Committee on
Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the recommendations/observations contained in the Fifteenth Report (Fourteenth Lok Sabha) on Demands for Grants (2005-06) relating to Ministry of Communications and Information Technology (Department of Information Technology).

2. The Committee's Fifteenth Report was presented to Lok Sabha on 21st April, 2005 and was also laid on the Table of Rajya Sabha the same day. It contained 46 Observations/Recommendations. Action Taken Notes in respect of all these Observations/Recommendations have been received from the Department of Information Technology. Replies to the observations and recommendations contained in the Report have been categorised as under:

(i) Recommendations/Observations which have been accepted by the Government:
Sl. Nos. 1, 2, 3, 4, 8, 11, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 34, 35, 36, 37, 38, 39, 40, 44, 45 and 46

Total : 31
Chapter-II

(ii) Recommendations/Observations which the Committee do not desire to pursue in view of the reply of the Government:
Sl. Nos. 12, 13, 14, 18, 30, 33, 41, 42 and 43

Total : 9
Chapter-III

(iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Sl. Nos. 5, 6, 7, 9, 10

Total : 5
Chapter-IV

(iv) Recommendations/Observations in respect of which replies are of interim nature:
Sl. No. 19

Total : 1
Chapter-V

3. The Committee trust that utmost importance would be given to the implementation of the recommendations accepted by the Government. In cases, where it is not possible for any reason for the Department to implement the recommendations in letter and spirit, the matter should be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Notes on the Recommendations/Observations contained in Chapter-I and final replies to the recommendations contained in Chapter-V of this Report should be furnished at an early date.

4. The Committee will now deal with the action taken by Government on some of the recommendations.

Enhancing the Budgetary Allocations

Recommendation (Nos. 2 & 3)

5. Emphasising on the need to enhance the Tenth Plan allocation for the Department of Information Technology (DIT), the Committee had made the following observations/recommendation:

"The Committee observe that the Planning Commission has approved a total budgetary support of Rs. 2714 crore to the Department of Information Technology (DIT) for the Tenth Five Year Plan period and the Department incurred an expenditure of Rs. 604.98 crore in the first three years of the plan. Assuming that the proposed BE of Rs. 929.30 crore for the year 2005-06, which is the fourth year of the plan, is fully utilized, the Department will be left with a budgetary support of only Rs. 179.72 crore for the last year of the Tenth Plan. The Committee further note that the IT industry is, admittedly, one of the fastest growing sectors of the Indian economy and the thrust of the DIT's projects/schemes is to prepare a strong base for vibrant growth of this sector through its various activities and therefore the Department needs sufficient budgetary provisions. As the Department has itself, in the Mid-term appraisal, highlighted their requirement of budgetary support of Rs. 2500 crore for the last two years of the Tenth Plan, the unutilized portion of the earlier approved plan outlay being Rs. 179.72 crore, would not be able to meet the requirements of the Department in undertaking its various important projects up to the desired level. Some of these projects are e-Governance, Community Information Centres (CICs) and Vidya Vahini Programme, Nanotechnology, Special Manpower Development for VLSI Design, Information security Education and Awareness Programme, C-DAC and National Information Centre (NIC). The

Planning Commission ought to have taken note of the vital importance of the schemes in the development of the IT sector in the country. The Committee would, therefore, strongly recommend the Department to take up the matter with the Planning Commission at an appropriate level for enhancing suitably the Tenth Plan allocation to provide adequate budgetary support for different projects being undertaken by the DIT. The Government should extend all its legislative support to ensure that the Information Technology sector meets its projections in the Software, ITES, BPO and the hardware sectors."

6. The Department of Information Technology in their action taken reply have stated as follows:

"A budgetary support of Rs. 2,714 crore has been approved for the Department of Information Technology for the Tenth Five Year Plan. Against this, DIT is likely to incur an expenditure of about Rs. 2,534 crore on its plan schemes in the first four years of the Plan. Thus, a balance of only Rs. 180 crore would be left for the last year of the plan. This will have a tremendous adverse impact on the programmes of this Department especially since existing provisions are very limited.

The Common Minimum Programme (CMP) of the United Progressive Alliances (UPA) has affirmed the commitment of the alliance to promote e-Governance on a massive scale. This also figures prominently in the address of the President to the Parliament on 7.6.2004. To give effect to this commitment, a thrust in the DIT budgetary support would be required for the implementation of the National e-Governance Plan.

The Department of Information Technology programmes in Information Technology which are also the Core programmes of the Department have a close linkage with the larger objective of the CMP in regard to development of human resources, employment generation and improvement of the quality of life of disadvantaged areas.

Under the circumstances, the DIT Tenth Five Year Plan allocations needs to be substantially augmented. The Department of Information Technology has already raised this issue in the Mid-Term Appraisal of the Tenth Plan document submitted to the Planning Commission wherein a requirement of minimum Budgetary Support in the range of Rs. 2,500 core for the last 2 years of the Tenth Five Year Plan *i.e.* for the years 2005-06 and 2006-07 was indicated to run these programmes.

The Department has also forwarded a copy of the above recommendation of the Standing Committee to the Planning Commission for their information and necessary action."

7. On the issue of raising the matter of allocation for the year 2005-06 with the Ministry of Finance/Planning Commission at the RE stage, the Committee had made the following observations/ recommendations:

"The Committee are concerned to note that though the Department of Information Technology had proposed to the Planning Commission a plan allocation of Rs. 1400.67 core for the year 2005-06 for its various schemes, yet the Planning Commission approved allocation of only Rs. 929.30 crore. As per the Planning Commission, the allocation of DIT has been increased from Rs. 650 crore (RE) in 2004-05 to Rs. 929.30 crore for the year 2005-06 as a special consideration keeping in view the importance of e-Governance and other IT projects being implemented by the DIT. The Committee are not at all convinced with the plea of the Planning Commission in this regard, due weightage appears to have not been given to e-Governance or IT projects as is evident from the fact that proposed allocation of Rs. 632 crore for e-Governance itself has been reduced by Rs. 332 crore to the level of Rs. 300 crore. In the Committee's opinion, such reductions would have an adverse impact on the programmes of the Department of Information Technology. They therefore, strongly desire that the Department should take up the issue of enhancement of allocations for the year 2005-06 with the Planning Commission/Ministry of Finance at the RE stage."

8. The Department of Information Technology in their action taken reply have stated as follows:

"The matter will be taken up with Planning Commission/Ministry of Finance for enhancement of funds at RE stage."

9. The Committee learn that the Department of Information Technology (DIT) have raised the issue for augmentation of the Tenth Plan allocations in the Mid-Term Appraisal of the Tenth Plan document submitted to the Planning Commission wherein a requirement of minimum Budgetary Support in the range of Rs. 2,500 crore for the last 2 years of the Tenth Five Year Plan i.e. for the years 2005-06 and 2006-07 was indicated to run DIT programmes. However, the Planning Commission do not seem to have considered the matter. DIT proposed an allocation of Rs. 1400.67 crore for the

4

year 2005-06, which the Planning Commission reduced to Rs. 929.30 crore. Hence, raising the matter for augmentation of Tenth Plan allocation fail to give any consolation to the Committee. The Committee are afraid that the DIT may not get the required funds even for the coming year i.e. 2006-07.

10. The Committee earnestly desire that the Core programmes of the Department, having a close linkage with the larger objective of the Common Minimum Programme of the Government in regard to development of human resources, employment generation and improvement of the quality of life of disadvantaged areas should be given top priority and necessary funds provided for them. Hence, the matter of raising the Tenth Plan allocation in consonance with the needs of the Department requires to be vigorously pursued with the Planning Commission/Ministry of Finance at the highest level.

11. The Committee would like to be apprised of the outcome of the matter for raising the allocation of funds for the year 2005-2006 at the RE stage.

Implementation of National e-Governance Plan (NeGP)

Recommendation (Nos. 5, 6, 7, 9 and 10)

12. The Committee in their earlier Report had observed that to promote e-Governance on a massive scale the DIT jointly with DAR&PG had drawn a National Plan on e-Governance (NeGP) for implementation during 2003-07. As various Government Ministries/ Departments are responsible for implementation of the Mission Mode Projects (MMPs) assigned to them with regard to NeGP, the Committee emphasized the need for effective co-ordination among the various participants like the NIC, National Institute of Smart Government (NISG), NICSI, Line Ministries/Departments/State Governments etc. for a focussed attention to the implementation of e-Governance programme.

Besides several steps taken by the DIT to implement the e-Governance programme, a scheme to establish Common Service Centre (CSC) was drafted and given a final shape. As the budget provision for e-Governance for the year 2004-05 and 2005-06 was being utilized towards creation of State Wide Area Networks (SWAN), State Data Centres (SDCs) and Common Service Centres (CSCs), the Committee desired that the funds allocated should be fully utilized. They also desired that SWAN, SDCs and CSCs should be set up in an integrated manner.

The Committee had also observed that the issues of standardization, interoperability, implementation of pilot projects, infrastructural requirements, augmentation of capacity to be undertaken by the DIT were of utmost importance. They, therefore, desired that the Department should do comprehensive planning in all areas particularly in the area of building the capacity in the States so that by the time Common Service Centres are set up, the citizens could at once start utilizing their services."

As regards to the matter to link-up transfer of 2-3% of Plan funds allocated to Line Ministries for e-Governance and IT related activities, the Committee had recommended that DIT should take seriously the suggestions of the Planning Commission to co-ordinate with the Line Ministries/Departments. They felt that there was an imperative need to impress upon the Line Ministries/Departments/State Governments to take initiative in this regard.

13. The Department of Information Technology in their action taken notes have stated that DIT is evolving suitable Programme Management Structure for the NeGP, which would include Apex Committee for inter-ministerial co-ordination.

As regards establishing CSCs, DIT have stated that it is proposed to use about 88% of the current year budget (for 2005-06) towards establishing key Core Infrastructure like State Wide Area Networks (SWANs), State Data Centres (SDCs), and Common Services Centres (CSCs) that would be serving different e-Governance applications. The Scheme for providing financial support for SWAN has already been approved at a total outlay of Rs. 3,334 crore including Central Assistance Component of Rs. 2005 crore. Guidelines for State Data Centres & Common Services Centres are under formulation and these guidelines would include necessary provisions for integration of these components.

The DIT has stated to have prepared Guidelines for Capacity Building and Institutional Framework for e-Governance under NeGP and circulated the same to State Governments/UTs for adoption. DIT jointly with DAR&PG is planning to organize series of training programmes for CICs and Policy makers. NIC is also conducting regular training programme for government staff.

With regard taking initiative by DIT for obtaining projects approvals and financial allocations by the Line Ministries/Departments/State Governments, DIT have stated that their role is that of a facilitator and catalyst to promote citizen and business centric e-Governance

applications in various Central and State Government departments including local bodies. Allocation of funds to DIT has been restricted to the e-Governance activities where DIT has direct responsibility for execution. For other components and Mission Mode Projects, line Ministries/Departments have been identified and they would be owning complete responsibility for those project (s) including obtaining required financial allocations & approvals. These Ministries/Departments would also be responsible for carrying out the required business process re-engineering for the project(s) assigned to them.

14. The Committee would like to mention here that the Standing Committee on Information Technology (2005-2006) have presented their 22nd Report on "Implementation of e-Governance Projects" on 8 December, 2005 in which they have dealt with in detail the various issues for the effective implementation of NeGP. Some steps though have been taken/proposed to be taken by the Government, the Committee had found that a lot still remained to be done for speedy and effective implementation of NeGP. The Committee trust that the recommendations made in the Report will be duly processed and action taken in due course.

Slow progress of Media Lab Asia (MLA) Project

Recommendation (Nos. 15, 16 & 17)

15. Commenting on the slow pace in the implementation of activities of Media Lab Asia (MLA), the Committee in their earlier Report had made the following observations:

"The Committee are dismayed to note the slow pace in the implementation of activities of Media Lab Asia (MLA). Though the Planning Commission had approved a Gross Budgetary Support (GBS) of Rs. 300 crore for Media Lab Asia for the Tenth Plan period, but surprisingly no money was spent on the project in first three years of the Tenth Plan. Although, the Department had proposed an outlay of Rs. 90 crore, Rs. 80 crore and Rs. 65 crore during the years 2002-03, 2003-04 and 2004-05 respectively but no serious thought appears to have been given to the implementation of the project thus denying the benefits to the masses. Despite the passage of considerable time, no clear picture of R&D activities to be conducted by MLA or its benefits has emerged. The Committee would, therefore, like to be kept apprised of the details of the various activities undertaken by MLA so far.

The Committee learn that the board of MLA has been constituted and also an Expert Sub Committee appointed to go into this matter. The Report of the said Committee is expected shortly. The Committee had however earlier been informed during examination of Demands for Grants for the year 2004-05 that Technical Advisory Board had been constituted in December, 2003 but nothing concrete has been reported so far to enable the MLA Programme to take off and thus the Board constituted earlier for the purpose appears to have failed to yield any results. The Committee trust that DIT would expedite the submission of Expert Sub-Committee report to initiate proposed activities of MLA at the earliest.

The Committee find that of late, the Department is trying to define and concentrate on some kind of activity areas for MLA which are not being done by other Companies so as to avoid duplication. The Committee strongly desire that the bottlenecks in the implementation process of the MLA project should be identified and removed immediately. They trust that the fresh efforts being made in this regard would yield positive results."

16. In their action taken notes, the Department of Information Technology have stated as follows:

"As a part of restructuring, the service contracts of all the employees, including CEO, were terminated. The services of two technical officers, who were on deputation from DIT were continued. A team of officers was posted on additional charge to manage the transition process and to manage the day-to-day affairs. In the restructured Media Lab Asia programme, all the research projects supported by Media Lab Asia were continued and new projects were also initiated.

Based on the recommendations of the Technology Advisory Board, Core Groups were set up in the identified thrust areas of ICT for Rural Health Care, Education, Empowerment of Persons with disabilities, rural connectivity and Livelihood. Stakeholders workshops were held and based on the recommendations, new projects were evolved and initiated. A list of the projects undertaken by Media Lab Asia is given in **Appendix**.

The Expert Sub-Committee has held two meetings so far and the recommendations of the Committee are being finalized. These will be put up to the Board for their consideration and implementations."

17. The Committee note that based on the recommendations of the Technology Advisory Board for Media Lab Asia (MLA), Core Groups were set up in the identified thrust areas of ICT for Rural Health Care, Education, Empowerment of Persons with disabilities, rural connectivity and Livelihood. Stakeholders workshops were held and new projects have been evolved and initiated. The Committee desire that time frame for all the research projects under Media Lab Asia programme should be laid down and efforts be made for their timely completion. They further desire that the Expert Sub-Committee should soon finalise its recommendations for consideration and implementation by the Technology Advisory Board of MLA. The Committee would like to be constantly apprised of the on-going developments in this regard.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

General

The Committee recognize the tremendous contribution of the Information Technology sector in branding India globally as an economic powerhouse and a service economy. In order to meet the targets/expectations of the IT sector for the future years, the Committee are resolved to facilitating growth of the IT sector through their recommendations made from time to time on policy matters, manpower development and removal of duty barriers.

Action Taken by the Government

Department takes the note of recommendations of the Committee.

Recommendation (Para No. 2)

Tenth Plan Allocation

The Committee observe that the Planning Commission has approved a total budgetary support of Rs. 2714 crore to the Department of Information Technology (DIT) for the Tenth Five Year Plan period and the Department incurred an expenditure of Rs. 1604.98 crore in the first three years of the plan. Assuming that the proposed BE of Rs. 929.30 crore for the year 2005-06, which is the fourth year of the plan, is fully utilized, the Department will be left with a budgetary support of only Rs. 179.72 crore for the last year of the Tenth Plan. The Committee further note that the IT industry is, admittedly, one of the fastest growing sectors of the Indian economy and the thrust of the DIT's projects/schemes is to prepare a strong base for vibrant growth of this sector through its various activities and therefore the Department needs sufficient budgetary provisions. As the Department has itself, in the Mid-term appraisal, highlighted their requirement of budgetary support of Rs. 2500 crore for the last two years of the Tenth Plan, the unutilized portion of the earlier approved plan outlay being Rs. 179.72 crore, would not be able to meet the requirements of

the Department in undertaking its various important projects up to the desired level. Some of these projects are e-Governance, Community Information Centres (CICs) and Vidya Vahini Programme, Nenotechnology, Special Manpower Development for VLSI Design, Information security Education and Awareness Programme, C-DAC and National Information Centre (NIC). The Planning Commission ought to have taken note of the vital importance of the schemes in the development of the IT sector in the country. The Committee would, therefore, strongly recommend the Department to take up the matter with the Planning Commission at an appropriate level for enhancing suitably the Tenth Plan allocation to provide adequate budgetary support for different projects being undertaken by the DIT. The Government should extend all its legislative support to ensure that the Information Technology sector meets its projections in the Software, ITES, BPO and the hardware sectors.

Action taken by the Government

A budgetary support of Rs. 2,714 crore has been approved for the Department of Information Technology for the Tenth Five Year Plan. Against this, DIT is likely to incur an expenditure of about Rs. 2,534 crore on its plan schemes in the first four years of the Plan. Thus, a balance of only Rs. 180 crore would be left for the last year of the plan. This will have a tremendous adverse impact on the programmes of this Department especially since existing provisions are very limited.

The Common Minimum Programme (CMP) of the United Progressive Alliances (UPA) has affirmed the commitment of the alliance to promote e-Governance on a massive scale. This also figures prominently in the address of the President to the Parliament on 7.6.2004. To give effect to this commitment, a thrust in the DIT budgetary support would be required for the implementation of the National e-Governance Plan.

The Department of Information Technology programmes in Information Technology which are also the Core programmes of the Department have a close linkage with the larger objective of the CMP in regard to development of human resources, employment generation and improvement of the quality of life of disadvantaged areas.

Under the circumstances, the DIT Tenth Five Year Plan allocations needs to be substantially augmented. The Department of Information Technology has already raised this issue in the Mid-Term Appraisal of the Tenth Plan document submitted to the Planning Commission

wherein a requirement of minimum Budgetary Support in the range of Rs. 2,500 core for the last 2 years of the Tenth Five Year Plan i.e. for the years 2005-06 and 2006-07 was indicated to run these programmes.

The Department has also forwarded a copy of the above recommendation of the Standing Committee to the Planning Commission for their information and necessary action.

Comments of the Committee

(Please *see* para no. 10, 11 & 12 of Chapter-I)

Recommendation (Para No. 3)

Budgetary Allocations for the year 2005-06

The Committee are concerned to note that though the Department of Information Technology had proposed to the Planning Commission a plan allocation of Rs. 1400.67 crore for the year 2005-06 for its various schemes, yet the Planning Commission approved allocation of only Rs. 929.30 crore. As per the Planning Commission, the allocation of DIT has been increased from Rs. 6500 crore (RE) in 2004-05 to Rs. 929.30 crore for the year 2005-06 as a special consideration keeping in view the importance of e-Governance and other IT projects being implemented by the DIT. The Committee are not at all convinced with the plea of the Planning Commission in this regard, due weightage appears to have not been given to e-Governance or IT projects as is evident from the fact that proposed allocation of Rs. 632 crore for e-Governance itself has been reduced by Rs. 332 crore to the level of Rs. 300 crore. In the Committee's opinion, such reductions would have an adverse impact on the programmes of the Department of Information Technology. They therefore, strongly desire that the Department should take up the issue of enhancement of allocations for the year 2005-06 with the Planning Commission/Ministry of Finance at the RE stage.

Action taken by the Government

The matter will be taken up with Planning Commission/Ministry of Finance for enhancement of funds at RE stage.

Comments of the Committee

Please see Para No. 10, 11 & 12 of Chapter I.

Recommendation (Para No. 4)

Utilization of Funds during the year 2004-05

The Committee are happy to note that during the year 2004-05, the Department of IT would be able to utilize around Rs. 645 crore (tentative) out of the allocation of Rs. 650 crore. In the previous years also the Department had optimally utilized the funds allocated to them as out of the allocation of Rs. 470 crore and Rs. 495 crore during the years 2002-03 and 2003-04 utilization was Rs. 465.35 crore and Rs. 492.88 crore respectively. The Committee appreciate various measures being taken by the Department to ensure optimum utilization of the budgetary allocation of Rs. 929.30 crore for the year 2005-06 also. Some of these measures are review of the on-going projects by the Programme Review and Steering Group (PRSG) on quarterly basis for monitoring the progress on regular basis and for timely recommendation for release of the fund, proposal for holding meetings of the Standing Finance Committee (SFC) and the Expenditure Finance Committee (EFC) on monthly basis in respect of new projects and review of plan achievements by the Secretary (IT) on quarterly basis. The Committee consider that these steps are in the right direction, which would ensure not only optimum utilization of funds but also give an opportunity to the Department to have a close and regular monitoring of flow of expenditure under different heads.

Action taken by the Government

Department takes the note of recommendations of the Committee.

Recommendation (Para No. 8)

The Committee note that the Department of IT, in addition to various ongoing activities under National Plan on e-Governance (NEGAP), has proposed to take other initiatives such as replication of successful e-Governance projects, development of Geographical Information Service (GIS)/Geographical Positioning Service (GPS), Languages Interfaces, Security, setting up of Programme Management Structure, support for the Centre for e-Governances, Website Management etc.

However, the Committee are very much concerned to note that in view of the reduced allocation, DIT would be required to scale down its various activities under the NEGAP. In their opinion, such reductions would have an adverse impact in the nation's attempt at bridging the digital divide with rural India and the Indian masses. They would,

therefore, like to recommend that as and when the implementation of the projects are on track successfully, the DIT should plead for more resources for similar implementations, may be at the RE stage.

Action taken by the Government

As advised, DIT would be approaching Ministry of Finance/ Planning Commission at RE stage for allocation of additional resources for the NEGP. DIT is also exploring possibility of raising additional funds through Public Private Partnerships and from external agencies like UNDP and the World Bank.

Recommendation (Para No. 11)

Community Information Centres (CICs)

The Committee appreciate the efforts made by the Department of information in setting up of Community Information Centres (CIC) project, which is reportedly proving to be an effective interface between the Government and the general public. They also note with satisfaction that the Department successfully set up 487 CICs in eight North Eastern States and 60 CICs in J&K also on replications basis to bring the benefits of Information and Communication Technologies (ICT) for socio-economic development of these areas by providing broadband connectivity. The Committee trust that 75 CICs to be set up by October 2005 will be operationalised within the fixed time frame.

Action taken by the Government

DIT is periodically pursuing with J&K Government and NIC (National Informatics Center)—Project implementing agency for completion of setting up of remaining 75 CICs of J&K and making them operational as per schedule by October, 2005.

Recommendation (Para No. 15)

Media Lab Asia (MLA)

The Committee are dismayed to note the slow pace in the implementation of activities of Media Lab Asia (MLA). Though the Planning Commission had approved a Gross Budgetary Support (GBS) of Rs. 300 crore for Media Lab Asia for the Tenth Plan period, but surprisingly no money was spent on the project in first three years of the Tenth Plan. Although, the Department had proposed an outlay of Rs. 90 crore, Rs. 80 crore and Rs. 65 crore during the years 2002-03,

2003-04 and 2004-05 respectively but no serious thought appears to have been given to the implementation of the project thus denying the benefits to the masses. Despite the passage of considerable time, no clear picture of R&D activities to be conducted by MLA or its benefits has emerged. The Committee would, therefore, like to be kept apprised of the details of the various activities undertaken by MLA so far.

Recommendation (Para No. 16)

The Committee learn that the board of MLA has been constituted and also an Expert Sub Committee appointed to go into this matter. The Report of the said Committee is expected shortly. The Committee had however earlier been informed during examination of Demands for Grants for the year 2004-05 that Technical Advisory Board had been constituted in December, 2003 but nothing concrete has been reported so far to enable the MLA Programme to take off and thus the Board constituted earlier for the purpose appears to have failed to yield any results. The Committee trust that DIT would expedite the submission of Expert Sub-Committee report to initiate proposed activities of MLA at the earliest.

Recommendation (Para No. 17)

The Committee find that of late, the Department is trying to define and concentrate on some kind of activity areas for MLA which are not being done by other Companies so as to avoid duplication. The Committee strongly desire that the bottlenecks in the implementation process of the MLA project should be identified and removed immediately. They trust that the fresh efforts being made in this regard would yield positive results.

Action Taken

As a part of restructuring, the service contracts of all the employees, including CEO, were terminated. The services of two technical officers, who were on deputation from DIT were continued. A team of officers was posted on additional charge to manage the transition process and to manage the day-to-day affairs. In the restructured Media Lab Asia programme, all the research projects supported by Media Lab Asia were continued and new projects were also initiated.

Based on the recommendations of the Technology Advisory Board, Core Groups were set up in the identified thrust areas of ICT for Rural Health Care, Education, Empowerment of Persons with disabilities, rural connectivity and Livelihood. Stakeholders workshops

were held and based on the recommendations, new projects were evolved and initiated. A list of the projects undertaken by Media Lab Asia is given in Appendix.

The Export Sub-Committee has held two meetings so far and the recommendations of the Committee are being finalized. These will be put up to the Board for their consideration and implementations.

Comments of the Committee

(Please *see* Para No. 18 of Chapter I.)

Recommendation (Para No. 20)

The Committee are happy to learn that ESC has been able to fully utilize the allocation made during the last three years. Out of an allocation of Rs. 4 crore, Rs. 9.96 crore and Rs. 8.50 crore during 2002-2003, 2003-2004 and 2004-2005, ESC has utilized Rs. 8 crore, Rs. 9.96 crore and Rs. 8.50 crore respectively. However, the Committee are disappointed to find that for the current year i.e. 2005-06, the Planning Commission has not allocated any amount for ESC, though an outlay of Rs. 10 crore was proposed by the Department to carry out its various programmes.

Action Taken by the Government

The Department has written to the Planning Commission that ESC and Export Market Development programme is essential to take care of SMEs for Export promotion.

The Working Committee of the council has since approved the Action Plan for the year 2005-06. Appropriate budget provision would be made available to ESC towards its promotional and related activities, from the concerned programmes of the Department. The Department would take up with the Planning Commission for separate Budget provision in future.

Recommendation (Para No. 21)

The Committee observe that the ESC has been playing a significant and crucial role in increasing the software and hardware export in the world market as per the present need and therefore the Committee would strongly recommend that efforts should be made to get suitable allocation for ESC at the RE stage so that it could effectively perform its various programmes planned during the current year for the benefit of exporters of IT products.

Action Taken by the Government

The Department will take up the matter with the Planning Commission and Finance Ministry for enhancement of allocations for ESC & Market Development Programme at the RE stage.

Recommendation (Para No. 22)

Society for Applied Microwave Electronic Engineering and Research (SAMEER)

The Committee recognize the invaluable contribution SAMEER is making in the field of high power RF amplifiers, RF communications systems, linear accelerators, atmospheric instrumentations and industrial RF/microwave based applications etc. They further note that one of the major projects that SAMEER has been doing in the area of Electronics in Health (e-Health). There is an availability of only 40-50 LINAC machines in India though the need is for 1000 LINAC machines as the number of cancer patients in India is increasing at the rate of 3 lakh per year. The Department has initiated a programme with SAMEER to develop 6 MV LINAC, which is a state of the art machine. Under phase-I of this project two machines are being developed and the next year SAMEER would start Phase II, in which four more machines will be fabricated. It is also planned to advance to take advance action to initiate a programme to set up fabrication facilities for the most critical components of LINAC machine, which only SAMEER can do. The Committee hope that implementation of the project would be undertaken by SAMEER with all the seriousness it deserves and also in a larger scale by augmenting the capacity if necessary. Emphasising R&D in IT sector, the Committee feel that focus should be encouraged instead of diluting its activities. R&D spent is very very critical for sustaining the growth rate for strengthening the economy.

Action Taken by the Government

Jai Vigyan Phase I: The first Medical Linac JVI, has been dispatched to MGIMS Wardha during June, 2005. The machine has undergone all the regulatory tests mandated by AERB for installation at Wardha Hospital. It will be commissioned for Treatment of Cancer patients by August 2005.

The second Medical Linac JV2 is undergoing assembly and integration. It will be ready by early 2006 for installation at a hospital identified by DIT.

SAMEER has proposed establishment of the state-of-art Linac infrastructure facility at Kharghar, Navi Mumbai for which DIT has already made available the requisite land. The Working Group on Medical Electronics projects has recommended Rs. 25 crore project for establishing process, assembly, integration and evaluation facility for Linac Machines. The proposal is being put up to Standing Finance Committee (SFC) for approval.

Recommendation (Para No. 23)

The Committee observe that SAMEER has been able to utilize Rs. 11.60 crore, Rs. 14.70 crore and Rs. 18 crore against the allocation of Rs. 12.00 crore, Rs. 14.70 crore and Rs. 18.00 crore during 2002-03, 2003-04 and 2004-05 respectively which indicate almost full utilization of funds. The Committee hope that likewise SAMEER would be able to optimally utilize the allocation of Rs. 20 crore made for the year 2005-06.

Action Taken by the Government

The ongoing and new projects/programmes in Core R&D and expert areas of SAMEER in Microwaves, RF communication, Millimeter wave, High Power amplifiers, Linac, Atmospheric Instrumentation, Antenna, EMI/EMC, Radar, DSP, Thermal Design, Data Communication, Opto-electronics have been identified. Annual action plan for 2005-06 has been drawn including the core project activities and funds will be fully utilized.

Recommendation (Para No. 24)

The Committee further note that the SAMEER is making an effort to pass the technology for manufacturing the LINAC machine to private entrepreneurs also. The committee in this context earnestly desire that action should be initiated to get patented the components of the LINAC Machine being developed by SAMEER like the high power RF window, which is actually a vacuum tube and Electronic interface which passes X-ray and at the same time allows vacuum etc. The Committee also desire that the Department should take care that the patent right is first obtained before the technology is passed on to the private sector.

Action taken by the Government

The action for filing patents for subsystems in Linac such as High Power Modulator and RF window has been initiated.

Recommendation (Para No. 25)

Research and Development

Focused Research and Development is a *sine-qua-non* for the growth of the technology sector. In fact, the focus on R&D should actively be nurtured and encouraged adequately. Indeed, the Committee's impression after visiting some of the organizations engaged in R&D activities like SAMEER at Chennai, ERTL at Tiruvananthapuram, C-DAC at Bangalore and C-MET at Hyderabad has been encouraging and it rather re-enforced their expectations about country's capabilities. The Committee note that during 2005-06, R&D programme include major thrust in Nano-technology, Main National Grid Computing initiative, wireless sensors and RFID related technologies, Free/open Source Software related capabilities, consolidation of language Computing programme, Research, Development and deployment of Information and Communication Technology for common man etc. The Committee are however constrained to observe that through for implementation of these R&D programmes, DIT had projected Rs. 293.30 crore for the year 2005-06, the Planning Commission approved the allocation of Rs. 192 crore only. Keeping in view the rising importance of R&D in IT sector, the Committee do not find the budget allocation as adequate and the reduction will undoubtedly result in tardy implementation of R&D programmes as many schemes/projects would be sacrificed as a result of reduced allocation. In their opinion, expenditure on R&D is very critical for sustaining the growth rate for an emerging economy and, therefore, there is an imperative need for provision of the required funds for R&D.

Action Taken by the Government

Department takes the note of recommendations of the Committee.

Recommendation (Para No. 26)

The Committee further note that with the major reduction in the allocation of C-DAC from Rs. 87 crore to Rs. 60 crore many activities of C-DAC would be given lower priority or may be taken up only in the 2nd half of the year, if additional funds at RE stage are allocated during the year 2005-06. Some of the activities which may be adversely affected are commencement of main Garuda Grid Project (10 GBPS Grid Fabric and Research and Technology Development Projects); Setting up of Linux HPC Technology Excellence Centre; VLSI, MEMS Labs; New R&D initiatives in Science and Engineering Computing; Earth quake Engineering; System Biology, Air Quality Management,

19

Content Based Image Retrieval and Visualization, Multi-scale Modelling and Simulation: Technology for *Adhoc* Wireless Networks and Wimax (802.16) Networks; Development of additional tools in e-Governance and e-Learning; Sensors for smell and taste to support Agro-processing industry and National Initiative on Low cost PC design including chip sets. The C-DAC has been fully utilizing the allocations in the past as against the allocation of Rs. 10 crore, Rs. 26.35 crore Rs. 40 crore in the previous three years, C-DAC has utilised the allocations optimally and in such a situation downsizing the proposed plan allocation for C-DAC will have serious consequences on its various schemes. The Committee, therefore, strongly recommend that the position may be explained with all its ramifications to the Planning Commission for suitable enhancement of allocations for C-DAC probably at the RE stage.

Action Taken by the Government

The Department will take up the matter with the Planning Commission and Finance Ministry for enhancement of allocations for C-DAC at the RE stage.

Recommendation (Para No. 27)

Manpower Development

The Committee feel that like R&D, a major thrust is required to be given by the Government on the Manpower Development. They are given to understand that there is shortage of quality manpower in IT industry, especially scarcity of trained personnel in the high end skill areas of IT and design including standards and testing. There are also certain skills and high-end services where higher demand is likely to come but suitable qualified and knowledgeable personnel are not available. Consequential, unless adequate measures are taken for increasing the skilled base, a shortage of manpower is expected by the year 2009.

Recommendation (Para No. 28)

The Committee further note that the Task Force on Human Resource Development in IT constituted with the objective to analyse the present manpower delivery mechanism in terms of quantity and quality as well as skilled set *vis-a-vis* global ITeS requirement during the 10th and 11th Plan period submitted its report in December, 2003. The Report has 26 recommendations which are meant to create an

environment, generating the relevant manpower quantity as well as in skill sets. The Committee observe that more than one year has passed but the Department is yet to formulate the strategy with regard to implementation of the recommendations given by the Task Force on Human Resource Development in IT. While expressing their dissatisfaction over the slow pace with which the matter is being processed, the Committee desire that necessary steps be taken urgently to formulate the strategy so that the recommendation can be implemented urgently and problem of shortage of manpower specialised in certain skills which the IT industry has been facing can be solved.

Action taken by the Government

- With regard to implementation of the Task Force recommendations to meet the manpower gap in terms of skill sets for IT/ITES by the year 2009 in the short term and 2012 in the long term, DOEACC will take lead in developing programmes for skill set inculcation and certification in ITeS sector.

- DOEACC Society is formalizing an action plan for implementing a programme to generate manpower with requisite skills for ITeS/BPO sector and a '*National Employability Test*' certificate scheme.

- A training programme in ITeS/BPO to train students of Jammu & Kashmir has been initiated at DOEACC Jammu/ Srinagar Centre with a total outlay of Rs. 2.88 crore for a duration of 3 years for creating skilled Manpower.

- A Regional Institute of e-Learning and IT under DOEACC society has been initiated with a total outlay of Rs. 20 crores for a duration of four years at Kohima, Nagaland for creating skilled Manpower in the area of Computer Science & IT and related disciplines.

- DIT has also initiated a number of measures to generate manpower in key verticals like Bioinformatics, VLSI Design and Information Security. These are listed below:

I. Information Security Education and Awareness Project

In order to generate trained manpower in the field of Information Security, DIT has initiated a program—*Information Security Education*

and Awareness Project with a budget outlay of Rs. 70 crores for a duration of 5 years. The main objectives of the project are:

(i) Introduction of Information Security curriculum at M.Tech. and B.Tech. level and Research Activity/Ph.D.

(ii) Train System Administrators/Professionals.

(iii) Train Government Officers—Central and State on Information Security issues.

(iv) Education Exchange programme.

(v) Bring Information Security Awareness in the country.

Under this project labs would be set up at 9 (nine) Resource Centers (RCs) and 35 (thirty five) Participating Institutions (PIs) and faculty of the participating institutions would be trained alongwith the development of learning material on specific topics.

2. Special Manpower Development Programme in the area of VLSI Design and related software (SMDP-II):

With a visiting to make India high-end VLSI design destination and to target VLSI design turnover of around US$ 1 billion (Rs. 5000 crores) by the year 2010, DIT has initiated a Manpower Development Programme in this area with a total outlay of Rs. 49.98 crores for a period of five years to provide appropriate trained manpower. The project is being initiated at 7 (seven) Resource Centers (RCs) and 25 (twenty five) Participating Institutions (PIs). The major element of the project are listed as below:

(i) Instruction Enhancement Programme (IEP) for the faculty of PIs would be conducted by RCs.

(ii) To establish VLSI Design Laboratory equipped with contemporary Electronic Design Automation (EDA) Tools at all RCs and PIs.

(iii) Creation of VLSI Design Resource website and Mirror sites at RCs.

(iv) To launch India Chip Project for siliconization of design done by students of RCs and PIs.

(v) To introduce teaching of various courses on VLSI design and related software to generate various types of manpower listed below:

(a) ME/M. Tech programmes in VLSI Design (Type-II Manpower)

(b) ME/M. Tech. Programmes in Electronics, Computer Science with VLSI elective (Type-III Manpower)

(c) BE/B. Tech Programme with VLSI electives (Type-IV Manpower)

(d) Ph.D. in VLSI Design and related software (Type-I Manpower)

3. Establishment of Centres for Excellence for Manpower Development in the field of Bioinformatics

Bio-informatics is an untapped and upcoming field of study that requires specialized knowledge in biology, chemistry, information systems etc. In order to formulate long-term strategy in Bioinformatics, a study "Building block of Bioinformatics—Human Resource Requirement in India" was carried out through CII. The main findings of the report is that a conducive environment for research development needs to be created and also specific skill sets need to be generated to serve the Bioinformatics industry in India. In order to bridge skill set gap and to generate more research, the report has recommended to set up centres of excellence for research and training purpose and to facilitate skill set development through modular courses.

DIT has planned to set up four centres of excellence for research and training in the field of Bioinformatics. These centres will carry out research in Bioinformatics as well as generate relevant skill sets to serve the needs of Bioinformatics industry.

Recommendation (Para No. 29)

The Committee learn that the Information security education and awareness is very important from the point of view of trusted services in both IT and IT enabled services in future. In order to build a manpower that will service these requirements, a model of capacity building was designed in which institutional capacity building would require manpower development as well as laboratory setting up and the content, that is, curriculum design. The working group recommended some of the courses and also strategy to design new courses or develop masters courses including existing courses and place these courses in educational institutions, in engineering colleges and train their teachers. Emphasis is, therefore, on training of trainers. Nine RCs which would be assigned for the participating engineering institutions or laboratories or societies which are imparting education would mentor these institutions. IITs, Indian Institute of Science,

Tata Institute of Fundamental Research (TIFT), Mumbai have also been identified for offering training of trainers and serve established laboratories in each of these centres. The Committee, therefore, recommend that these Resource Centres should explore the feasibility of having a tie up with the industry as this is the place where one can get the actual feed back regarding emerging needs of the time and thus the training programmes can be strengthened and regularly updated.

Action Taken by the Government

1. The Inter-Ministerial Working Group on "Cyber Security Education and Awareness" had constituted a Sub-Committee on Information Security Education and Awareness Programme with a representative from Industry to give inputs from Industry.

2. A representative from the Industry was also included in the one-day Workshop, organized by DIT to finalize the syllabus in the first four weeks Faculty Training programme for Participating Institutes held at TIFR, Mumbai from May 23 to June 17 2005. The inputs given by representative from industry were included in the curriculum of this first Faculty-Training.

3. During the First Faculty-Training held at TIFR, Mumbai, it has been decided to include expert faculty from the industry available in the area of "Information Security" to deliver expert/specialized lectures/tutorials.

4. DIT has finalized 9 Resource Centres (RCs) and 35 Participating Institutes (PIs) as implementing agencies for the project "Information Security Education & Awareness". These institutes are being requested to include the industry (preferably near to their location) in the development of the **Learning material** to be developed under the project.

5. These 9 Resource Centres (RCs) and 35 Participating Institutes (PIs) are also being requested to include the representative from Industry/private entrepreneurs during the various training courses and conferences in order to get the proper inputs from the industry in the form of presentations, lectures and case studies by the private institutes.

Recommendation (Para No. 31)

Department of Electronics Accredited Computer Courses (DOEACC) Society

The Committee are distressed to note that DOEACC has not been able to register and admit as many students as the target fixed for the last two years. During 2003-04 and 2004-05, against the target of 75,000 and 82,500 students to be registered for conduct of O, A, B & C level courses, only 49,391 and 42,275 students respectively were registered. Similarly, again during 2003-04 and 2004-05 against the target of admitting 1,50,000 and 1,65,000 students candidates, only 1,30,051 and 1,04,000 students candidates respectively were Admitted. The reasons for shortfall in achievement of targets are stated to be the availability of large number of courses being offered by Universities/deemed Universities/Affiliated Colleges who are approved Institutes in the private sector and offering formal degree programmes and as such, the choice available to the students to opt for computer courses from various IT educational Institutes is widening, thereby affecting the DOEACC Courses. Other reasons are stated to be the high standards of DOEACC courses in respect of its Syllabus as well as Conduct of Examinations and also the absence of academic recognition of DOEACC Courses.

Recommendation (Para No. 32)

The Committee learn that the matter regarding academic recognition of DOEACC 'B' Level course with All India Council of Technical Education (AICTE) through Distance Education Council, Indira Gandhi National Open University (IGNOU) has made some progress. Academic recognition of DOEACC 'B' level course is expected to increase the intake of DOEACC courses amongst students. The Committee desire that the matter may be pursued vigorously to get these courses recognized so that large number of candidates are attracted towards them.

Action Taken by the Government

The DOEACC Society is pursuing with AICTE the recognition of DOEACC courses. Action has also been initiated for recognition of DOEACC 'B' level course for Bio-informatics for the award of a Post Graduate Degree by West Bengal University of Technology.

Recommendation (Para No. 34)

Nano-technology

The Committee observe that Nano-technology as an emerging, inter-disciplinary field involving development of nano-materials devices and system and finding revolutionary applications in almost all fields of science and engineering. It is being regarded as the next technological revolution. It has attracted the attention of scientists, researchers and technologists all over the world and is likely to have profound effect on almost all industry sectors and application areas.

Recommendation (Para No. 35)

The Committee note that seven projects in the areas of nano-materials are on-going at some laboratories at IIT, Chennai. They further note that some of the projects to be taken up during 2005-06 are: one in the areas of carbon nano-tubes for targeted drug deliver at CSI, Chandigarh, second is at National Physical Laboratory which is on meteorology and the third biggest project is setting up of nano-electronics centres at IISC, Bangalore and at IIT, Mumbai, for which the AFCI papers are being examined by the Planning Commission. The project estimate is stated to be close to Rs. 100 crore. The documents are already under circulation and final decision on the same is expected soon. Keeping in view the importance of nano-technology in almost all fields of science and engineering and also that there has been enormous funding being done in Europe, China, Japan, etc. on developing Nano-technology, the Committee recommend that adequate funding should be done for research and development in this area. With this end in view, the Committee trust that allocation of Rs. 40 crore made during the year 2005-06 for programmes under Nano-technology will be fully utilised.

Action Taken by the Government

A new project i.e., joint project for setting up of 'Nano-electronics Centres' at IISC, Bangalore & IIT, Bombay with a total outlay of Rs. 99.80 crore for conducting R&D in the area of Nano-electronics, has been approved by Expenditure Finance Committee (EFC) on 6.7.2005. Further action for obtaining Government approval is being initiated. Given the specialized expertise available at these institutions, IISC would mainly follow the atoms-up, materials centric approach and IITB, the shrink-down, device centric approach though there will be some overlapping as well. In addition to this, joint post-graduate research would also be part of this project. There will be five (5)

demonstrable outputs from each institution i.e. Magnetic materials for LC Resonator; Acoustic sensor; Ferroelectrics for FRAMs (Ferro-electric Random Access Memory) and Phase shifters; Rare earth metal oxide for MOS (Metal Oxide Semiconductor) gate dielectric; Molecular Rectifier Based on Organic Thin Films from IISc and Sub 100 nm CMOS (Complementary Metal Oxide Semiconductor) Process Development; Nano-systems for Healthcare and Environmental Monitoring; Organic and Biopolymer Devices; GaN (Gallium Nitride) Devices; Characterization, Modeling and Simulation of Nano-electronic Devices from IIT, Bombay. There will also be one joint output of IIT & IISc namely R.F. (Radio Frequency) Oscillator.

Out of allocated Rs. 40 crore for FY 2005-06, Rs. 6.36 crore have already been utilised and some funds would also be required for other on-going projects. Thus, less than Rs. 33 crore would be available from Department of Information Technology (DIT) budget as against the first year requirement of about Rs. 57 crore for "Nano-electronics Centres".

Further, another new project on Nano-metrology (science of measurements at nano-scale), an essential requirement for development of Nano-technology in the country at National Physical Laboratory, Delhi has also been recommended by 'Working Group on Nano-technology' for funding by the DIT with an outlay of Rs. 17.78 crore and is being processed. The project aims at providing traceability to: (i) Scanning Probe Microscopes (SPMs); (ii) Industry & all others for line width, step height, surface texture measurements; and (iii) Calibration of low voltage, low current and low electric charge.

Recommendation (Para No. 36)

While applauding the R&D initiatives on Nano-technology, the Committee strongly recommend that the Government should take a clear view and initiative for framing policy to facilitate the creation of fabrication units in the country.

Action Taken by the Government

The Department is formulating a policy framework for attracting Mega Fab to the Country. This process is underway.

Recommendation (Para No. 37)

National Electronics/IT Hardware Manufacturing Policy

The Committee were informed during the examination of the Demands for Grants for the year 2004-05 that the Department of

Information Technology had referred the draft paper on "National Electronics/IT Hardware Manufacturing Policy" to the National Manufacturing Competitive Council (NMCC) to promote manufacturing in India. The Committee concludes from the reply to query regarding the present status with regard to the above said policy that the "National Electronics/IT Hardware Manufacturing Policy" has not been finalized as yet.

Recommendation (Para No. 38)

The Committee observe that major fiscal measures have been taken by the Government for rationalization of tariff structure for the Hardware sector like custom duty being zero% on specified raw materials/inputs used for manufacture of electronics components/ optical fibres/cables and on specified capital goods used for manufacture of electronics goods. Central Excise duty is zero% on Computers, Microprocessors, Hard Disc Drives, Floppy Disc Drives and CD Rom Drives. In the Budget 2005-06, custom duty on ITA-1 items (217 items) has been abolished w.e.f. 1.3.2005. All goods required in the manufacture of ITA-1 items have been exempted from customs duty subject to Actual user condition and custom duty on specified electronics components has also been exempted.

Recommendation (Para No. 39)

The Committee further observe that the DIT has taken up the proposal for modification of the Electronics Hardware Technology Park (EHTP) Scheme with the Department of Commerce. The National Manufacturing Competitiveness Council (NMCC) has constituted a Sub-group on IT Hardware sector. The Secretary, Department of Information Technology is a member of the Sub-group. The Sub-group on IT Hardware sector is having discussions with the stakeholders as part of the on-going exercise for energizing and sustaining the growth of manufacturing industry in general including IT hardware.

Recommendation (Para No. 40)

The Committee understand that while the software industry has shown a very impressive growth, the hardware industry has not grown to the same extent. As the above said policy would address issues on Tariff Policy, Exim Policy, Hardware Manufacturing Cluster Parks, supporting R&D, marketing Made in India, inviting large Electronics Manufacturing Service Companies to set-up Indian operations, development of semiconductor industry, labour laws, patenting etc., the Committee recommend that all the formalities should be completed

expeditiously and the said policy be finalized soon. They hope that once the policy will be in place, electronics and hardware manufacturing sector would be energized and register further growth. India can leverage its core competence in the Software field many times over if coupled with a strong Hardware Policy. With reasonable competence in the manufacturing of high end hardware like ICs and ASICs, tremendous value addition to these products can be made with the nation's proven strength in Software skills.

Action Taken by Government

The recommendations pertaining to fiscal measures made in the Draft Paper have been acted upon. The promotional and other measures contained in the Draft Paper are applicable, in general, for the whole of manufacturing sector in the country. Therefore, the Draft Paper has been referred to National Manufacturing Competitiveness Council (NMCC) being the nodal agency appointed by the Government to look into the problems of manufacturing sector including IT Hardware and to provide a continuing forum for policy dialogue on this subject. The NMCC has constituted a Sub-group on IT Hardware sector. Secretary, Department of Information Technology is a member of Sub-group. The necessary inputs are being provided by the Department of Information Technology to the Council. The Sub-group on IT Hardware sector is having discussions with the stakeholders, as part of the on-going exercise for energizing and sustaining the growth of manufacturing industry in general, including IT Hardware.

Once the NMCC submits its recommendations to the Government on the manufacturing sector, particularly IT Hardware sector, the same will go a long way in energizing the growth of this sector.

Recommendation (Para No. 44)

Intellectual Property Rights Promotion Programme (IPRPP)

The Committee understand that a great amount of design and development work is being done by multinationals and Indian Corporates in India. The Committee attach a very high priority to the protection of Intellectual Property Rights (IPRs) in the country. They urge the Government to take all measures to reaffirm the commitment of the country to safeguard the IPRs.

Action Taken by Government

An IPR Cell has been established in DIT to nurse the niche area of ICT-IPR facilitation, HR Development, contribution to

Inter-Ministerial meetings related to amendments in the IPR Acts in regard to IT/Computer Software. As a result today 58 Patents, 142 Software Copyrights, 28 Trademarks, 2 Designs have been filed in respect of DIT, its Societies and Grantee Institutions. Four Patents, 37 Copyrights and 2 Designs obtained were handed over to these respective organizations. An IPR Exchange Forum is being set up at IISc, Bangalore to facilitate SMEs in particular.

Manual on E&IT Patents—2002, Copyrights and other Digital Works—2002 and Industrial Designs—2004 were widely distributed through ELITEX and other forums to enable all prospective creators/inventors in ICT area protect their findings legally both within the nation and abroad.

R&D Projects have been evolved responding to the needs of the country in this niche area of ICT-IPRs to develop tools and databases relevant to the Software Technologies and tapping of the IPR potential of the developers of Software, Embedded Systems, Digital Intellectual Properties etc.

A regular PG Diploma Course on "IPRs in Internet Age" was institutionalized and this is being conducted in the E-Learning mode through Internet to all concerned throughout the country for the first time. Relevant Course material was developed and is being dissipated in the field. The books as a Glimpse of Indian E&IT Patents 2000-03 Legal Dimensions of Cyber Space—ILI, and Guide to Free/Open Source Software Intellectual Property Rights were published under IPR Cell programme.

IPR Cell made 25 presentations at National level platforms on IPR Topics of current interest. These platforms include Technology Day Seminar—IIT, Delhi, Multimedia SAARC Conference—Pune, Technology Utilization National Conference—Anna University, Chennai, New IPR Regime Seminar—Company Secretaries of India, NSIT, IIT-Allahabad, IISc., ITM-Mussoorie, IIT-Kh, DU, IDC, CSI-Chandigarh, IE, IEEE, FICCI, ASSOCHAM—Delhi, S/w Protection Int'l Workshop—Seoul, Korea etc.

Recommendation (Para No. 45)

Information Security

The Committee attach a lot of importance to cyber security and matters relating to protection of data bases. They urge the Government to take all measures towards branding India globally as a secure nation for strengthening security aspects of IT and to create the confidence.

Action Taken by the Government

In view of importance of Cyber Security and matter related to protection of databases, R&D in IT Security is being continued to be promoted under a specific programme of the Department of Information Technology.

Recommendation (Para No. 46)

In this connection, the Committee note that Stadardisation Testing and Quality Certification (STQC) Directorate has established Information Security Management System certification framework and are certifying their client Companies. The Committee are of the view that Information Security would be equally important in the implementation of e-Governance programme. The Committee trust that STQC would strengthen its Information Security Management System programme.

Action Taken by the Government

Considering the importance of Information Security, especially in the context of e-Governance Programme of Department of Information Technology, STQC has initiated following steps to strengthen its Information Security infrastructure/activities:

(a) STQC has expanded its Information Security Management System certification framework which was so far confined to mainly major software and multinational companies to Government and Public Sector Undertakings, such as Land Record Information System, Treasuries & Accounts, Banks & Financial Sector, Public Sector Undertakings and the like. Apart from certification infrastructure, STQC is also providing Penetration Testing and Vulnerability Assessment Services to Private Sector companies and Public Sector Undertakings to strengthen the security of IT System and Network. STQC has also been empanelled by CERT-In, DIT to provide such services on national level.

(b) To improve the quality of Professionals engaged in IT Security area in the country, STQC has also come up with certified training programmes on Information Security and Network Security which are of International standards.

(c) Of late, STQC has also taken up initiatives to provide Quality Assurance support in e-Governance Programme and has developed Quality Assurance framework for

e-Governance integrating the aspects of Quality, Security and Service Quality. This framework addresses the Security requirements comprehensively covering perimeter security, Network Security, application Security and Data Security with the ultimate aim of Assuring, Securing and Quality Service to the citizens.

CHAPTER III

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

Recommendation (Para No. 12)

The Committee further note that the proposal for setting up CICs in Uttaranchal has been formulated and the EFC Memo of the project is under review by Planning Commission and Ministry of Finance. The Committee desire that matter should be pursued with the Planning Commission/Ministry of Finance so that the people of Uttaranchal may soon get the benefits of CICs. They strongly advocate the replication of CIC model in remote and under developed regions of India.

Action Taken by the Government

DIT has pursued with Planning Commission and Ministry of Finance for setting up of CICs in Uttaranchal. DIT has provdied clarifications on the observations made by Planning Commission and Ministry of Finance. Planning Commission has agreed the proposal in principle. DIT is convening the meeting of EFC.

As regards replication of CIC model in remote and under development regions in India, DIT is not considering Statewide rollout of CICs. However, DIT is in the process of formulating a plan to facilitate establishment of Common Service Centres (CSCs) in rural areas across the country. For this purpose, draft guidelines have been prepared which aim to promote establishment of CSCs through appropriate Public Private Partnerships (PPP). Such Centres would have flexibility to offer a mix of services (from Government & non-Government including localized services) that may be needed by the local community.

Recommendation (Para No. 13)

National Informatics Centre (NIC)

The Committee recognize the strategically important role of NIC in creating the infrastructure backbone for delivering Government

services across the nation. However, they regret to note that out of the target of setting up of 10 NIC district centres in newly created districts during 2004-2005, NIC could set up only two NIC districts centres. The non-availability of the sites is stated to be the reason for the shortfall in target. They feel that such a situation could have been effectively met by proper advance planning. The Committee trust that NIC would in future anticipate such implementation problems and fix the targets keeping in view the basic requirement for their projects i.e. availability of sites. The Committee feel that DIT should take up the matter with the concerned State Governments. The onus for identifying the sites and making them available lies with the State Governments also.

Action Taken by the Government

NIC is providing NICNET services upto district level. The State Governments have been setting up new districts. NIC provides NICNET connectivity as and when new districts are created by taking necessary Government approval for the same.

For setting up of NIC district centre, the district administration has to provide suitable space and electricity. NIC provides computer and communication equipments, system software & application software and technical manpower.

NIC prepares targets for setting up of NIC district centres there keeping in view that district administration will be able to provide suitable space and requisite electricity load.

Whereas NIC is in position to provide the necessary computer hardware, VSATs, system software, application software to start the district centre, NIC has to pursue the matter with the district authorities for providing office space.

Many a times, district authorities are not able to provide suitable space and electricity load. It has been found in certain cases that the new districts are not even provided any separate space to start the collectorate office. While NIC has been aware of such problems, NIC has to fix the targets to complete the maximum number of new districts so that it can continuously pursue with the district authorities for the setting up of new districts.

NIC is taking necessary steps to complete the 8 districts during the year 2005-06 by getting the space allotted which is getting sorted out and creation of technical manpower posts for them.

Recommendation (Para No. 14)

The Committee are constrained to note that some of the NIC activities though targeted to be completed in 2004-05, remained incomplete and will now be taken up for completion during 2005-06. These activities are Establishment of offsite Disaster Recovery site for NIC Certifying Authority, Establishment of Key Archiving facilities for archival of encryption keys, detailed study, procurement of systems and data entry for Smart Island Project, setting up usability Lab for India Image and procurement & setting up hierarchy of storage solutions to cater to the varying demands of Government Departments. The Committee observe that failure to successfully execute these activities within the year will obviously affect the achievement of activities targeted for the year 2005-06. The Committee, therefore, express their concern over such delays and recommend that the reasons for the same should be identified and corrected for timely implementation of these critical projects. Responsibility should also be fixed for the delay in implementation of all such projects. As a body that understands very well the requirements of Government's/ Departments, NIC should strengthen itself to play a pivotal and co-ordinating role in identification, development and implementation of e-Governance programme in close co-ordination with DIT and NISG.

Action Taken by the Government

NIC has been preparing targets for various important activities on year-to-year basis. Thereafter, necessary steps are taken to implement these activities. In some cases, a few constraints are faced at the time of implementation. NIC tries to overcome such constraints. However, in some cases, constraints are beyond the control of NIC. The same is the case in the case of projects indicated by the Parliament Standing Committee on Information Technology. Also, at the time of implementation, NIC has to deploy the right kind of technological solution.

The information relating to the projects indicated by the Standing Committee is given below:

(i) Establishment of offsite Disaster Recovery site for NIC Certifying Authority

The selection of Disaster Recovery Site for Certifying Authority is a critical issue involving Geographical location (seismic zone), physical and logical security, infrastructure, technicalities (Connectivity, Hardware & Software) and other logistics, in compliance with the IT Act, 2000, as amended from time to time.

After due consideration of all these factors, the site for Disaster Recovery Site has been finalised at NIC, Hyderabad and the DR will be setup during 2005-06.

(ii) Establishment of Key Archiving facilities for archival of encryption keys

Establishment of a key archiving facility is basically meant for archival of the private key of the encryption key pair. NIC Certifying Authority is in the process of development of a scaled down version of Key Escrowing system for encryption of private key in PEX format for the encryption keys issued from enterprise CA.

(iii) Detailed Study, Procurement of Systems and Data Entry for Smart Island Project

Pilot site selection for site preparation and systems installation was scheduled to be carried out during Jan.-March 2005. Due to emergency works related to Tsunami and the priorities assigned thereafter, the scheduled travel and works were not taken up during this period. The same will be taken up and completed during May-July, 2005.

(iv) Set up usability Lab for India Image

Usability Lab involves building of a special setup like construction of soundproof rooms with special purpose infrastructure. Due to introduction of some new services, NIC is presently involved with the restructuring in NIC premises to render these services in an effective manner. As a first step, NIC is setting up GIS lab, which is at an advanced stage of completion. Setting up of usability Lab has been planned as a part of this restructuring.

(v) Procurement & Set up Hierarchy of storage solutions to cater to the varying demands of Govt. Depts.

Over the last couple of years, a lot of research & development has taken place in the area of storage technologies as well as storage networking. As a result lot of new storage technologies as well as products were introduced in the market. NIC has been working out to get latest and proven technologies.

The process for procurement of Hierarchical storage setup has already been initiated and part of the solution is in the advance stage of procurement. For the rest of the solution specifications and requirements has been worked out.

36

Coordination with DIT for e-Governance programme

NIC is already playing a pivotal role in e-Governance programme of DIT. A number of accelerated e-Governance projects are being executed by NIC. NIC is also working on establishment of SWAN projects for some States. The requirement of manpower and additional financial resources is being worked out by DIT.

Recommendation (Para No. 18)

Electronics & Computer Software Export Promotion Council (ESC)

The Committee observe that Electronics and Computer Software Export Promotion Council (ESC) is one of the largest industry association representing 2200 exporting companies from the field of electronics and computer software/services sector. It has a committee having twenty two members from the industry and four members as Government nominees. It is basically engaged in arranging trade shows, exhibitions, match making and also interface with policy makers. The Committee are happy to note the efforts made so far by ESC in organizing the export shows in the area of IT like "INDIASOFT". The Committee also note that as compared to Japan, which is the second largest IT market in the world, India's share of software export is only to the extent of about 3.5 per cent at present. According to the DIT, one of the reasons for such a low share of software exports is the language barrier. The Committee feel that the ESC effort in organizing Japanese and German languages programmes will help preparing IT professional in developing alternative market like Japanese and German IT market.

Action Taken by the Government

The Japanese and German language programmes by ESC are a regular event and are part of its Annual Action Programmes. These activities are covered under market Access initiative scheme of the Department of Commerce, Government of India.

Under the Japanese language support programme, financial assistance was provided by way of reimbursement to 43 IT students and 93 IT professionals/personnel of Indian IT software firms for the year 2002-03 and 28 IT students and 76 IT professionals/personnel of Indian IT software firms for the year 2003-04 for learning the Japanese language and obtaining the required level of proficiency prescribed under the LRMAFI-J scheme. Claim applications for reimbursement under this scheme for the year 2004-05 are being received from IT

students and IT professionals of Indian IT software firms for payment during 2005-06.

The German language support programme (LRMAFI-G) was officially announced in September 2004. Being the first year of its operation, reimbursement of eligible claims was made to only 13 IT students for the year 2004-05 for learning the German language and obtaining the required level of proficiency prescribed under the LRMAFI-G Scheme.

Recommendation (Para No. 30)

The Committee are concerned to note the problem of attrition that SAMEER has been facing for long. They further learn that SAMEER has been doing campus recruitment on contract basis and also are trying to fill up this gap by having more number of standby people. SAMEER ahs expressed its apprehension that such steps might create a gap when the leadership question comes up at a certain period of time. The Committee endorse the suggestion of SAMEER that the Ministry of Finance should look into the possibility of allowing certain exemptions to SAMEER like it is being given to DRDO so that it can function with full vigor to yield the desirous results. The Department should also examine the desirability of providing suitable initiatives to minimize the rate of attrition of technical personnel.

Action Taken by the Government

SAMEER has submitted a comprehensive document for recruitment and sustaining the manpower for the next 5 years and is under consideration. Regular promotions to meritorious staff both Scientists and Administration under FCS will go a long way in achieving excellence in R&D efforts. SAMEER is engaged in state-of-art projects with strategic implications for the nation. Exemptions in the same lines as given to DRDO/DOS in recruitment by Ministry of Finance will definitely keep the positive momentum going and allows continuous induction of talented and capable young scientists to SAMEER.

Recommendation (Para No. 33)

The Committee are satisfied to note that looking at the increasing demand of IT professionals, the Society has adopted a strategy to interact with industry associations such as NASSCOM to review/ redesign the DOEACC courses with regard to their appropriateness and employability, besides launching new courses in emerging areas

including IT Enabled Services (ITES)—Business Process Outsourcing (BPO). The Society has already launched Bioinformatics courses at 'O' and 'A' level at DOEACC Centres. ITES-BPO courses have been launched in North-Eastern Region with financial assistance of Department of Development of North-Eastern Region (DONER), besides Jammu and Srinagar. The Society has planned to launch DOEACC Hardware courses during the financial year 2005-06. The Committee welcome the steps taken by DOEACC which are in consonance with the present day requirement of the IT professionals. They desire that greater importance should also be attached to contents of these courses in consonance with the market demand by framing a forward looking curriculum. The Committee would like be apprised of the academic recognition of these courses launched/proposed by DOEACC.

Action Taken by the Government

The Society interacts regularly with the industry to review/redesign the DOEACC courses with regard to their appropriateness and employability. The courses contents are revised periodically to take care of the requirements of the industry. The Committee would be kept apprised of the academic recognition of DOEACC courses.

Recommendation (Para No. 41)

Digital DNA Park

The Committee observe that the Department of IT decides to create specialized infrastructure for the biotechnology/bio-tech sector in the country in order to foster the growth of bio-informatics/biotechnology sector. However, they concerned to note that the Department has not utilised the allocation of Rs. 3.50 crore and Rs. 5 crore during the 2003-04 and 2004-05 for the project.

Recommendation (Para No. 42)

The Committee find that STPI, which is nodal agency on behalf of DIT and Department of Biotechnology (DBT) in the implementation of the project invited proposals from leading consultancy firms in May 2003. Thereafter, the work was entrusted to M/s Ernst & Young in February 2004. STPI alongwith them held stakeholder consultation workshops at six locations in the country in April 2004. M/s Ernst & Young submitted the feasibility Report in August 2004 for setting up the Bio-IT Park. Six locations have been short-listed in the Feasibility Report. This report was submitted to the Planning Commission which accorded the approval on 13.10.2004. The Bio-IT Park is proposed to

be set up in the form of Public-Private Partnership (PPP) model. In order to select a suitable private promoter STPI invited Request for Qualification (RFQ) in December 2004. 17 bidders have been short listed after evaluation process. The DIT have also written to the Chief Secretaries of the States having the short listed locations and the encouraging response has been received from the State Governments.

<center>**Recommendation (Para No. 43)**</center>

The Committee observe that when so many formalities were anticipated in the process involving years together, the allocations under this head should not have been made earlier. The Committee, however, now hope that implementation of the project would start soon and Rs. 10 crore allocated for the scheme would be fully utilized for creating specialized infrastructure for the biotechnology/biotech sector in the country to foster the growth of bio-informatics/biotechnology sector.

<center>**Action Taken**</center>

In an endeavour to promote the activities in this industry, the Department of Information Technology (DIT), in conjunction with the Department of Biotechnology (DBT) intends to facilitate setting up of a state-of-the-art infrastructure in the form of a 'Bio-IT Park'. The proposed Park would address the IT related needs of the global life sciences industry and is expected to attract investments (both domestic and foreign) in the related areas.

The Bio-IT Park is proposed to be set up in the form of a Public-Private Partnership (PPP) model wherein the STPI would be a minority stakeholder and the private promoter would be the majority stakeholder. A detailed Feasibility Report has been prepared which was submitted to Planning Commission. 'In-principle' approval has been received from Planning Commission for the project.

The progress so far and the future course of action:

- STPI appointed M/s Ernst & Young as consultants for the initiative.

- A stakeholder consultation process was undertaken by STPI assisted by M/s Ernst & Young to understand the needs of the industry. This included workshops at six locations in the country, which had a concentration of Biotech/ Bioinformatics companies. The workshops were held at Bangalore, Hyderabad, Lucknow, Pune, Kolkatta, Delhi (Noida).

- Taking into account the issues/points raised by the participants of the workshop, a 'Feasibility Report' has been prepared for setting up the proposed Bio-IT Park.

- The Feasibility Report was submitted to Planning Commission and 'In-principle' approval has been received from Planning Commission.

- The park is proposed to be developed in the form of a public-private partnership model. In order to select a private promoter a two stage process of RFQ (Request for Qualification) and RFP (Request for Proposal) has been adopted.

- STPI released the RFQ in leading national and international financial dailies/magazines to invite responses from interested private promoters.

- STPI received good response to the RFQ and 25 bids have been received in response to the RFQ. STPI has also received bids from international participants. A Committee consisting of representatives of DIT, DBT and STPI evaluated the bids and 17 bids have been short listed for the RFP process.

- The park would also have State Government as a key stakeholder. DIT has written to State Governments of short listed locations for providing inputs regarding land and other facilities/incentives offered by the State Government for the proposed park.

The responses from the State Governments would be made available to the short listed bidders of the RFQ process.

The RFP would be released to the short listed bidders of the RFQ process and they would submit their proposal in response to the RFP, which would also identify the location of the proposed park. A pre-bid conference would be organized wherein short listed bidders of the RFQ process and representatives of State Government would be invited.

DIT is in the process of submitting the proposal before Expenditure Finance Committee (EFC). After approval of the project STPI would take further action for organization of pre-bid conference and selection of strategic partner for STPI for implementation of Bio-IT Park. The funds allotted for Bio-IT (Digital DNA Park) is likely to be utilized during the current financial year.

CHAPTER IV

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

Recommendation (Para No. 5)

National Action Plan on e-Governance (NEGAP)

The Committee observe that the vision behind the e-Governance is to make all the Government services and relevant information accessible to the common man. To promote e-Governance on a massive scale, a National Action Plan on e-Governance (NEGAP) has been drawn for implementation during 2003-07. It is a centralized initiative having a much more decentralized model for implementation. Various Government Ministries/Departments are responsible for implementation of the Mission Mode Projects (MMPs) assigned to them with regard to NEGAP. The direct responsibility of the Department of Information Technology pertains to the areas of Creation of State Wide Area Network (SWAN), Establishment of National Data Centre/State Data Centres, Establishment of Common Service Centres, Horizontal transfer of successful e-Governance applications, E-Portal/Services Delivery Gateway, Awareness and assessment of similar projects, HRD, Technical support, UNDP and other related activities like e-readiness formulation for Core Policies and Standards etc. Web-sites, Office Automation Centre for e-Governance (CEG), application development, Programmes management etc.

the Committee realize that sincere efforts are required to be made by the Department to effectively implement the e-Governance programmes throughout the country. They, therefore, recommended that the Department should accord top priority to the implementation of all these projects in a systematic and organized manner. There is also a need for effective co-ordination among the various participants like the NIC, National Institute for Smart Governance (NISG), NICSI, Line Ministries/Departments/State Governments etc. with a view to providing a more focused attention to the implementation of e-Governance programme.

The Committee would further like to caution the implementing bodies to focus on the effective delivery of the solutions to the common

man rather than get overwhelmed by the hardware and technology aspects of the projects.

Action Taken

DIT is evolving suitable Programme Management Structure for the NEGP, which would include Apex Committee for inter-ministerial co-ordination, Financial Empowered Committee for one point clearance of project proposals for approvals, Advisory Group to solicit views of external stakeholders and the Programme Directorate to provide secretarial support. Apex Committee has already been constituted with the Cabinet Secretary as its Chairman and Secretary, DIT as its member convener. National Advisory Group of e-Governance under the Chairmanship of Hon'ble Minister of Communication and Information Technology has been set up to advise the government on policy issues and strategic interventions necessary for accelerating introduction of e-Governance across Central and State Government Ministries/ Departments. The group would specifically advise on issues relating to the implementation of the National e-Governance Action Plan and the various Mission Mode Projects (MMPs).

DIT has proposed the following roles/responsibility for various entities such as DAR&PG, DIT, NIC, NICSI, NISG, Line Ministry/ Department and the State Government towards implementation of NEGP.

Department of Information Technology to be responsible for

- Assist Apex Committee to manage program

- Serve as secretariat to Apex Committee

- Address Standardization, Interoperability issues

- Implement Pilots/Infrastructure projects

- Augment capacity/provide technical support

- Create suitable e-Governance Group to discharge above functions

- Constitute Advisory Group on NEGP

DAR&PG to be responsible for

- Generic Administrative Reforms/Process Re-engineering

- General HRD and Training

- Awareness

- Assessment

- E-Office

NIC to be responsible for

- Implement designated projects for Govt. of India and State Government Departments

- Provide technical support to project implementation teams in Government of India and State Government Departments

- Establish, operate & maintain National Data Bank

- NICNET—to be upgraded as National e-Governance backbone

- Data Centers, Disaster Management, e-Records rooms

- Assist in finalization of common standards and policies

- Designing and conducting training programs

- Knowledge sharing-development of best practices

Responsibility of GoI Departments executing assigned Mission Mode Projects

- Respective Departments to define objectives, milestones, timelines & methodology for execution of each MMP assigned to them

- Each project to be implemented in a Mission Mode

- Mission Leaders & Empowered Mission Teams to be constituted.

Responsibility of State Governments for the State Mission Mode Projects

- State-level Apex Committee headed by Chief Secretary

- States to define objectives, milestones, timelines & methodology for each of the State Mission Mode Projects keeping in view the overall directions/guidance issued by the respective Central Ministry

- Each project to be implemented in Mission Mode

Responsibility of NICSI

- Promote and supplement NIC activities and to offer IT based value added services

Responsibility of NISG

- Channelise private sector resources and competence in the execution of e-Governance action plan.

DIT has initiated a study to clearly define services and service levels for each of the identified Mission Mode Projects. Mission Mode Projects would tune to these requirements.

<div align="center">Comments of the Committee</div>

Please *see* Para No. 15 of Chapter I.

<div align="center">Recommendation (Para No. 6)</div>

The Committee note that DIT are taking several steps to implement the e-Governance programme. One of these are issue of Policy Guidelines to provide support to State Governments to establish State Wide Area Networks (SWANs) from the State HQs up to the Block level with a minimum bandwidth capacity of 2 Mbps. NIC has already set up a Data Centre at Delhi and have identified various State Data Centres to cater to the requirements of the States to enable the aggregations of the fragmented data in the States and also to facilitate service delivery from centralized data centre. Also a scheme to establish Common Service Centre has been drafted and is being given a final shape. A policy framework is also evolved to provide funding support to establish Common Service Centres across the country by the year 2007 and initiatives are proposed to be taken to create an enabling environment for delivering Government and other need based private services to rural citizens.

In view of the submission of Department of Information Technology that Budget provision for e-Governance for the year 2004-05 and 2005-06 is being utilized towards creation of State Wide Area Networks (SWANs), State Data Centres and Common Service Delivery Centres, the Committee would like to be assured that the funds allocated would be fully utilized *vis-a-vis* achievements of physical targets.

The Committee would further desire the Departments to examine the possibility of setting up of SWAN, National Data Centre/State Data Centres and Common Service Centres in an integrated manner.

Action Taken

Funds allocated for e-Governance for the year 2004-05 were fully utilized. It is proposed to use about 88% of the current year budget (for 2005-06) towards establishing key Core Infrastructure like State Wide Area Networks (SWANs), State Data Centres, and Common Services Centres that would be serving different e-Governance applications.

This Scheme for providing financial support for SWAN has already been approved at a total outlay of Rs. 3,334 crore including Central Assistance Component of Rs. 2005 crore. Guidelines for State Data Centres & Common Services Centres are under formulation and these guidelines would include necessary provisions for integration of these components.

Comments of the Committee

Please *see* Para No. 15 of Chapter-I.

Recommendation (Para No. 7)

The Committee learn that the DIT is also making efforts to address the issues of standardization, interoperability, implementation of pilot projects, infrastructural requirements, augmentation of capacity and those relating to technical support for effective implementation of the e-Governance programme. An Advisory Group has also been constituted to advise the various decision-making bodies on policy and strategy issues. The Department have been working on specialized training programmes for Chief Information Officers (CIOs) and for the policy makers at the State level as well as for individual Ministries. Steps are also being taken to improve the service delivery and outcome of the programmes.

The Committee observe that these functions to be undertaken by the DIT are of utmost importance and therefore they desire that the Department should do comprehensive planning in all areas particularly in the area of building the capacity in the States so that by the time Common Service Centres are set up, the citizens could at once start utilizing their services.

Action Taken

DIT has prepared Guidelines for Capacity Building and Institutional Framework for e-Governance under National e-Governance Plan (NeGP) and circulated the same to State Governments/UTs for adoption. DIT

jointly with DAR&PG is planning to organize series of training programmes for CIOs and Policy Makers. NIC is also conducting regular training programme for government staff.

Comments of the Committee

Please *see* Para No. 15 of Chapter I.

Recommendation (Para No. 9)

The Committee find that during discussion of Annual Plan on e-Governance on 22.12.2004, the Planning Commission had observed that NEGAP should clearly indicate how the plan would link-up transfer of 2-3% of Plan funds allocated to Line Ministries for e-Governance and IT related activities and how the 2-3% would come from Ministries where there was no plan funding like Ministry of Finance and how they would be accommodated in the NEGAP. The Planning Commission had, therefore, advised that only after ascertaining clear cut funding pattern and process re-engineering methods appropriately in NEGAP, the DIT could go for approval. The Planning Commission had approved an allocation of Rs. 300 crore subject to DIT taking up these actions promptly. The DIT was also asked to make a presentation of NEGAP before full Planning Commission and also to firm up business re-engineering process for NEGAP in the next six months time.

Action Taken

The role of DIT is that of a facilitator and catalyst to promote citizen and business centric e-Governance applications in various Central and State Government departments including local bodies.

Allocation of funds to DIT has been restricted to the e-Governance activities where DIT has direct responsibility for execution. For other components and Mission Mode Projects, Line Ministry/Department have been identified and they would be owning complete responsibility for those project(s) including obtaining required financial allocations & approvals. These Ministries/Departments would also be responsible for carrying out the required business process re-engineering for the project(s) assigned to them.

Comments of the Committee

Please *see* Para No. 15 of Chapter-I.

Recommendation (Para No. 10)

The Committee, however, observe that the Department has stated that the concerned Line Ministries/Departments are expected to formulate detailed project proposals including funding and process re-engineering and obtain necessary approvals as far as implementation of the Mission Mode Projects under the NEGAP is concerned. The Department also stated that they on their part would be extending support towards technical assistance and for establishing common core infrastructure. It has also been submitted that the Planning Commission have advised all the Ministries and also written to them that their IT component should be communicated to DIT and therefore, it is the Planning Commission which will really have to see that this has actually been implemented.

The Committee thus feel that the DIT should take seriously the suggestions of the Planning Commission to co-ordinate with the Line Ministries/Departments. They are of the firm opinion that being the nodal Department in the matter and also being specifically advised by the Planning Commission it is the primary responsibility of the Department to ensure that all activities under e-Governance are undertaken effectively in the time bound manner. There is also an imperative need to impress upon the Line Ministries/Departments/ State Governments to take initiative in this regard.

Action Taken

DIT is evolving suitable Programme Management Structure for the National e-Governance Plan (NeGP), which would include Apex Committee for inter-ministerial co-ordination, Financial Empowered Committee for one point clearance of project proposals for approvals, projects, Advisory Group to solicit views of external stakeholders and the Programme Directorate to provide secretarial support.

Comments of the Committee

Please *see* Para No. 15 of Chapter-I.

CHAPTER V

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

Electronics & Computer Software Export Promotion Council (ESC)

Recommendation (No. 19)

The Committee further learn that ESC intends to set up an export facilitation and business support centre in the US in the current year, which will provide a platform to Indian small and medium companies to tap US market and would also enable them with networking facilities to identify customers. ESC is also planning to set up something on the lines of INDIASOFT for the promotion and growth of hardware sector also. The Committee would like to be kept apprised of the results achieved in those areas.

Action Taken by the Government

ESC's proposal to set up an export facilitation and business support centre in the USA is under consideration and the idea of organizing an international event on the lines of INDIASOFT in India for the hardware sector is still at a conceptual stage. The Committee will be apprised once finalized.

NEW DELHI;
21 *December,* 2005
30 *Agrahayana,* 1927 *(Saka)*

M.M. PALLAM RAJU,
Chairman,
Standing Committee on
Information Technology.

APPENDIX

MEDIA LAB ASIA

LIST OF ONGOING PROJECTS AS ON 31ST MARCH, 2005

Sl.No.	Project Name	Description	
1	2	3	
1.	Interfaces for all	Design and evaluation of interfaces for interaction techniques	IIT Bombay
2.	Interlingua Web	Natural language processing to provide with initial focus on rural agri domain	IIT Bombay
3.	Polysensors	Inexpensive reusable polymer based sensors for multi fluid testing	IIT Bombay
4.	Rural WiFi-802.11b Mesh networks	Broadband wireless last mile solution for rural areas	IIT Madras
5.	PLD for Rural Access Devices	Low-cost devices for rural applications	IIT Madras
6.	Speech Synthesis-(Shruti)	Generalized speech synthesis engine for Indian languages	IIT Kharagpur
7.	Visual Languages-(Sanyog)	Natural language processing using iconic systems	IIT Kharagpur
8.	Offline Internet Access (Samvidha)	Offline low cost internet access for rural schools	IIT Kharagpur
9.	Digital Music	Software workbench to analyze and characterize music	IIT Kanpur
10.	Info sculpture	Advanced 3-D CAD printing, rapid prototyping and tolling	IIT Kanpur
11.	Digital Gangetic Plan	Wireless broadband multi hop connectivity in rural areas	IIT Kanpur
12.	Digital Mandi	Research interconnection of dispersed rural markets through the web	IIT Kanpur

1	2	3
13.	Info Thela	Research low cost mobile ICT solutions for rural areas	IIT Kanpur
14.	Semantic Legacy Documents on the Web	Storage and retrieval of Non-OCRable documents and indexing them using gross linguistic features	IIT Delhi
15.	Low cost Computing	Low cost computing devices and gadgets	IIT Delhi
16.	Multi-lingual web interfaces to Gram Chitra	Multilingual interfaces to Gram Chitra a mapping software	IIT Delhi
17.	Adhoc Networks	Mobile Sensor Networks	IIT Delhi
18.	Grampatra	Store and forward wireless networks for email communication in rural areas	Media Lab Asia, New Delhi
19.	Screen Access for All	Hindi screen reader software for the visually impaired persons	National Association for the Blind, Delhi
20.	Mobile Healthcare Delivery	Healthcare services through low cost mobile internet	IIT Kanpur
21.	Educational content development tool for Virtual Lab	Development of educational content development tool for virtual lab experiments	
22.	Life skills training for Children of Nomadic Tribes in Maharashtra using ICT	To develop an effective and simple methodology, using ICT, for 'Learning' and 'Life skills training' for children and youth in the age of 4 to 14 years	Kanwal Rekhi School of Information Technology, Chennai
23.	Pilot deployment of Grampatra with Bhoomi	Pilot deployment for land record document delivery in remote villages	Revenue Dept., Karnataka Govt., Bangalore
24.	Strengthening of Health services in Rural areas using IT-Dev. of a replicable model	Health data collection with of handheld devices, development of healthcare modules on handheld devices and developing a local healthcare information & management system	All India Institute of Medical Science, New Delhi

51

1	2	3	
25.	Centre of excellence in wireless technology	Addresses standards issued and technology issues in advanced wireless technology	IIT Madras
26.	Ashwini	Pilot deployment of WiFi technology for promoting rural agro, education, crafts and micro-enterprises	Byrraju Foundation, Hyderabad
27.	ICT based resources for rural school education	Develop IT based content development tool with local language support and develop virtual laboratory for school	International Institute of Information Technology, Hyderabad
28.	Computer aided Text to speech and text to Braille system for visually impaired	Development of computer aided TTS and text to Braille system for the visually impaired	C-DAC, Pune

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2005-06)

The Committee sat on the 20th December, 2005 from 1600 hrs. to
1730 hrs. in Committee Room 'D', Parliament House Annexe,
New Delhi.

PRESENT

Shri M.M. Pallam Raju — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Chaudhary
3. Shri Mani Cherenamei
4. Shri Sanjay Shamrao Dhotre
5. Shri Kailash Joshi
6. Shri P.S. Gadhavi
7. Shri Chander Shekhar Sahu
8. Shri K.V. Thangka Balu

Rajya Sabha

9. Shri Vijay J. Darda
10. Shri Ashwani Kumar
11. Shri Dara Singh
12. Shri K. Rama Mohana Rao
13. Shri Motiur Rahman

SECRETARIAT

1. Shri P. Sreedharan   —   *Joint Secretary*
2. Shri Raj Shekhar Sharma   —   *Director*
3. Shri K.L. Arora   —   *Under Secretary*
4. Shri Hoti Lal   —   *Assistant Director*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee, then, took up the following Draft Reports for consideration:

(i) Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Fifteenth Report on "Demands for Grants (2005-06)" relating to the Ministry of Communications and Information Technology (Department of Information Technology).

(ii) Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Sixteenth Report on "Demands for Grants (2005-06)" relating to the Ministry of Communications and Information Technology (Department of Posts).

(iii) Draft Report on Action Taken by Government on the Recommendations/Observations of the Committee contained in their Seventeenth Report on "Demands for Grants (2005-06)" relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

(iv) Draft Report on "Spectrum Management" relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

3. The Committee, then, adopted the Draft Action Taken Reports at Serial No. (i), (ii) and (iii). Draft Report on "Spectrum Management" relating to Department of Telecommunications was partially discussed. As some Members requested the Chairman to give them some more time to go through the Draft Report, the Committee deferred further consideration of the Draft Report on "Spectrum Management" to 21 December, 2005.

4. The Committee, then, authorized the Chairman to finalize and present the above mentioned Reports adopted by the Committee to the House on a date and time convenient to him.

The Committee, then, adjourned.

ANALYSIS OF ACTION TAKEN BY GOVERNMENT ON THE
RECOMMENDATIONS/OBSERVATIONS CONTAINED IN
FIFTEENTH REPORT (FOURTEENTH LOK SABHA)
OF THE COMMITTEE

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

Sl. Nos. 1, 2, 3, 4, 8, 11, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26,
27, 28, 29, 31, 32, 34, 35, 36, 37, 38, 39, 40, 44, 45 and 46

Total : 31

Percentage : 67.39%

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

Sl. Nos. 12, 13, 14, 18, 30, 33, 41, 42 and 43

Total : 9

Percentage : 19.56%

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

Sl. Nos. 5, 6, 7, 9 and 10

Total : 5

Percentage : 10.86%

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

Sl. No. 19

Total : 1

Percentage : 2.17%