

## **PART I**

### **REPORT**

#### **I. INTRODUCTORY**

The Department of Information Technology (DIT), which form a part of the Ministry of Communications and Information Technology are *inter-alia* responsible for formulation, implementation and review of the national policies in the field of Information Technology. All policy matters relating to silicon facility, computer based information technology and processing including hardware and software, standardisation of procedures and matters relating to international bodies, promotion of knowledge based enterprises, internet, e-commerce and information technology education and development of electronics and coordination amongst their various users are also addressed by the Department.

2. The Department, in their endeavour of fulfilling these objectives, are assisted by various Attached Offices/Companies/Autonomous Societies/Statutory Authorities. These are as follows:

##### **(i) Attached offices**

- Standardisation, Testing and Quality Certification (STQC)
- National Informatics Centre (NIC)

##### **(ii) Statutory Authorities**

- Controller of Certifying Authorities (CCA)
- Cyber Regulations Appellate Tribunal (CRAT)
- Semiconductor Integrated Circuits Layout – Design Registry

##### **(iii) Autonomous Societies**

- Education & Research in Computer Networking (ERNET)
- Centre for Development of Advanced Computing (C-DAC)
- Centre for Materials for Electronics Technology (C-MET)
- DOEACC Society
- Society for Applied Microwave Electronics Engineering & Research (SAMEER)

- Software Technology Parks of India (STPI)
- Electronics and Computer Software Export Promotion Council (ESC)

**(iv) Section 25 Companies**

- Media Lab Asia (MLA)
- National Informatics Centre Services Inc. (NICSI)
- National Internet Exchange of India (NIXI)

**(v) Others**

- Indian Computer Emergency Response Team (CERT-In)

3. The Department with the help of these Societies/Offices are implementing various schemes and programmes relating to technological development in the field of IT and the creation of critical infrastructure for the development of IT in the country. Some of the major schemes & programmes are as follows:—

- (i) Electronic Governance
- (ii) Technology Development Council Project
- (iii) Technology Development for Indian Languages
- (iv) Convergence, Communication & Strategic Electronic Programme
- (v) Micro Electronics & Nano-Technology Development Programme
- (vi) IT for masses
- (vii) Cyber Security
- (viii) Component & Material Development Programme
- (ix) Manpower Development Programme
- (x) Electronics in Health & Telemedicine Programme
- (xi) Promotion of Electronic/IT Hardware Manufacturing
- (xii) National Knowledge Network.

**II. IMPLEMENTATION STATUS OF THE RECOMMENDATIONS CONTAINED IN THE FORTY-SIXTH REPORT OF THE COMMITTEE ON DEMANDS FOR GRANTS (2007-08) OF THE DEPARTMENT OF INFORMATION TECHNOLOGY**

4. The Standing Committee on Information Technology presented their Forty-sixth Report on Demands for Grants of the Department of Information Technology for the year 2007-08 to Parliament on 24 April, 2007. The Fifty-fourth Report on Action Taken by the Government on

the recommendations/observations contained in the Forty-sixth Report on DFG (2007-08) was presented to Lok Sabha on 4 December, 2007 and laid on the table of Rajya Sabha on 5 December, 2007. The Government accepted all the 35 recommendations. The replies in respect of the recommendations at Sl. Nos. 2, 3, 4, 8, 9, 10 and 12 were not accepted by the Committee and these recommendations were reiterated in their Fifty-Fourth Report.

### III. DIT BUDGET

5. The Demand No. 14 pertaining to the Department of Information Technology (DIT) for the year 2008-2009 was laid in Lok Sabha on 10 March, 2008. The details of Revenue as well as Capital expenditure under the Plan and Non-Plan sections are as under:—

<b>Demand No. 14</b>			
<b>(Rs. in crore)</b>			
	<b>Plan</b>	<b>Non-plan</b>	<b>Total</b>
<b>Revenue</b>	1580.50	36.00	1616.50
<b>Capital</b>	99.50	-	99.50
<b>Total</b>	<b>1680.00</b>	<b>36.00</b>	<b>1716.00</b>

6. About the allocation proposed by the Department for the Annual Plan 2008-2009 it has been stated that it was Rs. 2500 crore. Apart from the outlay of Rs. 1680.00 crore, the Department have also shown a sum of Rs. 272.14 crore as IEBR to be generated by the societies/offices under them through their R&D programmes/activities. Thus, the total outlay of the Department for the Plan activities during 2008-2009 is stated to be Rs. 1952.14 crore.

7. The scheme-wise details of Annual Plan allocations for the year 2008-2009 as proposed by the Department of Information Technology and approved by the Planning Commission have been stated to be as under:—

<b>Scheme Number/Name</b>	<b>(Rs. in crore)</b>		
	<b>Annual Plan (2008-2009)</b>		
	<b>Proposed</b>	<b>Allocation</b>	<b>Difference</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>I. R&amp;D PROGRAMMES</b>			
SAMEER	27.00	24.00	3.00
Microelectronics & Nano-Tech Dev. Prog.	65.00	35.00	30.00

1	2	3	4
Technology Development Council	75.00	32.00	43.00
Convergence, Communication & Strategic Electronics	35.00	22.00	13.00
Components & Material Development Programme	29.23	10.00	19.23
C-DAC	249.00	91.00	158
Electronics in Health & Telemedicine	25.00	13.33	11.67
Technology Development for Indian Languages	19.00	8.89	10.11
IT for Masses (Gender, SC&ST)	25.03	8.00	17.03
Media Lab Asia	50.00	1.00	49.00
<b>R&amp;D Sub-Total</b>	<b>599.26</b>	<b>245.22</b>	<b>354.04</b>
<b>II. Infrastructure Development</b>			
STQC	74.00	42.00	32.00
STPI & EHTP	0.60	0.00	0.60
Digital DNA Park	0.01	0.00	.01
Electronic Governance	1053.63	800.00	253.63
Cyber Security (including CERT-In,IT Act)	39.10	33.00	6.10
ERNET	5.00	0.09	4.91
Promotion of Electronics/IT Hardware Manufacturing	2.00	0.80	1.20
<b>Infrastructure Sub-Total</b>	<b>1174.34</b>	<b>875.89</b>	<b>298.45</b>
<b>III. Human Resource Development</b>			
DOEACC	11.00	0.44	10.56
Manpower Development	139.40	45.00	94.40
Facilitation off setting-up of Integrated Townships	1.00	0.11	0.89
<b>HRD Sub-Total</b>	<b>151.40</b>	<b>45.55</b>	<b>105.85</b>

1	2	3	4
<b>IV. Others</b>			
Headquarters (Secretariat & Bldg.)	15.00	13.34	1.66
NIC	560.00	400.00	160.00
National Knowledge Network	—	100.00	100.00
<b>Others Sub-Total</b>	<b>575.00</b>	<b>513.34</b>	<b>61.66</b>
<b>Grand Total</b>	<b>2500.00</b>	<b>1680.00</b>	<b>820.00</b>

8. When asked to furnish comparative data for the year 2007-2008 indicating the Outlay/Gross Budgetary Support proposed and finally approved, the following statement was furnished to the Committee:—

(Rs. in crore)

Scheme Number/Name	Annual Plan (2007-2008)		
	Proposed	Allocation	Difference
1	2	3	4
<b>I. R&amp;D PROGRAMMES</b>			
SAMEER	25.00	22.00	3.00
Microelectronics & Nano-Tech Dev. Prog.	40.00	29.00	11.00
Technology Development Council	50.59	32.00	18.59
Convergence, Communication & Strategic Electronics	35.00	22.00	13.00
Components & Material Development Programme	15.60	10.00	5.60
C-DAC	127.00	75.00	52.00
Electronics in Health & Telemedicine	27.73	18.00	9.73
Technology Development for Indian Languages	30.00	11.00	19.00
IT for Masses (Gender, SC&ST)	10.00	9.00	1.00
Media Lab Asia	50.00	10.00	40.00
<b>R&amp;D Sub-Total</b>	<b>410.92</b>	<b>238.00</b>	<b>172.92</b>

1	2	3	4
<b>II. Infrastructure Development</b>			
STQC	65.00	50.00	15.00
STPI & EHTP	12.00	0.50	11.50
Digital DNA Park	0.10	0.10	0.00
Electronic Governance	957.96	800.00	157.96
Cyber Security (including CERT-In, IT Act)	75.00	33.00	42.00
ERNET	0.10	0.10	0.00
Promotion of Electronics/IT Hardware Manufacturing	10.00	1.00	9.00
<b>Infrastructure Sub-Total</b>	<b>1120.16</b>	<b>884.70</b>	<b>235.46</b>
<b>III. Human Resource Development</b>			
DOEACC	22.00	0.50	21.50
Manpower Development	99.00	43.00	57.00
Facilitation off setting-up of Integrated Townships	1.00	1.00	0.00
<b>HRD Sub-Total</b>	<b>122.00</b>	<b>44.50</b>	<b>77.50</b>
<b>IV. Others</b>			
Headquarter (Secretariat & Bldg.)	12.00	12.80	0.80
NIC	427.00	320.00	107.00
<b>Others Sub-Total</b>	<b>439.00</b>	<b>332.80</b>	<b>106.20</b>
<b>Grand Total</b>	<b>2092.08</b>	<b>1500.00</b>	<b>592.08</b>

The IEBR component during the year 2007-08 was pegged at Rs. 248.79 crore and the same figure was retained at the RE stage.

9. A scrutiny of the above statement reveals that against a Budgetary Support proposal of Rs. 2092.08 crore during the year 2007-2008, an amount of Rs. 1500 crore was approved for DIT at the BE stage which was further reduced by Rs. 100 crore at the RE stage. The consequent reduction in the proposed outlay was to the tune of Rs. 592.08 crore if BE of the aforesaid year is taken into consideration. However if proposed outlay is compared to RE, the said reduction comes to Rs. 692.08 crore.

10. In the above context, the Committee asked about the reasons for the reduction of Rs. 100 crore at the 2007-2008 RE stage, more so when the proposed allocation was already substantially reduced at the BE stage. In reply, it was stated that such reduction was necessitated due to the delay in the World Bank assisted e-Bharat Project under the e-Governance Programme.

11. The Committee then desired to be apprised of the reasons that caused delay in the e-Bharat Project. In reply it was stated that it had always been the stand of DIT that funding from the World Bank would be taken only after ensuring that strategic control of such an important programme like the NeGP was retained fully with the Government of India and hence working out modalities with the Bank on various aspects of such a major programme took considerable time. Further, availing of the World Bank loan required that a separate agency be created, which would function as the implementing agency at the programme level. It was also stated that DIT have moved an EFC note for the creation of such an agency.

12. Asked to state the effect of the delay in e-Bharat Project upon the mission of the e-Governance Programme, it was replied that as per the NeGP approval, Mission Mode Projects were owned and spearheaded by various line Ministries concerned with the Central Government, State Governments and Integrated projects. The Ministry/ Department concerned were entirely responsible for all the decisions connected with their Mission Mode Project and also for the implementation of the assigned Mission Mode Projects. As far as DIT's MMPs were concerned, their implementation had not been delayed or affected by the delay in the e-Bharat Project.

13. The Committee then queried about the efforts made by the Department to ensure speedy implementation of the e-Bharat Project. In reply it was stated that the World Bank appraisal mission was in Delhi in the month of February, 2008 to appraise the e-Bharat Project. DIT were stated to be working closely with a number of State Governments as well as Central Line Ministries for those projects, which the World Bank has agreed to fund under e-Bharat so as to ensure that the World Bank loan was negotiated in a speedy manner and the various projects implemented successfully.

14. In response to a specific query as to the Actual Expenditure during the year 2007-2008 out of the RE allocation of Rs. 1400 crore, it was replied that as on 15 March, 2008, the expenditure was Rs. 1072.18 crore but the Department were expecting optimum utilisation of the allocated amount by 31 March, 2008.

15. Asked to substantiate the confidence exuded by the Department to spend more than Rs. 300 crore in the last 16 days of the 2007-2008 fiscal, the representative of the Department submitted in evidence:—

“There are grants to be released to the State Governments, so a lot can be done.”

16. Then, referring to the Financial Year 2008-2009, when against a proposal of Rs. 2500 crore the Department have been allocated Rs. 1680 crore only, the Committee desired to know the impact of the reduced allocation on the physical targets during the year. The Committee also wanted to be apprised of the preparedness of the Department to generate the difference of Rs. 820 crore for carrying out the projects/schemes earmarked for the 2008-2009 fiscal. In reply, it was stated that scale of operations of the schemes would be adjusted as per the Plan funds available.

17. The Committee asked the reasons advanced by the Planning Commission in drastically reducing the 2008-2009 proposal when the utilisation of the budgetary allocations by the Department in the preceding years was more or less satisfactory. In reply, it was stated that the Planning Commission had allocated funds to the various schemes of the Department keeping in view the total Plan funds available with them.

18. The Committee, further, queried as to whether the Department were satisfied with the allocations *vis-a-vis* their projections. In reply it was stated that other than National Knowledge Network and other than the NIC, the total funding for the balance programmes during 2008-09 is the same as in 2007-08.

19. He further added:—

“My respectful submission is that the Department have been frozen at the level of last year. Therefore, to that extent if we had been given more we would have been able to provide more money to the societies and to the other programmes. I had requested Planning Commission to reconsider the plan allocations for 2008-2009.”

**(i) Tenth Plan Proposals & Allocations**

20. The proposals, allocations at the BE stage, the projections at the RE stage and the actual expenditure during each of the Annual



Plans of the Tenth Plan periods were stated to be as below:

(Rs. in crore)				
Year	Proposed	BE	RE	Actual Expenditure
Tenth Plan				
2002-03	937.00	470.00	470.00	465.35
2003-04	1146.90	470.00	495.00	492.88
2004-05	1294.38	750.00	650.00	644.74
2005-06	1400.67	929.30	882.00	880.10
2006-07	1516.00	1090.00	1090.00	1058.64
<b>Total</b>	<b>6294.95</b>	<b>3709.30</b>	<b>3587.00</b>	<b>3541.71</b>

21. As could be seen from the above data, against the Tenth Plan proposal of Rs. 6294.95 crore, an amount of Rs. 3709.30 crore was allocated at the BE stage. At the RE stage, it was reduced to Rs. 3587 crore. The Actual Expenditure during the Tenth Plan period was Rs. 3541.71 crore.

22. In the above context, the Committee desired to know the reasons for mismatches particularly between the amount proposed and allocated. In reply, it was stated that the Plan projects were mainly of the nature of sponsored research & development, e-Governance, infrastructure development and human resource development. The conceptualization, evolution and approval of new projects many times took more time than anticipated. Further, the sponsored R&D activity depended on conceptualization of research area, selection of the institution to undertake it, availability of faculty, etc. Hence, sometimes there was variation between BE, RE and actual expenditure under various Heads.

23. Regarding the impact of the reduced allocation during the Tenth Plan period upon the schemes/projects/programmes and the effect it did have on the short term and long term perspectives/goals and activities of the Department, the Committee were informed that a total number of 40 plan schemes were proposed and approved. In the course of rationalization of plan schemes, which was a continuous process, 18 plan schemes were weeded out/merged with other schemes. This integrated the various schemes for better results.

24. Asked to state categorically whether any schemes/projects/activities were dropped/deferred during the Tenth Plan period as a result of substantial reductions in budgetary allocations, it was replied that no plan scheme was dropped during the Tenth Plan period. However, some schemes were rationalised for better results.

**(ii) Provision for the North-East Region and Sikkim**

25. As regards the Tenth Plan allocation and utilisation in the North East region, the following information was furnished to the Committee.

(Rs. in crore)

Year	10% Allocation (NE)	Actuals	% age
2002-03	47.00	47.00	100%
2003-04	47.00	47.00	100%
2004-05	65.00	64.38	99%
2005-06	88.20	100.50	114%
2006-07	109.00	105.17	96.50%

26. Asked to indicate the position in the year 2007-2008, it was replied that during the year 2007-08 there was a Revised Budget Provision of Rs. 140 crore for the North-East Region and the entire amount was expected to be utilised.

27. The Committee were then informed that Rs. 168 crore has been earmarked towards the North-East region during the year 2008-2009. Asked to state measures taken to ensure optimal utilisation of 2008-2009 allocations in the North-East Region, it was stated that every effort would be made for the utilisation of the entire allocation of Rs. 168 crore during the financial year 2008-09.

**(iii) Eleventh Plan Proposals and Allocations**

28. As regards the proposals and allocations during the first two years of the Eleventh Plan period, the following information was furnished to the Committee:—

(Rs. in crore)

Eleventh Plan	Proposed	Allocated (BE)	RE	Actual Expenditure
2007-08	2092.08	1500.00	1400.00	1400.00 (Tentative)
2008-09	2500.00	1680.00	—	—

29. Asked to state the proposals for the entire Eleventh Plan period and actual allocations made, it was replied that against the Eleventh Plan proposals of Rs. 18,160.79 crore, the Planning Commission approved an amount of Rs. 12,496 crore for the various schemes of the Department keeping in view the total plan funds available. Regarding activities/schemes/programmes that would get adversely affected due to such reduction and the Department's efforts to mop up adequate resources, it was stated that the scale of operations of the schemes would be adjusted as per the plan funds available. The same reply was repeated when the Committee desired to know whether the funds allocated during the Eleventh Plan period would be sufficient for the Department to carry out the important planned activities successfully.

30. While taking note of the total Eleventh Plan allocations of Rs. 12,496 crore to the Department and annual allocations of Rs. 1500 & 1680 crore for the Financial Years 2007-2008 & 2008-2009 respectively, the Committee desired to know the plan of action on the part of the Department to spend more than Rs. 3000 crore each year for the rest of the plan period. The Secretary, DIT, in evidence submitted as under:

“The Planning Commission indicates the amounts both for the Five Year Plan as well as the Annual Plan Outlay to us”.

31. The Committee then asked about the measures put in place to ensure optimal utilisation of Eleventh Plan allocations and consequential achievement of physical targets. In reply, it was stated that Performance Budgeting and Outcome Budgeting were resorted to ensure that the funds were optimally utilised within the specified time frame in the Department/Societies.

32. There was no satisfactory reply from the Department when the Committee pointed out several shortcomings/discrepancies/slippages in the Outcome Budget (2008-2009) of the Department. For example several shortfalls were noticed in the achievement of targets in various Schemes/Projects earmarked for the year 2007-2008, like Technology Development Council (TDC), Technology Development for Indian Languages, State Wide Area Network, State Data Centres, Common Service Centre, e-Bharat, Capacity Building, Community Information Centre and Manpower Development.

33. The Secretary, DIT at best could submit:

If I may be permitted to submit, the projected outcome was what was given last time. So, we cannot change that. Now we are saying,

last time this was said, and the latest position is in the last column. What was indicated last time, we cannot change that because we have already submitted it to the Committee earlier.

**(iv) Planning and Management**

34. The modified Budget and Cash Scheme of the Ministry of Finance stipulate a maximum limit of 33% of allocated funds in Q-4 and a similar ceiling of 15% in March.

35. In the above context, the Committee desired to know the extent to which these guidelines were adhered to and also the amount spent by the Department and the autonomous bodies under them in each quarter as well as in the month of March of the financial years 2006-2007 and 2007-2008. In reply it was stated that all efforts were being made to adhere to the guidelines issued by the Ministry of Finance from time to time to ensure that the targets were achieved for utilizing the budgetary allocations and to ensure that maximum ceilings of 15% should not exceed in the month of March. Expenditure Reviews were also being conducted at JS&FA/Secretary level on monthly/quarterly basis. The quarter-wise expenditure figures were stated to be as under:

(Rs. in crore)

Quarter	2006-07	%age	Quarter	2007-08
Ist (30.6.2006)	BE Rs. 1090.00		1st. (30.6.2007)	BE Rs. 1500.00
	Expr. Rs. 111.45	10.22%		Rs. 228.34      15.22%
2nd (30.9.2006)	Expr. Rs. 235.08	21.56%	2nd (30.9.2007)	Rs. 451.16      30.07%
3rd (31.12.2006)	RE Rs. 1090.00		3rd (31.12.07)	RE Rs. 1400.00
	Expr. 776.77	71.26%		Rs. 719.49      51.39%
28.2.2007	Expr. Rs. 922.31	85.00%	29.2.2008	Rs. 1002.47      71.60%
In March, 2007	Expr. Rs. 1058.64	97.12%	In March, 2008	Rest in March, 2008

36. A scrutiny of the above statement revealed that during the financial year 2007-2008 the Department were left with Rs. 397.53 crore to be spent in the month of March. The unspent amount constituted

28.40 percent of the Budgetary allocations of that year. In the above context, the Committee pointed out that the 15 per cent ceilings as prescribed by the Ministry of Finance has been violated and desired to be apprised of the consequences thereof. In reply, it was stated that the Ministry of Finance has been requested for exemption of 15% ceilings during the month of March. In view of genuine justifications advanced by the Department, approval was expected from the Ministry of Finance and the entire balance provision was expected to be utilised by 31st March, 2008.

**(v) Outstanding Utilisation Certificates**

37. A perusal of the Outcome Budget (2008-2009) of the Department revealed that the position of Outstanding Utilisation Certificates and unspent balances with State and implementing agencies as on 31.12.2007 was as follows:—

Amount for which Utilisation Certificates due	No. of Utilisation Certificates
Rs. 615.66 Crore	504

38. With reference to the above, the Committee enquired about the reasons of such pendency and efforts made to get utilisation certificaion timely and regularly. The representative of DIT responded in evidence:—

“I agree with you that the situation is quite difficult one. But, recently, the Ministry of Finance has also indicated that more efforts are required in this regard. This issue is also being addressed in our internal meetings.”

**IV. NATIONAL e-GOVERNANCE PLAN (NeGP)**

39. The Committee were informed that for National e-Governance Plan the Planning Commission has indicated a budgetary support of Rs. 4992.00 crore for the Eleventh Plan period with Rs. 800 crore earmarked for the 2008-2009 fiscal. The proposal, allocation and utilisation under this plan for the last three years and proposal and allocation for 2008-2009 have been stated to be as follows:—

Year	(Rs. in crore)			
	2005-2006	2006-2007	2007-2008	2008-2009
Proposed	632.00	670.00	957.00	1053.63
Allocated	300.00	440.00	800.00 (reduced to 677.35 at RE)	800.00
Actual Exp.	299.88	433.81	677.35 (Tentative)	—

40. In the above context, the Committee desired to know the reasons for shortfall of Rs. 6.19 crore in utilisation of Rs. 440 crore as earmarked for 2006-2007. In reply, it was stated that out of the total 3 Heads, namely, Grant-in-Aid, Externally Aided Projects and Other Charges, there was a marginal shortfall in incurring the expenditure under the 2 Heads – Rs. 2.65 crore under the Head 'Externally Aided Projects' and Rs. 3.54 crore under the Head 'Other Charges'. Under the Head 'Externally Aided Projects', since the funds were still available with the Project Implementing Agency, an amount of Rs. 2.65 crore was not released. As regards the releases from the Head 'Other Charges', the shortfall in expenditure of Rs. 3.54 crore was on account of the fact that there was no pending expenditure to be incurred. In so far as utilization of funds under the Head 'Grant-in-Aid' was concerned, the same was fully utilised.

41. Referring to the 2007-2008 proposals and allocations when the RE allocation of Rs. 800 crore was reduced to Rs. 677.35 crore, the Committee queried about the reasons for further reduction of Rs. 22.65 crore, in addition to the reduction of Rs. 100 crore due to delay in World Bank assisted E-Bharat Project. In reply, it was stated that the main reason for reduction of Rs. 22.65 crore was due to delay in approval for State Data Centres and Capacity Building Schemes. Both these schemes were stated to have been approved in January, 2008.

42. Observing that the 2008-2009 BE provision for NeGP was just Rs. 376.28 crore more than the 2007-2008 RE provision, the Committee asked whether the quantum of increase would adequately cater to the requirement of the Department for various e-Governance schemes/projects. In reply, it was stated that due to foundation laid in the 10th Plan and 1st year of the 11th Plan, the Department expected that in schemes such as State Wide Area Networks (SWANs), Common Service Centres (CSCs), State Data Centres (SDCs) & Capacity Building anticipated progress would be achieved. However, the shortfall in allocation was proposed to be reviewed/met at the RE stage.

43. In response to another specific query it was replied that the total allocation during the Tenth Plan was Rs. 1036.67 crore and total expenditure against this was Rs. 1028.80 crore.

**(i) State Wide Area Network (SWAN)**

44. The Government have approved the Scheme for establishing State Wide Networks (SWANs) across the country in 29 States and 6 UTs with a total outlay of Rs. 3,334 crore with Department's

component of Rs. 2,005 crore over a period of five years. Under this scheme, it is envisaged to provide technical and financial assistance to States for establishing SWANs from State Headquarters upto the Block level with a minimum bandwidth capacity of 2 Mbps.

45. The Committee were informed that the time limit for implementing the SWAN was December, 2007. The same was extended to December, 2008 and further to March, 2009.

46. In the above context, the Committee desired to know the specific reasons for repetitive extensions in the time limit for implementing the SWAN scheme and the current status of its implementation. In reply, it was stated that the SWAN scheme was approved in March 2005 with the premise that all SWAN proposals from States/UTs would be implemented within 18 months after the approval of the individual proposal by the Empowered Committee constituted by the Government of India. Since March 2005, proposals were being received from the States/UTs which were considered and approved by the Empowered Committee after a detailed scrutiny by the Department of Information Technology. It was further stated that the scheme would deem to be implemented in its entirety when proposals from all the States/UTs were received and accordingly the expected date of implementation of the scheme was being indicated from time to time. Since proposals from some of the States/UTs have been accorded the approval very recently after they submitted the proposals, the expected date of implementation would now be March 2009.

47. Asked to indicate the specific problems/hurdles that were being faced in the implementation of the SWAN scheme and measures taken to overcome the same, it was replied that the SWAN scheme was envisaged to be implemented on the basis of the individual proposals to be submitted by the States/UTs as per the bench-marked configuration of the network and the specific requirements of the States/UTs within the provision of the SWAN policy guidelines. Some of the States took more time in submitting the proposals primarily due to lack of skilled resources. Asked to indicate the measures taken by DIT to help/guide the States/UTs in this regard, it was replied that the Department of Information Technology provided necessary technical assistance to States/UTs for preparing the proposal and in finalizing the Request For Proposals (RFPs).

48. The Committee were further informed that at the implementation level also the States/UTs are facing problem of lack of

availability of basic telecom infrastructure at block level. In order to overcome the problem, the Department of Information Technology have coordinated with BSNL and obtained an assurance for provisioning of desired connectivity at the block levels.

49. As regards the latest status of the implementation of the SWAN scheme, the Committee were informed that the Empowered Committee had received and approved 32 individual SWAN project proposals from various States/UTs, one proposal was under review and two States/UTs had opted out of the scheme. Out of the 32 SWAN proposals approved so far, 4 SWANs had been implemented, 27 SWANs were at various stages of implementation and one proposal was under revision on State's request.

50. Asked to furnish the State-wise status of the implementation of the SWAN scheme, the following information was supplied:—

- SWAN implemented – Delhi, Haryana, Himachal Pradesh, Tamil Nadu
- Implementation in progress – Assam, Bihar, Chandigarh, Jharkhand, Kerala, Gujarat, Manipur, Puducherry, Punjab, Sikkim, Tripura, Uttar Pradesh, West Bengal
- LoI Issued/Contract negotiation – Maharashtra, Karnataka
- Financial Bid evaluation in progress – Uttarakhand
- Bid Process initiated – MP, Orissa, Rajasthan, Chattisgarh
- RFP/BoM under submission/review & finalisation – Arunachal Pradesh, Dadra & Nagar Haveli, Daman & Diu, J&K, Meghalaya, Mizoram, Nagaland
- Proposal Review – Andhra Preadesh (revised), Lakshadweep
- Opted out of SWAN Scheme – Andaman & Nicobar Islands, Goa

51. Regarding measures taken to synchronise the implementation of SWAN with establishment of the State Data Centres (SDCs) and Common Service Centres (CSCs) for maximum utilisation of the core infrastructure support, it was stated that in order to ensure synchronization of the implementation of SWANs , SDCs and CSCs, regular review and monitoring was being carried out by the Department of Information Technology.



**(ii) State Data Centres (SDCs)**

52. The Committee were informed that the scheme of State Data Centre has been identified as one of the important elements of the core infrastructure for supporting e-Governance initiative of NeGP. Pursuant to that, it was proposed to create data repositories/data centres in various States/UTs so that common secured data storage could be maintained to serve a horde of e-Governance applications. The scheme was approved by the Government at a total outlay of Rs. 1623.20 crore comprising Rs. 581.37 crore as DIT/GIA share and Rs. 1041.83 crore as State share under ACA provision over a period of 5 years. The Finance Minister has proposed an outlay of Rs. 275 crore in 2008-2009 for the State Data Centres.

53. The Committee were informed that the scheme for establishing State Data Centres (SDCs) was originally scheduled to be completed in respect of 10 States by March/December, 2007 and as per the targets of 2007-08, 20 Data Centres were to be operationalised by March, 2008. However, now the scheme would be operationalised by March, 2009. During the Eleventh Plan period, State Data Centres were proposed to be set up in 35 different States/UTs.

54. In the above context, the Committee desired to know the number of SDCs that were operationalised during the years 2006-07 and 2007-08 (as on February, 2008) as against the targets during the respective years, reasons for delay, if any and problems/hurdles that the Department were facing in getting the SDCs established as per the stipulations. In reply, it was stated that during the last two years broad policy guidelines were finalized in consultation with the States and thereafter the Scheme was evolved. The Scheme for establishing State Data Centres in 29 States and 6 UTs across the country was approved by the Government on 24th January, 2008 with a total financial outlay of Rs. 1623.20 crore. In the absence of the Scheme approval, no State Data Centre could be taken up for implementation during the years 2006-07 and 2007-08.

55. As regards the present status of implementation of the scheme, the Committee were informed that since the Scheme was evolved, proposals of 23 States/UTs have been approved. The States have now been requested to take up the implementation activities of the State Data Centres as per the broad Policy Guidelines. The consultants assigned to the States would assist the States in RFP finalisation, bid process management and successful implementation/commissioning of the State Data Centres. The Committee were apprised that the selection/

availability of suitable site by the States was a critical requirement to initiate the work relating to the implementation of the State Data Centres.

56. Asked to indicate the specific time frame by which the SDCs would be established in all the States, it was replied that considering the typical timeframe of 10-12 months for the implementation of the State Data Centres, it was expected that the State Data Centres in most of the States, whose proposals have been approved, shall be accomplished by March 2009. Proposals from the remaining States were awaited. These shall be considered and approved during the financial year 2008-09. The implementation of the State Data Centres in all the States/UTs was expected to get completed by December, 2009.

57. During evidence the Committee desired to know about the specific reasons for delay in establishment of 20 Data Centres during the 2007-2008 fiscal. In response the representative of DIT stated:—

“.....the approval process did take a little longer than we had planned. But the approval of the Cabinet was obtained in January 2008. We are projecting the time for implementation as 12 months for the State Data Centre. As far as implementation modalities are concerned, the State Government has a pivotal role in all the schemes because they are catering to the State e-Governance.”

58. Referring to the Outcome Budget (2008-2009) and other documents that the Department furnished, the Committee pointed out that there were so many inconsistencies as to how and when the SDCs would be completed. For example, somewhere it was shown as 2008, elsewhere it was 2009 and somewhere it was even 2009-2010. Asked to clarify such inconsistencies in important documents, the representative of DIT submitted:—

“With respect, kindly permit me to clarify these points. I would respectfully submit that the effort all along has been to ensure that the infrastructure components, namely, the State-wide Area Network, the CSC and the State Data Centres get completed. At the same time, it is not so important as to when they start but when they get completed.”

59. The Committee then desired to know whether private agencies would be involved in the establishment of State Data Centres. In response, the representative of DIT stated:—

“There would be private agencies involved in some parts of the country.”

60. When asked whether it would be prudent to involve the private agencies in the establishment of SDCs because of the sensitive and confidential nature of sovereign data, the representative of DIT submitted:—

“As far as the Data Centres are concerned, again I would just like to clarify. The degree of control required on the Data Centres is of a much higher order because sovereign data is involved. The Government has to maintain direct control over it. It cannot be handed over to a private agency. Whereas in the case of the CSCs, the day-to-day operations and the entire physical control of the CSC is with the private agency.”

**(iii) Common Service Centres (CSCs)**

61. The Government approved a Scheme in September, 2006 for facilitating establishment of 100,000 broadband internet enabled Common Service Centres (CSCs) in the rural areas of the country. This Scheme was approved at a total cost of Rs. 5742 crore, and was being implemented on a Public Private Partnership (PPP) mode. The CSCs were intended to be one of the three infrastructure pillars of the National e-Governance Plan and would serve as the physical front end for delivering Government and private services at the doorstep of the citizen. The Committee were informed that the process of establishment of more than 1,00,000 CSCs across the country was scheduled to be completed by 2008. However, the same has been extended till March, 2009.

62. In the above context, when the Committee desired to know the number of CSCs already established as on 28 February 2008, it was replied that 3338 CSCs have been set up in Jharkhand, West Bengal, Haryana, Bihar and Tripura as on February, 2008. Asked to state the reasons for the delay in the establishment of CSCs as per the time schedule, it was replied that significant progress was made across the country in the implementation of the CSC Scheme. It was further submitted that a programme of this nature, scale and complexity has not been implemented anywhere across the world. The actual selection of SCAs and implementation of the Scheme was being done by the State Governments. While significant efforts have been made by the DIT in impressing the importance of this Scheme on States, the interest across States in this Scheme has varied. Further, in some States delays have occurred on account of elections, changes in Government etc.

63. Asked to furnish the details of State-wise progress made in the establishment of CSCs, the following fact was reported:—

- (a) 3338 CSCs have been set up in five States, *viz.*, Jharkhand, Haryana, West Bengal, Bihar and Tripura;
- (b) 350 CSCs have been certified in Haryana;
- (c) Master Service Agreements (MSA) signed with selected SCAs in seven States covering 36000 CSCs. These States are Jharkhand, Haryana, West Bengal, Gujarat, Tripura and Madhya Pradesh;
- (d) Letters of Intent (LoI) issued in eleven States to the selected SCAs covering around 61,000 CSCs including the 36000 mentioned above; and
- (e) SCA Selection completed in eighteen States covering 93000 CSCs including the 61,000 mentioned at above.

64. In response to the Committee's queries regarding constraints faced by the Department in implementing the scheme and the performance/Coordination level of the other line Ministries/State Government Departments in this regard, it was replied that significant progress in implementation of the Scheme has already been made. The DIT were stated to be in constant touch with the State Governments and discussing with them various aspects of implementation of the Scheme as well as monitoring the same. The DIT had also appointed a National Level Service Agency (NLSA), which was assisting the Department in managing and monitoring the programme as well as providing hand holding support to the States in managing the bid process. It was further stated that the DIT with the support of the NLSA had been discussing with various Central Government Departments/ Ministries and sensitizing them about the imminent creation of this infrastructure as well as discussing ways to use this infrastructure for delivering their services in rural areas. Similarly in a number of State Governments, discussions and dialogues have been held with various Departments to explore ways in which the Government services could be channeled through the CSCs.

65. The representative of DIT submitted in evidence:—

“At the end of February, the number (of CSCs) which were physically set up on the ground was 3,500 out of 100,000. Contractual arrangements for 90,000 have already been made by the States. The implementation time for the selected agency is 12 months, which is how we are projecting that by March, 2009, we expect to see a bulk of 100,000 operational on the ground.”

66. When the Committee specifically desired to know whether the Department were giving an assurance to ensure establishment of one lakh CSCs by March, 2009, the representative stated:—

“The best projection that I could give now is about 75,000 to 85,000 CSCs which would be operational on the ground by March, 2009”.

67. Asked to indicate the fate of the remaining targeted CSCs, the representative explained:—

“Sir, I would expect 75,000 to 85,000 CSCs, as I have said. That is because for 67,000 CSCs, there is a firm contractual arrangement in place. For another 25,000, as long as the States sign off, they would be operational.”

68. The Committee then asked about the monitoring mechanism put in place to oversee the implementation of CSCs. In response, the representative of DIT, stated:—

“We have set up a national level service agency. A national level service agency was also identified through a competitive process which is assisting the States in the bid process because this bid process is very different from the conventional process. It is more like a PPP project. So, we had identified an agency which has experience and track record in that area, and they have been helping the States to put out the bid, to evaluate the bid and to sign the contract.”

69. The Committee asked whether any Monitorable Action Plan (MAP) & Program Evaluation & Review Technique (PERT) Chart and Critical Path Method (CPM) have been evolved to oversee the implementation of the CSC scheme, more so when it has been carried out on a PPP model.

70. In reply the representative of DIT submitted:—

“As far as these projects are concerned, since this has been implemented on a PPP model and the implementation responsibility lies with the private agency, they draw up their own implementation plan.”

71. Asked to elaborate, he stated:—

“In each State, when the contract is signed, the contract clearly stipulates how many CSCs will be done by what date. Twelve

months is the overall timeline for final completion. Then there are intermediate milestones that in three months' time you have to do this, in six months' time you have to do this etc. and we monitor it with reference to that. As the hon. Member has suggested, we would also ask them for their detailed implementation plan and then take a look at how far they have adopted the same method. We will certainly do that."

72. The Committee then asked whether it would be feasible to setup monitoring bodies of elected representatives at the National, State, District and Local levels involving MPs, MLAs, Panchayat Samiti Presidents and members as the case may be, for effective monitoring of the implementation of the CSCs. The representative of DIT responded in the affirmative.

**(iv) Mission Mode Projects (MMPs)**

73. In relation to the Mission Mode Projects (MMPs) being implemented under the NeGP, the Committee desired to know the status of implementation and expected completion time of the MMPs and reasons for delay, if any, in the implementation programme. In reply, the status of the MMPs under the Central State and Integrated Categories were stated to be as follows.

**Status of Central Category MMPs**

S.No	MMP	Scheme Sanction Status	Project Stage	Completion date
1	2	3	4	5
1.	CSC	Sanctioned	Implementation	March 2009
2A.	e-Courts (Pre NeGP )	Ongoing scheme		Operational
2B.	e-courts	Sanctioned	Implementation	Dec., 2008
3.	EDI*	Sanctioned	Implementation	To be fixed
4.	India Portal	Sanctioned	Post Implementation	Operational
5.	NSDG	Sanctioned	Implementation	May, 2008
6.	E-Biz #(Pilot)	Sanctioned	Implementation	
7.	e-Procurement	Scheme to be prepared by March 2008	Design & Dev.	March, 2010

1	2	3	4	5
<b>Status of State Category MMPs</b>				
1.	Land Records Ph. I (Pre NeGP)			Operational in 12 States
2.	Land Records Ph. II & Reg. (NLRMP)	EFC note circulated	Conceptualization	To be firmed up
3.	Road Transport	-do-	Design & Dev.	Oct., 2010
4A.	Agriculture (Pre NeGP)			Operational
4B.	Agriculture	Scheme to be approved By July,2008	Design & Dev.	Dec., 2011
5.	Police	Scheme to be ready by 31 Mar 2008	Design & Dev.	Dec., 2010
6A.	Treasuries (Pre NeGP)			Under operation
6B.	Treasuries <sup>1</sup>	Pilot implementation from April 2008	Design & Dev.	March, 2010
7.	Municipality <sup>2</sup>	Approved	Design & Dev.	2008-2013
8.	e-District (Pilot) <sup>3</sup>	To be sanctioned by March, 2008	Design & Dev.	T+18 Months (T is date of approval)
9.	Commercial Taxes	To be prepared	Design & Dev.	To be firmed up
10.	Gram Panchayat	Under Preparation	Conceptualization	-do-
11.	Employment Exchange	Consultant being appointed	Conceptualization	-do-

<sup>1</sup> Pilot to be implemented in 4 States.

<sup>2</sup> Scheme has been approved by CCEA and Planning Commission has decided modalities for implementation.

<sup>3</sup> Pilots have been sanctioned for 2 States.

1	2	3	4	5
<b>Status of Integrated Category MMPs</b>				
1.	MCA 21	Sanctioned	Post Implementation	Sept., 2006 (Completed)
2.	Pensions	- do-	Post Implementation	March, 2007 (Completed)
3.	Income Tax	-do-	Implementation	April, 2008
4A.	Passport and Visa	-do-	Implementation	Sept., 2009 (T + 19 months) (T is contract award date)
4B.	Immigration	Sanctioned expected by Aug, 2008	Conceptualization	October 2009
5.	Central Excise	Sanctioned	Implementation	Dec., 2008 Phased roll out
6.	Banking	Industry Initiative	Implementation	—
7A.	MNIC (Pilot)	Sanctioned	Implementation	—
7B.	UID	Draft scheme under discussion and EFC note for appt. of UID authority under preparation.	Design & Dev.	(T is appointment of UID authority) T + 15 months
8.	e-Office (Pilot )	To be prepared	Conceptualization	Pilots under conceptualization
9.	Insurance	Industry Initiative	Implementation	—

74. The Committee desired to be apprised of the reasons for delay in the implementation of MMPs. In reply, it was stated that the progress of the projects was being affected either by issues that were specific to the respective projects or by certain generic issues which were at the policy or Government level. It was further stated that out of the 9 central projects, some of the projects like MCA-21 completed since Sept. 2006 had shown exceptional progress and there had been significant and measurable service improvement as a result of



implementation of this project. Other projects like Income Tax, Excise and Customs were at an advanced stage of implementation and many tax payers' friendly services were already available under these projects. The projects were scheduled for completion during the current year. Passports/Visa project was on target and showing satisfactory progress and was slated for completion/ implementation with full range of online services by July 2009.

75. The Committee were further informed that few of the integrated projects like Common Service Centres, India Portal and National Service Delivery Gateway (NSDG) were at an advanced stage of implementation. The Scheme for e-Courts project has already been approved and there was satisfactory progress in implementation. Other projects like e-Procurement of the Ministry of Commerce were showing considerable progress and the target date for preparation of the detailed scheme would be June, 2008. The Implementation of EDI project, of the Ministry of Commerce, would now be speeded up as the scheme of Central Excise and Customs Project has been approved. With the completion of Excise and Customs project by Dec. 2008, satisfactory progress in delivery of services in the EDI project was also expected.

76. Asked to throw light on the State MMPs, it was stated that though under the Central and Integrated MMPs, substantial progress had been made, the State Mission Mode Projects were yet to come up to the level of implementation on a national scale although some States had already made major progress through their own initiatives. Over all, out of 27 projects, 12 projects had been approved and majority of these projects were in the Central or Integrated category. The remaining projects under NeGP belong to State category and were at the advanced stage of conceptualization, design and development. In some State MMPs like transport and land Records, EFC note has been prepared and circulated by the Line Ministries. The Apex Committee have requested Secretaries to initiate steps for preparation of schemes for Cabinet approval as early as possible. Most of these would be coming up for approval during the course of this year.

77. As regards constraints experienced in the implementation of MMPs and measures taken to overcome the same, the Committee were informed that the Central Line Ministries while implementing the MMPs had faced many difficulties as the projects to be implemented were large, complex and technology driven. Some of the issues/ impediments that have been identified were stated to be as follows:—

- Lack of clarity on composition, role, responsibility and financial powers of the Empowered Committee.

- Absence of fixed criteria for selection of Project Mission Leader & fixed tenure for Mission Leader.
- Uniform HR Policies for Sourcing ,Selection, Compensation, Retention of project teams in talent.
- Need to empowering the Project Mission Leader to create and administer the Project Development Budget, fixing norms for size accessing PDF.
- Defined Policy for entrusting consultancies through empanelment.
- Laying down policy changes for Fast-track approval of MMPs and Special Scheme for State MMPs.
- Issues regarding the role and responsibility of the States and the Central Line Ministry in the project implementation need to be addressed. Project specific interfaces between the State and Line Ministries also needs to be provided urgently.
- Policy for Inter-ministerial Governance structure for Integrated Services Projects.
- Setting up of organisation structure for dealing with issue arising during post implementation period.

78. It was further stated that the project specific issues and the generic issues had been identified and steps were being taken to resolve them expeditiously.

79. When the Committee desired to know whether the State MMPs could be completed within next two to three years, the representative of DIT replied:—

“It would be an aggressive target but it is something which is achievable. My own sense is that it will not be achieved by all the States; not because it is not achievable, but because all of them are not pursuing with the same amount of vigour.”

80. He further stated:—

“.....it would be possible for the States to complete any of these missions in three years time if they pursue it vigorously. There are States, which have done so.”

81. The Committee enquired whether at any point of time the issue of implementation of MMPs was an agenda in the Chief Ministers’

Conference or any such fora. In reply, the representative stated that in the Conference of Chief Secretaries to be held on 20 April, 2008 under the Chairmanship of the Cabinet Secretary, the first item would be the implementation of the NeG programme.

82. Asked to state whether it would not be appropriate to include implementation of NeG scheme in the meetings of National Development Council, the representative, DIT replied:—

“Yes, Sir. The conference that I mentioned was the Chief Secretaries’ Conference, but in the NDC also we would certainly make efforts.”

#### V. NATIONAL INFORMATICS CENTRE (NIC)

83. The proposed, approved Outlay and actual expenditure of NIC for last three years are as under:—

(Rs. in crore)				
Year	2005-06	2006-07	2007-08	2008-09
Proposed	240.00	300.00	427.00	560.00
Approved	260.00	280.00	320.00	400.00
			(Rs. 325 at RE)	
Actual Expenditure	259.54	276.77	325.00	
			(Tentative)	

84. In view of the above the Committee desired to know the reasons for reduced allocation to NIC *vis-a-vis* proposal made by them. The Department in their written reply have stated that the Planning Commission indicated scarcity of resources during the discussions for reduction in outlays proposed by NIC during 2007-08 and 2008-09. Further, the Department have submitted that due to the reduced outlay, NIC have to carry out the following activities on a reduced scale: Cyber Security Data Centre, augmentation of connectivity of disaster and business continuity planning, e-governance standards, augmentation of video conferencing facility, geographical information system, strengthening of districts, last mile solution and NICNET augmentation.

85. In evidence, when the Committee desired to hear the views of DG, NIC, he deposed :—

“We had asked for Rs. 80 crore more. We had asked more basically in two, three areas. One area is creating these National Data Centres and connecting this for the disaster recovery. This takes about 80 per cent. The second part that we are doing it because NICNET

at the District level has to go now 7/24. So, we have to make sure that we have facility management available which is also taking about 20 crore to 21 crore. So, to my mind the money that we have been given we should be able to live because for this fourth centre we are getting money from the State Data Centre. So, we are making a separate proposal as far as the fourth centre is concerned. We should be able to cover three centres. That gives us good enough room to live peacefully for at least next one month”.

## VI. INFRASTRUCTURE DEVELOPMENT

### (i) Software Technology Parks of India (STPI)

86. The proposed and approved outlay and actual expenditure of STPI and EHTP for the last three years and the 2008-2009 BE proposals and allocations have been stated to be as follows:—

	(Rs. in crore)			
Year	2005-2006	2006-2007	2007-2008	2008-2009
Proposed	10	4	12	0.60
Allocated	4	4	0.50 (Rs. 2 crore at RE)	0.00
Actual Exp.	2.21	3.00	2.00	—

87. In response to a query regarding lower utilisation of the Budgetary Allocations by STPI during the years 2005-2006 and 2006-2007, it was stated that the remaining expenditure was incurred by STPI out of its internal resources. It was also stated that since STPI was having adequate internal resources, only an amount of Rs. 50 lakh (increased to Rs. 2 crore at RE) was allocated to it during the year 2007-2008 against a proposal of Rs. 12 crore.

88. Asked to state the reasons for no budgetary allocations to STPI during the year 2008-2009 against a meagre proposal of Rs. 60 lakh, it was replied that since STPI was having adequate internal resources, no fund was budgeted for STPI during 2008-2009.

89. The Committee then asked about the extent of effect that the deprivation of the plan funds would have on the projects/schemes under STPI. In reply, it was stated that since STPI was having adequate internal resources, there would be no effect on the projects/schemes under STPI.

90. In evidence the Committee queried whether STPI was contented with the budgetary allocations. A representative of DIT replied:—

“No, Sir. We made a request for a sum which despite being as FA holding charge, I could not get anything. Last year, STPI had a provision of Rs. 50 lakhs.”

91. He further stated:—

“Again, we are self-sustaining organization. We only want money as grant for setting up of new centres.”

“.....I would like to still ask because we have to open new centres, and we need money. We would like to bring in but for some reason it has been left out.....”

92. Learning that the tax benefits/holidays enjoyed by STPI units might cease to exist w.e.f. March, 2009, the Committee desired to be apprised of the plan of action on the part of the Department to ensure that the performance and competitiveness of the STPI did not suffer on account of withdrawal of such benefits. In reply, it was stated that in case Tax benefits available to STPI Units ceased to exist beyond March, 2009, it was apprehended that the SME Units might get affected. It was further stated that the matter had already been taken up at the appropriate level in this regard.

93. The Secretary, DIT supplemented in evidence:—

“We have taken up the matter with the Ministry of Finance. Till now, there has been no decision to extend the sunset clause.”

94. In response to a query regarding the performance of STPI during the 10th Plan period in terms of registration of STP units and export made by them, the following two statements were furnished to the Committee:—

#### STP Units Exports Comparison during Five Years

(Rs. in crore)

Sl.No.	Name of Centre	Export Earnings Dy 2002-03	Export Earnings 2003-04	Export Earnings 2004-05	Export Earnings 2005-06	Export Earnings 2006-07	% Change
1	2	3	4	5	6	7	8
1.	Bangalore	12350	18100	27600	37000	48700	32
2.	Bhubaneswar	260	319	400	465	732	57

1	2	3	4	5	6	7	8
3.	Chennai	6320	7643	10820	14000	20789	48
4.	Gandhinagar	105	141	187	247	563	128
5.	Hyderabad	3668	5025	8270	12500	18582	49
6.	Kolkata	1200	1600	2000	2500	3500	40
7.	Navi Mumbai & Pune	5508	8518	11542	15500	27625	78
8.	Noida	7600	9900	12930	18301	22972	26
9.	Thiruvananthapuram	165	212	270	452	750	66
	Total	37176	51458	74019	100965	144214	43

### STP Registered Units Comparison during Five Years

(Rs. in crore)

Sl.No.	Name of Centre	Registered units as on 31.03.2003	Registered units as on 31.03.2004 (after cancellation)	Registered units as on 31.03.2005	Registered units as on 31.03.2006	Registered units as on 31.03.2007
1.	Bangalore	1149	1201	1399	1601	1763
2.	Bhubaneswar	162	77	102	116	135
3.	Chennai	827	713	882	1040	1202
4.	Gandhinagar	339	202	232	266	326
5.	Hyderabad	1427	556	682	853	1023
6.	Kolkata	196	131	156	195	232
7.	Mumbai & Pune	1618	1095	1265	1486	1689
8.	Noida	1745	1392	1587	1774	2079
9.	Thiruvananthapuram	258	297	317	357	389
	Total	7721	5664	6622	7688	8838

95. The Committee then desired to know about STPI scheme and its present status. A representative of DIT submitted in evidence:—

“There are 48 centres in operations and the procedure is if there is a demand, we do a joint study along with the State Government

about the business potential and the need to set up the same. In the pipeline are two centres in Agartala in the North East and Surat which are going to be opened very shortly. Feasibility studies are taken up whenever there is a requirement. So far as establishing a centre in the State, there are three requirements which we seek from the State Government. One is an extent of three acres of land; two is the build up area of 10,000 sq.ft. three is a grant of Rs.1 crore."

96. When the Committee enquired about the scope of opening STPI Centres in non-urban areas, the representative of the Department responded:—

"Out of 48 centres, you would be glad to know that 41 of them are located in tier I and tier II cities and that is our basic strength."

97. The Committee further asked as to whether any proactive efforts were being taken to set up STPI Units in the backward States like BIMARU States.

98. The Secretary DIT, responded:—

'We have recently set up one in Patna, one in Gwalior also.'

99. He further stated:—

".....This centre (Gwalior) is expected to be a nucleus around which these industries can come up. Those are all private initiatives but the provision of nucleus services is our job."

#### **(ii) Promotion of Electronics/IT Hardware Manufacturing**

100. The Government have identified growth of Electronics and IT hardware manufacturing sector as a thrust area. The National Manufacturing Competitiveness Council (NMCC) has been set up by the Government to provide a continuing forum for policy dialogue to energise and sustain the growth of manufacturing industries in India, including IT Hardware.

101. The Committee were informed that for the financial years 2007-2008 and 2008-2009, the Department proposed Rs. 10 crore and Rs. 2 crore respectively for the promotion of Electronics/IT Hardware manufacturing whereas the corresponding allocation was Rs. 1 crore and Rs. 80 lakh only.

102. When the Committee asked about the reasons for the low allocation during 2007-2008 & 2008-09 and the actual expenditure incurred in 2007-2008, it was replied that the actual utilisation during the year 2007-2008 (upto 29th February 2008) was nil and so for the year 2008-2009, a token allocation of Rs.0.80 crore has been made. It was also stated that additional funds, depending upon the requirement, would be sought at the RE stage.

103. In reply to a specific query regarding adequate funding towards IT Hardware manufacturing, it was stated that a special incentive Package Scheme (SIPS) for supporting the setting up of semiconductor Fabrication and other eco-system units had been formulated. The features of SIPS were stated to be as under:—

- (i) Threshold Net Present Value (NPV) of investments: Rs. 2.5000 crore and above in case of fab units; Rs. 1,000 crore and above in case of eco-system units.
- (ii) Incentive: 20% of capital expenditure during the first 10 years for units in SEZ or 25% of the capital expenditure for non-SEZ units. Incentive as Equity and/or Capital Subsidy.
- (iii) For capital subsidy, GoI contribution is envisaged only after March, 2009.

104. Asked to furnish a comparative statement of the Indian Hardware and Software production profile for the last five years, the following information was furnished:—

	(Rs. in crore)					
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Computer Software	59,500	74,490	101,920	133,700	178,000	210,300
Electronics Hardware	37,500	43,800	50,500	56,600	66,000	80,800
<b>Total</b>	<b>97,000</b>	<b>118,290</b>	<b>152,420</b>	<b>190,300</b>	<b>244,000</b>	<b>291,100</b>

105. After a scrutiny of the above data, the Committee desired to know about the reasons for hardware industry lagging behind *vis-a-vis* software industry.



106. The Secretary DIT, responded:—

“.....Hardware production is not good for a number of reasons. But most of all it is because of the infrastructure availability in the country. For instance, the cost of power is more in India than in other countries. Infrastructure is the bottleneck. The other point is about the economies of scale in this sector. The bigger the scales of production, the lower would be the cost of production and cost. We do not have the economies of scale.”

107. When the Committee asked about the efforts made to improve the hardware sector, Secretary, DIT stated:—

“We are trying to see that the hardware sector picks up. There was also a task force set up to see to what extent this can be improved. For instance, the general tax rate in the Indian sector is more than the taxes in other countries and that also affects on the cost of production and the demand in those particular areas. Recently, as you know, in the Budget, the Excise Duty has been brought down from 16 per cent to 14 per cent. We hope that this would also be a factor which will spur the growth of the hardware sector. We have the special incentive package scheme for the high technology areas where the Government has declared that there would be certain amount of investment support which should be available at the 20 to 25 per cent of the capital expenditure. This would again further investment. I hope the growth would be better”.

108. Specifically asked to state the initiatives/action taken to formulate and announce a National Policy on Electronics/IT Hardware manufacturing, it was replied that the Department had prepared a Discussion Paper on the Conceptual Policy Framework to Promote Growth of Electronics/IT Hardware Manufacturing Industry in consultation with the stakeholders. The main objectives of the proposed package of incentives for the Electronics/IT Hardware Manufacturing Sector were stated to make the industry globally competitive, attract more FDI in the industry, to bring down the prices of the end products (by bringing down the production cost and increasing volumes to take advantage of economies and efficiencies of scale), increase the demand, compensate for disabilities until the basic infrastructure constraints that the nation faced were removed and move towards total taxation level of 12—15% over a period of 3 years. Subsequently, a Task Force to promote growth of Electronics/IT hardware manufacturing industry was set up by the Government with a mandate to examine the

proposals/ suggestions contained in the above Discussion Paper and the existing Government policies/ procedures and recommend suitable amendments/ measures/ incentives so as to make India a Hub for Electronics/IT Hardware manufacturing. The Task Force constituted a small Group under the Chairmanship of Member Secretary, Planning Commission to look into all the relevant aspects of the matter and give its recommendations regarding appropriate fiscal as well as other benefits for the Electronics/IT Hardware Industry for consideration of the Task Force.

109. The Committee were further informed that the report of this Group covered recommendations pertaining to Infrastructure development, Incentives for R&D (Support to encourage filing of international patents, Promotion of technology and innovation focused start ups, Multiplier grants for industry sponsored research programs with premier Academic and Government R&D institutions), Environmental considerations (Management of E-Waste, EMC/EMI & safety standards), Tariff issues & fiscal incentives, Special incentives to encourage investments for setting up semiconductor fabrication & other high tech Electronics/IT products, Demand creation measures, Promotional measures, Role of State Governments and Skill development.

110. It was also stated that after consideration of this Report of the Group by the Task Force, action had been initiated by the concerned Ministries/Departments to implement the recommendations *viz.* DIT (Promotion of Research & Development, IT Investment Regions and Classification of Electronics/IT goods), Ministry of Finance (Fiscal Incentives), Ministry of Commerce and Industry (Treating Electronics/IT Hardware manufacturing industry as “Thrust Area”), Ministry of Environment and Forests (E-Waste matters), Ministry of Consumer Affairs (matters relating to EMC/EMI & Safety Standards) and Ministry of Labour, Ministry of HRD and Planning Commission (Skill Development). Thus, various Ministries/Departments of Government of India are already involved in the implementation of the decisions taken by the Task Force regarding the package of measures/incentives for promotion of Electronics/IT Hardware Manufacturing Industry. The Committee were apprised that as such, it was not envisaged to make a separate announcement for a National Policy on Electronics/IT Hardware Manufacturing.

111. During evidence, the Committee desired to know whether the Task Force report itself could be construed as some kind of a

policy paper. In reply, the Secretary, DIT, stated:—

“At the moment, there are recommendations which are made for the follow-up by the Ministries concerned. It has not yet reached the stage of final report or a policy. Therefore, I would submit that once these recommendations are processed, we would be in a better position to say something on it.”

112. The Committee, referring to the last year’s position in this regard pointed out that one year had elapsed since the Task Force had given its recommendations and desired to know the specific progress made. The Secretary DIT, replied:—

“There are fiscal and tax issues. It will have to be done with the concurrence of the Finance and Revenue Departments. So, to that extent, unless we have the concurrence, it will be very difficult for the Government to include such measures.”

113. In view of the setback to the growth of hardware industry in the absence of a clear cut policy on hardware, the Committee desired to know whether the Department have a vision about increasing IT hardware production in India, which could provide base of a composite national hardware manufacturing policy. In reply, the Secretary, DIT stated:—

“Sir, with regard to the vision, the Government is really aware that electronic hardware is of crucial importance. It is not only a question of production, it is a question of employment. Further, it has got strategic importance also. As far as vision is concerned which you have pointed out, we have made a significant progress. There is a vision.”

**(iii) Digital DNA Park**

114. The proposed and approved outlay and actual expenditure under the Digital DNA Park Scheme for the last three years and the BE allocations for 2008-2009 were stated to be as follows:—

(Rs. in crore)

Year	2005-2006	2006-2007	2007-2008	2008-2009
Proposed	12.00	1.00	.10	.10
Allocated	10.00	.10	.10	0.00
Actual Exp.	10.00	0.00	.10 (Tentative)	0.00

115. In the above context, the Committee desired to know the reasons for drastic reduction of allocation under this scheme. The Department in reply stated that the allocations for the scheme were not reduced as the Digital DNA Project (also called Bio IT Park Project) was being implemented through Public Private Partnership model where the Government contribution was of the order of Rs. 12.00 crore (Rs. 1.92 crore from DIT + Rs. 1.92 crore as equity from DIT + Rs. 8.08 crore from DIT for computational facilities).

116. A perusal of the Outcome Budget (2008-2009) revealed that as on 31 March, 2007 a firm called 'M/s ASCENDAs' from Chennai had firmed up procurement of land from the Government of Tamil Nadu. The position did not change even as on 31 December, 2007, as noticed from the same document.

117. When asked about the actual position and the plan of action on the part of the Department to accelerate the project during the Eleventh Plan period in general and 2008-2009 in particular, it was submitted that the land acquisition process was on and 100 acres of land had been acquired in Chennai, Tamil Nadu for setting up Bio – IT Park.

**(iv) Standardization, Testing & Quality Certification (STQC) Directorate**

118. The Committee have been informed that the Standardization, Testing & Quality Certification (STQC) Directorate, an attached office of the Department of Information Technology is a key assurance service-providing agency of the Department of Information Technology in the area of Quality & Information Technology. Apart from being a major testing & calibration network in the country and primary institution in this field, STQC has also initiated a number of schemes aimed at Exports Promotion, Information Security and Software Quality Engineering. STQC has strengthened its infrastructure and activities in the area of Information Security and Software Testing & Certification keeping in view the Department's thrust in these areas.

119. The Committee have also been informed that STQC Directorate is having four Electronics Regional Test Laboratories (ERTLs) & eleven Electronics and Development Centres (ETDCs) including Centre for Reliability (CFR), Chennai.

120. The Directorate had proposed an outlay of Rs. 65.00 crore in 2007-08. However, a sum of Rs. 50.00 crore was approved as BE. The same allocation was retained at the RE stage. For the financial year

2008-09 the Directorate has proposed an allocation of Rs. 74.00 crore, out of which Rs. 42.00 crore have been allocated at the BE stage.

121. During the course of evidence the representative of the Directorate while dwelling upon the matter stated:—

“Last year we had a budget of Rs. 50 crore and we have been requesting that we need a little more but it has been reduced to Rs. 42 crore.”

122. About the funds spent in 2007-08 he stated:—

“We have spent the entire amount. We have an earning of about Rs. 40 crore. Unfortunately, being an attached office the entire earning goes back to CFI. So, we are in a rather tight situation. This year they made it Rs. 42 crore.”

123. About the purposes for which the additional allocation had been sought by STQC for the year, he stated:—

“We had a one time requirement for a building of about Rs. 10 crore to be spent essentially around this building. That has been cut and certain modernization of existing building because some of the buildings are 15 or 20 years old and require upgradation and some infrastructure to be added..... There was a requirement of Rs. 15 to 18 crore for equipment.”

## **VII. HUMAN RESOURCE DEVELOPMENT**

### **(i) Manpower Development**

124. The Committee learnt that the present rate of growth in IT & ITES industries would suffer due to shortage of skilled manpower after 2009. In this context, the Committee desired to know whether any surveys/projections/studies were made to gauge the alarming situation. In reply, it was stated that NASSCOM had indicated that to reach US \$ 60 billion in export revenues by 2010 and to continue to grow the domestic IT industry, the IT and BPO industries would need to employ over 3 million professionals as direct employment. NASSCOM's projections also indicated a potential shortfall of nearly 0.5 million qualified employees. NASSCOM indicated that there was a need to ensure that: (1) the output of the higher education system was increased; (2) the graduates acquired the appropriate skills to be successful in the industry; (3) a sufficient number of graduates motivated to join the industry. As per NASSCOM's recent estimate, currently the industry employment was about to reach 2.0 million professionals, by March 2008.

125. The Committee were further informed that the DIT had also constituted a Study Team on Human Resource Development under the Working Group on IT Sector for the 11th Five Year Plan to cope with the challenges placed by the rapid growth of IT/ITeS industry and the resultant manpower needs. The Study Team has addressed the issues pertaining to the shortage of skilled workforce in the ITeS-BPO industry and made several recommendations to sustain the desirous growth in this field. The Study Team has indicated a direct employed manpower requirement of around 0.97 million for IT export services & 2.72 million for ITeS by 2012. Compared to the employed manpower of 0.21 million for IT & 0.16 million for ITeS in 2003, manpower requirement for domestic & captive IT services would amount to an additional 0.5 million in 2008-09 & 1.0 million in 2012. The assessment of manpower requirement in Information Technology sector being a continuous process, the Government of India along with industry association like National Association of Software & Service Companies (NASSCOM) has been continuously looking at this sector's requirements from time-to-time. AICTE has forecast that with an anticipated growth in enrolment in engineering courses at 15% there would not be any shortage of manpower for IT jobs.

126. Asked to state whether the Department were contemplating any measures to encourage public and private efforts to deal with the manpower requirement, it was replied that the demand-supply gap could only be addressed with the concerted involvement of the Government as well as the Private Sector. The Ministry of Human Resource Development would continue to play a major role to address the issue of manpower requirement. The steps of DIT alone would not be sufficient to bridge the gap between demand and supply of IT skilled workforce for the present and future. The initiatives of DIT were primarily directed towards capacity building exercise in certain selected niche areas to the upcoming needs of knowledge-based industry complementing the efforts of the Ministry of Human Resource Development. The DIT's HRD activities were targeted to ensure availability of trained human resources for the manufacturing & service sectors of electronics and IT industry. The initiatives include identifying gaps emerging from the formal sector, planning programmes in non-formal and formal sectors for meeting these gaps.

127. The Committee were further informed that under the Regional Institute of e-Learning & Information Technology (RIELIT) Project, an institute was being set up which would offer various long term and short-term courses. This would facilitate the youth of Nagaland to have easy access to education and training in the field of Computer

Science and Information Technology resulting in generation of quality manpower. The ITeS/BPO training programme launched in Jammu & Kashmir and in the North-Eastern Region aimed to equip students with the knowledge required to function as ITeS professionals and also build upon their talent and skills the qualities, which are required for a successful career in the ITeS/BPO industry. Moreover, as a follow-up to the Finance Minister's Budget Speech during 2007-2008 the DIT was implementing a Scheme, which was aimed at creating course contents, generating mentors & quality faculties and skilled graduates in the Information Technology Sector at various locations across India with a view to increase the employability of the students. The Scheme has been intending to cover the training of the trainer's programme, enhancement of quality of IT education in colleges, virtualization of Technical Education, conducting specialized short term courses in IT/ITeS sector, Setting up of National On-line Test System for Graduate Engineers in Information Technology, etc.

128. When the Committee desired to know more about the progress of 'Scheme of the Manpower Development for the Software Export Industry' announced in the Union Budget for the year 2007-2008, the representative of the Department responded:—

".....the basic concern expressed by the hon. Members during the course of discussion was regarding the totality of the skill sets that are lacking among the graduates. To address that, we have formulated a scheme as per the announcement of the hon. Finance Minister in the last year's Budget. The scheme has been put in place. We have sanctioned the scheme. But I must mention that the scheme has been sanctioned without any additional outlay. There is no cushion to it. I have a scheme which is to be implemented in continuation of the hon. F.M's statement in the Budget speech but there is no financial back up for that."

".....a provision of Rs.33 crore for a new scheme for skill development for the software industry. That was made in the last year's Budget speech to be implemented in 2007-08. It has been approved and we are going ahead with it. For that scheme we want money in the coming year 2008-09.....against Rs.33 crore nothing has been given.....in 2008-09 we require more money to continue the programme."

129. Asked to state the grounds on which the Department's request was turned down, the representative stated:—

"We had asked for more funds but they said that since we are out of the existing funds we can re-appropriate it."



130. In response to a specific query it was replied that during the last five years the IT/ITeS Sector could generate 6.6 million employment.

**(ii) Department of Electronics Accreditation of Computer Courses (DOEACC)**

131. The proposed and approved outlay for DOEACC and the actual expenditure by the Society for the last three years and the proposal and allocation during 2008-2009 have been stated to be as under:—

(Rs. in crore)

Year	2005-2006	2006-2007	2007-2008	2008-2009
Proposed	10.00	12.00	22.00	11.00
Allocated	10.00	12.00	0.50	0.44
Actual Exp.	10.00	12.00	0.50	

132. In the above context, the Committee desired to know the reasons for the drastic reduction in budgetary allocation to DOEACC during the years 2007-2008, and 2008-2009 more so when the utilisation of funds by DOEACC was maximum during the previous years. In reply, it was submitted that the Planning Commission indicated scarcity of resources for reduction in outlays proposed by DOEACC during the years 2007-08 and 2008-09.

133. Asked to specify the impact such reduction would have upon the achievement of projects/schemes by DOEACC, it was replied that the Society essentially needed the budgetary support for meeting the Capital Expenditure of its 10 Centres located at 17 locations in the country mainly for capacity building i.e. infrastructure development and up-gradation of various labs etc. for its existing activities and also for setting up of new laboratories for new programmes/activities, strengthening e-learning, implementation of e-governance, development projects, etc. With the reduction in budgetary support, the Society planned to reprioritize its activities in a way that it did not hamper the core activities viz; formal and non-formal courses in the field of ICT. It was also reported that initiatives would now be taken up by seeking grant-in-aid in a projectised mode from various Ministries/ Departments (including the Department of Information Technology).



134. In this context, a representative of DIT stated in evidence:—

“..... we would like to give budgetary support to DOEACC in order to enable it to have its infrastructure in position and augmented and to cater to the higher needs of the manpower projected till 2012. DOEACC will play one of the prominent roles in actually giving both non-formal and formal education.”

135. As regards the academic recognition of DOEACC courses by AICTE, the Committee were informed that the Society had been interacting with AICTE for recognition of DOEACC qualifications. As a result, AICTE constituted a Committee to evolve policy framework on the issue of education in the non-formal sector *vis-a-vis* formal sector. Based on the suggestions of the said Committee, DOEACC submitted its application to Distance Learning Council, MHRD for recognition of 'B' level qualification as equivalent to MCA. The said Council, after visiting DOEACC accredited institutes, had sent their recommendations and the matter was stated to be under consideration of AICTE. The Committee were further informed that recognition of 'C' level would be taken up after academic recognition of 'B' level as suggested by the Committee constituted by AICTE. In the meantime, various universities/deemed to be universities like IIT, Guwahati, West Bengal University for Technology, Indian Statistical Institute, Punjab University. have recognized 'B' level for admission to their M.Tech. programme. Similarly, Annamalai University, Maharishi Dayanand University, Sikkim Manipal University. have recognized DOEACC 'A' level qualifications for lateral entry into M.Sc. (IT/Computer Science)/MCA. Further, the qualifiers of the DOEACC 'B' Level Bio informatics course would be eligible for award of MSc. degree of Bio-Informatics by West Bengal University for Technology (WBUT) after completing wet lab and project as specified by the University.

136. The Committee then desired to know the strategy of DOEACC to address the ever growing demand for IT/ITeS professionals in the country. In reply, it was stated that DOEACC Centres were offering short-term courses in the area of Information Technology, Electronics Design & Technology, Manufacturing Technology & Maintenance Engineering etc. in addition to the formal and non-formal long-term courses. The Society was imparting training to around 4000 students through these short-term courses annually. In addition, about 19,000 students were being trained under various long term courses. Also, approximately 4500 students were trained under CAMDTP Programme of National Council for Promotion of Urdu Language (NCPUL) annually. The Centres have also introduced courses relevant to the

emerging needs from time to time. DOEACC Centres in North-East Region were offering ITeS-BPO Customer Support Programme with the financial support from DONER; and in the State of J&K, through DOEACC Centre, Srinagar/Jammu with financial support of DIT. The DOEACC Centre Gorakhpur & Kolkata were also offering ITeS-BPO programme in their respective regions on self supporting basis.

137. The Committee were further apprised that DOEACC was planning to launch ITeS-BPO courses in different verticals, for example banking, insurance, hospitality, tourism etc. based on the industry requirement/emerging need. In addition to the training activities, the Society also undertook consultancy services and projects, which facilitated DOEACC to assess and understand the industry needs. For example, courses such as, ITeS-BPO, Bio-informatics at 'O', 'A' & 'B' Level, Computer Hardware and Networking at 'O' & 'A' Level, Multimedia & Animation etc. have been launched in consultation with the Industry. Thus, industry involvement was ensured at all stages from policy making level to the design of curriculum, implementation of projects etc.

138. In reply to a specific query, it was replied that DOEACC was also exploring the possibility for partnership with software industry for developing / organizing industry related courses.

### **(iii) ERNET & GEANT Cooperation**

139. Referring to a meeting, the Committee had with Ms. Viviane Reding, Commissioner for Information Society and Media, European Commission and her delegation on 26.03.2008, the Committee asked about the present level of Cooperation between GEANT and ERNET.

140. The representative of the Department had responded:-

“45 megabit link is already there between GEANT and ERNET and that link is being upgraded. That link is already functioning.”

141. Asked to comment on the reported inferior quality and slow speed of linkage between GEANT & ERNET, the representative of DIT, responded that the first offer was for 45 Mbps link and it would be upgraded to 100 Mbps.

142. But a perusal of the Department's Outcome Budget (2008-2009) has revealed that 45 Mbps IPLC link between India and Europe was being upgraded to 622 Mbps/1GB link. The Department of IT were reportedly bearing half IPLC cost.

## VIII. RESEARCH & DEVELOPMENT

### (i) Society for Applied Microwave Electronics Engineering and Research (SAMEER)

143. The Committee learnt that an expenditure of Rs. 60 lakh including the Government grant of Rs. 25 lakh incurred on the development of a technology for ferrite Radio Frequency Absorber Tiles by SAMEER did not yield the desired benefits as the technology was not transferred for commercial exploitation and the Department could not pursue ACC to commercialize the technology as no Memorandum of Understanding (MoU) was signed by DIT with ACC (technology development partner) and SAMEER before releasing Grants.

144. In this context, the Committee asked for the details of the project and the measures taken by the Department to ensure that the purpose of various technology development projects was not defeated due to such situations/incidents. In reply, it was stated that the project was taken up as a joint development exercise by SAMEER and ACC Ltd. The role of ACC was to develop the technology of RF Absorber Tiles in technical association with SAMEER, Mumbai and, thereafter, produce these tiles. The responsibility of SAMEER was to test and characterize the developed products in terms of various parameters. Thus, the responsibility for commercialization of the technology was that of ACC Ltd. and not that of SAMEER. In this particular project, the entire grant of Rs. 25 lakhs was released by DIT to SAMEER which is its own R&D Society. As the project proposal had clearly indicated the responsibilities of ACC and SAMEER in the technology development exercise, no MoU was signed with ACC either by DIT or by SAMEER.

145. The Committee were further apprised that technology transfer and commercialization was a complex process as it was driven by many factors like finding out interested manufacturing organizations, market competition, risk involved in new ventures, etc. Further, every project has a Project Review & Steering Group (PRSG) formed by DIT in the beginning itself comprising of eminent experts from academics and industry. In cases, where at the time of the completion of the project if enough market indications were available for commercialization, PRSG itself took pro-active role in calling interested parties and discuss with them various terms and conditions of Transfer of Technology(TOT). In the present case, the approval for the project had clearly indicated that the objective was to develop technology of Ferrite Tiles and this objective was clearly met as endorsed by the

PRSG. However, at this stage commercial interest of ACC to go ahead with this new business waned and, in fact, their operations in Kolkata where this product was supposed to be manufactured were closed. SAMEER on its part had also approached another company called M/s KV Microwave Materials, Ghaziabad. However, it turned out that this company was interested in only using the product and not manufacturing it.

**(ii) Nano-Technology Development Programme**

146. The proposed and approved outlay and actual expenditure under this Scheme for the last three years as well as for the year 2008-2009 were stated to be as follows:—

(Rs. in crore)				
Year	2005-06	2006-07	2007-08	2008-09
Proposed	40.58	40.00	40.00	65.00
Allocated	40.00	40.00 (34.00 in RE)	29.00	35.00
Actual Exp.	40.43	32.36	29.00 (Tentative)	—

147. In this context, the Committee desired to know the impact on the scheme due to reduced allocation by the Planning Commission *vis-a-vis* the proposals made by the Department especially during the years 2007-2008 and 2008-2009.

148. In reply, it was stated that due to paucity of funds in 2008-09, it might not be feasible to initiate three major projects at IIT Kharagpur, IIT Delhi and IISc. Bangalore.

149. When the issue came up for discussion during evidence, the representative of DIT stated:—

“.....We had asked for Rs. 65 crore this year and we have been given Rs. 35 crore. We have projects recommended from the working group which are just waiting to get funds.”

150. Asked to explain the reasons for lower utilisation of the budgetary allocation during the years 2006-2007 and 2007-2008, the representative of DIT submitted:—

“.....If you see our expenditure performance from 2005-06 onwards, it is Rs. 40.43 crore in 2005-06; Rs. 32.36 in 2006-07, and

Rs. 29 crore for the current year. It is going down and there is a reason for that; if you permit me, I will explain the expenditure performance depends on the evolution of the projects at these institutions which take some efforts; after the projects are evolved, only then, I am in a position to ask for funds. That is why, in the previous years, I have not asked for any money. Now, we have proposals recommended and ready to be sanctioned.”

**(iii) Centre for Development of Advanced Computing (C-DAC)**

151. C-DAC’s thrust areas have been stated to be High Performance Computing and Grid Computing, Multilingual Computing and Heritage Computing, Professional Electronics including VLSI & Embedded Systems, Software Technologies including Foss, Cyber Security & Cyber Forensics, Health Informatics and Finishing School.

152. Asked to indicate the progress made in each of the thrust areas during 2007-2008, the following information was furnished:—

(i) High Performance Computing and Grid Computing

- PoC Garuda (National Grid Computing Initiative) completed;
- IEEE International Conference e-Science & Grid Computing 2007 successfully held;
- Daily Real time weather forecast for Indian Air Force (IAF) at Pune airport put into operation; Released “Anumna” as a tool at ELitex 2008;
- Daily hydro-meteorological forecast for decision put in place for Koyna dam catchment area discharge;
- Reconfigurable Computing System (RCS) based bio-informatics solution transferred to industry; and
- Param Net III interconnect ready for deployment in param.

(ii) Multilingual Computing and Heritage Computing

- Mantra-Rajyabhasha launched by Vice President on 29th August, 2007 for operation in Rajya Sabha;
- Felicitated by Home Ministry on Hindi Diwas day for 10 years of outstanding work in machine translation, language learning & speech technology; and
- Gujarathi, Bangla CDs are ready for release.

(iii) Professional Electronics including VLSI & Embedded Systems

- 32 bit RISC processor IP core & products delivered with successful field trials [Digital Programmable Hearing Aid (DPHA), Boards for BARC].
- ASTEC National Centre approved and commenced for automated systems technology [including control systems];
- Software Defined Radio (SDR) technology development in progress;
- Selected Power Electronics based products, systems and projects under NAMPET under trials.

(iv) Software Technologies including FOSS

- Software development for National Service Delivery Gateway (NSDG) – A mission mode project under NeGP – completed. Scheduled for Go-Live in 2008-2009;
- BOSS Server Edition completed and launched in Elitex – 2008; National level support centres progressing; MoU with a few State Governments signed/under discussion –under National Resource Centre for Free/Open Source Software (NRCFOSS). Development work on SOA/Web 2.0 technology progressing; and
- India Development Gateway (InDG) portal with content aggregation with five verticals ready for launch.

(v) Cyber Security & Cyber Forensics

- Network @ Guard (Intrusion Detection Systems-ids) refined, users added with linkages to more deployment, training and backend research to move to intrusion prevention system (IPS); and
- Cyber Forensic Tool Cyber Check 3.0, enhanced with more deployment, user support, training and additional development work (multiple platforms including mobile/palmtop, online forensics, etc.)

(vi) Health Informatics

- Telemedicine solution deployment increased; 8 locations under Adyar Cancer Institute and 7 locations under Royapeta hospital in Chennai, others in Himachal Pradesh, Punjab and Haryana;

- Hospital Information System (HIS) deployment progressing at PGI, Chandigarh, Delhi & UP; and
- Finishing School Initiatives: Training the trainers, additional capacity, question bank preparation and testing initiatives under DIT funding commenced.

153. The Committee while referring to their 48th report (Fourteenth Lok Sabha) on 'Functioning of C-DAC' wherein they had expressed concern over high attrition of manpower in C-DAC, desired to know about the efforts being made by C-DAC to address the issue of manpower attrition. In reply, it was stated that the proposals pertaining to staff benefits of CDAC namely (i) enhanced leased accommodation facility; (ii) post retirement medical reimbursement; (iii) performance incentive; and (iv) payment of fuel charges; were being processed at various levels in the Department. Some of these would be taken up with the Ministry of Finance on approval from the competent authority.

**(iv) Media Lab Asia (MLA)**

154. The proposal, allocation and actual expenditure of Media Lab Asia for the last three years and 2008-2009 BE have been stated to be as follows:—

(Rs. in crore)				
Year	2005-2006	2006-2007	2007-2008	2008-2009
Proposed	65	65	50	50
Allocated	1 (Zero at RE)	10	10 (Zero at RE)	1
Actual Exp.	0	14.95	0	—

155. In the above context, the Committee asked the reasons for the continuous reduction and even nil budgetary allocation to Media Lab Asia over the last 3-4 years. The Committee also desired to know the reasons for allocation of just Rs. 1 crore against a proposal of Rs. 50 crore for the financial year 2008-2009. In reply, it was stated that the Media Lab Asia programme was restructured *vide* a Cabinet approval with effect from May 1, 2003 for a period of 9 years. A set of officers from the Ministry and its organizations were given additional charge as Officers on special duty to manage the transition process and to facilitate restructuring process of Media Lab Asia. The utilization of the fund by Media Lab Asia has not been full due to the on going



restructuring process. The Cabinet, while approving the new structure and business plan of the Media Lab Asia, also mentioned that the outlay for Eleventh Plan period and the level of Government support would be decided based on the independent evaluation (of Media Lab Asia) by experts to be carried out in the last year of the 10th Plan, *viz.* 2006-07, and the response of the private sector. The Department has constituted a Committee of experts under the chairmanship of Dr. R. Chidambaram, Principal Scientific Adviser to the Government of India to review the activities of MLA and also give recommendations about the level of the Government funding in the 11th Plan period. The Committee have met 3 times and are likely to submit their report to DIT very soon. Pending this report, a token allocation of Rs. 1 crore has been made for the year 2008-09.

156. It was further stated that after acceptance of the recommendations of the Independent Review Committee, MLA would undertake the mandated activities through a suitable organisation and with augmentation of hubs already created at IITs.

#### **IX. NATIONAL KNOWLEDGE NETWORK**

157. The Department have introduced a new scheme 'National Knowledge Network' with an allocation of Rs. 100 crore to establish a national network with multiple gigabit bandwidth to connect knowledge institutions across the country.

158. Asked to spell out the salient features of National Knowledge Network, it was replied that the need to optimally utilize the potential of institutions, such as research laboratories, universities and other institutions of higher learning, including professional institutions, engaged in generation and dissemination of knowledge in various fields, necessitated the formation of a National Knowledge Network that would seamlessly interconnect the knowledge institutes in the country to improve access, quality and quantity of R&D activities. National Knowledge Commission has recommended setting up of such an electronic digital broadband network, connecting all knowledge institutions with adequate capabilities and access speed to encourage sharing of resources and collaborative research.

159. The primary objective of the National Knowledge Network would be to connect all knowledge institutions in the country, cutting across sectors like higher and technical education, medical education, legal education, agricultural education, science & technology etc., situated at different locations across the country, through a high-speed broadband network with gigabit capabilities. This initiative would



enable secure data and resource sharing and would include creation of knowledge applications and knowledge content by participating institutions. The National Knowledge Network was thus expected to provide wide-ranging education and research benefits for the country.

160. The Department of Information Technology have been asked to execute the project under the guidance of an Empowered Committee, which would indicate choice of the implementing agency, architecture of the network and the time frame for the implementation of the National Knowledge network.

161. The Committee desired to know the extent of difference between the proposed 'National Knowledge Network' and the 'GARUDA Network' being implemented by C-DAC. In reply, it was stated that the Garuda project would be connected to the National Knowledge Network.

162. Elaborating the setting up of a National Knowledge Network, the Secretary, DIT in evidence stated:

"As regards the National Knowledge Network, there is supposed to be a Committee that would look into this matter and prepare the design. We cannot really anticipate at this stage as to what exactly they would recommend. But the National Knowledge Commission has said that between 500 and 1,000 educational institutions should be linked. This is what was suggested by them.....Those are the big institutions. The Ministry of HRD has a separate proposal to connect a lot of college themselves."

163. The Committee enquired whether the Ministry of HRD's proposal was parallel to the project contemplated by DIT. In reply, the Secretary DIT, stated:-

"It will link up to this project. Today, we cannot say as to what exactly the Committee will say about the number of institutions that are to be linked. But the National Knowledge Commission — on the basis of which a decision was taken on the National Knowledge Network — speaks of connecting between 500 and 1,000 institutions."

164. Asked to state whether it would not be prudent to have an integrated effort in this regard, the Secretary DIT, submitted:-

"The National Knowledge Network will look at what the other networks are doing, and there will be integration to that extent."

165. Another representative of the Department supplemented:—

“The National Knowledge Commission talks about 5,000 institutions, and the Ministry of HRD has subsequently come up and said that 18,000 degree colleges are also to be connected.”

166. In response to another query whether the mission would be extended to non-urban areas also in view of the existence of maximum number of educational institutions there, the Secretary DIT, stated:—

“There would be a phased implementation. But we cannot say with certainty as to what the Committee will decide.....The Committee will be constituted by the end of April, 2008.....The implementing agency and the options regarding the agency would also be indicated by this Committee.”

## PART II

### OBSERVATIONS/RECOMMENDATIONS

#### I. Department of IT—Introductory

1. As part of the Ministry of Communications & Information Technology, the Department of Information Technology are responsible for the formulation and implementation of national policies in Information Technology Sector. The domain of the Department includes all matters relating to computer based Information Technology including software and hardware processing, silicon facility, promotion of knowledge based enterprises, internet, e-commerce, information technology, education, development of electronics and coordination amongst their users, and standardisation of procedure matters pertaining to international bodies. To operationalise the objectives of the Department, suitable schemes are formulated and implemented by the Department. The Schemes are implemented either directly by the Department or through the organisations/institutions under their jurisdiction.

#### II. DIT Budget

##### (i) A Comparative Budgetary Analysis

2. The Committee observe from Demand No. 14 pertaining to the Department of Information Technology that an amount of Rs. 1716.00 crore has been allocated to the Department for the year 2008-09. This consists of Rs. 1616.50 crore in the Revenue Section and Rs. 99.50 crore in the Capital Section. The Revenue Section includes Rs. 1680.00 crore for Plan activities and Rs. 36.00 crore for non-Plan activities. The major budgetary allocations (both Plan and non-Plan) proposed are Rs. 800 crore for the National e-Governance Plan (NeGP), Rs. 400 crore for the National Informatics Centre (NIC), Rs. 100 crore for the National Knowledge Network and Rs. 94 crore for the Centre for Development of Advanced Computing (C-DAC). Compared to the allocation proposed for 2008-2009, total allocation during the year 2007-08 was Rs. 1536.00 crore with the Revenue (Plan), Capital (Plan) and the non-Plan component being Rs. 1421.00 crore, Rs. 79.00 crore and Rs. 36.00 crore respectively. This was reduced to Rs. 1445.00 crore at the RE stage when outlay on the Plan side was curtailed to Rs. 1400.00 crore although the outlay on the non-Plan

side was increased from Rs. 36.00 crore to Rs. 45.00 crore. The Committee note that there is an increase of 20% in the Plan allocation of the Department in the year 2008-09 as compared to the RE figures of 2007-08. On the other hand, the non-plan allocation has seen a decline of 20% being reduced from Rs. 45.00 crore in 2007-08 to Rs. 36.00 crore in 2008-2009. The Gross Outlay of the Department also has an IEBR component generated by the R&D activities of their various units. The IEBR component was Rs. 248.79 crore in the year 2007-08. This year it has been shown as Rs. 272.14 crore. The Committee note that the approved outlays in both the years are significantly less than the outlays proposed. In 2007, the Department got Rs. 1400.00 crore (RE) against Rs. 2092.08 crore projected by them and in 2008-09 they have been allocated Rs. 1680 crore for plan activities against Rs. 2500.00 crore proposed by them. In both the years actual allocations are about one third less than the allocation sought (34% in 2007-08; 33% in 2008-09). A scheme-wise analysis reveals that barring an increase of Rs. 80.00 crore for NIC and an additional Outlay of Rs. 100.00 for National Knowledge Network there are not many noticeable changes in the allocations over the last year. The various aspects arising out of the allocation and utilisation of funds have been broached upon in the succeeding paragraphs.

#### (ii) Tenth & Eleventh Plan Outlay

3. The Committee note that the Department had proposed an Outlay of Rs. 6294.95 crore for the Tenth Plan. They were, however, allocated a sum of Rs. 3709.30 crore. This has been further pruned down to Rs. 3587.00 crore at the RE stages. As against this, the actual expenditure during the Tenth Plan was 3541.71 crore. It is heartening to note that the Department have spent 99.97% of the funds allocated to them during the Tenth Plan. The Committee however note a huge gap of 43% in the allocation proposed and the funds allocated to the Department at the RE stages of the Tenth Plan. In the case of the Eleventh Plan, the Committee find that the Department have sought an allocation of Rs. 18160.79 crore. However, they have been allocated a sum of Rs. 12,496.00 crore only, which works out to about 69% of the funds sought. The Committee understand that these drastic cuts in the proposed outlays do affect the performance of the Department in view of the consequent lowering of targets, weeding out/merging of schemes and adjustment of scale of operations. The Committee find this situation disconcerting in view of the fact that Information Technology is a dynamic and growing sector worldwide and is one of the sunshine areas of the country's economy. The Committee feel that this is the most

opportune time for establishing ourselves firmly in several core areas of the IT Sector for which the Department require full support of the Government. The Committee, therefore, desire that all efforts should be made by the Government to ensure that the genuine need of funds of the Department should be met fully and with due promptitude so that the benefits accruing to the country are further expanded and consolidated.

4. The Committee have noticed a very serious incongruity in the funding pattern of the Department. Out of the total Eleventh Plan Outlay of Rs. 12496.00 crore, a sum of Rs. 1400.00 crore *i.e.* 11% of the total outlay has been allocated in the first year of the Plan and the allocation during the second year is Rs. 1680.00 crore for Plan side which is 13.44% of the total Outlay. It implies that a massive 75% of the total allocations would be utilised during the remaining three years of the Plan. The Committee are of the firm opinion that the allocation of funds should be made in a uniform manner in all the years of the Plan subject to genuine needs. In this context, the allocations of Rs. 2092.08 crore and Rs. 2500.00 crore sought by the Department for the first two years of the Eleventh Plan assume significance. The Committee apprehend that with this type of lopsided availability of funds, DIT will face the problem of fund shortage in the first two years of the plan and a problem of plenty in the next three years which may distort their planning and implementation processes. Apparently, the DIT have not put their case seriously before the Planning Commission. The Committee expect that the Department will do the same more purposefully and forcefully now and get additional allocations from RE 2008-2009 stage onwards to have a balanced spread of funds in the remaining period of the Eleventh Plan.

(iii) Provision for the North-East Region

5. The Committee appreciate to note that the utilisation of the budgetary allocation towards the North-East Region during the Tenth Plan period was up to the mark on the part of the Department. Similarly, during the first year of the Eleventh Plan period, Rs. 140 crore as allocated towards the North-East Region would be optimally utilised, as assured by the Department. The Committee desire that the momentum in the maximum utilisation of funds in the North-East Region should be maintained by the Department in the year 2008-2009 and afterwards also so that the benefits of information technology are reaped there.

#### (iv) Planning and Management

6. The Committee note that the extant Budgeting norms of the Ministry of Finance stipulate a maximum limit of 33% spending in Q-4 and a similar ceiling of 15% in the month of March. In the case of the Department of Information Technology, in the Financial Year 2007-08 about 49% of RE stage funds, which are already Rs. 100 crore less than the BE funds, are left for Q-4. Similarly, for the month of March, 2008 the Department have to spend Rs. 397.53 crore, which constitute 28.40% of the 2007-2008 RE. The Department have stated that these are mostly grants to States which will be released before the year ends on 31 March, 2008. The Department have also submitted that they have requested the Ministry of Finance for exemption of the respective ceilings. The Committee deprecate this casual attitude of the Department about the fiscal planning and management and their utter disregard to the inconvenience that this substantial release at the very last moment will cause to the recipient States. The modified Budget and Cash Scheme of the Ministry of Finance was introduced with the objective to avoid last quarter spending and consequent March rush and it deserves fullest cooperation from and compliance by all the Ministries and Departments. The Department of IT with their excellent record of optimum utilisation of funds over the years, should set an example for others by strictly adhering to the stipulated limits. The Committee, therefore, recommend that the Department should take necessary measures to avoid such situation in future and also sensitise their societies/Companies in this regard by way of regular monitoring.

#### (v) Outstanding Utilisation Certificates

7. The Committee note with concern that as many as 504 utilisation certificates in respect of funds amounting to Rs. 615.66 crore are still pending submission by the States and implementing agencies as on 31.12.2007. The Ministry of Finance have also conveyed to the Department about the insufficiency of their efforts in this regard. The Department are reportedly, trying to address this issue through their internal meetings. However, the Committee are not satisfied with the explanation furnished by the Department and they tend to agree with the views of the Ministry of Finance in the matter. They, therefore, exhort the Department to make all out efforts to get the utilisation certificates timely and regularly.

### III. National e-Governance Plan (NeGP)

8. The National e-Governance Plan is an epoch making programme which is expected to change the entire concept and

system of governance in the country. Against this background , the Committee note that the total allocation for NeGP during the 10th Plan was Rs. 1036.67 crore, whereas the expenditure was Rs. 1028.80 crore. In BE 2008-09, Rs. 800 crore have been allocated for this Scheme as against a proposal of Rs. 1053.63 crore *i.e.* a difference of approximately Rs. 250 crore. The Department have submitted that this would be reviewed/met at the RE stage. The Committee feel that given the utilisation record under this Scheme, the allocation definitely needs a rethink. The Committee expect that the Department would strive their utmost to ensure that high expectations from NeGP are met and the same is implemented at the earliest. The Committee also expect the Government to ensure that no roadblocks in the form of administrative delays or financial constraints come in the way of DIT in their endeavours.

(i) State Wide Area Network (SWAN)

9. The Committee note that SWAN is one of the three core infrastructure components of NeGP. It aims to establish a network with a minimum bandwidth capacity of 2Mbps from State Headquarters upto the Block level in all the States and UTs excepting those States which have opted out. During the examination of the Demands for Grants for the year 2006-07, the Committee were informed that SWAN was to be operational in seven States by March, 2007. Further, during the examination of the Demands for Grants 2007-08 the Committee were assured that by March, 2008 the facility would be in place either partly or wholly in atleast 15 States/UTs as per 2007-2008 physical outputs. The target, however, could not be met in any of these years. During the financial year 2008-2009, the target is to implement SWAN in all these States by December, 2008. But the Committee find that as on 12 March, 2008 the SWAN scheme has been implemented only in four States *viz.* Delhi, Haryana, Himachal Pradesh and Tamil Nadu. In view of the above, the Committee are disappointed to note that despite their recommendations for expeditious implementation of SWAN, no noticeable progress has been made, rather the Department are moving more and more off the targets. The Committee cannot but express anguish over the repetitive delays in SWAN implementation and once again impress upon the Department to expedite and complete SWAN in all the participating States before the five years period of the Scheme comes to an end in March, 2010. The Committee would like to be periodically informed of the progress made in this regard.



(ii) State Data Centres (SDCs)

9. The Committee are informed that amongst the three infrastructure components of NeGP *viz.* SWAN, SDCs & CSCs, SDCs have the shortest gestation period. As per the Outcome Budget, the Department were given cumulative targets to establish State Data Centres in 10 States and then 20 States by December, 2007 and March, 2008 respectively. However, the Committee are informed that due to the absence of the Scheme approval, no State Data Centre could be taken up for implementation during the years 2006-07 and 2007-08. During the course of their Study visits to various State Headquarters, the Committee were apprised by the State Government representatives about the difficulties being faced by them as the Central Government approval of their SDC proposal submitted long back were still awaited causing a lot of problems to them. In this connection, it would be pertinent to mention that NeGP was conceived and approved in 2005 and SDCs scheme despite being an important part of it, has only been approved in January, 2008. The Committee in their earlier reports had persistently recommended to expedite the formulation of Policy Guidelines and consequent roll out of SDCs Scheme but to no avail. The Committee, therefore, cannot but express their strong disapproval of the way the Department have handled this scheme. The Committee impress upon the Department that now when they have the scheme approved and the broad policy guidelines in hand, there should not be any hurdle in establishing and operationalising 20 Data Centres, if not more, by March, 2009.

11. The Committee have been informed that the State Data Centre is a Crucial Component of core infrastructure of National e-Governance Plan not only from the service delivery perspective but also from strategic point of view as it would involve sovereign data. The Committee are of the opinion that implementation of SDCs should solely be entrusted to the Government agencies like NIC, ERNET etc. to ensure safety and sanctity of data. They, therefore, desire that the Department should clearly highlight national security perspective involved in establishing and operationalising SDCs to all participating States and guide/help them in placing adequate safeguards in this regard.

(iii) Common Service Centres (CSCs)

12. The scheme aims to establish 1,00,000 broadband internet enabled CSCs in rural areas of the Country and is being implemented in a Public Private Partnership mode. The Department were supposed to set up 30,000 kiosks by March, 2007 and complete the process of



establishment of 1,00,000+ CSCs in the Country by 2008. The Committee are disappointed to learn that only 3338 CSCs have been set up in five States *viz.* Jharkhand, West Bengal, Haryana, Bihar and Tripura and the target has now been revised to be achieved by March, 2009. The Committee, therefore, once again impress upon the Department to take all necessary measures to expedite the roll out of CSCs Scheme across the Country by the revised deadline.

13. The Committee note that various agencies like National Level Service Agency apart from the State Governments have been entrusted with the responsibility to implement CSCs Scheme and all these agencies have their own implementation, plan and monitoring methods, thereby causing a lot of communication gaps. Moreover, there is a severe lack of coordination and cohesion in this compartmentalised method of implementation. The Committee, therefore, recommend that the Department should enforce a very comprehensive and strict monitoring regime for overseeing and coordinating the implementation of the CSCs scheme. They also desire that monitoring bodies of elected representatives should be set up at each level *i.e.* Central, State, district and local levels to monitor and review the implementation progress as well as operationalisation of CSCs and other components of NeGP. The Committee would like to be apprised of the action taken in this regard.

(iv) Mission Mode Projects (MMPs)

14. The Committee note that 27 Mission Mode Projects (MMPs) have been initiated under NeGP relating to various services. Out of these 27 MMPs, 7 MMPs fall in the Central Category and 9 MMPs are in the integrated categories to be spearheaded for implementation by various line Ministries/Departments, while State Governments are responsible for 11 State Sector MMPs. Though substantial progress has reportedly been made under the Central and Integrated MMPs, the Committee find that the State Mission Mode Projects are yet to come up to the level of implementation on a national scale. The Committee are of the view that implementation of State Sector MMPs is of crucial importance as most of these MMPs are directly related to day to day activities of the citizens and therefore would be of immense benefit to the commonman. The Committee, therefore, recommend that the respective line Ministries must be asked to take proactive steps to expedite implementation of State MMPs and help State Governments in drafting and designing projects/policies/guidelines relating to these MMPs so as to complete all these projects within a stipulated time frame. The Committee would like to be periodically informed of the decisions taken and progress made in this regard.

15. The Committee also note that issues regarding the role and responsibility of the States and the Central Line Ministries in the project implementation need to be addressed. Further, there is an urgent need to provide project specific interfaces between the States and the Line Ministries. The Committee are further informed that implementation of NeGP is an item on the agenda in the forthcoming Conference of Chief Secretaries. The Committee are of the opinion that implementation of NeGP should essentially be a part of the agenda of all inter-state fora like the Chief Ministers' Conference, NDC, Governors' meet etc. to resolve the ambiguities relating to the responsibilities and role of the State and Central agencies and to avoid hurdles like lack of coordination, etc. in timely implementation of NeGP and its components. The Committee, therefore, desire that the Department should ensure to enlist cooperation and coordination of various State agencies for timely implementation of NeGP particularly State sector MMPs.

#### IV. NATIONAL INFORMATICS CENTRE

16. The Committee note that the National Informatics Centre (NIC) is the only organization in the country to provide total informatics support to the Central Ministries & Departments, State Governments, District Administrations and other Government bodies. NIC in the pursuit of its objectives is playing a pivotal role in the major e-Governance initiatives at all levels of Governance and providing various network Services (WAN, MAN, LAN), Data Centres, capacity building, etc. But the Committee are concerned to observe that during the year 2007-2008, against a proposal of Rs. 427.00 crore, NIC was granted Rs. 320.00 crore whereas its actual expenditure has exceeded the allocations during the year. Further, during the 2008-2009 fiscal, a sum of Rs. 400.00 crore has been allocated to NIC against a proposal of Rs. 560 crore. As reported, the Planning Commission on the plea of scarcity of funds has reduced the allocation for NIC. In view of the importance of the mandate given to NIC and the wide spectrum of activities it has been carrying out, the Committee desire that adequate funds should be allocated to NIC to enable it to discharge its responsibilities timely as well as effectively. They, therefore, recommend that the Department should take up the matter with Planning Commission for enhanced allocation of funds to NIC at the RE level.

#### V. INFRASTRUCTURE DEVELOPMENT

##### (i) Software Technology Parks of India (STPI)

17. The Committee note that against a budgetary proposal of Rs. 12 crore during the year 2007-2008, the Software Technology Parks

of India (STPI) was allocated an amount of Rs. 2 crore at the RE stage. Similarly, during 2008-2009 no allocation has been made to STPI against a proposal of Rs. 60 lakh. During preliminary examination of the Demands for Grants (2008-2009), an impression was given that since STPI Centres are having enough internal accruals, they do not need any budgetary support. But subsequently during the course of evidence, the Committee were informed that while STPI's internal accruals are enough for the maintenance of the existing 48 Centres, it requires budgetary support to open up new Centres. The Committee acknowledge the fact that STPI is a self sustaining organisation and it can carry out its existing activities even without budgetary support. But, the Committee feel that STPI should clearly project its financial requirements so that the budget exercise appears realistic and contradictory statements are avoided.

18. The Software Technology Parks of India (STPI) Scheme was conceived with an objective to *inter-alia* promote software and software services and to provide statutory and data communication services, etc. The Committee note with satisfaction that the STPI Scheme has been immensely successful as is evident from its phenomenal export earnings which increased from Rs. 37,176 crore in 2002-2003 to Rs. 1,44,214 crore in 2006-2007. However, a majority of software export is centered around tier-I & tier-II cities and in the forward/developed States of the Country. The Committee desire that STPI should open new Centres also in tier-III & tier-IV cities as well as in lessor developed States to provide the requisite growth *impetus* to these areas.

19. Taking note of the possible adverse impact of the new SEZ Policy and the end of tax holiday available to STPI Units w.e.f. 31 March, 2009, the Committee in their 29<sup>th</sup> & 46<sup>th</sup> Reports (14th Lok Sabha) had desired that the STPI Units should also be provided with same tax benefits & facilities that are available to the SEZ Units. This year also, while examining the Demands for Grants, the Committee are informed that in case the Tax benefits available to STPI units are withdrawn from March, 2009, the units might get adversely affected. Although this matter has already been taken up with the Ministry of Finance, no decision has been taken so far. In order to enable the STPI Units to chalk out their immediate and long term planning, the Committee desire that the matter may be vigorously pursued with the Ministry of Finance for an early decision in this regard. Further, the Department should formulate a new/ supplementary scheme with additional benefits to the IT Companies and the Small and Medium Enterprises (SMEs) already established or being established in smaller cities/towns.

(ii) Promotion of Electronics/IT Hardware Manufacturing

20. The Committee note that while computer software production has quadrupled since 2002-2003, the electronics hardware production has only doubled during this period. The Committee observe that hardware sector is lagging due to a number of reasons like lack of a national policy, infrastructure constraints, lack of economies of scale and high taxation regime *vis-a-vis* other countries. The Committee have time and again emphasised the need for formulation of a National Policy on IT Hardware. The Department have all along been assuring the Committee that the same was on the anvil. Unfortunately, the DIT have now backtracked from this. Moreover, the Department's endeavours of getting a Discussion Paper prepared; this discussion paper considered by a Task Force; the task force constituting another small group to submit a report to them; and the decisions on the task force on the basis of the report of this small group being implemented by various Ministries/Department have apparently not yielded any results. Rather, it has given an impression of a piecemeal and disjointed approach to an important area of the country's technological development. The Committee are unhappy over this. They are of the considered view that if the Department had timely formulated the National Hardware Policy, the hardware sector would also have been buoyant and kept some pace with the Software industry. The Committee feel that even now it is not that late and the Department should come up with a well laid out comprehensive National Policy on Electronic/IT Hardware sector without any further delay.

(iii) Digital DNA Park

21. The Committee are perturbed to note that the implementation activities of the Digital DNA Park were commenced way back in May, 2003, but surprisingly the land acquisition process for the project is still going on even after a lapse of almost five years. The Committee in their 15<sup>th</sup> Report (14th Lok Sabha) on Demands for Grants (2005-2006) of the Department, had already expressed disappointment over the delay in implementation of this project involving many formalities that resulted in non-utilisation of allocated funds. The Committee are informed that a firm of Chennai has been shortlisted for procurement of 100 acres of land and the land acquisition process is on. However, according to the Outcome Budget (2008-2009), this process is on for the last two financial years. The Committee, therefore, strongly recommend that, STPI being the nodal agency, should accord highest priority to this project and the Department should monitor the progress at the highest level. The Committee would like to be periodically informed of the progress made in the project implementation.

(iv) Standardization, Testing and Quality Certification (STQC)  
Directorate

22. The Committee note that the Standardization, Testing and Quality Certification Directorate has been set up with the objective of establishing quality assurance infrastructure in the country to facilitate quality productions and services at par with the global standards and practices. The Directorate has been playing a key role in enabling the Indian IT Industry and users in achieving compliance with the international quality standards in order to compete globally. During the year 2007-08, the Directorate was provided with an Outlay of Rs. 50.00 crore. Significantly, the Directorate generated Rs. 40.00 crore as IEBR, which is transferred to the Consolidated Fund of India. For the year 2008-09, the Directorate sought an allocation of Rs. 74.00 crore against which they have been allocated a sum of Rs. 42.00 crore only. Given the exacting quality control regime prevailing in the global IT Sector standards, the Committee find it really surprising as to why this Organisation, which is the bedrock of quality control in the country is being deprived of funds required for establishing and expanding its R&D infrastructure, more so, when the IEBR generated by the Directorate are also not being reinvested in it. The Committee, therefore, desire that the Department should pursue the matter of getting enhanced allocations for the STQC more purposefully and forcefully so that necessary corrections are carried out at the RE stage.

## VI. HUMAN RESOURCE DEVELOPMENT

### (i) Manpower Development

23. The Committee note that the NASSCOM has projected that to reach US\$ 60 billion in export revenues by the year 2010 and for the domestic IT industry to continue to grow, the IT and BPO industries would need to employ over three million professionals as direct employment. The NASSCOM has also indicated that the current industry employment is about to reach two million professionals by March, 2008. The Committee also note that the Government of India alongwith the industry associations like NASSCOM has been continuously looking at the IT sector's requirement from time to time. As a follow up, the DIT have also constituted a study Team on Human Resource Development under the working Group on IT Sector for the Eleventh Five Year Plan to cope with the manpower needs of the ever growing IT/ITeS industry. Taking into consideration the threat looming large over the IT/ITeS industry due to possible shortage of skilled manpower after 2009, as reported, the Committee urge upon the Department to make persistent and concerted efforts in tandem with the industry associations to ensure that the fast growing IT/ITeS industry does not suffer a setback due to shortage of skilled professionals.

24. The Committee acknowledge the fact that the efforts of DIT alone would not be sufficient to bridge the gap between the demand and supply of IT skilled workforce for the present and the future. The Ministry of Human Resource Development would continue to play a major role to address the issue of manpower requirement. However, the Committee feel that the Department of Information Technology being the nodal Department for overseeing the overall functioning and development of the IT Sector have a larger role to play than any other sister Ministry/Department. The Committee, therefore, desire that the DIT in coordination with other Government Ministries/Departments as well as the Private Sector should take measures to bridge the gap between the demand and supply of IT skilled workforce.

(ii) Department of Electronics Accreditation of Computer Courses (DOEACC)

25. The Committee are highly concerned to note that during the year 2007-2008, against a proposal of Rs. 22.00 crore, the DOEACC was allocated a meagre amount of Rs. 50 lakh only. Similarly, during the 2008-2009 fiscal, DOEACC proposed an amount of Rs. 11.00 crore whereas a paltry amount of Rs. 44 lakh only was allocated to it. Scarcity of resources has been attributed to such drastic reduction of Plan Outlays for DOEACC. At the same time, the Committee are informed that the Society essentially needs budgetary support for meeting the Capital Expenditure mainly for capacity building of its 10 centres located at different places in the country. Here, it may be mentioned that during the years 2005-2006 and 2006-2007, DOEACC's utilisation of Plan allocation was optimum. Thus, in view of the fact that the Centre has an unblemished record of utilisation of budgetary allocation during the preceding years and it needs adequate funds towards its existing and emerging activities including infrastructure development and upgradation of various labs, the Committee impress upon DIT to initiate measures for making adequate funds available to DOEACC in facilitating its mission.

26. The Committee find that consequent upon the DOEACC's application to the Distance Learning Council under the Ministry of Human Resource Development for recognition of the Centre's 'B' level qualification as equivalent to MCA, the Council has sent its recommendations, which are under the consideration of the All India Council of Technical Education (AICTE). In the meantime, various Universities/deemed to be Universities have recognized DOEACC 'B' & 'A' level courses for admission to their M.Tech &



M.Sc/MCA programmes respectively. The Committee also find that recognition of DOEACC's 'C' level qualification would be taken up by AICTE only after 'B' level qualifications are recognized. In view of the imperatives of the recognition of DOEACC's 'B' level qualifications, the Committee would like to impress upon the Department to earnestly pursue the matter with the Ministry of HRD/AICTE so that the recognition is soon accorded to effectively engage DOEACC in its endeavour towards formal and non-formal industry oriented education in the area of ICT.

27. The Committee appreciate to note that DOEACC has been taking a number of initiatives to cater to the ever growing demand for IT/ITeS professionals. Such efforts include short term courses in the area of Information Technology, Electronics Design and Technology, Manufacturing Technology and Maintenance Engineering in addition to the formal and non-formal long term courses. Besides, various intensive customer support programmes and training courses are conducted by DOEACC, even in the North-East Region and Jammu & Kashmir. While commending the initiatives of DOEACC, the Committee desire that such efforts should continue unhindered to address the ever growing demand for IT/ITeS professionals.

(iii) ERNET & GEANT Cooperation

28. The Committee note that to facilitate direct connectivity between India and Europe to support current and potential cooperative research activities, a 45 Mbps link has already been established between ERNET India and European Research network GEANT under the Manpower Development Scheme of the DIT. The Committee are further informed during evidence that this link is being gradually upgraded to 100 Mbps to improve the speed and quality. However, as per the Outcome Budget (2008-2009), this link is being upgraded to 622 Mbps/1Gb link. The Committee desire the Department to reconcile the upgradation target and spell out their exact plan of action to take adequate measures to upgrade the link, so that the existing and emerging cooperative research activities between India and Europe are well supported with greater speed and better quality.

VII. R & D PROGRAMMES

(i) Society for Applied Microwave Electronics Engineering and Research (SAMEER)

29. The Committee note that an expenditure of Rs. 60 lakh including Government grant of Rs. 25 lakh incurred on the

development of a technology for ferrite Radio Frequency Absorber Tiles by SAMEER did not yield the desired benefits as the technology was not transferred for commercial exploitation and the Department could not persuade the technology development partner to commercialise the technology. It happened as no Memorandum of Understanding (MoU) was signed by the DIT with the partner and SAMEER before releasing the Grants. The Committee also find that at a certain point of time the commercial interest of the partner to go ahead with the project waned subsequent to which SAMEER approached another company which showed no interest in manufacturing the product. Although, the Department have forwarded an exhaustive explanation in this regard, yet the Committee feel that due to sheer bad management, the technology developed in the present case could not be transferred/commercialised resulting in wastage of valuable assets. The Committee, therefore, recommend that henceforth when any joint venture is contemplated by the PSEs of the Department with any private technology development partners, adequate safeguard mechanisms like MOU & Performance Bank Guarantee should be put in place, so that the projects are accomplished in time and the intended purpose is served.

#### (ii) Nano-Technology Development Programme

30. The Nano-Technology Development Programme was initiated in March, 2004 to establish centres of excellence for research in Nano electronics and Nano meteorology and also to fund small and medium level research projects in specific areas. The Committee find that during the year 2008-2009, against a proposal of Rs. 65 crore towards Nano-Technology Development Programme, a sum of Rs. 35 crore only has been allocated. The Committee are highly concerned to note that paucity of funds will adversely affect the funding of research projects at IIT Kharagpur, IIT Delhi and IISc Bangalore. In view of the fact that Nano-Technology being christened as the next futuristic technological revolution, inadequate fund allocation towards the development of Nano-Technology would seriously hamper the proactive R&D efforts for the technological and economic development of the nation. The Committee also feel that the Department stand a good chance of getting the required funds, in view of maximum utilisation of allocations during the preceding years. The Committee, therefore, impress upon the Department to take up the matter of sufficient fund allocation for Nano-Technology Development Programme.



(iii) Centre for Development of Advance Computing (C-DAC)

31. The Committee note that during the year 2007-08, the Centre for Development of Advanced Computing (C-DAC) has inspite of fund constraints and a high attrition rate in its R&D manpower, made sizable progress in its major thrust areas Schemes like the High Performance Computing and Grid Computing, Multilingual Computing and Heritage Computing, Professional Electronics including VLSI and embedded systems, Software Technologies including Free/Open Source Software (FOSS), Cyber Security and Cyber Forensics and Health Informatics. However, achievements have been low in some of the Schemes and activities because of the two above cited reasons. The Committee expect that the Centre would further improve its performance in 2008-09 in its various spheres of activities. The DIT on their part should extend all possible assistance to C-DAC in its pursuit of excellence and an acknowledged place in R&D institutions in the world.

32. Attrition of manpower in C-DAC has consistently been engaging the attention of the Committee because of its adverse ramifications not only upon the Centre itself but the nation as a whole. In this context, the Committee find that several proposals pertaining to the staff benefits of C-DAC like enhanced leased accommodation facility, post retirement medical reimbursement, performance incentive and payment of fuel charges are still being processed at various levels in the Department. In order to check further damage to the Centre in terms of manpower attrition, the Committee once again stress upon the Department to expeditiously take up the staff benefit proposals of C-DAC with the Ministry of Finance to incentivise and retain manpower in high technology areas.

(iv) Media Lab Asia (MLA)

33. The Committee note that during the year 2007-2008, against a proposal of Rs. 50 crore, the Media Lab Asia was allocated Rs. 10 crore which was completely eliminated at the RE stage. Similarly, during the financial year 2008-2009, against a proposal of Rs. 50 crore, the Lab has been allocated Rs. 1 crore only. Such reductions are attributed to the ongoing restructuring process in pursuance of a Cabinet decision with effect from 1 May, 2003. The Committee also find that pursuant to the Cabinet decision that the outlay for the Eleventh Plan and the level of Government support to MLA would be decided based on an independent evaluation by experts to be carried out in 2006-2007, the Department have constituted a Committee of experts which had already held three meetings and is likely to submit its report soon. Taking note of the sorry state of affairs of MLA, which was conceived as a novel project to put technology to the use of common man, the Committee hope that the

expert Committee would give its report at an early date so that the restructuring process is completed and the Eleventh Plan Outlay and the extent of Government Support to MLA are finalised to enable the Lab to embark upon its missions afresh.

#### VIII. National Knowledge Network

34. The Committee note that in order to optimally utilise the potential of institutions such as research laboratories, Universities and other institutions of higher learning, including professional institutions engaged in generation and dissemination of knowledge in various fields, the Department of Information Technology have evolved a new scheme called the 'National Knowledge Network' with a budgetary allocation of Rs. 100 crore for the year 2008-2009. The Committee find that the Department would execute the Scheme under the guidance of an Empowered Committee which would indicate the choice of the implementing agency, architecture of the network and the time frame for the implementation of the National Knowledge Network. As the said Empowered Committee would be constituted by the end of April, 2008, the Department at present, are neither sure of the time frame nor the number of educational institutions that would be covered under the Network. The Committee also find that one Scheme called 'GARUDA' managed by C-DAC is already in place besides ERNET to carry out the R&D and educational activities of the Department. Moreover, the Ministry of HRD have also mooted a proposal for a separate network in line with the National Knowledge Network. The Committee feel that instead of multiple approaches, an integrated effort to carry out such novel schemes would be more effective and yield better results. The Committee would, therefore, like the Government to explore the feasibility of evolving an integrated approach to seamlessly interconnect the knowledge institutes to encourage sharing of resources and collaborative research. The Committee further hope that the Empowered Committee would be constituted as per the deadline and thereafter the Department should chalk out their plan of action to roll out the 'National Knowledge Network' Scheme in the 2008-2009 fiscal itself for optimum utilisation of Rs. 100 crore earmarked for the purpose. The Committee also desire that the Scheme be gradually extended to the educational institutions situated in the non-urban and backward areas, which are in dire need of sharing resources and knowledge.

NEW DELHI;  
10 April, 2007  
21 Chaitra, 1930 (Saka)

NIKHIL KUMAR,  
Chairman,  
Standing Committee on  
Information Technology.

ANNEXURE I

MINUTES OF THE TWENTIETH SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2007-08)

The Committee sat on Thursday, the 27th March, 2008 from 1500 hours to 1900 hours in Committee Room 'G-074', Parliament Library Building, New Delhi.

PRESENT

Shri Nikhil Kumar — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Badiga Ramakrishna
5. Shri Tufani Saroj
6. Shri K.V. Thangka Balu

*Rajya Sabha*

7. Shri Eknath K. Thakur
8. Shri Gireesh Kumar Sanghi

SECRETARIAT

1. Shri P. Sreedharan — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*
3. Shri P.C. Koul — *Deputy Secretary*
4. Shri D.R. Mohanty — *Under Secretary*

WITNESSES

**Representatives of the Department of  
Information Technology (DIT)**

1. Shri Jainder Singh — *Secretary*
2. Shri R. Chandrasekhar — *Additional Secretary*
3. Shri E.K. Bharat Bhushan — *Joint Secretary & Financial  
Advisor*
4. Shri N. Ravi Shanker — *Joint Secretary*
5. Dr. U.P. Phadke — *Advisor*
6. Shri B.N. Sathpathi — *Economic Advisor*

7. Dr. Gulshan Rai	—	Sr. Director and Director (CERT-In)
8. Shri V.B. Taneja	—	Senior Director
9. Shri S. Basu	—	Senior Director
10. Shri B.K. Gairola	—	Director General, NIC
11. Dr. S.L. Sarnot	—	Director General, STQC
12. Dr. N. Vijyaditya	—	Controller of Certifying Authority
13. Shri J.K. Tyagi	—	Deputy Financial Advisor
14. Shri S. Abbasi	—	Director
15. Smt. Aruna Nair	—	Director
16. Shri S.D. Dadeech	—	Director
17. Shri T.K. Sarkar	—	Senior Director
18. Smt. Swarn Lata	—	Director
19. Shri Arun Sachdev	—	Director & OSD to Secretary
20. Shri Goswamy	—	Managing Director, Media Lab Asia
21. Shri K.R. Kini	—	Executive Director, SAMEER
22. Shri S. Ramakrishnan	—	Director General (C-DAC)
23. Shri K. Mohan Ram	—	Executive Director (ERNET India)
24. Shri Onkar Rai	—	Senior Director (STPI)

2. At the outset, the Chairman welcomed the Secretary, Department of Information Technology and other officers accompanying him to the sitting of the Committee. The representatives of the Department then gave a brief account of the Demands for Grants (2008-2009) with the help of a power point presentation.

3. The members sought certain clarifications on the issues relating to the Demands for Grants (2008-2009) of the Department of Information Technology. The representatives of the Department replied to the queries raised by the members.

4. The Chairman thanked the representatives of the Department for appearing before the Committee as well as for furnishing valuable information that the Committee desired in connection with examination of the Demands for Grants (2008-2009) of the Department of Information Technology.

A verbatim record of the proceedings has been kept.

*The witnesses, then withdrew.*

*The Committee, then, adjourned.*

ANNEXURE II

MINUTES OF THE TWENTY-THIRD SITTING OF THE STANDING  
COMMITTEE ON INFORMATION TECHNOLOGY (2007-08)

The Committee sat on Thursday, the 10th April, 2008 from 1100 hours to 1210 hours in Committee Room G-074, Parliament Library Building, New Delhi.

PRESENT

Shri K.V. Thangka Balu — *In the Chair*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Nikhil Kumar Choudhary
4. Shri Sanjay Shamrao Dhotre
5. Shri Narhari Mahato
6. Shri Bhubneshwar Prasad Mehta
7. Shri P.C. Thomas

*Rajya Sabha*

8. Shri Praveen Rastrapal
9. Shri Ravi Shankar Prasad
10. Shri N.R. Govindraj
11. Shri Rajeev Chandrasekhar
12. Shri Gireesh Kumar Sanghi

SECRETARIAT

1. Shri P. Sreedharan — Joint Secretary
2. Shri P.C. Koul — Deputy Secretary
3. Shri D.R. Mohanty — Under Secretary

2. As the Chairman was not present, the Committee under Rule 258(3) chose Shri K.V. Thangka Balu, M.P. and a Member of the Committee to preside over the meeting.

3. The Committee, then took up the following Draft Reports for consideration and adopted the same:

1. \*\*\*                               \*\*\*                               \*\*\*                               \*\*\*
2. \*\*\*                               \*\*\*                               \*\*\*                               \*\*\*
3. \*\*\*                               \*\*\*                               \*\*\*                               \*\*\*
4. Draft Report on Demands for Grants (2008-2009) relating to the Department of Information Technology.
5. \*\*\*                               \*\*\*                               \*\*\*                               \*\*\*

4. The Committee, then, authorised the Chairman to finalise the above Draft Reports in the light of the factual verficiations made by the concerned Ministry/Departments and present the same to the House on a date convenient to him.

*The Committee, then, adjourned.*

---

\*\*\*Matter not related to this Report.

## ABBREVIATIONS

ACA	Additional Central Assistance
AICTE	All India Council for Technical Educaiton
BARC	Bhabha Atomic Research Centre
BOSS	Bharat Operating System Software
BPO	Business Process Outsourcing
BSNL	Bharat Sanchar Nigam Limited
CERT-in	Indian Computer Emergency Response Team
CPM	Critical Path Method
CSC	Common Service Centre
DOEACC	Department of Electronics Accreditation of Computer Courses
DONER	Department of Development of North East Region
EDI	Electronic Data Interchange
EFC	Expenditure Finance Committee
EHTP	Electronic Hardware Tehcnology Park
EMC	National Facility for Electromagnetic Compatibility
EMI	National Facility for Electromagnetic Interference
ERNET	Eduation & Research Network
FDI	Foreign Direct Investment
FOSS	Free/Open Source Software
GEANT	Pan European Gibabit Research and Education Network
GIA	Grant-in-Aid
HRD	Human Resource Development
IISc	Indian Institute of Science
IIT	Indian Institute of Technology
InDG	India Development Gateway
IPLC	International Private Leased Circuit
ITeS	Information Technology enabled Services
LOI	Letter of Intent
MAP	Monitorable Action Plan
MCA	Ministry of Corporate Affairs

MCA	Master of Computer Application
MHRD	Ministry of Human Resource Development
MLA	Media Lab Asia
MMPs	Mision Mode Projects
MNIC	Multi-Purpose National Identity Card
MOU	Memorandum of Understanding
MSA	Master Service Agreements
NaMPET	National Mission on Power Electronics Technology
NASSCOM	National Association of Software and Services Companies
NDC	National Development Council
NeGP	National e-Governance Plan
NLRMP	National Land Resource Management Programme
NLSA	National Level Service Agency
NMCC	National Manufacturing Competitiveness Council
NRCFOSS	National Resource Center for Free/Open Source Software
NSDG	National Service Delivery Gateway
PERT	Program Evaluation & Review Technique
PPP	Public Private Partnership
PRSG	Project Review & Steering Group
RFPs	Request for Proposals
SAMEER	Society for Applied Microwave Electronics Engineering and Research
SCA	Special Central Assistance
SDC	State Data Centre
SEZ	Special Economic Zone
SIPS	Special Incentive Package Scheme
SMEs	Small & Medium Enterprises
STQC	Standardisation, Testing and Quality Certification
STPI	Software Technology Parks of India
SWAN	State Wide Area Network
TOT	Transfer of Technology
UID	Unique ID
VLSI	Very Large Scale Integration



FIFTY-EIGHTH REPORT  
STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2007-2008)

(FOURTEENTH LOK SABHA)

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

DEMANDS FOR GRANTS  
(2008-2009)

*Presented to Lok Sabha on 16 April 2008  
Laid on the table of Rajya Sabha on 15 April 2008*



LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2008/Chaitra, 1930 (Saka)*

**C.I.T. No. 180**

*Price : Rs. 80.00*

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COMPOSITION OF THE STANDING COMMITTEE  
ON INFORMATION TECHNOLOGY  
(2007-2008)

Shri Nikhil Kumar — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Abdullakutty
3. Shri Ramesh Dube
4. Shri Nikhil Kumar Choudhary
5. Shri Sanjay Shamrao Dhotre
6. Smt. Jayaprada
7. Shri Narahari Mahato
8. Shri Bhubaneshwar Prasad Mehta
9. Shri Harish Nagpal
10. Shri G. Nizamuddin
11. Shri Sohan Potai
12. Shri Lalmani Prasad
- \*13. Vacant
14. Shri Badiga Ramakrishna
- @15. Vacant
16. Shri Tufani Saroj
17. Shri Tathagata Satpathy
18. Smt. Rubab Sayeda
19. Shri K.V. Thangka Balu
20. Shri P.C. Thomas
21. Shri Kinjarapu Yerrannaidu

---

\**Vice* Kunwar Jitin Prasad ceased to be a member on being inducted to the Union Council of Ministers on 7 April, 2008.

@*Vice* Shri Prem Kumar Dhumal ceased to be a member on resignation from Lok Sabha on 7 January, 2008. (Shri Prem Kumar Dhumal was nominated to the Committee on 5 October, 2007 *vice* Shri Vishnu Deo Sai ceased to be a member of the Committee *w.e.f.* 30 August, 2007).

*Rajya Sabha*

22. Shri Praveen Rashtrapal
23. Shri Ravi Shankar Prasad
24. Shri Dara Singh
25. Shri A. Vijayaraghavan
26. Shri N.R. Govindraj
- \$27. Vacant
- %28. Vacant
29. Shri Shyam Benegal
30. Shri Rajeev Chandrasekhar
31. Shri Gireesh Kumar Sanghi

SECRETARIAT

1. Shri M. Rajagopalan Nair — *Secretary*
2. Shri P. Sreedharan — *Joint Secretary*
3. Smt. Sudesh Luthra — *Director*
4. Shri P.C. Koul — *Deputy Secretary*
5. Shri D.R. Mohanty — *Under Secretary*

---

\$ *Vice* Shri Motiur Rahman passed away on 18 December, 2007.

% *Vice* Shri Eknath K. Thakur ceased to be a member on expiry of his term in Rajya Sabha on 2 April, 2008.

## INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2007-2008) having been authorised by the Committee to submit the Report on their behalf, present this Fifty-eighth Report on Demands for Grants (2008-2009) relating to the Ministry of Communications and Information Technology (Department of Information Technology).

2. The Standing Committee on Information Technology (2007-2008) was constituted on 5 August, 2007. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/ Department and make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Department of Information Technology for the current year *i.e.* 2008-2009, which were laid on the table of the House on 10 March, 2008. The Committee took evidence of the representatives of the Department of Information Technology on 27 March, 2008.

4. The Report was considered and adopted by the Committee at their sitting held on 10 April, 2008.

5. The Committee wish to express their thanks to the officers of the Department of Information Technology for appearing before the Committee and furnishing the information, that the Committee desired in connection with the examination of the Demands for Grants.

6. For facility of reference and convenience Recommendations/ Observations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;  
10 April, 2008  

---

21 Chaitra, 1930 (Saka)

NIKHIL KUMAR,  
Chairman,  
Standing Committee on  
Information Technology.

**58**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2007-2008)**

**FOURTEENTH LOK SABHA**

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

**DEMANDS FOR GRANTS  
(2008-2009)**

**FIFTY-EIGHTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 2008/Chaitra, 1930 (Saka)*