

17

**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2010-2011)**

FIFTEENTH LOK SABHA

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

*[Action Taken by the Government on the Recommendations/Observations of the
Committee contained in its Seventh Report (Fifteenth Lok Sabha) on
Demands for Grants (2010-11)]*

SEVENTEENTH REPORT



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2010/Kartika, 1932 (Saka)

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Presented to Lok Sabha on 23.11.2010

Laid in Rajya Sabha on 23.11.2010



LOK SABHA SECRETARIAT
NEW DELHI

November, 2010/Kartika, 1932 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2010-2011)

Shri Rao Inderjit Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri Milind Deora
5. Dr. Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Vikram Jardosh
8. Shri Mithilesh Kumar
9. Shri Sadashivrao Dadoba Mandlik
10. Shri Inder Singh Namdhari
11. Shri Adhalrao Shivaji Patil
12. Shri Abdul Rahman
13. Shri Prem Das Rai
14. Shri Tufani Saroj
15. Shri Tathagata Satpathy
16. Smt. M. Vijaya Shanti
17. Dr. Bhola Singh
18. Shri Dhananjay Singh
19. Shri Sushil Kumar Singh
20. Shri C. Sivasami
21. Shri Dharmendra Yadav

Rajya Sabha

22. Shri M.P. Achuthan
23. Shri Mohammed Adeb*^{*}
24. Shri Salim Ansari
25. Shri Rajeev Chandrasekhar*
26. Shri Rajkumar Dhoot*
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
29. Shri Ravi Shankar Prasad
30. Shri P. Rajeeve
31. Shri Jesudasu Seelam

SECRETARIAT

1. Shri T.K. Mukherjee — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*

* Nominated to the Committee *w.e.f.* 21st September, 2010.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2010-11) having been authorized by the Committee to submit the Report on their behalf, present this Seventeenth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Seventh Report (Fifteenth Lok Sabha) relating to Demands for Grants (2010-11) of Ministry of Communications and Information Technology (Department of Information Technology).

2. The Seventh Report was presented to Lok Sabha on 21 April, 2010 and laid on the Table of Rajya Sabha on 22 April, 2010. The Ministry of Communications and Information Technology (Department of Information Technology) furnished their Action Taken Notes on 5 August, 2010.

3. The Report was considered and adopted by the Committee at their sitting held on 27 October, 2010.

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

5. An analysis of Action Taken by the Government on the Recommendations/Observations contained in their Seventh Report (Fifteenth Lok Sabha) of the Committee is given at Appendix-II.

NEW DELHI;
15 November, 2010
24 Kartika, 1932 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in their Seventh Report (Fifteenth Lok Sabha) on Demands for Grants (2010-11) pertaining to the Ministry of Communications and Information Technology (Department of Information Technology).

2. The Seventh Report was presented to Lok Sabha on 21 April, 2010 and laid on the Table of Rajya Sabha on 22 April, 2010. It contained 32 Recommendations/Observations.

3. Action Taken Notes in respect of all the Recommendations/Observations contained in the Report have been received from the Ministry of Communications and Information Technology (Department of Information Technology) and these have been categorized as under:—

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

Paragraph Nos: 1, 2, 4, 6, 7, 10, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 31 and 32

Total : 23
Chapter : II

- (ii) Recommendation/Observation which the Committee do not desire to pursue in view of the reply of the Government:—

Paragraph No: 14

Total : 1
Chapter : III

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

Paragraph Nos: 3, 5, 8, 9, 11, 28, 29 and 30

Total : 8
Chapter : IV

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

Paragraph No: NIL

Total : Nil
Chapter : V

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

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

A. Pendency of Utilization Certificates

Recommendation (Para No. 3)

6. The Committee had recommended as under:—

“The Committee have consistently been raising their concern over the persistent problem of pendency of the Utilisation Certificates and unspent balances. As per the information provided by the Department 1143 UCs amounting to Rs. 1545.22 crore are pending from the implementing agencies. As per the clarification given by the Department, in accordance with the provisions made under rule 212(1) of the General Financial Rules, the Utilisation Certificate in the prescribed performa is required to be submitted within 12 months of the closure of the financial year by the institution or the organization concerned. Thus, even if the pendency after 1.4.2009, is not taken into consideration, 804 UCs amounting to Rs. 1060.30 crore which is the substantial amount are due from the implementing agencies. More disturbing is the fact that the substantial number of implementing agencies have been allocated the first installment and have neither submitted the utilization certificate nor demanded the further allocation. The aforesaid practice clearly defeats the purpose of the programme. The Committee strongly recommend that the monitoring of the different

programmes should further be strengthened. The provision of the release of the next installment only after the receipt of the utilisation certificate do not address the case where the implementing agency after release of first installment and is least interested in demanding the next installment. Urgent steps should be taken to recover the money from the implementing agencies who have not spent the allocation made by way of the first installment effectively. Besides, the accountability for keeping the money with the implementing agencies without implementing the project should be fixed and the Committee informed accordingly.”

7. The Department has responded as under:—

“The concrete actions taken by the Department to liquidate pending UCs/unspent balances are:—

- Periodic reviews were undertaken to liquidate the pending UCs at various levels in the Department of Information Technology.
- Every release of next installment is subject to receiving the Utilization Certificate for the amount already released.
- Special drives have also been organized to facilitate co-ordination between PAO and Programme Divisions of DIT in liquidating pending UCs/unspent balances.
- All Group coordinators and heads of all Autonomous Bodies have been requested for the early liquidation of pending UCs.
- Communications have also been issued to all GCs/Heads of all Autonomous Bodies under DIT apprising them of UCs pending with them and have been requested to put in sincere efforts to ensure clearance of pending UCs. It has also been reiterated that proposal for further releases (including core grant) will not be processed in case of non-clearance of pending UCs by all concerned.
- Recommendation of the Project Review and Steering Group (PRSG) for release of next installment of Grants-in-aid is also insisted upon, so as to ensure that releases are linked with the progress made in the project.
- All the Group Coordinators (GCs) have been requested to take action immediately in liquidating the pending UCs, particularly with those agencies which had been released grant

in a single installment. The institutions with single installment have been identified and all the concerned HoDs have been requested to pay special attention to them.

- One to one meetings with implementing agencies having huge unspent balances have also been held to liquidate the unspent balances.
- Secretary, DIT has directed all the Programme Divisions to constitute committees under the chairmanship of HoD of respective Divisions to review the pending UCs/unspent balances and undertake special directives for their liquidation and submit the progress for discussion at a senior level meeting.

All these efforts have resulted in reducing the number of pending utilization certificates/unspent balances to some extent as given below:—

(Rs. in crore)

As on	No. of Pending UCs (Due)	Amount of Pending UCs	Amount Liquidated
22.03.2010	804	1060.30	0
01.04.2010	798	1057.51	2.79
19.07.2010	486	764.78	295.52''

Comments of the Committee

8. The Committee in the earlier recommendation had raised serious concern over the pendency of utilization certificates where the implementing agency has not utilized the amount released by first installment and is least interested in demanding the next installment and strongly recommended to recover the money from the implementing agencies who have not spent the allocation made by way of first installment effectively. Besides, the Committee had also desired that the accountability for keeping the money with the implementing agencies without implementing the project should be fixed. The Department has not addressed to the aforesaid issue raised in the recommendation. The Committee again emphasize to take strict action against defaulter implementing agencies as suggested in the recommendation of the Committee. The Committee should be informed about such cases along with action taken against each of the implementing agencies.

B. Reduction of outlay at RE stage under the Infrastructure Sector

Recommendation (Para No. 5)

9. The Committee had recommended as under:—

“The Gross Budgetary Support is provided for the different Schemes/Programmes of the Department under the three sectors *viz.* Research and Development, Infrastructure Development and Human Resource Development. The trend of the allocations made at RE stage to these sectors indicates that under the Infrastructure Development Sector, the Outlays are considerably being reduced at RE stage during each of the three years of the Eleventh Plan. More apparent is the reduction during the year 2009-10. Under the other two sectors, the Outlays have been slightly increased at RE stage. Under the Infrastructure Sector, the important Schemes/Programmes *viz.* Electronics Governance, Cyber Security, Promotion of Electronics/IT Hardware Manufacturing are being implemented which are very crucial for the information technology sector. The Committee would like the Department to explain the main reasons for reduction of Outlay at RE stage in the Infrastructure sector, particularly when the other two sectors are not being subjected to the cut at RE stage. The Committee strongly recommend that keeping in view the importance of the Programmes which include NeGP being implemented under the Infrastructure Sector, no cut should be imposed at the RE stage. The concerns of the Committee in this regard should be communicated to the Ministry of Finance, at the same time the Committee also expect the Ministry to ensure effective utilisation of the Outlay provided for the different Programmes/Schemes.”

10. The Department has responded as under:—

“The major programme under the infrastructure sector is e-Governance Programme. A sum of Rs. 900 crore was earmarked in BE 2009-10. Implementation of this programme is mainly dependent upon State-level Implementing Agencies, release of State share by State Governments, etc. Despite the efforts of this Department to implement the programme faster, the total amount spent under this programme during the first two quarters of 2009-10 was quite less which is why a cut was imposed during RE stage. DIT is making all possible efforts for effective utilization of the outlay and to avoid any cut at RE stage. The concerns of the Committee will be communicated to the Ministry of Finance during the pre-budget discussions at RE stage.”

Comments of the Committee

11. The Committee are concerned to note that the outlay earmarked at Budget Estimates Stage under one of the important sectors of the Department *i.e.* infrastructure sector is considerably being reduced at Revised Estimates Stage due to inability of the Department in utilizing the outlay during the first two quarters. The Committee would like to reiterate that under the infrastructure sector, the important schemes/programmes *viz.* electronics governance, cyber security, promotion of electronics/IT hardware manufacturing are being implemented which are very crucial for the information technology sector. All the steps should be taken to utilize the outlay earmarked for each of the schemes so as to justify demand of adequate allocation at the Budget Estimates stage of the following year. All the concrete initiatives should be taken and the Committee informed accordingly.

C. Skill Development in IT

Recommendation (Para Nos. 8 and 9)

12. The Committee had recommended as under:—

“The Committee find that the Department have proposed a new Scheme called Skill Development in IT for the year 2010-11. The National Skill Development Policy has set a target of providing skill development in IT to 500 million persons by 2022. In this regard, DIT has been given a target of skill development of 10 million persons by 2022 in the domain of IECT. As a preparation for the Scheme, the Department has worked out a roadmap for expansion of the capacities of the DIT’s organizations *viz.* DOEACC Societies and C-DAC and submitted the same to the Planning Commission. The Planning Commission too has examined the proposal and accorded in principal approval for the same. As informed by the Department, action has been initiated to work out detailed project report covering various implementation aspects, inputs required etc. to seek an approval of the competent authority. During the year 2010-11, a token provision of Rs. 1 crore has been made for the aforesaid programme. While taking note of the steps being initiated by the Department for the launch of the Scheme, the Committee emphasize that all the preparations should be completed expeditiously so that the programme start in full swing from the year 2010-11 itself. The Department should seek the requisite allocations of Outlay after the Scheme is formally approved so as to implement the Scheme in the year 2010-11.”

Recommendation (Para No. 8)

“The Committee further note that for the successful implementation of the programme ‘Skill Development in IT’, there are various issues like connectivity, trained man power to impart skill development in IT as well as the modules for the programme. Since the programme would be implemented by different societies like DOEACC and C-DAC, the Committee strongly recommend that common module should be prepared by the Department in coordination with the other Ministries/Departments involved in imparting skill development in IT as per the National Skill Development Policy. Besides, the other issues like connectivity and trained man power should also be taken into consideration and the effective steps taken to address the aforesaid issues. The concrete action taken in this regard should be communicated to the Committee.”

Recommendation (Para No. 9)

13. The Department has responded as under:—

“Government of India announced the National Skill Development Policy which has set a target of skilling 500 million by 2022. Department of Information Technology has been listed as a part of the skill development initiative and has been given a target to train 10 million persons by the year 2022. As a follow up action for implementation of Skill Development in IT, discussions are in progress with various stakeholders – DOEACC Society, C-DAC, etc. Detailed Project Report is under preparation. DIT would seek the requisite allocations of outlay after the Scheme is formally approved.”

Comments of the Committee

14. The Committee take note of the fact that the Department is undertaking discussions with various stakeholders, DOEACC society, C-DAC etc. and preparing detailed project report as a preparatory exercise for the launch of the National Skill Development Programme under which the target of skill development of 10 million persons by the year 2022 has been given to the Department of Information Technology. Keeping in view the importance of the programme in the IT skill development of masses, the Committee again emphasize to expedite the implementation of the programme.

The Committee further find that the Department has not addressed to part recommendation of the Committee whereby it was emphasized (i) common module for skill development should be prepared by the Department of Information Technology in connection with other Ministries/Departments involved in imparting skill development in IT sector as per the National Skill Development Policy

(ii) the issues like connectivity and trained manpower should be addressed. The Committee feel that the aforesaid issues need to be addressed as a part of the preparatory exercise before the scheme is launched in full scale for its effective implementation. As such the Committee would like the Department to take the desired action and inform the Committee accordingly.

D. Maintenance of data with regard to literacy rate and e-waste in the country

Recommendation (Para No. 11)

15. The Committee had recommended as under:—

“The Committee are concerned to note that even when the Government propose to launch a full-fledged scheme for skill development in IT, the Department has not bothered to maintain the data with regard to computer literacy in the country. Besides even when the Department has an important role in e-waste management and creating awareness on e-waste, the Department has shown the ignorance of the data with regard to e-waste generated in the country. The Committee note that the Department of Information Technology is the nodal Department with regard to various issues related to information technology. As such the Department should maintain various data indicating the overall scenario of the issues related to IT in the country. The urgent action should be taken to maintain the data with regard to literacy rate in computer as well as e-waste.”

16. The Department has responded as under:—

“The recommendations of the Committee on maintaining data on literacy rate in computers have been noted for compliance.

As regards data on e-waste, it is stated that the Ministry of Environment and Forests (MoEF) is the nodal agency for policy, planning, promoting and coordinating the environmental programmes and is involved in enacting laws, guidelines referring to e-waste. Department of Information Technology is involved in the process of technological solutions to the e-waste management.”

Comments of the Committee

17. The Committee had desired that the data with regard to literacy rate in computers as well as e-waste in the country should be maintained by the Department being the nodal Department for

information technology. The Department has agreed to maintain the data with regard to literacy rate in computers. The Committee would like the Department to devise the mechanism to collect the data in this regard expeditiously.

With regard to the data in connection with e-waste generated in the country, the Department in a casual way has stated that the Ministry of Environment and Forests (MoEF) is the nodal agency for policy, planning, promoting and coordinating the environmental programmes and is involved in enacting laws, guidelines referring to e-waste. The Department of Information Technology is involved in the process of technological solutions to the e-waste management. While agreeing that the Ministry of Environment and Forests is the nodal Ministry for environmental issues and is involved in enacting laws, guidelines relating to e-waste, the Department of Information Technology being the nodal Department for issues related to information technology should at least be aware of the data of e-waste in the country. The Committee fail to understand how the technological solutions as per the mandate of the Department can be suggested without having the idea of the quantum of e-waste in the country. While expressing unhappiness over the way the Department has responded to the issue, the Committee would like the Department to have proper coordination with the Ministry of Environment and Forests on the issues related to e-waste. The data of e-waste after procuring from the Ministry of Environment and Forests should be maintained by the Department of Information Technology and duly reflected in various documents like Annual Reports of the Department. The Committee should also be apprised of the position in this regard.

E. International Convention against cyber crimes/cyber terrorism

Recommendation (Para Nos. 28 and 29)

18. The Committee had recommended as under:—

“The Committee note from the data made available by the Department that the total number of defacement of websites for the year 2009-10 was 5000. The data with regard to web defacement of Government websites was not available with the Department. During the course of the deliberations, the Committee have been informed that all serious attack activities originate outside the country and it becomes difficult technically and legally to reach out to the perpetrators. If the attack and the targets are both inside the country, it is quite easy to track and book a person under the provisions of Information Technology Act. However, in case of attack

originating outside the country, it is difficult to do the same. In this connection, the Committee may like to highlight their recommendation made in the Fiftieth Report (Fourteenth Lok Sabha) on the 'The Information Technology (Amendment) Bill, 2006' as reproduced below:—

“Instead of taking recourse to piecemeal solution of entering into MLATs with one country at a time, the Committee would prefer that India should be a signatory to an omnibus International Convention on the issue so that cyber crimes committed against any country from anywhere are tackled with utmost promptitude and without the technicalities of citizenship, etc. coming into play. The Committee, therefore, strongly feel that India as one of the world leaders in information technology, ought to take initiative in materialising such an International Convention against cyber crimes/cyber terrorism under the auspices of United Nations. Accordingly, they desire that the Department should immediately prepare a roadmap in consultation/coordination with the Ministries of External Affairs, Law and Justice and Home Affairs for a suitable International Convention. The Government may, in the meantime, utilize their diplomatic channels for creating a movement in favour of the Convention in the comity of nations. The Committee are hopeful that such an initiative by the Government of India under the auspices of United Nations will tackle the twin scourge of cyber crimes and cyber terrorism to a substantial extent universally and spare the Government from taking recourse to *ad hoc* approaches/arrangements to counter a perennial problem.”

Recommendation (Para No. 28)

“Keeping in view the fact that scale and intensity of the problem of cyber attacks from outside the country is increasing, the Committee strongly recommend that the Department should seriously consider the aforesaid recommendation of the Committee which would definitely help in dealing with the problem of hacking by the hackers originating from foreign countries.”

Recommendation (Para No. 29)

19. The Department has responded as under:—

“International cooperation in the form of mutual legal assistance requires an international agreement or other similar arrangements such as reciprocal legislation. Such provisions, whether multilateral or bilateral, oblige the authorities of a contracting party to request for mutual legal assistance in the agreed cases. But the legal

frameworks being different in different nations, cooperation still does not permit sufficient support. The UN Commission on Crime Prevention and Criminal Justice, at its Twelfth Congress held during 12-19 April, 2010 at Salvador, Brazil deliberated on this subject. The Congress recommended considering to convene an open-ended intergovernmental expert group to conduct a comprehensive study of the problem of cybercrime and responses to it by Member States, the international community and the private sector, including the exchange of information on national legislation, best practices, technical assistance and international cooperation, with a view to examining options to strengthen existing and to propose new national and international legal or other responses to cyber crime.

India has been represented in the convention through MHA which is also coordinating and examining all relevant issues in this regard.”

Comments of the Committee

20. The Committee while taking note of the fact that all serious cyber attacks/activities originate outside the country and it becomes technically and legally difficult to reach out to the perpetrators had desired the Department to consider one of the important recommendation made in Fifteenth Report (Fourteenth Lok Sabha) on ‘The Information Technology (Amendment) Bill, 2006’ wherein the Committee had desired that India as one of the world leaders in Information Technology ought to take initiatives in materializing an omnibus International Convention against cyber crimes/cyber terrorism under the auspices of United Nations. In the aforesaid recommendation, the Committee had also desired that the Department of Information Technology should immediately prepare a roadmap in consultation/coordination with the various concerned Ministries and the Government may, in the meanwhile, utilize their channels for creating a movement in favour of the said Convention. Since the recommendation of the Committee was made way back in 2007, the Committee expected some progress on the matter. However, the action taken note indicates that the Department is not so eager in taking concrete action as suggested in the recommendation. The Department on the one hand has stated that in spite of such agreements, the legal framework being different in different nations, cooperation still does not permit sufficient support, on the other hand has tried to shift the responsibility by stating that the Ministry of Home Affairs who represented in the UN Commission as Crime Prevention and Criminal Justice held at 12-19 April, 2010 is also coordinating and examining all relevant issues in this regard.

The Committee express serious concern over the way the Department has dealt with such an important matter. The Committee would like to emphasize that India is not the only country grappling with the issue of cyber crime/cyber terrorism from outside the country rather it is the world-wide phenomenon. There is an urgent need to create a movement for an International Convention under the auspices of United Nations. The Department of Information Technology being the nodal Department in this regard has the great responsibility. Since many Ministries like Home Affairs, External Affairs, Defence, Law and Justice may be involved in the task, the Committee while reiterating their earlier recommendation would like the Department to place their recommendation before the Cabinet Secretary. The Department on its own should also consult the various Ministries so that the concerted action is taken at various levels. Besides, the Department should ensure that the aforesaid recommendation of the Committee form part of the agenda for deliberations at the various International Conferences held on Information Technology in India and abroad. The concrete action on the suggested lines should be taken and the Committee be kept informed accordingly.

F. Definite time limit for disposal of cases by the Cyber Appellate Tribunal

Recommendation (Para No. 30)

21. The Committee had recommended as under:—

“The Committee note that as per the IT Act, any person aggrieved by an order made by the Controller of Certifying Authorities or by an Adjudicating Officer under the Act can appeal before the Cyber Appellate Tribunal (CAT). Further, the Committee note that out of four cases filed before Tribunal, during the year 2007 one is still pending. With regard to the year 2008, the Department has not furnished the information. In respect of the year 2009, all the 8 cases filed before the Tribunal are pending. The Department has further informed that most of the cases pending before adjudicating officers are those filed in 2009 except the State of Kerala where the number of cases are pending since 2006. In this regard, the Committee would like to be apprised about the reasons for long pending cases in respect of the State of Kerala. Besides the Committee would also like to recommend to the Department to consider prescribing the definite time limit for disposal of the cases which would definitely help in expeditious disposal of case by the Tribunal.”

22. The Department has responded as under:—

“The following is the list of cases that have been filed in the Tribunal from the year 2007:—

1. Appeal No. 1/2007 Disposed off on 05.11.2009
2. Appeal No. 1/2009 Disposed off on 26.05.2010
3. Appeal No. 2/2009 Stayed by the Hon’ble High Court of Delhi
4. Appeal No. 3/2009 Disposed off on 28.05.2010
5. Appeal No. 4/2009 Disposed off on 28.05.2010
6. Appeal No. 5/2009 Disposed off on 28.05.2010
7. Appeal No. 6/2009 Disposed off on 28.05.2010
8. Appeal No. 7/2009 Disposed off on 28.05.2010
9. Appeal No. 8/2009 Disposed off on 28.05.2010
10. Appeal No. 1/2010 Filed on 13.05.2010. Pending consideration before the Tribunal

No appeals were filed before the Tribunal in the year 2008 and hence no details for the year 2008 were furnished.

At present there are only two appeals pending before the Tribunal, *i.e.* Appeal No.2/2009 and Appeal No. 1/2010.

A definite time limit has already been provided in sub-section (6) to Section 57 of the Information Technology Act, 2000 for disposal of appeals by the Tribunal. The relevant sub-section reads:—

“The appeal filed before the Cyber Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal.”

Time limit has also been provided in the Information Technology (Qualification and Experience of Adjudicating Officers and Manner of Holding Enquiry) Rules, 2003 for disposal of complaints filed before the Adjudicating Officer. Sub-rule (k) of Rule 4 of the aforesaid Rules reads thus:—

“As far as possible, every application shall be heard and decided in four months and the whole matter in six months.”

Hence no further provision is required to be made in the Statute or Rules regarding the time limit for disposal of complaint/s and appeal/s filed before the Adjudicating Officers and the Tribunal.

As far as Kerala is concerned, there are no cases filed under the IT Act, 2000 pending before the concerned Adjudicating Officers.

The number of cases shown to be pending in Kerala have been registered under the various sections of chapter XI of the IT Act, 2000 and the Indian Penal Code. These cases have been registered by the Concerned Police Station within whose jurisdiction the crime/s have been committed. The power/authority to try these cases rests in the court/s of competent jurisdiction in the State of Kerala.”

Comments of the Committee

23. The Committee had recommended the Department to consider prescribing the definite time limit for disposal of the appeal cases by the Cyber Appellate Tribunal (CAT). The Department in this connection has stated that a definite time limit has already been provided in sub-section (6) to Section 57 of the ‘Information Technology Act, 2000’ and sub-rule (k) of Rule 4 of ‘The Information Technology (Qualification and Experiences of Adjudicating Officers and Manner of Holding Enquiry) Rules 2003’. While going through the contents of the aforesaid provisions, the Committee find that whereas the time limit of six months has been provided for the disposal of the appeal cases, the words ‘as expeditiously as possible’ and ‘as far as possible’ defeat the purpose of providing the definite time limit. Further the Committee do not understand the use of word ‘shall’ in the aforesaid provisions along with the words ‘as expeditiously as possible’ and ‘as far as possible’ to the Tribunal with the use of the aforesaid words. The Committee strongly feel that the aforesaid provisions need a relook by the Department. The words ‘as expeditiously as possible’ and ‘as far as possible’ should be deleted from the aforesaid provisions so that the definite time limit for disposal of cases in true sense is provided in the Act and Rules.

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 1)

The examination of the Demands for Grants for the year 2010-11 has revealed that the Department has been allocated Rs. 2660 crore at the Budget Estimates stage for the Plan Schemes/Programmes against the projections of Rs. 5817.47 crore which means that the gap between the projections and allocations is to the tune of Rs. 3157 crore. Thus, the Department has been allocated lesser than half of the projected Outlay for the Plan Schemes during the year 2010-11. During the first three years of the Eleventh Plan *i.e.* 2007-08, 2008-09 and 2009-10, the said gap was to the tune of Rs. 592.08 crore, Rs. 820 crore and Rs. 190.50 crore respectively. The aforesaid position indicates that the gap between the projection and allocation during the year 2010-11 is quite substantial. If the BE allocation for the year 2010-11 is compared to the allocation of the previous year, it is Rs. 130 and Rs. 190 crore more respectively if compared to BE and RE of the previous year. The Committee observe that the Department is implementing important Plan schemes for creating critical infrastructure as well as technological development in the field of the information technology in the country during the Eleventh Plan. Said Schemes include e-Governance in the Country and the National Knowledge Network which when implemented would revolutionize the existing system of governance and teaching in the country. As such the Committee strongly recommend that adequate Outlay should be provided for the Plan Schemes/Programmes of the Department so that these do not suffer for want of resources.

Action Taken by the Government

The observation of the Committee has been noted. The Department will make all efforts to get adequate outlay for the Plan Schemes/Programmes of the Department at RE and BE Stage. Action has been initiated for enhancement of budget provision of the National Knowledge Network in the financial year 2010-11 from present allocation of Rs. 100 crore to the desired level of Rs. 1733.85 crore.

Recommendation (Para No. 2)

While reviewing the performance of the Department during the year 2009-10 in the context of the financial achievement under the Plan Schemes, the Committee find that the Department was allocated Rs. 2530 crore at the BE stage. The allocation was reduced to Rs. 1700 crore at RE stage by imposing the cut of Rs. 830 crore. The Department was not able to utilize even the reduced allocation. The position of Actuals was Rs. 890.97 crore by December, 2009 that is 52.41 per cent of the allocation. While looking at the trends of the utilisation during the first two years of the Eleventh Plan, the data indicates that during the first year of the Plan, the utilisation was 89.43 per cent of the allocation. During 2008-09, the Department achieved 104.60 per cent of the financial achievement. Thus the financial achievement during the year 2009-10 was the worst during the Eleventh Plan. From the aforesaid scenario, the Committee conclude that the Department itself is responsible for the huge cut at RE stage as well as for getting the allocation lesser than the projection. While recommending for the higher Outlay, the Committee strongly recommend that the Department has to ensure the optimum utilisation of Outlay so that it can present its case for the adequate allocation strongly to the Planning Commission/Ministry of Finance. All the desired initiatives should be taken and the Committee informed accordingly.

Action Taken by the Government

Consistent and sustained efforts are being made for optimum utilization of outlay. Quarterly Review of financial targets is undertaken for each Plan Scheme by DIT. Half Yearly Progress Review is also undertaken by Planning Commission to review the physical and financial progress of all Plan Schemes.

Recommendation (Para No. 4)

The Committee find from the information made available to the Committee that besides Plan allocations made out of the Government funding, IEBR is generated by the Societies/Offices under the Department through their R&D activities. In this regard, Rs. 2225.56 crore was the approved IEBR for the Eleventh Plan. IEBR generated during the first three years of the Eleventh Plan as per the data provided by the Department is just Rs. 750.17 crore which is less than one third of the approved IEBR of the Plan period. From the aforesaid position it is apparent that the Societies would not be able to generate the approved IEBR during Eleventh Plan at any cost. The detailed examination of the data for IEBR further indicates that the year-wise approved IEBR do not commensurate to the overall IEBR of the Eleventh Plan. During the first three years of the Eleventh Plan, the approved IEBR is only

Rs. 793.07 crore. The Committee, therefore, would like the Department to furnish the specific reasons for not projecting the IEBR commensurating to the overall approvals of the Eleventh Plan alongwith the steps initiated by the Department to ensure that the IEBR generated by the Societies reach to the level of the overall approvals for the Eleventh Plan.

Action Taken by the Government

The details of IEBR with respect to Societies and Technology Development Council (TDC) Scheme of DIT are as under:—

(Rs. in crore)

Name of Society/Scheme	IEBR Targets and Achievements						
	2007-08		2008-09		2009-10		2010-11
	Target	Achievement	Target	Achievement	Target	Achievement	Target
SAMEER	14.00	22.05	15.00	37.84	15.00	36.82	24.00
C-MET	-	-	5.60	5.28	5.60	26.26	11.10
C-DAC	175.00	96.55	145.00	183.42	145.00	160.24	200.00
Media Lab Asia	-	-	20.00	1.12	20.00	11.35	20.00
STPI	2.70	150.75*	-	165.64*	-	169.58* (unaudited)	-
ERNET	-	-	25.00	46.19	25.00	16.08	72.00
DOEACC	54.59	58.67	60.04	58.97	60.04	64.15	79.51
TDC	2.50	10.97*	1.50	0.12*	1.50	1.49*	-
Total	248.79	338.99	272.14	498.58	272.14	425.97	406.61

* IEBR generated under TDC and STPI had not been reported earlier.

(Rs. in crore)

Name of the Society/Scheme	IEBR Targets and Achievement		
	11th Plan Target	Targets during the 1st three years of 11th Plan	Achievements during the 1st three years of 11th Plan
SAMEER	84.50	44.00	96.71
C-MET	30.20	11.20	31.54
C-DAC	1555.00	465.00	440.21
Media Lab Asia	150.00	40.00	12.47
STPI	16.49	2.70	485.97
ERNET	-	50.00	62.27
DOEACC	372.37	174.67	181.79
TDC	17.00	5.00	12.58
Total	2225.56	792.57	1323.54

It is noteworthy that IEBR is fixed by the Planning Commission. DIT submitted proposals for the 11th Five Year Plan for Rs. 20,386 crore which included Rs. 2225.56 crore as IEBR. However, Planning Commission reduced the proposed allocation to Rs. 12,496 crore with IEBR of the same amount, *i.e.* Rs. 2225.56 crore. So, while the budgetary outlay was reduced, the IEBR of Rs. 2225.56 crore which was based on the projected outlay for the 11th Five Year Plan had not been reduced. That is the main reason why the projected annual IEBR did not commensurate with the overall IEBR of the 11th Plan. However, IEBR projected/generated by most of the Societies during the last three years do commensurate with the projected IEBR of the 11th Plan which are detailed below:—

SAMEER: The annual projection of IEBR commensurate well with the overall approved figure for the 11th Plan. The actual IEBR generated for the first three years of the 11th Plan, *i.e.* 2007-08 to 2009-10 is already Rs. 96.71 crore. If this trend continues for the next 2 years, *i.e.*, 2010-11 and 2011-12, the actual generation of IEBR will be well above the 11th Plan projection.

C-MET: The annual projection of IEBR commensurate well with the overall approved figure for the 11th Plan. The actual IEBR generated for the first three years of the 11th Plan, *i.e.* 2007-08 to 2009-10 is already Rs. 31.54 crore. If this trend continues for the next 2 years, *i.e.*, 2010-11 and 2011-12, the actual generation of IEBR will be well above the 11th Plan projection.

STPI: STPI is a self-supporting scheme and no recurring grant is provided to STPI. As such, no IEBR is projected. However, STPI has generated a sum of Rs. 485.97 crore during the first three years of the 11th Plan. STPI is also expecting to generate an estimated sum of Rs. 163.00 crore during the year 2010-11.

ERNET: The actual IEBR generated for the first three years of the 11th Plan, *i.e.* 2007-08 to 2009-10 is Rs. 62.27 crore against the projected Rs. 50.00 crore.

DOEACC Society: The Society has generated more IEBR (Rs. 181.79 crore) than the IEBR approved for the first three years of the XI Plan (Rs. 174.67 crore). The Society is making efforts to further increase its revenue generation to reach the level of overall approved IEBR for the XI plan.

TDC: Projects on Industrial Applications are funded through the TDC budget head. Under these activities, National Mission on Power Electronics Technology (NaMPET) is a major project which is being implemented during the current Five Year Plan. In this project, EBRs

have been generated by way of project funding from various agencies like Ministry of Power, Ministry of Railways and some private companies. There is some small component of IR generation also in the form of technology transfer receipts. During the first 3 years of the Plan, *i.e.*, 2007-10, a total amount of Rs. 12.58 crores have been generated as IEBR. Constant endeavour will be made to achieve the pending amount for the entire Five Year Plan during the next two years, *i.e.*, 2010-12 of the Five Year Plan.

C-DAC: As detailed above, in the first three years of 11th Five Year Plan, C-DAC has achieved Rs. 440.21 crores against the targets of Rs. 465.00 crores and during the years 2010-11 and 2011-12, C-DAC will achieve IEBR of Rs. 400.00 crores. As such the total achievement will be approximately Rs. 840.00 crores. Regarding targets of Rs. 1555.00 crores for the 11th Five Year Plan, it is stated that the IEBR was projected based on budgetary support of Rs. 2700.00 crore. However, during the first three years of the 11th Plan period, C-DAC has been sanctioned/released plan grants of Rs. 304.00 crores only against which it has generated IEBR amounting to Rs. 440.21 crore. Nevertheless, the Society is making efforts to increase IEBR generation.

Media Lab Asia: As per the directives of Cabinet given at the time of restructuring of Media Lab Asia (MLA) in May, 2003, the XI Plan funding was to be decided on the recommendations of the Empowered Steering Committee constituted by the Cabinet, based on independent review of MLA. A Committee under the Chairmanship of Dr. R. Chidambaram, PSA to the Government of India was constituted to review the activities of MLA. The Committee submitted its report in August, 2008 and recommended a funding of Rs. 67 crore for remaining period of XI Plan which was also agreed to by the Empowered Steering Committee. Further, the Steering Committee recommended that MLA would attempt an IEBR of 50% of total grant from DIT during the remaining 3 years of XI Plan. Media Lab Asia is expected to achieve the IEBR of 50% of grant that will be received from DIT during the remaining XI Plan period.

To sum up, it will be seen from the above details that the approved allocation for the 11th Plan period is Rs. 12,496 crore and the IEBR for that period is Rs. 2225.56 crore which is around 18% of the allocation. During the last three years (2007-08, 2008-09 and 2009-10) the total allocation was Rs. 5710.00 crore and the actual IEBR for that period was Rs. 1323.54 crore which is around 23%. It may also be seen from the above table that the overall IEBR target for the first three years of the Eleventh Plan have been achieved. Hence, there is no huge shortfall in the IEBR.

Recommendation (Para No. 6)

The Committee find from the data made available to the Committee that during each year of the Eleventh Plan, there is shortfall in expenditure as compared to the Outlay made available at RE stage. During the year 2009-10 out of the Outlay of Rs. 170 crore provided at RE stage the expenditure is Rs. 167.91 crore. Under the scheme Technology Development Council, out of the allocation of Rs. 3 crore the expenditure is Rs. 0.91 crore. The Committee would like to be apprised about the reasons for under-spending under the aforesaid programme. Further, the Committee note that under the Scheme Software Technology Park in India and EHTP, the allocation made during the year 2008-09 and 2009-10 is nil. The Committee would like to be apprised about the reasons for nil allocation under the aforesaid Plan Scheme. The Committee again emphasize that all the steps should be taken by the Department for the effective implementation of various schemes to ensure inclusive growth of the IT sector in the country.

Action Taken by the Government

Regarding STPI and EHTP, the allocation is 'nil' during 2008-09 whereas the allocation was Rs. 2.51 crore during 2009-10. Software Technology Park (STP) is a 100% export oriented scheme for the development and export of computer software using communication links or physical media and including export of professional services. At present STPI has 51 centres across the country and the scheme is self-supporting and, therefore, no recurring grant is provided to STPI.

Regarding Technology Development Council, the Department continues its efforts to find suitable R&D opportunities in the NE region. In the absence of suitable Research and Development project proposals from the North-East, it has not been possible to utilize the entire allocation budget for the North-East region.

Moreover, the observations of the Committee have been noted. The Department has been making consistent efforts to ensure that the outlay earmarked for development of North-Eastern region is utilized by the implementing agencies to achieve the set objectives of the programmes.

Recommendation (Para No. 7)

DOEACC Society is implementing the joint scheme of DIT and AICTE *i.e.* DOEACC Scheme for Computer courses at 'O', 'A', 'B' and 'C' levels. With regard to number of candidates registered for 'O' and 'A' level courses, the Committee note that in the North-East Region, total number of candidates registered in 'O' and 'A' level is 19844. During the

year 2008-09, total candidates registered for the aforesaid level courses were 2215. During the year 2009-10 the number has declined to 1980. If the performance is considered country-wise, the total number of candidates registered in 'O' and 'A' level throughout the country is 727833. During the year 2008-09 total number of candidates registered were 59407 which declined to 47040 during the year 2009-10. The Committee express concern over the declining number of candidates registered in 'O' and 'A' level courses in the country as a whole and particularly in the case of North-East Region. Since SC, ST, OBC and weaker sections of the society and the unemployed youth are being benefited by the programme, the Committee strongly recommend that all the initiatives should be taken so that more and more candidates take benefit of the aforesaid Scheme which would certainly help in addressing the problem of unemployment in the vulnerable sections of the society.

Action Taken by the Government

Shortfall in the registration of DOEACC O/A/B/C level courses is mainly due to general recession in the IT industry and subsequent lack of attraction for IT course in general during the year. As the market conditions are improving now, more students are expected to join DOEACC O/A/B/C level courses. Further, to attract more students, the following steps are being taken:—

- Publishing of more advertisements throughout the country for increasing the awareness about DOEACC courses among the students and general mass.
- Consent of MHRD has been sought for opening of 'O' level so that students possessing the required educational qualifications can directly appear for the examination after a year's self-study using e-learning contents and other materials. The matter is being pursued with MHRD.
- Creation of on-line content for 'O' level and making it available free of cost on the website so that candidates from any part of the country can learn the subject themselves and appear for the examination.
- The matter regarding recognition of B (academic) and C level is being pursued with MHRD/AICTE.
- In the N-E Region, a large number of students belong to SC/ST and minority communities. To attract more students, DOEACC Society offers free training or charges minimum fee from these students under various schemes with the financial support of various Ministries.

Recommendation (Para No. 10)

The Committee further note that the success of the aforesaid programme depends upon the interest taken by the students in learning computers. Moreover, to ensure inclusive growth of IT sector, it is desirable that the students from rural areas particularly from the remote and difficult areas take interest in learning computers. Students would take interest only when they possess the computers. The Committee during the deliberations have been informed that Common Service Centres can address the aforesaid problem. The Committee note that Common Service Centres (CSCs) in rural areas are being opened with the objective of providing Government and private services at the doorstep of the citizens. The Committee fail to understand how the students who want to learn computers can take benefit of CSCs when they have the different mandate as stated above. The Department being the nodal Department for IT has to play an important role in this regard. In view of the aforesaid position, the Committee strongly recommend that Government has to think of providing computers at subsidized rates to the children of BPL families. Besides the Department has to pay more attention to make desktops cost effective so that these are within the reach of the poor persons. All the desired initiatives on the suggested line should be taken and the Committee informed accordingly.

Action Taken by the Government

The CSCs have been primarily set up to provide services to citizens. Computer education and e-learning are one of the services that are being provided to citizens in rural areas by Service Centre Agencies (SCAs) which are the private partners under the Scheme. The objective of the Scheme is to provide e-services to citizens. In case of e-learning, the courses are imparted to citizens rather than providing computers at subsidized rates as the same is outside the scope of the programme. Ministry of Labour and Employment is trying to use the CSCs to impart ITI trade courses in various rural areas by e-learning methodology.

SCAs are also exploring business opportunities to deliver computer literacy programmes through the CSCs in rural areas. Some SCAs are already offering computer education services at CSCs. There is no scheme under Department of Information Technology for providing computers to citizens or for children of BPL families at subsidized rates.

As regards making desktops cost effective, the levies in terms of duties and excise have been kept at the minimum so that these do not add unnecessary burden on the manufacturing cost.

Recommendation (Para No. 12)

The Committee note that during the year 2009-10, Electronics and IT exports are estimated to be Rs. 266330 crore as compared to Rs. 247420 crore in 2008-09 showing a growth of 7.6 per cent. The domestic demand in this regard is around USD 45 billion whereas production is around USD 20 billion. The Secretary, during the course of deliberations, has informed that as per the projections, the demand would increase to USD 400 billion by 2020 and with the existing State of affairs, the production would reach to USD 100 billion. The analysis of the initiatives taken by the Department for the promotion of Electronics/IT hardware manufacturing during the Eleventh Plan indicates that although an allocation of Rs. 1100 crore was made during Eleventh Plan the Actual expenditure is just Rs. 61.67 crore till date. During the year 2010-11, the allocation has been made for a meagre amount of Rs. 2.5 crore which amounts to only 1 per cent of the proposed allocation *i.e.* Rs. 250 crore. The Committee note that the aforesaid allocation was made particularly for meeting the requirements under Special Incentive Package Scheme (SIPS). Under this Scheme, the applicants need to approach DIT for disbursement after meeting the prescribed conditions. As regards the financial performance of the Scheme during the year 2009-10 Rs. 2.30 crore were allocated. The allocation was reduced just to Rs. 0.50 crore which was fully utilized. The aforesaid scenario indicates that not much attention is being given to promotion of Electronics/IT hardware manufacturing even when Rs. 1100 crore were allocated during Eleventh Plan which have remained under-utilized substantially. Keeping in view the fact that the demand for the sector would be to the tune of USD 400 billion and the production would be only USD 100 billion, there is an urgent need to provide adequate attention on hardware manufacturing sector too, in order to have a pioneering and competitive edge in line with the Software Sector. The Committee strongly emphasize that the concrete strategy should be made for promotion of Electronics/IT hardware manufacturing sector.

Action Taken by the Government

It may be noted that promotion of electronics hardware manufacturing is a thrust area for the Government. As indicated earlier, the allocation of Rs. 1100 crore for the Eleventh Plan was made particularly for meeting the requirement under Special Incentive Package Scheme (SIPS). The actual disbursement of incentive to the eligible applicants under SIPS can start only after they have incurred the threshold level of investment (*i.e.* Rs. 1,000 crore). None of the applicants have reached that stage; hence no expenditure could be incurred on this account, as on date. It is expected that during the remaining period of

the Eleventh Plan, some of the applicants could approach for disbursement of incentive.

With reference to observation of the Committee that concrete strategy should be made for promotion of Electronics/IT hardware manufacturing sector, as indicated in the succeeding Para, a Task Force was set up to look into all the aspects which impact both Electronics hardware manufacturing as well as IT software sectors. Further necessary action is being taken to implement the recommendations of the Task Force.

Recommendation (Para No. 13)

The Committee further note that Task Force was set up by the Department in August, 2009 to address the problem of IT Hardware manufacturing industry in a comprehensive manner, which submitted its report on 11 December, 2009. Even when four months have passed since the report was presented, the Department is still undertaking the analysis of the recommendations. The Committee strongly recommend that the various problems afflicting the IT Hardware manufacturing industry should be identified and the recommendations made by the Task Force in this regard analyzed and the action taken within the stipulated time frame so as to make the country self sufficient in hardware manufacturing sector. All the initiatives should be taken and the Committee informed accordingly.

Action Taken by the Government

The Report of the Task Force was examined and it has been observed that 198 recommendations for IT/ITES sector and Electronic Hardware Manufacturing Industry, including Strategic Electronics have been made while some of these recommendations fall within the purview of the Department of Information Technology, a substantial number of these recommendations pertain to other Central Ministries/Departments/ State Governments. Department of Information Technology will, wherever required, coordinate with the concerned Central Ministries/Departments/ State Governments for working out specific details and implementation modalities.

Inter-Ministerial consultations on the recommendations contained in the report have been held. Further, Government has decided to constitute a Committee of Secretaries (CoS) for facilitating examination and implementation of the recommendations of the Task Force on a fast track basis. The process of obtaining the views of the concerned Ministries/ Departments has been undertaken and a meeting of the Committee of Secretaries is expected to be held shortly.

Recommendation (Para No. 15)

The Committee are further concerned to note that the sale of laptops in the country during the year 2008-09 has declined from 18,22,139 to 15,16,459. The productions for the year 2009-10 are for Rs. 19,00,000. The Committee strongly recommend that the detailed analysis with regard to decreasing trend of sale of number of PCs should be done by the Department and the Committee apprised accordingly. Besides, the Committee would also like to be apprised about the position with regard to number of sale of laptops during the year 2009-10.

Action Taken by the Government

The sale of Personal Computers (PCs) (desktops and laptops) in India declined during 2008-09 due to the impact of the global economic slowdown. However, as per information provided by the Manufacturers' Association for Information Technology (MAIT), the sale of PCs during 2009-10 is back on the growth path and is projected to increase by 7-10% compared to the year 2008-09. As far as sale of laptops is concerned, the same is projected to increase to about 19,00,000 numbers during 2009-10 *vis-à-vis* 15,16,459 numbers in 2008-09.

Recommendation (Para No. 16)

The Committee note that the adverse impact of global recession is now being felt in the Software and Service sectors. The growth in this regard which was 25.9 per cent during 2008-09 has declined to 10.4 per cent in 2009-10. The Committee strongly recommend that all the issues related to slowdown of growth in IT and ITES should be addressed seriously. The Department should examine the recommendations made by the Task Force in this regard expeditiously and immediate action should be taken to implement the recommendations of the Task Force. The Committee should be kept apprised about the action taken in this regard.

Action Taken by the Government

The Department of Information Technology had set up a Task Force in August 2009 to suggest measures to stimulate the growth of IT and ITES and Electronics Hardware manufacturing industry in the country in the backdrop of significant challenges faced by the IT industry owing to the global economic crisis. It had submitted its report in December 2009.

Inter-Ministerial consultations on the recommendations contained in the report have been held. Further, Government has decided to

constitute a Committee of Secretaries (CoS) under the chairmanship of Cabinet Secretary for facilitating examination and implementation of the recommendations of the Task Force on a fast track basis. The process of obtaining the views of the concerned Ministries/Departments has been undertaken and a meeting of the Committee of Secretaries is expected to be held shortly.

Recommendation (Para No. 17)

The Committee note that Electronic Governance is one of the important programme of the Department for which substantial part of the allocation for Plan Schemes is being provided. During the year 2009-10, Rs. 900 crore were allocated at BE stage. The amount was reduced to Rs. 330 crore *i.e.* a little more than 1/3rd of the allocation at RE stage. With regard to the status of utilisation, the Department has informed that as on 22nd March, 2010 outlay to the tune of Rs. 309 crore has been released for e-Governance Projects. When asked about the reasons for drastic reduction of outlay at RE Stage the Department on the one hand has stated that it is due to non-compliance of the conditions/requirements by State Governments for release of funds and non-initiation of e-District and e-Bharat projects. On the other hand it has been stated that the State Governments which are implementing the e-Infrastructure projects like SWAN, SDC, CSC, State Portals and SSDG have sufficient funds. Not only that the releases made by the Department are not being meaningfully utilized *i.e.* substantiated by the fact that the Utilisation Certificates for the substantial amount are still pending from the Implementing Agencies from various States. If the data of 2008-09 in respect of which the UCs have also become due is added, the situation becomes more grim. The aforesaid scenario clearly indicates the unsatisfactory status of one of the most important programmes of the Government. The Committee note that the National e-Governance Plan is the major initiative of the Government for ushering e-Governance and is expected to change the entire concept and system of governance in the country. The Committee while expressing serious concern over the dismal performance of the programme would like to strongly recommend to analyze the performance critically State/UT-wise so as to identify the problems being faced by the States/UTs in implementation of the programme. The Committee exhort the Department to take all the corrective action in this regard expeditiously and inform the Committee accordingly. In this regard, the Committee may also like the Department to consider providing free software regarding e-Governance to the users so as to make it cost effective.

Action Taken by the Government

As a part of UC liquidation drive, 28 UCs amounting to Rs. 227.00 crore have been received. We expect to reduce the pending UCs considerably during this year as programmes SWAN, SDC, CSC and Capacity Building have started yielding noticeable results.

The funding pattern was submitted earlier. The reasons for delay in respect of major programmes, which in turn causes delay in submission of UCs are given below:—

SWAN: SWAN projects are being implemented at the State/UT level, under supervision of the State/UT level Implementation Committee. Department of IT, as a Member in these Committees, regularly attend the meetings and pursue for meeting the deadlines, as indicated by the respective State/UT Implementing Agency. Also problems faced in the implementation of SWAN are being discussed in the same Committee.

In line with the above and also taking into considerations of the status of actual progress of implementation in some of the States/UTs, the date of complete roll out for SWAN has been revised in the past which was also reflected in the periodical reports sent to the Cabinet Secretariat/PMO.

In the States of Rajasthan, Nagaland, Meghalaya, Mizoram and UTs of D&D and D&NH, after the tender document was approved by DIT, implementation process has been very much delayed at the State/UT level due to various reasons, including delay in engaging consultant, delay in the entire bid process, court case, State election (Rajasthan), non-availability of power and leased line connectivity at remotely located Block areas, etc.

CSC: The States have been advised not to delay release of revenue support due to the SCAs. Besides “Monitoring Tool” installed in the CSCs will now facilitate in determination of revenue support and expeditious disbursement by the State Designated Agency (SDA).

SDC: All efforts are being made to ensure that the States take up the work on priority and complete the same in a time bound manner. In order to monitor the progress of scheme on regular basis, a Project Implementation Committee (PIC) at the State level has been formed under the chairmanship of Secretary (IT).

The delaying factors for the SDC programme are mainly related to the State issues like site availability and its suitability for SDC,

raw power supply provisioning, RFP finalization, etc. Further, approvals within the State sometimes take more time than anticipated to finalize placement of order on the successful bidder. All this results in non-utilization and further release of funds as planned in our budgetary requirements/allocations. The States have been advised to expedite the process of bid process management and placement of orders so that the funds as planned and allocated can be utilized.

The IPR for all software developed under NeGP remains with DIT/ State Government and these are shared with State Governments as per their requirements. In E-District national rollout strategy, it is envisaged that application developed in pilot States will be shared with other States.

Recommendation (Para No. 18)

The Committee during the course of examination of Demands for Grants of the previous year had noted that e-District and e-Bharat components of NeGP were in trouble. In case of e-District there were problems in implementation of the pilot projects. Besides in case of e-Bharat the Government of India was carrying out dialogue with World Bank for possible programme management and financial support. However, the World Bank advocated a newer look to be adopted *inter-alia* suggesting termination of the preparation of "e-Bharat" Project. The examination of Demands for Grants (2010-11) has indicated that there is no headway on both the Projects and the projects could not be initiated due to the problems as given above. The Committee note that e-District is an important MMP whose objective is to target certain high volume services delivered at the district level which are not covered by any other MMP and also to undertake backend computerisation of these services through Common Service Centres. Besides, e-Bharat is expected to contribute to improve Government effectiveness, increasing fiscal revenues and reducing public procurement cost etc. Keeping in view the importance of e-District and e-Bharat as stated above, the Committee strongly recommend that all the issues concerning these two components should be addressed in a stipulated time frame so that the projects are initiated on a full scale basis throughout the country.

Action Taken by the Government

e-District: The Department is constantly monitoring the progress of the Pilot projects and there has been good progress since the status was last reported. The Department has approved 15 Pilot e-District Projects

covering 40 districts. In Uttar Pradesh, Assam, Tamil Nadu and Bihar, pilot project has been launched/gone live. In Madhya Pradesh and Orissa application development is completed. In West Bengal, Kerala, Jharkhand, Maharashtra and Mizoram, application development is under progress. In Uttarakhand and Haryana, NIC has been selected as the application developer. In Punjab, selection of application development agency is under way and in Rajasthan, preparation of as-is report is under progress. States have taken much more than the stipulated time in completing the tendering process to select the System Integrators whose main job is to develop the application and integrate with hardware, digitized data and other facilities to deliver the electronic services under e-District. Progress is slow in Haryana, Uttarakhand and Punjab and it is being pursued with these States at the highest level. It is also to be noted that e-District project involves services across several departments and also incorporate BPR for improvement of service quality.

The Department is already in the process of finalizing National rollout scheme. In this context:—

- (a) To assess the implementation of e-District of UP, Assam and Tamil Nadu, senior officers from this Department visited these States.
- (b) IIM Ahmedabad was commissioned by DIT for baseline assessment of the manual service delivery process in 17 districts of 5 States.
- (c) Learnings from the Pilot projects are being included so that delays can be minimized. Such measures include *inter alia*, sharing of application software amongst States, empanelment of System Integrators, Standard Government Orders to enable electronic services, ensure availability of NeGP infrastructure, and to provide ready templates, guidelines and process, amongst others.
- (d) For national roll-out of e-District, in principle approval of Planning Commission has been obtained and we are in the process of completing initial work for submitting the proposal to EFC.

e-Bharat: Deliberations between DIT/DEA and the World Bank are continuing to take this project forward. A programmatic framework approach for the Bank's proposed support for NeGP is currently being deliberated upon under Development Policy Loan approach. The World Bank Team has visited DIT in May and June, 2010 to finalise the Development Policy Loan Document.

Recommendation (Para No. 19)

The Committee have consistently been raising concern over the shifting of deadlines of implementation of various components of e-Governance programmes *viz.* Common Service Centres (CSCs), State Wide Area Network (SWAN), State Data Centres (SDCs) and Mission Mode Projects (MMPs). Under CSC the target was for setting up of 1 lakh CSCs in various States. In spite of shifting the deadlines several times out of the target of 1 lakh CSCs, 71078 CSCs could be rolled out by February, 2010. With regard to SWAN, it has been completed in 19 States/UTs and 5 States are in advance stage of completion. Now the Department has stated that implementation in all the States is likely to be completed by end of August, 2010. In respect of SDCs, the bid process has been completed in 11 States, out of which award of contract has been issued by 9 States to the selected bidders. Further bid process has been initiated in 5 States and in the remaining States the RFP is under various stages of preparation/finalization or approval. Now the Government expect that SDC would be complete in 12 States by December, 2010. On the issue of MMPs, Immigration MMP (Central MMP), e-Procurement (Integrated MMP) and 5 State MMPs are still waiting approval/finalization. Taking note of the slow progress of implementation of various components of e-Governance Programme, the Committee strongly recommend that the Department has to work on a Mission Mode to ensure that these components of e-Governance are completed expeditiously. The Department should ensure that the deadlines are not shifted again and again which makes the fixing of deadlines as a futile exercise. There is an urgent need to have a proper coordination with the State Governments and Line Ministries to identify the basic issues affecting the implementation of various components of NeGP. The concerted action on the suggested lines should be taken and the Committee informed accordingly.

Action Taken by the Government

The status is given below:—

1. SWAN: SWAN projects are being implemented at the State/UT level, under supervision of the State/UT level Implementation Committee. Department of IT, as a Member in these Committees, regularly attend the meetings and pursue for meeting the deadlines, as indicated by the respective State/UT Implementing Agency. Also problems faced in the implementation of SWAN are being discussed in the same Committee. The SWANs in 23 States/UTs have been declared operational.

In line with the above and also taking into considerations of the status of actual progress of implementation in some of the States/UTs, the date of complete roll out for SWAN has been revised in the past which was also reflected in the periodical reports sent to the Cabinet Secretariat/PMO.

In the States of Rajasthan, Nagaland, Meghalaya, Mizoram and UTs of D&D and D&NH, after the tender document was approved by DIT, implementation process has been very much delayed at the State/UT level due to various reasons, including delay in engaging consultant, delay in the entire bid process, court case, State election (Rajasthan), non-availability of power and leased line connectivity at remotely located Block areas, etc. The current deadline of December, 2010 has been estimated keeping in view of all these facts.

2. **CSC:** SCAs and also SDAs from time to time are being impressed upon for concerted action at their end for expeditious rollout of CSCs. The problems of Broadband Connectivity, deficiency of power and need to supplement with Solar Power and availability of adequate G2C services are being looked into and discussed for remedial measures. As on 30th June, 2010, 80669 CSCs have been established.
3. **SDC:** Considering the urgency and importance of the SDC, the States have been advised to expedite various activities and placement of orders on the successful bidder ensuring timely implementation of the SDC. The programme is being monitored closely with the States.

DIT would like to inform that the SDC program has since progressed considerably. RFPs of 22 States *viz.* Orissa, Tripura, Gujarat, Maharashtra, Nagaland, West Bengal, Puducherry, Sikkim, Meghalaya, Haryana, Rajasthan, Jharkhand, Kerala, Andhra Pradesh, Uttar Pradesh, Manipur, Andaman and Nicobar Island, Tamil Nadu, Karnataka, Jammu and Kashmir, Madhya Pradesh and Mizoram have been approved by the DIT and out of these 16 States have completed the bid evaluation, and 12 States (Gujarat, Haryana, Maharashtra, Meghalaya, Nagaland, Orissa, Puducherry, Rajasthan, Sikkim, Tripura, West Bengal and Tamil Nadu) have issued the award of contract to the selected bidder, 1 State (Manipur) has issued the LoI to the selected bidder and the remaining 3 States (Andhra Pradesh, Jharkhand and Kerala) are in the process of issuing LoI to the selected bidder. Bid process is in progress in 4 States (Andaman and Nicobar, Karnataka,

Madhya Pradesh and Uttar Pradesh) while 2 States (Jammu and Kashmir and Mizoram) are yet to release the RFP, RFP of 2 States (Chhattisgarh and Himachal Pradesh) are under review/finalization for approval by the DIT.

4. **MMPs:**

- (i) Central MMPs: Schemes for all 9 Central MMPs stand approved. The Scheme for the Immigration MMP was approved by the CCEA in May, 2010.
- (ii) Integrated MMPs: All project schemes, except e-Procurement, have been approved. In case e-Procurement MMP, out of the two Pilot States, Himachal Pradesh has opted out and has decided to join the e-procurement portal of DGS&D. In case of Kerala, bids received are being evaluated.
- (iii) State MMPs: Schemes for seven out of eleven State MMPs have been approved. EFC Note for Employment Exchange MMP has been circulated. The EFC Note on Backward Region Grant Fund (BRGF) has been circulated which includes computerization of Panchayats. Similarly, the EFC Note for Agriculture and e-District have been circulated.

Steps taken by DIT

Strategic Level

Apex Committee Meeting: A half day long Apex Committee meeting chaired by Cabinet Secretary was held on 16th July 2010, wherein all the MMPs were discussed in detail with special focus on MMPs that are yet to be approved. Reasons for delays were deliberated and appropriate actions suggested. Members of the PM's Committee on NeGP, Shri Nandan Nilekani, Chairman, UIDAI, Dr. Sam Pitroda, Advisor to PM on Public Information Infrastructure and Innovations, Shri Kiran Karnik, former President NASSCOM and Shri Som Mittal, President, NASSCOM attended this meeting. The meeting was also attended by State IT Secretaries.

Implementation Level

Council of Mission Leaders: DIT has constituted a Council of Mission Leaders to discuss to collaborate and discuss challenges being faced by various MMPs and solutions to these. Two meetings of the Council have been held.

PMIS: DIT is also in the process of developing a PMIS to keep track of committed timelines and any slippages thereafter. The first version of this application is expected to be ready by end of July 2010.

Recommendation (Para No. 20)

The Committee note that the Department has issued guidelines for setting up of District e-Governance Societies. The basic objective of these societies is to coordinate all components of NeGP. As on February 2010, as per information made available by State Governments, 208 District e-Governance societies have been formed across 12 States. The Committee strongly recommend that the Department should pursue with the remaining States for setting up of District e-Governance Society expeditiously and the Committee be kept informed about the progress made in this regard.

Action Taken by the Government

As of now 220 district e-Governance societies have been set up. The States are being requested to constitute district e-Governance societies expeditiously.

Recommendation (Para No. 21)

The Department has informed that in order to build synergy with Panchayats, Department of Information Technology has issued directions to all States to set up CSCs in the Panchayat premises as far as possible. Further, the Committee note that Gujarat, West Bengal and Jharkhand had issued directions with regard to setting up of CSCs in the Panchayat premises. The Department has also informed that approximately 76 per cent of CSCs have been set up in Panchayat premises. The Committee would like to be informed State-wise data of CSC which have been set up in Panchayat premises. Besides, the Department should pursue with the remaining States to issue instructions for setting up of CSCs in the Panchayat premises. The desired action in the regard should be taken and the Committee informed accordingly.

Action Taken by the Government

DIT has already advised State Governments/SCAs to set up CSCs in Panchayats wherever feasible. Further, under the proposed Bharat Nirman Common Service Centres, it is planned repositioning CSCs in all Panchayats of the country.

The state-wise data of CSCs set up in Panchayats is as under:—

Name of State	Number of CSCs in Gram Panchayats
Andhra Pradesh	21913
Arunachal Pradesh	1744
Assam	2489
Bihar	8463
Chhattisgarh	9600
Goa	189
Gujarat	13695
Haryana	6183
Himachal Pradesh	3243
Jammu and Kashmir	3439
Jharkhand	4562
Karnataka	5628
Kerala	991
Madhya Pradesh	23040
Maharashtra	28553
Meghalaya	NA (as no Gram Panchayats)
Mizoram	673
Manipur	165
Nagaland	NA (as no Gram Panchayats)
Orissa	6234
Puducherry	164
Punjab	12445
Sikkim	163
Rajasthan	9154
Tamil Nadu	12618
Tripura	1038
Uttarakhand	7227
Uttar Pradesh	51977
West Bengal	3351

Recommendation (Para No. 22)

From the information made available by the Department, the Committee note that as on February 2010, 71708 CSCs have been rolled out in 28 States/UTs. As on 28th February 2010, a total of 50,201 CSCs have connectivity through Broadband or VSATs. Other CSCs are using datacards, GPRS of various Telecom Service Providers (Airtel, Reliance, Tata Indicom) for connectivity. The Committee feel that besides setting up CSCs, it is of utmost importance that proper connectivity is provided, so that CSCs are operational. As such, the Committee strongly recommend that all the initiatives should be taken to coordinate with BSNL so that connectivity to all the CSCs is provided within a definite time frame.

Action Taken by the Government

As on 30th June, 2010, 80669 CSCs have been rolled out in 29 States. The working group set up on Broadband Connectivity for CSCs is regularly monitoring this matter for provisioning of connectivity for CSCs expeditiously. A special Tariff Plan package is also being suggested by DIT to BSNL for CSCs.

Recommendation (Para No. 23)

The Committee note that the timelines for facilitating services through CSCs by enabling implementation of State Portal, SSDG, e-Forum Application and Gap Infrastructure has been given as March, 2010 in the Outcome Budget. With regard to the existing position, the Committee have been apprised that proposals from 29 States have been approved by DIT and funds have been released to them. 28 States have appointed consultants and a majority of these States are in an advanced stage of preparing the Request for Proposals (RFPs) for selection of Implementation Agencies (IAs). The Committee feel that the success of CSCs depend upon the fact that users are actually using the CSCs. Again in the case of facilitating services through CSCs the deadlines of March, 2010 do not seem to be adhered to keeping in view the status as given above. The Committee strongly recommend that all the initiatives should be taken so that the CSCs become actually functional.

Action Taken by the Government

The State Portal, SSDG, e-form application and gap infrastructure project was initiated in 2009 with the project implementation timelines up to March 2011. The scheduled timelines for the delivery of services are January 2011 onwards.

Recommendation (Para No. 24)

The Committee find that Commercial Taxes is a State Mission Mode Project and had to be implemented by individual States. Cabinet has already approved the MMP and the Ministry of Finance has requested the States to prepare and submit State Specific DPRs for funding by the Ministry. So far proposals of only 11 States have been approved for funding. The Committee strongly recommend that the remaining States should be pursued so that 'Computerization of Commercial Taxes' and 'Automation of Central Excise and Service (ACES) Tax' which have already been rolled out throughout the country is facilitated expeditiously to enable the Government to roll out GST successfully in all the States by the stipulated timeline *i.e.* April, 2011.

Action Taken by the Government

As already mentioned, proposals of 11 States have been approved with an overall outlay of Rs. 586.64 crore of which Rs. 407.40 crore will be Central share. First instalment of Central share (Rs. 145 crore) has been released to these 11 States. The Department of Revenue has considered 11 more projects on 14th June, 2010.

Recommendation (Para No. 25)

The Committee note that for setting up of Software Technology Park of India in the country, the State Government has to provide 3 acres of land, 10000 sq. ft. of built up space and Grant-in-aid of Rs. 1 crore to STPI. The status with regard to setting up of STPI as given by the Department indicates that most of the States have not signed MoU and land has not been allotted. In some of the cases, State contribution has not been received. The Committee strongly recommend that the respective State Governments should be pursued so that STPI in these States are set up expeditiously.

Action Taken by the Government

The Department along with STPI is pursuing with the respective State Governments for setting up of the approved new STPI centres. The STPI centre at Behrampur (Orissa) is ready for commencing operations. The status regarding setting up of each of the new STPI centre is given below:—

S.No.	States	STPI Centres	Status
(1)	(2)	(3)	(4)
1.	Madhya Pradesh	Gwalior	Construction work awarded to CPWD and work is in progress.

(1)	(2)	(3)	(4)
2.	Madhya Pradesh	Bhopal	Land is allotted but the request is pending with the State Government for providing developed land. In this regard letter dated 15/03/10 sent by AS(RS), DIT to Chief Secretary, Government of Madhya Pradesh. The matter is being pursued.
3.	Tripura	Agartala	State contribution in terms of Land and built up space is not received so far. In this regard a letter dated 08,06/10 sent by AS(RS), DIT to Chief Secretary, Government of Tripura.
4.	Mizoram	Aizawl	State contribution in terms of Land and built up space is not received so far. In this regard a letter dated 08,06/10 sent by AS(RS), DIT to Chief Secretary, Government of Mizoram.
5.	Gujarat	Surat	Centre approved but no State contribution has been received so far. The matter is being pursued with the Government of Gujarat.
6.	Jharkhand	Jamshedpur	Letter received from State Government regarding their contribution. In this regard, DG STPI has sent a letter dated 9/6/2010 to Secretary, Government of Jharkhand for survey of land.
7.		Dhanbad	
8.	Uttar Pradesh	Varanasi	Centre approved but no State contribution is received so far. In this regard a letter dated 11/05/2010 sent by AS(RS), DIT to Chief Secretary, Government of Uttar Pradesh.
9.		Agra	
10.	Karnataka	Gulburga	Centre approved but no State contribution is received so far. In this regard a letter dated 17/06/2010 sent by AS(RS), DIT to Chief Secretary, Government of Karnataka.
11.	Goa	Goa	Centre approved but no State contribution is received so far. In this regard a letter dated 22/05/2010 sent by DG STPI to Secretary IT, Government of Goa.
12.	Orissa	Berhampur	Centre is ready for inauguration.

Recommendation (Para No. 26)

The Committee note that sunset clause for STPI units has been extended upto 31st March, 2011. The Committee have further been informed that the Department has proposed a new modified STPI Scheme according to which new and existing STP units may be provided with the same level of fiscal incentives, for a level playing field, for a period of 15 years without a sunset clause, based on the date of starting its operation. The Department has further informed that the proposal has not been included in the Finance Bill 2010. The Committee would like the Department to pursue further on the issue so that the 'Modified STP Scheme' is implemented expeditiously.

Action Taken by the Government

In order to provide a level playing field to the STP units and to sustain the export growth rate of IT-ITES sector, it is important that the benefits currently available under the SEZ scheme are extended to STP units under a modified STP scheme beyond 31 March 2010 for a 15 years period without any sunset clause. The proposal has not been included in the Finance Bill 2010. However, the Department has continued to pursue implementation of the "Modified STP Scheme".

Post Budget developments — In a meeting convened by the Principal Secretary to PM in March 2010 on the issue of parity in tax incentives between IT units located in Software Technology Parks under STPI and those located in SEZs, it was agreed that the Department of Revenue and DIT would share their views on the proposed modified STP scheme. Subsequently, in a meeting held in March 2010 between the Secretary (DIT) and the Secretary (Department of Revenue), it was noted that most of the large companies have foothold in the SEZs. On the other hand, the SME companies are disadvantaged as they are largely unable to benefit from the SEZ Scheme mainly on account of locational constraints and higher operational costs in SEZs. Compared to this, the STP Scheme, which the SMEs have effectively leveraged, is location and size agnostic.

Department of Revenue appreciated the logic of the DIT on the importance of continuing with fiscal incentives and providing parity with IT SEZ units due to unique nature of this sector. However, they stated that they are constrained in not supporting the case on account of the

need to raise tax revenues to reduce the high fiscal deficit and issues arising out of the proposed Direct Tax Code (DTC) and Goods and Services Tax (GST).

DIT has forwarded a note on the above meeting to PMO on 5.4.2010. DIT is awaiting further advice in this regard.

Recommendation (Para No. 27)

The Information Technology (Amendment) Act, 2008 was notified on 27th October, 2009. The draft Rules in respect of various Sections of the Act are at the various stages as per the information provided by the Department. The Committee strongly recommend that such Rules should be notified expeditiously so as to deal with the emerging challenges with regard to cyber crimes in the country.

Action Taken by the Government

The following Rules pertaining to sections 52, 54, 69, 69A and 69B respectively of the Information Technology (Amendment) Act, 2008 are notified:—

1. Cyber Appellate Tribunal (Salary, Allowances and Other Terms and Conditions of Service of Chairperson and Members) Rules, 2009.
2. Cyber Appellate Tribunal (Procedure for Investigation of Misbehaviour or incapacity of Chairperson and Members) Rules, 2009.
3. Information Technology (Procedure and Safeguards for Interception, Monitoring and Decryption of Information) Rules, 2009.
4. Information Technology (Procedure and Safeguards to Blocking for Access of Information by Public) Rules, 2009.
5. Information Technology (Procedure and Safeguards for Monitoring and collecting traffic data or information) Rules, 2009.

The other rules are under finalisation and will be notified at the earliest after following consultation with public.

Recommendation (Para No. 31)

The Committee in their reports have consistently been drawing the attention of the Department towards attrition rate of manpower in C-DAC. The Committee during the course of examination of Demands for Grants of the previous year had been informed that attrition rate was lower with the implementation of the recommendations of Sixth Pay Commission. Now the Committee have been informed that during the year 2009-10, 29 persons have left C-DAC. The Committee would like to be apprised about the category of the aforesaid persons who left C-DAC during 2009-10 along with the comparative data of attrition for different category of officials in C-DAC during the last three years so as to have the clear cut position in this regard. The Committee would also like to recommend that the impact of the recommendations of the Sixth Pay Commission on the attrition rate in C-DAC should be carefully analyzed and the Committee informed accordingly.

Action Taken by the Government

The requisite category-wise information regarding persons who left C-DAC during 2007-10 (three years) is as given below:—

S.No.	Pay Band	Grade Pay	Resignations during the year
(1)	(2)	(3)	(4)
		2009-10	
1.	PB-4	GP 8700 and above	3 ^a
2.	PB-3	GP 5400 to 7600	20 ^b
3.	PB-2	GP 4200 and 4600	2
4.	PB-1	GP 1300 to 2800	4
		Total	29
		2008-09	
1.	PB-4	GP 8700 and above	2 ^c
2.	PB-3	GP 5400 to 7600	45 ^d
3.	PB-2	GP 4200 and 4600	0
4.	PB-1	GP 1300 to 2800	1
		Total	48

(1)	(2)	(3)	(4)
		2007-08	
1.	PB-4	GP 8700 and above	6 ^e
2.	PB-3	GP 5400 to 7600	62 ^f
3.	PB-2	GP 4200 and 4600	3
4.	PB-1	GP 1300 to 2800	4
		Total	75

^a 2 members in 16400 grade and 1 member in 14300 grade.

^b 16 members in 8000 grade, 2 members in 10000 grade and 2 members in 12000 grade.

^c 2 members in 14300 grade.

^d 3 members in 12000 grade, 9 members in 10000 grade and 33 members in 8000 grade.

^e 1 member in 16400 grade and 5 members in 14300 grade.

^f 29 members in 8000 grade, 28 members in 10000 grade and 5 members in 12000 grade.

C-DAC has observed that there have been two major contributory factors in containing the attrition at C-DAC during the year 2009-10:—

- (i) C-DAC implemented the recommendations of the Sixth Central Pay Commission in the year 2009. Due to this, the salaries of staff members at C-DAC have gone up considerably.
- (ii) Due to the recession prevailing for more than a year and a half, the number of staff members resigning from C-DAC and joining the industry have been minimal.

Recommendation (Para No. 32)

The Committee note that during the year 2009-10, Rs. 600 crore were allocated for the National Knowledge Network. The allocation was reduced to Rs. 240 crore at RE stage which was fully utilized. During the year 2010-11, Rs. 100 crore have been allocated against the projections of Rs. 2318 crore. The Committee during the course of deliberations have been informed that Cabinet on 25 March, 2010 has finally approved the project. Under the NKN, 1500 premier institutions would get covered across multiple sectors and it includes 400 universities. The Committee note that National Knowledge Network is a backbone for the e-Governance. Now when the programme has finally been approved by the Government, all the initiatives should be taken to implement the same expeditiously. Besides all the desired allocation for

the year 2010-11 should be made available so that the programmes do not suffer for want of resources. The concerns of the Committee in this regard should be adequately communicated to the Ministry of Finance.

Action Taken by the Government

The concerns of the Committee that the NKN programme should not suffer for want of resources has been taken into account and the Ministry of Finance/Planning Commission has been requested for an additional allocation of Rs. 1633.85 crore. A proposal for supplementary grant of Rs. 1633.85 crore for implementation of NKN has also been submitted to Ministry of Finance for inclusion in the 1st Batch of Supplementary Demands for Grants, 2010-11.

CHAPTER III

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

Recommendation (Para No. 14)

The Committee find that the data with regard to import/export of hardware/software has been indicated in US dollar in the various Budget documents. The Committee recommend that the aforesaid data should also be indicated in the Indian Rupee so as to have a clear cut position of these parameters in the Indian currency.

Action Taken by the Government

The recommendation of the Committee for indicating data in Indian Rupee has been noted for compliance.

CHAPTER IV

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

Recommendation (Para No. 3)

The Committee have consistently been raising their concern over the persistent problem of pendency of the Utilisation Certificates and unspent balances. As per the information provided by the Department 1143 UCs amounting to Rs. 1545.22 crore are pending from the implementing agencies. As per the clarification given by the Department, in accordance with the provisions made under Rule 212(1) of the General Financial Rules, the Utilisation Certificate in the prescribed Performa is required to be submitted within 12 months of the closure of the financial year by the institution or the organization concerned. Thus, even if the pendency after 1.4.2009, is not taken into consideration, 804 UCs amounting to Rs. 1060.30 crore which is the substantial amount are due from the implementing agencies. More disturbing is the fact that the substantial number of implementing agencies have been allocated the first installment and have neither submitted the utilization certificate nor demanded the further allocation. The aforesaid practice clearly defeats the purpose of the programme. The Committee strongly recommends that the monitoring of the different programmes should further be strengthened. The provision of the release of the next installment only after the receipt of the utilisation certificate do not address the case where the implementing agency after release of first installment and is least interested in demanding the next installment. Urgent steps should be taken to recover the money from the implementing agencies who have not spent the allocation made by way of the first installment effectively. Besides, the accountability for keeping the money with the implementing agencies without implementing the project should be fixed and the Committee informed accordingly.

Action Taken by the Government

The concrete actions taken by the Department to liquidate pending UCs/unspent balances are:—

- Periodic reviews were undertaken to liquidate the pending UCs at various levels in the Department of Information Technology.
- Every release of next installment is subject to receiving the Utilization Certificate for the amount already released.
- Special drives have also been organized to facilitate co-ordination between PAO and Programme Divisions of DIT in liquidating pending UCs/unspent balances.
- All Group coordinators and heads of all Autonomous Bodies have been requested for the early liquidation of pending UCs.
- Communications have also been issued to all GCs/Heads of all Autonomous Bodies under DIT apprising them of UCs pending with them and have been requested to put in sincere efforts to ensure clearance of pending UCs. It has also been reiterated that proposal for further releases (including core grant) will not be processed in case of non-clearance of pending UCs by all concerned.
- Recommendation of the Project Review and Steering Group (PRSG) for release of next installment of Grants-in-aid is also insisted upon, so as to ensure that releases are linked with the progress made in the project.
- All the Group Coordinators (GCs) have been requested to take action immediately in liquidating the pending UCs, particularly with those agencies which had been released grant in a single installment. The institutions with single installment have been identified and all the concerned HoDs have been requested to pay special attention to them.
- One to one meetings with implementing agencies having huge unspent balances have also been held to liquidate the unspent balances.
- Secretary, DIT has directed all the Programme Divisions to constitute Committees under the chairmanship of HoDs of respective Divisions to review the pending UCs/unspent balances and undertake special directives for their liquidation and submit the progress for discussion at a senior level meeting.

All these efforts have resulted in reducing the number of pending utilization certificates/unspent balances to some extent as given below:—

(Rs. in crore)

As on	No. of Pending UCs (Due)	Amount of Pending UCs	Amount Liquidated
22.03.2010	804	1060.30	0
01.04.2010	798	1057.51	2.79
19.07.2010	486	764.78	295.52

Comments of the Committee

(Please see Para No. 8 of Chapter-I)

Recommendation (Para No. 5)

The Gross Budgetary Support is provided for the different Schemes/ Programmes of the Department under the three sectors *viz.* Research and Development, Infrastructure Development and Human Resource Development. The trend of the allocations made at RE stage to these sectors indicates that under the Infrastructure Development Sector, the Outlays are considerably being reduced at RE stage during each of the three years of the Eleventh Plan. More apparent is the reduction during the year 2009-10. Under the other two sectors, the Outlay have been slightly increased at RE stage. Under the Infrastructure Sector, the important Schemes/Programmes *viz.* Electronics Governance, Cyber Security, Promotion of Electronics/IT Hardware Manufacturing are being implemented which are very crucial for the information technology sector. The Committee would like the Department to explain the main reasons for reduction of Outlay at RE stage in the Infrastructure sector, particularly when the other two sectors are not being subjected to the cut at RE stage. The Committee strongly recommend that keeping in view the importance of the Programmes which include NeGP being implemented under the Infrastructure Sector, no cut should be imposed at the RE stage. The concerns of the Committee in this regard should be communicated to the Ministry of Finance, at the same time the Committee also expect the Ministry to ensure effective utilisation of the Outlay provided for the different Programmes/Schemes.

Action Taken by the Government

The major programme under the infrastructure sector is e-Governance Programme. A sum of Rs. 900 crore was earmarked in BE 2009-10. Implementation of this programme is mainly dependent upon State-level Implementing Agencies, release of State share by

State Governments, etc. Despite the efforts of this Department to implement the programme faster, the total amount spent under this programme during the first two quarters of 2009-10 was quite less which is why a cut was imposed during RE stage. DIT is making all possible efforts for effective utilization of the outlay and to avoid any cut at RE stage. The concerns of the Committee will be communicated to Ministry of Finance during the pre-budget discussions at RE stage.

Comments of the Committee

(Please *see* Para No. 11 of the Chapter-I)

Recommendation (Para No. 8)

The Committee find that the Department have proposed a new Scheme called Skill Development in IT for the year 2010-11. The National Skill Development Policy has set a target of providing skill development in IT to 500 million persons by 2022. In this regard, DIT has been given a target of skill development of 10 million persons by 2022 in the domain of IECT. As a preparation for the Scheme, the Department has worked out a roadmap for expansion of the capacities of the DIT's organizations *viz.* DOEACC Societies and C-DAC and submitted the same to the Planning Commission. The Planning Commission too has examined the proposal and accorded in principal approval for the same. As informed by the Department, action has been initiated to work out detailed project report covering various implementation aspects, inputs required etc. to seek an approval of the competent authority. During the year 2010-11, a token provision of Rs. 1 crore has been made for the aforesaid programme. While taking note of the steps being initiated by the Department for the launch of the Scheme, the Committee emphasize that all the preparations should be completed expeditiously so that the programme start in full swing from the year 2010-11 itself. The Department should seek the requisite allocations of Outlay after the Scheme is formally approved so as to implement the Scheme in the year 2010-11.

Recommendation (Para No. 9)

The Committee further note that for the successful implementation of the programme 'Skill Development in IT', there are various issues like connectivity, trained man power to impart skill development in IT as well as the modules for the programme. Since the programme would be implemented by different societies like DOEACC and C-DAC, the Committee strongly recommend that common module should be prepared by the Department in coordination with the other Ministries/Departments involved in imparting skill development in IT as per the National Skill Development Policy. Besides, the other issues like connectivity and trained

man power should also be taken into consideration and the effective steps taken to address the aforesaid issues. The concrete action taken in this regard should be communicated to the Committee.

Action Taken by the Government (of Para Nos. 8 and 9)

Government of India announced the National Skill Development Policy which has set a target of skilling 500 million by 2022. Department of Information Technology has been listed as a part of the skill development initiative and has been given a target to train 10 million persons by the year 2022. As a follow up action for implementation of Skill Development in IT, discussions are in progress with various stakeholders – DOEACC Society, C-DAC, etc. Detailed Project Report is under preparation. DIT would seek the requisite allocations of Outlay after the Scheme is formally approved.

Comments of the Committee

(Please *see* Para No. 14 of the Chapter-I)

Recommendation (Para No. 11)

The Committee are concerned to note that even when the Government propose to launch a full-fledged scheme for skill development in IT, the Department has not bothered to maintain the data with regard to computer literacy in the country. Besides even when the Department has an important role in e-waste management and creating awareness on e-waste, the Department has shown the ignorance of the data with regard to e-waste generated in the country. The Committee note that the Department of Information Technology is the nodal Department with regard to various issues related to information technology. As such the Department should maintain various data indicating the overall scenario of the issues related to IT in the country. The urgent action should be taken to maintain the data with regard to literacy rate in computer as well as e-waste.

Action Taken by the Government

The recommendations of the Committee on maintaining data on literacy rate in computers have been noted for compliance.

As regards data on e-waste, it is stated that the Ministry of Environment and Forests (MoEF) is the nodal agency for policy, planning, promoting and coordinating the environmental programmes and is involved in enacting laws, guidelines referring to e-waste. Department of Information Technology is involved in the process of technological solutions to the e-waste management.

Comments of the Committee

(Please see Para No. 17 of the Chapter-I)

Recommendation (Para No. 28)

The Committee note from the data made available by the Department that the total number of defacement of websites for the year 2009-10 was 5000. The data with regard to web defacement of Government websites was not available with the Department. During the course of the deliberations, the Committee have been informed that all serious attack activities originate outside the country and it becomes difficult technically and legally to reach out to the perpetrators. If the attack and the targets are both inside the country, it is quite easy to track and book a person under the provisions of Information Technology Act. However, in case of attack originating outside the country, it is difficult to do the same. In this connection, the Committee may like to highlight their recommendation made in the Fiftieth Report (Fourteenth Lok Sabha) on the 'The Information Technology (Amendment) Bill, 2006' as reproduced below:—

“Instead of taking recourse to piecemeal solution of entering into MLATs with one country at a time, the Committee would prefer that India should be a signatory to an omnibus International Convention on the issue so that cyber crimes committed against any country from anywhere are tackled with utmost promptitude and without the technicalities of citizenship, etc. coming into play. The Committee, therefore, strongly feel that India as one of the world leaders in information technology, ought to take initiative in materialising such an International Convention against cyber crimes/cyber terrorism under the auspices of United Nations. Accordingly, they desire that the Department should immediately prepare a roadmap in consultation/coordination with the Ministries of External Affairs, Law and Justice and Home Affairs for a suitable International Convention. The Government may, in the meantime, utilize their diplomatic channels for creating a movement in favour of the Convention in the comity of nations. The Committee are hopeful that such an initiative by the Government of India under the auspices of United Nations will tackle the twin scourge of cyber crimes and cyber terrorism to a substantial extent universally and spare the Government from taking recourse to adhoc approaches/arrangements to counter a perennial problem.”

Recommendation (Para No. 29)

Keeping in view the fact that scale and intensity of the problem of cyber attacks from outside the country is increasing, the Committee strongly recommend that the Department should seriously consider the aforesaid recommendation of the Committee which would definitely help in dealing with the problem of hacking by the hackers originating from foreign countries.

Action Taken by the Government (of Para Nos. 28 and 29)

International cooperation in the form of mutual legal assistance requires an international agreement or other similar arrangements such as reciprocal legislation. Such provisions, whether multilateral or bilateral, oblige the authorities of a contracting party to request for mutual legal assistance in the agreed cases. But the legal frameworks being different in different nations, cooperation still does not permit sufficient support. The UN Commission on Crime Prevention and Criminal Justice, at its Twelfth Congress held during 12-19 April, 2010 at Salvador, Brazil deliberated on this subject. The Congress recommended considering to convene an open-ended intergovernmental expert group to conduct a comprehensive study of the problem of cybercrime and responses to it by Member States, the international community and the private sector, including the exchange of information on national legislation, best practices, technical assistance and international cooperation, with a view to examining options to strengthen existing and to propose new national and international legal or other responses to cybercrime.

India has been represented in the convention through MHA which is also coordinating and examining all relevant issue in this regards.

Comments of the Committee

(Please see Para No. 20 of the Chapter-I)

Recommendation (Para No. 30)

The Committee note that as per the IT Act, any person aggrieved by an order made by the Controller of Certifying Authorities or by an Adjudicating Officer under the Act can appeal before the Cyber Appellate Tribunal (CAT). Further, the Committee note that out of four cases filed before Tribunal, during the year 2007 one is still pending. With regard to the year 2008, the Department has not furnished the information. In respect of the year 2009, all the 8 cases filed before the Tribunal are pending. The Department has further informed that most of the cases pending before adjudicating officers are those filed in 2009 except the

State of Kerala where the number of cases are pending since 2006. In this regard, the Committee would like to be apprised about the reasons for long pending cases in respect of the State of Kerala. Besides the Committee would also like to recommend to the Department to consider prescribing the definite time limit for disposal of the cases which would definitely help in expeditious disposal of case by the Tribunal.

Action Taken by the Government

The following is the list of cases that have been filed in the Tribunal from the year 2007:—

1. Appeal No. 1/2007 Disposed off on 05.11.2009
2. Appeal No. 1/2009 Disposed off on 26.05.2010
3. Appeal No. 2/2009 Stayed by the Hon'ble High Court of Delhi
4. Appeal No. 3/2009 Disposed off on 28.05.2010
5. Appeal No. 4/2009 Disposed off on 28.05.2010
6. Appeal No. 5/2009 Disposed off on 28.05.2010
7. Appeal No. 6/2009 Disposed off on 28.05.2010
8. Appeal No. 7/2009 Disposed off on 28.05.2010
9. Appeal No. 8/2009 Disposed off on 28.05.2010
10. Appeal No. 1/2010 Filed on 13.05.2010. Pending consideration before the Tribunal

No appeals were filed before the Tribunal in the year 2008 and hence no details for the year 2008 were furnished.

At present there are only two appeals pending before the Tribunal, *i.e.* Appeal No. 2/2009 and Appeal No. 1/2010.

A definite time limit has already been provided in sub-section (6) of Section 57 of the Information Technology Act, 2000 for disposal of appeals by the Tribunal. The relevant sub-section reads:—

“The appeal filed before the Cyber Appellate Tribunal under sub-section (1) shall be dealt with by it as expeditiously as possible and endeavour shall be made by it to dispose of the appeal finally within six months from the date of receipt of the appeal.”

Time limit has also been provided in the Information Technology (Qualification and Experience of Adjudicating Officers and Manner of Holding Enquiry) Rules, 2003 for disposal of complaints filed before the Adjudicating Officer. Sub-rule (k) of Rule 4 of the aforesaid Rules reads thus:—

“As far as possible, every application shall be heard and decided in four months and the whole matter in six months.”

Hence no further provision is required to be made in the Statute or Rules regarding the time limit for disposal of complaint/s and appeal/s filed before the Adjudicating Officers and the Tribunal.

As far as Kerala is concerned, there are no cases filed under the IT Act, 2000 pending before the concerned Adjudicating Officers.

The number of cases shown to be pending in Kerala have been registered under the various sections of Chapter XI of the IT Act, 2000 and the Indian Penal Code. These cases have been registered by the Concerned Police Station within whose jurisdiction the crime/s have been committed. The power/authority to try these cases vests in the court/s of competent jurisdiction in the State of Kerala.

Comments of the Committee

(Please *see* Para No. 23 of Chapter-I)

CHAPTER V

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

– NIL –

NEW DELHI;
15 *November*, 2010

24 *Kartika*, 1932 (*Saka*)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology.

APPENDIX I

STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2010-2011)

MINUTES OF THE SECOND SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 27th October, 2010 from 1500 hours to 1720 hours in Committee Room No. 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Rao Inderjit Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Choudhary
3. Dr. Charles Dias
4. Shri Rajen Gohain
5. Smt. Darshana Vikram Jardosh
6. Shri Mithilesh Kumar
7. Shri Inder Singh Namdhari
8. Shri Adhalrao Patil Shivaji
9. Shri Dhananjay Singh
10. Shri Dharmendra Yadav

Rajya Sabha

11. Shri M.P. Achuthan
12. Shri Mohammad Adeb
13. Shri Salim Ansari
14. Shri P. Rajeeve
15. Shri Jesudasu Seelam

SECRETARIAT

1. Shri T.K. Mukherjee — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*
3. Shri. H.R. Kamboj — *Additional Director*

At the outset, the Chairman welcomed the Members to the sitting of the Committee.

2. The Committee then took up the following three draft Reports for consideration and adopted the same without any modifications:—

(i) *** *** *** *** ***

(ii) *** *** *** *** ***

(iii) Draft Action Taken Report on the Seventh Report (15th Lok Sabha) on Demands for Grants (2010-11) of the Department of Information Technology (Ministry of Communications and Information Technology).

3. The Committee then authorized the Chairman to finalize the above draft Reports and present the same to the House on the date convenient to him.

A verbatim record of the proceedings has been kept.

The Committee, then, adjourned.

*** Matter not related to this Report.

APPENDIX II

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

[Vide Paragraph No. 5 of Introduction]

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

Paragraph Nos: 1, 2, 4, 6, 7, 10, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 31 and 32

Total : 23
Percentage : 71.87

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

Paragraph No: 14

Total : 01
Percentage : 3.12

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

Paragraph Nos: 3, 5, 8, 9, 11, 28, 29 and 30

Total : 08
Percentage : 25.01

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

Paragraph No: Nil

Total : Nil
Percentage : 00.00