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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2010-11)**

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2011-12)**

TWENTY-THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2011/Shravana, 1933 (Saka)

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(2011-12)**

Presented to Lok Sabha on 4 August, 2011

Laid in Rajya Sabha on 4 August, 2011



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2011/Shravana, 1933 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2010-2011)

Shri Rao Inderjit Singh - Chairman

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Vacant **
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 Adeeb
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. T.K. Mukherjee - Joint Secretary
2. Sudesh Luthra - Director

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

** vice Shri Milind Deora, ceased to be a member of the Committee consequent on his appointment as Minister of State for Communications and IT on 12.07.2011.

ABBREVIATIONS

CBI	-	Central Bureau of Investigation
CCA	-	Controller of Certifying Authority
C-DAC	-	Centre for Development of Advanced Computing
CERT-In	-	Indian Computer Emergency Response Team
CSC	-	Common Service Centres
DOEACC	-	Department of Electronics Accreditation of Computer Courses
DTC	-	Direct Tax Code
EFC	-	Empowered Finance Committee
EHTP	-	Electronics Hardware Technology parks
FTP	-	Foreign Trade Policy
IaaS	-	Infrastructure as a Service
IEBR	-	Internal and Extra Budgetary Resource
ICTE	-	Information and Communication Technology
ICTE	-	Information, Communication Technology and Electronics
ITeS	-	Information Technology enabled Services
JnNURM	-	Jawaharlal Nehru National urban Renewal Mission
MMPs	-	Mission Mode Projects
NCRB	-	National Crime Records Bureau
NeGD	-	National e-Governance Division
NeGP	-	National e-Governance Plan
NIC	-	National Informatics Centre
NKN	-	National Knowledge Network
PaaS	-	Platform as a Service
PoPs	-	Point of Presence
SaaS	-	Software as a Service
SCA	-	Service Centre Agency
SDC	-	State Data Centre
SIPS	-	Special Incentive Package Scheme
SMEs	-	Small and Medium Enterprise
STQC	-	Standardisation, Testing and Quality Certification
STPI	-	Software Technology Park of India
SWAN	-	State Wide Area Network
UCs	-	Utilisation Certificates

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 Twenty-third Report on Demands for Grants (2011-12) of the Ministry of Communications and Information Technology (Department of Information Technology).

2. The Standing Committee on Information Technology (2010-11) was constituted on 31st August, 2009. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Information Technology) for the year 2011-12 which were laid on the Table of the House on 9th March, 2011. The Committee took oral evidence of the representatives of the Department of Information Technology on 20th April, 2011.

4. The Report was considered and adopted by the Committee at their sitting held on 15th June, 2011.

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

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

New Delhi
22 July, 2011
31 Sravana, 1933 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

PART – I

REPORT

I. Introductory

The Information, Communication Technology and Electronics (ICTE) is the world's largest and fastest growing industry. ICTE is increasingly finding applications in all sectors of the economy and thus is a key growth driver for the Indian economy. The national policies in the field of Information Technology are formulated, implemented and reviewed by the Department of Information Technology (DIT), in the Ministry of Communications and Information Technology. All policy matters relating to silicon facility, computer based information technology and processing including hardware and software, standardisation of procedures and matters relating to international bodies, promotion of knowledge based enterprises, internet, e-commerce and information technology education and development of electronics and coordination amongst their various users are also addressed by the Department. In order to operationalise all the policies and objectives of the Department of Information Technology various schemes are formulated and implemented directly by the Department and through the organizations/institutions under its jurisdiction.

Department of Information Technology are implementing various schemes and programmes for technological development in the field of information technology and for creating critical infrastructure for the development of information technology in the Country. Some of the major Schemes/Projects/Programmes carried out by the Department are (i) e-Governance (ii) Promotion of Electronics/IT Hardware Manufacturing (M. Fab) (iii) National Knowledge Network (NKN), (iv) Cyber Security (including CERT-In, IT Act, CCA) (v) Manpower Development (incl. Skill Development in IT) (vi) IT for Masses (Gender, SC/ST) etc. To make the technology robust and state-of-the-art, the Department obtains collaboration of the academia and the private/public sector besides being assisted by two attached Offices viz. STQC and NIC, four Statutory Organisations and seven Autonomous Societies besides three section 25 companies.

For the financial year 2011-12, the Demands for Grants of ₹3048.61 crore was laid in Lok Sabha on 9 March, 2011, which have been already passed on 17 March, 2011 by the Parliament after suspension of Rule 331 G of Rules of Procedure and the Conduct of Business in Lok Sabha. However, as per the ruling of the Hon'ble Speaker Lok Sabha, the Committee may examine the Demands and make Report thereon.

II. Implementation status of the recommendations contained in the Seventh Report of the Committee on Demands for Grants (2010-11) of the Department of Information Technology

Seventh Report of the Standing Committee on Information Technology on 'Demands for Grants' of the Department of Information Technology for the year 2010-11 was presented to Lok Sabha and laid on the Table of Rajya Sabha on 21 and 22 April, 2010 respectively. The Seventeenth Report on Action Taken by the Government on the recommendations/observations contained in the Seventh Report on DFG (2010-11) was presented to Lok Sabha/laid in Rajya Sabha on 23 November, 2010. Out of the 32 recommendations made by the Committee, 23 recommendations were accepted by the Government. Replies to 8 recommendations were not accepted by the Committee and were reiterated in their Seventeenth Report. Besides, in view of the reply of the Government, the Committee did not desire to pursue one of the recommendations contained in the Seventh Report.

Under Direction 73A of the Directions by the Speaker, the Minister concerned shall make once in six months a statement in the House regarding the status of implementation of recommendations contained in the Report of Departmentally Related Standing Committees of Lok Sabha with regard to his Ministry. The requisite statement under Direction 73A on the Seventh Report has not been made even though the Report was presented to the House in April, 2010.

The Committee in this Report have *inter-alia* analysed the position of Outlays and the expenditure, particularly the performance of the Plan Schemes in the context of examination of Demand for Grants (2011-12).

III. DIT Budget for the Eleventh Plan period and for the year 2011-12 **Eleventh Plan Outlay and Utilisation**

The total budgetary support to the Department of Information Technology, for the Eleventh Five Year Plan (2007-2012), is ₹12496 crore (as provided in Appendix-I) against the proposed allocation of ₹21835.89 crore. For the financial year 2011-12, the allocation provided for the Plan Schemes at BE stage is ₹3000 crore as against the proposed Outlay of ₹8404.84 crore. The details of the Schemes/Programme-wise financial allocations and its utilization status upto February, 2011 in each year of the Eleventh Plan is given at Appendix-II and the details of the allocation provided for the year 2011-12 is enumerated at Appendix-III. The year-wise proposed and allocated Plan Outlay along with the actual expenditure (till 31 March, 2011) are as follows:

(₹ in crore)

Financial Year	Proposed	BE	RE	Actual	% of utilization w.r.t BE	% of utilization w.r.t RE
2007-08	2092.08	1500	1400	1252.06	83.47	89.43
2008-09	2500	1680	1450	1516.72	90.28	104.60
2009-10	3021.50	2530	1700	1652.46	65.31	97.20
2010-11	5817.47	2660	3468.40	3024.01 [@]	113.68 [@]	87.18 [@]
2011-12	8404.84	3000	8404.84 [#]	--	--	--
Total	21835.89	11370	8018.40[^]	7462.07[@]	65.62[@]	93.06[@]

[@] Expenditure upto 31.03.2011 provided during evidence (PPT pg. 4)

[^] Excluding the RE for the year 2011-12

In view of the above, the Department was asked about reasons for the gaps between proposed outlay and allocation approved for the Eleventh Plan, and also the gaps between allocation made at Revised Estimate stage and at Budget Estimate stage. In reply, the Department has informed that Ministry of Finance decides the RE provision with reference to the expenditure made during the first two quarters of the corresponding financial year and the gap is mainly due to the less allocation for the Schemes NKN, Skill Development in IT, Promotion of Electronics/IT Hardware Manufacturing and e-Governance as provided at Appendix-IV.

Observing that the actual expenditure, up to 31.3.2011, is ₹7462.07 crore which is only 59.71 percentage of the entire budgetary allocation for the Eleventh Plan, the Department was asked to elaborate on their strategies and measures to have more realistic Demands for Grants as well as to have proper utilization of fund. To this, the Department has stated that to utilise the available resources optimally, efficiently and judiciously they will be reviewing all the Schemes/Projects keeping in view the priorities and objectives which will be defined in the coming Twelfth Five Year Plan. Elaborating further, the Department stated that the Zero Based Budgeting will be stringently used for demanding realistic and proper utilization of funds.

Justifying the low level of utilisation of outlay during the initial three years of the Eleventh Plan, the Department has cited reasons which include non-receipt of utilization certificates from State implementing agencies, non-release of State share by State Governments in case of 'e-Governance' Programme and delay in obtaining approval of the competent authority for implementation of the 'National Knowledge Network' (NKN) Programme.

IV. Position of IEBR of the societies/offices under the jurisdiction of DIT

When asked for the position of IEBR of the societies/offices under the jurisdiction of DIT, for the Eleventh Five Year Plan, the Department has provided the following data.

(₹ in crore)

Year	Approved	Actual*
Eleventh Plan	2225.56	1133.79
2007-08	248.79	177.27
2008-09	272.14	332.82
2009-10	272.14	314.90
2010-11	406.61	308.80
2011-12	619.07	--

* Actuals as on 28.02.2011

V. Outstanding Utilisation Certificates

The Committee have been repetitively raising concern over the huge pendency of Utilization Certificates (UCs). In this regard, the Committee have been emphasising for strengthening the monitoring system. In Seventh Report the Committee desired that urgent steps be taken to recover the money along with strict action against those implementing agencies that have not spent even the first installment. While examining Demands for Grants (2011-12), the Committee have found that the total unspent balances lying with the States/implementing agencies, as on 31 December, 2010, is ₹2534.87 crore and 1000 UCs are pending. Further, 569 UCs amounting to ₹1840.36 crore, are not due as these would become due as on 1 April, 2011 and 1 April, 2012. Thus, 431 UCs amounting to ₹694.51 crore are still pending with the States/implementing agencies.

With regard to the measures being taken to liquidate the UCs expeditiously, the Department has submitted that all Group Coordinators/Heads of all Autonomous Bodies/Societies have been informed about the Committee's recommendations made in the Seventeenth Report and DIT is also taking measures for liquidating pending UCs/unspent balances like one to one meetings between PAO and concerned Programme Divisions of DIT, etc.

The Department has further submitted that from 1 April, 2001 to 31 March, 2008 there were 72 agencies that have been issued only one installment and have neither demanded the subsequent installments nor have bothered to furnish the Utilisation Certificates. However, the coordinated efforts with the Programme Divisions resulted in reducing the number of such UCs. As on 22 March, 2011, only 35 UCs (single installment) for ₹32.92 crores are pending when compared to the position of outstanding 72 UCs amounting to ₹46.95 crore as on 31 December, 2009.

VI. NATIONAL e-GOVERNANCE PROGRAMME (NeGP)

The total budgetary support for 'National e-Governance Plan' Scheme during the Eleventh Five Year Plan is ₹4992 crore. BE allocation for the 5 years is ₹4617.31 crore and the RE allocation during the last four years is ₹2170.88 crore. The actual expenditure, till 31 March, 2011, during the first four years of the Eleventh Plan is ₹1794.82 crore, which comes to 35.95 per cent of the total budgetary allocation approved for the Eleventh Plan. Justifying the under utilisation, the representative of the Department, during evidence, stated that in many cases, the State Governments could not utilise the money released to them and therefore the Department could not utilise the entire outlay which had been allocated for 'e-Governance'. In addition, the representative of the Department, submitted as under:

"...x..x..x...the entire implementation is with the State Government and we do not have control over the State Governments. We can only cajole and persuade them. We can put some kind of a fear."

When asked about the hindrances being faced in the implementing NeGP, especially in Uttar Pradesh the representative of the Department during evidence, submitted as under:

"As per our experience, Southern States are very pragmatic and proactive. X...X...X...X...X. That kind of passion is not observed there....."

State Wide Area Network (SWAN)

The Government has approved this Scheme for establishing State Wide Networks (SWANs) across the country in 29 States and 6 UTs, with a total Outlay of ₹3,334 crore, over a period of five years, to provide technical and financial assistance to States for establishing SWANs from State Headquarters upto the Block level with a minimum bandwidth capacity of 2 Mbps. So far, SWAN in 26 states/UTs rolled out. The Committee learn that after repetitive deferment of deadlines, the Department has again changed the timeline for setting up of SWANs from August to December 2011. Justifying the repetitive extension of timeline, the Department has stated that implementation process has been very much delayed at the State / UT level due to various reasons like delay in engaging consultant, delay in the entire bid process, court case, non-availability of power and leased line connectivity at remotely located Block areas etc.

Common Service Centre (CSCs)

The Common Service Centres (CSCs) are intended to be one of the three infrastructure pillars of the National e-Governance Plan and to serve as the physical front end for delivering Government and private services at the doorstep of the citizen. CSC Scheme was approved in 2006, with a total cost of ₹5742 crore, with an initial target of establishing of one lakh CSCs

by 2008. However, as on 31 March, 2011, only 93,163 CSCs has been rolled out, that too after shifting the deadline repetitively. The new deadline set by the Department is June, 2011. Further, out of 31 States/UTs, only in 10 States and one UT, 100 per cent rollout has been completed.

In this background, the Department was asked to provide reasons for the repetitive lapse in the deadlines. In response, the Department has replied that the rollout of CSCs are affected in difficult and naxal affected areas of Chhattisgarh, Assam, Bihar, Manipur, Meghalaya, Uttarakhand, Himachal Pradesh, Maharashtra, Rajasthan, Orissa and West Bengal. The other challenges as enumerated by the Department are availability of power supply, ensuring broadband connectivity for all CSCs and lack of adequate G2C services by the State Governments and line Ministries / Departments under the Central Government.

When asked to provide details about the CSCs that are functional and are providing services to the citizens, the Department has provided a list of CSCs which are actually functional, as given at Appendix-V. The analysis of the data revealed that in Haryana the number of CSCs actually functional is 'zero' and in few States like Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chhattisgarh, Himachal Pradesh, Jammu & Kashmir, Karnataka, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttaranchal, and West Bengal there is a mismatch between the number of CSCs that are to be set up and the actual CSCs functional. In total, out of 93,163 CSCs established, only 8,5287 are found to be functional as on February, 2011.

When the Committee desired to know whether the Department has carried out any survey to get the feedback from the users of CSCs, the Department has stated that an independent evaluation of the CSC Schemes had been entrusted to M/s IMRB International in November, 2009 which was conducted on 1727 CSCs selected across 19 States covering activities of 15 Service Centre Agencies (SCAs). The key findings of the study revealed that 58 per cent CSCs were found to be fully operational out of a sample size of 1727; 10 per cent CSCs were closed after some time; in few cases, the SCAs contracts were terminated by State Governments; whereas in some cases, CSCs were found to be non-operational due to Naxalite problems, law and order and problems of difficult terrain; and only 68 per cent of the CSCs have Internet availability. Some of the challenges/problems affecting the CSC schemes, as cited by the Department, are non-availability of the G2C services, non-reliable broadband connectivity and irregular supply of electric power.

Further, when asked about the details of the services made available to the citizens by CSCs in various States/UTs, the Department provided a list of G2C services provided in

various States/UTs (Appendix V). Analyzing the same it reveals that there are only 20 States/UTs where G2C Services are available compared to other States and there is non-uniformity even in number of services provided by CSCs.

State Data Centres (SDCs)

State Data Centres has been identified as one of the important elements of the core infrastructure for supporting e-Governance initiative of NeGP. Pursuant to that, it was proposed to create data repositories/data centres in various States/UTs so that common secured data storage could be maintained to serve a horde of e-Governance applications. The time frame, to operationalise State Data Centres (SDCs), was set for March, 2008 and since then the Department has been deferring the deadline. Till 31st March, 2011, just 11 SDCs could be made operational. When asked about the reasons for the failure of the Department in meeting the re-revised deadline of March, 2011, it has been stated that there had been delays in implementation of the SDCs by the States due to finalization of the RFP, longer time taken for bid process management and placement of orders on the successful bidder by the States. Other connected issue, quoted by the Department, is non-availability of suitable site for the SDC.

Mission Mode Projects (MMPs)

e-District and e-Bharat

From the data furnished by the Department, it has been observed that 'e-District' Pilot scheme in 16 States (41 Districts) has already been sanctioned. National Scheme of 'e-District' MMP for ₹1663.08 crore has been concurred by EFC on 23 September, 2010 and 'e-District' pilot scheme has gone live in only UP, Assam, Tamil Nadu, West Bengal, Bihar, Mizoram and Kerala. As per the projected timeline, the implementation of 'e-District' Scheme in 14 States was to be completed by March, 2011, however, only in U.P and Assam the projects could be sanctioned and implementation has been initiated. Till date only implementation guidelines are being circulated to States to invite pilot proposals.

During the course of examination of Demands for Grants of the previous year, the Committee had noted that to support 'e-Bharat' MMP, Government of India have been carrying out a dialogue with World Bank for possible programme management and financial support, hence, had recommended to pursue the issue with the World Bank. When asked for an updation about the same, the Department has submitted that during their negotiations with the World Bank, a loan for an amount of US \$ 150 million has been agreed, with a maturity period of 18 years, including a 5 years' grace period. The proceeds of this loan are

likely to become available on its becoming effective, soon after approval by the Bank's Board of Executive Directors which is slated by end March 2011.

Impact Assessment of e-Governance Projects

When asked whether any survey has ever been conducted to evaluate the effectiveness of the 'e-Governance' programmes in various States, the Department has stated that they have done an 'Impact Assessment of e-Governance Projects' both at State and National level with the help of independent market research agencies. The Department has also provided a comparative chart of the outcome of the assessment of the various 'e-Governance' projects viz. Land Records, Property Registration, Transport, Commercial Taxes and Jawaharlal Nehru National Urban Renewal Mission (JnNURM) (Appendix-VII). The Committee have been informed that the Department is in the process of empanelling agencies in the categories of Knowledge Partners, Research Institutions and Market Research Agencies. The process is expected to be completed in next three months and after empanelment the next round of assessment would commence.

As per the information furnished by the Department, one of the important parameter for impact assessment is 'percentage users paying bribes'. Under Land Records (for issue of RoR) the bribe has declined from average of 39 per cent to 23 per cent. Under Property Registration, it has been mentioned that 23 per cent of all transactions in 11 States reported payment of bribe. Under Transport it has been mentioned that only 1 State reported significant impact on bribe. In the Commercial Taxes, it has been mentioned that the bribe has significantly been lesser. Not only that the aforesaid data indicate that there has been considerable reduction in the average number of trips for availing services, average waiting time and total elapsed time in availing services.

VII. INFRASTRUCTURE DEVELOPMENT

(i) National Informatics Centre (NIC)

The total budgetary support to National Informatics Centre (NIC) for Eleventh plan is ₹2300 crore. The allocation and utilisation for during each year of the Eleventh Plan is as under:

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	427	560	845	800	800
BE	320	400	550	700	754
RE	325	400	550	700	-
Actual Expenditure	321.04	462.82	526.54	700*	-

*Tentative.

In the background that inspite of optimal utilization of outlays, the fund allocated at BE stage is always less than the proposed outlay, the Department was asked to explain the gap between the projected and the allocated outlay. To this, the Department has replied that due to the reduced budget, the ICT infrastructure is increased in a gradual and optimal way and some of the ICT infrastructure was even supported by user Departments.

When asked about the constraints faced by NIC to execute its projects efficiently, the Department, in their written note, has submitted as under:

".....The manpower has been big constraint. As NIC manpower was sanctioned during 80s' as per the IT requirement of the State/District that time, it has become difficult to sustain the number of projects with same manpower now. NIC has only two persons per district and around 15-20 per state. This has to be increase proportionately to support around 30-40 projects in the district and below. There is no support mechanism at Block level, where majority of Social Sectors schemes are being implemented. States are asking NIC to set up centre at Blocks to provide technical support and build the capacities of staff at grass root level so that services can be provided up to Gram Panchayat and Village Level."

(ii) National Knowledge Network (NKN)

The 'National Knowledge Network' (NKN) project was approved by the Cabinet Committee on Infrastructure (CCI) on 25th March, 2010 with an outlay of ₹5990 crore over a period of 10 years. The year-wise allocation and utilisation pattern for NKN, for the last three years and the financial requirement for 10 years, as provided by the Department, has been given at Appendix VIII (A) and (B). At Plan discussion stage for the year 2011-12, the Department had requested for allocation of ₹2300 crore, however, a sum of ₹250 crore only has been allocated. As per the Department this allocation would be inadequate to meet the projected physical targets for the Financial Year 2011-12 and hence, they would make request for more grants at the first stage of supplementary grants.

The Department during evidence informed the Committee that the targets for the year 2011-12, are all core links of NKN backbone to be upgraded from 2.5 G to 10 G, NKN links to reach all the districts and secondary Point of Presence (PoPs) to be set up in all the districts, 1000 Institutes to be connected to NKN, NKN Data Centres to be set up, Call-Centre to be set up as front-desk for the users and facility management support to be established. In light of the reduced allocation for the year 2011-12, the Committee during evidence expressed apprehensions about the achievement of the set targets. In response, the representative of the Department, during evidence deposed as under:-

".....Sir, the proposal for ₹2300 crores for NKN for the year 2011-12 was a part of the total proposal of the DIT for ₹8400 crores. The Planning Commission after getting the overall picture of the gross budgetary support required from all the

Ministries in the Government of India put a cap of ₹3000 crores for the DIT in the year 2011-12. The option before DIT in consultation with Planning Commission is if you allocated ₹2300 crores out of ₹3000 crores you have ₹700 crores left for all the other schemes of the DIT and after discussion a view was taken to put ₹250 crores for NKN and informally it was stated that during the first supplementary based on the utilisation done the remaining amount would be given by the Ministry of Finance in consultation of the Planning Commission. This was also the system done last year where our gross budgetary support was also limited. In NKN nearly ₹1400 crores was required and only ₹100 crores was made in the last year's Financial Year for NKN and based on the utilisation. The Expenditure Department in consultation with the Planning Commission gave an additional ₹112 crores and NKN was able to utilise that amount because that release was given based on the understanding that they would be able to properly utilise it. This is the informal arrangement made and we are hopeful that they would continue this year and we would get more. NKN was a project approved in March last year. The total component in the NKN is around ₹6000 crores nearly 50 per cent of the Five Year Plan Budget of DIT and therefore the component of NKN would necessarily have to be provided as an additionality in this year also."

(iii) Software Technology Park of India (STPI)/Electronics Hardware Technology Parks (EHTP)

STPI was established on 5th June, 1991 for promotion of exports and providing facility to Indian Small and Medium organizations for participation in export promotion events in the software and electronics sector. The exports by STPI registered units rose to more than 90 per cent of the total software exports from the country from a meagre 8 per cent when it started, in 1991. Pursuant to its objective, STPI has been set up in 52 centres spreading across the country.

Considering that from 1 April, 2011 the tax holiday for STPI units was to be withdrawn, the Committee during evidence enquired about the Department's plan to support these IT units and the roadmap ahead for STPI for post-tax holiday period. In this regard, the Secretary of the Department has submitted as under:

".....we felt that it was necessary for this scheme to be extended because that had very great beneficial effect in terms of promoting the growth of this sector and in making them competitive overseas and more importantly in making more investments coming to India. So, all of these have undoubtedly produced very good impact over the last 10 to 15 years. But the request, although it was made at all the possible levels including myself to my counterpart and from the Minister to the Finance Minister, a view was taken in the Finance Ministry which we had to accept that this will not be extended partly because they felt that now the sector has grown and partly because the Direct Taxes Code (DTC) is likely to come in from 1st April, 2012. But we still feel that the absence of such support would have a detrimental effect and I can certainly say this in respect of the smaller and medium sized companies and in respect of the smaller and medium sized towns where I think we should try to spread this industry. These are, I think, our views but I am sure the Finance Ministry also had to look at the revenue mobilisation."

The Department has further stated that they would support these IT units by allowing the approved units to import goods required by them for carrying on software export activities as per the Foreign Trade Policy (FTP). STP scheme would continue to play a key role in supporting the small and medium IT units through a single window mechanism and the other benefits as per FTP. DIT is also preparing a non-profit linked incentive scheme for STP registered units to ensure accelerated growth of IT/ITES exports and the dispersal of IT/ITES industry to the Tier II and Tier III cities across the country. In view of the withdrawal of the tax benefits for STP units, STPI is also working out a road map to facilitate the IT sector in the changed scenario. The Department has also stated that the present incubation programme of STPI would be further strengthened for Business Incubation and entrepreneurial development for start up units and STPI is working with DIT for establishment of a National Productivity Network which would create capacity and necessary IT infrastructure across STPI centres to provide support primarily to SMEs across the country.

When asked as to whether has calculated the quantum of withdrawal of tax benefit to STPI units, the Department has stated as under:

'The Department has not conducted any study recently on the impact of withdrawal of the tax benefits to STP units. However, there has been gradual decline in the IT/ITES exports growth rate of STP Units, reduction in the number of new registration of STP units and increase in debonding of the STP units. The details of impact of withdrawing the tax benefits to STP units are given below.

Sl.No:	Description	2007-08	2008-09	2009-10	2010-11 (Apr - Dec)
1	Export Performance (₹in crore)	180155	207358	205505	144157
2	New STP Unit Registrations	844	572	521	253
3	No. of STP Units debonded	170	165	250	214"

(iv) Promotion of Electronics/IT hardware manufacturing

The Information Communication Technology and Electronics (ICTE) is increasingly finding applications in all sectors of the economy, however, Indian electronics hardware production constitutes around 1.3 per cent of global electronics production. The Committee have been informed that the demand of electronics hardware in the country during 2009-10 was ₹2,18,031 crore, out of which ₹1,10,720 crore worth of demand was met by indigenous production and ₹1,07,311 crore was met by imports.

To boost up electronics/IT hardware manufacturing sector, the total budgetary support provided for the Eleventh five year plan is ₹1100 crore, however till 31 March, 2011, the Department has utilised only ₹2.66 crore. Hence, the Department was asked to justify the

meagre utilisation of only 0.24 per cent of the total budgetary support as well as to explain the reduced allocation of ₹2.83 crore against the proposed amount of ₹1455 crore for the year 2011-12. To this, the Department has stated that the allocation of ₹1100 crore for the Eleventh Plan was made to meet the capital subsidy requirement under Special Incentive Package Scheme (SIPS) based on the anticipation that there would be significant interest by the investors. However, due to the subsequent global economic slowdown, many of the potential investors deferred their investment decisions and hence, the allocation has been kept at a token amount of ₹2.83 crore. The Department has, further, stated that based on the eligibility of approved units under SIPS, necessary amount would be sought in the Supplementary Demand for Grants.

Agreeing to the need for stepping up allocation for this priority sector, the representatives of the Department, during evidence, has stated as under:

".....In 2007, the Government tried to get a Semi-Conductor Fab to India. We announced a scheme called the Special Incentive Package Scheme in which we agreed to provide 20 to 25 per cent capital subsidy for attracting a fab. Unfortunately, despite this attractive financial incentive, no company came forward to set up a fab in India. Basically, two reasons are there. One is that it is a very closely-held technology. Second, it is a very high capital intensive project. Third, there was a global recession in terms of electronics in the last two or three years. So, the overall supply of chips in the global market was more than the requirement. No one was interested in setting up a fab.

To progress in Electronic sector it is essential to have a fab. For this, we are taking necessary steps to attract leading Technology investors and formulate a special fab Scheme under which High Empowered Committee will talk with these investors and bring this technology in this country. And the decision for this is supposed to be taken in the Cabinet meeting to be held today (20 April, 2011) after which the possibility of having a fab in our country would increase.

The Secretary, Department of Information Technology, further stated that:

.....here are several disabilities apart from the lack of duty protection which I will leave aside for a moment. But if we just take the cost of manufacturing, we have problems on the infrastructure front compared to China. China is pouring money into infrastructure. It does not try to recover the cost of that infrastructure whether you take the cost of power or water. Then, if you take their hard infrastructure in terms of ports and airports, there is absolutely no comparison in terms of roads, etc. If you take the cost of finances also, there are again differences. So, in fact, the industry has made a comparison. Several of our delegations from the industry have gone and studied in China as to what is the difference between China and India. So, all these recommendations which have been made have been made after very careful study and analysis.

In fact, the Task Force had made 198 recommendations and out of them 5 are identified by a committee and those 5 really high priority areas are, fab, modified chips, preferential market access to domestically produced goods, research and development and setting up of National Electronics Mission. On each of these 5 elements, the work is being done. On Fab, the proposal to set up an Empowered

Committee is going before the Cabinet today. All the others are in various stages of progress.”

(v) Cyber Security (incl. CERT-in. IT Act)

The total allocation for Eleventh Five Year Plan under this programme is ₹600 crore. Till date the Department has utilized ₹122.98.89 crore. The year-wise allocation and utilisation for this sector is as under:

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	75	39.10	40	49.3	46
BE	33	33	33	40	45.20
RE	31	33	33	40	-
Actual Expenditure	22.73	30.61	29.64	40*	-

*Tentative

The Committee have been informed that a total of 106, 201 and 315 Government websites were hacked during the years 2008, 2009 and 2010 respectively and these attacks were directed from countries like USA, UK, Mexico, Spain, Brazil, Turkey, Iran, Pakistan, China, Lebanon, Peru, Morocco, Japan, Korea, Saudi Arabia, Algeria, Nigeria etc.

With regard to the cyber crime cases registered, till date, under IT Act, the Department has provided few data (Appendix-IX). Analysing the same it was found that there are no cyber crimes cases registered in States like Haryana, Bihar, Jammu & Kashmir, Jharkhand, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Andaman & Nicobar Islands, D&N Haveli, Daman & Diu, Lakshadweep and Puducherry, whereas in Karnataka, that too only in Bangaluru, highest number of cases of hacking during 2009 was registered. Further, regarding the disposal status of the registered cyber crime cases, the Department has stated that at present National Crime Records Bureau (NCRB) is not maintaining any such data.

In light of the increasing cyber crime, the Committee desired to know about the estimated loss, due to e-fraud cases. Responding to this, the Department has stated that compilation of data relating to cyber crimes and frauds is undertaken by National Crime Records Bureau (NCRB). However, Reserve Bank of India (RBI) and Central Bureau of Investigation (CBI) too compile similar data for the cases registered by them. The Department of Financial Services, Ministry of Finance has reported online banking frauds worth ₹590.49 lakhs in the year 2009 and Central Bureau of Investigation (CBI) has registered 6 cyber crime cases causing financial loss of ₹2,70,650 to the Government/private person. In this context, the Committee desired to know whether there is a measure to compensate the financial loss occurring due to cyber fraud. To this, the Department has informed that Section 43 and 43A of Information Technology (IT) Act, 2000 provides for

compensation for the damages suffered by the victims of computer crimes and frauds and section 66 and section 72A provides for punishment in the form of imprisonment and fine to the perpetrator. However, the mechanism to insure against financial loss through e-fraud is an emerging field and no such facility is in vogue at present.

When enquired about the adequacy of number of IT Auditors in the country, the Department has stated that CERT-In has empanelled 51 IT auditors till date and the critical sector organization are mandated to implement Information Security best practices as per ISO-27001 and they are also advised to undertake the audit of the system atleast once in a year.

The Committee, further, desired to know about the practical constraint and lacuna witnessed in the IT Act and about the sections which attracts most of the Cyber crime cases. To this, the Department has stated that The IT Act is technology intensive and application motivated legislation, hence, changing technologies and applications pose several challenges such as collection of digital evidence, attribution of attacks to particular systems, anonymous and borderless nature of cyber space etc. The tools and techniques to detect and analyse the crimes also need to be updated.

The Department was asked about the training/education provided to the personnel from different States to create awareness about 'Cyber Crime'. To this, the Department has submitted that:

"At the Department level, we have the nomination from the State Governments and all the large organisations. There are 800 nomination contact points. Every 15days, we invite people to attend the exposure programme in cyber security and breaches. The response is very good. Every 15 days, we invite people to join the programme on the exposure part of it."

VIII. HUMAN RESOURCE DEVELOPMENT

(i) Man power development (incl. Skill development in IT)

Under National Skill Development Policy, the Department of Information Technology has been given a target of skill development of 10 million persons in IECT by 2022. The proposed outlay for this project, for the year 2010-11 was ₹460 crore, whereas the BE, RE and actual expenditure remained 'Nil'. Even this year the allocation at BE stage remained 'Nil' against the proposed amount of ₹717.75 crore. With regard to the reasons for nil allocation, the Department has stated that the draft EFC Note has been circulated to Ministries/Departments concerned for their comments and after obtaining the recommendations of the EFC the proposal would be submitted to the Cabinet for obtaining

approval for implementation of the programme and once the proposal is approved by the Cabinet the requisite funds would be sought through Supplementary Grants.

Considering the importance of skilled workforce in the information technology and the fact that this year there is a poor budgetary allocation for Infrastructure, e-Governance, HRD, etc., the Committee during the course of deliberation, desired to know as to how the Department is prepared to achieve the set target under Skill development. The representatives of the Department has stated as under:

“.....with regard to the national skill development initiative, as per the Planning Commission’s 500 million target, we had been assigned a target of 10 million to be trained in the IT sector by 2022. We decided that in order to ensure that we are able to meet this 10 million target we need to have a reality check of our institutions C-DAC and DOEAC.”

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

During the year 2010-11 and 2011-12 the DOEACC has been provided with almost the entire proposed amount, of which DOEACC has utilised 100 percent of the allocation. However, a perusal of the budget document reveal that except for the formal sector long term courses, DOEACC has fallen short in all its targets as observed in Appendix-X. In view of the above, the Department was asked to explain as to why inspite of receiving the proposed allocation and utilizing the entire amount, the Society did not achieve even 50 per cent of the set target. In response, the DIT explained that the proposed allocation is mainly for the DOEACC Centres for augmenting/renewal and replacement of the infrastructure for offering long term formal courses, where the target has been achieved. However, in case of non-formal and short-term courses, the target could not be achieved as it depends on the growth of the industry and the market requirements, which got affected by economic slowdown in the recent past.

IX. RESEARCH AND DEVELOPMENT

(i) Centre for Development and Advanced Computing (C-DAC)

C-DAC is the premier R&D organisation of the Department for carrying out research and development in IT, Electronics and associated areas. Taking into account the importance of C-DAC, the Committee have been consistently drawing the Department’s attention towards the attrition of manpower in C-DAC. The Committee, in their Eleventh Report, had emphasized on the outcome of the issue of performance incentive which was being taken with the Ministry of Finance. The Department, in this regard, has stated that the proposal for service conditions including various beneficial schemes, which may be applicable to all the Societies under administrative control of DIT including C-DAC, is under active consideration.

(ii) IT for masses (Gender, SC/ST)

The total allocation for IT for masses (Gender, SC/ST) programme, for the Eleventh Five Year Plan is ₹156 crore, whereas the BE for the entire plan period is ₹55.94 crore as against the proposed amount of ₹85.03 crore. The actual expenditure under this scheme has been ₹41.46 crore as against the Revised Estimate of ₹43.67 crore. The Department has submitted that they are facing challenges in capacity building of women and SC/ST such as Low enrollment rate/High drop-out rate, Connectivity issues, Naxalite problem, Project Sustainability after completion and scaling down of the project due to financial constraints. The Department has also informed that approximately 2.5 lakh women and 30,000 SC/ST are benefitted under this programme. Further, when asked about the methodology being used to select these beneficiaries the Department has submitted that, based on their interest they were randomly selected from 10 different States and once this pilot project is successful they would extrapolate it to the entire nation.

**X. New Technology
Cloud Computing**

A perusal of the Budget document revealed that the Department has taken cognizance of the emerging concept of 'Cloud computing' and it is learnt that 'National e-Governance Division' (NeGD) is planning to implement the concept of 'Shared Platform' (Cloud Computing) for quick implementation and roll out of citizen centric 'e-Governance' services. Hence, the Departments was asked about their initiative to study the suitability of 'Cloud computing' for 'e-Governance' applications. In response, they have stated that NeGD is not aware of any specific study undertaken to assess the suitability of 'Cloud Computing' for the 'e-Governance' project.

The Department has also informed that almost all large IT organizations are investing heavily in R&D and development of tools, technology and software for 'Cloud Computing'. Major Indian IT companies have Cloud Infrastructure to address the Indian market. Within the Government, NIC and CDAC have done exploratory work on the implementation of Cloud Computing and major institutes like IITs are also undertaking major academic exercises in R&D for Cloud Platform. However, currently there are no legal framework in India to tackle the issues which could arise from the use of 'Cloud Computing' technology. The Department also added that the IT Act 2000 may need to be amended to take care of such issues.

Further, when asked about the security and sustainability of the concept of 'Cloud computing', the Department has highlighted some issues like risk of scale on performance and availability; Technology risks and Management of Infrastructure as a Service (IaaS), Software as a Service (SaaS) and Platform as a Service (PaaS) are likely to introduce

complexity in configuration and operation management. The Department has also expressed some apprehensions pertaining to the use of 'Cloud computing' viz. Vendor Lock-in, Standards and interoperability, Technology obsolescence and Security. Further, some of the legal challenges as projected by the Department are Contract and SLA Management; Exit options available to the organization; data retention or transfer by the provider; Data security; Retention and recovery of data in case of disaster; and Intellectual Property issues.

PART – II

RECOMMENDATIONS/OBSERVATIONS

Introductory

1. The Information, Communication Technology and Electronics (ICTE), the world's largest and fastest growing industry is increasingly finding applications in all sectors of the economy and is a key growth driver for the Indian economy. As a part of the Ministry of Communications and Information Technology, the Department of Information Technology (DIT) is responsible for formulation and implementation of national policies in the Information Technology sector. The domain of the Department includes all matters relating to silicon facility, computer based information technology and processing including hardware and software, standardisation of procedures and matters relating to international bodies, promotion of knowledge based enterprises, internet, e-commerce and information technology education and development of electronics and coordination amongst their various users are also addressed by the Department. In order to operationalise all the policies and objectives of the Department various Schemes are formulated and implemented either directly by the Department or through the organizations/institutions under its jurisdiction. Myriad aspects of the policies/plan schemes and issues related to the allocation and utilisation of fund allocated to the Department have been dealt upon in the succeeding paragraphs.

II. Statement of the Minister under Direction 73A of the Directions by the Speaker

2. The Seventh Report of the Committee, on 'Demands for Grants (2010-11)', was presented to Lok Sabha and laid on the Table of Rajya Sabha on 21 and 22 April, 2010 respectively. Under Direction 73A of the Directions by the Speaker, the Minister concerned shall make once in six months a statement in the House regarding the status of implementation of recommendations contained in the Report of Departmentally Related Standing Committees with regard to his Ministry. In the present case, the Minister has not made a statement although more than one year has passed since the report was presented to the House. The Committee strongly recommend that the statement in this regard should be made expeditiously to the House in pursuance of the aforesaid Direction.

III. DIT Budget

(i) Eleventh Plan Outlay and Utilisation

3. The data furnished by the Department indicates that out of the proposed allocation of ₹21835.89 crore, the budgetary support provided to the Department for the Eleventh Plan period was for ₹12496 crore. The allocations under Budget Estimate Stage during the five years of Plan Period have been made for ₹11370 crore which were reduced to ₹8018.40 crore at Revised Estimate stage. The actual expenditure up to 31 March, 2011 i.e. during the first four years of Eleventh Plan is ₹7462.07 crore which comes to 59.71 per cent of the total allocation of the Department for the Eleventh Plan. If the level of expenditure during the first four years of Eleventh Plan is compared to the total proposed allocation of the Department it comes to just 34.17 per cent.

During the year 2010-11, the allocation made at Budget Estimate stage was for ₹2660 crore which was enhanced to ₹3468.40 crore at RE stage. The Department could spend only ₹3024.01 crore. Thus, the underspending is to the tune of ₹444.39 crore. While justifying the gaps between the proposed outlay and allocations approved, the Department has stated that such gaps are due to less allocations for the schemes viz. National Knowledge Network (NKN), Skill Development in IT, Promotion of Electronics/IT Hardware Manufacturing and e-Governance.

The Committee note that the Department itself is responsible for cut in allocation at RE stage during the first three years of the Eleventh Plan for various schemes. The allocations made at BE stage were not fully utilized resulting into cut at RE stage. The Department itself has acknowledged that the Ministry of Finance decides the RE provision with reference to the expenditure met during first two quarters of the corresponding financial year. During the year 2010-11 even when the allocations made available at BE stage were enhanced at RE stage, the Department do not seem to have spent the allocations fully resulting into under spending to the tune of ₹444.39 crore as stated above. The Committee strongly recommend that the Department need to gear up its machinery to implement the various programmes effectively with effective monitoring mechanism.

4. The Committee have enumerated various reasons for the under spending during first three years of the Eleventh Plan which include non-release of State share by the State Governments, obtaining approvals of the competent authority for NKN programme and non-receipt of utilization certificates from State/implementing agencies. With regard to non-release of State share by the State Governments under e-Governance programme, the Department need to take proactive action and coordinate with the State Governments. In respect of obtaining approval of the competent authority for implementation of NKN Programme, again there seems to be procedural hurdles for which the Department itself is responsible. The issue of non-receipt of utilization certificates from State implementing agencies is continuously being highlighted in the various reports of the Committee. The Committee may like to stress here that IT is an emerging sector and very important schemes are being visualized/implemented. As such, there is an urgent need to address to the various bottlenecks being faced in implementation of various schemes. The Committee recommend that a review of all the schemes/projects should be taken well before finalization of priorities and objectives of the forthcoming Twelfth Five Year Plan. The Committee hope that zero based budgeting would be stringently followed which would help in making realistic projections and ensuring proper utilization of funds. The concrete action on the suggested lines should be taken and the Committee informed accordingly.

(ii) Position of IEBR of the societies/offices under the jurisdiction of DIT

5. Apart from the Plan Outlay of ₹3000 crore, the Department has shown a sum of ₹619.07 crore as IEBR to be generated by the societies/offices under them through their R&D programmes/activities during the year 2011-12. The Committee note that, barring the year 2008-09 and 2009-10, the actual IEBR is found to be lesser than the approved. Hence, the Committee recommend the Department to stick to their targets of IEBR generation.

IV. Outstanding Utilisation Certificates

6. The Committee have consistently been exhorting the Department to take concrete action to liquidate the pending Utilization Certificates/unspent balances with various States/implementing agencies. As indicated in the Outcome Budget 2011-12, total unspent balances with States/implementing

agencies as on 31 December, 2010 is ₹2534.87 crore and 1000 UCs are pending. In respect of 569 UCs amounting to ₹1840.36 crore, are not due as these would become due as on 1 April, 2011 and 1 April, 2012. Thus, 431 UCs amounting to ₹694.51 crore are still pending with the States/implementing agencies. Now when 1 April, 2011 has already passed, the number of UCs due may have increased considerably.

Another issue consistently being raised by the Committee in its various reports is the fact that some of the implementing agencies after taking one installment are neither furnishing UCs nor demanding the next installment. In this context, as informed by the Department, there were 72 such agencies during the year 2010-11 and with the consistent efforts made by the Department in pursuance of the recommendation of the Committee, the said number has decreased to 35 UCs amounting to ₹32.92 crore. In this connection, the Committee would also like to be informed as to how the issue of non-furnishing of UCs in respect of the 37 defaulter agencies was addressed by the Department.

7. The Committee note that although there is some progress with regard to furnishing of UCs, there is an urgent need to have structured mechanism whereby the implementing agencies furnish the UCs regularly. Stringent guidelines should be formulated whereby the accountability for not furnishing the UCs is fixed. The Committee in this regard had strongly recommended in their Seventh Report to recover the money from such implementing agencies who after getting the first installment neither demand the next installment nor furnish the UCs. When the recommendation was reiterated in the Action Taken Report, the Department do not seem to have implemented the aforesaid recommendation of the Committee. While reiterating the stand of the Committee in this regard, the Department is again exhorted to take stringent action against the defaulter agencies and recover the money from these implementing agencies. The concrete action on the suggested line should be taken and the Committee informed accordingly.

V. NATIONAL e-GOVERNANCE PROGRAMME (NeGP)

8. The Committee observe that NeGP is one of the flagship programme of the Department for which substantial part of the Plan allocation is being provided. The analysis of the data furnished by the Department in the various

documents reveal that during the Eleventh Plan ₹4992 crore were provided. BE allocation for the 5 years is ₹4617.31 crore. RE allocation during the said years is ₹2170.88 crore. The actual expenditure met so far during the first four years of the Eleventh Plan is ₹1794.82 crore which comes to 35.95 per cent of the total budgetary allocation approved for the Eleventh Plan. The under utilization of outlay is the persistent problem with the Department and the Committee in various reports have been highlighting the issue. The Committee are concerned to note that instead of analyzing the reasons for under spending under one of the important schemes, the Department has tried to shift the responsibility to the State Governments. One of the reasons for low level of utilization of outlay under NeGP as stated by the Department is non-release of State share by State Governments. In this connection, the Committee would like to be apprised about the name of the States who have not released their share.

9. The Committee during the course of deliberations have been informed that Southern States are very pragmatic and proactive in implementation of NeGP. In case of Uttar Pradesh, the representative particularly mentioned that the State is not pragmatic and the implementation is very slow. Here the Committee may like to emphasize that besides appreciating the proactive approach of Southern States, there is an urgent need of motivating the poor performing States like UP and Bihar which are one of the BIMARU status States. The Union Department need to take up the matter at the level of Chief Secretary of the States. Besides, there is an urgent need to replicate the best practices initiated by the States where the implementation of NeGP is really good. The Department should analyse the implementation of various components of NeGP State/UT wise and take the desired initiatives in this regard. The Committee should also be informed about the name of the best performing and the poor performing States with regard to NeGP. The concrete initiatives as suggested should be taken and the Committee informed accordingly.

10. The Committee have consistently been expressing concern over the shifting of deadlines of various components of NeGP viz. SWAN, CSCs, SDCs and MMPs. The latest information furnished by the Department indicates that in 26 States/UTs SWAN has been rolled out. After continuous change of timelines, the latest deadline is to set up SWAN in all States/UTs by

December, 2011. Coming to Common Service Centres (CSCs), out of the target of 1 lakh CSCs as on 31 March, 2011, 93163 CSCs have been rolled out that too after shifting the deadline repetitively. In respect of State Data Centres (SDCs) the deadline has again repetitively been deferred. Till 31 March, 2011 only 11 SDCs could be made operational. Under e-District (MMPs) as per the projected timeline, the implementation of e-District in 14 States was to be completed by March, 2011. However, only in 2 States, the project could be sanctioned and implementation has been initiated. With regard to e-Bharat with pursuance of the issue by the Committee in their reports, a loan of US \$ 150 million has been agreed to by the World Bank during the negotiations with a maturity period of 18 years including a 5 years grace period. The Committee strongly emphasize that e-Governance is an important programme which is expected to change the entire concept and governance of the country. Keeping in view the importance of the programme there is an urgent need to address the various hindrances encountered in implementation of the programme so that various components of NeGP are rolled out expeditiously. In this connection, the Committee would like to emphasize that the implementation of various components of NeGP should be reviewed individually and all the corrective action should be taken after identifying the grey areas in the implementation of the programme.

11. The Committee observe that the Government has approved the Common Service Centres (CSCs) Scheme which provide support for establishing one lakh Common Service Centres in six lakh villages of India. The Scheme envisions CSCs as the front-end delivery points for Government, private and social sector services to rural citizens of India in an integrated manner. Besides, CSCs would be suitably repositioned to be a network of Panchayat level Common Service Centres to provide Government services to the citizens in rural areas. CSCs are to be leveraged for various services under Bharat Nirman and flagship Schemes like NREGA, NRHM and SSA.

As stated above, after repetitive shifting of deadline, out of the target of establishing one lakh CSCs, so far 93163 CSCs could be rolled out. What is disturbing to the Committee is that out of 93163 CSCs set up, 85287 CSCs could be made functional as on February, 2011. As per the information furnished by the Department not only that only 68 per cent of the CSCs have internet availability as revealed by an independent evaluation of CSCs done by

M/s IMRB International in November 2009. The study also reveal that only 58 per cent of CSCs were found to be fully operational out of a sample size of 1727. Non-availability of the G2C services and a reliable broadband connectivity besides regular supply of electric power are considered as some of the main challenges/problems affecting the CSCs Scheme by the aforesaid survey. The Department's own data in respect of only 20 States/UTs, as furnished to the Committee, further indicates that there is no uniformity in the number of services provided by CSCs.

The Committee understand that besides roll out of the CSCs it is utmost important that the CSCs are made functional. Various services can be provided to the users only when CSCs have the proper internet connectivity. Regular power supply is another issue which need to be addressed to make the CSCs fully functional. In this connection, the possibility of using non-conventional energy source can be explored. The Committee strongly recommend that the Department should formulate some sort of mechanism to get the regular feedback from the State Governments about the functioning of CSCs. Periodic information with regard to internet availability, service rendered through CSCs and the actual users of CSCs should be obtained from the various States/UTs. Besides, all the initiatives should be taken so that the real objective of setting up of CSCs that is, as the front-end delivery points for Government, private and social sector services to rural citizens of India in an integrated manner is really achieved. The Committee also feel that the Department should formulate guidelines with regard to number of services to be provided by CSCs so that some sort of uniformity can be maintained.

12. The Department has informed that impact assessment of e-Governance project both at State as well as national level is undertaken. The Department in the written replies has furnished a comparative chart of States having impact of various services made available through e-Governance. The important parameter of its impact has been given as 'percentage users paying bribes'. It has been shown that the bribe has declined from average of 39 per cent to 23 per cent under Land Records (issue of RoR, mutation). Under Property Registration, it has been mentioned that 23 per cent of all transactions in 11 States reported payment of bribe. Under Transport it has been mentioned that only 1 State reported significant impact on bribe. In the Commercial Taxes, it has been mentioned that the bribe has significantly been

lesser. Not only that the aforesaid data indicates that there has been considerable reduction in the average number of trips for availing services, average waiting time and total elapsed time in availing services. The aforesaid findings clearly indicates the usefulness of National e-Governance Programme for the masses. More so, recent series of scams reported under different fields further highlight the importance of National e-Governance Programme which would make the various services of Government more transparent and accountable. As such there is an urgent need to make the various components of e-Governance Programme functional by addressing the various issues as indicated above.

VI. INFRASTRUCTURE DEVELOPMENT

(i) National Informatics Centre (NIC)

13. The total budgetary support for the Eleventh Plan to NIC is for ₹2300 crore. However, during the 5 years of Eleventh Plan the projections were made by NIC to the tune of ₹3432 crore against which allocations at BE stage were made to the tune of ₹2724 crore. The RE allocation during each year of the Eleventh Plan barring the year 2007-08 is same as proposed at BE stage. As regards the expenditure position, the outlay earmarked at RE stage has almost been fully utilized by NIC. The Committee here would like to strongly recommend that adequate allocation as projected by NIC should be provided in view of the importance of the mandate given to NIC particularly in light of the spectrum of activities it has been carrying out.

14. The Committee during the course of deliberations have been apprised that manpower in NIC has been a big constraint. As informed by the Department, NIC has only two persons per district and only 15-20 persons per State. It has been suggested that the existing strength of two persons per district should be doubled. Besides, the Committee have also been informed that there is no support mechanism at block level where majority of social sector schemes are being implemented. States are asking NIC to set up Centres at blocks to provide technical support and build the capacities of staff at grass root level so that services can be provided up to Gram Panchayat and Village Level. The Committee have also been apprised that NIC manpower was sanctioned during 1980s as per the IT requirement of the States/UTs at that time and it has become too difficult to sustain the number of schemes with the same manpower now.

The Committee totally appreciate the concerns of NIC and particularly in the context of the important role NIC is playing in providing support mechanism at District, Block and Village Panchayat level. The Committee emphasize that the gaps between the required and the existing strength at various levels should be worked out in consultation with the Department of Information Technology and placed before Department of Personnel and Training and Ministry of Finance for getting the requisite approvals. The concerns of the Committee in this regard may be communicated to the Ministries/Organizations who would be clearing their proposals.

(ii) National Knowledge Network (NKN)

15. The NKN project was approved in 2010 with an outlay of ₹5990 crore for 10 years. Till March, 2011, ₹1912 crore have been allocated and ₹1242 crore have been spent by the Department. The Committee learn that during Plan discussion for the year 2011-12, the Department had made a request for allocation of ₹2300 crore, however, only a sum of ₹250 crore has been allocated at BE stage. Further, the Committee are concerned to note that this allocation is inadequate to meet the projected physical targets set for Financial Year 2011-12. The analysis of the data furnished by the Department further indicates that during the year 2010-11 also the allocation of ₹100 crore only was made against the proposed allocation of ₹2318 crore. However, the allocation was enhanced at RE stage to ₹1362 crore and the entire amount was spent. The Department during the year 2011-12 is also optimistic that the desired allocation would be provided at supplementary grant stage.

The Committee find that the National Knowledge Network is a backbone for e-Governance. Under the programme 1500 premier institutes would get cover across multiple sectors and would include 400 universities. The Committee disapprove the adhocism of the Government with regard to providing allocations for such an important programme. As such, the Committee strongly recommend to provide the allocations for NKN at the BE stage, so as to avoid uncertainty about the allocations of outlay at supplementary grant stage/RE stage. Besides, the Committee also emphasize that during the current year i.e. 2011-12 the desired allocations should be made available at the supplementary grant stage so that the programme do

not suffer due to want of resources. However, during the year 2012-13 the adequate allocations should be allocated at BE stage itself.

(iii) Software Technology Park of India (STPI)/Electronics Hardware Technology Parks (EHTP)

16. The Committee have repetitively been recommending to further extend the tax holiday made available to STPI units. In spite of Department of Information Technology taking the issue of providing the physical benefit to the IT units under STPI scheme at par with the units under the SEZ scheme with the Ministry of Finance, the tax holiday has been withdrawn from 1 April, 2011. The Department has acknowledged the adverse impact on ending tax holiday available to STPI units. Not only that, the Department has stated that an increase in Minimum Alternate Tax (MAT) would adversely affect small and medium size players. With regard to the strategy of the Department to tackle the situation, the Committee have been informed that a non-profit link incentive scheme for STPI registered units is being prepared. Besides, the present induction programme of STPI units would be further strengthened for business incubation and entrepreneurial development for start up units. Besides, STPI is working with DIT for establishment of a National Productivity Network. The Committee understand that all these initiatives are in the right direction and need to be continued.

17. The Committee further observe that STPI was established on 5 June, 1991 for promotion of exports and providing facility to Indian small and medium organizations for participation in export promotion events in the software and electronic sector. Today, the exports by STPI registered units are more than 90 per cent of the total software exports from the country from a meagre less than 8 per cent when it started in 1991. STPI has been set up in 52 centres spread across the country out of which 45 centres are in Tier-II and Tier-III locations. During the year 2010-11 for the period April to December for which the data has been made available by the Department, the declining impact on exports seems to be more visible. Against the export of ₹205505 crore during the year 2009-10, the export performance is reduced to ₹144157 crore, during the year 2010-11. More adverse impact seems to be on new STPI units registration. The number of registration were 521 during 2009-10 which declined to just 253 during the year 2010-11 up to December. Now when the tax holiday has been withdrawn w.e.f. 1 April, 2011 and MAT

has been increased the decline in performance of STPI units may further be more visible. The Committee as such strongly recommend the Department to keep a vigilant watch on the performance of STPI units. All the proposed initiatives visualized by the Department to fill the gap should be taken expeditiously.

(iv) Promotion of Electronics/IT hardware manufacturing

18. The Committee note with concern that, though Information Communication Technology and Electronics (ICTE) is increasingly finding applications in all sectors of the economy, yet Indian electronics hardware production hovers around 1.3 per cent of global electronics production. It is also disturbing to learn that the demand of electronics hardware in the country during 2009-10 was ₹2,18,031 crore, out of which ₹1,10,720 crore worth of demand was met by indigenous production and ₹1,07,311 crore was met by imports. The analysis of the budgetary allocations made for the sector indicates that allocation of ₹1100 crore was made for the promotion of electronics/IT hardware manufacturing during Eleventh Plan. Against the allocation of ₹1100 crore, the expenditure met so far is just ₹2.66 crore. As per the Department, the allocations were made particularly for improving the capital subsidy requirement under Special Incentive Package Scheme (SIPS), and due to global economic slow down many of the potential investors deferred their investment decisions. The Committee also note that it is due to very high capital intensive nature of the project and closely-held technology, no company has come forward to set up a 'fab' in India.

The Committee have repetitively been emphasizing to have the concrete strategy for promotion of electronics and IT hardware manufacturing sector. In spite of the fact that more than 50 per cent of our hardware requirement are dependent upon imports, nothing concrete was done in this regard. Not only that, the decisions on as many as 198 recommendations made by the Task Force were being delayed particularly when report was submitted on 11 December, 2009. The Committee have been apprised during deliberations that at last some action is being taken on 5 high priority areas viz. fab, modified chips, preferential market access to domestically produced goods, research and development and setting up of National Electronics Mission. The Secretary of the Department during the course of deliberations, held on 20 April, 2011, informed that the proposal to set up an empowered group is

going before the Cabinet that day i.e. on 20 April, 2011. The Committee hope that the aforesaid proposal would have been cleared by now and the empowered group would be constituted expeditiously followed by concrete initiatives on the desired lines at last in respect of five identified high priority areas. Keeping in view the fact that importing chips and electronic equipments pose security threat, the Committee emphasize to take all the desired initiatives to attain the level of self-sufficiency in respect of electronics and IT hardware equipments.

(v) Cyber Security (including CERT-In, IT Act, CCA)

19. The Committee have been informed that a total of 106, 201 and 315 Government websites were hacked during the years 2008, 2009 and 2010 respectively and these attacks were directed from the countries like USA, UK, Mexico, Spain, Brazil, Turkey, Iran, Pakistan, China, Lebanon, Peru, Morocco, Japan, Korea, Saudi Arabia, Algeria, Nigeria etc. Further, with regard to the cyber crime cases registered, the Committee have been provided information, analysing which it is found that in States like Haryana, Bihar, Jammu & Kashmir, Jharkhand, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Andaman & Nicobar Islands, D&N Haveli, Daman & Diu, Lakshadweep and Puducherry, there are no cyber crimes registered. The analysis of the data further reveal that in Karnataka that too only in Bangaluru highest number of cases of hacking during 2009 were registered. The Committee have further noted that the Department of National Crime Records Bureau is not maintaining data regarding disposal status of the registered cyber crime cases. The data State/UT wise with regard to hacking in the country during the year 2009 as provided by the Department do not seem to be realistic. The Committee feel that either the attacks on the sites are not being reported or the system with regard to reporting of the cases is not user friendly. There is an urgent need to make the people aware of the system of reporting of cyber attacks. Besides, equally important is to maintain the data with regard to disposal status of the registered cyber crime cases. The Department should take the desired initiatives and the Committee apprised accordingly.

20. With regard to e-fraud cases, the Ministry of Finance (Department of Financial Services) has reported online banking fraud worth ₹590.49 lakh in the year 2009 and Central Bureau of Investigation (CBI) has registered 6 cyber crime cases in which frauds have been committed causing financial loss

of ₹2,70,650 to the Government/private persons. The Committee note that e-fraud is an emerging field and with more and more private persons and Government Departments making online transactions the scenario of e-fraud would become more challenging. The Committee's examination has revealed that at present there is no mechanism to ensure against financial loss through e-fraud. The Committee would like the Department to study the e-fraud scenario internationally. The data of e-fraud should be collected and furnished to the Committee. Besides, the mechanism to deal with e-fraud in other countries should also be analyzed. The Department should find out the insurance mechanism against e-fraud in other countries so that some mechanism in our country can be evolved.

21. The Committee note that CERT-In has empanelled 51 IT auditors in the country through a stringent testing mechanism. The Committee further note that the Department has mandated for all critical sectors/organizations to implement Information Security best practices as per ISO 27001 and has advised to audit the system atleast once in a year. In this regard, the Committee would like to know whether these best security practices are being implemented and are sufficient enough to check cyber threats in all critical sectors. The Committee would also like to be apprised about the adequacy of 51 auditors in such a large country. Further, with regard to the practical constraint and lacuna witnessed in the IT Act and about the sections which attracts most of the cases, the Department has stated that The IT Act is technology intensive and application motivated legislation and with the changing technologies they are facing several challenges such as collection of digital evidence, attribution of attacks to particular systems, anonymous and borderless nature of cyber space etc. To meet these challenges the Department is providing training on Cyber Security, Best Practices, Cyber Forensics to people at different levels, i.e. general public, law enforcement agencies and judicial officers. In this context, the Committee feel that besides emphasis on training to law enforcement agencies and judicial officers, attention need to be provided to other categories of officers too. There is an urgent need to increase the training infrastructure and the number of trainers in the country so that sufficient awareness about cyber security is generated which would be definitely helpful in preventing the cyber attacks on our websites.

VII. HUMAN RESOURCE DEVELOPMENT

(i) Man power development (incl. Skill development in IT)

22. The Committee find that the Department has 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. During the course of examination of Demands for Grants of the previous year, the Committee had been informed that the Department has initiated action to work out detailed project report covering various implementation aspects, inputs required to seek an approval of the competent authority. Since the preliminary exercise of approval of the scheme was going on, during the year 2010-11, a token provision of ₹ 1 crore was made for the aforesaid programme. The Committee find from the information furnished by the Department that after passage of one year there is not much progress. The Scheme has not been formally launched and again in the year 2011-12, a token provision of ₹ 1 crore has been made available for the scheme. As regard the status of the scheme, the draft detailed project reports along with draft EFC Note has been circulated to the Ministries/Departments concerned for their comments. After obtaining the recommendation of EFC, the proposal would be submitted to the Cabinet for obtaining approval for implementation of the programme. The Committee express serious concern over the tardy progress of getting approval for such an important scheme. The Committee fail to understand how the allocation of ₹460 crore during the year 2010-11 and of ₹717.75 crore for the year 2011-12 was proposed by the Department even when the scheme is in the process of formulation. More over the Committee wonder how the Department would meet the target of Skill Development of 10 million persons by 2022 in the domain of IECT with the aforesaid status of the scheme. The Committee strongly recommend that all the consultations should be completed and the process of approval of the scheme expedited so that the scheme is implemented during the year 2011-12. The required allocations when the approvals are in place may be provided at the RE stage/Supplementary Grant stage. The Committee further observe that capacity building of SC/ST and women so as to enable them to compete in this competitive environment is the biggest challenge. In view of this, the Committee would like to emphasize that while finalizing the

modalities of the programme it should be ensured that SC/ST and women are adequately benefitted by the programme.

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

23. The Committee are perturbed to note that inspite of receiving the proposed allocation and utilizing the entire amount, DOEACC society has fallen short in all the targets for the year 2010-11 except for the formal sector long term courses. The Committee have been informed that the targets in case of non-formal and short-term courses could not be achieved as it depends on the growth of the industry and the market requirements. While appreciating the aforesaid reason which may have resulted in under-achievement of the physical target, the Committee fail to understand the mismatch between the financial and physical achievements. The Committee would like the Department to furnish the reasons for the aforesaid mismatch. Besides, when the economy now is coming out of the recent slow down, the Committee hope that more and more students and trainees may be benefited by the DOEACC programme. Moreover, the Committee understand that DOEACC is playing an important role in implementation of one of the important programmes of the Department i.e. Skill Development of 10 million persons by 2022 in the domain of IECT. The Committee recommend that all the initiatives should be taken by DOEACC for the successful implementation of the aforesaid programme so that the targets set under the programme are fully achieved. The Committee would also like to recommend the Department to ensure that SC/ST and women are adequately benefitted by DOEACC courses which would definitely help them to compete in the highly competitive job market.

VIII. RESEARCH AND DEVELOPMENT

(i) Centre for Development and Advanced Computing (C-DAC)

24. C-DAC, a premier R&D organisation in IT, Electronics and associated areas, has been witnessing attrition of manpower for the past few years. The Committee while examining DFG (2009-10) had learnt that the issue of performance incentive was taken up by the Department with the Ministry of Finance to check the attrition rate. However, when asked about the progress made in Performance Incentive Issue, the Committee learnt that the proposal

for service conditions including various beneficial schemes, which may be applicable to all the Societies under administrative control of DIT including C-DAC, is under active consideration. The Committee exhort DIT to pursue the issue with the Ministry of Finance and take the decision expeditiously.

(ii) IT for masses (Gender, SC/ST)

25. The Committee note that ₹156 crore were allocated for the entire Eleventh Five Year Plan under one of the important scheme of the Department i.e. IT for masses (Gender, SC/ST) meant for the capacity building of women and SC/ST through infrastructure development, training of target groups in different States/UTs. From the data made available by the Department, the Committee note that during first four years of Eleventh Plan only ₹ 41.46 crore could be spent which is only 26.57 per cent of the entire allocation of the scheme. As regards the physical target, the Committee have been informed that 2.5 lakh women and 30 thousand SCs/STs are being benefited under the programme. The Committee during the course of deliberations have further been informed that the scheme was being implemented on a pilot basis in 10 different States selected randomly where the States have shown interest. The Committee note that the scheme has been launched with the laudable objectives. However, the implementation of the programme is very slow. The beneficiaries under the Scheme that is 2.5 lakh women and 30 thousand SCs/STs is too low keeping in view the large number of SCs/STs and women in the country. Not only that during the first four years of the plan, the scheme has been implemented only on pilot basis with very low utilization of outlay. The Committee strongly emphasize to extend the scheme throughout the country. Besides, more stress should be given to the backward States.

The Committee would like to emphasize that besides the aforesaid programme IT for masses (Gender, SC/ST), there is a need for a focused attention in other Schemes of the Department too, which include Centre for Development and Advanced Computing (C-DAC), Department of Electronics Accreditation for Computer Courses (DOEACC), National Knowledge Network (NKN), National Informatics Centre (NIC), Promotion of Electronics/IT Hardware Manufacturing (M.Fab), Cyber Security (including CERT-In, IT Act, CCA), Manpower Development (incl. Skill Development in IT) and National

e-Governance Programme (NeGP) so as to provide adequate benefit to SC/ST and women.

26. The Committee further note that the Department has enumerated various challenges faced in implementation of the aforesaid scheme which include Low enrollment rate/High drop-out rate, Connectivity issues, Naxalite problem, Project Sustainability after completion and scaling down of the project due to financial constraints. The Committee fail to understand the need of the Department to scale down the project even when they could not utilize the allocation provided during various years. During the year 2007-08 RE allocation was made for ₹17 crore which could not be fully utilised. Although during the years 2008-09 and 2009-10 the allocations made available at RE stage were fully utilized, during the year 2010-11, the allocation made for ₹14 crore was reduced at RE stage to ₹10.67 crore and actual expenditure as reported is just ₹2.77 crore. More so for the Eleventh Plan ₹156 crore allocation was approved and only a fraction of the allocation could be utilised during the first five years as explained above. The Committee desire the Department to apprise the Committee on the reasons for scaling down the project due to financial constraints in the aforesaid scheme. On the issue of low enrollment rate/high drop out rate, the Department need to take up the issue with HRD Ministry/State Governments to address the problem. On project sustainability after completion, the Committee feel that the Department need to coordinate with the local bodies i.e. Panchayats/Municipalities. On connectivity issues, the Department need to take up the issue with BSNL. The Committee emphasize the Department to take all the desired initiatives to address the various challenges in consultation with the State Governments and the other related agencies so that more women and SCs/STs masses are benefited by the programme.

**IX. Emerging Issues
Cloud Computing**

27. The Committee note that 'Cloud Computing' is an emerging concept and National e-Governance Division (NeGD) is planning to implement this concept of 'shared Platform' for roll out of citizen centric e-Governance Services. The Committee note that the Department has not conducted any study to assess the suitability of the concept of 'Cloud computing' although they are planning to implement it to one of the most important project of DIT that is National e-

Governance Programme. The Department themselves, in the written note, have highlighted some of the technological and legal apprehensions associated with the concept of 'shared platform'. The apprehensions are Technology obsolescence; Security issues; Contract and SLA Management; Vendor Lock-in; Data security; Retention and recovery of data in case of disaster; Exit options available to the organization; data retention or transfer by the provider; and Intellectual property issues. The Committee strongly recommend that all the apprehensions expressed above should be addressed before the concept of 'Cloud computing' is implemented for roll out of citizen centric e-Governance Services. The Committee also recommend the Department to conduct a study/survey to find out the existing scenario nationally and internationally. The findings of the study should be furnished to the Committee. Besides, the Department should also be prepared with a mechanism to deal with the risks associated with the usage of Cloud computing and be vigilant about such emerging technologies.

**New Delhi
22 July, 2011
31 Sravana, 1933 (Saka)**

**RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology**

Appendix III**Budget allocation of the Department for different Schemes under Plan and Non-Plan**

(₹ in crore)

	Plan	Non-Plan	Total
Revenue	2822.60	48.61	2871.21
Capital	177.40	--	3048.61

The proposed and allocated outlays for NKN, Skill Development in IT, Promotion of Electronics/IT Hardware Manufacturing and e-Governance during the year 2011-12

(₹ in crore)

Schemes	Proposed	Allocated
NKN	2300.00	250.00
Skill Development in IT	717.75	0
Promotion of Electronics/IT Hardware Manufacturing	1455.00	2.83
e-Governance	2043.84	1087.31

Status of CSCs functional in various States/UTs

Sl. No.	State	Total CSCs to be set up	CSCs actually functional as of Feb 2011
1	Andhra Pradesh	5452	2122
2	Arunachal Pradesh	200	112
3	Assam	4376	3875
4	Bihar	8463	6989
5	Chhattisgarh	3385	2464
6	Chandigarh	13	13
7	Delhi	520	520
8	Goa	160	160
9	Gujarat	13695	13695
10	Haryana	1159	0
11	Himachal Pradesh	3366	2592
12	Jammu & Kashmir	1109	539
13	Jharkhand	4562	4556
14	Karnataka	5713	800
15	Kerala	2694	2694
16	Madhya Pradesh	9232	8656
17	Maharashtra	10484	7907
18	Manipur	399	399
19	Meghalaya	225	184
20	Mizoram	136	118
21	Nagaland	220	156
22	Orissa	8558	6044
23	Puducherry	44	44
24	Punjab	2112	38
25	Rajasthan	6626	2911
26	Sikkim	45	45
27	Tamil Nadu	5440	1976
28	Tripura	145	145
29	Uttar Pradesh	17909	7851
30	Uttaranchal	2804	1564
31	West Bengal	6797	6118
	Total	126043	85287

A comparative charts of states for Land Records, Property Registration, Transport, and Commercial Taxes & JNNURM

	Land Records		Property Registration	Transport	Commercial Taxes	JnNURM
	Issue of RoR	Mutation				
Average No. of trips	Reduced from 2.8 to 2	Reduced from 4 to 2.8	Reduced from 3.9 to 2.3	Reduced by 1	- Reduced to 0 from 1 for obtaining forms, obtaining information and paying taxes - No significant impact for filing returns	- Marginal reduction across all ULBs for services such as Utility Bill payment and Renewal of Trader's license - Increased for Issue of a new Trade license*
Avg Waiting time (minutes)	Reduced from 142.28 min to 98.54 min	Reduced from 3 hours to 2 hours	Reduced from 2 hours to 1 hour	Reduced from 2 hours to 1.5 hours	Reduced to 0 from 30-60 minutes	- Utility Bill Payments: Reduced by 15-50% for - Filing grievances online: zero - Tracking of complaints: easier - Birth Certificate: Increased - Issue and Renewal of Trade license: marginal
% users paying bribes	Declined from avg of 39% to 23%	Agents used in large proportion in 4 states. Significantly reduced in others	23% of all transactions in 11 states reported payment of bribes	Only 1 state reported significant impact on bribes	- Significantly lowered bribery for getting statutory forms - Marginal impact in filing returns	Significant reduction except in the issue of Trade license in BMC and KMC and in Renewal of Trade license in GHMC
Total elapsed time in availing service (Days)	Almost immediate delivery except in Orissa & WB	Reduced from 80-110 days to 30-60 days	Reduced from avg of 33 days to 13 days (60% reduction)	Marginal impact	Impact varies widely between states and services. % reduction varies from 17 percent in Gujarat to 36 percent in Rajasthan and Tamil Nadu	- Overall, the average elapsed time has increased after computerization for most services across all ULBs - One day reduction in Birth Certificate in BMC and a significant reduction in Renewal of Trade licenses

* Due to an additional trip to the State Industries Commission office needed to procure the "Type of Business Certificate"

G2C Services provided by CSCs in the States/UTs

State	G2C Services in Brief
Andhra Pradesh	<ul style="list-style-type: none"> Information services of Agriculture & Cooperation Department Utility services (Electricity, BSNL bill payment), Online Form Filing, Form submission, Certificates Land Record Services
Assam	<ul style="list-style-type: none"> CSCs as stamp vendor for selling of non-judicial Stamp and Stamp paper Certificates, Pension, Grievances, Jamabandi, Utility services (Electricity bill payment)
Bihar	<ul style="list-style-type: none"> RTI service, Birth Death, Caste, Income and residential certificates , NREGA Services, Public Grievance Redressal System
Gujarat	<ul style="list-style-type: none"> Land Records, Utility services (Electricity bill payment), Birth Certificate, Death Certificate, Government Department forms, NREGA MIS Data Entry Service, School Health Data Entry
Haryana	<ul style="list-style-type: none"> Nakal of Land Records, Caste, Domicile Certificates, Social Welfare Schemes, India Gandhi Vivah Shagun Yojna (IGPVSY), Ration cards
Himachal Pradesh	<ul style="list-style-type: none"> Agricultural Advisory services, e-Samadhan, Application for elector registration, Various application forms (elector registrations, Himachal Pradesh Public Service Commission, forms for Forest, Agriculture, Animal Husbandry, Horticulture and Fisheries etc)
J & K	<ul style="list-style-type: none"> Financial Inclusion (Banking Correspondents)
Jharkhand	<ul style="list-style-type: none"> Issue of certificates through CSCs (E-nagarik sewa), Grievance redressal on E-samvaad, E-filing of Commercial Tax through CSCs, NREGA MIS Data Entry Service, Digitization of national 18th cattle survey data, Jail Sakshatkaar, postal products, stamp vendor, PDS data entry, CSCs as BC for SBI, Kendu leaf collector data digitization, BPL data digitization, Divisional survey of hand pumps.
Kerala	<ul style="list-style-type: none"> Utility services (Electricity, BSNL, water bill payment) Agricultural services
Madhya Pradesh	<ul style="list-style-type: none"> MP Online Services, Financial Inclusion (Banking Correspondents)
Maharashtra	<ul style="list-style-type: none"> Land Records, Utility services (Electricity bill payment, Water connection), Certificates (Birth, Death, Caste, Domicile, Non-creamy layer, Marriage, Senior Citizen, student's income etc) Disbursal of social sector scheme benefits (Financial help to freedom fighters, Indira Gandhi Awas Yojna, Janmachi Mryutyuchi, National Old Age Pension Scheme, Poor Family Finance Scheme, Sanjay Gandhi Yojna), Stone crusher license, Stone Mine License.
Mizoram	<ul style="list-style-type: none"> e-District Services
Orissa	<ul style="list-style-type: none"> Birth and Death certificates, property tax, Utility services (Electricity and BSNL), trade license
Rajasthan	<ul style="list-style-type: none"> Utility services (Electricity/ Water/ Telephone bill payment), Land Records, Stamp Vending, Sale of Rajasthan State Transport Roadways Corporation tickets
Sikkim	<ul style="list-style-type: none"> MNREGA Data Entry Job, Biometric Ration Card Preparation
Tamilnadu	<ul style="list-style-type: none"> Electoral services, Transport, Grievances
Tripura	<ul style="list-style-type: none"> MNREGA Data Entry Job, Biometric Ration Card Preparation
Uttar Pradesh	<ul style="list-style-type: none"> e-District services, Lokvani services , NREGA digitization work, Print outs of unsigned Land Records
Uttarakhand	<ul style="list-style-type: none"> Services available at www.indg.in (India Development Gateway) through CSCs Income, Caste, Haisiyat, Domicile & Character Certificate through Janadhar Services (State initiative)
West Bengal	<ul style="list-style-type: none"> Registration, Employment Exchange, Awareness campaign, Utility services (Electricity, BSNL payment), Postal services, Agricultural Services.

Appendix-VIII (A)

Total outlay for National Knowledge Network (NKN), for 10 year period is ₹5990 crore and the year-wise requirement is as follows:

	1	2	3	4	5	6	7	8	9	10
FY	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
₹ in crore	240	1700	2300	768	169	157	157	167	166	166

Appendix-VIII (B)

The year-wise allocation and utilisation pattern for National Knowledge Network (NKN) is as under:

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	-	-	100	2318	2300
BE	-	100	600	100	250
RE	-	60	240	1362	
Actual Expenditure	-	60	240	1362	

Targets and Achievement during the year 2010-11 (Upto 31.12.2010)

Activities/Targets	Achievements No. of students (Trained / Undergoing training)
DOEACC Scheme	
O/A/B & C Levels (Non-formal Sector of IT Education & Training) Half Yearly Examinations. Target: 20,000 students to be trained	5,823 (July' 10 Exam qualifiers)
DOEACC Centres	
To Conduct Training for formal sector Long Term Courses (M. Tech, MCA, BCA, PGDCA, Diploma, Diploma in Electronics Engg. & Computer Science etc.) Target: 1,700 students to be trained	1,748
To conduct training for non-formal Sector Long Term Courses O/A/B Level Course, Bio-informatics O/A Level Courses, Hardware Courses O/A Level Target: 13,500 students to be trained	3,876
Training for Short Term Courses of duration less than 1 year Target: 11,500 students to be trained	7,405

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

MINUTES OF THE NINTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 20th April, 2011 from 1500 hours to 1710 hours in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Inder Singh Namdhari - In the Chair

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Dr. Charles Dias
5. Shri Rajen Gohain
6. Smt. Darshana Vikram Jardosh
7. Shri Mithilesh Kumar
8. Shri Abdul Rahman
9. Shri Tufani Saroj
10. Dr. Bhola Singh
11. Shri Dhananjay Singh
12. Shri Sushil Kumar Singh
13. Shri C. Sivasami

Rajya Sabha

14. Shri Mohammad Adeeb
15. Shri Salim Ansari
16. Shri Prabhat Jha
17. Prof. Alka Balram Kshatriya
18. Shri Ravi Shankar Prasad
19. Shri P. Rajeeve

SECRETARIAT

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

WITNESSES
DEPARTMENT OF INFORMATION TECHNOLOGY

Sl. NO.	Name	Designation
1.	Shri R. Chandrashekar	Secretary (DIT)
2.	Shri Rajarshi Bhattacharya	Additional Secretary & FA
3.	Shri Shankar Aggarwal	Additional Secretary
4.	Shri B.N. Satapathy	Economic Advisor
5.	Shri N. Ravi Shanker	Joint Secretary
6.	Dr. Ajay Kumar	Joint Secretary
7.	Dr. B.K. Gairola	Director General, NIC
8.	Dr. Gulshan Rai	DG(CERT-In) & STQC
9.	Shri Rajan Joseph	Director General C-DAC
10.	Dr. Omkar Rai	Director General, STPI
11.	Dr. V.N. Walivadekar	Director General, DOEACC
12.	Shri K. Mohanram	Director General, ERNET

2. As the Chairman was not present, the Committee under Rule 258(3) chose Shri Inder Singh Namdhari, MP, and a member of the Committee to preside over the meeting.

3. At the outset, the Chairman welcomed the Members and the representatives of the Department of Information Technology to the sitting of the Committee. He then drew the attention of the Members and the representatives of the Department of Information Technology to the ruling of Hon'ble Speaker, Lok Sabha whereby the Committee is examining the Demands for Grants (2011-12) of the Department even when the Demands have already been passed by the Parliament after suspension of Rule 331G of the Rule of Procedure and Conduct of Business in Lok Sabha. He also drew attention of the representatives to Direction 55 (1) relating to confidentiality of the matter till the Report is presented to the House.

4. The representatives of the Department then briefed the Committee on various aspects relating to Demands for Grants (2011-12) with the help of power point presentation. The briefing broadly covered financial and physical performance of the Department during each year of the Eleventh Plan and various thrust areas viz. National e-Governance Plan, Electronics/IT Hardware

Manufacturing Industry, National Knowledge Network, road map for Skill development in IT, shortage of manpower in National Informatics Centre, etc.

5. The Members of the Committee during the course of deliberations raised pertinent issues related to the persistent huge gaps between the proposed and budgetary support provided during the Eleventh Plan, under utilization of outlays, various slippages pertaining to National e-Governance Programme viz. State Wide Area Network (SWAN), State Data Centres (SDCs), Mission Mode Projects (MMPs) and Common Service Centre (CSCs), cyber security concerns due to the import of electronic and software equipments/devices, concerns for STPI's in light of withdrawal of tax incentives, etc,. The representatives of Department responded to the various queries of Members.

A copy of verbatim proceedings of the sitting has been kept.

The Committee, then, adjourned.

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

MINUTES OF THE THIRTEENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 15th June, 2011 from 1500 hours to 1630 hours in Committee Room 'B', First Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Rao Inderjit Singh – CHAIRMAN

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Choudhary
3. Dr. Charles Dias
4. Smt. Darshana Vikram Jardosh
5. Shri Mithilesh Kumar
6. Shri Inder Singh Namdhari
7. Shri Abdul Rahman
8. Shri Prem Das Rai
9. Shri Tufani Saroj
10. Dr. Bholu Singh
11. Shri Dhananjay Singh
12. Shri Sushil Kumar Singh
13. Shri C.Sivasami

Rajya Sabha

14. Shri M.P. Achuthan
15. Shri Salim Ansari
16. Shri Jesudasu Seelam

SECRETARIAT

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

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. He drew the attention of the Members to Direction 55(1) of the Directions by the Speaker relating to confidentiality of the deliberations of the Committee till the report on the subject is presented to the House.

3. The Committee then took up for consideration the draft Report on Demands for Grants (2011-12) relating to the Department of Information Technology....X...X...X...

4.X...X...X.... The draft Report relating to the Department of Information Technology was adopted with modifications to Para Nos. 17, 21 and 22 of Part-II of the draft Report....X...X...X.....

5. The Committee, then, authorized the Chairman to finalize the aforesaid draft Reports in the light of the factual verifications made by the respective Ministries/Departments and present the same to the House on a date convenient to him.

6.X.....X.....X.....X.....

The Committee, then, adjourned.