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STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2011-12)

FIFTEENTH LOK SABHA

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

[Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-third Report (Fifteenth Lok Sabha) on 'Demands for Grants (2011-12)']

TWENTY-SEVENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2011/Agrahayana, 1933 (Saka)

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

LOK SABHA SECRETARIAT
NEW DELHI

December, 2011/Agrahayana, 1933 (Saka)

CONTENT

*** Matter not appended with the soft copy of the Report updated online.***

COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2011-12)

Shri Rao Inderjit Singh - **Chairman**

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Shri H.D. Devegowda
6. Shri Charles Dias
*7. Shri A. Ganeshamurthi
8. Shri Rajen Gohain
9. Smt. Darshana Jardosh
10. Dr. Tarun Mandal
11. Shri P.R. Natarajan
12. Shri Tapas Paul
13. Shri Tathagata Satpathy
14. Shri Rajiv Ranjan Singh *alias* Lalan Singh
15. Smt. Seema Upadhyay
16. Vacant
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

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. Shri T.K. Mukherjee - Joint Secretary
2. Smt. Sudesh Luthra - Director
3. Dr. Sagarika Dash - Deputy Secretary

* Nominated to the Committee w.e.f. 29th November, 2011.

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2011-12) having been authorized by the Committee to submit the Report on their behalf, present this Twenty-seventh Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-third Report (Fifteenth Lok Sabha) on 'Demands for Grants (2011-12)' of the Department of Information Technology (Ministry of Communications and Information Technology).

2.   The Twenty-third Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 4 August, 2011. The Department of Information Technology furnished their Action Taken Notes on the recommendations/observations contained in the Twenty-third Report on 4 November, 2011.

3.   The Report was considered and adopted by the Committee at their sitting held on 20 December, 2011.

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

5.   An analysis of Action Taken by the Government on the recommendations/observations contained in the Twenty-third Report of the Committee is given at Appendix-XIII.

                                                                        RAO INDERJIT SINGH,
New Delhi   **Chairman,**
21 December, 2011   **Standing Committee on**
30 Agrahayana, 1933 (Saka)   **Information Technology**

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in their Twenty-third (Fifteenth Lok Sabha) on 'Demands for Grants (2011-12)' relating to the Ministry of Communications and Information Technology (Department of Information Technology).

2.   The Twenty-third Report was presented to Lok Sabha/laid in Rajya Sabha on 4 August, 2010. It contained 27 Recommendations/Observations.

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

  (i)   Recommendations/Observations which have been accepted by the Government:
Para Nos.:- 1, 2, 3, 4, 5, 12, 18, 20, 21, 23, 25 & 26

Total	12
Chapter	II

  (ii)   Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:
Para No.:- Nil

Total	Nil
Chapter	III

  (iii)   Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration:
Para Nos.:-6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19, 22 & 24

Total	14
Chapter	IV

  (iv)   Recommendation/Observation in respect of which the replies of the Government are of interim in nature:
Para No.:- 27

Total	01
Chapter	V

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

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

I.   OUTSTANDING UTILISATION CERTIFICATES

Recommendations (Para Nos. 6 & 7)

6.   The Committee had recommended as under:-

"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."

(Recommendation No. 6)

"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."

(Recommendation No. 7)

7.   The Department in the Action Taken Note has *inter-alia* stated as under:-

"For speedy liquidation of pending UCs, each Group/HODs have been requested for early liquidation and submission of UCs due as well as copies of UCs, which have already been forwarded and not yet updated in DIT UC Monitoring System. In coordination with PAO every effort has been made for getting the UCs updated in the UC Monitoring System.

For on-going projects, before release of every subsequent installment, submission of pending UCs for the grants already released to the grantee agencies, even for other projects, are insisted upon.

No proposal for release of funds (on-going/new project) is considered in IFD without certification from the concerned Programme Division to the effect that the implementing agency/payee has no UC as due for rendition' or that the payment has been authorized by D/o Expenditure as per recent instruction.

Programme Divisions are also directed to take into account Unspent Balance + interest accrued thereon, while recommending/releasing the next installment.

The coordinated effort of PAO, Programme Division and also IFD officials has resulted in tracking/obtaining a number of old pending UCs from the grantee agencies.

All Group Coordinators were apprised with the observations of Parliamentary Standing Committee and were also requested for providing details for action taken/proposed to be taken by them

relating to the recommendations of the Committee, specifically regarding action against defaulter agencies and recovery of money from these agencies/fixing of accountability for not furnishing the UCs.

All Group Coordinators were also apprised with the provisions of GFR 212(1) and GCs were asked to take appropriate action in r/o institutions not submitting UCs for more than 3 years and immediately in r/o institutions/organizations who have not furnished UCs after receiving first installment. Information regarding action initiated for fixing of accountability for not furnishing UCs/details of stringent action proposed to be taken against such agency for recovery of money, has also been called for.

All these efforts have resulted in reducing the number of pending Utilization Certificates.

The position of pending UCs (for the sanctions issued upto March 2009) with regard to the recommendations contained in 23rd Report of the Standing Committee on Information Technology (2010-11) on Demands for Grants (2011-12), is as under:

As on	No of pending UCs (Due as on 01.04.2010)	Amount (₹ in crore)
31.12.2010	431	694.51
01.10.2011	326	600.07

It may be seen from the above statement that a total of 105 UCs (due as on 01.04.2010) amounting to ₹ 94.44 Crores have been liquidated during a period of approx.9 months.

An updated statement showing pending UCs for the grant-in-aid sanctioned during the period from 01.04.2001 to 31.03.2009 is enclosed at Annexure I please.

The position of unspent grants (for the sanctions issued upto 31.12.2010) with regard to the recommendations contained in 23rd Report of the Standing Committee on Information Technology (2010-11) on Demands for Grants (2011-12), is as under:

As on	Total No. of UCs	Amount (₹ in crore)
31.12.2010	1000	2534.87
31.03.2011	1009	2057.14

A statement as on 03.10.2011, showing 553 UCs amounting to ₹ 1007.48 Crore (for the sanctions issued from 1.04.2001 to 31.03.2010) which are pending with implementing Agencies, is enclosed at Annexure II.

The Parliamentary Standing Committee in its 23rd report on Demands for Grants (2011-12) pointed out that there were 72 agencies during the year 2010-11 and with the constant efforts of the Department, the number has decreased to 35 UCs amounting to ₹ 32.92 Crore.

As part of the implementation of recommendations of Parliamentary Standing Committee, all the Group Coordinators were apprised with the names of the implementing agencies which have been sanctioned grants in single installment and no Utilization Certificate was received. The coordinated effort of IFD and Progamme Divisions resulted in reducing the number of such UCs.

A statement showing comparison of such agencies i.e. as on 31.12.2010 and as on 03.10.2011, is placed at Annexure III please.

It may be seen from the statement at Annexure III that as on 03.10.2011, only 34 UCs (single installment) for ₹ 32.78 crores are pending as compared to 72 UCs amounting to ₹ 46.95 crores as on 31.12.2010. It would mean that an amount of ₹ 14.17 crore has been liquidated.

The status of unspent grants as on 03.10.2011 for the sanctioned issued from 01.04.2010 to 30.09.2011 is given as under (Detailed statement is also enclosed at Annexure IV):

Period during which sanctions were issued	Amount Unspent Balance (₹ in crore)	Number of pending UCs
01.04.2001 to 31.03.2010	1007.48	553
01.04.2010 to 31.03.2011*	1102.48	447
01.04.2011 to 30.09.2011**	394.23	136
Total	**2504.19**	**1136**

*   The Utilization Certificate for the sanctions issued during the period from 01.04.2010 to 31.03.2011 would only become due on 01.04.2012.

**   The Utilization Certificate for the sanctions issued during the period from 01.04.2011 to 30.09.2011 would only become due on 01.04.2013."

(Reply to Recommendation Nos. 6 & 7)

Comments of the Committee

8.   Keeping in view the adverse effects of a large number of pending Utilization Certificates, the Committee had recommended the Department to take concrete action in the direction of liquidation of pending UCs/unspent balances with various States/ implementing agencies and also put in place a structured mechanism whereby the implementing agencies furnish the UCs regularly. The Committee note that though the Department has taken some initiatives in this direction due to which the number of outstanding UCs have come down considerably, yet these have not been adequate to address the issue in its entirety as the number of UCs pending as on 1.10.2011 still stands very high i.e., 326 UCs involving a staggering amount of ₹ 600.07 crore. From this the Committee can not but conclude that the Department still needs to augment and step up their efforts to bring down the number of pending UCs and amount of unspent balances. Therefore, the Committee reiterate their earlier recommendation and would like the Department to gear up its machinery and put in place a more structured and better streamlined monitoring mechanism urgently to deal with the issue of Utilisation Certificates whereby the implementing agencies feel morally and legally bound to furnish Utilisation Certificates regularly, thereby ensuring smooth flow of funds and effective implementation of all DIT schemes.

Further, when the Committee desired to know as to how the Department has addressed to the issue of non-furnishing of UCs in respect of 37 defaulter agencies to whom single installment had been released, the Department has responded that the information regarding action initiated for fixing of accountability for not

furnishing UCs/details of stringent action proposed to be taken against such agency for recovery of money, has also been called for. The Committee would like the Department to pursue the issue with the implementing agencies/State Governments and apprise the Committee about the action taken against the defaulter agencies.

II.   NATIONAL e-GOVERNANCE PROGRAMME (NEGP)

Recommendations (Para Nos. 8, 9, 10 & 11)

9.   The Committee in the earlier recommendation had recommended as under:-

> "The Committee observe that NeGP is one of the flagship programmes 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."

(Recommendation No. 8)

> "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 analyze 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."

(Recommendation No. 9)

"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."

(Recommendation No. 10)

"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."

(Recommendation No. 11)

10.   The Department in the Action Taken replies has *inter-alia* stated as under:-

"It is clarified that under the various schemes, DIT only acts as a facilitator and catalyst. The responsibility of implementing the projects lies with the State Governments. Revenue support is released by DIT to the State Designated Agencies (SDAs). The SDA is then responsible for releasing the funds to all the project stakeholders (Project Implementing Agencies, Consultant, Service Centre Agencies (SCAs), NIC etc.) upon the satisfactory performance of the contractual agreements by the various stakeholders. The revenue support which also includes state's share (ACA) is being released by the states to the Implementing Agencies as and when it is due and eligible and upon submission of the Utilization Certificate (UC) by the States. It is also submitted that projects like SWAN, CSC etc. are being implemented in a Public Private Partnership (PPP) mode and funds are released only after the Implementing Agency has met

all the Service Level Requirements. Under NeGP project, funds released as DIT Grants-in-aid and State share is contributed through ACA (MoF). First installment of Grant-in-aid and ACA has been released to all States. However, in many States, State Governments have not released the funds due to the Implementing Agencies as there have been minor shortcomings on behalf of the Implementing Agencies. The status of submission of UCs by the different States is given at <u>Annexure V</u>."

(Reply to Recommendation No. 8)

"In order to address uneven progress across States and to accelerate adoption of e-Governance in all States, the following steps are being taken:

- A programme management structure has been created under NeGP. Under this structure, an Apex Committee on NeGP, headed by the Cabinet Secretary, oversees the programme and provides policy and strategic directions for its implementation periodically.

- Under the guidelines for operational model, State Apex Committee, headed by the Chief Secretary of the State, are established for overall guidance, decision on Policy matter, approval of all deliverables by various agencies/ groups and financial powers as per the delegation. At the State level, Chief Secretaries are being urged to review the implementation of e-Governance projects regularly.

- The progress and status of the various projects (SDC, SWAN, CSC, SSDG, e-District) in the States is reviewed regularly through video conferencing and meetings in Delhi as well as State Capitals.

- As far as Uttar Pradesh is concerned, Regional Workshop with the State Government was held on 22.10.2010 and thereafter regular follow up is being done through video conferencing. The State has since selected the Service Centre Agencies for the remaining three zones under the CSC Scheme. The SDC Scheme is also expected to be launched by November, 2011.
- Adequate capacities in the Government at all levels are being created through the State e-Mission Project Teams (SeMTs). SeMTs have already been setup in 32 States / UTs.

- In order to train and sensitize Government officials, a wide range of training programmes like Leadership Meets, Specialized Training for e-Governance Programme (STeP), CIO's Programme, Orientation workshops and other training modules have been rolled out to up skill Govt officials at all levels. At political level, 78 Leadership Meets have been conducted in 18 States so far and other States are in the pipeline. Over 700 Govt. Officials have been trained under STeP Trainings.

- DIT has also initiated an initiative for Horizontal Transfer of Success e-Governance projects for replication of successful projects in other States.

- A CIO plan is also being rolled out to strengthen and create a cadre of in-house expert resources to lead and implement e-Governance in India at all levels of Government.

- DIT is currently hosting 50 seminars on NeGP across the country. So far 6 workshops have been hosted in Delhi, Hyderabad, Chennai, Ranchi, Ahmedabad and Srinagar. The Chief Secretaries/Additional Chief Secretaries have participated in these workshops. These workshops are being used to share best practices and innovative e-Governance solutions from States.

- 50 case studies in e-Governance, which would be shared with all the States, are being prepared.

- DIT is in the process of formulating model RFPs along with toolkits, guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

State-wise snapshot of the status of the various projects under DIT is given at <u>Annexure VI</u>. States which have completed SWAN, SDC, CSC projects can be regarded as better performing compared to other States."

(Reply to Recommendation No. 9)

"In order to review the implementation of NeGP, a programme management structure has been created which has the following key components:-

- Prime Minister's Committee on NeGP, headed by the Prime Minister, to provide leadership, prescribe deliverables and milestones and monitor periodically the implementation of NeGP.

- National e-Governance Advisory Group, headed by the Minister C & IT, to solicit views of external stakeholders and to provide inputs to the CCEA, advise the government on policy issues and strategic interventions necessary for accelerating introduction of e-Governance across Central and State Government Ministries/Departments.

- Apex Committee headed by the Cabinet Secretary to oversee the programme and to provide policy and strategic directions for its implementation.

- Similar structure exists even at the State level. Progress on the various components of NeGP is regularly communicated in the form of a fortnightly report to the PMO and a 'Monthly Progress Report' (MPR) to the Cabinet Secretary.

- The progress of the various projects (e-District, SWAN, SDC, CSC & SSDG) at the States is regularly reviewed through Video conferencing and meetings in Delhi as well as State Capitals.

- To understand the impact, utility, sustainability, scalability and replicability of mature e-Governance projects independent assessment studies are also carried out through third parties.

In order to address the various hindrances encountered in the implementation of the programme and to rollout e-Governance expeditiously, the following steps are being taken:-

- To speed up the process of enabling electronic delivery of public services to the citizens and for overcoming issues like resistance to change, systemic inertia, procedural hurdles, lack of transparency and legal impediments which hinder electronic delivery of services, it is proposed to enact the Electronic Delivery of Services (EDS) Act which would mandate provisioning of all public services compulsorily through electronic means from a specified date. The Draft Bill has been finalized and Note for the Cabinet is being finalized after getting comments of all the Ministries / Departments and State Governments.

- To ensure sharing of information and seamless interoperability of data and e-Governance applications under NeGP, standards have been released in the areas of Open Standards, Biometrics, Metadata & data, Localization and Language Technology, Network and Information Security etc.

- Considering the tremendous potential of mobile phones to expand the access to and reach of public services in India, an initiative has been taken to create a Mobile Service Delivery Gateway (MSDG) that will utilize the existing e-Governance infrastructure for delivery of services.

- DIT is in the process of formulating model RFPs along with toolkits, guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

- Adequate capacities in the Government at all levels are being created through the State e-Mission Project Teams (SeMTs). SeMTs have already been setup in 32 States / UTs.

- In order to train and sensitize Government officials, a wide range of training programmes like Leadership Meets, Specialized Training for e-Governance Programme (STeP), CIO's Programme, Orientation workshops and other training modules have been rolled out to up skill Govt officials at all levels. At political level, 78 Leadership Meets have been conducted in 18 States so far and other States are in the

pipeline. Over 700 Govt. Officials have been trained under STeP Trainings.

- A CIO plan is also being rolled out to strengthen and create a cadre of in-house expert resources to lead and implement e-Governance in India at all levels of Government.

- DIT is currently hosting 50 seminars on NeGP across the country. So far 6 workshops have been hosted in Delhi, Hyderabad, Chennai, Ranchi, Ahmedabad and Srinagar. The Chief Secretaries/Additional Chief Secretaries have participated in these workshops. These workshops are being used to share best practices and innovative e-Governance solutions from States.

- 50 case studies in e-Governance, which would be shared with all the States, are being prepared."

(Reply to Recommendation No. 10)

"There are three major challenges in the implementation of the CSC Scheme:

1. Connectivity

In order to provide reliable broadband connectivity, DIT has sanctioned ₹880 cr. to BSNL to provide Wireline and Wi-Max based broadband connectivity to all CSCs across the country. DIT has been regularly following up with BSNL, including CMD, BSNL, to ensure that this connectivity is provided expeditiously. As per the revised timelines, BSNL is expected to provide connectivity to all the CSCs by December 2011.

Additionally, a proposal to connect all the 250,000 Panchayats through a National Optic Fibre Network (NOFN) is also underway.

The Department is also trying to provide supplementary connectivity modes like the VSATs etc. wherever BSNL connectivity is not feasible.

2. Power

To address power related issues, the Department has been impressing upon the Service Centre Agencies (SCAs) from time to time to cater for Solar Power Backup as this would enhance earning opportunities for the VLEs and bring in viability and sustainability. These SCAs who manage CSC scheme in the states have been apprised of certain subsidies / incentives being offered by Ministry of New and Renewable Energy so that they may avail of this opportunity in their business interest.

3. Availability of G2C Services

The State Governments like Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Jharkhand, Kerala, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal have issued Government Orders / Notifications to the various departmental heads / District Level authorities/ Stakeholders for use of CSC to deliver various G2C Services. As the CSCs are

functioning in the rural areas of the States, the respective states are being encouraged to issue necessary guidelines regarding the type and number of services to be provided by the CSCs based on state's e-readiness and digitization / computerization of their various departments.

The approval of the National rollout of the e-District MMP has been obtained which seeks to deliver high volume citizen centric services at district and sub-district level in an electronic mode. It is expected that implementation of the Scheme will greatly increase the number of services available to the citizens at the CSCs.

As has been mentioned earlier, the Department is proposing to enact the Electronic Delivery of Services (EDS) Act which would mandate provisioning of all public services compulsorily through electronic means from a specified date. Subsequent to enactment of the Act; the states would be under statutory obligation to make available various G2C services online in a time bound manner.

A CSC India Online portal is also being envisaged that will increase the availability of services.
An Online Monitoring Tool has also been designed and developed which is generating useful information relating to functioning of the CSCs at the ground level."

(Reply to Recommendation No. 11)

Comments of the Committee

11. The Committee in their earlier recommendations had raised serious concern over the tardy progress of implementation of various components of e-Governance Programme which is one of the flagship programmes of the Government. The action taken replies furnished by the Department in this regard indicates that although some initiatives have been taken by the Department, yet they do not address to the key concerns of the Committee. The action taken notes furnished on the issues raised in the said recommendations have been analyzed and the comments thereto are given as under:-

> **(i)   One of the reasons for low level of utilization of outlay under NeGP as stated during the course of examination of Demands for Grants was non-release of State share by**

State Governments. In this connection, the Committee had desired to be apprised of the names of the States who have not released their share. The Department instead of getting the information from the State Governments on the release of State share has chosen not to respond to the issue. The Committee would, therefore, like a more categorical response of the Department in this regard.

(ii) The Committee in their earlier recommendation had desired to be informed about the name of the best performing and poor performing States with regard to NeGP. The Department in their action taken note has submitted a State-wise snapshot of status of various projects under DIT and stated that States which have completed SWAN, SDC, CSC projects can be regarded as better performing compared to other States. The Committee fail to understand as to how a State can be categorized as better performing or poor performing State on the basis of completion of various components of NeGP only particularly when as per the information furnished by the Department under one of the important components i.e. CSCs, as many as 9876 CSCs remained non-functional. In order to make the CSCs fully functional it is imperative that CSCs are made front end delivery points for the Governments. Similar may be the case with other components of NeGP. The Committee note that the Department has not comprehended the

thrust of the recommendation and as such would like that a study/survey is conducted to ascertain and see whether the various components of NeGP completed so far are functioning well in all States or not so as to have a clear picture of the best performing and poor performing States.

(iii)   While taking note of the repetitive shifting of deadline of the various components of NeGP, the Committee had emphasized 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. The Department instead of critically analyzing the performance of various components has enumerated the already known details of general initiatives being taken for implementation of NeGP as a whole. The Committee would like the Department to review the implementation of various components of NeGP followed by the corrective actions in line with their earlier recommendations.

(iv)   On the issue of making CSCs really functional thereby achieving the real objective of setting up of CSCs i.e., as the front-end delivery points for Government, private and social sector services to rural citizens of India in an integrated manner, the Department at one place in the action taken note has informed the Committee that it is proposed to enact the Electronic Delivery of Services (EDS) Act which would mandate provisioning of all public

services compulsorily through electronic means from a specified date. Subsequent to enactment of the Act, the States would be under statutory obligation to make available various G2C services online in a time bound manner. The Committee fail to understand how the States can be put under statutory obligation to make various G2C services online without addressing to the issues of connectivity and power as raised in the said recommendation of the Committee. The Committee would like the Department to take note of the aforesaid observation of the Committee before making it mandatory on the part of the State Governments to make G2C services online.

The Committee would like the Department to take the desired action on the suggested lines as per their comments given above.

III. INFRASTRUCTURE DEVELOPMENT
       NATIONAL INFORMATICS CENTRE (NIC)

Recommendations (Para Nos. 13 & 14)

12.   The Committee had recommended as under:-

"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.

(Recommendation No. 13)

"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."

(Recommendation No. 14)

13.   The Department in the Action Taken replies has *inter-alia* stated as under:-

"NIC had projected a requirement of ₹ 800 crore for the year 2011-12. The Planning Commission has allocated ₹ 754 crore against it. This appears to be adequate."

(Reply to Recommendation No. 13)

"NIC is including a proposal on "Strengthening of ICT support at grass-root level" in its 12th Five Year Plan for 2012-17. A copy of the same is at Annexure-VII."

(Reply to Recommendation No. 14)

Comments of the Committee

14.   While sharing the concerns of NIC on the issue of manpower, the Committee in their recommendation had emphasized 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 the Department of Personnel and Training and Ministry of Finance for getting the requisite approvals. The Department has not comprehended the recommendation of the Committee in the right perspective as could be seen from the action taken note which states that NIC is including a proposal on "Strengthening of ICT support at grass-root level" in its 12th Five Year Plan for 2012-17. The Committee feel that with the involvement of NIC in strengthening of ICT support at grass-root level, the gaps between the required and the existing manpower of NIC would be more critical and as such the issue needs to be addressed immediately. While expressing unhappiness over the way the Department has responded to the recommendation, the Committee would like to reiterate their earlier stand on the issue. The matter should be urgently taken up with the concerned Ministries/Departments for getting the requisite approvals so that NIC is equipped with adequate manpower to sustain the enlarged activities particularly under NeGP.

IV.   NATIONAL KNOWLEDGE NETWORK (NKN)

Recommendation (Para No. 15)

15.   The Committee had recommended as under:-

"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."

16.   The Department in the Action Taken Note has *inter-alia* stated as under:-

"In March 2010 Cabinet Committee on Infrastructure (CCI) approved the establishment of National Knowledge Network (NKN) at an outlay of ₹ 5990 crore to be implemented by National Informatics Centre (NIC) over a period of 10 years. As on date, a total amount of ₹ 1868 crore has been released under NKN project. The details of the amount released so far for NKN are as follows :

(₹ in crore)

FY 2008-09	60 (Initial Phase)
FY 2009-10	240 (Final Phase)
FY 2010-11	1362*
FY 2011-12	206 (Final Phase)
Total (As on date)	1868

*₹ 1342 crore Final Phase + ₹ 20 crore for Initial Phase = ₹ 1362 crore

In the FY 2011-12 a sum of ₹ 250 crore has been allocated against ₹ 2300 crore as approved by CCI. Based on the recommendation of 11th meeting of the High Level Committee (HLC) held on 19.07.2011 an installment of ₹ 206 crore has been released (as on date) vide Sanction Order No. 1(1)/2010-NKN dated 27.7.2011.

In the 11th HLC meeting, NIC was directed to work out realistic estimate of proposed expenditure up to December, 2011 and also for the period up to March, 2012. Accordingly, NIC has indicated requirement of funds to the tune of ₹ 1550 crore for the FY 2011-12. In this connection, a proposal for requirement of additional funds of ₹ 1300 crore for NKN has been submitted to the Planning Commission/Ministry of Finance for supplementary grants/Revised Estimates.

Ministry of Finance after examining the additional requirement of funds for NKN Programme informed: *"It would not be possible to give such a huge additionality during middle of the financial year. However, looking at the pace of Plan expenditure, DIT may like to identify likely savings within the grant for giving additional funds to NKN."* Accordingly, a proposal is being submitted to MoF for enhancement of allocation in respect of NKN through the 2nd Batch of Supplementary Demands for Grants."

Comments of the Committee

17.   The Committee express their unhappiness over the way their recommendation relating to providing allocations for National Knowledge Network at the Budget Estimate stage itself has been addressed by the Department. Instead of ending the adhocism in allocating outlay for such an important programme, the Ministry of Finance   on the issue of additional requirement of funds for NKN has requested DIT to identify likely savings within the grant for giving additional funds to NKN. The Committee observe that the approach of the Ministry of Finance/Planning Commission does not seem to give importance to the programme rather it indicates more adhocism on the issue of providing allocations. The Committee may again like to emphasize that the National Knowledge Network is a backbone for e-Governance and the issue of providing adequate resources should be addressed urgently. Besides, as suggested by the Committee, the specific allocation should be earmarked at the Budget Estimate stage itself so as to have certainty of allocations which is utmost necessary for the effective implementation of NKN programme.

V. SOFTWARE TECHNOLOGY PARK OF INDIA (STPI)/ ELECTRONICS HARDWARE TECHNOLOGY PARKS (EHTP)

Recommendations (Para Nos. 16 & 17)

18.   The Committee had recommended as under:-

"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. "

(Recommendation No. 16)

"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."

(Recommendation No. 17)

19.   The Department in the Action Taken Note has *inter-alia* stated as under:-

> "Action is being taken by this Department for preparation of proposed non-profit linked incentive scheme especially for Small and Medium Enterprises (SMEs)."

(Reply to Recommendation No. 16)

> "The export figure of ₹ 144157 crores, as mentioned above, is for the period April 2010 to December, 2010. However, the total exports by STP units for the Financial Year 2010-2011 (April, 2010 to March, 2011) is ₹ 207376 crores, as compared to ₹ 205505 crores for the Financial Year 2009-2010. Thus, there is a marginal increase in the export by STP units. The performance of STP units is being reviewed too. The proposed initiatives as mentioned in the Recommendation No. 16 are expected to improve the competitive edge of STP units especially SMEs and increase the export performance."

(Reply to Recommendation No. 17)

Comments of the Committee

20.   With regard to the strategy of the Department to tackle the situation emerging out of withdrawal of tax holiday from STPI from 1 April, 2011 and increase in Minimum Alternate Tax (MAT), the Committee during the course of deliberations on Demands for Grants had been informed about the following three proposed initiatives:- (i) Preparation of non-profit link incentive scheme for STPI registered units   (ii) Strengthening of the present induction programme of STPI units for business incubation and entrepreneurial development for startup units, and (iii) Establishment of a National Productivity Network by STPI in association with DIT. The Committee as such had emphasized to take the aforesaid initiatives expeditiously.

It seems from the analysis of the action taken notes that the Department is taking up the issue as given at (i) above. In respect of action taken on the remaining two proposals the action taken note is

completely silent, although in response to another recommendation made in Twenty-third Report it has been acknowledged that the proposed initiatives are expected to improve the competitive edge of STP units, especially SMEs and increase the export performance. The Committee would again like to emphasize that the adverse effects of the withdrawal of tax holiday for STPI and increase in MAT need to be kept a vigilant watch. Besides, certain initiatives need to be taken to counter the aforesaid adverse effects on STPI. Keeping in view the urgency of the situation, the Department should ensure that the aforesaid three proposed initiatives are given utmost importance. The concrete initiatives taken in this regard should be apprised to the Committee.

VI. CYBER SECURITY (INCLUDING CERT-IN, IT ACT, CCA)

Recommendation (Para No. 19)

21.   The Committee had recommended as under:-

"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."

22. The Department in the Action Taken Note has *inter-alia* stated as under:-

"The system of reporting the cyber attacks involves reporting of cyber attacks as cyber incidents and reporting of cyber attacks as cyber crime. As far as reporting of cyber attacks as cyber incident, it is facilitated by CERT-In through its 24.x7 help desk mechanism involving toll free telephone and fax Nos. as well as e-mail. In addition, detailed information regarding the format for reporting the incident is also available to the public. This aspect has been described in sufficient detail on CERT-in website at www.cert-in.org.in. Besides this, the system of reporting cyber incident is also informed to the users during all trainings/seminars/workshops and other mass contact programmes conducted by CERT-In. Further, the Crisis Management Programme published by DIT identifies the nature of incidents that need to be reported to CERT-In along with the necessary format and procedures."

With regard to reporting of cyber attacks as cyber crimes, the present system involves reporting with the cyber crime cells of law enforcement agencies across the country. In this connection, DIT has written to MHA requesting them to take some urgent steps to increase the awareness among people regarding the mechanism of reporting cyber crime cases with the cyber crime cells of law enforcement agencies. In addition, MHA has also been requested to advise the National Crime Records Bureau (NCRB) to maintain data with regard to disposal status of registered cyber crime cases."

Comments of the Committee

23. The Department in the action taken note has not addressed to the part recommendation of the Committee whereby the Department was exhorted to maintain the data with regard to disposal status of the registered cyber crime cases. The Committee may again like to emphasize that besides maintaining State/UT wise data with regard to registering of cyber crime cases, it is utmost necessary to maintain the status of their disposal so as to understand the efficacy of the adjudication process. While reiterating the earlier recommendation, the Committee would like the Department to instruct the concerned authorities/State Governments to maintain the data in this regard. Besides, the data should also be periodically updated. The requisite information in this regard should be

monitored by the Union Department of Information Technology and the Committee be kept apprised.

VII.   HUMAN RESOURCE DEVELOPMENT
**   MANPOWER DEVELOPMENT (INCL. SKILL DEVELOPMENT IN IT)**

Recommendation (Para No. 22)

24.   The Committee had recommended as under:-

"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."

25.   The Department in the Action Taken Note has *inter-alia* stated as under:-

"To meet the target of 10 million people to be trained in IT sector by 2022, the Department has prepared the draft Detailed Project Reports (DPRs)/EFC Memo entitled "DIT's initiatives for Skill Development in IECT Sector". The proposal has the following three components:

(a)   To train about one crore people in various IECT areas at different levels   ranging from foundation level to PG level courses in different verticals   by DOEACC Society.

(b)   To train about 7 lakh people in high-end niche areas of IECT by CDAC Society.

(c)   Setting up of an ICT academy in each State/Union Territory across the   country on PPP mode. These IT Academies along with the respective   State Governments and industry associations would upgrade the   faculty   in the colleges of tier-II/tier-II cities in various niche areas of IECT Sector. The trained faculty would in turn help towards enhancing the quality of the students graduating from various colleges.

Under the above mentioned proposal, it is envisaged that up to 50% of the total target to be skilled through internal capacities of DOEACC and CDAC would comprise of the disadvantaged segment of the population which inter-alia includes Scheduled Caste, Scheduled Tribes and women.

The draft EFC memo along with DPRs were circulated to various Ministries/Departments   concerned   for   their comments/suggestions. Comments have been received from some Ministries. Further, detailed presentations were made to the Member Secretary, Planning Commission and Hon'ble, MoS (Planning). The formal comments of the Planning Commission on the draft EFC Memo are awaited."

Comments of the Committee

26.   Expressing their displeasure over the tardy progress in launching of the Scheme of 'Skill Development in IT', the Committee had recommended to complete all consultations and the approval process so that the scheme is ready for implementation during 2011-12. The Department, in this regard, has informed the Committee that formal comments of the Planning Commission on the draft EFC Memo are awaited. Keeping in view the fact that IT is an emerging sector and skill development in IT needs to be given urgent attention, the

Committee strongly recommend to fast track the process of consultations and approvals so that the Scheme is finally launched expeditiously. Besides the Committee would also like the Department to assess the requirement of fund for the project and take up the issue of adequate allocation with the Ministry of Finance before the launch of the project so that there is no delay in implementation of the Scheme once it is launched.

VIII. RESEARCH AND DEVELOPMENT
CENTRE FOR DEVELOPMENT AND ADVANCED COMPUTING (C-DAC)

Recommendation (Para No. 24)

27.   The Committee had recommended as under:-

"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.

28.   The Department in the Action Taken Note has *inter-alia* stated as under:-

"A proposal on the subject was referred to Ministry of Finance way back in 2002. Ministry of Finance, Department of Expenditure had informed "(i) The need for incentive may be considered only in case of those societies which are functioning in a highly competitive environment and which are sustaining their operations exclusively on their own surpluses without any Government grant whatsoever either for capital expenditure or for day to day revenue expenditure including salary expenditure. The surplus in these cases may be worked out after making provisions for dividend/interest payment to the GOI, as a promoter of these organizations and having provided for initial corpus. (ii) In rest of the Societies, no incentive may be paid and the question of ex-gratia to employees equivalent to Group 'A' & 'B' gazetted officers of the GOI would not arise and question of ex-gratia for employees equivalent to Group 'B' non-gazetted and Group 'C' and 'D' of the Central Government may be separately taken up with this Ministry. (iii) The Department of Information Technology are advised to ascertain the position in case of similarly placed scientific autonomous institutions under

the CSIR, ICAR, Department of Education (IIT, IIM), etc as to whether any incentive payment is admissible in these autonomous organizations. (iv) The result of review of these 14 autonomous bodies on the basis of the recommendations of the ERC may also be indicated. (v) While following the advice of this Department, the Department of Information Technology are requested to consult FA(DIT) also."

In view of the above instructions of the Ministry of Finance, a fresh proposal is being prepared by C-DAC and on the receipt of the same, the matter would be taken up with Ministry of Finance, Department of Expenditure, once again."

Comments of the Committee

29.   The Committee note from the action taken note that a proposal on the issue of performance incentive to the employees of C-DAC was referred to the Ministry of Finance way back in 2002. The Ministry of Finance, Department of expenditure had raised certain queries/clarifications and the Department of Information Technology was requested to consult FA (DIT) also. When the issue was raised during the course of examination of Demands for Grants, the Committee had been apprised 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. Now, after passage of more than three months, the Committee through the action taken note of the Department have been apprised that a fresh proposal in this regard is being prepared by C-DAC. The Committee have consistently been exhorting the Department to address the issue of attrition of manpower in C-DAC in their reports. In spite of that the aforesaid position as informed by the Department indicates that urgency has not so far been accorded to the issue. While expressing serious concern over the way such an important issue concerning the performance of the R&D organizations has been addressed by the

Department, the Committee strongly reiterate their earlier recommendation and exhort the Department to finalize the scheme of incentives in consultation with the Ministry of Finance at the earliest so that attrition rate in C-DAC is checked.

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CHAPTER-II

RECOMMENDATIONS / OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Para No. 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.

Action Taken by the Government

Esteemed views of the Committee have been noted please.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Recommendation (Para No. 2)

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

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.

Action Taken by the Government

The statements could not be made by the Minister in the Winter Session 2010 and Budget Session 2011 due to early sine-die/adjournment of these Sessions of the Parliament. An O.M. dated 19.07.2011 stating the reasons for delay in making the statement in the Parliament had also been forwarded to the Lok Sabha Secretariat (Standing Committee on Information Technology Branch). However, MOS(P) has made the desired statements in the Rajya Sabha on 26.08.2011 and in the Lok Sabha on 06.09.2011.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Recommendation (Para No. 3)

DIT Budget
Eleventh Plan Outlay and Utilisation

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.

Action Taken by the Government

The allocations in BE 2010-11 have been enhanced at RE stage, due to augmentation of the provision of NKN Programme. The total allocation for NKN programme including the additional allocation has been spent during 2010-11. However, the under spending of about ₹450 crore was due to non-release of grants under various programmes, especially e-Governance Programme in view of non-receipt of utilization certificates, non-release of State share, etc. The following steps are being taken for effective monitoring of implementation of various schemes/programmes:

- The Department of Information Technology (DIT) being a Scientific Dept and mandated for development and promotion of information technology throughout the country, it undertakes a large number of R&D projects and provides financial support to various implementing agencies viz. autonomous societies/R&D institutions/universities etc. for implementation of the projects, and to ensure that the projects/programmes become "outcome oriented" the EFC/SFC formats include the "outcome para" in the memorandum.
- The projects, which are funded by this Department, are first considered in terms of its relevance by the Working Group which is composed of national level experts in the different areas. Once it is recommended by the Working Group, the same is considered for appraisal through the Standing Finance Committee (SFC)/Expenditure Finance Committee (EFC) route.
- To ensure that the programmes are implemented in right direction Project Review & Steering Group (PRSG) is constituted for each of the project to review

the progress and utilization of funds released. The PRSG examines the utilization of funds released for the intended purpose with the desired outcomes to the project, utilization of physical assets and manpower and suggests to improve project management and programme implementation. On reviewing the progress/achievements of the project the PRSG recommends for the next installment of grant. The second and the subsequent installments of grant is released by the Department only after obtaining the utilization certificate of earlier release. This mechanism is working well and is putting emphasis on "outcome".

Besides the above, zero-based budgeting is being stringently followed and review of all the programmes being undertaken for the 12th Five-Year Plan.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Recommendation (Para No. 4)

The Department has 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.

Action Taken by the Government

During the formulation of 12th Five-Year Plan, review/justification of all Plan schemes of DIT will be undertaken and zero-based budgeting would be stringently followed.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget (Vol.II) dated 4th November, 2011)

Recommendation (Para No. 5)

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

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.

Action Taken by the Government

DIT is hopeful that the targets of IEBR generation for the year 2011-12 would be achieved. All the Societies under the Department in respect of which IEBR targets are fixed have been requested to generate IEBR by sticking to the targets for that purpose.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4ᵗʰ November, 2011)

Recommendation (Para No. 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.

Action Taken by the Government

The recommendations made by the Committee are noted. The Department would like to highlight the steps which are being taken to make the various components of e-Governance Programme functional:-

- To speed up the process of enabling electronic delivery of public services to the citizens and for overcoming issues like resistance to change, systemic inertia, procedural hurdles, lack of transparency and legal impediments which hinder electronic delivery of services, it is proposed to enact the Electronic Delivery of Services (EDS) Act which would mandate provisioning of all public services compulsorily through electronic means from a specified date. The Draft Bill has been finalized and Note for the Cabinet is being finalized after getting comments of all the Ministries / Departments and State Governments.
- To ensure sharing of information and seamless interoperability of data and e-Governance applications under NeGP, standards have been released in the areas of Open Standards, Biometrics, Metadata & data, Localization and Language Technology, Network and Information Security etc.
- Considering the tremendous potential of mobile phones to expand the access to and reach of public services in India, an initiative has been taken to create a Mobile Service Delivery Gateway (MSDG) that will utilize the existing e-Governance infrastructure for delivery of services.
- DIT is in the process of formulating model RFPs along with toolkits, guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

- Adequate capacities in the Government at all levels are being created through the State e-Mission Project Teams (SeMTs). SeMTs have already been setup in 32 States / UTs.

- In order to train and sensitize Government officials, a wide range of training programmes like Leadership Meets, Specialized Training for e-Governance Programme (STeP), CIO's Programme, Orientation workshops and other training modules have been rolled out to up skill Govt officials at all levels. At political level, 78 Leadership Meets have been conducted in 18 States so far and other States are in the pipeline. Over 700 Govt. Officials have been trained under STeP Trainings.

- A CIO plan is also being rolled out to strengthen and create a cadre of in-house expert resources to lead and implement e-Governance in India at all levels of Government.

- DIT is currently hosting 50 seminars on NeGP across the country. So far 6 workshops have been hosted in Delhi, Hyderabad, Chennai, Ranchi, Ahmedabad and Srinagar. The Chief Secretaries/Additional Chief Secretaries have participated in these workshops. These workshops are being used to share best practices and innovative e-Governance solutions from States.

- 50 case studies in e-Governance, which would be shared with all the States, are being prepared.

Recommendation (Para No. 18)

(Promotion of Electronics/IT hardware manufacturing

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. Inspite 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.

Action Taken by the Government

With reference to observation of the Committee that concrete strategy should be made for promotion of Electronics and IT hardware manufacturing sector, a high level Committee comprising inter-alia Chairman, National Manufacturing Competitiveness Council (NMCC) and Adviser to Prime Minister on Public Information Infrastructure & Innovation and others deliberated on the issues relating to manufacture of electronic hardware including telecom equipment. This Committee has made 5 key recommendations for promotion of electronics hardware manufacturing sector, which are under implementation. The present status of implementation is given below:

S.No.	Initiative	Achievement
1.	To set up a National Electronics Mission (NEM)	Draft Cabinet Note has been prepared and sent for Inter-Ministerial consultations.

S.No.	Initiative	Achievement
2.	To set up two Semiconductor Wafer Fabs	Empowered Committee (EC) has been set up for identifying technology and investors for setting up two Semiconductor Wafer Fabrication (Fab) Manufacturing facilities after obtaining approval of Cabinet in its meeting held on 20.4.2011. An Expression of Interest (EOI) was published in national/international magazines / newspapers and websites. Leading companies were addressed. Indian embassies abroad have also been requested to follow up with potential investors. Some responses have been received and the same are being evaluated.
3.	To introduce Modified Special Incentive Package Scheme and setting up of Electronics Manufacturing Clusters	- Draft Cabinet Note has been prepared for introduction of Modified Special Incentive Package Scheme (M-SIPS). Action for Inter-Ministerial consultations is underway. - Draft Cabinet Note has been prepared for Electronics Manufacturing Clusters (EMC) Scheme. Action for Inter-Ministerial consultations is underway.
4.	To set up an Electronics Development Fund (EDF) to promote innovation, R&D, Indian IP and development of Indian Microprocessor	Draft Detailed Project Report (DPR) for setting up of Electronics Development Fund (EDF) is under finalization.
5.	To provide preferential access to domestically produced electronics products for government procurements (excluding defence) and procurement by Government Licensees, PSUs etc.	Proposal was considered by the Committee of Secretaries (COS) in its meeting held on 7.2.2011. As per COS decision, draft Cabinet Note has been prepared and Inter-Ministerial consultations are at final stage.

Additionally, following initiatives have also been taken for promotion of the sector:

(i)   Collaborating with State Governments: To engage the State Governments to proactively encourage investment in the sector, a meeting with Chief Ministers / Ministers of States was held on 29.8.2011. Twenty (20) State level Workshops have been proposed in partnership with Industry, States and other stakeholders.

(ii)   With the objective to control the quality of electronics goods being manufactured in the country and restrict import of sub-standard electronics goods, a draft Order proposing mandatory compliance of safety standards for 16 numbers of electronic items has been sent to Bureau of Indian Standards / Department of Consumer Affairs for approval.

(iii)   Communications and Brand Building Campaign with the objective to build "Made in India" as leading global brand in Electronics Systems Design and Manufacturing (ESDM) and increasing awareness regarding initiatives taken by Government to promote investments in ESDM sector has been launched. As part of this effort a LED Forum was jointly organized by DIT and LED Products Manufacturers' Association (LEDMA) in September 2011 wherein efforts to encourage LED sector investments were made. State level Workshops are also being carried out in 20 States. College level Workshops in about 120 different colleges are proposed with the objective of encouraging young engineers to know about potential in ESDM sector and related career opportunities. A Communication Needs Assessment study through a professional agency is also proposed.

(iv)   Amendment of the Defence Offset Policy for enhancing its scope to include electronics products for meeting the offset obligation is also being pursued with the objective to promote electronics hardware manufacturing.

(v)   A roadmap to enable semiconductor design and services industry to move up the value chain and maintain growth rate of revenue of over 17% p.a. has been prepared.

(vi)   Preparation of roadmap to promote growth of electronics components industry. "

Recommendation (Para No. 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.

Action Taken by the Government

Based on the preliminary study conducted by DIT, following is the synopsis of:
a) Study conducted on e-fraud internationally are at <u>Annexure-VIII</u>
b) Mechanism to deal with e-fraud in other countries is given at <u>Annexure-IX</u>
c) Insurance mechanism against e-fraud in other countries is given in <u>Annexure-X</u>

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Recommendation (Para No. 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 at least 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.

Action Taken by the Government

Critical sectors/organizations are making efforts to implement information security best practices as per ISO 27001 standard. Implementation of security best practices provides a good base line for effective security and vigilant mechanism to deal with the security issues proactively. Specific implementation of security best practices enables the following:-

a) Interoperability: Systems from diverse parties are more likely to fit together if they follow a common guideline
b) Assurance: Management can be assured of the quality of a system, business unit, or other entity, if a recognized framework or approach is followed.
c) Due Diligence: Compliance with, or certification against international standard is often used by management to demonstrate due diligence.
d) Bench Marking: Organisations often use a standard as a measure of their status within their peer community. It can be used as a bench mark for current position and progress.
e) Awareness: Implementation of a standard such as ISO 27001 results in greater security awareness within an organization.

Empanelment of auditors by CERT-In is an open process available to all competent and qualified auditors in the country. Auditing is a commercial activity and as such the empanelment of auditors gets determined by the demand for audits as well as the ability of auditors to qualify through the CERT-In's empanelment process. With the mandate of security best practices in place for critical sector organizations, it is expected that more number of auditors will seek empanelment and also the existing auditors would seek to expand their auditing strength to cater to the growing needs.

The information security assurance project being implemented by DIT focuses on creation of master trainers, establishment of training infrastructure and facilities as well as the training of other officers of Govt. besides enhancing the cyber security education and awareness among general users in the country through formal and informal educational programmes as well as promotional material. A snap shot of programme is enclosed at Annexure XI.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Recommendation (Para No. 23)

Department of Electronics Accreditation for Computer Courses (DOEACC)

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.

Action Taken by the Government

DOEACC Society conducts its O/A/B/C level examinations twice a year in the month of July & January. During 2010-11, a total of 43,369 candidates have registered for the O/A/B/C level examinations. A total of 11,238 candidates have fully qualified in the O/A/B/C level Examination during the financial year 2010-11.

The proposed allocation of funds and subsequent utilisation was mainly meant for augmentation/ renewal and replacement of the equipments and facilities at DOEACC Centres for offering long term formal courses, where the target has been achieved.

DOEACC Society is already providing following special benefits to SC/ST & Women candidates to attract them to undergo DOEACC courses so as improve their skills and employability.

- No tuition fee/exam fee is being charged from the SC/ST candidates in DOEACC Society's own Centres across the country. During 2010-11, a total of 1811 students have been benefitted under this scheme.

- DOEACC provides scholarships to meritorious SC/ST/Women and Physically Handicapped students of O/A/B/C level. During 2010-11, a total of 626 students were provided scholarship under this scheme.

- DOEACC provides full refund of examination fee to the SC/ST candidates after qualifying all the papers of a particular level of DOEACC O/A/B/C scheme.

- To increase the turn-out of students in DOEACC O/A/B/C level & other courses, especially of candidates belonging to SC/ST category, an advertisement was published during June, 2011 highlighting special benefits to SC/ST candidates. From time to time, DOEACC Centres also publish advertisements highlighting the benefits offered to SC/ST/Women candidates.

To achieve the targets set under the Skill Development initiatives in IECT Sector, an integrated approach is proposed to be adopted by setting up more DOEACC Centres, increasing the number of accredited institutes and exploring various delivery models so as to provide training at various locations across the country.   It is also envisaged to train up to 50% of the internal capacity from the disadvantaged section of the society which inter-alia includes candidates belonging to SC/ST and Women, on free of cost basis.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Recommendation (Para Nos. 25 & 26)

IT for masses (Gender, SC/ST)

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.

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.

Action Taken by the Government

During the first four years of Eleventh Five Year Plan, the total Plan Allocation (GBS approved) for the scheme *IT for Masses* is ₹ 39.00 Crore (BE) and ₹ 43.67 Crore (RE). As against this, the actual expenditure is estimated to be ₹ 37.75 Crore, which amounts to 96.8% of Plan Allocation under BE and 86.4% of the Plan provision under RE for the Plan Scheme 'IT for Masses'.

As regards physical progress under this Scheme, 51 projects have been initiated and implemented in 25 States/UTs. These projects have benefitted directly about 2.5 lakh women and 30000 SC/ST. Many women, SC/ST have also benefited indirectly for these projects. Projects have also been implemented in backward Districts/Areas.

The suggestion of the Hon'ble Committee is being noted to extend this scheme throughout the country to cover all the States/UTs and more thrust to be given to backward Districts/Areas.

Besides the programme relating to *IT for Masses*, there are other schemes of DIT, which provide benefits to SC/ST and Women.   The names of these schemes are –

- Electronic Governance
- Centre for Development of Advanced Computing (C-DAC)
- Department of Electronics Accreditation for Computer Courses (DOEACC)
- National Informatics Centre (NIC)
- Cyber Security (including CERT-IN, IT Act)
- National Knowledge Network (NKN)
- Manpower Development
- Technology Development for Indian Languages (TDIL)

As regards the challenges facing the project implementing agencies in various States/ UTs, the issues relating to low enrollment rate/High drop-out rate, poor connectivity and Naxalite problem have been adequately addressed by implementing

agencies in States/UTs. Wherever the issue of connectivity persists, Department will take up the matter with BSNL along with the implementing agencies.

As regards project sustainability after project completion and its scale of operation, the project sponsoring/implementing authorities have always tried to optimize the project scale and outlay in consultation with the stakeholders. Impact Evaluation Studies have also been carried out by third party on completion of the project *inter-alia* to assess the project sustainability and its impact. The issues relating to financial constraints of projects have also been suitably addressed by the respective Project Review Steering Groups (PRSG) for the projects.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

CHAPTER –III

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

--NIL--

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

Recommendation (Para Nos. 6 & 7)

Outstanding Utilisation Certificates

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.

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.

Action Taken by the Government

The action taken by the Department are as given below:

1. For speedy liquidation of pending UCs, each Group/HODs have been requested for early liquidation and submission of UCs due as well as copies of UCs, which have already been forwarded and not yet updated in DIT UC Monitoring System. In coordination with PAO every effort has been made for getting the UCs updated in the UC Monitoring System.
2. For On-going projects, before release of every subsequent installment, submission of pending UCs for the grants already released to the grantee agencies, even for other projects, are insisted upon.
3. No proposal for release of funds (On going/new project) is considered in IFD without certification from the concerned Programme Division to the

effect that the implementing agency/payee has no UC as ₹due for rendition' or that the payment has been authorized by D/o Expenditure as per recent instruction.

4. Programme Divisions are also directed to take into account Unspent Balance + interest accrued thereon, while recommending/releasing the next installment.

5. The coordinated effort of PAO, Programme Division and also IFD officials has resulted in tracking/obtaining a number of old pending UCs from the grantee agencies.

6. All Group Coordinators were apprised with the observations of Parliamentary Standing Committee and were also requested for providing details for action taken/proposed to be taken by them relating to the recommendations of the Committee, specifically regarding action against defaulter agencies and recovery of money from these agencies/fixing of accountability for not furnishing the UCs.

6.1 All Group Coordinators were also apprised with the provisions of GFR 212(1) and GCs were asked to take appropriate action in r/o institutions not submitting UCs for more than 3 years and immediately in r/o institutions/organizations who have not furnished UCs after receiving first installment. Information regarding action initiated for fixing of accountability for not furnishing UCs/details of stringent action proposed to be taken against such agency for recovery of money, has also been called for.

7. All these efforts have resulted in reducing the number of pending Utilization Certificates.

7.1 The position of pending UCs (for the sanctions issued upto March 2009) with regard to the recommendations contained in 23rd Report of the Standing Committee on Information Technology (2010-11) on Demand s for Grants (2011-12), is as under:

As on	No of pending UCs (Due as on 01.04.2010)	Amount (₹ in crore)
31.12.2010	431	694.51
01.10.2011	326	600.07

It may be seen from the above statement that a total of 105 UCs (due as on 01.04.2010) amounting to ₹ 94.44 Crores have been liquidated during a period of approximately 9 months.

An updated statement showing pending UCs for the grant-in-aid sanctioned during the period from 01.04.2001 to 31.03.2009 is enclosed at Annexure I please.

7.2. The position of unspent grants (for the sanctions issued upto 31.12.2010) with regard to the recommendations contained in 23rd Report of the Standing Committee on Information Technology (2010-11) on Demand s for Grants (2011-12), is as under:

As on	Total No. of UCs	Amount (₹ in crore)
31.12.2010	1000	2534.87
31.03.2011	1009	2057.14

7.3 A statement as on 03.10.2011, showing 553 UCs amounting to ₹ 1007.48 Crore (for the sanctions issued from 1.04.2001 to 31.03.2010) which are pending with implementing Agencies, is enclosed at Annexure II.

8. The Parliamentary Standing Committee in its 23rd report on Demands for Grants (2011-12) pointed out that there were 72 agencies during the year

2010-11 and with the constant efforts of the Department, the number has decreased to 35 UCs amounting to ₹ 32.92 Crore.

8.1   As part of the implementation of recommendations of Parliamentary Standing Committee, all the Group Coordinators were apprised with the names of the implementing agencies which have been sanctioned grants in single installment and no Utilization Certificate was received. The coordinated effort of IFD and Progamme Divisions resulted in reducing the number of such UCs.

8.2   A statement showing comparison of such agencies i.e. as on 31.12.2010 and as on 03.10.2011, is placed at <u>Annexure III</u> please.

8.3   It may be seen from the statement at Annexure III that as on 03.10.2011, only 34 UCs (single installment) for ₹ 32.78 crores are pending as compared to 72 UCs amounting to ₹ 46.95 crores as on 31.12.2010. It would mean that an amount of ₹ 14.17 crore has been liquidated.

9.   The status of unspent grants as on 03.10.2011 for the sanctioned issued from 01.04.2010 to 30.09.2011 is given as under (Detailed statement is also enclosed at <u>Annexure IV</u>):

Period during which sanctions were issued	Amount Unspent Balance (₹ in crore)	Number of pending UCs
01.04.2001 to 31.03.2010	1007.48	553
01.04.2010 to 31.03.2011*	1102.48	447
01.04.2011 to 30.09.2011**	394.23	136
Total	2504.19	1136

*   *The Utilization Certificate for the sanctions issued during the period from 01.04.2010 to 31.03.2011 would only become due on 01.04.2012.*
**   *The Utilization Certificate for the sanctions issued during the period from 01.04.2011 to 30.09.2011 would only become due on 01.04.2013.*

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

**Comments of the Committee
(Please see Para No. 8 of Chapter I)**

Recommendation (Para No. 8)

<u>National e-Governance Programme (NEGP)</u>

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.

Action Taken by the Government

It is clarified that under the various schemes, DIT only acts as a facilitator and catalyst. The responsibility of implementing the projects lies with the State Governments. Revenue support is released by DIT to the State Designated Agencies (SDAs). The SDA is then responsible for releasing the funds to all the project stakeholders (Project Implementing Agencies, Consultant, Service Centre Agencies (SCAs), NIC etc.) upon the satisfactory performance of the contractual agreements by the various stakeholders. The revenue support which also includes state's share (ACA) is being released by the states to the Implementing Agencies as and when it is due and eligible and upon submission of the Utilization Certificate (UC) by the States. It is also submitted that projects like SWAN, CSC etc. are being implemented in a Public Private Partnership (PPP) mode and funds are released only after the Implementing Agency has met all the Service Level Requirements.Under NeGP project, funds released as DIT Grants-in-aid and State share is contributed through ACA (MoF). First installment of Grant-in-aid and ACA has been released to all States. However, in many States, State Governments have not released the funds due to the Implementing Agencies as there have been minor shortcomings on behalf of the Implementing Agencies. The status of submission of UCs by the different States is given at <u>Annexure V</u>.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 11 of Chapter I)

Recommendation (Para No. 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 analyze 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.

Action Taken by the Government

In order to address uneven progress across States and to accelerate adoption of e-Governance in all States, the following steps are being taken:

- A programme management structure has been created under NeGP. Under this structure, an Apex Committee on NeGP, headed by the Cabinet Secretary, oversees the programme and provides policy and strategic directions for its implementation periodically.
- Under the guidelines for operational model, State Apex Committee, headed by the Chief Secretary of the State, are established for overall guidance, decision on Policy matter, approval of all deliverables by various agencies/ groups and financial powers as per the delegation. At the State

level, Chief Secretaries are being urged to review the implementation of e-Governance projects regularly.

- The progress and status of the various projects (SDC, SWAN, CSC, SSDG, e-District) in the States is reviewed regularly through video conferencing and meetings in Delhi as well as State Capitals.
- As far as Uttar Pradesh is concerned, Regional Workshop with the State Government was held on 22.10.2010 and thereafter regular follow up is being done through video conferencing. The State has since selected the Service Centre Agencies for the remaining three zones under the CSC Scheme. The SDC Scheme is also expected to be launched by November, 2011.
- Adequate capacities in the Government at all levels are being created through the State e-Mission Project Teams (SeMTs). SeMTs have already been setup in 32 States / UTs.
- In order to train and sensitize Government officials, a wide range of training programmes like Leadership Meets, Specialized Training for e-Governance Programme (STeP), CIO's Programme, Orientation workshops and other training modules have been rolled out to up skill Govt officials at all levels. At political level, 78 Leadership Meets have been conducted in 18 States so far and other States are in the pipeline. Over 700 Govt. Officials have been trained under STeP Trainings.
- DIT has also initiated an initiative for Horizontal Transfer of Success e-Governance projects for replication of successful projects in other States.
- A CIO plan is also being rolled out to strengthen and create a cadre of in-house expert resources to lead and implement e-Governance in India at all levels of Government.
- DIT is currently hosting 50 seminars on NeGP across the country. So far 6 workshops have been hosted in Delhi, Hyderabad, Chennai, Ranchi, Ahmedabad and Srinagar. The Chief Secretaries/Additional Chief Secretaries have participated in these workshops. These workshops are being used to share best practices and innovative e-Governance solutions from States.
- 50 case studies in e-Governance, which would be shared with all the States, are being prepared.
- DIT is in the process of formulating model RFPs along with toolkits, guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

State-wise snapshot of the status of the various projects under DIT is given at Annexure VI. States which have completed SWAN, SDC, CSC projects can be regarded as better performing compared to other States.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 11 of Chapter I)

Recommendation (Para No. 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.

Action Taken by the Government

In order to review the implementation of NeGP, a programme management structure has been created which has the following key components:-

- Prime Minister's Committee on NeGP, headed by the Prime Minister, to provide leadership, prescribe deliverables and milestones and monitor periodically the implementation of NeGP.
- National e-Governance Advisory Group, headed by the Minister C & IT, to solicit views of external stakeholders and to provide inputs to the CCEA, advise the government on policy issues and strategic interventions necessary for accelerating introduction of e-Governance across Central and State Government Ministries/Departments.
- Apex Committee headed by the Cabinet Secretary to oversee the programme and to provide policy and strategic directions for its implementation.
- Similar structure exists even at the State level. Progress on the various components of NeGP is regularly communicated in the form of a fortnightly report to the PMO and a 'Monthly Progress Report' (MPR) to the Cabinet Secretary.
- The progress of the various projects (e-District, SWAN, SDC, CSC & SSDG) at the States is regularly reviewed through Video conferencing and meetings in Delhi as well as State Capitals.
- To understand the impact, utility, sustainability, scalability and replicability of mature e-Governance projects independent assessment studies are also carried out through third parties.

In order to address the various hindrances encountered in the implementation of the programme and to rollout e-Governance expeditiously, the following steps are being taken:-

- To speed up the process of enabling electronic delivery of public services to the citizens and for overcoming issues like resistance to change, systemic inertia, procedural hurdles, lack of transparency and legal impediments which hinder electronic delivery of services, it is proposed to enact the Electronic Delivery of Services (EDS) Act which would mandate provisioning of all public services compulsorily through electronic means from a specified date. The Draft Bill has been finalized and Note for the Cabinet is being finalized after getting comments of all the Ministries / Departments and State Governments.
- To ensure sharing of information and seamless interoperability of data and e-Governance applications under NeGP, standards have been released in

the areas of Open Standards, Biometrics, Metadata & data, Localization and Language Technology, Network and Information Security etc.

- Considering the tremendous potential of mobile phones to expand the access to and reach of public services in India, an initiative has been taken to create a Mobile Service Delivery Gateway (MSDG) that will utilize the existing e-Governance infrastructure for delivery of services.

- DIT is in the process of formulating model RFPs along with toolkits, guidelines and framework for preparing them to be used by Line Departments and State Governments to procure goods, consultancy services, works and managed services for e-Governance projects.

- Adequate capacities in the Government at all levels are being created through the State e-Mission Project Teams (SeMTs). SeMTs have already been setup in 32 States / UTs.

- In order to train and sensitize Government officials, a wide range of training programmes like Leadership Meets, Specialized Training for e-Governance Programme (STeP), CIO's Programme, Orientation workshops and other training modules have been rolled out to up skill Govt officials at all levels. At political level, 78 Leadership Meets have been conducted in 18 States so far and other States are in the pipeline. Over 700 Govt. Officials have been trained under STeP Trainings.

- A CIO plan is also being rolled out to strengthen and create a cadre of in-house expert resources to lead and implement e-Governance in India at all levels of Government.

- DIT is currently hosting 50 seminars on NeGP across the country. So far 6 workshops have been hosted in Delhi, Hyderabad, Chennai, Ranchi, Ahmedabad and Srinagar. The Chief Secretaries/Additional Chief Secretaries have participated in these workshops. These workshops are being used to share best practices and innovative e-Governance solutions from States.

- 50 case studies in e-Governance, which would be shared with all the States, are being prepared.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 11 of Chapter I)

Recommendation (Para No. 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.

Action Taken by the Government

There are three major challenges in the implementation of the CSC Scheme:-

4.   Connectivity

In order to provide reliable broadband connectivity, DIT has sanctioned ₹ 880 cr. to BSNL to provide Wireline and Wi-Max based broadband connectivity to all CSCs across the country. DIT has been regularly following up with BSNL, including CMD, BSNL, to ensure that this connectivity is provided expeditiously. As per the revised timelines, BSNL is expected to provide connectivity to all the CSCs by December 2011.

Additionally, a proposal to connect all the 250,000 Panchayats through a National Optic Fibre Network (NOFN) is also underway.

The Department is also trying to provide supplementary connectivity modes like the VSATs etc. wherever BSNL connectivity is not feasible.

5.   Power

To address power related issues, the Department has been impressing upon the Service Centre Agencies (SCAs) from time to time to cater for Solar Power Backup as this would enhance earning opportunities for the VLEs and bring in viability and sustainability. These SCAs who manage CSC scheme in the states have been apprised of certain subsidies / incentives being offered by Ministry of New and Renewable Energy so that they may avail of this opportunity in their business interest.

6.   Availability of G2C Services

The State Governments like Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Jharkhand, Kerala, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal have issued Government Orders / Notifications to the various departmental heads / District Level authorities/ Stakeholders for use of CSC to deliver various G2C Services. As the CSCs are functioning in the rural areas of the States, the respective states are being encouraged to issue necessary guidelines regarding the type and number of services to be provided by the CSCs based on state's e-readiness and digitization / computerization of their various departments.

The approval of the National rollout of the e-District MMP has been obtained which seeks to deliver high volume citizen centric services at district and sub-district level in an electronic mode. It is expected that implementation of the Scheme will greatly increase the number of services available to the citizens at the CSCs.

As has been mentioned earlier, the Department is proposing to enact the Electronic Delivery of Services (EDS) Act which would mandate provisioning of all public services compulsorily through electronic means from a specified date. Subsequent to enactment of the Act; the states would be under statutory obligation to make available various G2C services online in a time bound manner.

A CSC India Online portal is also being envisaged that will increase the availability of services.

An Online Monitoring Tool has also been designed and developed which is generating useful information relating to functioning of the CSCs at the ground level.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 11 of Chapter I)

Recommendation (Para No. 13)

Infrastructure Development

National Informatics Centre (NIC)

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.

Action Taken by the Government

NIC had projected a requirement of ₹ 800 crore for the year 2011-12. The Planning Commission has allocated ₹ 754 crore against it. This appears to be adequate.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 14 of Chapter I)

Recommendation (Para No. 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.

Action Taken by the Government

NIC is including a proposal on "Strengthening of ICT support at grass-root level" in its 12th Five Year Plan for 2012-17. A copy of the same is at Annexure-VII.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 14 of Chapter I)

Recommendation (Para No. 15)

National Knowledge Network (NKN)

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.

Action Taken by the Government

In March 2010 Cabinet Committee on Infrastructure (CCI) approved the establishment of National Knowledge Network (NKN) at an outlay of ₹ 5990 crore to be implemented by National Informatics Centre (NIC) over a period of 10 years. As on date, a total amount of ₹ 1868 crore has been released under NKN project. The details of the amount released so far for NKN are as follows :

(₹ in crore)

FY 2008-09	60 (Initial Phase)
FY 2009-10	240 (Final Phase)
FY 2010-11	1362*
FY 2011-12	206 (Final Phase)
Total (As on date)	1868

*₹ 1342 crore Final Phase + ₹ 20 crore for Initial Phase = ₹ 1362 crore

In the FY 2011-12 a sum of ₹ 250 crore has been allocated against ₹ 2300 crore as approved by CCI. Based on the recommendation of 11th meeting of the High Level Committee (HLC) held on 19.07.2011 an installment of ₹ 206 crore has been released (as on date) vide Sanction Order No. 1(1)/2010-NKN dated 27.7.2011.

In the 11th HLC meeting, NIC was directed to work out realistic estimate of proposed expenditure up to December, 2011 and also for the period up to March, 2012. Accordingly, NIC has indicated requirement of funds to the tune of ₹ 1550 crore for the FY 2011-12. In this connection, a proposal for requirement of additional funds of ₹ 1300 crore for NKN has been submitted to the Planning Commission/Ministry of Finance for supplementary grants/Revised Estimates.

Ministry of Finance after examining the additional requirement of funds for NKN Programme informed: *"It would not be possible to give such a huge additionality during middle of the financial year. However, looking at the pace of Plan expenditure, DIT may like to identify likely savings within the grant for giving additional funds to NKN."* Accordingly, a proposal is being submitted to MoF for enhancement of allocation in respect of NKN through the 2nd Batch of Supplementary Demands for Grants.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

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

Recommendation (Para No. 16)

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.

Action Taken by the Government

Action is being taken by this Department for preparation of proposed non-profit linked incentive scheme especially for Small and Medium Enterprises (SMEs).

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

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

Recommendation (Para No. 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.

Action Taken by the Government

The export figure of ₹ 144157 crores, as mentioned above, is for the period April 2010 to December, 2010. However, the total exports by STP units for the Financial Year 2010-2011 (April, 2010 to March, 2011) is ₹ 207376 crores, as compared to ₹ 205505 crores for the Financial Year 2009-2010. Thus, there is a marginal increase in the export by STP units. The performance of STP units is being reviewed too. The proposed

initiatives as mentioned in the Recommendation No. 16 are expected to improve the competitive edge of STP units especially SMEs and increase the export performance.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

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

Recommendation (Para No. 19)

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

        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.

Action Taken by the Government

        The system of reporting the cyber attacks involves reporting of cyber attacks as cyber incidents and reporting of cyber attacks as cyber crime. As far as reporting of cyber attacks as cyber incident, it is facilitated by CERT-In through its 24.x7 help desk mechanism involving toll free telephone and fax Nos. as well as e-mail. In addition, detailed information regarding the format for reporting the incident is also available to the public. This aspect has been described in sufficient detail on CERT-in website at www.cert-in.org.in. Besides this, the system of reporting cyber incident is also informed to the users during all trainings/seminars/workshops and other mass contact programmes conducted by CERT-In. Further, the Crisis Management Programme published by DIT identifies the nature of incidents that need to be reported to CERT-In along with the necessary format and procedures.

With regard to reporting of cyber attacks as cyber crimes, the present system involves reporting with the cyber crime cells of law enforcement agencies across the country. In this connection, DIT has written to MHA requesting them to take some urgent steps to increase the awareness among people regarding the mechanism of reporting cyber crime cases with the cyber crime cells of law enforcement agencies. In addition, MHA has also been requested to advise the National Crime Records Bureau (NCRB) to maintain data with regard to disposal status of registered cyber crime cases.

Comments of the Committee
(Please see Para No. 23 of Chapter I)

Recommendation (Para No. 22)

Human Resource Development
Man power development (incl. Skill development in IT)

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.

Action Taken by the Government

To meet the target of 10 million people to be trained in IT sector by 2022, the Department has prepared the draft Detailed Project Reports(DPRs)/EFC Memo entitled "DIT's initiatives for Skill Development in IECT Sector". The proposal has the following three components:

(d)   To train about one crore people in various IECT areas at different levels ranging from foundation level to PG level courses in different verticals by DOEACC Society.

(e)   To train about 7 lakh people in high-end niche areas of IECT by CDAC Society.

(f)   Setting up of an ICT academy in each State/Union Territory across the country on PPP mode. These IT Academies along with the respective State Governments and industry associations would upgrade the faculty in the colleges of tier-II/tier-II cities in various niche areas of IECT Sector. The trained faculty would in turn help towards enhancing the quality of the students graduating from various colleges.

Under the above mentioned proposal, it is envisaged that up to 50% of the total target to be skilled through internal capacities of DOEACC and CDAC would comprise of

the disadvantaged segment of the population which *inter-alia* includes Scheduled Caste, Scheduled Tribes and women.

The draft EFC memo along with DPRs were circulated to various Ministries/Departments concerned for their comments/suggestions. Comments have been received from some Ministries. Further, detailed presentations were made to the Member Secretary, Planning Commission and Hon'ble MoS(Planning). The formal comments of the Planning Commission on the draft EFC Memo are awaited.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

Comments of the Committee
(Please see Para No. 26 of Chapter I)

Recommendation (Para No. 24)

RESEARCH AND DEVELOPMENT

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

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.

Action Taken by the Government

A proposal on the subject was referred to Ministry of Finance way back in 2002. Ministry of Finance, Department of Expenditure had informed "(i) The need for incentive may be considered only in case of those societies which are functioning in a highly competitive environment and which are sustaining their operations exclusively on their own surpluses without any Government grant whatsoever either for capital expenditure or for day to day revenue expenditure including salary expenditure. The surplus in these cases may be worked out after making provisions for dividend/interest payment to the GOI, as a promoter of these organizations and having provided for initial corpus. (ii) In rest of the Societies, no incentive may be paid and the question of ex-gratia to employees equivalent to Group 'A' & 'B' gazetted officers of the GOI would not arise and question of ex-gratia for employees equivalent to Group 'B' non-gazetted and Group 'C' and 'D' of the Central Government may be separately taken up with this Ministry. (iii) The Department of Information Technology are advised to ascertain the position in case of similarly placed scientific autonomous institutions under the CSIR, ICAR, Department of Education (IIT, IIM), etc as to whether any incentive payment is admissible in these autonomous organizations. (iv) The result of review of these 14 autonomous bodies on the basis of the recommendations of the ERC may also be indicated. (v) While following the advice of this Department, the Department of Information Technology are requested to consult FA(DIT) also."

In view of the above instructions of the Ministry of Finance, a fresh proposal is being prepared by C-DAC and on the receipt of the same, the matter would be taken up with Ministry of Finance, Department of Expenditure, once again.

Comments of the Committee
(Please see Para No. 29 of Chapter I)

CHAPTER –V

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

Recommendation (Para No. 27)

Emerging Issues

Cloud Computing

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.

Action Taken by the Government

The recommendations made by the Committee are noted. DIT engages and solicits views of the various stakeholders including Central and State Government and Private entities. Also, before making any Policy level decision, widespread stakeholder consultation is held and comments and feedback from the Public are sought by making available the necessary documents on the Departments' website (www.mit.gov.in).

DIT will setup a working group comprising of people from different domains. The group will assess the suitability of cloud computing to enable e-Governance services.

(Ministry of Communications & Information Technology /Department of Information Technology O.M. No. 2(1)/2011-Budget(Vol.II) dated 4th November, 2011)

New Delhi

December, 2011

Agrahayana, 1933 (Saka)

RAO INDERJIT SINGH,

Chairman,

Standing Committee on

Information Technology

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

[Vide Paragraph No. 5 of Introduction]

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

Para Nos.:- 1, 2, 3, 4, 5, 12, 18, 20, 21, 23, 25 & 26

Total	12
Percentage	44.45

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

Para No.:- Nil

Total	Nil
Percentage	0.00

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

Para Nos.:- 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 19, 22 & 24

Total	14
Percentage	51.85

(iv)   Recommendations/Observations in respect of the reply which is of interim nature

Para Nos.:- 27

Total	01
Percentage	3.70