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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2011-12)**

FIFTEENTH LOK SABHA

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

**DEMANDS FOR GRANTS
(2012-13)**

THIRTY-FOURTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/Vaisakha, 1934 (Saka)

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(2012-13)**

Presented to Lok Sabha on 2 May, 2012

Laid in Rajya Sabha on 2 May, 2012



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 2012/ Vaisakha, 1934 (Saka))

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**COMPOSITION OF STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-12)**

Shri Rao Inderjit Singh - Chairman

Members

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Shri H.D. Devegowda
6. Dr. 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. Vacant
26. Shri Rajkumar Dhoot
27. Shri Prabhat Jha
28. Prof. Alka Balram Kshatriya
- \$ 29. Vacant
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.

** Consequent on retirement of Shri Rajeev Chandrasekhar w.e.f. 2nd April, 2012.

\$ Consequent on retirement of Shri Ravi Shankar Prasad w.e.f. 2nd April, 2012.

ABBREVIATIONS

BE	-	Budget Estimate
BNCSCs	-	Bharat Nirman Common Service Centers
BSNL	-	Bharat Sanchar Nigam Limited
CAS	-	Conditional Access System
CBI	-	Central Bureau of Investigation
CCA	-	Controller of Certifying Authority
CCBT	-	Convergence Communications and Broadband Technology
C-DAC	-	Centre for Development of Advanced Computing
CERT-In	-	Indian Computer Emergency Response Team
CSCAP	-	Council for Security Cooperation in the Asia-Pacific
CSC	-	Common Service Centres
DCO	-	Data Centre Operator
DeitY	-	Department of Electronics and Information Technology
DGCI&S Statistics	-	Directorate General of Commercial Intelligence and Statistics
DIPP	-	Department of Industrial Policy & Promotion
DOEACC	-	Department of Electronics Accreditation of Computer Courses
DPR	-	Detailed Project Report
EHTP	-	Electronics Hardware Technology Parks
ESDM	-	Electronics Systems Design and Manufacturing
FTP	-	Foreign Trade Policy
FDI	-	Foreign Direct Investment
GePNIC	-	Government e-Procurement System of NIC
GGE	-	Group of Governmental Experts
MHRD	-	Ministry of Human Resource Development
IEBR	-	Internal and Extra Budgetary Resource
ICT	-	Information and Communication Technology
ICTE	-	Information, Communication Technology and Electronics
ITeS	-	Information Technology enabled Services
MoU	-	Memorandum of Understanding
MAT	-	Minimum Alternate Tax
MMPs	-	Mission Mode Projects
NCRB	-	National Crime Records Bureau
NIELIT	-	National Institute of Electronic and Information Technology
NeGD	-	National e-Governance Division
NeGP	-	National e-Governance Plan
NIC	-	National Informatics Centre
NKN	-	National Knowledge Network
PCs	-	Personal Computers
PoPs	-	Point of Presence
PoC	-	Proof of Concept
R&D	-	Research and Development
RE	-	Revised Estimate
SCA	-	Service Centre Agency
SDC	-	State Data Centre
SIPS	-	Special Incentive Package Scheme
SMEs	-	Small and Medium Enterprise
STQC	-	Standardisation, Testing and Quality Certification
STPI	-	Software Technology Park of India
SWAN	-	State Wide Area Network
UCs	-	Utilisation Certificates
USD	-	United States Dollar
UN	-	United Nations
VSAT	-	Very Small Aperture Terminal

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 Thirty-fourth Report on Demands for Grants (2012-13) of the Ministry of Communications and Information Technology (Department of Electronics and Information Technology).

2. The Standing Committee on Information Technology (2011-12) was constituted on 31st August, 2011. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Electronics and Information Technology) for the year 2012-13 which were laid on the Table of the House on 30th March, 2012. The Committee took oral evidence of the representatives of the Department of Information Technology on 11th April, 2012.

4. The Report was considered and adopted by the Committee at their sitting held on 25th April, 2012.

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

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

New Delhi
27 April, 2012
07 Vaisakha, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

PART – I

REPORT

Introductory

The global Information Technology sector has made remarkable progress in the last decade. In fact, Information, Communication Technology and Electronics (ICTE) is the world's largest and fastest growing industry. It has transformed the world, enabling innovation and productivity increases, connecting people and communities, and improving standards of living and opportunities across the globe. Information Technology has tremendous potential for the future of India too. The national policies in the field of Information Technology; Electronics and Internet (all matters other than licensing of Internet Service Provider) are formulated, implemented and reviewed by the Department of Electronics and Information Technology (DeitY), in the Ministry of Communications and Information Technology. In order to provide a special thrust on electronics sector, the Department of Information Technology has been renamed as Department of Electronics and Information Technology. All policy matters relating to silicon facility, computer based information technology and processing including hardware and software, standardisation of procedures and matters relating to international bodies, promotion of knowledge based enterprises, internet, e-commerce and information technology education and development of electronics and coordination amongst their various users are also addressed by the Department.

2. In order to operationalise all the policies and objectives of the Department of Electronics and Information Technology various schemes are formulated and implemented directly by the Department and through various organizations/institutions under its jurisdiction. The vision and mission of the Department of Electronics and Information Technology for Information Technology sector for the Twelfth Plan is e-Development of India and in order to achieve its vision the Department has identified seven thrust areas viz. e-Government, e-Learning, e-Security, e- Industry (Electronics Hardware), e- Industry (IT-ITeS), e- Innovation/R&D, and e-Inclusion.

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

II. Implementation status of the recommendations contained in the Twenty-third Report of the Committee on Demands for Grants (2011-12) of the Department of Electronics and Information Technology

4. Twenty-third Report of the Standing Committee on Information Technology on 'Demands for Grants' of the Department of Electronics and Information Technology for the year 2011-12 was presented to Lok Sabha/laid on the Table of Rajya Sabha on 4th August, 2011. The Twenty-seventh Report on Action Taken by the Government on the recommendations/observations contained in the Twenty-third Report on Demand for Grants (2011-12) was presented to Lok Sabha/laid in Rajya Sabha on 22nd December, 2011. Out of the 27 recommendations made by the Committee, 12 recommendations were accepted by the Government. Reply to one recommendation was found to be interim, to which the Department was asked to furnish the final action taken reply in the Twenty-seventh Report. Replies to 14 recommendations were not accepted by the Committee and were reiterated in their Twenty-seventh Report.

5. Under Direction 73A of the Directions by the Speaker, the Minister concerned shall make once in six months a statement in the House regarding the status of implementation of recommendations contained in the Report of Departmentally Related Standing Committees of Lok Sabha with regard to his Ministry. The requisite statement under Direction 73A on the Twenty-third Report on Demands for Grants (2011-12) has not been made even though the Report was presented to the House on 4th August, 2011.

6. The Committee in this Report have *inter-alia* analysed the position of Outlays and the expenditure, particularly the performance of the Plan Schemes in the context of examination of Demand for Grants (2012-13). Since the Eleventh Plan has come to an end and the Twelfth Plan has commenced with effect from 1st April, 2012, the Committee in this Report have analysed the performance of the Department of Electronics and Information Technology for the Eleventh Plan as a whole as well as the preparations for the Twelfth Plan.

III. Broad Analysis of the Budgetary Allocations and utilization of Funds by the Department of Electronics and Information Technology (DeitY)

(i) Overview of Eleventh Five Year Plan allocations and utilizations

7. The Department has furnished the detailed scheme-wise position of proposed GBS, BE, RE and Actual Expenditure during each year of the Eleventh Plan under Plan Schemes which is indicated at Appendix-I. The Proposed Outlay, Budget Estimates, Revised Estimates and Actuals during each year of the Eleventh Five Year Plan (2007-12) are as follows:

(₹ in crore)

Financial Year	Proposed	BE	RE	Actual	%age Utilization w.r.t. BE	%age Utilization w.r.t. RE
2007-08	2092.08	1500.00	1400.00	1252.06	83.47	89.43
2008-09	2500.00	1680.00	1450.00	1516.72	90.27	104.60
2009-10	3021.50	2530.00	1700.00	1652.46	65.31	97.20
2010-11	5817.47	2660.00	3468.40	3028.71	113.86	87.32
2011-12	8404.84	3000.00	2254.00	2030.95 *	67.69	90.10
Total	21835.89	11370.00	10272.40	9480.90	83.31	92.29

* Tentative expenditure as on 31.03.2012.

8. As per the data furnished by the Department there is mismatch between the proposed outlays to allocations made at BE stage and RE stage during each year of the Eleventh Five Year. Out of the total allocations of ₹ 21835.89 crore proposed for the Eleventh Plan, the allocations made at Budget Estimates and Revised Estimates Stage are ₹ 11370 crore and ₹ 10272.40 crore respectively. The actual expenditure till 31st March, 2012 is ₹ 9480.90 crore which comes to 83.31 percent of the allocations earmarked at Budget Estimates Stage.

9. When the Department was asked to provide reasons for the gaps between the proposed and approved Gross Budgetary Support (GBS) during each year of the Eleventh Plan, the Department has stated that it is due to the limited availability of Plan resources in the country and it is not a reflection of the requirements projected by the Department. However, during evidence, the Secretary of the Department submitted as under:

"The projections are made as a result of the working groups ...xxxxxxx.... The Department's projection to the Planning Commission is based on the working groups' recommendation. But it is, of course, based on the perception of the Chairman and members of the Working Group without relation to overall availability of resources with the Government of India or with the past performance possibly ... xxxxxxx. I definitely agreexxxxx.....that the gap is quite high."

10. When asked about the reasons for under-spending of allocated outlay, the Department has submitted that it is broadly due to the shortfall in utilization under e-Governance projects, STQC and NIC project. In addition, the representative of the Department, during evidence submitted as under:

“Out of the 23 schemes that we have, the major shortfalls in our achievement during the Eleventh Five Year Plan have been in respect of two sectors. 17 per cent shortfall is the overall achievement.xxxxxx.... Out of this 17 per cent shortfall, three per cent, roughly Rs. 360 crore is accounted for the NIC in the year 2009-10 in respect of National Knowledge Network Project. The Project of National Knowledge Network because the Cabinet decision came in the month of March, Rs. 600 crore which had been budgeted in that year, since the Cabinet decision had not come in the last and final third supplementary that had to be taken out because there was no way in a few days it could be spent. Rs. 360 crore was taken out and it was not the fault of the NIC. Rs. 240 crore they could spend. Apart from this three per cent, out of the 17 per cent, the remaining shortfall was in the e-governance division.....”

11. About the challenges being faced in implementing the Schemes under DeitY, the Department, during evidence has outlined few hindrances which include Complex multi-dimensional requirements of e-Governance; Gaps between Capacity needs and available capacities; Infrastructure Gaps like Power and Connectivity; Long procurement cycles; Problems in replication of successes across India, etc.

12. When asked to provide details about the Schemes/Projects that were taken up during the Eleventh Plan but could not be completed or for which approval/clearance could not be taken, the Department has stated all the 23 Plan Schemes which were implemented in 2011-12 were continued in the Twelfth Five Year Plan. Majority of the Schemes are related to creation, maintenance and utilization of the IT infrastructure, as well as capacity building across the country. These are ongoing processes and have longer gestation periods.

13. Further, when asked to furnish the details of the Schemes of the Eleventh Plan which have been discontinued during Twelfth Plan and the reasons for dropping the schemes, the Department has submitted that to have better synergies within the overall framework of R&D programmes of Department, one Plan Scheme relating to 'Digital DNA Park' was merged with Plan Scheme 'Technology Development Council' in the year 2011-12.

(ii) **Budget Allocation for Twelfth Five Year Plan (2012-17) and for Annual Plan 2012-13**

14. The total amount proposed by the Department for the Twelfth Plan (2012-13) is ₹ 81,378.45 crore. For the year 2012-13 Planning Commission has allocated a sum of ₹ 3000 crore against the proposed outlay of ₹ 10,491.33 crore. The total budgetary allocation for the year 2012-13 is as follows:

(₹ in crore)

	BE 2012-13		
	Plan	Non-Plan	Total
Revenue	2826.53	51.00	2877.53
Capital	173.47	--	173.47
Total	3000.00	51.00	3051.00

15. During the year 2011-12 of the Eleventh Plan, the Department has failed to utilise the allocations of ₹ 2254 crore made at RE stage, even then they have proposed Gross Budgetary Support of ₹ 10491.33 crore for the year 2012-13. When asked to justify the increase in demand, the Department in their written reply has submitted as under:

"...xxxxxx.....The Working Group for formulation of the Twelfth Five Year Plan identified 7 thrust areas and reviewed the allocation and utilization in Eleventh Plan with respect to targets and achievements and made suitable recommendations. Keeping in view the recommendations of the Working Group for the Twelfth Five Year Plan, the Department has projected an overall requirement of ₹ 81378.45 crore in the Twelfth Five Year Plan and ₹ 10491.33 crore for the year 2012-13. The significant increase in requirement of resources comes from the thrust proposed to be given to the ESDM Policy that is Electronics Systems Design and Manufacturing and also to provide for the requirement of NKN."

16. Further, as per the data furnished by the Ministry there is a substantial variation between the proposed and approved GBS for various Schemes during the year 2012-13 (Appendix II). When the Department was asked to clarify whether the reduced allocation would adversely affect the physical targets set under the Schemes like e-Governance, National Knowledge Network, Promotion of Electronics/IT Hardware Manufacturing, IT for masses, etc., where drastic reduction has been observed, the Department has stated as under:

"The targets with respect to each Plan Scheme for the year 2012-13 have been laid down in the Outcome Budget 2012-13. These targets correspond to the approved allocation with respect to each Plan Scheme. Reduction in allocation has no bearing on the targets laid down in the Outcome Budget 2012-13."

(iii) Budgetary Allocation for North-Eastern Region

17. The details of allocations made at BE, RE and Actual expenditure for North Eastern Region during each year of the Eleventh Five year Plan is as follows:

(₹ in crore)

Year	BE	RE	Actual Expenditure
2007-08	150.00	140.00	132.17
2008-09	168.00	145.00	128.33
2009-10	253.00	170.00	154.63
2010-11	266.00	346.84	257.39
2011-12	300.00	225.40	180.75
TOTAL	1137.00	1027.24	853.27

18. An analysis of the overall utilisation for North-Eastern Region reveals that during none of the years of Eleventh Five Year Plan allocated fund has been fully utilised. In fact, only 83 percent of the RE has been utilized. In this regard, the Department has stated that they have been taking initiatives to ensure full utilisation of funds in the future.

19. An analysis of the data provided by the Department on achievement with respect to some of the major Schemes in North Eastern States (Appendix III) shows that the targets set under various Schemes, during the entire Eleventh Plan, have not been met in Assam, Meghalaya, Mizoram, Nagaland and Tripura. On being enquired about the impediments being witnessed in implementing the Schemes/Projects in the North Eastern Region, the Department, in their written reply, has stated that lack of connectivity in remote areas is the major reason for non-achievement of targets.

(iv) Position of Outstanding Utilization Certificates (UCs)

20. The Committee have been repetitively raising concern over the huge pendency of Utilization Certificates (UCs). Even while examining Demands for Grants 2011-12, the Committee in their Twenty-seventh Report had reiterated their earlier recommendation and had asked the Department to gear up its machinery and put in place a better streamlined monitoring mechanism urgently so as to deal with the issue of Utilisation Certificates, thereby ensuring smooth flow of funds and thereby effective implementation of all DeitY Schemes. As per the data furnished by the Department, with regard to overall position of pendency of Utilisation Certificates, the pendency has declined to 490 amounting to ₹ 925.08 crore as on 31.3.2012 as compared to 625 UCs amounting to ₹ 1107.77 crore as on 01.04.2011.

21. On being asked about the updated status with regard to the implementing agencies (year-wise) who have been issued only one installment and not submitted the Utilization Certificates, the Department has provided a statement (Appendix IV) which indicates that as on 2nd April, 2012 there are 17 UCs (single installment) amounting to ₹ 18.72 crore pending as compared to 72 UCs amounting to ₹ 46.95 crore that were pending on 31st December, 2009. Further, the statement also reveals that Some UC's (single installment) are pending since the year 2002.

22. When asked as to, with this pace of liquidation, how the Department would do away with the pending UC's, it has been stated that numerous measures have been undertaken for liquidation of pending UCs. One of them is that for on-going projects/schemes, interest, if any accrued by the implementing agency is also taken into account as part of the total outlay of the Project.

IV. e-Governance

(i) NATIONAL e- GOVERNANCE PLAN (NEGP)

23. The NeGP has been formulated for giving a thrust to e-Governance activities across various arms of Government at the National, State and Local Government level. The total budgetary support for the Eleventh Five Year Plan is ₹ 4492 crore. The allocations made at BE and RE stages are ₹ 4617.31 crore and ₹ 2533.49 crore respectively. However, actual utilization till 19th March, 2012 is ₹ 1856.64 crore which means that 73.28 percent of allocations at RE stage and only 40.21 percent of the allocations made at BE stage could be utilized during the entire Eleventh Plan period. The Budgetary allocations and utilisations under NeGP for the entire Eleventh Five Year Plan is given as under:-

(₹ in crore)						
Year	Proposed	BE	RE	Actual	%age of BE	%age of RE
2007-08	957.96	800.00	677.35	551.06	68.88	81.36
2008-09	1053.63	800.00	580.00	572.49	71.56	98.71
2009-10	1021.00	900.00	330.00	328.05	36.45	99.41
2010-11	1030.00	1030.00	583.53	264.15	25.65	45.27
2011-12	2043.84	1087.31	351.61	140.89	12.96	40.07
Total	6106.43	4617.31	2533.49	1856.64	40.21%	73.28%

* Tentative expenditure as on 19.03.12

24. Elaborating on under-utilization of funds under the flag-ship programme of the Government, the Department, in their written reply has submitted as under:

"A substantial portion of the funds under the NeGP are earmarked for creation of core infrastructure in the States / UTs. The creation of this

infrastructure and the fund utilization is affected by various reasons within the States, such as non-availability of sites, power and connectivity; delays in finalization of construction and procurement contracts, and the pace of actual construction and procurement of hardware and its installation... xxxxxx..."

25. When asked to provide reasons for the repetitive shift in the deadlines observed under various components of NeGP viz. SWAN, CSCs, SDCs and MMPs, the Department has outlined two major impediments for NeGP that are non-availability of Power and delay in providing connectivity by BSNL.

26. Substantiating on the plans to address the foregoing hurdles, especially in the rural areas where there is neither electricity nor BSNL broad band connection, the representative of the Department, during evidence, has stated as under:

"...There are two ways – one, in terms of the connectivity.....xxxx.....we intend to leverage the investment going into the National Knowledge Network as well as the Bharat Broadband Network to go down to the panchayats. In addition, for the support which the CSCs need for connectivity, we are working very closely with BSNL.xxxxxxxxxxxx..... The second is for the next generation of CSCs which we are proposing, the Bharat Nirman Kendras. It has been proposed that that the power back up in terms of a solar system with each of those would be provided to each. We are, however, now grappling with the issue of the first one lakh CSCs which were sanctioned in which the onus for power and the power back-up was placed on the service providers. Unfortunately, the level of power shortages in some states is much more than was envisaged."

27. On the issue of replicating success stories of NeGP like 'Mee-Sewa' of Andhra Pradesh in other States too, when the Committee expressed apprehension regarding logistical application and implementation of the Scheme to other States which are relatively behind and where there are problems of land records like in Haryana, Delhi, UP, Noida, the Secretary, during evidence has submitted as under:

"This is only an example that I have shown. There are successes in several parts. We will bring in more good features and prepare something which is applicable nationally and acceptable nationally. It is our immediate concern. If we got successful there, then the problem will be solved in other places also. We already have a good infrastructure. We will finish it nicely."

28. NeGP is expected to change the entire concept and governance of the country. To facilitate the delivery of public services through electronic means the Government has introduced Electronic Delivery of Services Bill, 2011 (EDS Bill, 2011). The Bill mandates that the Central Government, State Governments and public authorities shall deliver all public services by electronic mode within five years, conditionally extendable by a period of three years from the commencement of the Act. When asked as to how

this Bill would bind the Government to deliver the public services electronically in a time bound manner would be implemented, when various components of the e-Governance Project are running far behind the schedule particularly with the existing connectivity and power scenario in the country, the Department has responded as under:

“The core infrastructure for enabling the provision of e-Governance services is now largely in place and is likely to become operational across most parts of the country in the current year.xxxxx..... The rapid spread of mobile phones across the country and the advances in technology such as cloud-based services make it possible for Departments to roll out their services in an accelerated manner.xxxxx.. Through suitable capacity building measures and facilitating quicker replication of successes it is possible to mandate a time-bound rollout of e-Governance services across the country as proposed in the Bill.....xxxxx Increased use of laptop computers and handheld mobile-devices makes it possible to address the issue of limited availability of power to some extent.”

29. In light of the fact that the Government is planning to provide e-Governance services through 'Cloud', the Department, was asked to apprise about the status of technology/infrastructure/crisis management plan to use this new technology called 'Cloud' and about their preparedness to compete with the world. In this regard, the Department, in their written reply has stated as under:

“Cloud Computing is an evolving technology which has several benefits like on demand access of resources, scalability, automation and elasticity in terms of IT operations. However no country has adopted it completely to replace existing traditional data centres. Several countries like UK, USA, Singapore, Australia etc have started building small set-ups on cloud computing to leverage the technology. Similarly, Department has also taken up the initiative of assessing the benefits of cloud computing through PoC (Proof of Concept) projects in some States.”

(a) State Wide Area Network (SWAN)

30. State Wide Area Network (SWANs) is envisaged as the converged backbone network for data, voice and video communications throughout a State/UT and is expected to cater to the information communication requirements of all the Departments. The Government has approved this Scheme for establishing State Wide Networks (SWANs) across the country in 29 States and 6 UTs. However, so far, SWANs are operational in thirty States/UTs and once again the Department has deferred the deadline from December 2011 to March 2013 for complete implementation of the project.

31. Explaining the reasons for repetitive extension of timeline, the Department has stated that the implementation process has been very much delayed in some States on account of non-availability of power and leased line connectivity in remotely located blocks as well as court cases and delays in bid process management by the State / UT.

32. To monitor the performance of SWANs, the Department has mandated positioning of Third Party Auditor (TPA) agencies by the States/UTs. As on date 24 States Andhra Pradesh, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Lakshadweep, Maharashtra, Orissa, Punjab, Puducherry, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, Assam, Bihar, Madhya Pradesh, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland have empanelled the TPA agencies for monitoring the performance of the SWAN in their respective States.

33. Justifying the demand of ₹ 1884 crore proposed under SWAN during Twelfth Five Year Plan, the Department in their written reply has stated as under:

“.....Although considerable progress has been made in the implementation of the Scheme, the rollout to all the States is expected to extend into the Twelfth Five Year Plan. ₹ 1884 crore will be required in the Twelfth Five Year Plan for the completion and meeting the operating costs of the existing scheme. The Operation of the SWAN in the States / UTs suggests that bandwidth earlier provisioned for the States (up to 4 Mbps) is not adequate in view of increase in number of applications and its usage. As a result there is a functional requirement to enhance it in a phased manner keeping in line with the actual requirement...”

(b) Common Service Centres (CSCs)

34. The Government has approved this Scheme for providing support for establishing 1,00,000 Common Services Centres in 6,00,000 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. The timeline for completing the process of establishment of 1,00,000+CSCs in the rural areas of the country was by April-June, 2011. However, after repetitive shift in the deadlines, only 97,871 CSCs have been established till 31st December, 2011. The new timeline for completion of the project has now been shifted to March 2013.

35. On being asked about the CSCs that are operational, the Department, in their written reply, has submitted that out of about 98,000 CSCs established by 29th February, 2012, around 88,000 CSCs are operational in thirty-three States / UTs across the country and 9,422 CSCs have become non-operational on account of termination of SCA Contracts by State Governments.

36. With regard to the status on broadband connectivity to CSCs, the Department, in their written reply, has stated as under:

“Out of around 88000 operational CSCs only 68,754 are connected to the Internet. Efforts are being made to ensure broadband connectivity for all CSCs through BSNL as well as VSATs. As per information given by BSNL, 74,457 CSC locations have been enabled for connectivity. However, only

about 21,426 CSCs have availed BSNL connectivity. This is primarily because of delay on the part of BSNL Circle Officers in providing connectivity. The remaining centers that are connected to the internet are using VSATs, other TSPs, data-cards etc. The progress in providing broadband connectivity to CSCs is being reviewed regularly by the Department. Connectivity from BSNL continues to be one of the major challenges for the CSC Scheme.

37. Further, responding to a query about the challenges being faced in implementing CSCs and issues which has impacted the sustainability and viability of CSCs, the Department has cited few challenges related to connectivity; non-availability of power supply; naxal related problem and lack of adequate services as the main reasons for the delay in completing the roll out of CSCs.

(c) Bharat Nirman Common Service Centres (BNCSCs)

38. Government of India has proposed to upscale existing Scheme of 1,00,000 CSCs to 2,50,000 lakh (2.5 lakh) CSCs so as to have one Bharat Nirman Common Service Centers (BNCSCs) at each Panchayat. The proposal to set up additional 1,50,000 Bharat Nirman CSCs is under discussion as EFC Note and DPR have been prepared and circulated to the key Ministries/Departments/Offices for detailed deliberations on this subject. The Cabinet approval for the BNCSCs had to be obtained by the end of March 2011. When asked about the status of the project alongwith the approval of the BNCSCs, the Department has stated as under:

“.....The Department had submitted a Note for the Cabinet Committee on Infrastructure which considered the proposal and referred it to a Group of Ministers. The GoM had its first meeting in January 2012. The next meeting of the GoM is expected soon.”

(d) State Data Centres (SDC)

39. State Data Centre (SDC) has been identified as one of the important elements of the core infrastructure for supporting e-Governance initiatives under NeGP. It was proposed to set up Data Centres across 35 different States/UTs in the country during the Eleventh Plan. Since March, 2008, the Department has been deferring the deadline to set up SDCs and the new timeline for completion of the project has now been shifted to March 2013. As on 31 December, 2012, 16 SDCs have been declared operational, in one State SDC implementation is in advanced stage; whereas in two States implementation has been initiated; in eight States bidding process is at various stages; in four States RPF is under revision/yet to be published; in three States DPRs are yet to be received and one State has opted out of the SDC Scheme.

40. Reacting to the observation of the Committee that the deadlines for March, 2011 and December 2011 could not be met and the deadlines are staggering, the Department in their written reply has cited the following reasons for not meeting the stipulated deadlines:-

"DeitY had set the target of setting up of all SDCs during the Eleventh Plan. However, DeitY could not meet this target. Following are the main reasons which have delayed the implementation of the SDCs in the States as per the timelines- Delay in Contract Signing; Availability of SDC Site/ Green field Sites; Change of SDC Site/ occupied Site not vacated; Time delay in bid process and concluding the selection of the Data Centre Operator (DCO); and Re-Bid/ reinitiating of the entire Bid Process."

41. When asked about measures that were adopted by the Department to overcome the above-mentioned hurdles, the Department has stated as under:

"All efforts are being made to ensure that the States take it up on priority and complete in a time bound manner. In order to monitor the scheme, a project implementation committee (PIC) at the State level has been formed under the chairmanship of Secretary IT, which has been constituted to monitor the progress on a regular basis. The issues are also being reviewed and addressed at the highest level. Regular video conferences and meetings are being held to expedite implementation"

42. Further, on being asked about any study being conducted to assess the feasibility of implementation Schedule of the Scheme and impediments being faced in setting up/operating SDC's, the Department has stated that the implementation schedule for SDC operationalisation envisaged during the conceptualization of SDC Scheme was planned in line with industry best practices. However no feasibility study was conducted to assess the same.

43. The detailed status of implementation of the Mission Mode Projects (MMPs) during the Eleventh Five Year Plan, as furnished by the Department is reproduced at Appendix-V.

(ii) National Informatics Centre (NIC)

44. The main objective of NIC is to provide wide range of e-Governance infrastructure and services in the country at various levels right from Central Government, State Governments to district administrations in their initiatives towards providing good governance to the people. NIC has also been designated as the implementing agency for National Knowledge Network which aims at connecting stakeholders in Science, Technology Higher Education, Research & Development, and Government with speeds of the order of gigabits per second.

45. On the staff strength available in NIC, the Department has informed as under:

“The available strength of NIC technical personnel is very much in shortage and needs to be augmented. The e-governance applications are increasing below district level in large numbers. NIC technical personnel at district are required to be increased at least from 2 to 4. Some of the requirements for application development and handholding are met through outsourced manpower. Further, there is no support mechanism at Block level, where majority of social sector schemes are being implemented. States are already asking NIC to support ICT applications at Blocks and build the capacities of staff at grass root level so that services can be provided up to Gram Panchayat and Village Level.”

46. Sharing concerns of NIC on the issue of manpower, the Committee in their Twenty-seventh Report (Fifteenth Lok Sabha), had reiterated their recommendation whereby the Department was asked to work out the gap between the required and the existing strength at various level and get all the requisite approvals at earliest so that NIC is equipped with adequate manpower. When asked about the updated status, the Department has stated that a proposal on ‘strengthening of ICT support at grass- root level’ is being finalized for further processing. The Department has also provided an updated status of the number of technologists and Engineers working in the NIC (Appendix VI)

47. On the problems faced by the NIC on manpower, the Secretary, during evidence has submitted as under:

“NIC needs HR both in terms of quality and quantity because the growth is exponential from the time the NIC had man power in 1984-85. We have divided it into two parts. One is the block level which is necessary for supporting the grass root efforts that are going through. The Cabinet note is ready and it is going to be approved and pushed through. Apart from that, we have had two more manpower requirements things that we have put in place. One is for the State Data Centres where 265 people are working at the moment on contract and we would like to convert them into regular posts. The other is the issue related to security manpower which is becoming much more critical. Five or six years back, security was not such a major issue. Today, suddenly we find that it is a problem for all of us. These three things are on the pipeline as has been mentioned in the document. The fourth thing is, during the meeting taken at high level Committee on the NeGP, it was decided that we need to take a review of the entire human resources required for the NIC as well as the Ministry for e-Governance.”

48. When the Committee desired to know the initiatives taken for resolving the problem of staff strength the Department has submitted as under:

- “(a) Proposal for continuation of 265 posts for Data Centres is under process.
- (b) Regarding manpower for enhancing security of NICNET, a document has been prepared for approval.

- (c) For extension of manpower at the Block level, a EFC proposal is being prepared.
- (d) A Committee has been set up under Shri Nandan Nilekani to examine demand for additional manpower. It is expected that the Committee will submit its report in three months.

49. On the number of training Centres operational by NIC all over India and the personnel engaged in training Government officials, the Committee have been informed that NIC has e-learning services for training across the country. It has 20 training centres at NIC Head Quarters and major State Centres. There are 88 full time officers and 483 part-time officers engaged in the country.

V. e-Innovation/R&D and e-Industry (Electronics Hardware)

(i) Promotion of Electronics/IT Hardware Manufacturing

50. 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 thus is accepted as a key enabler in development. To promote electronics/IT hardware manufacturing, the total budgetary support for the Eleventh Plan is ₹ 1100 crore, however till date only ₹ 3.57 crore has been utilized. The allocation for the programme during the year 2012-13 is ₹ 5 crore as against the proposed outlay of ₹ 1434.50 crore. The year-wise allocation and utilisation for this sector for the entire Eleventh Five Year Plan is as under:

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	10	2	2	250	1455
BE	1	0.08	2.30	2.5	2.83
RE	1	0.80	0.5	2.5	2.83
Actual Expenditure	1	0.17	0.40	1.56	0.44*

* Tentative expenditure as on 19.03.2012

51. When asked as to why a meagre allocation of fund i.e. ₹ 2.83 crore has been made and out of this only ₹ 0.44 crore has been spent during the entire Eleventh Plan, the Department has submitted as under :

"x.....x.....x... Initially the allocation of ₹ 1455 crore for FY 2011-12 was proposed anticipating that some of the SIPS applicants might approach DeitY for disbursement of incentives after fulfilling necessary conditions and policies for promotion of electronics hardware manufacturing would be approved. The policies were not approved pending the approval of Ministry of Finance / Planning Commission. Therefore, the allocation was kept at a token amount of ₹ 2.83 crore."

52. The Ministry has further stated that considering the importance of investment in high-tech Electronics Hardware manufacturing sector, the Government had declared an initiative, Special Incentives Package Scheme (SIPS), on 21.3.2007 and the last date for receipt of application under the Scheme was 31.3.2010. Under this Scheme a total of twenty-six (26) applications have been received. On being asked about the details of applications received under SIPS Scheme, the Department has stated that out of 26 applications, 11 applicants reported financial closure (FC) of more than threshold limit as on 31.12.2010. On further evaluation, only 4 applicants have provided evidence of firm financial tie-up and these are being processed further.

53. When asked about the current demand of electronics hardware in the country, the Department has stated that as per Report of the Task Force set up to suggest measures to stimulate the growth of the IT, ITES and Electronics Hardware Manufacturing sector, the demand for electronics (includes electronics hardware) in the country is projected to increase from USD 45 billion (approx. ₹ 2,05,000 crore) in 2009 to USD 400 billion by 2020.

54. The Department has furnished the following information on indigenous production of electronics hardware in the country, during the last five years:

(₹in crore)				
2007-08	2008-09	2009-10	2010-11	2011-12*
84,410	97,260	1,10,720	1,28,870	1,43,300

* Estimated

55. When asked about the quantum of import of electronic goods in the Country during the last Five Year Plan, the Department has submitted the following data which is as per the Directorate General of Commercial Intelligence and Statistics (DGCI&S), Kolkata:

(₹ in crore)				
2006-07	2007-08	2008-09	2009-10	2010-11
72,275	83,138	1,07,128	99,419	1,14,341

56. The Committee have also been informed that the Telecommunication equipment forms a major share of country's electronic hardware import.

57. To a question (No. 3369) raised in Lok Sabha on 14 December, 2011 about the details of the inflow of FDI in IT sector during the last three years, the Minister of State for Communications and Information Technology has stated that as per the Minister of Commerce and Industry, Department of Industrial Policy & Promotion (DIPP), the

inflow of FDI in computer software and hardware sector during the last three years and the current year is as under:-

	FDI (₹ Crores)	FDI (USD Mn)
2008-09	6740.41	1543.34
2009.10	4126.76	871.86
2010-11	3551.24	779.81
2011-12 (Apr-Sept)	1957.94	432.92
Total	16376.34	3627.93

58. Observing a continuous decline in the FDI inflow in computer software and hardware sector, the Department was asked to justify the situation. In reply, the Department has stated that the main reason for decline in FDI inflow had been due to recession in developed economies and while the situation improved in FY 2010-11, major global economies have not yet fully recovered.

59. The Committee have been apprised that in view of the growing demand of Electronics Hardware in the country and the challenges being faced by the India electronics hardware manufacturing industry and IT/ITES sector, a Task Force was set up by the Department of Information Technology in August, 2009, which had submitted its Report in December, 2009 and had made 198 recommendations. Out of 198 recommendations, 6 key recommendations had been identified for implementation. Of these, action is being taken with regard to only half a dozen recommendations that too are still at the consideration stage. When asked to furnish the status of the recommendations, the Ministry furnished recommendation-wise status of implementation of these 6 recommendation as under:

S.No.	Recommendation	Status of Implementation
1.	To provide preferential access to domestically produced electronics products for government procurements (excluding defence) and procurement by Government Licensees, PSUs etc.	Implemented - Vide Gazette Notification dated 10th February, 2012, the Government has laid down the policy for providing preference to domestically manufactured electronic products, in procurement of those electronic products which have security implications for the country and in Government procurement for its own use and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.
2.	To set up two Semiconductor Wafer Fabs	Empowered Committee 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. The EC after interacting with the potential investors will crystallize the

		nature and quantum of Government support in physical/financial terms and recommend to the Government the course of action to attract investments in the sector. The process is at an advance stage.
3.	To introduce Modified Special Incentive Package Scheme	Proposal for introduction of Modified Special Incentive Package Scheme (M-SIPS) was prepared after extensive stakeholder consultations. The draft Cabinet Note was circulated for inter-ministerial consultation on 13.6.2011. Approval of Planning Commission is awaited and is being pursued.
4.	Setting up of Electronics Manufacturing Clusters	Proposal for setting up of Electronics Manufacturing Clusters (EMCs) was prepared after extensive stakeholder consultations. The draft Cabinet Note was circulated for inter-ministerial consultation on 4.8.2011. Approval of Ministry of Finance and Planning Commission is awaited and is being pursued.
5.	To set up a National Electronics Mission (NEM)	The draft Cabinet Note was circulated for inter-ministerial consultation on 27.6.2011. Approval of Ministry of Finance is being pursued.
6.	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) has been finalized after extensive stakeholder consultations and sent to Planning Commission for obtaining in-principle approval on 30.11.2011.

(ii) National Policy on Electronics, 2011

60. On the status of the Draft National Policy on Electronics, 2011, which was announced in October, 2011, the Department has submitted that the draft 'National Policy on Electronics 2011 (NPE)' was put up in public domain for consultations. The comments received have been examined and the draft Note for the Cabinet has been circulated for inter-Ministerial consultations on 29.2.2012. The policy envisions creation of a globally competitive Electronics System Design and Manufacturing (ESDM) industry to meet the country's needs and serve the international market. The salient features include (a) Multi-fold growth in production, investment and employment to achieve a turnover of about USD 400 billion by 2020 involving an investment of about USD 100 billion and employment opportunities to around 28 million people at various levels in ESDM sector. (b) To increase the export from USD 5.5 billion to USD 80 billion by 2020; (c) Creating a complete secure cyber eco-system in the strategic use of electronics; (d) To encourage LED lighting solutions especially in rural markets through innovative products like solar LED lamps, public places like street lighting, traffic lights etc. to promote the manufacture of LEDs and LED lights; (e) To

create an eco-system for manufacture of set-top boxes and other broadcast equipment as part of the digitalization of the broadcast network; (f) A NEM will be set up with industry participation, as an institutional mechanism to formulate policy, to implement approved policy and to promote "Brand India" in Electronics; etc (Appendix-VII).

(iii) Research and Development (R&D) initiatives with regard to Set Top Boxes required for digitization of cable TV

61. The overall position of proposed allocation and the BE/RE and the actual expenditure during the Eleventh Five Year Plan (2007-12) in R&D sector is as under:-

(₹ in crore)

Year	Proposed	BE	RE	Actual Expenditure	% of Utilisation w.r.t.RE
2007-08	410.92	238.00	249.00	241.02	96.80
2008-09	599.26	245.22	275.22	274.20	99.63
2009-10	759.73	292.22	372.02	365.48	98.24
2010-11	643.41	522.00	518.67	447.42	86.26
2011-12	681.14	550.08	478.16	354.10*	74.05

* Tentative expenditure till 19.03.2012.

62. On being asked about the Department's inability to spend the previous year's Budget in R&D sector, the representative of the Department, during evidence, has submitted as under:

"...xxxxxx....., the shortfall is mainly in the e-Governance side....x
...xxxxxx..... In fact, if more funds could have been available, the absorption capacity is there for them. The limitation came because the overall Gross Budgetary Support which the Government of India extended to the Ministries ...xxxxxx. We did not get any additionality. Since in our Ministry we did not get any additionality, we were not able to give any additionality to the individual components. "

63. On the allocations made at BE stage under R&D sector, for the year 2012-13, the representative of the Department, has stated during evidence that the projection for the year 2012-13 for R&D sector is ₹ 881 crore. However, the Budget Estimates for 2011-2012 and 2012-2013 has been kept at the same level by the Planning Commission that is ₹ 550.08 crore.

64. During the course of deliberations on Demands for Grants (2012-13) of the Ministry of Information and Broadcasting, the Committee observed that the Cable Television Networks (Regulation) Amendment Act, 2011 for introduction of Digital Addressable system (DAS) has recently been enacted which mandates to have Set Top Boxes throughout the country by 2014. In this context, the Committee desired to know the preparedness with regard to the indigenous production of Set Top Boxes, to which, the Department has submitted as under:

"...xxxxxxx.....The fact is that in the metros while the demand is 30 to 40 million units, actually the country's demand for the two years, which is the deadline for the whole country, is expected to be over 200 million units....xxxx.... Today also, at least nearly 20 to 30 per cent of the demand is being met locally. Xxxxx.....the industry is finding it difficult to compete with the imported ones because a large percentage of it is coming from China where the production cost is much lower. Our costs are higher in terms of finance...xxx....our local manufacturers often find it difficult to manufacture here. So, the Government has imposed a five per cent tariff on import which provides five per cent differential for the domestic manufacturers....xxxxxxxxxxxx....This issue was discussed in the High-Level Committee meeting which was taken by the Cabinet Secretary. We had actually suggested that the tax should be 10 per cent. xxxxxxxxxxxx....The subsidy is proposed to be provided under the modified SIPS Scheme once it is approved. 25 per cent subsidy for the manufacturers will be there. Once the policy is approved, 25 per cent subsidy will be available.

65. On the issue of R&D initiatives on the Technology, the representatives of the Department have further submitted as under:-

"The Department has started the process of developing the software for it. The chips will happen once the fab comes to India because we do not have a fab facility in India. The chips are not manufactured in India today....xxxxxxx....Though The research is not specific to CAS or set top box, the research is already been happening and in a sense, this is already been in progress right from 2001, when we introduced the first standard which is being used in driving license, etc. So, this is already an ongoing activity and it is just that we have to apply that research into CAS.....xxxx.....The understanding of this communication protocols and encryption, decryption protocols, etc. are well understood. The Committee has been set up which incorporates manufacturers and policymakers within the country to actually start using this standard and from a CDAC's point, we have given a commitment that we will be building the first prototype which is what we are saying is six months time, which is basically an intellectual property that can be developed by CDAC....xxxx."

66. The Department has informed that some of the major achievements in R&D during the Eleventh Five Year Plan has been State-of-art Power Electronic technologies for energy/transportation applications developed/demonstrated; development/ deployment of advanced communication technologies (Software Defined Radio, Tetra Network, Dial 100 System for Distress Call Response Management) is completed; patents on 4G technology is filed, 4G test bed developed in association with industry and developed first- ever broadband wireless simulator.

67. The Department has further submitted that important targets set under R&D for the year 2012-13 include taking initiative on Chip-to-Systems and for peta scale computing; Transfer of Technology in Automation Systems products developed;

Promoting R&D in Convergence Communications and Broadband Technology (CCBT), and continuing to create strong R&D base in Electronics Materials.

(iv) Centre for Development of Advanced Computing (C-DAC)

68. C-DAC is the premier R&D organisation of the Department for carrying out research and development in IT, Electronics and associated areas. The Committee have been drawing the Department's attention towards the attrition of manpower in C-DAC and have been exhorting the Department to finalize the scheme of incentives in consultation with the Ministry of Finance repeatedly in their reports at the earliest so that attrition rate in C-DAC is checked. When the Department was asked to provide the updated status about the progress made on the Committee's recommendation with respect to performance incentive issue, they have stated that a fresh proposal with regard to performance incentive issue has been received from C-DAC on 26.03.2012 which is currently being examined.

(v) Micro-Electronics and Nano-Technology Development Programme

69. The allocation for the programme during the year 2012-13 is ₹ 100 crore as against the proposed outlay of ₹ 126.50 crore. The year-wise allocation and utilisation for the entire Eleventh Five Year Plan as under:

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	40.00	65.00	200.00	190.00	125.00
BE	29.00	35.00	35.00	100.00	100.00
RE	29.00	35.00	79.50	100.00	93.00
Actual Expenditure	27.91	34.70	78.93	62.71	88.20*

* Tentative Expenditure till 19.03.2012

70. During the Eleventh Plan, against the proposed amount of ₹ 610 crore, the total allocation made for the programme is ₹ 250.00 crore and the Department has utilised all the allocations made at RE stage for all the years, except for the year 2011-12 which is because one project under the Scheme could not be initiated before March, 2011.

71. With regard to the status of R&D and Transfer of Technology being carried out under the Micro Electronics and Nano-Technology Development Programme, the Department has submitted as under:

"So far the focus in Nanoelectronics area is on infrastructure creation, human capacity building for research under this programme as nanotechnology is an emerging area and is at the research stage. Product development & commercialisation is expected to happen in due course of time.

XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX.....XXX

In the area of Microelectronics, a major achievement has been development and implementation of Digital Programmable Hearing Aid (DPHA). Through indigenous design and development, this product has already gone through field trials in 4 major hospitals of the country. Process of transfer of technology has been initiated and it is expected that wider application will be possible in the near future”

72. The Department has further informed that a major project viz. ‘Centres of Excellence in Nanoelectronics (CEN)- Phase II’ at an outlay of ₹ 146.91 crore has been initiated during 2011-12. Another major project planned in the area of compound semiconductors at IIT Bombay has been merged with the CEN-Phase II project. A unique programme viz. “Indian Nano electronics Users Programme (INUP)” has been initiated to enable large number of researchers to participate in Nanoelectronics R&D using the facilities created at IIT Bombay and IISc and for training of large number of researchers across the county in this area.

VI. e-Industry (IT-ITeS)

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

73. STPI was established on 5th June, 1991 for promotion of exports and providing facility to Indian Small and Medium organizations for participation in export promotion events in the software and electronics sector. Pursuant to its objectives, STPI has set up 52 centres spread across the country, out of which 45 Centres are in Tier-II and Tier-III locations.

74. When asked about the number of STP/EHTP units that were registered during each year of the Eleventh Five Year Plan, the Department has provided the following information along with the exports performance:

	2007-08	2008-09	2009-10	2010-11	2011-12
New STP units	845	572	521	294	94**
New EHTP Units	17	11	4	7	4
STP Exports in ₹ crores	180155	207358	205505	215264	219570*
EHTP Exports in ₹ crores	4377	6208	7974	8113	8194*

* Tentative Exports ** Units up to Dec. 2011

75. Asked as to whether any study has been conducted to evaluate the feasibility of the registered STP/EHTP units along with the details of units that are functioning properly, the Department has stated as under:

“As per STPI, it was evident that SME’s STP units would be hit by withdrawal of Income Tax benefits under Section 10A w.e.f 1st April 2011. Therefore no study was conducted. However a Non Profit Linked incentive scheme has been proposed for MSMEs STP units.”

76. 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 examination of Demands for Grants of the previous year had asked the Department to act expeditiously on the three initiatives proposed by them viz. (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 DeitY. However, the Department in their Action Taken Note was completely silent in respect of two proposals at sl. No. (ii) and (iii). Hence, the Committee had recommended the Department to ensure that the aforesaid three proposed initiatives are given utmost importance.

77. When asked to provide details about the action taken on the Committee’s recommendation and the concrete initiatives being taken in this regard, the Department has submitted as under:

“(i) The draft Detail Project Report (DPR) for the Non-Profit Linked Incentive Scheme for SME STP units has been prepared and the same is being processed for approval of the Competent Authority....xxxxx...(ii) Strengthening of the present incubation Programme of STPI units for business incubation and entrepreneurial development for start up units. The proposed programme would be designed to provide venture, infrastructural and mentoring support to the entrepreneurs.(iii) As per STPI establishment of a National Productivity Network(NPN), which would create capacity and necessary IT infrastructure across STPI centres to provide support primarily to SMEs across the country. Action in the matter has been taken. Proposal for NPN along with feasibility report has been submitted to Productivity & Employment Generation Division, DeitY for further consideration. In this regard, STPI is pursuing the matter with E-Infrastructure Division, DeitY.”

VII. e-Learning

(i) National Knowledge Network (NKN)

78. The objective of the National Knowledge Network (NKN) is to bring together all the stakeholders in Science, Technology Higher Education, Research & Development, and Government with speeds of the order of gigabits per second coupled with extremely low latencies; through PoPs in the respective institutions/organizations. The final phase of NKN project has been approved on 25 March, 2010 with an outlay of ₹ 5990 crores for a period of 10 years. The outlay allocated for the year 2012-13 is ₹ 360 crore as against the proposed outlay of ₹ 2406 crore. The year-wise allocation and utilisation for the entire Eleventh Five Year Plan is as under:

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	-	-	100	2318	2300
BE	-	100	600	100	250
RE	-	60	240	1362	412
Actual Expenditure	-	60	240	1362	412*

* Expenditure till 31.03.2012

79. While disapproving the ad-hocism of the Government the Committee during previous Demands for Grants 2011-12, had strongly recommended for providing the allocations at the BE stage itself so as to avoid uncertainty about the allocations of outlay at supplementary grant stage/RE stage. Further, in view of the mismatch between the proposed and allocated outlay during each year of the Eleventh Plan and with reduced allocation received during the year 2012-13, the Department was asked as to how the reduced allocation of around 85 per cent will affect the project. To this, the Department, in their written reply, has submitted as under:

“.....Without adequate and timely allocation of funds, the number of end user locations to be covered under NKN could be affected. Additional fund would be requested at Supplementary stage”

80. On the issue of adequate budgetary provision to NKN programme, the representative of the Department during the course of oral evidence:

“....In the huge programmes like the National Knowledge Network which in the first three years required a Budgetary Support of Rs. 240 crore in the first year, Rs. 1,700 crore in the second year and another Rs. 2300 crore in the third year, adequate Budgetary support has not been forthcoming. In the second year we have got Rs. 1,262 crore for the National Knowledge Network. That is what has been the expectation in the subsequent year also. Hopefully this year with efforts that would be addressed. So, any sectoral marginal changes could be adopted at the supplementary stages.”

(ii) Manpower Development (including Skill development in IT)

81. The Department of Information Technology has been given a target of achieving skill development of 10 million persons in IECT by 2022, under National Skill Development Policy of the Government. The proposed outlay for this project, for the year 2010-11 and 2011-12 was ₹460 crore and ₹ 717.75 crore, however, a token provision of ₹ 1 crore was made for said period and actual expenditure remained 'Nil'. The approved GBS for Manpower Development (including 'Skill Development in IT') the year 2012-13 is ₹ 127.69 crore as against the proposed sum of ₹ 1925 crore.

82. When asked about the reasons for 'Nil' allocation and under-utilization during the years 2010-11 and 2011-12, the Department has stated as under:

“During the year 2010-11 and 2011-12, a token provision of ₹ 1 crore was made for ‘Skill Development in IT’ under ‘Manpower Development. Once the proposal is approved by the Cabinet the requisite funds would be sought through Supplementary Grants.

83. Regarding the approval of the proposal, the Ministry has further submitted that DeitY after having detailed discussions with various stakeholders, NIELIT (erstwhile DOEACC Society), CDAC, etc. had prepared a draft proposal entitled “DIT’s Initiatives for Skill Development in IECT Sectors”. The draft Detailed Project Reports along with the draft EFC Memo was circulated to Ministries/Departments concerned and the Planning Commission for comments. The Planning Commission vide Communication dated 23.3.2012 has observed that:

“In view of the resource constraints, it is advised that the DIT may split this project into two parts. In the first part, revamping of the existing centres could be considered for increased intake of students. This component could then be considered for clearance straightaway since the likely expenditure on such a revamping would not be of a very high order. The second part could be establishment of new centres along with necessary infrastructure.xxxxxx”

84. The Committee have further been apprised that in view of aforesaid observation of the Planning Commission that a view on the second part could be taken only after a clear picture on 12th Plan allocation for the Ministry of Communications & Information Technology available, the matter is being examined for taking further action.

(iii) National Institute of Electronic and Information Technology (NIELIT) (erstwhile DOEACC Society)

85. The Ministry has informed that approved GBS for the year 2012-13 for NIELIT is ₹ 10.75 crore as against the proposed sum of ₹ 10.75 crore. The Proposed and approved Outlay and the actual expenditure by the society during the Eleventh Five Year Plan is as under:

	(₹ in Crores)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	22	11	7	10	11.50
BE	0.5	0.44	3.44	10	11.30
RE	0.5	0.44	3.44	10	10.30
Actual Expenditure	0.5	0.44	3.44	10	0.00*

* Tentative expenditure as on 19.03.2012

86. An analysis of the targets and achievements set under NIELIT during the Eleventh Plan (as provided in Appendix-VIII) shows that except for the non-formal courses during the year 2007-08 and 2008-09 and formal course in the last three years of the Eleventh Plan, all other physical achievements set by this society have fallen

short of the stipulated targets. When asked as to how the Department is preparing to meet the targets set for NIELIT under the Scheme 'Skill Development in IT', the representative of the Department, during evidence, submitted as under:

"The fundamental point is, we are addressing e-literacy and we understand that unless and until there is a literate population, there is going to be a challenge for acceptance of digital one. NIELIT being both in the non-formal and formal education course, we are trying to devise course that addresses not just the higher end but the lower end also. Now, the only issue is how to proliferate it much higher. We run what is called NIELIT centres and accredited centres. But that is not enough to address the huge populationxxxxxxx..... It is for this reason that we have collaborated with e-governance division, the National e-governance Plan to see that common service centres be used as an instrumentality of proliferation.....xxxx...."

87. The Committee in their Seventh Report on Demands for Grants (2010-11) had asked the Department to take urgent action to maintain the data with regard to computer literacy in the Country. When asked about the action taken on the above recommendation of the Committee, the Department has submitted that a Working Group on IT Mass Literacy under the Chairmanship of Vice Chancellor, IGNOU has been constituted, to take stock of the current literacy scenario in the country. Elaborating on the deliberations of the Working Group, the Department has submitted as under:

"The Working Group during its deliberations has indicated that before a survey of the literacy levels is undertaken, there is a need to define Literacy level for IT as it is context and level sensitive. To this effect, the Working Group has initiated the process of consultations with various stakeholders and analyzing the present initiatives to evolve the definition. A brainstorming session on IT Mass Literacy was organized jointly by IGNOU and DeitY. A survey on literacy rate in computer would be conducted under the aegis of the Working Group."

VIII. e-Security

(i) Cyber Security (Incl. CERT-In, IT Act)

88. The allocation for the programme during the year 2012-13 is ₹ 45.20 crore as against the proposed outlay of ₹ 200 crore. The year-wise allocation and utilisation for the entire Eleventh Five Year Plan is as under:-

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Proposed	75	39.10	40	49.3	46
BE	33	33	33	40	45.20
RE	31	31	33	40	44.25
Actual Expenditure	22.74	31.07	29.64	35.45	27.77*

*Tentative expenditure as on 19.03.2012

89. During the entire Eleventh Plan (except for the year 2008-09), the Department had failed to utilise even the allocations made at RE stage. Even then Gross Budgetary Support of ₹ 200 crore has been proposed for the year 2012-13. When the Department was asked the reason for proposed enhanced Budgetary projections, the Department in their written reply has submitted as under:

“The increase in demand for the year 2012-13 followed the extensive discussions and analysis carried out by Sub Group comprising of experts both from within and outside Department including Industry. This analysis identified the range of actions and initiatives the Department should take in the field of cyber security, which include National Cyber Coordination centre; Mass outreach program and Capacity Building; IT Product Testing facility; Upgradation of CERT-In facilities and capabilities; R&D activities in thrust areas; and Expansion of cyber security training and Forensic Facilities”

90. On being enquired about the number of Government official sites hacked in last five years, the Department has stated that a total of 774 Government websites were reported to be hacked during the last 5 years and on the basis of analysis of logs and artifacts obtained from affected organizations, the attacks appear to have come from cyber space Australia, Bahrain, Brazil, Egypt, Germany, Indonesia, Lebanon, Libya, Morocco, Pakistan, Saudi Arabia, Spain, Turkey, UAE, UK and USA. Following are the year-wise break-up of the number of Government websites defaced/infected. The year wise break-up of the number of Government websites defaced/infected as reported to CERT-In is as under:-

Year	No of websites
2007	30
2008	81
2009	92
2010	263
2011	308

91. An analysis of the year-wise activities of CERT-in (as provided in Appendix-IX), shows that defacement of the Indian websites being tracked has been almost tripled from the year 2007. When asked about the role of CERT-in in checking the menace of spam mail and details of the cases which were registered under 66 A of IT Act for sending spam/unsolicited e-mails, the Department has responded as under:

“Due to nature of Information Technology (IT) and cyber space offering anonymity and not restricted by geographical boundaries, the problem of spam mails could be minimized but cannot be eliminated completely. ,....xxxxxxx National Crime Records Bureau (NCRB) maintains Cyber Crime data. As per the Cyber Crime data maintained by NCRB, cases were not so far registered under section 66 A of Information Technology Act.”

92. On being asked about the quantum of loss in terms of money and time occurred in the Country due to e-fraud during the last three years, the Department has stated that according to Reserve Bank of India (RBI), the total number of internet frauds were 864 numbers involving ₹ 824.05 lakh, 2232 cases involving ₹ 1234.94 lakh and 1798 cases involving ₹ 787.39 lakh for the calendar year 2009, 2010 and 2011 respectively. Further, the Central Bureau of Investigation has also registered 9 cases between 2009 to 29th February, 2012 which pertain to financial frauds under the provisions of Information Technology Act, 2000 along with other facts. Details of these Cyber Crime cases registered by Economic Offenses Unit of CBI (as provided at Appendix-X) reveals that the loss is to the amount of more than ₹ 54 crore.

93. When asked about the efficacy of ISO-27001 standard and its implementation status in all critical organisations under Central Government, the Department has stated that 527 organisations have so far obtained ISO 27001 certifications in the country. The Department has also submitted that in order to assist security management within the Government, the Department has enabled development of a cyber security assurance framework which has been validated in one of the Government Departments to enable wide spread deployment.

94. On the number and periodicity of auditing Government websites, the Department in the written reply has stated National Informatics Centre (NIC) which hosts Government websites is continuously engaged in upgrading and improving the security posture of its hosting infrastructure. All the new Government websites and applications are to be audited with respect to cyber security prior to their hosting. The auditing of the websites and applications is being conducted on a regular basis after hosting also. As of now, 3192 websites have been audited and audits of 3556 websites are in progress.

95. When asked about the punishment given to the hackers for cyber attacks during the past five years, the Department has furnished the following information:

Sl. No.	Crime Heads	Persons Arrested			
		2007	2008	2009	2010
1.	Hacking with Computer System				
	(i) Loss / damage to computer resource / utility	25	41	63	233
	(ii) Hacking	23	15	44	61
2.	Un-authorized access / attempt to access to protected computer system.	0	1	16	6

(ii) International Cooperation/MoU related to Cyber security

96. While taking note of the fact that all serious cyber attacks/activities originate outside the country and it becomes technically and legally difficult to reach out to the perpetrators, the Committee in their Seventeenth Report had desired the Department to consider one of the important recommendations made in Fiftieth Report (Fourteenth Lok Sabha) on 'The Information Technology (Amendment) Bill, 2006' as reproduced below:

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

97. Since, the above recommendation of the Committee was made way back in 2007, the Department was asked to provide the status of implementation of the aforesaid recommendation. To this, the Department has stated that to fight against cyber crimes/cyber terrorism at the international level, they are working in close coordination with the Ministry of External Affairs and actively participating in the United Nations Group of Governmental Experts (GGE); in the Council for Security Cooperation in the Asia-Pacific (CSCAP); and in the deliberations of the UN Commission on crime prevention and criminal justice.

98. The Fourth Parliamentary Forum on Shaping the Information Society: The Triple Challenge of Cyber-Security: Information, citizens and Infrastructure was held from 18th to 20th May, 2011 at ILO Conference Centre, International Labour Organization (IPU), Geneva where India along with 36 other countries participated. The participants in the forum acknowledged that a purely national approach cannot go far enough to combat cyber crime and international cooperation is far more necessary. It was observed that criminal offences initiated outside the national territory are difficult to prosecute. The need for an internationally agreed instrument that would provide a

comprehensive framework for countries to coherently address cyber security issues in a coordinated manner was emphasized.

99. In this background the Committee wanted to know whether India has signed any Memorandum of Understanding (MoU)/cooperation with other countries or with their respective counterpart CERT agencies for cyber security, to which, the Department has submitted that it has entered MoU with six countries/CERT viz. US-CERT, JP-CERT/CC, National Cyber Security Centre (NCSC), South Korea, CERT Mauritius, CERT Kazakhstan and Government of Finland.

100. One of the leading paper has reported about few students from Tel Aviv University using digital traces of internet activity to track criminals and thereby strengthening security against terrorist threats. When asked about the preparedness for such a technology for 'tracking crime in real-time', the Department has stated that it has already pro-actively initiated a research project, in February 2010 with an outlay of ₹ 81.50 lakhs, which is titled "Analyzing online content using data mining techniques to counter cyber crime".

(iii) Policy on e-Waste

101. When the Committee desired to know how the Department is dealing with the major issue of e-Waste which has become a health hazard for the country, the Secretary during evidence has stated that e- waste is a part and parcel of the new electronics and hardware policies, which is about to be considered by the Government.

102. With regard to having a legislation on e-waste the representative of the Department further substantiated as under:

"Ministry of Environment and Forests has already come out with an extended producers responsibility rules under the relevant Environment Act, according to which every electronic manufacturer is expected to recover the used items once the life is over. These rules have come into effect sometime in May-June, 2012. We are in the process of already discussing with the industry as to how can we facilitate to create capacity within the industry to be able to recover the used items and recycle whatever items that are available. Secondly, the Ministry of Environment and Forests is also in the process of creating rules which will restrict the entry of second-hand electronic items into the country and many of the electronic items which are discarded items as hazardous waste. Our role is of a facilitator to the industry so that they have the capacity to deliver what is expected of them under the rules of the Ministry of Environment and Forests."

IX. Contemporary issues involved in IT sector

(i) e-Procurement and e-Auction

103. In light of the report by First Data Corporation and ICICI Merchant Services which indicated that by the end of 2011, the e-commerce market in India had reached close to ₹ 50,000 cores and there are about 150 million internet users/around 75 million households that are ready for e-Commerce, the Department was asked about India's stand in e-Procurement and e-Auction vis-à-vis other countries. To which, the Department has replied as under:-

"As per information available, there is no uniformly accepted international index or measure in respect of progress of various countries in e-Procurement. e-Procurement solutions would, in general, include both e-Tendering and e-Auctions. Accordingly, the e-Procurement solutions as may be developed, including the GePNIC solution which is being developed by the National Informatics Centre, would also include e-Auctions. e-Procurement implementations in AP and Karnataka are 10 and 5 years old and have matured significantly. They compare with the best practices across the globe"

104. The Approach Paper to Twelfth Plan has emphasized on the need for prevention of corruption through simplification of procedures for delivery of public services, introducing greater transparency in public procurement processes. The President of India in her address to Parliament on 12 March 2012 has also emphasized on the need for introduction of e-procurement procedures by all Departments to bring transparency in procurement procedures.

105. In this context, on being asked about the preparedness of the Department to adopt e-Procurement in all Government Departments, it has been stated that the roadmap for adopting e-Procurement is being prepared by the Department and all Department societies and attached offices have also been advised on similar lines.

(ii) Indigenous Tablets/PCs

106. The Government is buying 100,000 tablets from DataWind at a price of ₹ 2,250 per unit. When asked about the Department's plan to have cost effective indigenous Tablets/PCs (like Aakash), the Department in their written reply has submitted as under:

"The programme for development of Aakash Tablet is a part of the activities being taken under the National Mission on Education through Information and Communication Technology (NMEICT) programme of Ministry of Human Resource Development (MHRD).....x..x..x..A Committee has been constituted vide Order dated 22.12.2011 with the Secretary, DeitY as Chairman....x..x..x..The Committee has held 4 meetings so far. The broad recommendations of the Committee arexxxxx..... The

specifications and the quantity of Aakash-II will be fixed for a specified time period. With the aforesaid specifications, and the specified quantity, a combination of procuring and manufacturing would be done. In parallel, R&D efforts would be mounted to ensure better performance/lower cost. It was also proposed that C-DAC would be the lead organization for design and R&D. The effort would be to progressively move towards manufacturing. PSUs, namely ITI, BEL, ECIL and BSNL would do necessary procuring/manufacturing. There is need to clearly spell out the technical and functional specifications as well as necessary requirements for reliability so that the devices that are procured have unquestionable quality and reliability. MHRD will suitably process these recommendations and issue necessary administrative sanctions in this regard.”

PART- II

RECOMMENDATIONS/OBSERVATIONS

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

1. The Twenty-third Report of the Committee on 'Demands for Grants (2011-12)' was presented to the House on 4th August, 2011. 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 stipulated time has elapsed. The Committee had observed a similar delay with regard to the Statement on Seventh Report on Demands for Grants (2010-11). Hence, the Committee strongly exhort the Department to ensure that the statement is made expeditiously to the House in pursuance of the aforesaid Direction.

I. Broad Analysis of the Budgetary allocations and Utilization of funds by the Department of Electronics and Information Technology (DeitY)

(i) Overview of Eleventh Five Year Plan allocations and utilizations

2. While reviewing the financial achievement of the Department during the Eleventh Plan as a whole, the Committee find huge variation between the proposed allocations, allocations earmarked at Budget Estimates Stage, Revised Estimate Stage and the actual expenditure reported thereto. Out of the total allocations of ₹ 21835.89 crore proposed for the Eleventh Plan, the allocations made at Budget Estimates Stage were for ₹ 11370 crore which were reduced to ₹ 10272.40 crore at Revised Estimates Stage. The actual expenditure was ₹ 9480.90 crore i.e. 83.31 percent of the allocations earmarked at Budget Estimates Stage. Coming to the projections made for the Twelfth Plan, the Committee note that

₹ 81378.45 crore have been projected by the Department for the Twelfth Plan which is more than eight times of the outlay utilized during the Eleventh Plan. The aforesaid gaps in allocations projected and earmarked at various levels indicates unrealistic planning in the Department.

With regard to the basis for projecting such a higher allocation for the Twelfth Five Year Plan, the Committee during the course of deliberations have been informed that the projected outlay is based on the recommendations of the 'Working Group'. The Secretary during the course of deliberations while acknowledging that the gap between the projections and the allocations are quite high, has stated that the Working group had projected the requirement without relating it to overall availability of resources with the Government of India or with the past performances possibly. The aforesaid statement of the Secretary clearly indicates the impractical approach of the Department while making the projections. The recommendations of the 'Working Group' need to be analysed by the Department keeping in view their capacity to absorb the outlay, approval status of programmes and the past trends of expenditure before placing projections for schemes before Planning Commission/Ministry of Finance for the Five Year Plan as well as Annual Plan which has not been undertaken by the Ministry as is apparent from the response of the Secretary. Not only that, the Department has not been able to justify the reasons for seeking enhanced allocations for the Department during the Twelfth Plan which is apparent from the written note whereby it has been stated that the targets under planned schemes correspond to the approved schemes and reductions in allocations has no bearing in the targets laid down in the Outcome Budget (2012-13).

The aforesaid scenario clearly indicates unrealistic planning on the part of the Department which result into blocking of country's scarce resources particularly when other critical projects of the Government are starving for funds. While acknowledging the imperative need of IT projects and programmes particularly the flagship e-governance programmes, the Committee strongly emphasise the Department to increase their capacity of absorption of outlay by strict monitoring and streamlining the various procedures for implementation of programmes. Moreover there is a need to place realistic projections to the Planning Commission so that the scarce resources are not blocked in a particular year. The Committee desire that their observations should be kept in mind while making projections for the subsequent years. Besides, the Department need to ensure utilisation of the allocated resources by ensuring effective implementation of various programmes.

(iii) Budgetary allocation for North-Eastern Region

3. As far as the utilisation of outlay in the North Eastern region is concerned, the Committee find that during each year of the Eleventh Plan, there has been shortfall in utilisation of the allocations made for the region. In fact, only 83 percent of the allocations made at RE stage could be utilised. The Committee note that the targets set under various Schemes, carried out in North-East Region, during the entire Eleventh Plan, have not been met by most of the States. The Committee are given to understand that lack of connectivity in remote areas continues to be the biggest challenge. The Committee emphasise that adequate steps need to taken to improve the situation of implementation of Schemes in the North-Eastern Region. For this, the Committee recommend that the Department should coordinate with other Departments to sort out the impediments such as connectivity in remote areas

and ensure that the benefits of IT reaches to every nook and corner of this region.

(iv) Position of Outstanding Utilisation Certificate (UCs)

4. The Committee have been repetitively raising concern over the huge pendency of Utilization Certificates (UCs), especially regarding those implementing agencies who have been issued only one installment and never demanded the subsequent instalments and also did not bother to furnish the Utilization Certificates. The Department has submitted that as on 31st December, 2011, there are 490 UCs pending amounting to ₹ 925.08 crore and 17 UCs (single installment) amounting to ₹ 18.72 crore which are pending with the implementing agencies.

The Committee find from the written note furnished by the Department that a lot of efforts are being made on the part of the Department for liquidating pending Utilisation Certificates/Unspent Balances with the implementing agencies. As a result of the initiatives taken by the Department 17 UCs (single installment) amounting to ₹ 18.72 crore are pending as compared to ₹ 72 UCs amounting to ₹ 46.95 crore which were pending on 31.12.2009. With regard to overall position of pendency of Utilisation Certificates, the pendency has declined to 490 amounting to ₹ 925.08 crore as on 31.3.2012 as compared to 625 UCs amounting to ₹1107.77 crore as on 01.04.2011. The Committee understand that on 1.4.2012 more UCs would become due thereby negating the impact of clearing pendency by the Department. The Committee feel that the scenario of pendency of UCs on the part of the implementing agencies indicates the problems in implementation of various projects by the implementing agencies. Thus, there is an urgent

need to review the implementation of the programmes particularly the National e-Governance Plan for which major part of the allocation is being earmarked. Not only that there is a need to put in place a system whereby the penalty clause is included in the various agreements. The Committee strongly recommend that the implementation of the programmes should be evaluated by some independent agency so as to find out the real issues involved in implementation of the programmes which would help the Department in identifying the grey areas. The evaluation followed by the desired corrective initiatives would certainly pace up the implementation of the various programmes. The Committee hope that the Department would act on the suggested lines.

The Department in their written reply have informed that for ongoing projects, interest after accrued by the implementing agency is also taken into account as part of the total outlay of the project. In this connection, the Committee would like to be apprised about the system of keeping unspent balances as well as the amount of interest accrued year-wise. The information may be furnished to the Committee State/UT wise. The Committee in this connection may also like to emphasise that the real purpose of allocating outlay is not to earn interest on the outlay, instead the real purpose is effective implementation of the programme. The earnest initiatives need to be taken to ensure effective implementation of the programmes particularly when IT programmes are the priority programmes of the Government.

II. e-Governance

(i) National e- Governance Plan (NeGP)

5. The Committee find that National e-Governance Plan is one of the flagship programme of the Department for which substantial part of the allocation under Plan schemes is being provided. So far as the financial achievement during the Eleventh Plan is concerned, the Committee observe that there are huge variations between the proposed allocations, allocations provided at Budget Estimates stage, Revised Estimates stage and the expenditure met. ₹ 6106.43 crore were proposed during the Eleventh Plan and the allocations provided at Budget Estimates stage were ₹ 4617.13 crore. The allocations at Budget Estimates stage were then reduced to ₹ 2533.49 crore at Revised Estimates stage. Even the reduced allocations could not be utilised which is apparent from the data furnished by the Department. ₹1856.64 crore could be utilised which is 40.21 percent of the BE allocations and 73.28 percent of the RE allocations. The aforesaid analysis of the financial performance under NeGP clearly indicates that there are serious problems in implementation of the programme. The component wise analysis is done in the subsequent paras of the Report.

The Committee have consistently been raising concern over shifting of deadlines of implementation of various components of e-Governance programmes viz. Common Service Centres (CSCs), State Wide Area Network (SWAN), State Data Centres (SDCs) and Mission Mode Project (MMPs). Under CSCs, the target was for setting up of one lakh CSCs in various States. In spite of shifting the deadline for several times, out of the target of one lakh CSCs, 97871 CSCs could be established till 31.12.2011. Not only that out of 97871 CSCs that could be established around 88,000 CSCs could be made operational in the three States. Besides, only 68,754 CSCs could be connected

by the internet. Now, the deadline for completing the task of one lakh CSCs has been shifted to March, 2013. State Wide Area Network (SWAN) could be made operational in 30 States/UTs and now the deadline has been shifted to March, 2013. In respect of the State Data Centres (SDCs), 16 SDCs have been declared operational and now the extended deadline is by March, 2013. With regard to MMP, NSDG target completion date is January, 2014, NLRMP is expected to be completed in August, 2016 and for Treasuries, Municipalities, Commercial Taxes, the completion date is 2013-14. The target date for one of the ambitious programme Gram Panchayat is still to be firmed up. With regard to other important MMPs like, employment exchange, public distribution system, health and education, the target dates have not been indicated. The MMPs are still at the conceptual/design and development stages. The shifting of deadlines of various components of this programme has been the major area of concern highlighted by the Committee in the respective reports. The Department has repeatedly been furnishing the same reasons which include constraints related to power connectivity and difficult location.

The Committee have consistently been recommending use of alternate sources of energy particularly solar energy to address to the issue of power constraint. Even when the onus for power and power back up in case of CSCs was placed on the service providers, the Department has now stated that the level of power shortages in some States is much more than it was envisaged. The Committee strongly feel that more initiatives need to be taken on the R&D front to make the alternate energy systems viable as well as cost effective. With regard to broadband connectivity scenario, the Committee find that overall position with regard to broadband connectivity in the country is not so satisfactory. The Committee in the context of examination of Demands for Grants of the Department of Telecommunications have been informed that

there are 13.54 million broadband connections as on February, 2012 against the target of 20 million broadband subscribers by 2010. With regard to telecom connectivity, the challenges are to improve teledensity in rural areas as well as to cover the difficult terrains. The Committee strongly feel that the issue of connectivity need to be taken in a holistic way. Since various Departments of the Union Government particularly the Department of Telecommunications and its PSUs, BSNL and MTNL, and private sector service providers are involved in the task, the coordinated approach need to be taken to address the issue. The Committee would like the Department of Electronics and Information Technology to take up the issue of connectivity with the respective Ministries/State Governments/Telecom Service Providers as an integrated approach need to be taken to address the issue. The concerted action on the suggested line should be taken by the Department which would certainly help to pace up the implementation of various components of NeGP. Besides, the penalty clause for delay in implementation of various projects should be included in the agreements which would ensure timely implementation of the various projects being implemented by the public/private sector agencies.

6. The Secretary during the course of deliberations shared the success of 'Mee-sewa' in Andhra Pradesh whereby various services like providing land records were being provided to the masses. The Committee here may like to emphasize that the good practices of various State Governments with regard to implementation of e-Governance Programme need to be replicated in the under-performing States. The Department need to work out a structured mechanism to find out the good practices of various State Governments and UTs with regard to e-Governance Programme. Besides, the Committee observe that lack of computerized updated land records are leading to irregularities in purchase/sale of land and resulting into piling up of court

cases in various States particularly in the metropolitan cities like Delhi and NCR areas. There is an urgent need to replicate the good practices of various pioneering States. The Department of Electronics and Information Technology should take up this issue with the respective State Governments to address the aforesaid problem.

(ii) Electronic Delivery of Services Bill, 2011

7. The Electronic Delivery of Services Bill, 2011 (EDS Bill, 2011) mandates that the Central Government, State Governments and public authorities shall deliver all public services by electronic mode within five years, conditionally extendable by a period of three years from the commencement of the Act. The aforesaid proposed legislation has been referred to the Standing Committee on Information Technology for examination and report to the House. The Committee is undertaking examination in consultation with the State Governments and various stakeholders and would firm up their recommendations/observations after detailed deliberations. When the Committee raised the issue of making the Electronic Delivery of Services mandatory in the existing scenario of power and connectivity constraints during the course of examination of Demands of Grants (2012-13), the Department has proposed the use of cloud computing, increased use of laptop computers and hand held mobile devices as solution to the connectivity constraints. Here, the Committee may like the Department to clarify how the laptop computers and hand held mobile devices can provide solution for electronic delivery of services without having the broadband connectivity. On the suggestion of cloud computing, the Committee find that internationally also the cloud computing is still at the conceptual stage. The Committee observe that the solution lies only by improving the overall telecom connectivity and broadband connectivity scenario in the country which can pace up implementation of the various components of e-Governance

Programme thereby making electronic delivery of public services a reality in the country. As stated above, there is an urgent need to address the issue of connectivity in coordination with various stakeholders, State Governments, Public Sector Undertakings and all concerned.

(iii) Bharat Nirman Common Service Centres

8. The Committee have been apprised that the Government of India has proposed to upscale the existing scheme of 1 lakh CSCs to 2.50 lakh CSCs so as to set up one Bharat Nirman Common Service Centre at each Panchayat. The Department had submitted a note for the Cabinet Committee on Infrastructure which considered the proposal and referred it to a Group of Ministers (GoM). The GoM had its first meeting in January, 2012. The next meeting of the GoM is expected soon. The Committee appreciate the aforesaid proposal of the Government and would like the Department to pursue further so that the project is finally approved and execution starts during the year 2012. However, the Department need to address basic issues confronting implementation of CSCs which include power and connectivity constraints. Since the CSCs are proposed to be set up at each Panchayat, the Committee may like to recommend that some sort of coordinating mechanism with Panchayats should be formulated in the guidelines which would help in speedy execution of the Programme.

(iv) Adequate manpower in National Informatics Centre (NIC)

9. The Committee have consistently been raising the issue of bridging the gap between the required and the existing manpower at various levels in their various Reports. In spite of that, the Committee understand that the Demand of the requirement for additional manpower has still to be worked out by NIC. Now, the Committee under the Chairmanship of Shri Nandan Nilekani to examine the demand/requirement for additional requirements has been set

up which is going to submit its Report within three months. The Committee strongly emphasise that the manpower in NIC is the immediate concern which need to be addressed on an urgent basis by the Government particularly keeping in view the NIC mandate of providing wide range of e-governance, infrastructure and services in the country at various levels right from Centre to the District level.

Now, when the Committee under the Chairmanship of Shri Nandan Nilekani is looking into the matter of demand/requirement of additional manpower and the Committee is likely to submit its report in three months, the concrete initiatives to meet the gap between the required and the existing manpower need to be taken urgently by the Government. The roadmap to fill up the vacancies within the stipulated timeframe should be formulated by NIC and the Department of Electronics and Information Technology and the Committee apprised accordingly.

III. e-Innovation/R&D and e-Industry (Electronics Hardware)

(i) Promotion of Electronics/IT Hardware Manufacturing

10. The Committee understand that the demand of Electronics/IT Hardware Manufacturing in the country is projected to increase from USD 45 billion (approximately ₹ 20,500 crore) in 2009 to USD 400 billion by 2010. The indigenous production of Electronics/IT Hardware in the country during five years of the Eleventh Plan was amounting to ₹ 5,14,560 crore whereas the quantum of import of electronics goods in the country during the aforesaid period was ₹ 4,76,301 crore. The Committee have consistently been recommending to provide more attention to promotion of Electronics/IT Hardware Manufacturing so as to attain the level of self-reliance. During the Eleventh Plan, the initiatives taken by the Government in this regard include a scheme 'Promotion of Electronics/IT Hardware Manufacturing'. The total budgetary support for the Eleventh Plan was provided for ₹ 1100 crore.

During the whole plan period, only ₹ 3.57 crore could be utilized. As per the Department, special incentive package scheme (SIPS) was taken on 21.03.2007 and the last date for receipt of applications under the scheme was 31.03.2010. The scheme did not have good response. Out of 26 applications received, 11 applicants reported financial closure of more than threshold limit as on 31.03.2010. Not only that on further evaluation, only four applicants have provided evidence of firm financial tie-ups and these are being processed further.

The Committee further observe that a Task Force was set up in August, 2009 which submitted its report in December, 2009. Out of 198 recommendations made by the Task Force, the information furnished by the Department indicates that the action is being taken with regard to only half a dozen recommendations that too are still at the consideration stage. The Committee are of the strong view that there is an urgent need to pay serious attention to the issue of Electronics/IT Hardware Manufacturing in the country. The urgent action with regard to getting various clearances in respect of six key recommendations of the Task Force which have already been identified for implementation should be taken so that the schemes can start during the first year of Twelfth Plan i.e. the current year 2012-13. The Committee further emphasize that the promotion of Electronics/IT Hardware Manufacturing should be given top most priority so as to make the country self-reliant. Moreover, the import of IT Hardware also involves security risk particularly when the major part of our imports relate to telecom equipments. As such the issue needs more attention for the sake of security of our country.

(ii) National Policy on Electronics 2011 (NPE)

11. The Committee note that the draft 'National Policy on Electronics 2011 (NPE)' has been finalized in October, 2011 and put up in public domain for consultations. The Committee further note that the draft policy includes some important features such as (a) emphasis on multi-fold growth in production, investment and employment to achieve a turnover of about USD 400 billion by 2020 involving an investment of about USD 100 billion and employment opportunities to around 28 million people at various levels in ESDM sector, (b) increasing the export from USD 5.5 billion to USD 80 billion by 2020; (c) Creating a complete secure cyber eco-system in the strategic use of electronics; (d) encouraging LED lighting solutions especially in rural markets through innovative products like solar LED lamps, public places like street lighting, traffic lights etc. to promote the manufacture of LEDs and LED lights; (e) creating an eco-system for manufacture of set-top boxes and other broadcast equipment as part of the digitalization of the broadcast network; (e) setting up of NEM with industry participation, as an institutional mechanism to formulate policy, to implement approved policy and to promote "Brand India" in Electronics; etc. The Committee strongly feel that each of the above initiatives if implemented in the right earnest would totally change the face of Electronics and IT scenario of the country. While appreciating the Department's endeavour in bringing in such a comprehensive and all inclusive draft, the Committee recommend that the draft policy should not remain just on paper but modalities to implement each of the objectives should be worked out by the Department for achieving the targeted result, so that India emerges as a recognised and powerful country in Electronics and IT sector, a force to reckon with in the world.

(ii) Research and Development (R&D) initiatives with regard to Set Top Boxes required for digitization of cable TV

12. The Committee find that creating an eco-system for manufacturing of set top boxes and other broadcasting equipments as part of the digitalization of the broadcasting network is one of the component of the aforesaid draft National Policy on Electronics, 2011. The Committee further note that the Cable Television Networks (Regulation) Amendment legislation for introduction of Digital Addressable System (DAS) has recently been enacted. As per the Act, the Ministry has notified the dates for switching over to digital addressable system from analogue cable services by December, 2014. The Committee understand that following the enactment of the above legislation making digitalization mandatory, there is an ongoing demand for set top boxes in future and there will be large scale demand for Set Top Boxes to meet the requirement. The representative of the Department of Information Technology during the course of deliberations informed the Committee that the expected demand by the deadline for the whole country is to be over 200 million units. The issue of meeting the aforesaid demand of set top boxes through indigenous production was deliberated during the course of oral evidence. The Committee understand that at present Set Top Boxes are being assembled in India and at least 20 to 30 per cent of the demand is met locally. The foremost issue is that the industry is finding it difficult to compete with the imported ones because a large percentage of it is coming from China where the production cost is much lower. One suggestion that emerged during the course of deliberations was to enhance the import duty from existing 5 per cent to 10 per cent to make our indigenous production price competitive.

The Committee find that at present the Set Top Boxes are being assembled in India as elaborated above. The Committee understand that the real challenge is of the card that is going into the system which is a

technology mastered by only four or five different manufacturers worldwide. In India also, similar technology has been developed. The representative of C-DAC during of deliberations informed the Committee that we would be ready about in six months time for first prototype of the card which can be manufactured in the country. The Committee while taking note of the status of R&D in the basic electronic component of the Set Top Boxes strongly recommend that all the financial support and other support should be provided to C-DAC so that the Set Top Boxes with our own technology solution can be manufactured in India. Moreover, to promote indigenous market as stated above the Government may consider enhancing import duty from 5 per cent to 10 per cent.

The Committee during the course of deliberations have also been apprised that the subsidy is proposed to be provided under the modified SIP scheme under which once the Policy is approved, 25 per cent subsidy would be available. The Committee are of the strong opinion that promoting indigenous Set Top Boxes would definitely provide employment opportunities to our people. As such all the desired initiatives should be taken by the Government so that the country is ready to meet its expected demand of Set Top Boxes through indigenous production. Moreover the manufacturing of Set Top Boxes should lead from the assembling to finding out the solution for the required core technology through our own R&D initiative. In this connection, the Committee may also like to recommend to take up the issue of extension of the proposed deadline for Set Top Boxes in various parts of the country with the Ministry of Information and Broadcasting. In this connection, the Committee may like to emphasize that the Department of Electronics and Information Technology should coordinate with the Ministry of Information and Broadcasting on the issue of extension of the proposed deadline after having detailed strategy with regard to manufacturing of the required number

of Set Top Boxes through indigenous production and also finalizing the policy issue with regard to providing competitive edge to our own country manufactured Set Top Boxes.

(iv) Centre for Development of Advanced Computing (C-DAC)

13. The Committee have been consistently drawing the Department's attention towards the attrition of manpower in C-DAC and have been recommending the Department to finalise the Scheme of incentives at the earliest so that attrition rate in C-DAC is checked. However, the Committee are perturbed to learn that the even though the matter was referred to the Ministry of Finance way back in 2002 and more than 10 years have elapsed, the Department is still examining a fresh proposal on performance incentive issue received from C-DAC on 26.03.2012. The Committee while disapproving the way the Department has dealt with this important issue concerning C-DAC, a significant R&D organisation reiterate their earlier stand and exhort the Department to finalise the Scheme of incentives by taking some innovative measures so as to check the attrition rate in C-DAC, which is a premier R&D organisation in IT, Electronics and associated areas.

(v) Micro-Electronics and Nano-Technology Development Programme

14. The Committee note that even though the utilisation record under this programme during the Eleventh Plan period has been satisfactory, there has been under-utilisation of funds during 2011-12. Non-initiation of one of the projects before March, 2011 has been attributed as the reason for under-utilisation of fund. Further, the Committee also observe that there has been gross mismatch as far as proposed and approved outlay are concerned. The Committee while reiterating their earlier stand on DFG (2009-10), recommend that efforts should be made to convince the Planning Commission in getting adequate allocation under the above head particularly keeping in view the fact

that research in this area is at very nascent stage in India. Though the Department has made significant progress in R&D of microelectronics, the Committee feel a lot has to be done in the area of Nano Electronics. Considering the fact that India does not even have its own indigenous production of electronics hardware, the Committee strongly impress upon the Department to put in more effort to seek fund and increase R&D activities under this Scheme and be ready for the global market for Nano technology products which is expected to reach 30.4 billion dollar by 2015, as per the study by Global Industry Analysts, Inc.

III. e-Industry (IT-ITeS)

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

15. The Committee note with concern that though the exports from STP/EHTP units have been increasing over the years, yet the number of new STP/EHTP units being registered are found to be decreasing every year. When asked about any study being conducted to evaluate the feasibility of the registered STP/EHTP and about the details of the STP/EHTP that are functioning properly, the Department has simply stated that as per STPI, it was evident that SME's STP units would be hit by withdrawal of Income Tax benefits under Section 10A w.e.f 1st April 2011, therefore no study was conducted. However, a Non Profit Linked incentive scheme has been proposed for MSMEs STP units. The reply of the Department reflects a non serious attitude especially when exports from these units have generated a revenue of ₹ 3,27,764 crore in just one year. The Committee feel that the Department should have conducted a study on STP/EHTP specially after being hit by the withdrawal of Tax benefits units so that important issues with regard to effects of withdrawal of tax regime would have emerged in turn helping the

Department to work out a proper strategy to deal with reducing number of STP/EHPT units.

Further, 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 had earlier been informed about three proposals (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 DeitY. On seeing that the Department has not worked on these three proposals, the Committee in their Twenty-seventh Report had recommended the Department to ensure that the aforesaid three proposed initiatives are given utmost importance. The Committee note that while the draft Detailed Project Report (DPR) for the Non-Profit Linked Incentive Scheme for SME STP units has been prepared and is being processed for approval of the Competent Authority; with regard to 'Strengthening of the present incubation Programme of STPI units for business incubation and entrepreneurial development for start up units, the programme is still to be designed; and for establishment of a National Productivity Network(NPN), STPI is perusing the matter with E-Infrastructure Division, DeitY. The Committee find the progress to be extremely slow and rather non-satisfactory. Keeping in view the fact that the revenue generated by these units through exports is increasing every year, there is an urgent need to pay attention to the aforesaid proposed initiatives and other innovative measures so as to improve the competitive edge of these units. The Committee, therefore, strongly exhort the Department to act swiftly on the above three proposed initiatives during 2012-13 so that the proposals can take concrete shape and STPs/EHTPs really benefit from these initiatives. The

details of progress made in each of the initiatives may be furnished within three months of presentation of this Report.

IV. E-Learning

(i) National Knowledge Network (NKN)

16. The Committee note that the National Knowledge Network (NKN) Scheme envisages to bring together all the stakeholders in Science, Technology Higher Education, Research & Development, and Governance with speeds of the order of gigabits per second coupled with extremely low latencies; through PoPs in the respective institutions/organizations. The final phase of NKN project has been approved on 25 March, 2010 with an outlay of ₹ 5990 crores for a period of 10 years. The proposed outlay for the year 2012-13 is ₹ 2406 crore whereas the allocated outlay is to the tune of ₹ 360 crore which is just about 15 percent of the proposed sum. Similar mismatch between the proposed and approved outlay under the programme had been noticed while examining Demands for Grants 2011-12. While disapproving the ad-hocism of the Government, the Committee during previous Demands for Grants (2011-12), had strongly recommended for provision of adequate allocations at the BE stage itself so as to avoid uncertainty about the allocations of outlay at supplementary grant stage/RE stage. However, the Committee are disheartened to note that in spite of the above recommendation of the Committee gross mismatch has been observed in the proposed outlay and actual allocation even during the year 2012-13. More so, it is disquieting to note such a huge variation when the Department is well aware that without adequate and timely allocation of funds, the number of end user locations to be covered under NKN could be affected and additional fund would be required at Supplementary stage. Besides, the representative of the Department during evidence has submitted that the fund allocated during the Eleventh Plan could not be utilised in the month of March and the

supplementary had to be taken out because they could not use in the last few days of March. In addition, they have submitted that for the huge programmes like the National Knowledge Network which in the first year required a Budgetary Support of ₹ 240 crore, ₹ 1,700 crore in the second year and ₹2300 crore in the third year. However, adequate budgetary support has not been forthcoming and in the second year they have got ₹ 1,262 crore which they are expecting in the subsequent year also.

While expressing unhappiness over the way Planning Commission/Ministry of Finance has adopted adhocism in allocation of fund to the NKN programme which is the backbone for e-Governance, forcing the Department to resort to asking for supplementary grants year after year, the Committee strongly disapprove the Department's laid back attitude on the Committee's recommendation for providing appropriate allocations at the BE stage itself and not placing the matter regarding the dire need for certainty of fund under the scheme which would facilitate effective implementation of the Programme convincingly before the Planning Commission. The Committee, therefore, again exhort the Department to put their case strongly in front of Ministry of Finance/PC and apprise them about the Committee's concern. Besides, the Department should take proactive steps so that the project does not suffer during the Twelfth Five Year Plan.

(ii) Manpower development (including Skill development in IT)

17. The Committee note that during the year 2010-11, the Department had been given a target of skill development of 10 million persons in IECT by 2022, under National Skill Development Policy of the Government. The Committee also observe that though the proposed outlay for this project, for the year 2010-11 and 2011-12 was ₹ 460 crore and ₹ 717.75 crore respectively, no expenditure could be incurred under the project the reason being that there has been no progress in getting approvals for the scheme. Even after an

elapse of three years the Department is still working on draft Detailed Project Reports(DPR) along with the draft EFC Memo circulated to Ministries/Departments concerned. The Committee also note that Planning Commission has now made serious observations on necessary resources to set up new centres by DOEACC and C-DAC and in view of the resource constraints advised the DIT to split the project into two parts; first stage focusing on revamping of the existing centres and establishing new centres along with necessary infrastructure at a later stage. Keeping in view the fact that ICT is the largest and fastest growing industry and a lot needs to be done to sustain the momentum of growth in IT sector, there is an urgent need to give attention for skill development. The Committee while expressing dissatisfaction over the way the Department has progressed till now, strongly recommend the Department to examine the feasibility of Planning Commission's observations and take further action without any further delay so that the Scheme is definitely implemented during the year 2012-13. The Committee may be apprised about the Department's plan of action especially in light of the aforesaid observations of the Planning Commission.

(iii) National Institute of Electronic and Information Technology (NIELIT) (erstwhile DOEACC Society)

18. The Committee note that DOEACC Society has been renamed as National Institute of Electronic and Information Technology (NIELIT). The Committee would like to know about the Department's intention/vision for which they have changed the name of the society. The Committee note with concern that though the financial achievement under the scheme has been satisfactory and the Department has been successful in utilising the entire amount allocated, it has fallen short in achieving physical targets during the entire Eleventh Plan except for non-formal courses in 2007-08 and 2008-09 and formal course in the last three years of Eleventh Plan. The Committee are given to understand that as the NIELIT is providing non-formal and formal

education course, they are trying to devise courses that addresses not just the higher end but the lower end also and the issue is how to proliferate it much higher. The NIELIT centres, which are accredited centres, are not enough to address the issue of computer literacy of the huge population and for this reason it has collaborated with e-Governance division to use common service centres as an instrumentality of proliferation. The Committee during deliberations have also been informed that the Department is planning to use NKN for e-Governance project. The Committee on the issue of linkages may like to observe that when various projects/schemes/network are being considered for linkages and common usages, the Department should have the basic core infrastructure in order, else this chain reaction of dependency will not work out and the basic purpose would be defeated. The Committee, therefore, recommend that the Department should work out a plan of action to revamp its existing DOEACC centres as well as establish new ones so as to meet the urgent need of skill development of masses in IT sector.

(iv) E-Literacy

19. The Committee observe that a 'Working Group on IT Mass Literacy' under the Chairmanship of Vice Chancellor, IGNOU has been constituted to take stock of the current literacy scenario in the country. This 'Working Group' during its deliberation had indicated that before a survey of the literacy levels is undertaken, there was a need to define Literacy level for IT. To this effect, the Working Group has initiated the process of consultations with various stakeholders and analyzing the present initiatives to evolve the definition. Besides, a survey on literacy rate in computer would be conducted under the aegis of the 'Working Group'.

The Committee have consistently been recommending to find out the e-literacy level in the country. The Committee are concerned to note that even when the set target for computer literacy are being given by the Government,

the Working Group is still grappling with the issue of defining literacy level for IT. Nevertheless, when the issue is being taken by the Working Group, the Committee strongly emphasize that the literacy level should be defined expeditiously followed by countrywide survey to know the literacy level in the country so that the roadmap to increase computer literacy in the country can be worked out.

V. E-Security

Cyber Security (Incl. CERT-In, IT Act)

20. The Committee have learnt that a total of 774 Government Websites have been reported to be hacked during last 5 years which appear to have come from cyberspace of countries such as Australia, Bahrain, Brazil, Egypt, Germany, Indonesia, Lebanon, Libya, Morocco, Pakistan, Saudi Arabia, Spain, Turkey, UAE, UK and USA. Further, an analysis of the year-wise activities of CERT-In also reveals that the defacement of Indian Websites has almost tripled from the year 2007. The Committee are highly concerned to note that inspite of repetitive attacks on the Government websites, till now ISO-27001 standard has been implemented by only 527 Government organisations and in only one Government Department the cyber Security assurance framework has been validated. Further, as of now only 3192 Government Websites have been audited and audit of 3556 websites are still in progress. Not only that, the quantum of loss in terms of money due to e-fraud is also increasing every year. As per Reserve Bank of India (RBI) between 2009 to 2011 there were 489 cases involving ₹ 2846.38 lakh and as per the Economic Offenses Unit of CBI there were 9 financial fraud cases registered between 2009 to 2012 (February) leading to the loss of more than ₹ 43.92 crore.

The Committee deplore the security management being carried out in the Government Departments specially when all the Government bodies are undergoing the paradigm shift towards usage of IT for providing

transparency and corruption free services. The Committee strongly recommend for a multipronged strategy to tackle the issue of hacking, spam mails, financial fraud and accelerate the R&D activity in this direction.

The Committee also recommend the Department to increase the number of IT security auditors in the country which are just 60 in number so that auditing of remaining Government Departments can be done expeditiously, because numerous Government websites are hacked inspite of NIC auditing these websites before their formal launch.

The Committee further observe that the revenue loss reported due to e-fraud may be just the tip of the iceberg and the loss occurring due to cyber fraud would be enormous which goes undocumented/unregistered. Moreover, a lot need to be done to make our system regarding cyber crime as user friendly as well as in disseminating the prescribed procedures for reporting about the cyber crime cases amongst the masses. Not only that as repeatedly emphasized by the Committee, focussed attention need to be given to training of Government officials/law enforcement agencies particularly to those dealing with the issue related to reporting and investigating the cyber crime cases. The concrete and immediate initiatives in this regard need to be taken by the Government. Moreover, there is a need to have a cyber crisis management plan to deal with the cyber frauds/critical issues related to cyber crimes for the country.

21. Taking note of the Media Report on few students from Tel Aviv University using digital traces of internet activity to track criminals and thereby strengthening security against terrorist threats, the Committee during the course of examination of Demands for Grants raised the issue of Department's preparedness for 'tracking crime in real-time'. The Committee appreciate that the Department has already pro-actively initiated a research project titled 'Analyzing online content using data mining techniques to

counter cyber crime', in February 2010 itself with an outlay of ₹ 81.50 lakh. The Committee may be apprised about the outcome of the project along with the utilization status of the Outlay.

(ii) International Cooperation/MoU related to Cyber security

22. Keeping in view the myriad problems associated with cyber attacks originating from outside the country and the fact that it has become technically and legally difficult to reach out to the perpetrators, the Committee in their Seventeenth Report had asked the Department to consider one of the important recommendations made in Fiftieth Report (Fourteenth Lok Sabha) on 'The Information Technology (Amendment) Bill, 2006' which in essence had recommended the Department to prepare a roadmap for materializing an Omnibus International Convention against cyber crime/cyber terrorism under the auspices of United Nations. The Committee find that as a follow up to the above recommendation of the Committee, the Department has been working in close coordination with the Ministry of External Affairs and actively participating in the United Nations Group of Governmental Experts (GGE); in the Council for Security Cooperation in the Asia-Pacific (CSCAP); and in the deliberations of the UN Commission on crime prevention and criminal justice. The Committee also observe that the Department has entered MoU with six countries/CERT viz US-CERT, JP-CERT/CC, National Cyber Security Centre (NCSC), South Korea, CERT Mauritius, CERT Kazakhstan and Government of Finland.

While appreciating the Department's initiatives with respect to signing of MoU with 6 countries/CERT, the Committee feel that it is just a single step in this direction and more international collaboration is required. Therefore, the Committee would like to re-emphasise on the views expressed by the participants in the Fourth Parliamentary Forum on 'Shaping the Information Society: The Triple Challenge of Cyber-Security: Information, citizens and

Infrastructure' held from 18th to 20th May, 2011 at ILO Conference Centre, International Labour Organization (IPU), Geneva wherein India along with 36 other countries participated and acknowledged that a purely national approach cannot go far enough to combat cyber crime and international cooperation is far more necessary. The participants had also observed that it is difficult to prosecute criminal offences initiated outside the national territory and there is indeed an urgent need for an internationally agreed instrument that would provide a comprehensive framework for countries to coherently address cyber security issues in a coordinated manner. The Committee, therefore, recommend the Department to step up their efforts proactively in the direction of such an international agenda so as to reach out to more number of nations for international cooperation in an integrated manner so as to address the issues related to cyber crime and cyber security, and apprise the Committee accordingly.

(iv) Policy issues on e-waste

23. On the issue of e-waste generated in the country, the Department has informed that the Ministry of Environment and Forests has already come out with an extended producers responsibility rules under the relevant Environment Act, according to which every electronic manufacturer is expected to recover the used items once the life is over and these rules will come into effect sometime in May-June, 2012. The Department is in the process of discussing with the industry as to how they can facilitate to create capacity for recovering and recycling of used items. The Committee in this regard would like to reiterate their recommendation made in Seventeenth Report and emphasize that Department should have proper coordination with the Ministry of Environment and Forests and the Industry so as to tackle the issue of huge quantum of e-waste generated in the country.

VI. Contemporary issues involved in IT sector

(i) e-Procurement and e-Auction

24. The Committee note that as per the Report of First Data Corporation and ICICI Merchant Services the e-commerce market in India had reached close to ₹ 50,000 cores and there are about 150 million internet users/around 75 million households that are ready for e-Commerce by the end of 2011. The Committee also observe that as of now there is no uniformly accepted international index or measure in respect of progress of various countries in e-Procurement. As far as e-procurement in India is concerned the e-Procurement implementations in AP and Karnataka are 10 and 5 years old which have matured significantly and they compare with the best practices across the globe. The Department has also submitted that the e-procurement solutions including e-Auctions and GePNIC solution are being developed by the National Informatics Centre. On the preparedness to adopt e-Procurement in all Government Departments, the Committee observe that the Department is in the process of preparing the roadmap for adopting e-Procurement and advising all Department's societies and attached offices on similar lines.

The Committee may like to emphasize that the Approach Paper to Twelfth Plan and the President's Address to Parliament on 12 March, 2012 refers to ICT solutions for reducing corruption. The Committee are of the strong view that introduction of e-procurement procedures by all the Departments can bring transparency in our procurement procedures. Keeping in view the urgency of the matter, the Committee strongly recommend to develop uniform e-procurement procedures after taking into account e-procurement procedures of Andhra Pradesh and Karnataka and make e-procurement mandatory for all the Government Departments which would certainly bring transparency and curtail corruption in procurements.

The urgent initiatives in this regard need to be taken in a stipulated timeframe.

(ii) Indigenous Tablets/PCs

25. On the plans to have cost effective indigenous Tablets/PCs like 'Aakash', the Committee have been informed that the programme for development of 'Aakash' Tablet is a part of the activities being taken under the National Mission on Education through Information and Communication Technology (NMEICT) programme of Ministry of Human Resource Development (MHRD). The Department has also informed that in this regard, a Committee has been constituted which has submitted its recommendations which emphasized on the need to clearly spell out the technical and functional specifications as well as necessary requirements for reliability so that the devices that are procured have unquestionable quality and reliability. The Committee strongly feel there is an urgent need to have indigenous tablets/PCs which are cost effective and reliable in terms of quality and security. The Committee recommend the Department to coordinate with Ministry of Human Resource Development to work out a strategy to deal with the issue and keep a track of the developments in the area. The Department should also accelerate R&D in this area so that e-literacy reaches every nook and corner of the country.

New Delhi
27 April, 2012
7 Vaisakha, 1934 (Saka)

RAO INDERJIT SINGH
Chairman
Standing Committee on
Information Technology

Scheme-wise position of proposed GBS, BE, RE and Actual Expenditure during each of the year of the Eleventh Plan under Plan Schemes

(Statement is not appended)

**Annual Plan proposal and approval for various Schemes under DEITY for the
Year 2012-13**

ANNUAL PLAN PROPOSALS / APPROVALS (2012-13)			
		ANNUAL PLAN (2012-2013)	
		<i>(₹ in crore)</i>	
	SCHEME / PROGRAMME	PROPOSED Gross BS	APPROVED Gross BS
	I. e-Government		
1	Electronic Governance	2492.57	975.00
2	National Informatics Centre (NIC)	828.00	754.00
	e-Government Sub-Total	3320.57	1729.00
	II. e-Learning		
3	National Knowledge Network	2406.00	360.00
4	Manpower Development (incl. Skill Development in IT)	1925.00	127.69
5	NIELIT (erstwhile DOEACC)	10.75	10.75
6	Education & Research Network (ERNET)	16.50	0.01
7	Technology Development for Indian Languages (TDIL)	40.00	35.00
8	Facilitation of Setting up of Integrated Township	20.00	0.10
	e-Learning Sub-Total	4418.25	533.55
	III. e-Security		
9	Cyber Security (Incl. CERT-In, IT Act)	200.00	45.20
10	Controller of Certifying Authorities (CCA)	6.00	6.00
	e-Security Sub-Total	206.00	51.20
	IV. e-Industry (Electronic Hardware)		
11	Promotion of Electronics/IT Hardware Manufacturing	1434.50	5.00
12	Standardisation Testing and Quality Certification (STQC)	126.00	120.00
	e-Industry (Electronic Hardware) Sub-Total	1560.50	125.00
	V. e-Industry (IT-ITeS)		
13	Software Technology Parks of India (STPI) & EHTP	12.51	2.50
	e-Industry (IT-ITeS) Sub-Total	12.51	2.50
	VI. e-Innovation/R&D		
14	Centre for Development of Advanced Computing (C-DAC)	400.00	203.40
15	Technology Development Councilo Projects (incl. ITRA)	150.00	79.00
16	Micro-electronics and Nano-Technology Development Programme	126.50	100.00
17	Society for Applied Microwave Electronics Engineering and Research (SAMEER)	51.00	42.94
18	Convergence, Communication & Strategic Electronics	60.00	25.00
19	Media Lab Asia	57.00	11.30
20	Component & Material Development Programme	25.00	25.00
21	Electronics in Health & Telemedicine	12.00	11.50
	e-Innovation Sub-Total	881.50	498.14
	VII. e-Inclusion		
22	IT for Masses	32.00	16.94
	e-Inclusion Sub-Total	32.00	16.94
	Others		
23	Secretariat - Economic Services	60.00	43.67
	Others Sub-Total	60.00	43.67
	GRAND TOTAL	10491.33	3000.00

Some of the major Schemes such as CSCs, SWANs and SDCs carried out in North Eastern Region

(I) Status of CSCs

Sl No	State / Union Territory	Expected time schedule for establishment of CSCs	Whether work on establishment is on schedule (Yes/No)	If any	
				Revised time schedule	Comments
1	Arunachal Pradesh	Mar 11	Yes	Completed	200 CSCs rolled out of 200 CSCs
2	Assam	Mar 09	No	March 2012	3881 CSCs have been established out of 4375 CSCs in the State.
3	Manipur	Aug 09	Yes	Completed	399 CSCs rolled out of 399 CSCs (100% rolled out)
4	Meghalaya	July 09	No	March 2012	218 CSCs out of 225 have been rolled out.
5	Mizoram	April 10	No	March 2012	118 CSCs rolled out of 136 CSCs. SCA terminated, CSCs operational with ZENICS
6	Nagaland	Nov 09	No	March 2012	198 CSCs rolled out of 220 CSCs
7	Sikkim	April 09	Yes	Completed	45 CSCs have been rolled out (100% rolled out)
8	Tripura	Mar 08	No	Completed	145 CSCs rolled out of 145 CSCs (100% rolled out)

(II) Status of SWANs

Sl. No.	Name of State/UT	Status
1.	Sikkim, Assam, Manipur, Arunachal Pradesh, Meghalaya, Mizoram	SWAN Implemented
2.	Nagaland	Implementation in advanced stage

(III) Status of SDCs

Sl. No.	Name of State/UT	Status
1.	Manipur	Implemented
2.	Sikkim, Assam, Manipur, Arunachal Pradesh, Meghalaya, Nagaland	In Implementation stage

Appendix- IV**Details of Agencies who did not furnish even single Utilization Certificate for sanction issued up to 31.03.2009 (Year-wise position as on 02.04.2012)**

Sl. No	Agency Code/Name	Total Amount (in Rupees)	Sanction date
1	CII-BHOPAL	100,000	30/09/2002
2	NCHSE, BHOPAL	110,000	26/08/2002
3	ECIL, (HYD.)	1,583,228	4/10/2002
4	ICCC-ICCC	200,000	5/8/2002
5	M.S. ECIL, HYD	2,182,500	21/10/2002
6	ANDHRA PRADESH STATE ROAD TRANSPORT CORPN. LTD. HYDERABAD	1,200,000	2/12/2003
7	CMU,USA	2,329,827	7/7/2003
8	NMU, JALGAON	100,000	20/01/2004
9	MIT, NEW DELHI	660,000	24/08/2004
10	NPL, PUNE	1,048,800	18/02/2005
11	SIIPD, KERALA	700,000	13/05/2006
12	EDS,ANDHRA PRADESH	92,915,088	6/8/2007
13	UP ELECTRONICS CORPORATION LTD. LUCKNOW	3,660,000	19/09/2007
14	CRI CANCER RESEARCH IN	7,500,000	26/02/2008
15	IT MISSION, KERALA	11,375,000	27/02/2008
16	VISHVAGRAM M.S,GUJRAT	61,256,160	17/03/2008
17	NIT, PATNA	343,527	9/1/2008

Status of implementation of all the Mission Mode Projects (MMPs) during the Eleventh Five Year Plan

S. No	Name of MMP	Scheme Sanction Status	Implementation Status	Target Completion Date
Central MMPs				
1	MCA 21	Sanctioned	Post-implementation	September 2006 (Operational)
2	Pensions	Sanctioned	Post-implementation	March 2007, March 2012 (Enhanced)
3	Income Tax	Sanctioned	Post-implementation	December 2008 (Operational)
4-A	Passport	Sanctioned	Implementation	October 2011 (Operational)
4-B	VISA & Immigration	Sanctioned	Implementation	September 2014
5	Central Excise	Sanctioned	Post-implementation	December 2009 (Operational)
6	Banking		Post-implementation	<i>Industry Initiative</i>
7-A	NPR	Sanctioned	Implementation	NA
7-B	UID	Sanctioned	Implementation	March 2011 (Operational)
8	e-Office (Pilot)	Sanctioned	Implementation	December 2010 (Operational)
9	Insurance		Post-implementation	<i>Industry Initiative</i>
10	India Post	Sanctioned	Implementation	NA
Integrated MMPs				
11	CSC	Sanctioned	Implementation	March 2011
12-A	e-Courts (Pre NeGP)	Sanctioned	Implementation	Operational
12-B	e-Courts	Sanctioned	Implementation	March 2012
13	EDI	Sanctioned	Implementation	April 2011 (Operational)
14	India Portal	Sanctioned	Post-implementation	November 2005 (Operational)
15	NSDG	Sanctioned	Post-implementation	January 2014 (Operational)
16	e-Biz (Pilot)	Sanctioned	Implementation	June 2010
17	e-Procurement	Sanctioned	Implementation	NA
State MMPs				
18	Land Records Ph. 1 (Pre-NeGP)	Sanctioned	Implementation	Operational in 12 States
19	Land Records Ph 2 & Registration , NLRMP	Sanctioned	Implementation	August 2016
20	Road Transport	Sanctioned	Implementation	NA
21-A	Agriculture (Pre NeGP)	Sanctioned	Implementation	Operational
21-B	Agriculture	Sanctioned	Implementation	August 2012
22	Police CCTNS	Sanctioned	Implementation	March 2012
23-A	Treasuries (Pre NeGP)	Sanctioned	Implementation	Under Operation
23-B	Treasuries	Sanctioned	Implementation	March 2013
24	Municipality	Sanctioned	Implementation	December 2013
25	e-District	Sanctioned	Implementation	March 2012 (Pilot), April 2014(National Rollout)
26	Commercial Taxes	Sanctioned	Implementation	February 2014

S. No	Name of MMP	Scheme Sanction Status	Implementation Status	Target Completion Date
27	Gram Panchayat	Revised EFC note & Revised DPR circulated	Implementation	To be firmed up
28	Employment Exchange	EFC meeting held on Jan-12. EFC note is under revision	Design & Development	Approval Date + 22 Months
29	Public Distribution System (PDS)	Sanctioned	Design & Development	NA
30	Health	Sanctioned	Conceptualization	NA
31	Education	Sanctioned	Conceptualization	NA

Status of Number of Technologies and Engineers working in National Informatics Centre (NIC)

Designation	Post Filled
Director General	1
Scientist-G	24
Scientist-F	158
Scientist-E	543
Scientist-D	721
Scientist-C	765
Scientist-B	277
TOTAL - (GROUP A)	2489
Scientific Officer/Engineer-SB	390
Scientific Officer/Engineer-SB (NDC)	195
Sci.Officer/Engineer-SB(DOC)	2
Sci.Officer/Engr-SB(Tech)	10
TOTAL - (GROUP-B [GAZ])	597
Tradesman-'F'(Deo)	99
Sci./Technical Asst.'B'	323
Tradesman-'E'(Deo)	19
Tradesman-'D'(Deo)	1
Sci./Tech Asst-'B'(Tech)	0
Tradesman-'G'(Tech)	9
Tradesman-'G'(Electrical)	1
Tradesman-'F'(Tech)	6
TOTAL - (GROUP-B [NG])	458
Tradesman-'E'(Tech)	1
TOTAL - (GROUP-C)	1
GRAND TOTAL (A + B + C)	3545

Salient features of National Policy on Electronics 2011 (NPE, 2011)

Multi-fold growth in production, investment and employment: Achieving a turnover of about USD 400 billion by 2020 involving an investment of about USD 100 billion and employment opportunities to around 28 million people at various levels in ESDM sector. Interalia, the following specific initiatives are proposed:

- a. Setting up of semiconductor wafer fabs for manufacture of semiconductor chips.
 - b. A Modified Special Incentive Package Scheme providing for the disabilities in manufacturing in the sector.
 - c. Electronic Manufacturing Clusters Scheme for about 200 clusters with world-class infrastructure.
 - d. Preferential Market Access for domestically manufactured electronic goods to address strategic and security concerns and consistent with international commitments.
 - e. Provide for 10 year stable tax regime
2. **Semiconductor chip design industry:** Building on the emerging chip design and embedded software industry to achieve global leadership and to achieve USD 55 billion by 2020.
 3. **Multi-fold growth in Export:** To increase the export from USD 5.5 billion to USD 80 billion by 2020.
 4. **Human Resource Development:** Significantly enhancing availability of skilled manpower, in scale and scope, including in emerging technology areas, by active participation of the private sector and thrust on higher education. Includes creation of about 2500 PhDs annually by 2020.
 5. **Standards:** Developing and mandating standards for electronic products.
 6. **Security Eco-system:** Creating a complete secure cyber eco-system in the strategic use of electronics.
 7. **Sourcing for Strategic sectors:** Creating long-term partnerships between ESDM industry and strategic sectors like Defence, Space, and Atomic Energy etc.
 8. **R&D and Innovation:** To become a global leader in creating Intellectual Property in the ESDM sector by increasing fund flow for R&D, seed capital and venture capital for start-ups in the ESDM and nano-electronics sectors.
 - a. Setting up of a Electronic Development Fund as a Fund of Funds
 - b. Development of India Microprocessor
 - c. Develop electronic products catering to the domestic needs and conditions at affordable price points
 9. To develop core competencies in identified sectors through use of ESDM:
 - a. **Automotive Electronics:** To develop a Centre of Excellence for the development of Microcontoller Units (MCUs), Micro-electro-mechanical systems (MEMS) and other advanced electronic devices to consolidate India's position as one of the global auto hubs.
 - b. **Avionics:** To support the development of R&D and outsourcing of engineering design and related software for avionics and Maintenance, Repair and Overhauling of avionics in the country.
 - c. **LED:** To encourage LED lighting solutions especially in rural markets through innovative products like solar LED lamps, public places like street lighting, traffic lights etc. to promote the manufacture of LEDs and LED lights.
 - d. **Industrial Electronics:** To develop a Centre of Excellence for innovation in Industrial Electronics with focus on making affordable standardized products which help India to maintain its growth in industrial segments in which it has

core competence, including textiles, food processing, steel, engineering and electrical goods like motors, compressors, inverters, etc.

- e. **Medical Electronics:** To consolidate the design and development of affordable medical electronic device industry and to develop downstream manufacturing activities through sector specific cluster.
 - f. **Solar Photovoltaics:** To build manufacturing capacity of solar photovoltaics to support the generation of 20 GW of solar power by 2020.
 - g. **Information and Broadcasting:** To create an eco-system for manufacture of set-top boxes and other broadcast equipment as part of the digitalization of the broadcast network.
- 10. National Electronic Mission (NEM):** A NEM will be set up with industry participation, as an institutional mechanism to formulate policy, to implement approved policy and to promote "Brand India" in Electronics.
- 11. Renaming the Department:** The Department of Information Technology will be renamed as Department of Electronics and Information Technology (DeitY)

Appendix VIII**Details about the targets and achievements set under NIELIT during the Eleventh Five Year Plan**

Sl. No	Program me	2007-08 Target	2007-08 Achievement	2008-09 Target	2008-09 Achievement	2009-10 Target	2009-10 Achievement	2010-11 Target	2010-11 Achievement	2011-12 Target	2011-12 Achievements
1.	Formal Courses	1270	845	980	920	1599	1559	1700	1773	1800	1474
2.	Non-Formal Courses	3500	5398	2400	6448	12730	5376	13500	5367	14500	5685
3.	Short term courses including ITES-BPO	13800	6340	10125	8514	12668	9551	11500	10868	14000	16738
4.	DOEACC Exam qualifiers	20000	12141	20000	12412	20000	11665	20000	11173	15000	9693
5.	CCC Exam	--	51409	--	82504	90000	121561	90000	135822	95000	149263

Year-wise activities of CERT-In (2007-11)

Activities	2007	2008	2009	2010	2011
Email messages received	3283	4073	8050	13825	22754
Incidents handled	1237	2565	8266	10315	13301
Security Alerts/Incident Notes	44	49	29	43	48
Advisories	66	76	61	73	81
Vulnerability Notes	163	197	157	275	188
Security Guidelines	1	1	-	1	4
White Papers/Case Studies	2	3	1	1	3
Trainings	6	18	19	26	26
Indian Website Defacement tracked	5863	5475	6023	14348	17306
Open Proxy Servers tracked	1805	2332	2583	2492	3294
Bot Infected systems tracked	25915	146891	2159804	6893814	8735732
Security Drills	2	2	3	4	4
Security Audits	-	-	13	15	19

Details of Cyber Crime cases registered by Economic Offenses Unit of CBI

Year	Cases ID No.		Total amount involved	State
2009	1.	RC CY1 2009 E0003 (Nigerian Letter Fraud)	₹ 10,60,000/-	Himachal Pradesh
	2.	RC CY1 2009 E0005 (Fraudulently use of credit cards to do online purchasing)	₹ 1,61,630/-	Haryana
2010	1.	RC CY1 2010 E0002 (IRCTC ticketing fraud involving fraudulently use of credit cards to do online purchasing of Railway tickets)	₹ 16,33,418/-	Delhi
	2.	RC CY1 2010 E0008 (Sim Card swapping case)	₹ 75,000/-	Delhi
2011	1.	RC CY1 2011 E0001 (RTGS Fraud SBI Chapra)	₹ 8.5 crore	Bihar
	2.	RC CY1 2011 E0002 (RTGS Fraud SBI Muzaffarpur)	₹ 12.50 crore	Bihar
	3.	RC CY1 2011 E0009 (Lottery Fraud)	₹ 36,06,700/-	Delhi & Maharashtra
2012 (till date)	1.	RC CY1 2012 E0001 (RTGS Fraud SBI Muzaffarpur (National farmers Co-operative Ltd.))	₹ 29.25 crore	Bihar & Uttar Pradesh
	2.	RC CY1 2012 E0002 (IOB debit card Fraud)	₹ 3.18 crore	Andhra Pradesh

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-2012)**

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 11th April, 2012 from 1500 hours to 1715 hours in Room No. '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri Rao Inderjit Singh –Chairman

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Smt. Sarika D.S. Baghel
4. Shri Nikhil Kumar Choudhary
5. Dr. Charles Dias
6. Smt. Darshana Vikram Jardosh
7. Dr. Tarun Mandal
8. Shri P.R. Natarajan
9. Shri Tapas Paul
10. Shri Rajiv Ranjan Singh *alias* Lalan Singh

Rajya Sabha

11. Shri M.P. Achuthan
12. Shri Salim Ansari
13. Shri Mohammad Adeeb
14. Prof. Alka Balram Kshatriya
15. Shri P. Rajeeve

SECRETARIAT

- | | | |
|------------------------|---|---------------------|
| 1. Shri T.K. Mukherjee | - | Joint Secretary |
| 2. Smt. Sudesh Luthra | - | Director |
| 3. Shri Y.M. Kandpal | - | Additional Director |
| 4. Dr. Sagarika Dash | - | Deputy Secretary |

WITNESSES

DEPARTMENT OF ELECTRONICS AND INFORMATION TECHNOLOGY

Sl. No.	Name	Designation
1.	Shri J. Satyanarayana	Secretary (DeitY)
2.	Shri Rajarshi Bhattacharya	Additional Secretary & FA
3.	Shri N. Ravi Shanker	Joint Secretary and ED, NIELIT
4.	Ms. Rita Teatota	Additional Secretary
5.	Dr. Ajay Kumar	Joint Secretary
6.	Dr. Gulshan Rai	DG(CERT-In)
7.	Shri B.N. Satapathy	Economic Advisor
8.	Shri Ajay Sawhney	CEO, NeGP
9.	Dr. B.K. Gairola	Director General, NIC
10.	Shri N.E. Prasad	Director General, STQC
11.	Shri Rajat Mona	Director General C-DAC
12.	Dr. Omkar Rai	Director General, STPI
13.	Shri N. Mohanram	Director General, ERNET
14.	Dr. D.P. Amalnerkar	Executive Director, C-MET
15.	Dr. A.L. Das	Executive Director , SAMEER

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to take oral evidence of the representatives of the Department of Electronics and Information Technology (erstwhile Department of Information Technology) of the Ministry of Communications and Information Technology in connection with the examination of the Demands for Grants (2012-13).

[The representatives of the Department were then called in]

3. The Chairman welcomed the representatives of the Department of Electronics and Information Technology. He then drew the attention of the representatives to Direction 55(1) relating to confidentiality of the deliberations till the report is presented to the House.

4. The representatives of the Department then briefed the Committee about the financial and physical achievements of the Department in the context of the proposed Demands for Grants (2012-13). Since Eleventh Plan has come to an end

and Twelfth Plan has commenced with effect from 1st April, 2012, the overall performance of the Department during the Eleventh Plan and the preparedness for the Twelfth Plan were also explained by the representatives through power point presentation.

5. The Members of the Committee during the course of deliberations raised pertinent issues and sought clarifications related to the persistent huge gaps between the proposed and budgetary support provided during the Eleventh Plan; goals set out for the Twelfth Plan Period, underutilization of outlays; various slippages pertaining to National e-Governance Programme; reduced allocation and slow pace of R&D in IT sector; various issues related to import of electronic and software equipments/devices; shortage of manpower in National Informatics Centre; National Knowledge Network, etc., and the representatives of Department responded to the same.

6. The Chairman thanked the representatives of the Department of Electronics and Information Technology for appearing before the Committee as well as for furnishing valuable information that the Committee desired to know in connection with the examination of the Demands for Grants (2012-13) of the Department.

[The witnesses then withdrew]

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

The Committee, then, adjourned.

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2011-12)**

MINUTES OF THE FOURTEENTH SITTING OF THE COMMITTEE

The Committee sat on Wednesday, the 25th April, 2012 from 1600 hours to 1630 hours in Committee Room 'E', Basement, Parliament House Annexe, New Delhi.

PRESENT

Shri Rao Inderjit Singh – CHAIRMAN

MEMBERS

Lok Sabha

2. Shri Nikhil Kumar Choudhary
3. Dr. Charles Dias
4. Shri A. Ganeshamurthi
5. Smt. Darshana Vikram Jardosh
6. Dr. Tarun Mandal
7. Shri P.R. Natarajan

Rajya Sabha

8. Shri M.P. Achuthan
9. Shri Salim Ansari
10. Shri Mohammad Adeeb
11. Shri P. Rajeeve
12. Shri Jesudasu Seelam

SECRETARIAT

- | | |
|------------------------|-----------------------|
| 1. Shri T.K. Mukherjee | - Joint Secretary |
| 2. Smt. Sudesh Luthra | - Director |
| 3. Shri Y.M. Kandpal | - Additional Director |
| 4. Dr. Sagarika Dash | - Deputy secretary |

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

3. The Committee then took up for consideration the draft Report on Demands for Grants (2012-13) relating to the Department of Electronics and Information Technology (Ministry of Communications and Information Technology). The draft Report was adopted without any modification.

4. The Committee, then, authorized the Chairman to finalize the aforesaid draft Report in the light of the factual verifications by the Department and present the same to the House on a date convenient to him.

The Committee, then, adjourned.