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**STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2012-13)**

FIFTEENTH LOK SABHA

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

**[Action Taken by the Government on the Recommendations/Observations of the Committee
contained in their Thirty-fourth Report (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)']**

THIRTY-NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2012/Agrahayana, 1934 (Saka)

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*Presented to Lok Sabha on 18.12.2012
Laid in Rajya Sabha on 18.12.2012*



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2012/Agrahayana, 1934 (Saka)
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**COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2012-13)**

Shri Rao Inderjit Singh - Chairman

Lok Sabha

2. Shri Abdul Rahman
3. Shri Rajendra Agrawal
4. Shri Raj Babbar
5. Shri Nikhil Kumar Choudhary
6. Shri A. Ganeshamurthi
7. Shri Rajen Gohain
8. Smt. Darshana Jardosh
9. Shri H.D. Kumaraswamy
10. Shri Baidya Nath Prasad Mahato
11. Shri Sadashivrao D. Mandlik
12. Dr. Thokchom Meinya
13. Shri Tapas Paul
14. Shri Ramsinh Rathwa
15. Shri Radhe Mohan Singh (Ghazipur)
16. Smt. Seema Upadhyay
17. Vacant
18. Vacant
19. Vacant
20. Vacant
21. Vacant

Rajya Sabha

22. Shri Joy Abraham
23. Shri Mohammed Adeeb
24. Shri Javed Akhtar
25. Shri Salim Ansari
26. Shri Rajkumar Dhoot
27. Shri Bharatsinh Prabhatsinh Parmar
28. Shri Sachin Ramesh Tendulkar
29. Dr. C.P. Thakur
30. Vacant
31. Vacant

Secretariat

1. Shri Brahm Dutt - Joint Secretary
2. Shri Y.M. Kandpal - Additional Director
3. Dr. Sagarika Dash - Deputy Secretary
4. Shri Sandip Prasad - Executive Assistant

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this Thirty-ninth Report on Action Taken by the Government on the Recommendations/Observations of the Committee contained in their Thirty-fourth Report (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)' of the Department of Electronics and Information Technology (Ministry of Communications and Information Technology).

2. The Thirty-fourth Report was presented to Lok Sabha/laid on the Table of Rajya Sabha on 2 May, 2012. The Department of Electronics and Information Technology furnished their Action Taken Notes on the Recommendations/Observations contained in the Thirty-fourth Report on 8 August, 2012.

3. The Report was considered and adopted by the Committee at their sitting held on 7th December, 2012.

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

5. An analysis of Action Taken by the Government on the Recommendations/Observations contained in the Thirty-fourth Report of the Committee is given at Annexure-II.

New Delhi
17 December, 2012
26 Agrahayana, 1934 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with the action taken by the Government on the Recommendations/Observations of the Committee contained in their Thirty-fourth Report (Fifteenth Lok Sabha) on 'Demands for Grants (2012-13)' relating to the Ministry of Communications and Information Technology (Department of Electronics and Information Technology).

2. The Thirty-fourth Report was presented to Lok Sabha/laid in Rajya Sabha on the 2nd May, 2012. It contained 25 Recommendations/Observations.

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

(i)	Recommendations/Observations which have been accepted by the Government Rec. Sl. Nos.:- 1, 2, 3, 6, 7, 11, 12, 14, 16, 18, 19, 21, 22, 24 and 25	Total	15
		Chapter	II
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government Rec. Sl. No.: 13	Total	01
		Chapter	III
(iii)	Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and require reiteration Rec. Sl. Nos.:- 4, 5, 8, 9 and 15	Total	05
		Chapter	IV
(iv)	Recommendations/Observations in respect of which the reply of the Government are of interim in nature Rec. Sl. Nos.:- 10, 17, 20 and 23	Total	04
		Chapter	V

4. The Committee trust that utmost importance would be given to implementation of the Recommendations/Observations accepted by the Government. The Committee further desire that Action Taken Notes on the Recommendations/Observations contained in Chapter-I and final action taken replies to the Recommendations/Observations contained in Chapter-V of this Report should be furnished to them at an early date.

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

A. Position of Outstanding Utilisation Certificates (UCs)

(Recommendation Sl. No. 4)

6. The Committee had recommended as under:-

“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 installments 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.”

7. The Department of Electronics and Information Technology in the action taken note have stated as under:-

“The following actions have been taken by DeitY in view of the recommendation of the Committee relating to outstanding UCs:

- (i) As per the prescribed guidelines governing Grant-in-Aid, the grantee institutions are required to maintain separate audited accounts for the project. If it is found expedient to keep a part or whole of the grant in a bank account earning interest, the interest thus earned should be reported to this Department. The interest so earned would be treated as a credit to the grantee to be adjusted towards future installments. Accordingly, on release of grants-in-aid, the details are entered in the “UC Monitoring System” immediately to take care of monitoring of unspent balances with grantee institutions from the date of issue of sanction/release of funds. Monitoring of unspent balances and UCs due is made through in-built statements generated through the UC Monitoring System. The statements generated include agency-wise, GC-wise, State/UT-wise reports containing amount released, UC received, UC due and unspent balance with the implementing agencies. A State/UT-wise statement w.r.t. unspent balances as on 03.08.2012 is placed at Annexure-I.
- (ii) Unspent balance and interest, if any, available/accrued with the implementing agency is accounted for, while releasing every subsequent installment.
- (iii) Apart from the recommendation of Project Review and Steering Group (PRSG) for release of next installment of grants-in-aid (GIA), which is linked to the physical progress of the project, before releasing the subsequent installments of GIA, the submission of utilization of previous grants in the project is invariably insisted upon and monitored by the PRSG as well as by the Department.
- (iv) The terms and conditions governing Grant in aid also binds the grantee institutions for spending the grant amount of the project within the specified time and also surrendering any portion of the grant which is not ultimately required for expenditure for the approved purposes.

- (v) All possible measures are being taken to accelerate the pace of implementation of various projects under NeGP. State Action Plans have been formulated by all State / UTs under the directions of DeitY which are reviewed at the Secretary level and impediments in the implementation process are being reviewed and resolved. Also an expert Group constituted by the PMs Committee on NeGP under the Chairmanship of Shri Sam Pitroda, is reviewing NeGP to devise an action plan for speedy implementation of the programme.
- (vi) The schemes under e-Governance are being implemented by the State Government. Before releasing the subsequent installments of GIA, the utilization of previous grants in the project are also insisted upon. The pendency of UCs has been taken up on individual basis with all agencies and the respective state governments which has yielded good results.
- (vii) Coordinated efforts have resulted in liquidation of large number of UCs. The total amount of liquidation of UCs during the period 1.4.2012 to 30.06.2012 in respect of sanctions issued (I) up to 31.03.2011 for which UCs due and (II) for the period 01.04.2011 to 30.06.2012 for which UCs not due is given below:

S. No.	Particulars	Amount (₹ in crore)
(I)	Amount liquidated for which UCs are due (Sanctions issued up to 31.03.2011)	145.03
(II)	Amount liquidated for which UCs are not due (a) Sanctions issued from 1.4.2011 to 31.03.2012 (b) Sanctions issued from 1.4.2012 to 30.06.2012	183.89 12.12
	Total liquidated amount	341.04

8. Having observed huge amount of money lying as unspent balances and large number of Utilisation Certificates(UCs) pending on the part of implementing agencies, the Committee had stressed on the urgent need for review of the implementation of programmes more particularly that of the National e-governance plan for which major part of the allocation is being earmarked. In this regard, the Committee had desired to know the system of keeping unspent balances as well as the amount of interest accrued year-wise in respect of States and Union Territories. The Department in their action taken reply, instead of furnishing State-wise details of interest accrued has simply furnished information on State-wise position of UCs which does not give any detail on the interest accrued

year-wise in respect of States/ Union Territories. Even a look at the State-wise position of UCs also reveals that the States of Arunachal Pradesh, Dara Nagar Haveli and Daman Diu have not utilized the amounts sanctioned to them. While taking serious note of the above, the Committee would like to once again exhort the Department to furnish complete information in this regard.

Further, the Department has not responded to the part of the recommendation of the Committee whereby it had been recommended that the Ministry should incorporate the penalty clause in the various agreements. In view of the huge pendency over the years, the Committee feel that the inclusion of penalty clause would definitely help in monitoring of implementation of projects and quick liquidation of pending UCs. Therefore, the Committee while reiterating their earlier recommendation, once again exhort the Department to put in place a system whereby the penalty clause is included in various agreements while implementing the programmes. The Committee also expect that replies of the Government are complete and comprehensive to their recommendations.

B. National e- Governance Plan (NeGP)

(Recommendation Sl. No. 5)

9. The Committee had recommended as under:-

“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.”

10. The Department of Electronics and Information Technology in the action taken note have stated as under:-

“All possible measures are being taken to accelerate the pace of implementation of various projects under NeGP. State Action Plans have been formulated by all States / UTs under the directions of DeitY which are reviewed at the Secretary level every quarter and impediments in the implementation process are being reviewed and resolved. Also, an Expert Group constituted by the PM’s Committee on NeGP under the Chairmanship of Shri Sam Pitroda is reviewing NeGP to devise an action plan for speedy implementation of the program.

DeitY is preparing a special plan for addressing the issues of connectivity and power availability which impact the rollout of the scheme in remote and rural areas. NOFN and solar power are being explored as viable options for addressing these issues.

Regular meetings with BSNL are being held to address the connectivity issue. Also, e-District Programme which is envisaged to give further impetus to the CSC programme is being implemented on a priority basis.”

11. The Committee have consistently been raising concern over the poor utilization of allocations and continuous shifting of deadlines of various components under the flagship programme of National e-Governance Plan. Since various Departments of the Union Government such as Department of Telecommunications and PSUs under its administrative control such as BSNL, MTNL and other private service providers are involved in issues relating to power and connectivity the Committee had recommended the Department to take up these issues with these organizations/agencies. The Department, however, in their action taken reply, has routinely mentioned that they are holding regular meetings with BSNL to address the connectivity issue. The Committee feel that taking up the matter only

with BSNL and not with other agencies which have an equally important role to play in ensuring power and connectivity will not improve the situation. Therefore, while reiterating their earlier recommendation, the Committee would like the Department to follow an integrated approach to address the issue and take up the matter of connectivity and power with all concerned Ministries/State Governments/Telecom service providers. In this connection, the Committee, as emphasized in the recommendation relating to UCs *vide* para 8 above, would also like the Department to consider inclusion of penalty clause in the implementation of the programme to ensure better implementation.

C. Bharat Nirman Common Service Centre

(Recommendation Sl. No. 8)

12. The Committee had recommended as under:-

“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.”

13. The Department of Electronics and Information Technology in the action taken note have stated as under:-

“The issues relating to power and connectivity constraints with regard to existing CSCs are being addressed on a priority basis. A Working Group under the Chairmanship of Additional Secretary eGov is regularly reviewing the provision of connectivity to CSCs through BSNL. 2,500 VSATs have also been sanctioned for CSCs in the North East and other remote areas for connectivity. DeitY has also initiated discussions with the Ministry of New and Renewable Energy for

exploring provision of alternate power sources to CSCs in the form of solar power and other renewable energy schemes.”

14. In the context of Government of India’s proposal 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 Committee had recommended that some sort of co-coordinating mechanism with the panchayats should be formulated in the guidelines for speedy execution of the programmes. The Department instead of furnishing any information with regard to above recommendation of the Committee has chosen to be silent on the issue. Therefore, the Committee once again reiterate their earlier recommendation and exhort the Department to take necessary steps for formulation of some sort of coordinating mechanism with Panchayats in the guidelines so that one Bharat Nirman Common Service Centres at each Panchayat becomes a reality.

D. Adequate manpower in National Informatics Centre (NIC)

(Recommendation Sl. No. 9)

15. The Committee had recommended as under:-

“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.”

16. The Department of Electronics and Information Technology in the action taken note have stated as under:-

“Some of NIC’s existing technical staff requirements for application development and handholding are met through outsourced manpower. Few initiatives taken by the Department to resolve the problem of manpower are as follows:

- (i) Proposal for continuation of 265 posts for Data Centres is under process.
- (ii) Regarding manpower for enhancing security of NICNET, a document has been prepared for approval.
- (iii) For extension of manpower at the Block level, a EFC proposal is being prepared.”

17. Stressing on the need for taking concrete initiatives to bridge the gap between the required and existing manpower of NIC at various levels, the Committee had asked the NIC and the Department to formulate the roadmap for filling up the vacancies within a stipulated timeframe. However, the action taken reply of the Department shows that NIC is yet to sort out the issue of manpower shortage as some of NIC’s existing technical staff requirements for application development and handholding are being met through outsourced manpower and the proposal for continuation of 265 posts for Data Centers is still under process. What is more disheartening to note is that for manpower at block level, the matter is still at proposal stage. The Department should have by far finalized the manpower requirement in NIC particularly when a Committee i.e the Nandan Nilkeni Committee had been constituted to look into the matter of demand/requirement of additional manpower in NIC. While expressing their displeasure over the lack of seriousness on the part of the Department in dealing with the issue, the Committee once again reiterate their earlier recommendation and expect the Department to fill up all the

vacancies in NIC within a stipulated timeframe so that the work of NIC does not suffer due to shortage of manpower. The Committee also desire the Department to furnish the details of the Nilekani Report in the matter and follow-up action thereon.

E. e-Industry (IT-ITeS)

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

(Recommendation Sl. No. 15)

18. The Committee had recommended as under:-

“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.”

19. The Department of Electronics and Information Technology in the action taken note have stated as under:-

“Software Technology Park of India (STPI) and Electronics Hardware Technology Parks (EHTP) - The details of progress made in each of the initiatives is as follows:

- Preparation of Performance linked incentive scheme for STP registered units to ensure accelerated growth of IT/ITES exports and for dispersal of IT Industry in Tier II & III cities across the country and for supporting MSME sector, is under consideration of this Department as some modifications suggested by DeitY are being incorporated in the revised Detailed Project Report (DPR).
- Establishment of a National Productivity Network (NPN) - A presentation was made by STPI to Productivity Enhancement Group, DeitY during April 2012. Based on the observations and feedback, the same was revised and resubmitted to DeitY. The basic model has been accepted by DeitY. This is now being dealt by the Productivity Enhancement Group, DeitY.
- Strengthening of the present Incubation Programme of STPI units - This programme was initially handled by R&D in IT Group, DeitY. However, STPI has now proposed to include the same as a component of the proposed performance linked incentive scheme.”

20. Keeping in view the fact that the revenue generated by the STPI units is increasing every year and the competitive edge of these units need to be improved, the Committee had recommended the Department to act swiftly on the three proposed initiatives (i) Preparation of non-profit linked incentive scheme for STPI registered units (ii) Establishment of a National Productivity Network by STPI in association with DeitY and (iii) Strengthening of the present induction programme of STPI units for business incubation and entrepreneurial development for start up units.

However, the action taken reply of the Department shows that the matter has not progressed much from the stage where it was. Whereas action in respect of initiatives at (i) and (ii) above are still at consideration and approval stage; the Department after an elapse of considerable time has now proposed to include the incentives relating to strengthening of present incubation programme of STPI in the first set of initiatives i.e. performance linked incentive scheme. The Committee feel that if it had to be incorporated in performance linked incentive scheme, the same could have been done at the first instance without wasting much of precious time. While deploring the delay in taking up the above initiatives and unprofessional manner in which the Department has addressed the issue, the Committee reiterate their earlier recommendation and expect the Department to take these incentives seriously and expeditiously so that STPs/HTPs really benefit from these incentives.

CHAPTER-II

RECOMMENDATIONS / OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

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

(Recommendation Sl. No. 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.

Reply of the Government

The observation of the Committee has been noted. It is also stated that the statement has been made by Hon'ble MoS(P) in the Rajya Sabha on 11.05.2012 and in the Lok Sabha on 16.05.2012.

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**

(Recommendation Sl. No. 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.

Reply of the Government

Observations of the Committee have been noted. For proper and full utilization of plan funds approved in BE 2012-13, Annual Action Plan and Monthly Expenditure Plan in respect of each Plan Scheme have been prepared indicating month-wise and quarter-wise targets both in physical and financial terms. Achievements against the targets are being monitored/reviewed every month by Secretary, DeitY.

Budgetary allocation for North-Eastern Region

(Recommendation Sl. No. 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.

Reply of the Government

The department is taking all possible steps for speedy implementation of the projects in the North Eastern Region. Regular follow-up with BSNL is undertaken to

improve connectivity in the North-Eastern region. In addition DeitY has organized workshops, meetings and seminars for capacity building in the North Eastern region. A special meeting for the North Eastern states was conducted in June, 2012 in Shillong at the level of MoS to specifically address the issues pertaining to this area. Detailed State Action Plans have been prepared by each State / UT under the directions of DeitY and are being reviewed quarterly for monitoring the progress.

Outstanding Utilisation Certificates

(Recommendation Sl. No. 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.

Reply of the Government

An Integrated Framework has been prepared under the e-District MMP which covers replication and rapid rollout of successful initiatives within and across states / UTs. It also aims at developing synergies between the different components of the core infrastructure developed under NeGP. This has been shared with the States / UTs.

Electronic Delivery of Services Bill, 2011

(Recommendation Sl. No. 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.

Reply of the Government

National Knowledge Network which is in advanced stage of implementation along with Bharat optical fibre Network which is proposed to be completed by December 2013 will largely address the issue of Broadband Connectivity.

The issues relating to connectivity constraints with regard to existing CSCs are being addressed on a priority basis. A Working Group under the Chairmanship of Additional Secretary eGov is regularly reviewing the provision of connectivity to CSCs through BSNL. 2,500 VSATs have also been sanctioned for CSCs in the North East and other remote areas for connectivity.

National Policy on Electronics 2011 (NPE)

(Recommendation Sl. No. 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."

Reply of the Government

The draft NPE was put up on website of Department of Electronics and Information Technology (www.mit.gov.in) for public consultation. Based on the inputs received, a draft Cabinet Note was prepared and circulated for Inter-Ministerial consultations. The comments received were examined and incorporated in the Note. A final Cabinet Note prepared after Inter-Ministerial consultations has been submitted for consideration of the Cabinet on 5th July, 2012. The six key recommendations listed in ATN for para 10 above form part of the NPE. The

Department has also been renamed as “Department of Electronics and Information Technology” (DeitY).

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

(Recommendation Sl. No. 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.

Reply of the Government

Keeping in view the agenda for promotion of electronics hardware manufacturing in the country, DeitY has proposed increasing basic customs duty on Set Top Box (HS Code: 852871) from 5% to 10%, as part of Post Budget 2012-13 recommendations to Ministry of Finance. The Modified Special Incentive Package Scheme to provide subsidy for capital investment in electronic hardware manufacturing sector has been approved by the Union Cabinet in its meeting held on 12.7.2012. The June 30, 2012 deadline for switchover of analogue cable TV networks to Digital Addressable System in the four metros (Phase-I), has been extended by four months. The Technical Committee of Experts constituted by DeitY for the development of a Conditional Access System (CAS) for the Indian market in view of digitalization of the Broadcast Sector shall submit its recommendations shortly.

Micro-Electronics and Nano-Technology Development Programme

(Recommendation Sl. No. 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. .

Reply of the Government

Some major projects have been initiated in the area of Nanoelectronics under the Microelectronics and Nanotechnology Development Programme during 11th Plan period. Future major projects will be initiated based on the requirement of specific R&D activities, the interest and capacity of the organisations to undertake such major R&D projects and available human resources at DeitY to manage the programme. ₹ 100 crore have been allotted for this programme during the financial year 2012-13. Additional funds, if required, will be sought at RE stage.

E-Learning

National Knowledge Network (NKN)

(Recommendation Sl. No. 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.

Reply of the Government

Establishment of National Knowledge Network (NKN) was announced in the Budget Speech of 2009. The NKN project was approved by the Cabinet Committee on Infrastructure (CCI) on 25th March, 2010 with an outlay of ₹ 5990 crores over a period of 10 years. It may kindly be noted that NKN was not factored in the 11th Plan document and hence no separate provision was made in the 11th Plan outlay. Accordingly, funds are made available year-on-year basis as per the availability of funds. Similarly from the Department's side demands are being raised at 1st and

2nd Supplementary and RE stages. In the 12th Plan Proposal the complete projection for NKN for FY 2012-17 has been included. As on date a provision of ₹ 360 cr. has been made for FY 2012-13. Request for additional funds, would be made after the utilization of this allocation.

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

(Recommendation Sl. No. 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.

Reply of the Government

The current National Institute of Electronics and Information Technology (NIELIT) (formerly DOEACC Society), an Autonomous Scientific Society of the Department of Electronics and Information Technology, Ministry of Communications and Information Technology, is an amalgamation of three erstwhile Societies viz; DOEACC Society, Centre for Electronics Design & Technology of India (CEDTI) except its Mohali Centre and Regional Computer Centre (RCC), Chandigarh & Kolkata.

The pre-merged Society, CEDTI had been functioning as separate autonomous scientific organisation of the Government of India in Electronics Product Design and related activities. The CEDTI Centres were having a status as Centres of Excellence in Electronics Design & Technology and were providing consultancy to Industries in their respective region. RCCs were pioneer in providing Information processing solutions from the period of main frame computers era and DOEACC Society was implementing DOEACC Scheme, a joint scheme of Department of Electronics and Information Technology (erstwhile Department of Electronics) and the All India Council for Technical Education (AICTE) under which national level IT Software courses at O/A/B/C level are offered.

These Societies were merged together in the year 2002 and all the Centres of CEDTI & RCCs were renamed as DOEACC Centres. A revised mandate to carry out HR Development activities in the area of Information, Electronics and Communication Technology (IECT) was set for the merged Society.

However, it was felt that the name of the Society is not reflecting its objectives and activities in line with the revised mandate of the merged society. After taking feedback from the all DOEACC Centres, the proposal for name change was placed in the 14th F&A Committee held on 6th Oct.2008. F&A Committee suggested that the proposal may be referred to the Expert Committee constituted under the Chairmanship of Late Prof.C.S.Jha for recommending measures for strengthening and revamping of the activities of the Society including change of name in line with the objectives of the merged Society. The Committee recommended changing the name of the Society to a more appropriate new one. Subsequently, the Governing Council of NIELIT in its 25th Meeting held on 3rd Nov.2009 considered and approved the proposal to change the name of the Society to 'National Institute of Electronics & Information Technology' (NIELIT) subject to concurrence for the same by MHRD. Later concurrence of MHRD was taken for the new name.

Under the Skill Development Project, it has been proposed to upgrade the existing NIELIT Centres and to set up new Centres for increasing the training capacity of NIELIT. In the Detailed Project Report (DPR) of DietY on Skill Development in IT, it has been envisaged that NIELIT would make efforts to keep at least 40% of the training programmes (Certificate/ Diploma/ PG Diploma/ B Tech/ M TECH) in electronics and other hardware sector as emphasis of Govt. of India is on the electronics & Hardware sector, being strategic sector with reference to Manufacturing Technology and Product Design.

A project proposal for Development of North-Eastern Region by enhancing the Training/ Education capacity in the IECT area has been approved by Cabinet. Under the project, it is proposed to upgrade six NIELIT Centres and to set up 12 Extension Centres in the NE region so as to increase the training capacity of NE Centres from the present 3080 students/annum to 14400 students per annum. It is expected that these upgraded NIELITs would be running training programmes to create specialized manpower in Electronics & Hardware.

Further, Government of India has made a National Policy on Electronics under which it is envisaged to create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market. Accordingly, the Society is planning more courses in the Electronics Sector especially in the Electronics System Design Manufacturing (ESDM) sector as lack of human resource is one of the major challenges which are hampering the growth of the Indian Electronics Industry.

E-Literacy

(Recommendation Sl. No. 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.

Reply of the Government

The Working Group on IT Mass Literacy in its meeting held on 9th July, 2012 has recommended the definition of IT Literacy. Further, the Working Group has recommended a proposal for conducting a house-hold survey on IT Literacy for consideration by the National Sample Survey Organisation (NSSO) under the Ministry of Statistics and Programme Implementation.

(Recommendation Sl. No. 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 proactively 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.

Reply of the Government

The project on "Analyzing online content using data mining techniques to counter cyber crimes" was initiated at IIIT, Delhi in Jan. 2010 at a total estimated cost of ₹ 81.5 lakhs over a period of 3 years. So far ₹ 54.29 lakhs has been released to IIIT for executing the project.

The aim of the project is to use data mining and text mining on the online user generated contents including social networking sites to develop novel solutions to counter cyber crimes. The prototype developed at the end of the project will have a mechanism to collect and analyze data from various online sites including social networking sites so that actionable intelligence from such information can be extracted. The following tasks have been carried out in the project as per objectives:

- Mining Video contents in social networking sites like youtube etc. to discover hate videos, users and hidden communities
- Mining user common activity for detecting forum spammers in YouTube
- Analysis of online activity through social networking sites during Mumbai blasts
- Mining tweets for tag recommendation on social media
- Analysis of hate and protest comments in social media.

The following tasks are being carried out presently in the project as per the suggestions of user Agencies:

- Hate and extreme community detection on twitter / Youtube

- Automated classifications of online communities by data mining techniques.
- Credibility ranking of information during events.
- Analysis of terrorism related information available online in websites.
- Development of ontology based analysis in extremist websites.

International Cooperation/ MoU related to Cyber security

(Recommendation SI. No. 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.

Reply of the Government

Strengthening international cooperation to effectively deal with cyber security issues has been one of the main focus areas of the Government. Accordingly, this aspect is being attempted at Departmental level by way of MoUs between Indian Computer Emergency Response Team and its counterpart agencies that are willing to work together and share information in a timely manner for preventing cyber attacks as well as collaborating for providing swift response to the incidents. Besides this, in view of international relationships and cooperation

issues, concerted efforts are being jointly made by the Ministry of External Affairs, National Security Council Secretariat, Ministry of Home Affairs and the Department of Information Technology, to determine the ways and means of expanding the collaboration efforts as well as exploring the possibility of commonly agreeable international agenda to address the issues of cyber crime and cyber security.

Contemporary issues involved in IT sector
e-Procurement and e-Auction

(Recommendation Sl. No. 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."

Reply of the Government

Department of Expenditure vide OM no. 10/1/2011-PPc dtd 30/11/11 have issued instructions for mandatory publishing of tender enquires, corrigenda thereto and details of contract awarded on the Central Procurement Portal with the following timelines:

- Ministries/ Departments and their attached and subordinate offices w.e.f. 1st Jan.2012
- CPSEs w.e.f. 1st Feb 2012
- Autonomous/Statutory bodies w.e.f. 1st April,2012

As regards Certification of e-solutions, the DIT has already notified the "Guidelines for Compliance to Quality requirements" on the e-Governance Standards Portal (egovstandards.gov.in).

Indigenous Tablets/PCs

(Recommendation Sl. No. 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.

Reply of the Government

A Committee regarding continuous R&D and timely delivery of a Low Cost Access Device "Aakash" has been constituted vide Department of Electronics and Information Technology Order dated 22nd December, 2011. It is imperative to create an eco system for manufacturing "Aakash" in India with more and more indigenisation and for driving the efforts aimed at attempting to continuously bring down the price per device as far as feasible. Five meetings of the Committee have been held so far. IIT Bombay is in process of doing a pilot test with 100 devices under the Aakash-2 project. This is largely in simulated conditions. A more elaborate, real-life situation based testing is planned with 100,000 devices. MHRD and IIT Bombay expect that the test will commence in second half of July and get completed by September 2012. IIT Bombay proposes to involve IITs and NITs in the test. The feedback would be taken at the end of the test lasting nearly three months. The feedback from the students and faculty will provide a real assessment regarding the usability of the device by students and faculty across institutions. It has been recommended that full quantity would not be procured/manufactured by PSUs in one single lot, but in steps/phases so that they can get the right partner, transfer technology, progressively enhance proportion of manufacturing by PSUs and facilitate Centre for Development of Advanced Computing (CDAC) acquiring technology to kick start their R&D efforts. The Committee feels that even as the devices are being procured in phases, the domestic value-addition in each phase of procurement should be incrementally increased. This should lead to progressive indigenization of Aakash as well as greater Intellectual Property development by CDAC. The Committee also feels that with the requirement to give preference to domestically manufactured electronic products, Aakash would contribute to the development of electronics manufacturing eco-system in the country. The Electronics Manufacturing Clusters Scheme to provide world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector and the Modified Special Incentive Package Scheme to offset disability and attract investments in ESDM Industries that have been approved by the Union Cabinet in the month of July 2012 would provide the necessary impetus for creating an ecosystem for manufacturing of cost effective Tablets and PCs in the country.

CHAPTER –III

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

Centre for Development of Advanced Computing (C-DAC)

(Recommendation Sl. No. 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.

Reply of the Government

DeitY's proposal on Performance Incentive Scheme sent to Ministry of Finance, has been received back in the Department on 03.08.2012. Ministry of Finance have advised this Department to wait for the finalization of PRIS for Central Government employees.

As per the recommendation of the Standing Committee, a detailed proposal on Performance Incentive Scheme was obtained from C-DAC on 30.05.2012 and subsequent clarifications on 11.06.2012. On the advice of Ministry of Finance vide U.O. No.1(38)/E.Coord/02 dated 04.07.2002, the matter was also taken up with CSIR, ICAR, IITs, IIMs to find out whether any incentive payment scheme is in vogue or not in their organizations. All IITs, ICAR and most of the IIMs have informed that there is no such scheme prevalent in their organizations.

The proposal on Performance Incentive Scheme as received from C-DAC was examined in the Department. It is observed that after the implementation of the 6th Pay Commission Report, the problem of attrition is not there for the regular employees and that no regular employee has taken VRS. Attrition is among the contractual project employees which is also location based. This is generally the case in Chennai, Bengaluru, Hyderabad and Pune where alternative job opportunities exist.

As per the information received from C-DAC, the attrition is not high and is practically limited to contractual project employees. Fixation of wages of contractual employees is within the powers of the Board of Directors of C-DAC. In view of these observations, the need for formulation of a separate Performance Incentive scheme is not found feasible.

CHAPTER –IV

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

Position of Outstanding Utilisation Certificate (UCs)

(Recommendation Sl. No. 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.

Reply of the Government

The following actions have been taken by DeitY in view of the recommendation of the Committee relating to outstanding UCs:

- (i) As per the prescribed guidelines governing Grant-in-Aid, the grantee institutions are required to maintain separate audited accounts for the project. If it is found expedient to keep a part or whole of the grant in a bank account earning interest, the interest thus earned should be reported to this Department. The interest so earned would be treated as a credit to the grantee to be adjusted towards future installments. Accordingly, on release of grants-in-aid, the details are entered in the "UC Monitoring System" immediately to take care of monitoring of unspent balances with grantee institutions from the date of issue of sanction/release of funds. Monitoring of unspent balances and UCs due is made through in-built statements generated through the UC Monitoring System. The statements generated include agency-wise, GC-wise, State/UT-wise reports containing amount released, UC received, UC due and unspent balance with the implementing agencies. A State/UT-wise statement w.r.t. unspent balances as on 03.08.2012 is placed at Annexure-I.
- (ii) Unspent balance and interest, if any, available/accrued with the implementing agency is accounted for, while releasing every subsequent installment.
- (iii) Apart from the recommendation of Project Review and Steering Group (PRSG) for release of next installment of grants-in-aid (GIA), which is linked to the physical progress of the project, before releasing the subsequent installments of GIA, the submission of utilization of previous grants in the project is invariably insisted upon and monitored by the PRSG as well as by the Department.
- (iv) The terms and conditions governing Grant in aid also binds the grantee institutions for spending the grant amount of the project within the specified time and also surrendering any portion of the grant which is not ultimately required for expenditure for the approved purposes.
- (v) All possible measures are being taken to accelerate the pace of implementation of various projects under NeGP. State Action Plans have been formulated by all State / UTs under the directions of DeitY which are reviewed at the Secretary level and impediments in the implementation process are being reviewed and resolved. Also an expert Group constituted by the PMs Committee on NeGP under the Chairmanship of Shri Sam Pitroda, is reviewing NeGP to devise an action plan for speedy implementation of the programme.
- (vi) The schemes under e-Governance are being implemented by the State Government. Before releasing the subsequent installments of GIA, the utilization of previous grants in the project are also insisted upon. The pendency of UCs has been taken up on individual basis with all agencies and the respective state governments which has yielded good results.
- (vii) Coordinated efforts have resulted in liquidation of large number of UCs. The total amount of liquidation of UCs during the period 1.4.2012 to 30.06.2012 in respect of sanctions issued (I) up to 31.03.2011 for which UCs due and (II) for the period 01.04.2011 to 30.06.2012 for which UCs not due is given below:

S. No.	Particulars	Amount (₹ in crore)
(I)	Amount liquidated for which UCs are due (Sanctions issued up to 31.03.2011)	145.03
(II)	Amount liquidated for which UCs are not due (a) Sanctions issued from 1.4.2011 to 31.03.2012 (b) Sanctions issued from 1.4.2012 to 30.06.2012	183.89 12.12
	Total liquidated amount	341.04

Comments of the Committee
(Please see Para No. 9 of Chapter I)

National e- Governance Plan (NeGP)

(Recommendation Sl. No. 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.

Reply of the Government

All possible measures are being taken to accelerate the pace of implementation of various projects under NeGP. State Action Plans have been formulated by all States / UTs under the directions of DeitY which are reviewed at the Secretary level every quarter and impediments in the implementation process are being reviewed and resolved. Also, an Expert Group constituted by the PM's Committee on NeGP under the Chairmanship of Shri Sam Pitroda is reviewing NeGP to devise an action plan for speedy implementation of the program.

DeitY is preparing a special plan for addressing the issues of connectivity and power availability which impact the rollout of the scheme in remote and rural areas. NOFN and solar power are being explored as viable options for addressing these issues.

Regular meetings with BSNL are being held to address the connectivity issue. Also, e-District Programme which is envisaged to give further impetus to the CSC programme is being implemented on a priority basis.

**Comments of the Committee
(Please see Para No. 12 of Chapter I)**

Bharat Nirman Common Service Centre

(Recommendation Sl. No. 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.

Reply of the Government

The issues relating to power and connectivity constraints with regard to existing CSCs are being addressed on a priority basis. A Working Group under the Chairmanship of Additional Secretary eGov is regularly reviewing the provision of connectivity to CSCs through BSNL. 2,500 VSATs have also been sanctioned for CSCs in the North East and other remote areas for connectivity. DeitY has also initiated discussions with the Ministry of New and Renewable Energy for exploring provision of alternate power sources to CSCs in the form of solar power and other renewable energy schemes.

Comments of the Committee (Please see Para No. 15 of Chapter I)

Adequate manpower in National Informatics Centre (NIC)

(Recommendation Sl. No. 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.

Reply of the Government

Some of NIC's existing technical staff requirements for application development and handholding are met through outsourced manpower. Few initiatives taken by the Department to resolve the problem of manpower are as follows:

- (i) Proposal for continuation of 265 posts for Data Centres is under process.
- (ii) Regarding manpower for enhancing security of NICNET, a document has been prepared for approval.
- (iii) For extension of manpower at the Block level, a EFC proposal is being prepared.

Comments of the Committee (Please see Para No. 18 of Chapter I)

e-Industry (IT-ITeS) Software Technology Park of India (STPI) and Electronics Hardware Technology Parks (EHTP)

(Recommendation Sl. No. 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.

Reply of the Government

Software Technology Park of India (STPI) and Electronics Hardware Technology Parks (EHTP) - The details of progress made in each of the initiatives is as follows:-

- Preparation of Performance linked incentive scheme for STP registered units to ensure accelerated growth of IT/ITES exports and for dispersal of IT Industry in Tier II & III cities across the country and for supporting MSME sector, is under consideration of this Department as some modifications suggested by DeitY are being incorporated in the revised Detailed Project Report (DPR).
- Establishment of a National Productivity Network (NPN) - A presentation was made by STPI to Productivity Enhancement Group, DeitY during April 2012. Based on the observations and feedback, the same was revised and resubmitted to DeitY. The basic model has been accepted by DeitY. This is now being dealt by the Productivity Enhancement Group, DeitY.
- Strengthening of the present Incubation Programme of STPI units - This programme was initially handled by R&D in IT Group, DeitY. However, STPI has now proposed to include the same as a component of the proposed performance linked incentive scheme.

Comments of the Committee
(Please see Para No. 21 of Chapter I)

CHAPTER –V

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

e-Innovation/R&D and e-Industry (Electronics Hardware) **Promotion of Electronics/IT Hardware Manufacturing**

(Recommendation Sl. No. 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.

Reply of the Government

Reference observation that the Committee is 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 present status of implementation of the six key recommendations for promotion of the sector is as under:

1. Setting up Semiconductor Wafer Fabs

An Empowered Committee (EC) has been set up for identifying technology and investors for setting up two Semiconductor Wafer

Fabrication (Fab) Manufacturing facilities after obtaining approval of Cabinet in its meeting held on 20.4.2011. 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 Expression of Interest (EOI) was sought through advertisement in leading global and national dailies and websites during June-July, 2011. The process for appraisal of business proposals received by DeitY for setting up of Semiconductor Wafer Fab facilities in the country is at an advanced stage and is likely to be completed shortly.

2. Preference to Domestically Manufactured Electronic Goods

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 not with a view to commercial resale or with a view to use in the production of goods for commercial sale. The policy is expected to strengthen the cyber security ecosystem in the country as well as provide a boost to the domestic manufacturing.

3. Electronics Manufacturing Clusters Scheme to provide world-class infrastructure for attracting investments in the ESDM Sector

The Union Cabinet in its meeting held on 3.7.2012 approved the proposal to offer financial support for the development of Electronics Manufacturing Clusters (EMCs) as these EMCs would aid the growth of the ESDM sector, help development of entrepreneurial ecosystem, drive innovation and catalyze the economic growth of the region by increasing employment opportunities and tax revenues.

The importance of clusters in ESDM is a well accepted phenomenon worldwide. A well developed cluster can give a unit located in it a cost advantage of 5 to 8% because of various reasons such as increased supply chain responsiveness, consolidation of suppliers, decreased time-to-market, superior access to talent and lower logistics costs. Setting up of EMCs is an integral part of this strategy to make India a leading destination for the ESDM sector.

The proposed EMCs scheme would support setting up of both Greenfield and Brownfield EMCs. The proposed scheme is expected to help flow of investment for the development of world-class infrastructure specifically targeted towards attracting investment in the ESDM sector. The policy covers all States and districts and provides them an opportunity to attract investments in electronics manufacturing.

4. Modified Special Incentive Package Scheme to offset disability and attract investments in Electronics Systems Design and Manufacturing Industries

The Union Cabinet in its meeting held on 12.7.2012 approved the proposal to provide a special incentive package to promote large-scale manufacturing in the ESDM sector. The scheme is called the Modified Special Incentive Package Scheme (M-SIPS). The scheme provides subsidy for investments in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. It also provides for reimbursement of CVD/excise for capital equipment for the non-SEZ units. For high technology and high capital investment units, like fabs, reimbursement of central taxes and duties is also provided. The incentives are available for investments made in a project within a period of 10 years from the date of approval.

The policy is expected to create an indigenous manufacturing ecosystem for electronics in the country. It will foster the manufacturing of indigenously designed and manufactured chips creating a more cyber secure ecosystem in the country. It will enable India to tap on the great economic potential that this knowledge sector offers. The increased development and manufacturing in the sector will lead to greater economic growth through more manufacturing and consequently greater employment in the sector.

5. Setting up an Electronics Development Fund (EDF) to promote innovation, R&D, Indian IP and development of Indian Microprocessor

The Detailed Project Report for setting up of Electronics Development Fund has been prepared with the help of SIDBI and consultation with Stake holders. This has been sent to Planning Commission for in-principle approval.

6. Setting up a National Electronics Mission (NEM)

The draft Cabinet note was prepared after detailed discussions with stakeholders including industry associations and Government Departments etc. The draft Cabinet note was circulated for Inter-Ministerial consultations. Approval of Ministry of Finance and Planning Commission is being pursued. Simultaneously, preparatory work within the Department was carried out in this direction. Action was taken to create and strengthen the institutional mechanism for promoting ESDM activities and a ESDM-PMU project at a total outlay of Rs.300 lakhs for two years has been approved. In furtherance thereof, a number of activities were carried out for engagement of Consultants and providing logistics etc.

Communication and Marketing

While Government of India is creating the policies which would make it attractive to invest in the sector, a concerted effort to market the policies and India as a destination for investment in ESDM is also proposed to be mounted. Initial work in this regard has already commenced.

A meeting of Chief Ministers and Ministers concerned of the States was organized on August 29, 2011 to highlight the importance of ESDM sector in India and role which the States can play in this sector by

emphasizing the importance of the role of the State Governments in the promotion of ESDM industry in the country by developing attractive policies for attracting the investment to their respective states like development of Electronic Manufacturing Clusters; creating necessary human resource required by the industry and effective single window mechanisms so as to provide for ease of doing business in the State, etc.

A Communications and Brand Building Campaign for promotion of ESDM sector in India has been launched with the objective to build "Made in India" as leading global brand in ESDM and increasing awareness regarding initiatives taken by Government to promote investments in ESDM sector. As a part of the Campaign, State level workshops, specific verticals related Workshops and outreach activities in academia pertaining to ESDM are being promoted. A Communications Need Assessment Study to help orchestrate the Campaign is also underway.

An e-Newsletter relating to ESDM has also been launched with the objective of keeping the ESDM stakeholder community better informed about the policy initiatives, decisions and actions of the Government in the sector.

Manpower development (including Skill development in IT)

(Recommendation Sl. No. 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.

Reply of the Government

In line with the observations of the Planning Commission, the Detailed Project Reports of NIELIT and CDAC are being revised. The same would be re-circulated to various line Ministries/Departments concerned and then submitted for appraisal to the Expenditure Finance Committee (EFC). Necessary approvals would be solicited on clearance by EFC so as to initiate the Scheme at the earliest.

As regards the setting up of ICT Academies in each State/UT the Planning Commission had suggested that these could be co-located in the existing IITs, IIITs that are being set up. Accordingly, the Department has approached the Ministry of Human Resource Development and the respective IITs, IIITs to consider the same.

E-Security

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

(Recommendation Sl. No. 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.

Reply of the Government

The area of Information Technology is characterized by rapid developments and fast changing obsolescence. With every IT product introduced into the market, newer vulnerabilities are discovered, leaving scope for malicious actions. As a result, the cyber security requirements to tackle the issue of hacking, spam, cyber crime, financial fraud etc. are quite dynamic that change with the threat environment. In tune with the dynamic nature of Information Technology as well as ever changing cyber threat landscape, continuous efforts are required to be made to prevent and recover from cyber attacks. As such, the protection of IT infrastructure of Government as well as critical sector organisations is a dynamic activity and continuous process.

Government is aware of the nature of threats in cyber space and accordingly, the Government is following an integrated approach with a series of legal, technical and administrative steps to ensure that necessary processes and system are in place to address the growing threat of cyber attacks in the country. In order to adopt a holistic approach to ensuring adequate cyber security, Department would pursue and strengthen the cyber security initiatives during the 12th Plan in six focussed areas such as enabling legal framework; security policy, compliance and assurance; cyber security R&D; Cyber security incidents early warning and response; security awareness, skill development & training and collaboration.

The approach to implementing security best practices in Government and critical sector organisations is taken up by way of implementing a comprehensive cyber crisis management plan. The 'Crisis Management Plan (CMP) for countering cyber attacks and cyber terrorism' has been approved by the National Crisis Management Committee for wider circulation and implementation among key Central Ministries and all States/UTs and all critical sector organisations within their domain. This CMP document provides guidelines for implementing information security best practices as per ISO 27001 standard as a means of systematic approach to protect the information and IT infrastructure assets and also proactively preventing the occurrence and recurrence of cyber security incidents. In addition, it also provides guidelines for handling cyber security related crises and describes the framework for cyber incident response coordination among all the stakeholder agencies in the country.

The CMP document has been circulated to all the key central Ministries and all states /UTs and all necessary assistance is being provided by the Department to enable them in drawing their own sectoral Crisis Management Plans and organizational level crisis management plans. Third party auditing for verification of implementation of security best practices is an integral part of the crisis management plan. The implementation of crisis management plan along with the implementation of security best practices is being regularly reviewed by the Department as well as Secretary, Security in the Cabinet Secretariat for periodic reporting to the National Crisis Management Committee.

The effectiveness of CMP is being regularly tested by way of conducting comprehensive cyber security drills to enable assessment of security preparedness of organizations and their ability to respond and mitigate cyber attacks as outlined in the CMP. So far 6 such drills have been conducted involving more than 60 organisations in various sectors such as Finance, Telecom, Defence, Transport, Energy, Petroleum & Natural Gas and IT.

With regard to increasing the number of auditors in the country, it is submitted that existing empanelment process is under comprehensive review and it

is expected that the new process to be put in place in the near future would enable the Department to increase the number of auditors. In this context, it is also submitted here that empanelment of auditors by CERT-In is an open process available to all competent and qualified auditors in the country. Auditing is a commercial activity and as such the empanelment of auditors gets determined by the demand for audits as well as the ability of auditors to qualify through the CERT-In's empanelment process. With the mandate of implementation of security best practices in place for critical sector organisations, it is expected that more number of auditors would seek empanelment and also the existing auditors would seek to expand their auditing strength to cater to the growing needs.

Regarding training of Government/Law enforcement agencies on cyber crime, it is submitted here that Ministry of Home Affairs deals with the aspect of building adequate technical capacity in handling Cyber Crime related issue including setting up of Cyber Police Stations and trained manpower in Law Enforcement Agencies across the country for detection, registration, investigation and prosecution of cyber crimes. The Department of Electronics and Information Technology is playing an enabling role by taking a series of measures covering aspects like legal, technical and administrative steps to ensure that necessary systems are in place to address the emerging cyber crimes effectively. The steps taken by the Department include:

- The Information Technology Act, 2000 as amended by the Information Technology (Amendment) Act, 2008 has been enforced on 27.10.2009. The Act provides legal framework to address various types of cyber crimes and prescribes punishment also for such crimes.
- A major programme has been initiated on development of indigenous cyber forensics specifically cyber forensic tools, setting up of infrastructure for investigation and training of the users, particularly police and judicial officers in use of this tool to collect and analyse the digital evidence and present them in Court.
- Indian Computer Emergency Response Team (CERT-In) and Centre for Development of Advanced Computing (CDAC) are involved in providing basic and advanced training of Law Enforcement Agencies, Forensic labs and judiciary on the procedures and methodology of collecting, analysing and presenting digital evidence.
- Cyber forensic training lab has been set up at Training Academy of Central Bureau of Investigation (CBI) to impart basic and advanced training in Cyber Forensics and Investigation of Cyber Crimes to Police Officers associated with CBI. In addition, DeitY has set up cyber forensic training and investigation labs in the States of Kerala, Assam, Mizoram, Nagaland, Arunachal Pradesh, Tripura, Meghalaya, Manipur and Jammu & Kashmir.
- In collaboration with Data Security Council of India (DSCI), NASSCO, Cyber Forensic Labs have been set up at Mumbai, Bangluru, Pune and Kolkata for training of Law Enforcement personnel. National Law School, Bangalore and NALSAR University of Law, Hyderabad are also engaged in conducting several awareness and training programmes on Cyber Laws and Cyber crimes for judicial officers.
- DeitY has formulated a set of investigation manuals with procedures for Search, Seizure Analysis and Presentation of digital evidence in courts. The manuals have been circulated to Law Enforcement Agencies in all States.

In XII plan also, capacity building and training mechanism for developing a strong and dynamic skilled work force for investigation of Cyber crimes has been identified as a focused area. Awareness programmes on Cyber Crimes and

establishment of Centre for Excellence for capacity building for Law Enforcement Agencies and Judiciary will be launched during XII plan. Also a Centre of Excellence in Cyber Forensics will be set up to carry out innovative R&D with focus on basic research and technology development, so that advanced Cyber Forensic Tools are developed indigenously to meet the requirements of Law Enforcement Agencies for investigating emerging Cyber crimes.

Policy issues on e-waste

(Recommendation Sl. No. 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.

Reply of the Government

The Ministry of Environment & Forests (MoEF) is nodal agency for policy, planning, promoting and coordinating the environmental programmes and is involved in enacting laws, guidelines referring to e-waste. DeitY, being the nodal Department for issues related to electronics, is involved in the process of developing technological solutions to the e-waste management.

Department is interacting with MoEF from time to time to get necessary data, status of present E-Waste Rules etc. However, in order to have a structured and sustained mechanism to address various policy issues on e-waste, the Department has proposed to MoEF formation of a Working Group on e-Waste, involving MoEF, DoT, industry associations like ELCINA, MAIT and other possible stakeholders. The response of MoEF is awaited. DeitY will continue follow-up on this to have a structured mechanism at the earliest.

New Delhi
December, 2012
Agrahayana, 1934 (Saka)

RAO INDERJIT SINGH,
Chairman
Standing Committee on
Information Technology

**STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2012-13)**

MINUTES OF THE SECOND SITTING OF THE COMMITTEE

The Committee sat on Friday, the 7th December, 2012 from 1500 hours to 1630 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri Rajendra Agarwal – In the Chair

MEMBERS

Lok Sabha

2. Shri Abdul Rahman
3. Shri A. Ganeshamurthi
4. Dr. Thokchom Meinya
5. Shri Radhe Mohan Singh (Ghazipur)
6. Smt. Seema Upadhyay

Rajya Sabha

7. Shri Salim Ansari
8. Shri Rajkumar Dhoot
9. Shri Bharatsinh Prabhatsinh Parmar
10. Dr. C.P. Thakur

SECRETARIAT

1. Shri Brahm Dutt - Joint Secretary
2. Dr. Sagarika Dash - Deputy Secretary

2. In the absence of the Chairman, the Committee chose Shri Rajendra Agrawal, a Member of the Committee to act as the Chairman for the sitting in accordance with Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then took up for consideration of the Draft Action Taken Reports on Demands for Grants (2012-13) relating to ***** and the Department of Electronics and Information Technology. After some discussion, the Committee adopted the same without any modification. The Committee, then, authorized the Chairman to finalize and present the reports to the House during the ongoing Session of Parliament.

4. xxxxxx xxxxxx xxxxxx xxxxxx xxxxxx.

5. xxxxxx xxxxxx xxxxxx xxxxxx xxxxxx.

The Committee, then, adjourned.

ANNEXURE-II

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

[*Vide* Paragraph No. 5 of Introduction]

(i)	Recommendations/Observations which have been accepted by the Government	
	Rec. Sl. Nos.:- 1, 2, 3, 6, 7, 11, 12, 14, 16, 18, 19, 21, 22, 24 & 25	
	Total	15
	Percentage	60.00
(ii)	Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government	
	Rec. Sl. No.:- 13	
	Total	01
	Percentage	04.00
(iii)	Recommendations/Observations in respect of which replies of the government have not been accepted by the Committee and require reiteration	
	Rec. Sl. Nos.:- 4, 5, 8, 9 and 15	
	Total	05
	Percentage	20.00
(iv)	Recommendations/Observations in respect of the reply which is of interim nature	
	Rec. Sl. Nos.:- 10, 17, 20 and 23	
	Total	04
	Percentage	16.00