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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)**

**DEMANDS FOR GRANTS  
(2013-14)**

**FORTY-FOURTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 2013/Vaisakha, 1935 (Saka)*

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(2013-14)**

*Presented to Lok Sabha on 30 April, 2013*

*Laid in Rajya Sabha on 30 April, 2013*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*April, 2013/ Vaisakha, 1935 (Saka)*

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**COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY**  
**(2012-13)**

**Shri RaoInderjit Singh - Chairman**

**LokSabha**

2. Shri Abdul Rahman
3. Shri RajendraAgrawal
4. Shri Raj Babbar
5. Shri Nikhil Kumar Choudhary
- \* 6. Shri Khagen Das
7. Shri A. Ganeshamurthi
8. Shri RajenGohain
9. Smt. DarshanaJardosh
10. Shri H. D. Kumaraswamy
11. Shri BaidyaNath Prasad Mahato
12. Shri Sadashivrao D. Mandlik
13. Dr. Thokchom Meinya
- \*\* 14. Dr. Prasanna Kumar Patasani
15. Shri Tapas Paul
16. Shri Radhe Mohan Singh (Ghazipur)
17. Smt. Seema Upadhyay
18. **Vacant**
19. **Vacant**
20. **Vacant**
21. **Vacant**

**RajyaSabha**

22. Shri Joy Abraham
23. Shri Mohammed Adeeb
24. Shri Javed Akhtar
25. Shri Salim Ansari
26. Shri Bharatsinh Prabhatsinh Parmar
- # 27. Dr. Kanwar Deep Singh
28. Shri Sachin Ramesh Tendulkar
29. Dr. C.P. Thakur
- @ 30. **Vacant**
31. **Vacant**

**Secretariat**

1. Shri BrahmDutt - Joint Secretary
2. Shri N.C. Gupta - Director
3. Dr. Sagarika Dash - Deputy Secretary
4. Mrs. Rinky Singh - Executive Assistant

\* Nominated to the Committee w.e.f. 13.12.2012 vide Shri Ramsinh Rathwa, vide Lok Sabha Bulletin Part -II dated 13.12.2012.

\*\* Nominated to the Committee w.e.f. 09.01.2013 vide Lok Sabha Bulletin Part-II dated 09.01.2013.

# Nominated to the Committee w.e.f. 28.03. 2013 vide Rajya Sabha Bulletin Part-II dated 01.04.2013

@ Shri Rajkumar Dhoot, M.P. Rajya Sabha resigned on 11.02.2013 from Committee.

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## **ABBREVIATIONS**

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

## **INTRODUCTION**

I, the Chairman, Standing Committee on Information Technology (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this Forty-fourth Report on Demands for Grants (2013-14) of the Ministry of Communications and Information Technology (Department of Electronics and Information Technology).

2. The Standing Committee on Information Technology (2012-13) was constituted on 31<sup>st</sup> August, 2012. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Electronics and Information Technology) for the year 2013-14 which were laid on the Table of the House on 18<sup>th</sup> March, 2013. The Committee took oral evidence of the representatives of the Department of Electronics and Information Technology on 2<sup>nd</sup> April, 2013.

4. The Report was considered and adopted by the Committee at their sitting held on 17<sup>th</sup> April, 2013.

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

6. The Committee would also like to place on record their deep sense of appreciation of the valuable assistance rendered to them by the officials of Lok Sabha Secretariat attached to the Committee.

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

**New Delhi**  
**23 April, 2012**  
**03 Vaisakha, 1935 (Saka)**

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

## **REPORT**

### **PART – I**

#### **NARRATION ANALYSIS**

#### **CHAPTER I**

##### **Introductory**

The pace of technological advance is accelerating and Information Communications and Technology (ICT) is increasingly becoming a ubiquitous and intrinsic part of people's behaviors and social networks as well as of business practices, Government activities and service provisions. Information Technology sector has transformed the world, enabling innovation and productivity increases, connecting people and communities, and improving standards of living and opportunities across the globe. Information Technology has tremendous potential for the future of India. Department of Electronics and Information Technology (DeitY) in the Ministry of Communications and Information Technology is responsible for formulation, implementation and review of national policies in the field of Information Technology, Electronics and Internet (all matters other than licensing of Internet Service Provider). The vision of the Department is e-Development of India as an engine for transition into a developed and empowered nation. The Mission is to achieve this through a multi-pronged strategy of e-Infrastructure creation to facilitate and promote e-governance, promotion of both Electronics and Information Technology and Information Technology enabled Services (IT-ITeS), enabling creation of Innovation/Research and Development (R&D) infrastructure, building a countrywide Knowledge network and securing of cyber space.

1.2 The responsibilities entrusted to the Department are as under:-

- “1. Policy matters relating to information technology; Electronics; and Internet (all matters other than licensing of Internet Service Provider).
2. Promotion of internet, IT and IT enabled services.
3. Assistance to other Departments in the promotion of e-Governance, e-Commerce, e-Medicine, e-Infrastructure, etc.
4. Promotion of Information Technology education and Information Technology based education.
5. Matters relating to cyber laws, administration of the Information Technology Act, 2000 (21 of 2000) and other IT related laws.
6. Matters relating to promotion and manufacturing of Semiconductor Devices in the country excluding all matters relating to Semiconductor Complex Limited (SCL), Mohali; The Semiconductor Integrated Circuits Layout Design Act, 2000 (37 of 2000).
7. Interaction in IT related matters with international agencies and bodies e.g. Internet for Business Limited (IFB), Institute for Education in Information Society (IBI) and International Code Council – on line (ICC).

8. Initiative on bridging the Digital Divide: Matters relating to Media Lab Asia.
9. Promotion of Standardization, Testing and Quality in IT and standardization of procedure for IT application and Tasks.
10. Electronics Export and Computer Software Promotion Council (ESC).
11. National Informatics Centre (NIC).
12. Initiatives for development of Hardware/Software industry including knowledge-based enterprises, measures for promoting IT exports and competitiveness of the industry.
13. All matters relating to personnel under the control of Department.”

1.3 To perform the above responsibilities and to achieve the vision and mission for the sector in the 12<sup>th</sup> Five Year Plan, six thrust areas viz. e-Government, e-Learning, e-Security, e-Industry (Electronics Hardware), e- Industry (IT-ITeS), and e- Innovation/R&D have been identified by the Department. To operationalise the objectives of the Department, various schemes are formulated and implemented by the Department directly and through the organizations/institutions under its jurisdiction. To make the technology robust and state-of-the-art, collaboration of the academia and the private/public sector is also obtained. The Department has two Attached Offices, four Statutory Organizations and seven Autonomous Societies besides three Section 25 companies under its control to carry out the business allocated to the Department.

1.4 Some of the major Organizations/Schemes/Projects/Programmes of the Department are National e-Governance Plan, Promotion of Electronics/IT Hardware Manufacturing, National Knowledge Network (NKN), Cyber Security (including CERT-In, IT Act, CCA), Manpower Development (incl. Skill Development in IT), National Informatics Centre, Centre for Development of Advanced Computing (C-DAC), Society for Applied Microwave Electronics Engineering and Research (SAMEER), Media Lab Asia (MLA), Standardisation Testing and Quality Certification (STQC), Software Technology Parks of India (STPI)/EHTP, Technology Development Council Projects (incl. ITRA), etc.



## **CHAPTER II**

### **STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN THE THIRTY-FOURTH REPORT OF THE COMMITTEE ON DEMANDS FOR GRANTS (2012-13) OF THE DEPARTMENT OF ELECTRONICS AND INFORMATION TECHNOLOGY**

1.5 Thirty-fourth Report of the Standing Committee on Information Technology on 'Demands for Grants' of the Department of Electronics and Information Technology (DeitY) for the year 2012-13 was presented to Lok Sabha/laid on the table of Rajya Sabha on 2<sup>nd</sup> May, 2012. The Thirty-ninth Report on Action Taken by the Government on the recommendations/observations contained in the Thirty-fourth Report on Demand for Grants (2012-13) was presented to Lok Sabha/laid in Rajya Sabha on 18<sup>th</sup> December, 2012. Out of 25 recommendations made by the Committee, 15 recommendations were accepted by the Government. In view of the reply of the Government Committee did not desire to pursue one recommendation. Replies to four recommendations were found to be interim, to which the Department was asked to furnish the final action taken reply in the Thirty-ninth Report. Replies to five recommendations were not accepted by the Committee and were reiterated in their Thirty-ninth Report.

1.6 DeitY furnished the final Action Taken Statement on the recommendations contained in the Thirty-ninth report of the Committee on 13<sup>th</sup> March, 2013.

1.7 The Committee in this Report have *inter-alia* analysed the position of Outlays and the expenditure, particularly the performance of the Plan Schemes in the context of examination of Demand for Grants (2013-14). Since the Twelfth Plan, which commenced with effect from 1<sup>st</sup> April, 2012, has entered into its second year, the Committee in this Report have also analysed DeitY's performance during the first year (2012-13) of the Plan as well as the strategy to fulfill its goal during the Twelfth Plan.

### CHAPTER III

#### BUDGETARY ALLOCATIONS AND UTILIZATION OF FUNDS BY DEPARTMENT OF ELECTRONICS AND INFORMATION TECHNOLOGY (DEITY)

##### I. Over-all analysis

1.8 As per the data furnished by the Department, during the Eleventh plan (2007-12) period Rs. 11370 crore was allocated at BE stage against the proposed sum of Rs. 21835.89 crore, and actual expenditure was Rs. 9481.04 crore. The total amount proposed for the Twelfth Plan (2012-17) is Rs. 81,378.45 crore and the approved GBS is Rs. 36078.00 crore. The Proposed Outlay, Budget Estimates, Revised Estimates and Actual expenditure during Eleventh Five Year Plan (2007-12) and for the first year of the Twelfth Five Year Plan (2012-17) are as follows:

(Rs. in crore)

Financial Year	Proposed	BE	RE	Actual	%age Utilization w.r.t. BE	%age Utilization w.r.t. RE
<b>Eleventh Five Year Plan</b>	21835.80	11370.00	10272.40	9481.04	83.38	92.75
<b>Twelfth Five Year Plan</b>	81378.45	36078.00	-	-	-	-
<b>2012-13</b>	10491.33	3000.00	2000.00	1853.14	61.77	92.66
<b>2013-14</b>	6927.84	3000.00	-	-	-	-

##### II. Twelfth Five Year Plan (2012-17)

1.9 The Gross Budgetary Support (GBS) proposed by the DeitY and approved by Planning Commission / Ministry of Finance for DeitY for 12<sup>th</sup> Five Year Plan (2012-17) (total as well as scheme-wise):

(Rs. in Crore)

Sl.No.	SCHEME NAME	Proposed GBS	Approved GBS
	<b><u>I. e-Government</u></b>		
1	Electronic Governance	15000.00	5000.00
2	NIC	5551.00	4600.00
	<b>Sub total e-government</b>	<b>20551.00</b>	<b>9600.00</b>
	<b><u>II. e-Learning</u></b>		
3	Skill Development in IT	6000.00	*
4	National Knowledge Network	3056.00	3644.00
5	Manpower Development	2380.00	1530.00*
6	NIELIT	106.95	106.00
7	ERNET	96.00	10.00
8	Technology Dev. for Indian Languages	220.00	200.00
9	Facilitation of Setting-up of Integrated Townships	100.00	10.00
	<b>sub total e-Learning</b>	<b>11958.95</b>	<b>5500.00</b>
	<b><u>III. e-Security</u></b>		
10	Cyber Security (including CERT-In, IT Act)	1500.00	500.00
11	Controller of Certifying Authorities	33.00	33.00
	<b>Sub total e-Security</b>	<b>1533.00</b>	<b>533.00</b>
	<b><u>IV. e-Industry (Electronic Hardware)</u></b>		
12	Promotion of Electronics/IT Hardware Mfg.	33400.00	9509.00
13	STQC	721.00	650.00
	<b>Sub total E-Industry (Electronic Hardware)</b>	<b>34121.00</b>	<b>10159.00</b>
	<b><u>V. e-Industry (IT-ITes)</u></b>		

14	STPI&EHTP	6115.00	5422.00
	<b>Sub total e-Industry (IT-ITeS)</b>	<b>6115.00</b>	<b>5422.00</b>
	<b><u>VI. e-Innovation/R&amp;D</u></b>		
15	C-DAC	3500.00	2500.00
16	Technology Development Council (incl. ITRA)	1000.00	510.00
17	Microelectronics & Nanotech Dev Prog	707.50	450.00
18	SAMEER	377.00	320.00
19	Convergence, Communications & Strategic Electronics	500.00	300.00
20	Media Lab Asia	255.00	250.00
21	Components & Material Development Prog.	150.00	120.00
22	Electronics in Health & Telemedicine	50.00	50.00
	<b>Sub total e-Innovation/R&amp;D</b>	<b>6539.50</b>	<b>4500.00</b>
	<b><u>VII. e-Inclusion</u></b>		
23	IT for Masses	160.00	114.00
	<b>Sub total e-Inclusion</b>	<b>160.00</b>	<b>114.00</b>
	<b><u>Others</u></b>		
24	Headquarter (Secretariat & Bldg.)	<b>400.00</b>	<b>250.00</b>
	<b>Grand Total</b>	<b>81378.45</b>	<b>36078.00</b>

\* *Manpower Development (incl. Skill Development in IT)*

1.10 On being asked about the reasons for proposing Rs. 81,378.45 crore during Twelfth Plan, which is almost ten times more than the sum utilized during the Eleventh Plan, the Department, in their written reply stated as under:-

“The outlays for Five Year Plans are decided on the basis of the recommendations made by the Department related Working Group set up by the Planning Commission. The 12<sup>th</sup> Plan Working Group for IT Sector had identified seven thrust areas and based on the key targets and initiatives, the amount was proposed during 12<sup>th</sup> Plan.

A number of new programmes and initiatives are being proposed. The most significant of these are the initiatives for promotion of manufacturing of electronics and the schemes for manpower development for IT and Electronics sector. Both these need heavy support from Government. The same would be taken up to ensure effective utilization.”

1.11 Explaining it further, the Secretary, DeitY during evidence submitted as under:-

“....About the allocations in the Eleventh Plan *versus* Twelfth Plan, the demand *versus* the allocation, as you have rightly pointed out, I think it is about Rs. 8500 crore. The request was upwards of Rs. 80,000 crore. Considering that, a very major set of projects were envisaged and recommended by the Working Group, which included the support to electronics sector, which suffers significant disadvantages compared to countries like China and other competitors so that there is lot of inflow. I may submit that 85 per cent of our consumption is literally imported from other countries. Even, the 15 per cent which is manufactured in the country, actually is an assembly. The components are again coming from there. So almost 90 per cent plus is the content which is coming from abroad by way of imports. It is not happening in the country because of high cost of interest, high cost of logistics in this country mainly. To offset that, we have proposed the subsidy scheme which I submitted in my presentation, subsidy on infrastructure and subsidy on capital expenditure, and investment. We suffer a disadvantage to the tune of 17 to 22 per cent on account of high cost of capital,

high cost power, high cost of logistics. Through these incentives, we try to offset that disadvantage that Indian companies, Indian manufacturing sector suffers in the electronics sector. This is going to give a fillip. For that subsidy, we have asked for a higher allocation in the current Five Year Plan. As you are kindly aware, we have projected Rs. 80,000 crore but Rs. 36,000 crore has been sanctioned as an outlay in the Twelfth Five Year Plan which is a substantial enhancement compared to what we have been able to do in the earlier Five Year Plan. This will help the rejuvenation of the electronic sector in this country. If it goes successfully as planned, even this money will not be sufficient for us. We will be needing more funds and we will go back to the Planning Commission if it is really a resounding success.

1.12 The Committee have been consistently recommending the Department to reduce the gap between the proposed outlay, allocations earmarked at BE stage, RE stage and actual expenditure. Observing similar variations, the Committee in their Thirty-fourth Report on Demands for Grants (2012-13) had recommended for analyzing the projections of the Working Group in view of the absorption capacity of the Department and past trends of expenditure. Asked as to what action the Department has taken on Committee's recommendation, the Department, in their post-evidence written reply, stated as under:-

“Two new policies, namely the National Policy on ICT and the National Policy on Electronics have been approved by the Union Cabinet during 2012-13, due to the intensive efforts made by the Department. A number of schemes have been formulated for implementing these policies. 35 more schemes are under formulation.”

1.13 On being asked about the initiatives/measures being taken/ proposed to be taken by the DeitY for better implementation of various Schemes/programmes during the Twelfth Plan, the Department through their written reply has informed that it will be reviewing all the Schemes/programmes keeping in view of the priorities & objectives which will be defined in the coming years of the Twelfth Plan, with a view to optimally use the available resource in the most economically efficient and judicious manner.

### III. Budget allocation for the Annual Plan (2013-14)

1.14 The Demand No. 15 pertaining to the Department of Electronics and Information Technology (DeitY) for the year 2013-14 was laid in Lok Sabha on 18<sup>th</sup> March, 2013. For the year 2013-14, the Planning Commission has allocated a sum of Rs. 3000 crore as against the proposed outlay of Rs. 6927.84 crore. The details of Revenue as well as Capital expenditure under the Plan and Non-Plan sections are as under:-

(Rs. in crore)

	BE 2013-14		
	Plan	Non-Plan	Total
<b>Revenue</b>	2826.53	52.00	2872.50
<b>Capital</b>	179.50	--	179.50
<b>Total</b>	3000.00	52.00	3052.00

1.15 The Annual Plan proposal and approval for various Schemes/Projects/Plans for the year 2013-14 is as under:-

(Rs. in crore)

Sl. No.	SCHEME NAME	Proposed Gross BS	Approved Gross BS
	<b>Ongoing Schemes</b>		
	<b><u>I. e-Governance</u></b>	<b>2000.00</b>	<b>1530.00</b>
1	Electronic Governance	1075.00	700.00
2	National Informatics Centre (NIC)	925.00	830.00
	<b><u>II. e-Learning</u></b>	<b>2563.22</b>	<b>555.86</b>
3	National Knowledge Network	1240.00	360.00
4	Manpower Development (Incl. Skill Dev. in IT )	1275.00	150.00
	Skill Dev. in IT	0.00	0.00
5	NIELIT (erstwhile DOEACC)	12.21	10.75
6	Education & Research Network (ERNET)	0.01	0.01
7	Technology Development for Indian Languages (TDIL)	35.00	35.00
8	Facilitation of Setting-up of Integrated Townships	1.00	0.10
	<b><u>III. e-Security</u></b>	<b>406.00</b>	<b>60.37</b>
9	Cyber Security (including CERT-In, IT Act)	400.00	54.37
10	Controller of Certifying Authorities	6.00	6.00
	<b><u>IV. e-Industry (Electronics Hardware)</u></b>	<b>979.50</b>	<b>220.00</b>
11	Promotion of Electronics/IT Hardware Manufacturing	856.50	100.00
12	Standardisation Testing and Quality Certification (STQC)	123.00	120.00
	<b><u>V. e-Industry ( IT-ITeS)</u></b>	<b>70.50</b>	<b>52.50</b>
13	Software Technology Parks of India (STPI) & EHTP	70.50	52.50
	<b><u>VI. e-Innovation/R&amp;D</u></b>	<b>854.70</b>	<b>536.27</b>
14	Centre for Development of Advanced Computing (C-DAC)	425.00	205.00
15	Technology Development Council Projects (incl. ITRA)	90.00	85.00
16	Micro-electronics and Nano-Technology Development Prog.	131.50	100.00
17	Society for Applied Microwave Electronics Engineering and Research (SAMEER)	54.20	50.00
18	Convergence, Communication & Strategic Electronics	60.00	30.00
19	Media Lab Asia	50.00	26.27
20	Component & Material Development Programme	34.00	30.00
21	Electronics in Health & Telemedicine	10.00	10.00
	<b><u>VII. e-Inclusion*</u></b>	<b>0.00</b>	<b>0.00</b>
22	IT for Masses	0.00	0.00
	<b><u>Others</u></b>	<b>53.92</b>	<b>45.00</b>
23	Secretariat - Economic Services	53.92	45.00
	<b>Grand Total</b>	<b>6927.84</b>	<b>3000.00</b>

\* e-Inclusion merged with e-Learning during 2013-14

1.16 The agenda set by Department of Electronics and Information Technology, for the year 2013 (January to December) are as under:-

	<b>National Policy on IT initiatives</b>		<b>National Policy on electronics Initiatives</b>
1.	National Roll out of Mobile Service Delivery Gateway (MSDG)	10.	Setting up of Electronics Manufacturing Clusters (EMCs)
2.	National Information Infrastructure (NII 2.0)	11.	Mobilizing Modified Special Incentive Package Scheme (MSIPs) Units
3.	National Cloud Computing Initiatives	12.	Setting up of Semiconductor Wafer Fabrication (Fab)Manufacturing Facilities in the country
4.	Setting up of a National e-Governance Academy	13.	PhD Programme (PhD scheme for ESDM and IT/ITES sectors)
5.	IT Mass Literacy	14.	ICT Academies

6.	Common Man Interface (Dial.Gov)	15.	Electronics System Design Manufacturing (ESDM) Portal
7.	10 New STPI Centres		<b>Development of People Oriented IT Solutions</b>
8.	e-Gov App Store	16.	Personal safety Device
9.	Cyber Security Policy	17.	Sports Connect Portal
		18.	Folklore Portal

1.17 Observing that the proposed GBS for the year 2012-13 was Rs. 10491.33 crore and for the year 2013-14 it has been reduced to Rs. 6927.84 crore against which Rs. 3000 crore has been approved, the Department was asked to justify the decrease in demand and to state whether the reduction of budget would affect the Schemes/programmes of DeitY. To this, the Department in their written submission stated as under:-

“As per observations made by the Standing Committee on Information Technology stating that realistic projections to be made to the Planning Commission in the subsequent years of the Twelfth Plan, so that scarce resources are not blocked in a particular year, the decrease in demand was made.

Allocations for Plan schemes are made by the Planning Commission on the basis of discussion between DeitY and Planning Commission. No Plan scheme is proposed to be sacrificed due to reduced allocations. The priority activities of the Plan Schemes will be addressed.”

#### IV. Internal and Extra Budgetary Resources (IEBR) of DeitY

1.18 The details of the IEBR proposed by DeitY for Twelfth Five Year Plan (2012-17) is as under:

(₹ in Crore)

SCHEMES	Projection for Twelfth Plan (2012-17)		
	IR	EBR	Total IEBR
SAMEER	66.00	170.00	236.00
C-DAC	600.00	600.00	1200.00
NIELIT	459.84	2307.67	2767.51
Components & Material Dev. (C-MET)	7.00	78.00	85.00
ML Asia	1.25	23.75	25.00
ERNET	227.00	284.00	511.00
STPI	1136.26	12.51	1148.77
<b>TOTAL</b>	<b>2497.35</b>	<b>3475.93</b>	<b>5973.28</b>

1.19 The IEBR approved, for the Twelfth Five Year Plan (2012-17), by the Ministry of Finance/ Planning Commission for DeitY is as under:

(Rs. in Crore)

SCHEMES	Projection for 2012-17		
	IR	EBR	Total IEBR
SAMEER	66.00	170.00	236.00
C-DAC	600.00	600.00	1200.00
NIELIT	459.84	273.68	733.52
Components & Material Dev. (C-MET)	7.00	78.00	85.00
ML Asia	5.00	25.00	30.00

<b>ERNET</b>	227.00	284.00	511.00
<b>STPI</b>	1136.26	12.51	1148.77
<b>TOTAL</b>	<b>2501.10</b>	<b>1443.19</b>	<b>3944.29</b>

1.20 When asked for the position of IEBR, in respect to societies/offices under the administrative control of the Department, for the years 2011-12, 2012-13 and the target set for the year 2013-14, the Department furnished the following data:-

(Rs. in crore)

Society	2011-12				2012-13				2013-14	
	Proposed	BE	RE	Achievement	Proposed	BE	RE	Achievement*	Proposed	BE
NIELIT	97.39	97.39	97.39	115.79	1799.17	1799.17	132.66	111.82	146.65	146.66
ERNET	77.00	77.00	77.00	61.00	84.00	84.00	50.00	48.21	90.00	90.00
STPI	167.00	167.00	167.00	180.46	192.13	192.13	192.13	126.94	204.53	204.53
Media Lab Asia	20.00	20.00	20.00	0.18	3.00	3.00	3.00	74.20	0.00	0.00
C-DAC	210.00	210.00	210.00	225.83	230.00	230.00	230.00	181.65	242.00	242.00
SAMEER	34.50	34.50	34.50	20.41	39.00	39.00	39.00	20.00	43.00	43.00
C-MET	13.18	13.18	13.18	16.77	15.50	15.50	15.50	16.58	16.40	16.40
<b>TOTAL</b>	<b>619.07</b>	<b>619.07</b>	<b>619.07</b>	<b>620.44</b>	<b>2362.80</b>	<b>2362.80</b>	<b>662.29</b>	<b>579.40</b>	<b>742.58</b>	<b>742.59</b>

\*Up to February, 2013.

1.21 On being asked for the reasons for not achieving the IEBR target at BE stage and for revising the targets at RE stage during the year 2012-13, from Rs. 2362.80 crore (BE stage) to Rs. 662.29 crore (RE stage), the Department through their written reply informed that for the following two reasons the IEBR targets were revised:-

“The tentative achievements (upto February, 2013) with reference to IEBR target at BE stage during 2012-13 is less, due to the following:

- The work of Bio-metric capture of NPR project has been withdrawn from NIELIT by the Registrar General & Census Commissioner, Ministry of Home Affairs involving an amount of Rs. 1685.55 crore.
- Reduction in connectivity in view of migration of ERNET India users to National Knowledge Network.

In view of above, IEBR targets have been revised at RE stage to Rs. 662.29 crore which is likely to be achieved by the end of FY 2012-13.”

1.22 Further, when asked for reasons for not achieving even 1 per cent of the set target of IEBR under Media Lab Asia for the year 2011-12 and also for the tremendous increase in IEBR during 2012-13 under the Scheme the Department replied as under:-

“The funds of about Rs. 20 crore planned to be received by Media Lab Asia for ITRA project under TDC scheme could not be received due to slow utilization of earlier funds released under ITRA project. The significant increase during 2012-13 is attributable to funds of more than Rs. 70 crore that were received for NeGD project operating under Media Lab Asia.”

1.23 Observing similar trend of shortfall in IEBR generation, the Committee desired to know about the action taken on the Committee’s recommendation made in the Twenty-third Report on Demand for grants (2011-12) wherein the Department was asked to stick to their targets of IEBR generation. To this, the Department, in their written reply, stated as under:-

“As per the existing progress of Schemes/Programmes and implementation strategies, the Department hopes to achieve the approved targets for 12<sup>th</sup> Five Year Plan.”

**V. Budgetary allocations for the North-Eastern Region**

1.24 As per Government instructions, 10% of the Central Plan Allocation is to be earmarked for the schemes for the benefit of the North Eastern Region and Sikkim. The tentative fund allocation for the North Eastern Region for the Twelfth Five Year Plan (2012-17) is Rs. 3607.80 crore and for the financial year 2013-14 is Rs. 300.00 crore.

1.25 The BE, RE and Actual Expenditure for North Eastern Region for the past three years, i.e. 2010-11, 2011-12 and 2012-13 are as under:

(Rs. in crore)

Year	BE	RE	Actual Expenditure	Percentage of utilization w.r.t. RE
2010-11	266.00	346.84	257.39	(74.21%)
2011-12	300.00	225.40	180.54	(80.10%)
2012-13	300.00	200.00	168.18*	(84.09%)

\*Tentative Exp. as on 25.03.2013

1.26 On being asked about the reasons for shortfall in utilization of funds allocated to the region, the Department stated that the shortfall in expenditure by various implementing agencies is one of the important reasons for underutilization. They have also stated that the shortfall is mainly due to apparent lack of interest by executing agencies and poor response to tender in the North-Eastern Region.

1.27 Regarding measures taken for ensuring full utilization of funds in the Region the Department, in their written, reply stated as under:-

“Steps taken to ensure fuller utilization of funds include project proposals on account of capacity building and construction of physical infrastructure for NIELIT Centres in the North-Eastern Region, which will enhance the pace of expenditure in the North-Eastern Region.”

1.28 In the context of the reply, the Committee desired to know whether construction of NIELIT Centres would address the impediments faced by the North-Eastern Region and would they be able to fully utilize the funds under some of the important schemes being implemented in this region. When the Committee also desired to know about the Department’s preparedness to tackle the constraints in the North-Eastern Region, the Department, in their written reply, responded as under:-

“NIELIT has its Centres in all the NE states and provide training and education in IECT areas to the students of NE region. NIELIT is implementing a project, ‘Development of NE region by enhancing capacity in training / education in IECT areas’ under which 6 existing NIELIT Centres and 2 extension Centres are proposed to be upgraded and another 10 new extension centres are proposed to be set up for bringing the training / education facility to the remote locations of



NE region. Since the construction of campus for the 18 Centres which is the major activity under the project, could not be started as planned due to delay in getting land free of cost from the respective State Govts. Besides the selection of Project Management Consultants (PMCs) and thus the funds also couldn't be utilized as planned. However, the process for construction of campus has been initiated at places where the land is available, by appointing PMC for construction of campuses. The work orders are being issued and it is expected to start the construction work shortly and completed within two years period. Since the major component of the budget outlay of the project is towards construction of building, the funds will also be utilised as projected to our best. Once the construction activities are completed, the training capacity of the NE Centres is expected to increase from 3080 candidates per annum to 14400 candidates per annum.

Schemes viz. C-DAC and Technology Development Council are primarily to undertake Research & Development. Primarily, availability of organizations and experts in North-East region to partner and take up projects of relevance and also of importance to the North-East regions have been key constraints. There are separate working groups to look into the projects pertaining R&D in the North-East region. Through these endeavors, it is expected that evolving and implementing project in North-East would improve.

Under the e-Governance Scheme DeitY is already executing projects namely SWAN, SDC, CSC, e-District, SSDG, Capacity Building etc. Funds allotted under NE head are utilized in the same. For speedy execution of these projects quarterly monitoring/ review meetings are held with IT Secretaries. Also, meetings specifically with NE officials are organized for addressing any constraints in implementation of e-Governance projects.

Budget provisions were kept in revenue to accommodate salaries and other expenses related with projected manpower being recruited for STQC labs in NER, Advertisement for Recruitment has already been published and it is in advance stage at present. Also labs have published tenders for proposed equipment twice, but the same could not be finalized due to lack of response. STQC have also established two labs in Guwahati and Agartala in NER. These labs have been providing test, calibration and training services in the field of both electronics and IT. STQC lab at Guwahati is in the process of acquiring additional space nearby to house new and specific test facilities. Further, labs are now actively exploring the possibilities to expand.

Under IT for Masses, the expenditure made under NE is 94.98% of RE 2012-13.

A provision of Rs.360 Cr. was made under BE 2012-13 for NKN programme which was reduced to Rs. 152.19 Cr. in RE by Ministry of Finance. Accordingly, amount allocated for North Eastern Head has been reduced from Rs.25 Cr.(BE) to 19 Cr. (RE). During the FY 2012-13, an amount of Rs.122.19 Cr. was released under NKN, out of which Rs. 12.28 Cr. was released for NE. Rest of fund could not be released as Ministry of Finance not agreed to the proposal of DeitY seeking permission to utilize more than 33% budget fund in last quarter & 15% in the month of March of FY 2012-13."

## VI. Outstanding Utilization Certificates (UCs)

1.29 As per Outcome Budget (2013-14), the position of pending UCs and unspent Balances is as under:-

(Rs. in crore)

	Amount (Rs. In crore)	No. of UCs
<b>Utilisation Certificates due</b>	882.19	600
<b>Unspent Balances for which UCs are not due</b>	1240.40	665
<b>Total Unspent Balance with States/implementing Agencies</b>	2122.59	1265

1.30 When asked for the exact status of pending UCs and unspent balances, the Department, in their written reply, submitted the following information:-

(Rs. in Crore)

Position as on	Status of Pending UCs		Status of Unspent Balance	
	No. of UCs	Amount	No. of UCs	Amount
<b>01.04.2012</b>	892	1509.66	1361	2496.93
<b>31.03.2013</b>	281	460.86	985	1882.44
<b>01.04.2013</b>	581	937.41	985	1882.44

The liquidation of pending UCs is a continuous process and number of pending UCs increases, with the beginning of every financial year as UCs become due for grants released up to the close of the previous financial years. This Department is making strenuous effort for liquidating pending UCs, which has resulted in liquidating a large number of pending UCs. It may be seen from the above that as on 01.04.2012, 892 UCs for Rs. 1509.66 Crore (For the sanctions issued up to 31.03.2011) were due, which have been reduced to 281 UCs for Rs. 460.86 crore, as on 31.03.2013. And 300 UCs for Rs. 476.55 crore added as these have also become due as on 01.04.2013.”

1.31 Citing about the restriction imposed by the circular of Department of Expenditure, dated 14<sup>th</sup> November, 2012 as the main reason for pending UCs and for most of the under-utilization under various schemes the Department submitted as under:-

“The Department of Expenditure has imposed certain restrictions on the release of GIA funds vide its circular dated 14<sup>th</sup> Nov, 2012. Subsequent releases under several schemes have been held up for want of UCs for projects taken up by the organizations from other groups. The matter has been discussed with DoE and project specific proposals to allow release of funds have been submitted but the matter has remained unresolved.”

1.32 The Secretary, DeitY during evidence, elaborated on the issue as under:-

“....At the peak of our releases, actually this has come like a bolt for us but it is a healthy and good thing. For the financial health of the country it is fine. But for us, it came as a setback because UCs were pending for several years. Despite this, we tried to clear as many UCs as possible to reach almost 95 per cent of the expenditure. This is one thing which is positive, as I am saying or better financial management and there is no argument about it; it is a good thing. But since it came all of a sudden, it took a little bit of our time this year. We will continue

the drive on UCs so that financial discipline goes on continuously and down to the last implementing organisation.”

1.33 When asked to state whether the restriction imposed by the circular would facilitate/hinder liquidation of UC's, the Department, in their post-evidence written reply, stated as under:-

“In terms of MOF's OM dated 14.11.2012, the restriction imposed on subsequent releases of GIA to any Autonomous Body/Organization has resulted in liquidating UCs amounting to Rs. 1821.22 crore during the financial year 2012-13. The restrictions imposed by the MoF acts as a temporary impediment in booking of expenditure, but is expected to improve the financial discipline in the medium and long-terms.”

1.34 When the Committee desired to know whether the Department, has planned any mechanism to coordinate with all the different project heads/coordinators, under same scheme/organization, so as to avoid a situation wherein because of delay under one project the other projects do not suffer, the Department, in their post evidence written reply, replied as under:-

“The coordinated efforts are being made by the Department. Each Programme Division has the access to the UC Monitoring System of PAO, DeitY maintained by NIC so as to enable them to know the status of pending UCs in r/o each implementing agency. Each Group Coordinator/Programme Division has been requested for ensuring strict compliance of MOF's OM dated 14.11.2012, before recommending for subsequent releases of GIA.”

1.35 As per the data furnished by the Department placed at **Annexure-I**, there are three agencies who were sanctioned fund in 2002 but have not furnished single UC since then. The amount for which not even a single UC have been received by the Department is for Rs. 16.69 crore. In this background, the Committee desired to know about the details of the action taken against three agencies viz. ICC-ICCC, NCHSE, Bhopal and CII-Bhopal who have not submitted UC since 2002 and also about the exact deadline for removing the pendency of 11 UC for which not a single UC is received. To this, the Department, in their post-evidence , written reply stated as under:-

“All concerned Group Coordinators/Heads of Division would pay special attention and focus on liquidation of pending UCs. With the close coordinated effort of the Department, the number of agencies, which did not furnish even single UC has been reduced. As on 31.03.2013, there are 08 such UCs for Rs. 15.68 crore (for the sanctions issued up to 31.03.2011).”

1.36 When asked to provide details of action taken for liquidation of pending UCs (State/UT-wise), the Department has enumerated about various measures/strategies to reconcile the pending UCs, which *inter-alia* include:-

- “The Department has been making earnest efforts to expedite implementation of the various schemes and programs. Regular quarterly review meetings of State IT Secretaries have been organized where

program implementation and financial progress have been specifically reviewed. Regional meetings have been organized in several places, including a special meeting of all the north-eastern states. The details of outstanding UCs have been shared with the Chief Secretaries of the States / UTs to seek their intervention in speedy execution of programs and settlement of balance funds. The provisions of penalty have been included in the various agreements with the grantee organizations being executed by the Department.

- Necessary instructions have been issued to all Group Coordinators/Heads of Societies to ensure that the UCs for grants released to the institutions/organizations are required to be furnished within 12 months from the closure of the financial year. Where such certificate is not received from the grantee institutions within the prescribed time, the Department will be at liberty to blacklist such institutions or organization from any future grant.”

**CHAPTER IV**  
**SCHEME-WISE/HEAD-WISE ANALYSIS**

**e-GOVERNMENT**

**i. National e-Governance Plan (NeGP)**

1.37 The National e-Governance Plan (NeGP) was approved on 16<sup>th</sup> May, 2006 with the vision to make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs to realize the basic needs of the common man. The NeGP is a multi-stakeholder programme which primarily focuses on making critical public services available and promoting rural entrepreneurship. It comprises of 31 Mission Mode Projects (MMPs), State Wide Area Network (SWAN), State Data Centres (SDCs), Common Service Centres (CSCs), etc.

1.38 The allocation for e-Governance scheme during 2013-14 is Rs. 700 crore against the proposed outlay of Rs. 1075 crore. Details of the proposed allocation, BE, RE and actual utilization under NeGP since 2009 is as under:-

(Rs.in crore)

Year	Proposed	BE	RE	Actual	%age of BE	%age of RE
2009-10	1021.00	900.00	330.00	328.05	36.45	99.41
2010-11	1030.00	1030.00	583.53	264.15	25.65	45.27
2011-12	2043.84	1087.31	351.61	254.34	23.39	72.34
2012-13	2492.57	975.00	450.00	283.68*	29.09	63.04
2013-14	<b>1075.00</b>	<b>700</b>	--	--	--	--

\*As on 31.12.2012

1.39 Observing that the Department could not utilize even 40 per cent of the allocations made at BE stage for last 4 years, the Committee desired to know about the reasons for under-utilisation of funds under NeGP, specially during the year 2012-13. Responding to this, the Department, elaborated about the restriction imposed by the circular of the Department of Expenditure, issued in November, 2011.

1.40 Asked about the concrete action taken to tackle the impediments witnessed while implementing NeGP, the Department elaborated about various strategies followed by them which *inter-alia* include State Action Plan, persuasion with State Chief Secretaries, periodic review of NeGP by Apex Committee and Monthly review of financial and physical progress of NeGP Scheme by Secretary DeitY, etc.

1.41 The Secretary during evidence outlined Direct Benefit Transfer (DBT) Programme being operationalised for 7 schemes in 16 States (20 Districts) as one of the greatest achievements of NeGP. However, a media report, dated 6<sup>th</sup> April, 2013, highlighted that the Government's DBT Programme has run into an unanticipated difficulties since its rollout in January. In this regard,

PM's closing remarks, as enumerated in the Press Release of Press Information Bureau, dated 5<sup>th</sup> April, 2013 hinted at certain aspects of DBT as under:-

".. DBT is not conceptually difficult. It consists of just a few simple steps. In the field, it is all about digitising data, enrolling in Aadhaar, opening bank accounts and seeding these accounts. More importantly, DBT requires process re-engineering at the Government level. Need to change the way we transact business, the way we release funds, the way we track funds and the information we have on beneficiaries have been emphasised. All these are important in themselves. Everybody is urged to apply themselves to this exercise as that is one of the biggest benefits that will come out of DBT.

...The exercise of DBT has revealed the poor nature of tracking and monitoring systems we have in Departments. If we need to ensure that the money we spend delivers outcomes, it is necessary that we have a robust monitoring system in place. That is what DBT does, in addition to making the process simpler for beneficiaries and rooting out fraud, corruption and wastage.

..As DBT expands, DBT will become more visible with a larger footprint, both in terms of area and in terms of number of people covered. This is a program on which the implementation capacity of the government will be tested. We will soon be covering over 120 districts and even more in a few more months. We cannot afford to fail. There is a need to show that results and benefits can be delivered. All Ministries and Departments need to apply themselves with dedication to this major initiative and the challenging task in rolling out the DBT program."

1.42 Apart from DBT some of the other important initiatives undertaken by the Department during the year 2012-13 for facilitating National e-Governance Plan, as highlighted by the Secretary, during evidence, are as follows:-

- **National –e-Governance Academy**

National e-Governance Academy is proposed as a Centre of Excellence in Capacity Building for e-Gov. The objective/purpose of this initiative is to create an institutional framework for e-Governance training and research. The Academy will focus on creating creamy layer for e-Gov champions. IIT Bangalore is preparing the DPR for setting up the Academy. Proposed schedule /EFC is September, 2013 and the proposed outlay is Rs. 500 crore. Other functions of the Academy is to act as a national Think Tank with a focus on R&D for e-Governance; promote knowledge sharing and collaboration and develop a repository of e-Gov projects, best practices and case studies.

- **e-Pramaan**

e-Pramaan Framework was notified in Sept 2012. It is a pilot project designed at a cost of Rs. 25 crore for e-authentication and e-authorization of citizens; useful to citizens for availing various e-Services and compatible and complementary to Aadhaar. 5 levels of authentication are provided in framework viz. open, password, OTP, Digital signature and Bio-metric.

- **e-TAAL**

e-TAAL with a tagline, 'We can manage what we can measure', aims to measure e-Transactions in realtime. It is a national portal that connects all e-Gov portals i.e. it enables Ministries/States/Departments to monitor e-Transactions in real time. DeitY targets to reach 1 crore e-Transactions per day by 2017. The target set to launch e-TAAL is April, 2013.

- **National Information Infrastructure (NII 2.0)**

With a purpose to create a unified and integrated information infrastructure to facilitate delivery of e-Governance services concept of NII 2.0 evolved in a Brainstorming Session involving NIC, DoT, BBNL, C-DOT, Industry (OEMs), TSPs, CERT-In, State Governments. The vision of this project is information infrastructure on demand. The proposed outlay is Rs. 6000 crore and the scheduled target for EFC is March, 2014. A Working Group is formed under Prof. S. Sadagopan, director, IIT Bengaluru to recommend on policy, institutional mechanism, architecture, security and sustainability. Key objectives of this programme are to save the Ministries/Departments from hassles of design and establishment of IT infrastructure; to establish Next Generation Infrastructure and to integrate existing ICT infrastructure like SWAN, NICNET, NKN, SDCs, NoFN, etc.

- **HR Policy for e-Governance**

Capacity constraints is the key retardant of NeGP. Nandan Nilekani Committee recommended HR Reforms which *inter-alia* include Dedicated Project Teams (DPTs) in Central Ministries/States; Chief Information Officers in all Ministries implementing NeGP; flexibility to induct experts from open market; establishing e-Governance Academy; and strengthening of NIC. The recommendations of the Committee are being taken to Cabinet.

- **Rapid Replication initiative**

The objective of this initiative is to avoid duplication in development of applications and rapidly rollout e-Services. The target set for 2013-14 is to replicate 20 applications. The pilot applications taken up for replication include:-

Sl. No.	Application	Source State	Destination State	Current Status
1.	e-Pass	Andhra Pradesh	HP, Tripura & Karnataka	Application launched by the Ministry of Communications and Information Technology on 25.03.2013 for HP and Tripura
2.	XLN Xtended Laboratory Node (Food & Drug Control Department)	Gujarat	Chattisgarh, Kerala, Karnataka and HP	Proposal approved  To be launched in September, 2013
3.	e-Hospital	Tripura	Karnataka	Proposal approved  To be launched in September, 2013

Above applications to be productized and hosted in e-Gov App Store in 2013-14.

- **Beyond the Fibre**

Department of Telecommunications is implementing the National Optical Fibre Network (NoFN) with an aim to connect 2,50,000 Gram Panchayats by Gigabit fibre. Bharat Broadband Network Limited is the SPV established to implement this programme. BBNL has piloted NoFN in 58 Gram Panchayats. DeitY has designed a Rs. 25 crore pilot to use the fibre in 58 Gram Panchayats for taking the bandwidth to the Government institutions in the last mile; for providing G2C and B2C services and for establishing 21 Digital Knowledge Centres to provide education, healthcare, skill development and educational services. 'Beyond the Fibre' pilot will be ready for launch in April, 2013.

a. **Swan Wide Area Network (SWAN)**

1.43 State Wide Area Network (SWANs) Scheme is envisaged as the converged backbone network for data, voice and video communications throughout a State/UT and is expected to cater to the information communication requirements of all the Departments. Under this Scheme, technical and financial assistance is being provided to the States/UTs for establishing SWANs to connect all State /UT Headquarters up to the Block level via District/Sub-Divisional Headquarters, in a vertical hierarchical structure with a minimum bandwidth capacity of 2Mbps per link.

1.44 State Wide Area Network (SWAN) Scheme was approved in March 2005. The time limit for implementing SWAN was December 2007. As on date, SWAN is operational in 31 States/UT's (viz. Andhra Pradesh, Chandigarh, Chhattisgarh, Delhi, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Karnataka, Lakshadweep, Maharashtra, Orissa, Punjab, Puducherry, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, West Bengal, Assam, Bihar, Madhya Pradesh, Uttarakhand, Manipur, Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, Rajasthan and Goa) and in 4 States/UT's (viz. Andaman & Nicobar Islands, Dadra & Nagar Haveli, Daman & Diu and Jammu & Kashmir) bid process has been initiated to identify the network operator for implementation. The deadline for operationalising SWANs in all the State is once again deferred to March, 2014.

1.45 When enquired about the reasons for delay in implementation of SWAN, the Department, in their written reply stated as under:-

"As regard to the delay in implementation, the progress of implementation of SWAN is primarily dependent on the pace of work at the State / UT level during pre bid, post bid like submission of RFP, publishing of RFP, evaluation of RFP, and award of contract. Any delay at any of these stages would contribute significantly in the overall delay in the completion time scheduled for the project.

The preparation of the sites (Points of Presence (PoPs) at the State Hqr, District / Sub-District Hqrs and Block / Taluka Hqrs.) is another important contributor to the overall delay. Out of around 7500 PoPs to be created under SWAN Scheme, some of the remotely located PoP sites needed civil construction. Further, non-



availability of leased line connectivity and frequent power outage in the rural Block areas have compounded the delay.”

1.46 During the examination of Demands for Grants (2012-13), the Committee had recommended the Department to explore the possibility of use of non-conventional energy and asked the Department to coordinate with other Ministries/State Governments/Telecom Service Providers for tackling the issue of connectivity. When asked about the action taken in this regard and the concrete plan of action for use of non-conventional energy as an alternate source of energy, the Department, in their written reply, stated as under:-

“As the States / Network operators face the challenge of non availability of power in the districts and blocks for functioning of SWAN PoPs, DeitY had noticed that the power situation in some of the States in the districts and blocks was highly unsatisfactory and therefore there was an imperative need to make available Solar Power Backup for PoPs in such States at district and block level.

The issue of provisioning of Solar Power Backup for the PoPs under the SWAN scheme had been discussed with MNRE. Accordingly a proposal had been sent to Ministry of New and Renewable Energy in October 2012 to fund provisioning of Solar Power Backup for 1077 PoPs at block level and 126 PoPs at district level in the States / UTs.

However, Ministry of New and Renewable Energy has suggested that the respective States can take necessary action of provisioning Solar Power Backup for the SWAN scheme as per the guidelines issued by MNRE and can avail the extent of subsidy granted by MNRE.”

1.47 On the issue of using solar power as an alternate source of energy, the Secretary, DeitY during evidence, stated as under:-

“Definitely solar is the way forward in future especially in the remote areas. Given the fact that, there is an overall shortage of power and distribution of power in remote areas is also a problem. So, we have submitted proposal, just as I was making some submissions, this year and also last year one proposal was to tap the solar power. We formulated a full scale proposal for establishing of solar power in the entire North-Eastern States and the hilly States at a total cost of Rs. 320 crores. We have proposed to the Ministry of Renewable Energy Resources for North-Eastern States and hilly States that is J&K and Himachal Pradesh. So far, three States have come under that scheme because their concurrence is required as 10 per cent has to be met by the State and 90 per cent will be met by the Ministry. While the overall Scheme has been approved by the MNRE, the agreement has come from three States so far, Tripura, Manipur and Assam. We will be implementing this project in the current year. It has to be done by the State Government with the support of MNRE. So, three States have so far concurred. We are hoping to implement in full scale in the current financial year. So, solar is definitely an option to explore and we are doing it. In terms of timeline, our target is to have done at 1000 locations by 31<sup>st</sup> March. But I must admit that there was some delay. Hopefully in the first quarter, we will be able to achieve progress in these three States.”

1.48 The Secretary further added:-

“Sir, the use of laptops is one option that is being resorted to by some CSC operators because it can stay up to six to eight hours. They charge it in the night or whenever there is power. That is the shortcut they are following. We are also trying to explore and experiment with solar power.”

1.49 The Department further informed that to ameliorate the connectivity situation, a Working Group on BSNL connectivity is meeting regularly to resolve the issues of the various States/ UTs and Governments in the States/UTs, where complete roll out is pending and the Working Group have been asked to expedite the implementation of SWAN Scheme to meet the dead line of March 2014.

**b. State Data Centres (SDCs)**

1.50 State Data Centre (SDC) has been identified as one of the important elements of the core infrastructure for supporting e-Governance initiatives under NeGP. Under SDC Scheme, it is proposed to establish Data Centres in all the States/UTs so that common secure IT infrastructure is created to host state level e-Governance applications/Data to enable seamless delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services duly supported by State Wide Area Network and Common Service Centres established at the village level. The Scheme was approved in January, 2008 and since then the Department has been deferring the deadline for operationalizing SDCs in all the States/UTs. As on date, 21 SDCs have been declared operational out of which 19 SDCs are connected and running, while 2 are undergoing the Final Acceptance Test (FAT). 5 SDCs have been declared operational in the year 2012-2013 and 5 will be made operational during 2013-14, making it 26 SDC till March, 2014.

1.51 Proposing a new deadline for setting up SDCs, the Department submitted as under:-

“All the 33 State SDCs will be made operational during the 12th Five year plan in all the States from which proposals were received and approved by DeitY”

1.52 The Committee desired to know whether the Department is facing any hindrances in operationalisation of SDCs and also whether the hindrances being faced during previous years viz. non- availability of suitable site, non-finalization of RFP, long time taken for bid process management etc. have been overcome. To this, the Department, in their post-evidence written reply, stated as under:-

“The issues as brought out above are still prevalent and are the main reasons for the delay in operationalising the SDCs. Seepage problem in the allotted site, re-bidding, change of site and then construction of a new building are some of the factors in addition to the above, for inordinate delay in setting up of the remaining SDCs”

**c. Common Service Centres (CSCs)**

1.53 Common Service Centres Scheme has been envisaged as the front end delivery points for Government, private and social sector services to rural citizens of India, in an integrated manner. The objective is to develop a platform that can enable Government, private and social sector organizations, to align their social and commercial goals for the benefit of the rural population in the remotest corners of the country through a combination of IT based as well as non-IT based services.

1.54 The Government had approved the CSCs scheme in 2006 for establishing 1 lakh CSCs by 2008, primarily in rural areas of the country and 10,000 urban CSCs. Till February, 2013, 1,26,346 CSCs are operational including 23,828 CSC-like kiosks which have been integrated with the CSC network. Currently, Service Centre Agency (SCA) selection is pending in ten states in some zones at state level due to various implementation challenges, which is expected to be resolved shortly. Out of 1,26,346 operational CSCs 88,666 CSCs are reported to be connected. Proposing a new deadline, the Department stated that the Scheme is likely to be completed by 2017.

1.55 With regard to reasons for repetitive delay in meeting the deadlines for setting up of CSCs, the Department submitted as under:-

“The Implementation experience of last 5 years of functioning of the CSC scheme in rural areas suggests that SCAs / VLEs find it very difficult to manage & run CSCs due to reasons of economic viability which ultimately effects sustainability of CSCs in the medium and long term. Further under the scheme it was envisaged that revenue support will be provided to SCAs in lieu of G2C services and it assumed that in 4 years G2C services will become available which will make CSCs viable. However, on account of several reasons G2C services are still not available in most states even though more than 4 years have elapsed. There are various reasons for poor viability and sustainability of CSCs as mentioned herein below:-

- i. Deficiency of G2C services in the States
- ii. Inadequacy of power and broadband connectivity availability
- iii. Non release of prompt revenue support by the states to the SCAs
- iv. Accumulation of penalty / damages due to delayed rollout of CSCs as per agreed timelines of the MSA.
- v. Negative / zero bids quoted by the SCAs
- vi. Delay in identification of site for the CSC in consultation with the state
- vii. Problem of Naxal / law and order, certain inaccessible areas and very low density of population
- viii. Delay in setting up of State Data Center, State Portal and SWAN which are to be linked to the CSCs for delivery of G2C services
- ix. Lack of awareness and sensitization about NeGP in general, and CSC scheme in particular, at the block / village level.”

1.56 Finding that only 70 per cent of the CSCs set up are connected, the Committee desired to know about the Department's action on Committee's earlier recommendation with regard to

Twenty-third Report on Demands for Grants (2011-12) regarding reliable broadband connectivity, regular supply of electric power etc. Responding to this, the Department, in their post-evidence written reply, stated as under:-

“Regular review of the CSC scheme is being undertaken. The State Action Plans include a CSC component wherein the states are providing regular information about the operationalisation of CSCs. Efforts are being made to deliver a range of G2C services through CSCs, including extending existing services as well as developing new services under the e-district project and the SSDG project. BSNL has been provided Rs 275 crore (against an approval for Rs 550 crore) for the expansion of broadband connectivity in the rural areas, and the progress is being regularly reviewed by a Joint Working Group under the chairmanship of Additional Secretary e-Governance. The Department has also approved a scheme for establishing 2,500 VSATs in north-eastern and difficult states, out of which 906 VSATs are already operational. A proposal for solar-power back-up to CSCs was submitted to the Ministry of New and Renewable Energy (MNRE) and MNRE has concurred to provide solar power back-up for CSCs in the North-Eastern States. The concerned States have been informed about the MNRE scheme, and four States (Meghalaya, Assam, Mizoram and Manipur) have already submitted proposals in this regard to MNRE. The utilisation of funds released to States for revenue support is being regularly reviewed and the State Apex Committees have been requested to take expeditious decisions regarding the penalty and damages from the Service Center Agencies. The Department is also conducting a multi-media van-based rural outreach program through 2843 CSCs in 22 states/UTs for creating awareness and sensitization about NeGP in general and CSCs in particular. An advertisement campaign is also being conducted through radio and newspapers concurrently with the outreach program. Multimedia and radio programs as well as advertisements are being developed for awareness generation. The Department is also conducting workshops in various States/UTs and Universities for generating awareness about NeGP.”

1.57 The Committee also desired to know whether any recent survey has been carried out by the Department for evaluating the implementation status of all the components of NeGP, especially CSCs. To this, the Department, in their post-evidence written reply, submitted as under:-

“IMRB conducted a mid-term assessment of the CSC Scheme during November 2009 – February 2010 covering 1727 CSCs in 19 States/UTs that studied trends regarding functioning CSCs, income level, connectivity, electricity and other challenges for the successful implementation of the CSC Scheme. The study stressed upon expanding the number of G2C services available and on addressing the power and connectivity issues.

An assessment of the CSC scheme was recently conducted by the International Telecommunications Union (ITU). The final report is awaited.

The Department is also proposing to conduct a 100% verification of the CSCs established across the country through the Department of Posts. A proposal has been received from the Dept of Posts, and is currently being processed.

Center for Innovations in Public Systems, Hyderabad has been assigned a task to study the functioning of CSCs in seven States and suggest measures for improving the usability and feasibility of CSCs.

The target for number of e-Transactions per month per CSC has been increased from 200 in 2012-13 to 300 in 2013-14.”

**d. Bharat Nirman Common Service Centres (BNCSCs)**

1.58 Government of India had proposed to upscale existing Scheme of 1,00,000 CSCs to 2,50,000 lakh (2.5 lakh) CSCs so as to have one Bharat Nirman Common Service Centers (BNCSCs) at each Panchayat. When asked about the status of the project, the Department, in their written reply, stated as under:

“A communication received from the Cabinet Secretariat (dated 25<sup>th</sup> July 2012) conveyed that the Group of Ministers which was examining the proposal for establishment of Bharat Nirman Common Service Centres in all Panchayats will not be re-constituted. The Department is reviewing the proposal in light of the developments in the past two years and will take a view with regard to the expansion of the CSC network.”

1.59 Against the backdrop of Cabinet Secretariat’s communication and the Department’s submission that they are reviewing the proposal, the Committee desired to know whether the Department is planning to stop upscaling of 1 lakh CSCs to 2.5 lakh CSCs. The Committee also asked about the effect of non-constitution of GoM for examining the proposal for BNCSCs on the project. To these, the Department in their post-evidence written reply stated as under:-

“The Department is currently focusing on the consolidation of the CSCs established under the Central Scheme, as well as integrating the various CSC like kiosks established under other initiatives of various State/UT governments. 1,26,346 CSCs are currently operational, which include urban CSCs and CSC-like kiosks established under where State government initiatives. The Department is also in the process of integrating over 40,000 CSC-like kiosks with the CSC network. The provision of e-services to citizens is also being expanded through the Mobile Service Delivery Gateway and SSDG. The Department is committed to providing accessible services to citizens in accordance with the NeGP vision. As explained above, the existing CSCs are proposed to assessed and evaluated. Decisions regarding the up-scaling of the scheme will be taken on an assessment of the need for expansion of the scheme.”

**e. Electronic Delivery of Services Bill, 2011**

1.60 The Electronic Delivery of Services (EDS) Bill 2011 was introduced in the Lok Sabha on 27<sup>th</sup> December, 2011 and was referred to the Parliamentary Standing Committee on Information Technology on 5<sup>th</sup> January 2012. The Committee presented its Report to Lok Sabha/laid in Rajya Sabha on 30<sup>th</sup> August, 2012. When asked to furnish the status of the bill, the Department stated as under:-

“Following Cabinet’s approval on 18<sup>th</sup> March 2013 to the Department’s proposal on withdrawal of the Electronic Delivery of Services Bill 2011 and introduction of a fresh Bill titled “The Electronic Delivery of Services Bill, 2012” with modifications proposed on the basis of the recommendations of Department related Parliamentary Standing Committee, the Department is working in consultation with Ministry of Law and Justice and the Ministry of Parliamentary Affairs on the follow-up action.”

1.61 On being asked as to whether all the concerns of the Committee as outlined in the Thirty-seventh Report has been addressed, the Department, in their written reply submitted as under:-

“The Department has suitably addressed the concerns of the Committee as outlined in its Thirty-seventh Report. The revised EDS Bill has received the approval of the Union Cabinet in March, 2013.”

1.62 Regarding Model State Electronic Service (ESD) Rules, formulated and circulated by DeitY for adoption by various states under the IT Act, 2000, the Committee desired to know about the status of feedback from States alongwith the details of the States who have notified the rules apart from Manipur. Responding to this, the Department in their written reply submitted as under:-

“The Ministry is in regular contact with States regarding the adoption of Model Electronic Service Delivery Rules. Many States have responded that they are examining the Rules in consultation with their Law Departments. Regular follow up and feedback is being obtained from the States. Jammu & Kashmir has notified the J&K Information Technology (Electronic Service Delivery) Rules 2013 on 18th March 2013.”

1.63 When asked about the Department’s action to synchronise the main EDS Bill with the States viz. Manipur and Jammu and Kashmir who have already notified the Electronic Service Delivery Rules, the Department, in their written reply stated as under:-

“ESD Rules have been notified by the States under the IT Act, 2000 to facilitate electronic service delivery. The EDS Bill ensures mandatory delivery of services in electronic mode by all departments of Centre / States in a time bound manner and provides for an oversight mechanism through the Central / State Commissions.”

**f. Mobile Governance**

1.64 The Department has informed that considering the tremendous potential of mobile phones to expand the access to and reach of public services in India, DeitY has taken up an initiative to create a Mobile Service Gateway (MSDG) which would be integrated with the State Service Delivery Gateway (SSDGs) and the National Service Delivery Gateway (NSDG) and e-Governance infrastructure would be utilized for delivery of services. In the Twelfth Five Year Plan, the mission envisaged to be achieved through m-Governance, is to make public services available to all the residents of India through a mobile platform that is available 24X7 on any

time any where basis. In order to leverage the potential of mobile devices as the main service delivery platform, following policy initiatives are proposed by the Department in their Report of the Working Group on IT Sector:-

- a) Making all Government websites mobile compliant;
- b) Creation of Mobile Service Delivery Gateway;
- c) Development and notification of standards for mobile applications;
- d) Notification of long codes, short codes and m-Governance number for mobile governance; and
- e) Development of knowledge portal and knowledge management framework for mobile governance.”

1.65 As per the Outcome Budget (2013-14), DeitY has developed and notified the framework for mobile Governance in February, 2012. Mobile Services dealing Gateway (MSDG) which was operationalised in July 2011 has now become the core infrastructure for enabling the availability of Public Services strength mobile devices. Under this project, target set for the year 2013-14 is as under:-

- i. Number of Additional Central/State Departments using MSDG: 100; and
- ii. Fund required for 2013-14: Rs. 450 Lakhs.

1.66 When asked about the various features of mobile governance, the Department in their written reply, stated as under:-

“DeitY has launched a massive countrywide initiative on mobile governance to provide government services to the people through mobile phones and tablets. As a part of this initiative, the Framework for Mobile Governance was notified in February 2012.

Further, the Mobile Service Delivery Gateway (MSDG) has been developed by DeitY as the core infrastructure for enabling the availability of public services through mobile devices. MSDG enables the integration of the mobile platform with the common e-Governance infrastructure consisting of State Data Centres (SDCs), State Wide Area Networks (SWANs), State and National Service Delivery Gateways (SSDGs/NSDG). It enables a Government Department to integrate both web and mobile based services seamlessly and enhances the access to electronic services tremendously due to the very high penetration of mobile phones, especially in rural areas. Availability of Government-wide shared infrastructure and services enable rapid development and reduced costs for the Departments in rolling out electronic services.”

1.67 On being enquired about the kind of hand set required for availing services of mobile governance, its cost effectiveness and user friendly features, the Department, in their written reply, informed that currently channels are operational under the Mobile Service Delivery Gateway (MSDG). All types of mobile-phone handsets can handle both SMS and Voice channels. Mobile-applications are platform-dependent, and currently the applications have been developed for the Android (which is the largest/ largest growing platform) and Java platforms. Java based applications work on most of the available mobile platforms.

1.68 On the aspect of training for mobile governance, the Department, further informed that for the end-user/ citizen, the choice of the three channels mentioned above offer a cost-effective and user-friendly way to seek public services that have been integrated with MSDG across the channels. No special training is required for citizens to use the aforementioned channels. Also, there are plans to offer the channels in both English and Indian languages. Given that SMS and Mobile-Applications involve textual content, those who are not literate may prefer using the Voice channel.

1.69 Commenting on the initiative, the Secretary, DeitY during evidence, further clarified that m-Sewa Portal ([www.mgov.gov.in](http://www.mgov.gov.in)) has been launched; 186 Departments are using MSDG; 4.54 cr messages delivered to citizens/received from them; 34 mobile apps are available for download and use by citizens. Current transaction rate 15 lakh messages per day of the Department is targeting to reach 30 lakh messages per day by March 2014.

1.70 When the Committee expressed their concern about the security and regulatory issues relating to mobile e-Governance, the Department, stated as under:-

“In order to address the security and regulatory issues, Department of Electronics and Information Technology (DeitY) has implemented the project through Centre for Development of Advanced Computing (CDAC), the premier R&D organization of the DeitY. Also this critical infrastructure is being hosted in National Data Centre Shastri Park (New Delhi) with a DR in NIC Pune Data Centre. This critical infrastructure will also be security audited by a designated organization like STQC.”

## ii. National Informatics Centre

1.71 National Informatics Centre (NIC), an attached office of the Department is a frontrunner in providing e-Governance services to the Government and common man alike. NIC's role has become crucial in the implementation of various National/State level ICT enabled initiatives and acquiring strategic control of these ICT applications on behalf of the Government. NIC has a major role in the design, development and operation of various e-Governance projects. Currently NIC provides ICT support to the Government in 75 Ministries/Departments/ 35 States/UTs and 632 Districts. NICNET, a nationwide computer and communication network of NIC, utilizes state-of-the art network technologies to provide connectivity to Central Government Ministries/Departments and all 35 States and 616 Districts of India. High Speed Terrestrial Circuits have resulted in enhancement of Terrestrial bandwidth of State Capitals to 100 Mbps/1Gbps and district connectivity to 34 Mbps/100 Mbps. Secondary link from different National Long Distance (NLD) for more number of key districts has been established. New Internet Gateways have been installed at Chennai, Mumbai and Shastri Park Data Centre.

1.72 During the examination of Demand for Grants 2012-13, the Department had informed that NIC is facing acute shortage of manpower as it has only 2 persons per district and 15-20



per State whereas the required capacity is atleast 4 persons per District. Expressing their concern over shortage of manpower in NIC, the Committee in their Twenty-seventh Action Taken Report on Demands for Grants (2011-12) had recommended the Department to take up the issue with concerned Ministries/Departments for getting requisite approvals for increasing the manpower of NIC. The Department through the Minister's Statement laid under Direction 73A on 34<sup>th</sup> Report on Demands for Grants (2012-13) has stated that the Minister of Finance has agreed to the conversion of 239 posts into permanent posts that is 90% of 265 temporary posts of Scientific Officer/Engineer.

1.73 On being asked about the updated status on aforesaid conversion of temporary posts into permanent ones, the Department, in their written reply, submitted as under:-

“NIC is taking necessary action for conversion of approved 239 posts to permanent post for eligible officers. Total no of technical post is 3419. NIC has initiated a professional study of the requirement of additional manpower.”

1.74 The Department also submitted that a committee under Mr. Nandan Neilkani was set up by the Department on HR Policy for e-governance including strengthening of manpower. Based on the recommendation of the Committee, NIC has initiated a professional study on the requirement of additional manpower.

1.75 Asked about the status of NIC's study on the requirement of additional manpower and the time required by the Department/NIC to evaluate the exact manpower scenario in NIC, the Department in their written reply stated as under:-

“NIC has taken up the study on the requirement of additional manpower by engaging the services of a professional agency. The study will be completed by 30<sup>th</sup> June 2013.

All necessary approvals for conversion of 239 posts to permanent posts have been taken and all related orders will be issued by 30.04.2013.”

**CHAPTER V**  
**e-LEARNING**

**i. National Knowledge Network (NKN)**

1.76 In March, 2010 the Government approved the establishment of the National Knowledge Network (NKN) at an outlay of Rs. 5990 crore, to be implemented by NIC over a period of 10 years. The objective of the NKN is to inter-connect all knowledge institutions across the country through high speed data communication network to encourage sharing of resources and collaborative research. These would cover about 1500 Institutions comprising of all Universities, Institutions of Higher Learning and Research. The application areas envisaged under the NKN cover Agriculture, Education, Health, e-Governance, Grid Computing (High Performance Computing). NKN will also facilitate creating, acquisition and sharing of knowledge resources among the large participating institutions, collaborative research, countrywide classrooms (CWCR) etc. and help the country to evolve as knowledge society.

1.77 Under the Scheme of National Knowledge Network, a total of Rs. 122.19 crore were released for the year 2012-13 (as on 25<sup>th</sup> March, 2013). The proposed/BE/RE/Actual expenditure under the scheme for past five years is as under:-

*(Rs. in Crore)*

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>Proposed</b>	-	-	1733.85	2300.00	2406.00	1240.00
<b>BE</b>	100.00	600.00	100.00	250.00	360.00	360.00
<b>RE</b>	60.00	240.00	1362.00	412.00	152.19	-
<b>Actual Expenditure</b>	60.00	240.00	1362.00	412.00	122.19	-

1.78 So far as the budgetary allocation to the scheme is concerned while disapproving the *ad-hocism* of the Government in allocating funds to such an important programme the Committee have consistently been recommending for adequate allocations at the BE stage itself. In spite of that for the year 2013-14 only around 29 per cent of the proposed outlay is provided for this scheme.

1.79 When the Committee desired to know whether the Department had put their case for seeking adequate allocation for National Knowledge Network at the BE stage itself, the Department, in their written reply submitted as under:-

“(i) The release of the fund in FY 2012-13 for NKN was delayed. The reason for delay could be due to instruction from Department of Expenditure, Ministry of Finance OM No. 7(1)E Coord/2012 dated 14.11.2012 relevant extracts are reproduced as follows:

“...Grants-in-aid should not be released to any Autonomous Body or NGO or any other organization/institution (other than state Governments) if it has not submitted all Utilization Certificates (s) (UC) due for rendition, for grants-in-aid released by the Central

Government in respect of all of the schemes/programmes/projects of a Ministry/ Department of Government of India..."

It may kindly be noted that there were some UCs of various other schemes/Projects were pending with NICS and not of NKN, which resulted in delay in release of funds for NKN.

(ii) After the release of Rs. 122.19 cr, Ministry of Finance (MoF) was requested for relaxation in view of instructions issued vide OM dated 05.12.2012 and 15.01.2013, regarding the restriction of 33% (in the last quarter) and 15% (in the Month of March) expenditure ceilings. The release of balance Rs. 30 Cr. could not be processed by 31st March 2013, as MoF did not agree to the request of DeitY for the relaxation in respect of NKN.

(iii) In the past, request for additional grants have been submitted at the supplementary stage. No supplementary grant has been provided for NKN, except in FY 2010-11. The response of MoF in FY 2011-12 in this respect has been produced below:

"...It would not be possible to give such a huge additionality during middle of the financial year. However, looking at the pace of Plan expenditure, DIT may like to identify likely savings within the grant for giving additional funds to NKN..."

1.80 When enquired whether the allocation is sufficient to meet the requirement of the scheme, the Department, in their written reply submitted as under:-

"The allocation is not sufficient to meet requirement in order to achieve the projected target for FY 2013-14 for NKN. Request for additional grants would be submitted at the supplementary stage."

1.81 The status of NKN Projects (as on 25.03.2013), as submitted by the Department, is as follows:

- (i) A total of 981 links to institutions have been commissioned and made operational. This includes 274 links provided under National Mission on Education through ICT of MHRD, which have now migrated to NKN. The list of institutions connected to NKN may kindly be referred at [www.nkn.in](http://www.nkn.in).
- (ii) NKN connectivity has also been extended to 61 NIC district centers
- (iii) 82 core links have been established between various NIC/NKN Points of Presence.
- (iv) 66 Virtual Classrooms have been set up in institutions across the country, which include IITs & IISc.
- (v) SWAN has been integrated with NKN for 23 states: i.e. Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Uttar Pradesh, Maharashtra, Pondicherry, Chhattisgarh, Rajasthan, Bihar, Himachal Pradesh, West Bengal, Assam, Chandigarh, Odisha, Madhya Pradesh, Haryana, Tripura, Sikkim, Kerala, Delhi, Meghalaya, and Arunachal Pradesh.
- (vi) SDC has been integrated with NKN for 18 States: i.e. Gujarat, Karnataka, Tamil Nadu, Maharashtra, Uttar Pradesh, Rajasthan, Manipur, Meghalaya, Tripura, West

Bengal, Andhra Pradesh, Odisha, Chandigarh, Haryana, Sikkim, Kerala ,Madhya Pradesh, Chattisgarh.

- (vii) Close User Group (CUG) for Center for Scientific and Industrial Research (CSIR) has been completed.
- (viii) NKN is now connected with Trans Eurasia Information Network (TEIN4)
- (ix) NKN has conducted 12 workshops across the country, and a National Level Workshop at IIT, Mumbai has been conducted.

1.82 With regard to target for establishing NKN, the Department stated that 500 institutions and 400 districts would be connected to NKN during the year 2013-14.

1.83 To a query about the number of institutions being targeted to be connected under NKN especially in Tier III and IV cities, the Department, in their post evidence written reply, stated as under:-

“(i) As on 31<sup>st</sup> March 2013 connectivity to only 307 additional institutions could be provided against the target of 600 additional institutions. Inadequate fund allocation is one of the major constrains in the path of achieving projected targets.

(ii) About 1500 Institutions would be connected under NKN including Tier III and IV cities. So far out of total 988 institutes connected as on 31<sup>st</sup> March 2013, 287 institutes are connected in Tier III & IV cities.

(iii) As regards hindrances to NKN implementation, it is submitted that some of the educational institutions do not have internal networks (LAN’s) to operationalize NKN connectivity. Awareness and Capacity Building workshops are being organized to overcome this situation.”

## ii. **Manpower Development (including Skill Development in IT and IT for Masses)**

1.84 The objective of the programme is to ensure availability of trained human resources for the manufacturing and service sectors of electronics and IT industry. Initiatives include identifying gaps emerging from the formal sector and planning programmes in non-formal and formal sectors for meeting these gaps.

1.85 During 2010-11, the Department of Electronics and Information Technology was given a target of skill development of 10 million persons by 2022, under the National Policy on skill development.

1.86 The status of fund allocation and utilisation under this Scheme since 2010-11 is as under:-

*(Rs. in crore)*

Financial Year	Proposed	BE	RE	Actual Expenditure
2010-11	117.26	113.00	113.00	96.04
2011-12	150.00	127.69	75.39	41.02

<b>2012-13</b>	425.00	127.69	103.98	90.67*
<b>2013-14</b>	1275.00	150.00	--	--

\* up to 22.3.2013

1.87 For the year 2012-13, the target set under the scheme was to train 4.4 lakh person. However, out of assigned target of skilling 4.4 lakh persons during financial year 2012-13, only 3.27 lakh persons have been skilled through various stakeholders. In addition to this, National Institute of Electronics and Information Technology (NIELIT), a scientific society under Deity has trained 95,088 persons in Basic Computer Course (BCC), which is a 40 hrs IT Literacy programme. Further, 4232 persons are undergoing training at Centre for Development of Advanced Computing (CDAC) Centers.

1.88 On being asked about the reasons for the shortfall in the target during 2012-13, the Department, in their written reply, submitted as under:-

“The skilling data for the month of March 2013 from various centers is under consolidation. Based on the inputs available, so far 4.22 lakh persons have been skilled during F.Y. 2012-13. The final report on skilling data would be ready by the mid of April 2013.”

1.89 When the Department was asked about the target for the year 2013-14, it was stated that the Department is yet to receive the target of persons to be skilled for the year 2013-14 from the Prime Minister’s National Council on Skill Development.

## CHAPTER VI

### e-SECURITY

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

1.90 The cyber space is borderless and actions in the cyber space can be anonymous. These features are being exploited by adversaries for perpetration of crime in the cyber space. The scale and sophistication of the crimes committed in the cyber space is continuously increasing thereby affecting the citizens, business and Government.

1.91 The budgetary allocations during Eleventh Five Year Plan, Twelfth Five Year Plan and for first two years of Twelfth Plan under the scheme of cyber security (Incl. CERT-In IT Act) are as under:-

(Rs. In crore)

	<b>Proposed</b>	<b>BE</b>	<b>RE</b>	<b>AE</b>	<b>% of BE</b>	<b>% of RE</b>
<b>Eleventh Five Year Plan</b>	249.40	184.20	179.25	158.95	86.29	88.67
<b>Twelfth Five Year Plan</b>	1500.00	500.00	--	--	--	--
<b>2012-13</b>	206	51.20	39.06	21.14	41.28	54.12
<b>2013-14</b>	400	54.37	--	--	--	--

1.92 When asked to furnish reasons for the gap between the proposed outlay and allocation at BE and RE and for underutilization of fund which is just around 10 per cent of the proposed outlay and less than 50 per cent of the BE allocation, the Department, in their written reply, submitted as under:-

“The allocation for the Cyber Security programme was in line with the Department’s total allocation. The primary reasons for shortfall in funds utilization are as follow:

The budget for Cyber Security programme concerns the requirement of Indian Computer Emergency Response Team (CERT-In) (operational expenditure), Cyber Appellate Tribunal (CAT) (operational expenditure and Cyber Security R&D (Grant-in-aid).

CERT-In: The budget is for meeting the operational expenditure of CERT-In. The shortfall under this head were primarily on account of partial utilization of funds under “salary” head of CERT-In which was due to that the process for recruitment of additional sanctioned manpower has taken more time than anticipated.

CAT: The shortfall under this head were primarily on account of partial utilization of funds under “salary” head of CAT which was due to that the additional members and staff are in the process of being appointed.

Cyber Security R&D (Grant-in-aid): The funds flow to the projects is taking time due to on-going process of settling pending UCs of other programmes and hence funds could not be utilized fully.”

1.93 On being asked to explain the reasons for doubling the demand for the year 2013-14 as compared to the year 2012-13, the Department, in their written reply submitted as under:-

“Department of Electronics and Information Technology, as per the recommendation of Working Group on Information Technology Sector, had constituted a Sub Group on E-Security to make the recommendations on various policy matters related to E-Security area for formulation of the Twelfth Five Year Plan (2012-17).

The increase in demand for the year 2013-14 followed the extensive discussions and analysis carried out by Sub Group comprising of experts both from within and outside Department including Industry. This analysis identified the range of actions and initiatives the Department should take in the field of cyber security, which included:

- a) National Cyber Coordination centre
- b) Mass outreach program and Capacity Building
- c) IT Product Testing facility
- d) Upgradation of CERT-In facilities and capabilities
- e) R&D activities in thrust areas
- f) Expansion of cyber security training and Forensic Facilities

It is submitted that the activities at (a), (b) and (c) mentioned above are new initiatives requiring larger allocation of funds.

The likely impact by restricting the allocation at BE stage to almost the same amount as previous year will be likely delay in new major initiatives, as mentioned above.”

1.94 According to DeitY, a total of 1273 Government websites were hacked in last 5 years. Not only this, according to Reserve Bank of India (RBI), though the number of fraud cases as reported by Banks on account of ATM Debit Cards / Credit Cards / Internet have decreased from 15018 (in 2010) to 8322 (in 2012), yet, the amount involved had increased from Rs. 4048.94 Lakhs (in 2010) to Rs. 5266.95 Lakhs (in 2012). Central Bureau of Investigation (CBI) has also registered cases pertaining to financial frauds under the provisions of Information Technology Act 2000 along with other Acts. These are:

<b>Year</b>	<b>No. of Cases</b>	<b>Amount Involved (Rs. in crore)</b>
<b>2010</b>	6	6.42
<b>2011</b>	10	12.43
<b>2012</b>	8	28.79

1.95 The year 2012-13 witnessed upsurge of several controversies related to Section 66A and Section 79 of Information Technology Act, 2008. In this context, when asked to provide details the Department has furnished a detailed report wherein they have stated that 4 cases under Section 66A and 2 cases under Section 79 of IT Act within 8 months (2012) are mere aberrations and should not be seen as general example.

1.96 On being asked as to how far the Department is justified in calling these cases as mere aberration, the Department submitted as under:-

“The Information Technology Act, 2000 was amended by the Information Technology (Amendment) Act, 2008. During the last three years, the media has highlighted four cases where the misuse of section 66A of the Information Technology Act has been alleged. The authorities in all these four cases have taken appropriate action to address the issues of application of section 66A. In this regard, the State Government of Maharashtra took action against the police officials and the judicial officer was transferred. The Maharashtra Government has taken action based on the recommendations made by the Inspector General of Police. It may be mentioned here that the provisions of section 66A were drafted in line with the similar provisions in the Acts of different countries namely, USA, UK, Australia, South Africa including the Indian Post Office Act. Nevertheless, to thwart the apprehension of misuse, Government has already issued an Advisory on 9<sup>th</sup> January, 2013 to all the State Governments and Police Authorities.

It may be mentioned here that the cyber space has unique characteristics of being borderless, virtual and anonymous. These distinct features distinguish the cyber space with respect to the physical space. The issues in cyber space are emerging regularly due to the technological advancement. The whole subject is evolving and understanding is being regularly improved not only in India but worldwide. Government is also making concerted efforts to increase awareness among police officials on the emerging issues of cyber space. Due to borderless and virtual nature of cyber space, we need to follow international best practices, as the content on the cyber space/Internet can be posted from anywhere, any time and from any machine hiding the identity of the person. In view of the distinct characteristics of the cyber space and the technological advancement taking place at rapid rate, it will take some time to understand the issues and respond appropriately. We, however, need to intensify our efforts for mass awareness on issues arising in the cyber space. It would not be advisable to amend the law based on these four cases where the appropriate action has been taken to address the issues. A copy of Advisory is enclosed as **Annexure-II.**”

1.97 When the issue came up for discussion during evidence, the Secretary, DeitY submitted as under:-

“There has also been a debate in the Rajya Sabha about Section 66 (A). There has been a case in the Supreme Court. So, the hon. Minister, in reply to the question, said: “We have filed our affidavit in the Court. Let us wait for the verdict of the Court.” That is the commitment given in the House...xxx..the conclusion was this. Let us wait for what the Court will say because they are adjudicating on the constitutional validity of this Section.”

1.98 Reacting to the apprehension of the Committee, regarding Section 66A being misused, the Director General, CERT-In, submitted during evidence, as under:-

“Sir, you see the wording of Section 66 (A). The similar provisions have been created in almost every Act in the developed economies – the Telecommunication Act of USA; the Communication Act of U.K.; even in South Africa, the punishment is five years; Australian Act. Every Act has a similar



provision. We have followed the international best practices. The wordings used are also exactly similar in those legislations. So, we have followed the international best practices while framing our provisions over here. Initially we had planned that the punishment for two years when the Bill was there but the Standing Committee recommended that it should be cognizable and put it three years. That is why, the punishment went up there. But as the Secretary has said, now this is in the Court and we are waiting to get verdict from the hon. Supreme Court. After those incidents, though the court case is there, we have been monitoring it very carefully. We did not find any such incident which has now taken place in the country. We have not found. We have been very careful. In our personal interaction with the Police authorities, we have been advising them and training them on the part of the technological aspects. We are taking steps to create more awareness, more education in this area. This is a new area. The whole IT area is borderless, virtual and anonymous. Anybody can post anything. It is a difficult area. It is different than your physical space, where the person is identified there. In this area you cannot identify a person. I can post in your name; you can post in my name, and the thing happens there. So, this is the issue in the world over. It is not an issue only in India. Under the U.K. Act, last year 2,488 persons were arrested in the U.K. alone. So, this is an area which is being evolved worldwide and we also have to go by worldwide practices rather than evolving our own practices.”

1.99 Taking cognizance of the fact that Mumbai Police has set up a social media lab recently, the Committee desired to know whether the DeitY was involved in the process. To this, the Department, in their written reply stated as under:-

“Media has reported that Mumbai Police has started a social media laboratory to understand citizens and connect with the youth. The lab has been started in association with Reliance Foundation and NASSCOM. DeitY was not involved in the process.

On a related aspect, it is submitted that DeitY has come out with a ‘Framework and Guidelines’ for use of Social Media by its agencies. It will help the Government to interact with the common citizens and disseminate information and at the same time effectively counter the propaganda.”

## **CHAPTER VII**

### **e-INDUSTRY (ELECTRONIC HARDWARE)**

#### **i. Promotion of electronics/IT Hardware Manufacturing**

1.100 The Department has informed that the global electronics hardware production is reported at USD 1750 billion. Indian electronics hardware production constitutes only around 1.3 per cent of the global production. Moreover, the value addition in domestically produced electronic goods continues to be low. It is estimated that demand of electronics products and systems in India would grow to USD 400 billion by 2020 at Compound Annual Growth Rate (CAGR) of 22 per cent. At the conventional rate of growth of domestic production, it would only be possible to meet demand of about USD 100 billion by 2020. Recognizing that sustaining growth in IT and telecom is hugely dependent on the ability to foster Electronics System Design and Manufacturing (ESDM) in the Country, the Government renamed the Department as 'Department of Electronics and Information Technology' (DeitY), and bringing back of Electronics with IT is reaffirmation of the thrust that this sector deserves. The Government has also coined a slogan 'Electronics India – Billion Needs, Million Chips'. To promote electronics and IT hardware manufacturing, Government has set up National Manufacturing competitiveness Council (NMCC). The Government attaches high priority to electronics hardware manufacturing also because of the growing security concerns and threats to ICT dependant business processes.

1.101 As per information furnished by the Department, the budgetary allocation and utilization of funds for this Sector is as under:-

(Rs. in crore)

	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>Proposed</b>	2	2	250	1455	1434.50
<b>BE</b>	0.08	2.30	2.5	2.83	5.00
<b>RE</b>	0.80	0.5	2.5	2.83	5.00
<b>Actual Expenditure</b>	0.17	0.40	1.56	0.44	2.89*

\*As on 31.12.2012

1.102 To address the problem of Hardware manufacturing industry a Task Force was set up by the Department in August, 2009, which submitted its Report on 11<sup>th</sup> December, 2009 and had made 198 recommendations. Out of these 198 recommendations, 6 key recommendations that have been identified and being acted upon by the Department include providing preferential access to domestically produced electronics products for government procurements (excluding defence) and procurement by Government Licensees, PSUs etc.; setting up of two Semiconductor Wafer Fabs; to introduce Modified Special Incentive Package Scheme; Setting up of Electronics Manufacturing Clusters; Setting up of a National Electronics Mission (NEM); and Setting up of an Electronics Development Fund (EDF) to promote innovation, R&D, Indian IP and development of Indian Microprocessor.

1.103 Explaining it, the Secretary, DeitY during evidence, stated as under:-

“Now, second aspect is, when do we have resilience and strength in the indigenous manufacture of electronics? I think, the all-out effort is currently

happening on this front. For a decade, we have not given any prominence to the electronic side. On the software side, we have given all the focus and importance but not on the hardware side. That was realised a couple of years ago and the Task Force's recommendations have now been accepted by the Cabinet. We are working full steam on attracting investment, whether it is from MNCs abroad or local entrepreneurs and major industrial houses. We are approaching them to enter into electronic sector for manufacturing. So, already, as I said, seven proposals worth Rs. 2000 crore are in our hands for clearance. If we keep up this momentum, in the coming year, it is going to be a major breakthrough for us."

**a. Special Incentive Package Scheme**

1.104 The Department, in their written reply, submitted that in order to create a conducive environment for manufacture of high technology, capital intensive semiconductors and other high tech electronic products, attract global investments as well as bridge the viability gap due to lack of adequate infrastructure and ecosystem, the Special Incentive Package Scheme (SIPS) to encourage investments for setting up Semiconductor Fabrication and other high technology manufacturing industries in India was announced by the Government on 21.3.2007. The last date for receipt of applications under the scheme was 31.3.2010. Twenty Six (26) applications in all, one in the area of Semiconductor Fab, one in the area of ATMP and specified storage devices, two for LCD panels and twenty two in Solar Photovoltaic (SPV) seeking financial assistance under the Scheme have been received. 11 applicants had reported Financial Closure of threshold value of Rs. 1000 crore and above. Out of 11, 4 applicants have submitted firm documentation of Financial Closure and the project being undertaken. These applications have been examined, due diligence exercised and are under consideration of the Appraisal Committee. Based on the recommendations of the Appraisal Committee, approval of the competent authority would be sought by the Department and based upon eligible investment made in the project the approved applicants would be released the prescribed financial assistance.

1.105 Considering that so many years have lapsed in setting up of hardware manufacturing industry and in view of the growing urgency for having an indigenous production of electronic and IT hardware, the Committee desired to know about the timeline fixed by the Department for disposal/approval of 4 applications under the SIP Scheme. To this, the Department, in their written reply, submitted as under:-

"The Appraisal Committee is considering the 4 proposals under SIPS and certain clarifications have been sought from the applicants. Depending on the responses received, the cases will be considered by the Appraisal Committee."

**b. Indigenous Manufacturing of Set Top Boxes**

1.106 In the context of examination of complete switchover to Digital Addressable System (DAS) regime by December, 2014 leading to huge requirement of Set Top Box, the Committee during the Demands for Grants (2012-13) had been informed that C-DAC would be ready in

about 6 months time with the first prototype of the card being used for the Set Top Boxes which can be manufactured in India. The Committee, while taking note of the status of R&D in the basic electronic component of the Set Top Boxes, had recommended for providing the financial and other support to C-DAC so that the Set Top Boxes can be manufactured in India with our own technology system.

1.107 Asked about the current status/follow up action on the issue, the Department, in their written reply, stated as under:-

“DeitY is taking steps to promote domestic manufacturing of Set Top Box (STB) for DTH/Cable particularly in view of huge indigenous requirement on account of roadmap for digitalization of the broadcast sector. As a result of these efforts, in the Budget 2013-14, basic customs duty on Set Top Boxes has been increased from 5% to 10% and the DGFT vide Public Notice No.51(RE2012)/2009-14 dated 5th March, 2013 has included Set Top Boxes [covered under ITC(HS) Code 85287100] under the Special Focus Product Scheme of the Foreign Trade Policy. Hence, Set Top Boxes are now entitled for Duty Credit Scrip equivalent to 5% of FOB value of exports.

Another major impediment in design and development of domestic Set Top Boxes that was identified during stakeholder consultations was the customized software in the Set Top Box and license of Conditional Access System (CAS) players. Therefore, there is a need as well as the opportunity to develop indigenous CAS for boosting the development of Set Top Boxes in the country. Accordingly, a Concept Paper on the Development of Indian Conditional Access System in view of digitalization of Broadcast Sector prepared by DeitY and a Technical Committee of Experts was constituted vide DeitY's O.M. dated 15.3.2012. The terms of reference included, inter-alia, validation of the Concept Paper prepared by DeitY including the business model and price point for sale of CAS in Indian market for a fixed period; identification of the user requirements of Broadcasters for CAS and finalizing the technical specifications for the development of CAS for the Indian market. Based on the recommendations of the Expert Committee and the proposed specifications of Indian CAS system, an Expression of Interest (EoI) has been prepared and advertised. The broad framework for development of Indian CAS includes:

- The industry partner should develop CAS broadly as per the provisions of the Multiplier Grants Scheme of DeitY
- Make the CAS available to domestic Set Top Box (STB) manufacturers at USD 0.5/license for a period of 3 years
- Integrate the CAS for at least 5 operators covering at least 250,000 end users
- Support the CAS for at least 10 years
- The CAS must be able to integrate prevailing STB chipsets

1.108 The Department further informed that:-

“Secretary, DeitY is taking a meeting on 3<sup>rd</sup> April, 2013 regarding development of technical standards for Set Top Boxes with all stakeholders, including the Ministry of Information and Broadcasting and Bureau of Indian Standards. During

2011-12, the domestic production of STBs was 1.7 million, which is expected to grow to the level of 5.1 million in 2012-13, as per information provided by the Consumer Electronics and Appliances Manufacturers Association (CEAMA).”

1.109 On the issue of STBs, the representative of the Department during evidence, submitted as under:-

“We have done two-three things to promote manufacturing of set top boxes. One is that in this Budget, the import duty has been raised from five per cent to 10 per cent. Second is that we are in discussion with some of the major importers of set top boxes to transfer their manufacturing from China to India. Hopefully, those discussions are in advance stage and something may happen. Third is that we are in the process of developing indigenous Conditional Access System. We have floated a tender. Conditional Access System is the encryption-decryption software that is used by set top boxes. Tomorrow is the last date for the people to respond to the tender and based on the responses, we will select the party and start the process of indigenous CAS. It may take, at least, 12 months to develop the indigenous CAS. But that is also a parallel step we are doing.

One more thing we are doing is the standard. As the Secretary has already mentioned, we are also trying to develop indigenous standards so that those set top boxes, which are coming with substandard goods can be prevented from entry into the country.

This is what we are planning to do about the set top boxes.”

1.110 Dwelling upon a related issue, the Secretary, DeitY, during evidence, stated as under:-

“Sir, there is one more point..... It is the standards order that we have issued. It is about the enforcement of standards for electronic products, which was non-existent so far. It is a major achievement this year. We notified the standard under the BIS Act on the 3<sup>rd</sup> October, 2012, which means that any electronic item, which is not conforming to the BIS standards, will not be allowed to be sold in the market. Firstly, it is a positive thing to improve the standard and create the standard awareness in the public as well as manufacturers. Secondly, from various countries – I do not want to name them – substandard item comes at a very low rate. Suppose, for an item which costs Rs. 1,000 and those countries will offer it at Rs. 300, which will work for three days and go. So, to prevent that and give a fillip, we have introduced it. It would have taken effect from tomorrow, the 3<sup>rd</sup> of April, six months after enactment but since the Industry wanted three more months, we have extended it till the 3<sup>rd</sup> of July. So, this is one more positive step that we have taken to close our doors to that kind of substandard imports.”

1.111 The Committee also desired to know about the Department’s proposal to address to the security issues. To this, the Department, in their written reply, stated as under:-

“Vide Gazette Notification No. 8(78)/2010-IPHW dated 10<sup>th</sup> 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.”

**CHAPTER VIII**  
**e-INNOVATION / R&D**

**i. Technology Development Council (including Information Technology Research Academy (ITRA))**

1.112 Technology Development Council (TDC) is an ongoing scheme that has nucleated various developmental and promotional programs in the Department from its inception and has been responsive to changing technological development needs. The programme aims to facilitate proliferation and absorption of emerging technologies in the country by supporting Research and Development in IT; to promote the use of free and open source software; develop and apply state-of-art cost effective indigenous solutions for important industrial sectors; technology developments in bio-informatics, IPR promotion, innovation and incubation promotion and setting up of IT Research Academy (ITRA).

1.113 The Department has informed that an outlay of Rs. 85 crore has been earmarked under the Scheme as against the proposed allocation of Rs. 90 crore. The year-wise proposed and approved outlay for the Scheme are as under:-

	(Rs. in crore)			
	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>Proposed</b>	70.00	54.46	83.88	150.00
<b>BE</b>	32.00	79.00	79.00	79.00
<b>RE</b>	33.80	79.00	63.00	48.05
<b>Actual Expenditure</b>	<b>31.20</b>	<b>77.64</b>	<b>52.32</b>	<b>31.71*</b>

\*As on 31.12.2012

1.114 When asked to furnish reasons for huge variation in proposed outlay and actual allocations under the scheme, the Department submitted as under:-

“Based on the commitments for ongoing projects and projected expenditure to be incurred for new projects likely to be initiated during the year, requirement of budgetary support required for the Programme is projected to the Planning Commission. However, Planning Commission has been allocating Budgetary Support during each year based on various considerations and considering the past expenditure trends. The allocation sought for 2012-13 has been more as several new projects/schemes have been proposed for initiation during the first year of 12th Plan. However, for last three years the Budgetary Support provided by the Planning Commission for TDC Programme has not been increased and kept at Rs. 79.00 crore.”

1.115 Asked to justify the demand for Rs. 85 crore under the Scheme when the actual utilization for the Scheme during the year 2012-13 was just a little more than 50 per cent, the Department, stated as under:-

“Demand for Rs. 85 crore has been made keeping in view the commitments for the ongoing projects and proposals for new projects/ initiatives in the five programmes, namely Electronics System Development & Applications covering Industrial Electronics & Automation. (ESDA), Next Generation Computing Systems, IT in Emerging Areas, Innovation Promotion & IPR, and ITRA.

The main reason for under-utilisation of funds in 2012-13 is that release of funds during the year has been linked to the settlement of all pending UCs of grantee institution, including projects under different programmes in the Department, as per the recent Office Order issued by the Ministry of Finance.”

1.116 IT Research Academy (ITRA), a new project under TDC, is a national program to build a national resource for advancing the quality and quantity of R&D in IT by closely collaborating teams of researchers and institutions having expertise in the different aspects of the chosen research or application problems. The ITRA envisages to focus on strengthening the nation’s competitiveness by expanding the R&D base in IT, especially by leveraging the large IT education sector and IT users such as Government, industry and other organizations. The objective of the ITRA program is to enhance the R&D capacity through connected R&D groups and industry linkages. It is envisaged to create R&D groups in major ICTE areas and as the R&D groups would excel in selected areas of ICTE, there will be significant increase in PHD & Masters’ students which in turn would lead to an increase in publications, professional service, educational programs, and entrepreneurial/startup ventures. ITRA program has been approved through EFC appraisal during 2010-11 for an initial period of 5 years.

1.117 Regarding achievement of ITRA, the Department, in their written reply, stated as under:-

“A Project Steering and Implementation Group (PSIG) has been set up for initiating the ITRA activities. ITRA has identified 6 initial applied research areas viz. Water; Mobile Applications; Transportation / Railways; Food and Agriculture; Disaster Management; Computer Aided Design and Manufacturing (CAD/CAM). So far, two Strategy Formulation Meetings have been conducted, viz. “IT in Water” and “Mobile Computing, Networking & Applications”. ITRA is now formulating an implementation plan for the same.”

## ii. Microelectronics and Nanotechnology Development Programme

1.118 The objective of Microelectronics Development Programme is to develop core R&D capabilities, technologies and trained manpower in the country and use it as a catalyst for development of overall semiconductor industry in the country. In the field of Nanotechnology, the objective of the scheme is to build Institutional capacity and infrastructure for Research and Development. The Nanotechnology programme is expected to expand the base of the nanoelectronics in the country in terms of institutional R&D capacity, R&D infrastructure, expertise development, technology development and entrepreneurship development. Thus, enhancing national strength in the area of nanoelectronics in particular and nanotechnology in general.

1.119 The Department has informed that the allocations for this programme during the year 2013-14 is Rs. 100 crore against the proposed outlay of Rs. 131.50 crore. The BE, RE and Actual Expenditure under the programme for past 5 years is as under:

	(Rs. in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Proposed</b>	65.00	200.00	190.00	125.00	126.50
<b>BE</b>	35.00	35.00	100.00	100.00	100.00



<b>RE</b>	35.00	79.50	100.00	93.00	60.00
<b>Actual Expenditure</b>	34.70	78.93	62.71	92.27	30.07*

\*As on 31.12.2012

1.120 Asked to explain reasons for variations between proposed allocations and allocated outlay during the year 2012-13, the Department again quoted the instruction of the Ministry of Finance/the Department of Expenditure according to which releases could not be made till all UCs for all projects under the programme, granted by DeitY were liquidated.

1.121 On being enquired about the hindrances being faced by the Department under this scheme and the reasons for non-submission of UC's, the Department in their written reply, submitted as under:-

“As stated earlier, UC reconciliation has been one of the major reason for non release of approved funds to institutions undertaking research projects in the area of Micro-Electronics and Nano-Electronics. However, the following is submitted for kind information:

Micro Electronics and Nano-Electronics are very specialized fields. There is very limited capacity in the organizations to take up R&D in these areas. Department of Electronics & Information Technology (DeitY) has been trying to create R&D capacity at various organizations through programmes like Special Manpower Development Program (SMDP) and Indian Nano-Electronics Users Program (INUP). With the increase in the availability of researchers and specialists in this field, the critical mass for taking up major projects in this area will be created. Effort of this department has been to support institutions for establishment of infrastructure and expertise in these areas, so that more R&D projects can be initiated.”

**iii. Media Lab Asia (MLA)**

1.122 The scheme of Media Lab Asia (MLA) endeavours to bring the benefits of the Information and Communication Technologies and other advanced technologies to the common man. It is operating through collaborations with other organizations and experts (Government, NGO sector, academia, individuals and industry) for development and deployment of ICT tools. MLA is working presently in the areas of ICT for empowerment of the differently abled, healthcare, livelihood enhancement and education. MLA has taken up the Project “IT Research Academy” (ITRA for capacity building of R&D in ICTE. ITRA operates as a division of MLA. National e-Governance Division (NeGD) has also been created as an autonomous business division within MLA, for taking up the tasks being carried out by the Programme Management Unit National e-Governance Plan (PMU-NeGP) of the Department. MLA is also focusing on facilitating and supporting the process of taking technologies from ‘Lab to Land’.

1.123 The Department has informed that the allocation for this programme during the year 2013-14 is Rs. 26.27 crore as against the proposed outlay of Rs. 50 crore. The BE/RE and Actual Expenditure under the programme is as follows:-

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Proposed</b>	50.00	1.00	24.00	25.00	57.00

(Rs. in crore)

<b>BE</b>	1.00	5.00	10.00	11.30	11.30
<b>RE</b>	1.00	5.00	14.30	8.30	3.73
<b>Actual Expenditure</b>	1.00	5.00	14.30	8.30	0.00*

*\*As on 31.12.2012*

1.124 When asked to furnish reasons for zero utilisation of funds during 2012-13, under the Scheme, the Department, in their written reply stated as under:-

“No fund has been released to Media Lab Asia during 2012-13. For continuation of Media Lab Asia scheme beyond 31.03.2012, EFC meeting was held on 5.2.2013 and based on the recommendation of EFC, the Ministry of Communications and Information Technology accorded approval for continuation of the Scheme on 6<sup>th</sup> March, 2013. Releases could not be made due to non-production of pending UCs by Media Lab Asia.”

1.125 On the issue of non-submission of UCs, the Department further submitted as under:-

“Media Lab Asia, apart from its core activities, has been entrusted with specific projects, viz. NeGD and ITRA. ITRA is entirely a new project and has taken more time than expected at the initial stage of its implementation due to procedural requirements. However, now ITRA activities are going on in full swing. The funds released to ML Asia for ITRA project so far, are expected to be spent in the first quarter of the FY 2013-14.

As a result of slow utilization of funds by ML Asia under ITRA project, no funds were released to Media Lab Asia during the FY 2012-13 for its core activities and ITRA project.”

1.126 The Committee desired to know whether the project has suffered because of non-release of fund during 2012-13, to which, the Department responded as under:-

“Only some of the identified projects/activities could be taken up during 2012-13 under the core activities of ML Asia. Other identified projects would be taken up in the Financial Year 2013-14. Other than some time delay, there is no other major loss in the project.”

## **CHAPTER IX**

### **OTHER INITIATIVES IN IT SECTOR**

#### **i. Indigenous Tablet/PCs**

1.127 During the course of examination of Demands for Grants (2012-13), the Committee had been informed that in order to have cost effective indigenous tablets/PCs like 'Akash' Department had constituted a Committee 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 had accordingly recommended the Department to accelerate R&D in this area. On the follow-up action to the aforesaid recommendation, the Department in their Action Taken Note had informed as under:-

“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.”

1.128 In the above background and also taking cognizance of a media report, dated 21<sup>st</sup> May, 2012, about inconsistencies, contradictions, hindrances and poor performance, etc. of the 'Aakash' Project, the Committee asked the Department for an updated status on the 'Aakash' Project. To this, the Department in their written reply submitted as under:-

"The matter of procurement of Aakash tablets under the Centrally Sponsored Plan Scheme National Mission on Education through Information and Communication Technology (NMEICT) comes under the purview of Department of Higher Education, Ministry of Human Resource Development (MHRD)."

1.129 Dwelling on the issue of facilitating tablets, the Secretary during evidence submitted as under:-

"Sir, I have a tablet with me. There is one company Pantel in Bangalore, which is in association with the BSNL. The 3G is given by the BSNL. The hardware is from Pantel. So, we are going to promote domestic production because there is a huge demand for tablets in this country, for students and other working classes. This costs only Rs. 8,000. It comes with a full keypad also. Latest features are there. Without the keypad and all, even a version is available at Rs. 4,000."

1.130 Regarding the components of the tablet, the Secretary, further added:-

"It is made in India, but of course, components are imported."

## **II. National Cloud Computing**

1.131 During the course of examination of Demands for Grants (2012-13), the Department had informed the Committee about its plans to implement the concept of "Share Platform Cloud Computing". The Department had also highlighted some of the technological and legal apprehensions viz. technology obsolescence, security issues, contract and SLA management, vendor lock-in, data security, retention and recovery retention and recovery of data in case of disaster, data security; exit options available to the organization; data retention or transfer by the provider, intellectual property issues, etc. associated with the concept.

1.132 As a follow up action to the recommendation of the Committee that the aforesaid apprehensions are to be addressed before cloud computing is implemented, the Department had also informed that DeitY will set up a Working Group comprising of people from different domains and the group will assess the suitability of cloud computing to enable e-Governance services. The Department had also informed in their final action taken note that their SDC team has conducted Proof of Concept (PoC) in 4 states to understand efficacy of cloud computing.

1.133 The Secretary during the course of evidence in his presentation before the Committee informed that with a vision to optimize utilization on IT infrastructure and resource, the Department has taken an initiative called 'National Cloud Computing', which is to be established by NIC at NDC, Shastri Park, New Delhi, by September, 2013. The approved cost for the first phase of the project is Rs. 99 crore.

1.134 He further highlighted the key objectives of the 'National Cloud Computing' as cutting edge cloud technologies for efficient and optimum utilization of ICT infrastructure; Creating cloud based infrastructure, platform and software resources; and Ensuring rapid deployment of e-Government applications etc.

**PART-II**  
**RECOMMENDATIONS/OBSERVATIONS OF THE COMMITTEE**

The Committee note that Demand No. 15 pertaining to the Department of Electronics and Information Technology (Ministry of Communications and Information Technology) for the year 2013-14 was laid in Lok Sabha on 18<sup>th</sup> March, 2013. The Demands provides for a budgetary provision of Rs. 3052.00 crore with Rs. 2872.50 crore in Revenue and Rs. 179.50 crore in Capital Section. The total Outlay, including IEBR of Rs. 742.59 crore, however, stands at Rs. 3742.59 crore.

2.1 Department of Electronics and Information Technology (DeitY), has identified six thrust areas for the Twelfth Five Year Plan *viz.* e-Government, e-Learning, e-Security, e-Industry (Electronics Hardware), e-Industry (IT-ITES) and e-Innovation/R&D to fulfill its vision of e-Development of India. The Committee note that in order to achieve its mission/objectives the Department has taken several far reaching initiatives *viz.* e-Pramaan, E-TAAL, Beyond the fibre, Rapid replication initiative, HR policy for e-Governance, ICT capacity building, semiconductor wafer fabs, standards in electronics products, IT investment Regions (ITIRs), supercomputing, National Cyber Security Policy, etc. The Committee further note that the Department has woken up to a very promising agenda for the year 2013 (January to December) which *inter-alia* include National roll out of Mobile Service Delivery Gateway (MSDG); National Information Infrastructure (NII 2.0); National Cloud Computing Initiatives; Setting up of a National e-Governance Academy; Setting up of Electronics Manufacturing Clusters (EMCs); Mobilizing Modified Special Incentive Package Scheme (MSIPs) Units, Setting up of Semiconductor Wafer Fabrication (Fab) Manufacturing facilities in the country; etc. The Committee find that some of the initiatives are ongoing agenda and are a continuation from the Eleventh Plan, whereas few other are new initiatives in keeping pace with time and need of the hour. Considering the fact that Information Technology (IT) initiatives are the pulse of present times, advancement in IT is yardstick for a nation's technological progress and also keeping in view the promising agenda ahead of the Department, the Committee fully endorse the Demands for Grants of DeitY for the year 2013-14. The Committee desire that the Department should act

with right earnest on all the recommendations/observations of the Committee that are detailed in succeeding paragraphs so as to do justice to the allocations.

(Para No. 2.1, Recommendation Sl. No. 1)

**Overall Analysis of DeitY Budget (Twelfth Plan and Financial Year 2013-14)**

2.2 The Committee note that during Eleventh Plan (2007-12) against the proposed outlay of Rs. 21,835.89 crore, the Department was allocated a sum of Rs. 11,370 crore whereas the actual expenditure was to the tune of Rs. 9,481.04 crore (i.e. 83.38 per cent of the fund allocated). The Committee are astonished to see that for the whole of Twelfth Five year Plan the Department had proposed an Outlay to the tune of Rs. 81,378.45 crore which is almost ten times more than the sum utilized during Eleventh Plan. However, the approved GBS for this period is Rs. 36,078.00 crore. For the first year of Twelfth Plan (i.e. 2012-13) the Department had proposed a demand of Rs. 10,491.33 crore against which Rs. 3,000 crore was approved at BE stage and Rs. 2,000 crore was allocated at RE stage. The Committee note with great concern that the Department could utilize only 61.77 per cent of the BE allocation and 17.66 per cent of the outlay proposed by the Department. The Committee further note that for the second year of the Plan (2013-14), the Department has sought an allocation of Rs. 6,927.84 crore against which Rs. 3,000 crore has been allocated by the Planning Commission. The aforesaid scenario clearly indicates that the projections made by the Department are far from realistic and the Department's programmes lacked credibility or not found feasible otherwise why the Planning Commission would curtail the Department's projections drastically. The Committee also note that the Department is caught in a vicious circle of poor implementation of the schemes – non-utilization of fund – non submission of UCs—lesser allocation of fund.

2.3 While acknowledging that there is substantial enhancement in the Twelfth Plan outlay, the Secretary during the course of evidence stated that this is to give a fillip to the electronic manufacturing sector and manpower development in IT sector. The Committee's analysis of Department's budget shows that indeed these two important sectors are lagging behind in their scheduled targets. The Department has, however, assured that this year the

Schemes will see a breakthrough and with that they would ensure effective utilization and might even need more funds.

2.4 On the initiatives/measures for better implementation of various schemes/programmes, the Department has assured the Committee that it would review all the Schemes/Programmes keeping in view the priorities and objectives which will be defined in the coming years of the Twelfth Plan with a view for optimal and judicious utilization of funds. Considering the vision of the Government for e-Development of the country and the fact that IT is touching all spheres of life rapidly, the Committee are of the considered opinion that the Department has to rise to the occasion and meet the growing needs of IT Sector. While deploring the way the schemes under DeitY have been lagging behind their targets and the way considerable mismatch between budgetary allocation and actual utilization has become a common feature in the budgetary exercise of the Department, the Committee exhort the Department to take necessary steps for more near realistic projections. The Committee desire that the Department should also monitor implementation of its schemes/programmes efficiently so as to meet both the physical and financial targets. The Department should take the desired action on the suggested lines and inform the Committee accordingly.

(Para Nos. 2.2, 2.3 & 2.4, Recommendation Sl. No. 2)

#### Internal and External budgetary Resources

2.5 The Committee note that the approved IEBR for the Twelfth Five Year Plan is Rs. 3,944.29 crore. The Committee also note that for the first year of the plan (2012-13) the proposed and approved IEBR was Rs. 2,362.80 crore. However, as against the above approved IEBR the Department could generate only Rs. 579.40 crore which comes out to be a mere 24.32 per cent. What is more disappointing to note is that despite the shortfall in IEBR generation the Department has projected an increase in IEBR during 2013-14 taking it to Rs. 742.58 crore. One of the reasons cited by the Department for not achieving the IEBR target at BE stage as well for revising the targets at RE stage during 2012-13 is withdrawal of the work of biometric capture of NPR project from NIELIT (worth Rs. 1685.5 crore). Further, the Committee have been informed



that the Department has attributed significant increase in IEBR projection to receipt of fund of Rs. 70 crore under NeGD Project under Media Lab Asia during 2012-13. The Committee, however, note that the above justification still does not explain the massive increase in proposed as well as approved IEBR for 2012-13. In light of above discrepancies and mismatch, the Committee strongly recommend the Department to strengthen their planning mechanism and set realistic IEBR targets with respect to schemes/projects of the Department. The Committee desire the Department to sensitize the societies/organizations under its administrative control so that such situation is avoided in future.

(Para No. 2.5, Recommendation Sl. No. 3)

### Budgetary Allocation by DeitY for the North Eastern Region

2.6 As far as utilization of funds for the North Eastern region is concerned the Committee have been noticing and expressing their serious concern over the repetitive under utilization since the Eleventh Plan. Not only this, non-achievement of targets under various schemes of DeitY in North Eastern region has also been a matter of great concern. Against a budget of Rs. 1137 crore for North Eastern region in Eleventh Plan utilization was Rs. 853.27 crore. The Committee observe that in spite of their continuous insistence on fuller utilization of funds, out of Rs. 200 crore allocated at RE stage during 2012-13 to this Region only 84 per cent (Rs. 168.18 crore) could be utilized. Going by the financial and physical achievement during Eleventh Plan in North Eastern region, the Committee are apprehensive about Department's contention that capacity building and construction of physical infrastructure for NIELIT Centres will enhance the pace of expenditure. Considering that this region is already witnessing challenges related to connectivity and power, the Committee feel that lack of interest by executing agencies and poor response to tendering process will add on to the hindrances already being witnessed in implementation of Schemes in the Region. Now that the Department has already identified the bottlenecks, the Committee recommend the Department to make concerted efforts and pursue the matter with various executing agencies to complete the work in time so that the funds allocated are fully utilized and targets laid down are achieved.

**Outstanding Utilisation Certificates (UCs)**

2.7 The Committee are happy to note that with Department's continuous efforts the number of UCs, which was 892 (amounting to Rs. 1509.66 crore) as on 1<sup>st</sup> April, 2012, has reduced to 281 (amounting to Rs. 460.86 crore). However, with addition of 300 UCs on 1<sup>st</sup> April, 2013 the total number of UCs have gone up to 581 (amounting to Rs. 937.41 crore). The Committee observe that the Department of Expenditure has issued a Circular that Grants-in-Aid should not be released to any autonomous body or NGO or any other organization (other than State Governments) if it has not submitted all utilization certificates due. With this restriction, the situation of pending UCs would become all the more alarming. As per information furnished to the Committee three agencies viz. ICCC-ICCC; NCHSE, Bhopal and CII-Bhopal, who were sanctioned fund in 2002 have still not furnished single UCs since then. The Committee find it strange that the Department is silent on the action taken against these three agencies and no deadline has been fixed nor any concrete action taken for removing pendency of UCs.

2.8 Though the Department have expressed their happiness about their efforts in liquidation of pending UCs, the Committee feel that the efforts made so far in this direction are not enough especially in view of the fact that because of non-submission of UCs several major/significant schemes of DeitY are lagging behind their financial and physical targets. The Committee, therefore, strongly recommend the Department to intensify their efforts and give standing instructions to each group coordinator/programme division to comply with the Ministry of Finance's OM dated 14<sup>th</sup> November, 2012 so as to get the Utilisation Certificates well in time and to ensure that such huge pendency of UCs do not occur in future. The Committee would like the Department to review and monitor the position on monthly basis with a view to take necessary corrective measures.

(Para Nos. 2.7 & 2.8, Recommendation Sl. No. 5)

**E-GOVERNMENT**

**National e-Governance Plan**

**2.9** The Committee note that National e-Governance Plan approved in May, 2006 is the flagship programme of the Department with a vision to make all Government services accessible to the Common man through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs. The Committee note that against the total allocation of Rs. 975.00 crore in 2012-13 the actual expenditure under the Scheme has been mere Rs. 283.68 crore (till 31.12.2012). The Committee find that this sorry state of utilization of fund under this flagship programme of the Department has been continuing for last few years, so much so that since 2009-10 the Department has not utilized even 30 per cent of the BE allocations. Even though this persistent problem of under utilization has been observed and commented upon repeatedly by the Committee since inception of scheme nothing concrete has been done to improve the utilization of funds. The Committee are not at all convinced by the Department's submission that because of the restriction imposed by the Ministry of Finance's Circular dated 14<sup>th</sup> November, 2012 DeitY could not utilize the fund allocated under the Scheme, as in the opinion of the Committee if that was the case, the Department should have achieved satisfactory level of allocations much before the Circular came into effect. The Committee strongly feel that it is high time the Department instead of merely citing reasons of under utilization year after year, should take remedial steps so as to achieve laid down financial and physical targets. In view of the great importance of Direct Benefit Transfer Programme (DBT) under NeGP, the Committee recommend the Department to do away with the pendency of UCs under the scheme and address all the challenges on priority basis. The Committee would like to be apprised about the action taken along with their outcome as well with the details of the DBT initiatives of DeitY.

(Para No. 2.9, Recommendation Sl. No. 6)

**2.10** The Committee also observe that the Department have proposed few new initiatives for facilitating National e-Governance Plan, viz. National e-Governance Academy, e-Pramaan, e-TAAL, National Information Infrastructure (NII 2.0), HR Policy for e-Governance, Rapid Replication initiative, Beyond the Fibre, etc. While appreciating the above initiatives as highlighted by the

Secretary, DeitY during his deposition before the Committee, the Committee strongly recommend the Department to adhere to the projected deadlines of each of the above initiatives and apprise the Committee about their outcome and functioning.

(Para No. 2.10, Recommendation Sl. No. 7)

**Performance under various components of NeGP - SWAN/SDC/CSC/MMP**

2.11 The Committee express their deep anguish over the repetitive delay in achievement of deadlines under the core components of NeGP, viz. State Wide Area Network Scheme (SWANs), State Data Centres (SDCs), Common Service Centres (CSCs), Mission Mode Projects (MMP), etc. So far as the State Wide Area Network (SWAN) Scheme is concerned though it was approved in March, 2005, as on date SWAN is operational in only 31 States and the new deadline proposed for operationlising the Scheme in all State/UTs is now March, 2014. Under State Data Centre (SDC) Scheme which was approved way back in January, 2008, as on date only 21 SDCs have been declared operational of which only 19 SDCs are connected and running whereas 2 are undergoing the Final Acceptance Test (FAT). 5 SDCs have been declared operational in the year 2012-2013 and 5 are to be made operational during 2013-14, taking it to 26 SDC till March, 2014. Similarly, under the Common Service Centre (CSC) Scheme which was approved in 2006, till February, 2013, 1,26,346 CSCs have been made operational including 23,828 CSCs like kiosks which have been integrated within the CSCs network. Out of 1,26,346 CSCs only 88,666 CSCs are reported to be connected. The new deadline for the project has been shifted to the year 2017. The Committee also note that under the Scheme of Bharat Nirman Common Service Centres (BNCSCs) in view of the Cabinet Secretariat Circular of 25<sup>th</sup> July, 2012, the Department has taken a decision to review the proposal and take a view with regard to expansion of CSC network.

2.12 The Committee also take note of the reasons for lapse in deadlines under various components of NeGP viz. inadequate power and broadband connectivity, slow pace of work at State/UT level, problem associated with bidding process, RFP, availability of suitable site, problem of naxal/law and order, lack of awareness and sensitization about NeGP at block/village level,

etc. The Committee do not consider the hindrances cited by the Department as insurmountable and strongly recommend that suitable ways and means may be found to remove the above bottlenecks so that the deadlines for establishing/operationalising/roll out of all the various components of NeGP and availability of services under NeGP are achieved as per target. The Committee also recommend the Department to continuously monitor the progress of each Scheme under NeGP so as to obviate time and cost overrun in their implementation.

(Para Nos. 2.11 & 2.12, Recommendation Sl. No. 8)

2.13 The Committee, further, find it disquieting that though the Department had set a target of 1000 locations by March 2013 to implement the proposal of establishing solar power in North Eastern States and hilly States (with a total cost of Rs. 320 crore) so far they have received agreement from only 3 States viz. Tripura, Manipur and Assam. While expressing their unhappiness over such a dismal situation related to a major initiative, the Committee recommend the Department to act immediately to address all the issues related to power shortage and impediments coming in the way in implementing the proposal of establishing solar power in coordination with Ministry of New and Renewable Energy (MNRE). The Committee also endorse the Department's suggestion for use of laptops by CSCs operators as it can provide power backup for 6 to 8 hours after power breakdown. The Committee also recommend the Department to resolve the connectivity issue on priority by coordinating with BSNL/DoT. Action may be taken on each of above observation and Committee apprised accordingly.

(Para No. 2.13, Recommendation Sl. No. 9)

### Mobile Governance

2.14 The Committee are happy to note that considering the tremendous potential and reach of mobile phones DeitY has taken up an initiative to create a Mobile Service Gateway (MSDG) which would be integrated with the State Service Delivery Gateway (SSDGs) and the National Service Delivery Gateway (NSDG) and e-Governance infrastructure would be utilized for delivery of services. The Committee also note that in the Twelfth Five Year Plan the mission envisaged to be achieved through m-Governance, is to make public services

available to all the residents of India through a mobile platform that is available 24X7 on any time any where basis. The target set for the year 2013-14 is to have 100 additional Central/State Department using Mobile Service Delivery Gateway (MSDG) with a cost of Rs. 4.5 crore. The Committee have been informed that mobile applications are platform-dependent, and currently the applications have been developed for the Android (which is the largest/ largest growing platform) and Java platforms. Java based applications work on most of the available mobile platforms. The best part of the Scheme as informed by the Department is that no special training is required for citizens to use the mobile governance services. To address the apprehension of the Committee regarding security and other issues relating to mobile e-Governance, the Committee observe that DeitY proposes to implement the project through C-DAC.

2.15 Considering the fact that mobile penetration has increased and the Department has already launched m-Sewa portal and 186 Departments are using MSDG and currently the transaction is at the rate of 15 lakh message per day which is targeted to reach 30 lakh messages per day by March 2014, the Committee recommend the Department to ensure cost-effectiveness of the technology and make it user friendly. Though the Department has informed that no special training is required for citizens to use the mobile governance services, yet the Committee feel that there is an imperative need to motivate more and more number of people to make use of the technology which in turn will facilitate greater transparency. The Committee recommend the Department to take necessary steps for providing training and popularizing the initiative in a big way through media and other social networks.

(Para Nos. 2.14 & 2.15, Recommendation Sl. No. 10)

#### **Electronic Delivery of Services Bill, 2011**

2.16 The Electronic Delivery of Services Bill, 2011 was introduced in the Lok Sabha on 27<sup>th</sup> December, 2011 and was referred to the Parliamentary Standing Committee on Information Technology on 5<sup>th</sup> January 2012. The Committee presented its Report to Lok Sabha/laid in Rajya Sabha on 30<sup>th</sup> August, 2012. The Committee note that following Cabinet's approval on 18<sup>th</sup> March 2013 to the Department's proposal on withdrawal of the Electronic Delivery of Services Bill

2011 and introduction of a fresh Bill titled 'The Electronic Delivery of Services Bill, 2012' with modifications proposed on the basis of the recommendations of the Standing Committee on Information Technology, the Department is working in consultation with Ministry of Law and Justice and the Ministry of Parliamentary Affairs on the follow-up action. The Committee have been informed that the Department has suitably addressed to the concerns of the Committee as outlined in their Thirty-seventh Report. The revised EDS Bill has received the approval of the Union Cabinet in March, 2013. On the issue of Model State Electronic Service (ESD) Rules, formulated and circulated by DeitY for adoption by various states under the IT Act, 2000, the Committee find that two States *viz.* Manipur and Jammu and Kashmir have notified their respective rules. The Committee would keenly await the introduction of revised Bill to ensure that their concerns have been met. The Committee would like the Department to expedite the process.

(Para No. 2.16, Recommendation Sl. No. 11)

National Informatics Centre (NIC)

2.17 Taking cognizance of the acute shortage of manpower in NIC, the Committee in their Thirty-fourth Report on Demands for Grants (2012-13) had recommended the Department to take up the issue with concerned Ministries/Departments for getting requisite approvals for increasing the manpower of NIC. The Committee note that as a follow-up action the NIC is taking necessary action for conversion of temporary 239 posts (by Ministry of Finance) to permanent posts for eligible officers. NIC has also initiated a professional study on the requirement of additional manpower (based on the Committee constituted under the Chairmanship of Shri Nandan Nilekani). The Committee are unhappy to note that even after a considerable lapse of time no tangible progress has been made on the issue of increasing the manpower of NIC and lack of adequate manpower is affecting the day-to-day functioning of the organization. Keeping in view the crucial role of NIC in the implementation of various National/State level ICT enabled initiatives on behalf of the Government, the Committee strongly recommend that all the issues with regard to providing additional manpower for NIC should be resolved within a specified time frame.

(Para No. 2.17, Recommendation Sl. No. 12)

## **National Knowledge Network**

**2.18 The Committee note that inspite of full utilization of allocated funds under National Knowledge Network Scheme, there has been gross mismatch between the proposed and allocated GBS for this scheme since inception. The Committee note that their earlier recommendation made in Thirty-fourth Report with regard to certainty of allocations at BE stage itself and ending ad-hocism in allocation has not yielded any result. The Committee are perturbed to note that due to inadequate funds, out of targeted 600 additional institutions, connectivity could be provided to only 307 institutions as on 31<sup>st</sup> March, 2013. The Committee are also unhappy to note that though the Department had projected 1500 institutions to be connected under NKN yet upto March, 2013 only 988 institutions are connected and of these only 287 are in Tier III and IV cities. Apart from inadequacy of fund, the implementation of scheme is also suffering because some of the educational institutions do not have internal networks (LAN's) to operationalise NKN connectivity. In addition to these existing hindrances, the Committee are concerned to note that during 2012-13 the Department could not utilize the fund under the Scheme because of the restriction imposed by the Ministry of Finance's Circular dated 14<sup>th</sup> November, 2012.**

**2.19 The Committee take serious note of the response of the Ministry of Finance regarding supplementary Grants wherein they have stated that it would not be possible to give such a huge additionality during middle of the Financial Year and DeitY may identify likely savings within the grant for giving additional funds to NKN. In their earlier reports, the Committee have been disapproving the ad-hocism of the Government in allocating fund to such an important programme and consistently been recommending for adequate allocations at the BE stage itself. In view of lesser allocation of funds under the Scheme, the Committee feel that the Department has not been able to convince and put forward their case before the Planning Commission and the Ministry of Finance backed by perfect plans and pleas for allocation of funds at BE stage only. The Committee once again like the Department to impress upon the Planning Commission and the Ministry of Finance the need for more allocation of funds**



under this flagship scheme. The concern of the Committee should also be placed before the Ministry of Finance/Planning Commission regarding adequate and timely allocation of funds for the Scheme. The Committee also recommend the Department to fix specific percentage of the number of connectivity to institutions in tier III and IV cities in rural and backward areas where the sharing of knowledge resources is more required. The Committee may be apprised about the action taken in this regard.

(Para Nos. 2.18 & 2.19, Recommendation Sl. No. 13)

#### Manpower Development (including Skill Development in IT and IT for Masses)

2.20 The Committee note that DeitY was given a target of skill development of 10 million persons by 2022, under the National Policy on skill development. The target set under for the year 2012-13 was to train 4.4 lakh person. The Committee are unhappy to note that out of this assigned target of training 4.4 lakh persons, 3.27 lakh persons have been trained through various stakeholders during 2012-13. The National Institute of Electronics and Information Technology (NIELIT), a scientific society under Deity has trained 95,088 persons in Basic Computer Course (BCC), a 40 hours IT Literacy programme. Further, 4232 persons are undergoing training at Centre for Development of Advanced Computing (C-DAC) Centers. When asked the reasons for the shortfall the Department has simply stated that the final report on skilling data would be ready by mid April, 2013 and the Department is yet to receive the target for the year 2013-14. While expressing their displeasure over the shortfall in the target the Committee recommend the Department to gear up its machinery to ensure that the yearly targets under the national policy on skill development are achieved fully. A periodical review mechanism should be put in place to ensure that target of skill development of 10 million persons is achieved by 2020.

(Para No. 2.20, Recommendation Sl. No. 14)

#### E-SECURITY

##### Cyber Security (Including CERT-In IT Act)

2.21 The Committee find that for the Twelfth Five Year Plan, as against the demand of Rs. 1500 crore the Department has been allocated only Rs. 500 crore under this Scheme. The Committee are highly unhappy to note that the

increased demand for 2013-14 proposed by the Department for taking new initiatives in the field of cyber security, have not been considered by the Planning Commission. In view of the fact that in last 5 years, as many as 1273 Government websites have been hacked and financial fraud/cyber crime have increased tremendously, the Committee endorse the Department's submission that the restrictions in allocation would delay in taking new initiatives to keep a check on cyber crime/frauds. The Committee strongly feel that the funds allocated under cyber security including CERT-In IT Act should be increased. The Committee also recommend that the Department should ensure to fully utilize the funds so that Department's initiative to tackle myriad issues related to cyber security do not suffer.

(Para No. 2.21, Recommendation Sl. No. 15)

2.22 The Committee note that the year 2012-13 witnessed few controversies related to Section 66A and Section 79 of the IT Act, 2008 and the Department has issued an advisory in this regard so that Government's stand becomes clear on the issue. The Committee do not agree with the contention of the Department that the 4 cases under Section 66A and 2 cases under Section 79 of the IT Act during 2012-13 are mere aberrations and that it would not be advisable to amend the law based on these 4 cases where appropriate action has been taken to address the issues. The Committee strongly feel that these cases should be taken as precedents which might be repeated in future to harass the innocent citizen and infringe upon the Right of Freedom of speech of public. Acknowledging that the Department has already followed the International Best practices while framing the provisions of the Act and appreciating the Department's efforts in this regard, the Committee are of the view that any Act/Legislation has to take into account the ground situation in course of time and adapt to the emerging challenges. Therefore, the Committee recommend the Department to take necessary corrective steps for revision of the clauses of the Act.

(Para No. 2.22, Recommendation Sl. No. 16)

2.23 The Committee note that DeitY was not involved in setting up of the Social Media Lab set up by Mumbai Police recently. The DeitY has come out with a framework and guidelines for use of social media by its agencies.

Considering all the controversies surrounding usage of social media, the Committee recommend the Department to be proactive in such initiatives and also have a Cyber Lab and other necessary infrastructure for tackling these issues.

(Para No. 2.23, Recommendation Sl. No. 17)

### **E-INDUSTRY (ELECTRONIC HARDWARE)**

#### **Promotion of electronic /IT Hardware Manufacturing**

2.24 The Committee note that out of reported global electronics hardware production of USD 1750 billion Indian electronics hardware production is only 1.3 per cent. It is estimated that demand of electronics products and systems in India would grow to USD 400 billion by 2020 at Compound Annual Growth Rate (CAGR) of 22 per cent, however, the demand of about USD 100 billion would be possible to be met by 2020. Recognizing that sustained growth in IT/Telecom sector is hugely dependant on the indigenous electronic hardware manufacturing and the challenge posed by the growing security concerns, the Committee have been recommending the Department to attach priority to this sector since beginning of the Eleventh Plan. The Committee note that, inspite of their observation made in Fifty-eighth Report (Fourteenth Lok Sabha) on Demands for Grants (2008-09) that IT/Software production has been increasing and the electronic hardware sector is lagging, it is only after a lapse of 5 years the Department has now accepted that for a decade they had been focusing on the software side and hardware/electronic side was not being given any prominence.

2.25 The Committee also note that to promote electronics/IT hardware sector in the Country, the Department has not only renamed the Department of Information Technology as the Department of Electronics and Information Technology (DeitY) but has also coined the slogan 'Electronic India - Billion Needs, Million Chips'. The Committee also note from the Department's submission that substantial increase in Twelfth Plan outlay is to give fillip to the electronic sector.

2.26 The Committee, however, note with concern that even after realizing the significance of this sector nothing concrete has been done to implement the

initiatives for attracting industrial houses in the country and have indigenous manufacturing of electronic hardware. The Committee note that the Department's approach to boosting this sector has been only in piecemeal. Though a Task Force has been formed which has given 198 recommendations the Department is acting only on 6 key issues that too the action in these areas are not complete. Similarly, under SIP Scheme announced in 2007, even though 26 applications have been received, only 4 are being considered by the Appraisal Committee. The Committee strongly condemn the extremely slow pace of implementation of the recommendations of the Task force and poor performance under SIP Scheme. The Committee expect the Department to clear the pendency of all the approvals on a priority basis so that the country becomes secured and self reliant in the field of electronic hardware and immense potential of intellectuals and workforce in this sector is positively channelized and utilized.

(Para Nos. 2.24, 2.25 & 2.26, Recommendation Sl. No. 18)

### Indigenous Manufacturing of Set Top Boxes

2.27 In the context of switchover over to Digital Addressable System (DAS) regime and the status of R&D in basic electronic component of Set Top Boxes, the Committee note that as per CEAMA during 2011-12 domestic production of STBs was 1.7 million and is expected to grow to the level of 5.1 million in 2012-13. The Committee also note that to promote manufacturing of Set Top Boxes, the Department is taking some initiatives which *inter-alia* include discussion with some of the major importers of STBs to transfer their manufacturing from China to India; floating tender to develop Conditional Access System and planning to enforce standards for electronic products under BIS. The Department in this regard had also informed the Committee during examination of Demands for Grants (2012-13) that the prototype of card for the STB would be developed by C-DAC in 6 months. However, the Committee are

concerned to note that now the Department would require at least 12 months more for indigenous production of CAS.

2.28 In view of the fast development in digitization process and consequent rapid demand of Set Top Boxes alongwith the security concerns associated with the imported Set Top Boxes, the Committee impress upon the Department for speeding up the R&D so as to start indigenous production of CAS within 12 months as assured by the Department. The Committee also recommend for strict compliance with Gazette Notification No. 8(78)/2010-I PHW dated 10<sup>th</sup> February, 2012 so as to address to security issues associated with the import of electronic/IT/Telecom products.

(Para Nos. 2.27 & 2.28, Recommendation Sl. No. 19)

### E-INNOVATION/R&D

#### Technical Development Council (Including ITRA)

2.29 The Committee note that the programme Technical Development Council (TDC) aims to facilitate proliferation and absorption of emerging technologies in the country by supporting Research and Development in IT; to promote the use of free and open source software; develop and apply state-of-art cost effective indigenous solutions for important industrial sectors; technology developments in bio-informatics, IPR promotion, innovation and incubation promotion and setting up of IT Research Academy (ITRA). The Committee also note that for last 3 years the Budgetary Support provided to TDC has not increased and actual utilisation has decreased. The year 2012-13 again witnessed decline in utilisation due to the Ministry of Finance's Circular. The Committee, further, note that ITRA – a new project under TDC, envisaged to focus on strengthening the nation's competitiveness by expanding the R&D base in IT, especially by leveraging the large IT education sector and IT users such as Government, industry and other organizations was approved in 2010-11 for an initial period of 5 years. However, after lapse of 2 years, the Committee note that a Project Steering and Implementation Group (PSIG) has been set up for initiating the ITRA activities and ITRA is still formulating an implementation plan for 6 identified research areas viz. Water; Mobile Applications; Transportation/Railways; Food and Agriculture; Disaster Management; Computer Aided Design and Manufacturing (CAD/CAM). Considering that ITRA

under TDS is a national programme to build a national resource for advancing the quality and quantity of R&D in IT by closely collaborating teams of researchers and institutions having expertise in the different aspects of the chosen research or application problems, the Committee recommend the Department to implement the programme effectively so as to have proper utilisation of funds and realisation of objective of the Scheme.

(Para No. 2.29, Recommendation Sl. No. 19)

### **Microelectronics and Nanotechnology Development Programme**

2.30 The Committee note that Microelectronics and Nanotechnology Programme aims at developing core R&D capabilities, expanding the base of Nanoelectronics and develop overall semiconductor industry in the country. It is disquieting to note that for last 2 years the Department is falling short of its target in utilizing the fund under this Scheme which is at a very nascent stage in India. The Committee are extremely concerned at the Department's submission that there is very limited capacity in the organizations to take up R&D in these areas and the Department of Electronics & Information Technology (DeitY) has been trying to create R&D capacity at various organizations through programmes like Special Manpower Development Program (SMDP) and Indian Nano-Electronics Users Program (INUP). With the increase in the availability of researchers and specialists in this field, the critical mass for taking up major projects in this area will be created. The Committee strongly recommend the Department to make sincere efforts for creating R&D capacity under this Scheme and take measures to attract not only the researchers and specialists but also the industrialists in this field. The Committee may be apprised about the details of the initiatives in this direction alongwith its outcome during 2013-14 accordingly.

(Para No. 2.30, Recommendation Sl. No. 20)

### **Media Lab Asia (MLA)**

2.31 The Committee note that the scheme of Media Lab Asia aims to bring benefits of the Information and Communication Technologies and other advanced technologies to the common man. It is operating through collaborations with other organizations and experts (Government, NGO sector, academia, individuals and industry) for development and deployment of ICT

tools. Media Lab Asia is working presently in the areas of ICT for empowerment of the differently abled, healthcare, livelihood enhancement and education and has taken up the Project ITRA. NeGD has also been created as an autonomous business division within Media Lab Asia. The Committee also note that Media Lab Asia is also focusing on facilitating and supporting the process of taking technologies from 'Lab to Land'. The Committee find that the persistent problem of under utilisation of funds as noticed in other schemes of DeitY has also been noticed under this Scheme. What surprises the Committee is that when the Committee queried about the damage caused to the project due to under utilization, the Department stated that only some of the identified projects/activities could be taken up during 2012-13 under the core activities of Media Lab Asia. Other identified projects would be taken up in the Financial Year 2013-14. Other than some time delay, there is no other major loss in the project. In view of the fact that this Scheme has already suffered delays in implementation during Eleventh Plan (as observed in Fifty-eighth Report of the Committee during Fourteenth Lok Sabha), the Committee are amused at the Department's submission that other than time delay, there is no other major loss. The Committee are of strong view that IT sector is an evolving and ever changing sector and loss of time in this sector is huge loss. While deploring the Department's callous attitude towards loss of time, the Committee recommend the Department to identify the constraints and address the issues under scheme so that the motto of the Scheme to take the technologies from 'Lab to Land' is achieved in letter and spirit.

(Para No. 2.31, Recommendation Sl. No. 21)

#### **OTHER INITIATIVES IN IT SECTOR**

##### **National Cloud Computing**

2.32 During the examination of Demands for Grants (2012-13), the Department had apprised the Committee about their plans for 'Cloud Computing'. The Committee while noting that the Department had not assessed the suitability/technological and legal apprehensions associated with the concept of 'shared platform' had recommended to address all the apprehensions viz. technology obsolescence; security issues; vendor lock-in; contract and SLA management; retention and recovery of data in case of disaster, data security; exit options available to the organization; data retention or transfer by the provider, intellectual property issues, etc. In their Action

Taken Reply, the Department had submitted that they have taken note of the apprehension. In Final Action Taken Statement, the Department had stated that their SDC team has conducted Proof of Concept (PoC) in 4 states to understand efficacy of cloud computing. The Committee observe that even without addressing the above apprehension, the Department has taken an initiative called 'National Cloud Computing' with an initial approved cost of Rs. 99 crore for the first phase of project. While expressing apprehensions about the Department's due-diligence on the concept and that it is not fully equipped to tackle all the technological and legal apprehensions, the Committee strongly recommend the Department to prepare themselves for all the challenges/threats associated with cloud computing viz. damage caused to the cloud centre by natural calamity; cyber threat; etc. The Committee may be kept apprised about the development and the Department's preparedness regarding 'Cloud Computing'.

(Para No. 2.32, Recommendation Sl. No. 22)

### Indigenous Tablets/PC

2.33 The Committee note that considering the huge demand for tablets in the country the Department has plans to promote indigenous domestic production. During the examination of Demands for Grants (2012-13), the Committee had recommended the Department to accelerate R&D so as to have cost effective indigenous tablets/PCs. With regard to progress made in the direction of indigenous production of tablets the Department had even informed that 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 22<sup>nd</sup> December, 2011 which has already held 5 meetings. In this regard, when the Committee desired to know further progress in the matter, to the utter surprise of the Committee, the Department has simply furnished a vague reply stating that the matter of procurement of Aakash tablets comes under the purview of the Department of Higher Education, Ministry of Human Resource Development (MHRD). The Committee fail to understand as to why the Ministry was taking initiative till 2012-13 when the matter comes under the purview of the Department of Higher Education. It is also beyond the comprehension of this Committee as to why the Department



has detached and distanced itself from the issue now. In view of huge demand for tablets and security issues related to imported electronic/IT components, the Committee recommend the Department instead of evading their responsibility particularly on R&D aspect should coordinate with the Ministry of Human Resource Development and contribute in R&D activities so as to make the cost effective indigenous tablets within a fixed timeframe. The Committee would also like to be apprised about the reasons for promoting the tablet from Pantel company keeping in view of the fact that an indigenous tablet 'Akash' is already being developed.

(Para No. 2.33, Recommendation Sl. No. 23)

New Delhi  
23 April, 2013  
03 Vaisakha, 1935 (Saka)

RAO INDERJIT SINGH  
Chairman  
Standing Committee on  
Information Technology

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(Vide Para 1.35 of Part-I of Report)

**Details of Agencies who did not furnish even single Utilization Certificate for sanction issued upto 31.03.2011 (Position as on 01.03.2013)**

Agency Name	Division Name	Sanction Number	Sanction Date	UC Amount	No. of UCs	Name of GCs
DST	EGD	3(100)/2006-EGD	12/4/2010	974,000.00	1	AS(RG/JS(RK)
EDS, ANDHRA PRADESH	EGPMU	3(88)2006/EGPMU	6/8/2007	92,915,088.00	1	AS(RG/JS(RK)
MANGLAMND	EGPMU	3(95)/2006-EGPMU	15/12/2010	6,254,500.00	1	AS(RG/JS(RK)
VISHVAGRAM M.S., GUJRAT	EGPMU	3(103)/2006-EGPMU	17/3/2008	61,256,160.00	1	AS(RG/JS(RK)
			<b>Sub Total</b>	<b>161,399,748.00</b>	<b>4</b>	<b>AS(RG/JS(RK)</b>
ICCC-ICCC	MPD&T	1(44)/2002-MPD&T	5/8/2002	200,000.00	1	JS(AK)
CIS (BENGLORE)	E-INFRA	11(23)/2010-E-INFRA	19/11/2010	200,000.00	1	JS(AK)
			<b>Sub Total</b>	<b>400,000.00</b>	<b>2</b>	<b>JS(AK)</b>
NCHSE, BHOPAL	R&SA	1(16)/98-R&SA	26/8/2002	110,000.00	1	GC(DD)
			<b>Sub Total</b>	<b>110,000.00</b>	<b>1</b>	<b>GC(DD)</b>
NPL, PUNE	R&D/COORD	1(1)2003-NAL	18/2/2005	1,048,800.00	1	GC(GVR)
			<b>Sub Total</b>	<b>1,048,800.00</b>	<b>1</b>	<b>GC(GVR)</b>
UNIVERSITY OF RAJASTHAN, JAIPUR	CC&BT	14(5)/2010-CC&BT	15/11/2010	2,996,934.00	1	GC(BMB)
RCC, TVM	ME&TMD	1(5)/2009-ME&TMD	3/3/2011	890,000.00	1	GC(BMB)
			<b>Sub Total</b>	<b>3,886,934.00</b>	<b>2</b>	<b>GC(BMB)</b>
CII-BHOPAL	EPD	4(5)/2002-EP	30/9/2002	100,000.00	1	GC(CM)
			<b>Sub Total</b>	<b>100,000.00</b>	<b>1</b>	<b>GC(CM)</b>
			<b>Grand Total</b>	<b>166,945,482.00</b>	<b>11</b>	

***(Vide Para 1.96 of Part-I of the Report)***

**Advisory on implementation of Section 66A of the Information Technology Act, 2000**

Cyber space is a complex environment resulting from the interaction of people, software, hardware and services on the Internet supported by communication technology, devices and connectivity resulting in distribution of information worldwide. In the recent years, web and social media have emerged as one of the important public communication channels. It brings social groups together in one virtual place and enables interaction in real time. Owing to numerous benefits brought out by technological advancement, cyberspace is the common tool used by citizens, civil society, businesses and Governments for communication and dissemination of information. Cyberspace has distinct and unique characteristics compared to physical space. The cyberspace is virtual, borderless and offers complete anonymity. Anyone can post his/her comments/views on social sites. Messages/communications can be made from one-to-one, one-to-many, many-to-one and many-to-many persons/devices spread out all across the globe. These services offer great advantage in accessing and posting the information and expressing the views in our day to day life. However, cyberspace also has the potential to be misused for variety of purposes such as spreading hate mails, posting inflammatory, harmful and offensive information in the form of images, videos, photos and text. Provision for addressing such offenses exists in Section 66A of the Information Technology Act, 2000.

2. Recently certain incidents have been reported wherein Section 66A of the Information Technology Act, 2000 has been invoked solely as well as with other sections of Indian Penal Code against certain persons for posting/communicating certain content which was considered by the police to be harmful. Such action attracted lot of media attention and resulted in protest from the civil society, citizens and Members of Parliament in different parts of the country. Due diligence and care may be exercised while dealing with cases arising out of the alleged misuse of cyberspace.

3. State Governments are advised that as regard to arrest of any person in complaint registered under Section 66A of the Information Technology Act, 2000, the concerned Police Officer of a police station under the State's jurisdiction may not arrest any person until he/she has obtained prior approval of such arrest, from an officer, not below the rank of the Inspector General of Police in the metropolitan cities or of an officer not below the rank of Deputy Commissioner of Police or Superintendent of Police at the district level, as the case may be.

4. It is requested that appropriate instructions may be issued in the matter to all concerned.

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

**MINUTES OF THE EIGHTH SITTING OF THE COMMITTEE**

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The Committee sat on Tuesday, the 2<sup>nd</sup> April, 2013 from 1500 hours to 1630 hours in Committee Room G-074, Ground Floor, Parliament Library Building, New Delhi.

**PRESENT**

**Shri Rao Inderjit Singh – Chairman**

**MEMBERS**

***Lok Sabha***

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri A. Ganeshamurthi
5. Smt. Darshana Jardosh
6. Dr. Thokchom Meinya

***Rajya Sabha***

7. Shri Joy Abraham
8. Shri Mohammed Adeeb
9. Shri Salim Ansari

**SECRETARIAT**

1. Shri Brahm Dutt - Joint Secretary
2. Shri N.C. Gupta - Director
3. Shri A.K. Garg - Additional Director
4. Smt. Sagarika Das - Deputy Secretary

**Representatives of the  
Ministry of Communications and Information Technology  
(Department of Electronics and Information Technology)**

1. Shri J. Satyanarayana, Secretary
2. Shri J.B. Mohapatra , Joint Secretary and Financial Advisor
3. Shri Rajiv Gauba, Additional Secretary
4. Smt. Chandralekha Malviya, Senior Advisor
5. Dr. Ajay Kumar, Joint Secretary
6. Dr. Anita Bhatnagar Jain, Joint Secretary
7. Dr. Rajendra Kumar, Joint Secretary
8. Dr. Gulshan Rai, Director General, CERT-In
9. Dr. Y.K. Sharma, Director General, NIC
10. Shri N.E. Prasad, Director General, STQC
11. Prof. Rajat Moona, Director General, C-DAC

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to take evidence of the representatives of the Ministry of Communications and Information Technology (Department of Electronics and Information Technology) in connection with the examination of the Demands for Grants (2013-14) of the Department of Electronics and Information Technology.

[The representatives of the Department were then called in]

4. The Chairman welcomed the representatives of the Department of Electronics and Information Technology and drew their attention to Direction 55(1) relating to confidentiality of the proceedings and Direction 58 regarding evidence liable to be treated as public.

5. The representatives of the Department of Electronics and Information Technology made a PowerPoint presentation covering various issues relating to the Demands for Grants (2013-14) viz. key achievements during 2012-13, Plan targets and thrust areas for Twelfth Plan, target set for the Annual Plan (2013-14), performances of the schemes under Deity viz. National e Governance Plan (NeGP), e-District, e-Bharat, mobile governance, e-Promotion, e-TAAL, National Informatics Centre (NIC), National Knowledge Network (NKN), National Cyber Security Policy, Promotion of electronics/IT hardware manufacturing, etc., The Department also enumerated about the challenges involved in implementing the schemes and initiatives taken by the Department to meet those challenges.

6. The Members then sought clarifications on various issues and the representatives of the Department responded to the same and assured to furnish written replies with regard to the issues on which the information was not readily available, at an early date.

7. The Chairman, then, thanked the representatives of the Department of Electronics and Information Technology for appearing before the Committee and for furnishing valuable information that was desired by the Committee.

[The witnesses then withdrew]

A copy of verbatim proceedings of the sitting has been kept on record separately.

**The Committee, then, adjourned.**

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

**MINUTES OF THE ELEVENTH SITTING OF THE COMMITTEE**  
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The Committee sat on Wednesday, the 17<sup>th</sup> April, 2013 from 1100 hours to 1200 hours in Committee Room 'D', Ground Floor, Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Rao Inderjit Singh – Chairman**

**MEMBERS**

***Lok Sabha***

10. Shri Abdul Rahman
11. Shri Rajendra Agrawal
12. Shri Nikhil Kumar Choudhary
13. Shri Rajen Gohain
14. Smt. Darshana Jardosh
15. Dr. Thokchom Meinya

***Rajya Sabha***

16. Shri Joy Abraham
17. Shri Mohammed Adeeb
18. Shri Salim Ansari
19. Shri Bharatsinh Prabhatsinh Parmar
20. Dr. C.P. Thakur

***SECRETARIAT***

5. Shri Brahm Dutt - Joint Secretary
6. Shri N.C. Gupta - Director
7. Shri A.K. Garg - Additional Director
8. Dr. Sagarika Dash - Deputy Secretary

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee convened to consider and adopt four draft Reports relating to Demands for Grants (2013-14) of the Ministries/Departments under their jurisdiction.

3. The Committee, then, took up the draft Reports for consideration and adoption.

(i) xxxxx xxxxx xxxxx xxxxx;

(ii) Draft Forty-fourth Report on Demands for Grants (2013-14) of the Department of Electronics and Information Technology;

(iii) xxxxx xxxxx xxxxx xxxxx; and

(iv) xxxxx xxxxx xxxxx xxxxx.

4. The Committee adopted the Forty-fourth Report of the Department of Electronics and Information Technology without any modification. ...xxxx...

4. The Committee, then, authorized the Chairman to finalize and present the report to the House in the current session of Parliament.

5. The Committee also placed on record their appreciation for the valuable assistance provided by the officials of the Secretariat attached to the Committee.

**The Committee, then, adjourned.**

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xxxx Matters not related to the Report.