

FIFTY-SIXTH REPORT
STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2003)

(THIRTEENTH LOK SABHA)

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

WORKING OF NATIONAL INFORMATICS CENTRE (NIC)

Presented to Lok Sabha on 22.12.2003

Laid in Rajya Sabha on 23.12.2003



LOK SABHA SECRETARIAT
NEW DELHI
December, 2003/Agrahayana, 1925 (Saka)

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COMPOSITION OF STANDING COMMITTEE ON
INFORMATION TECHNOLOGY (2003)

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

- @2. Vacant
- 3. Shri Pawan Kumar Bansal
- 4. Prof. Dukha Bhagat
- 5. Shri Ajay Singh Chautala
- 6. Shri P.D. Elangovan
- 7. Shri Rama Mohan Gadde
- 8. Shri Jarbom Gamlin
- 9. Kumari Bhavana Pundlikrao Gawali
- 10. Shri T. Govindan
- 11. Shri Jawahar Lal Jaiswal
- 12. Shri K.K. Kaliappan
- 13. Shri A. Krishnaswamy
- 14. Shri K. Balrama Krishna Murthy
- 15. Shri Bhartruhari Mahtab
- 16. Shri Amarsinh Vasantrao Patil
- 17. Shri Sheeshram Singh Ravi
- 18. Shri Saroj Tufani
- 19. Shri K.A. Sangtam
- 20. Shri C.N. Singh
- 21. Rajkumari Ratna Singh
- 22. Shri Nikhil Kumar Chowdhary
- *23. Vacant
- 24. Shri Vanlalawma
- 25. Shri Rajesh Verma
- 26. Smt. Kanti Singh

@ Shri Yogi Aditya Nath ceased to be Member of the Committee *w.e.f.* 17 July, 2003.

* Vacancy caused *vice* appointment of Shri P.C. Thomas as Minister *w.e.f.* 24 May, 2003.

27. Shri Amir Alam Khan
28. Shri Charanjit Singh
29. Shri Arun Kumar
30. Dr. Bikram Sarkar

Rajya Sabha

31. Shri Vijay J. Darda
32. Shri Dasari Narayana Rao
33. Dr. Prabha Thakur
34. Shri Suresh Pachouri
35. Shri S.S. Ahluwalia
36. Shri Balbir K. Punj
37. Shri Dina Nath Mishra
38. Smt. Sarla Maheshwari
39. Shri K. Rama Mohana Rao
40. Shri Shahid Siddiqui
41. Ms. Lata Mangeshkar
42. Shri Rajeev Shukla
43. Shri Sanjay Nirupam
- **44. Vacant
45. Shri Mukhtar Abbas Naqvi

SECRETARIAT

- | | | |
|-----------------------|---|-------------------------------------|
| 1. Shri P.D.T. Achary | — | <i>Additional Secretary (P)</i> |
| 2. Shri S.K. Sharma | — | <i>Joint Secretary</i> |
| 3. Shri S.K. Sharma | — | <i>Officer on Special Duty (IT)</i> |
| 4. Shri D.R. Shekhar | — | <i>Assistant Director</i> |

INTRODUCTION

I, the Chairman of the Standing Committee on Information Technology (2003) having been authorized by the Committee to submit the Report on its behalf, present this Fifty-Sixth Report on 'Working of National Informatics Centre (NIC)' relating to the Department of Information Technology.

2. The Committee took brief of the representative of the Department of Information Technology on 23 August, 2002 and evidence on 3 July and 23 September, 2003.

3. The Committee in this report has pointed out that the projected outlay of National Informatics Centre of Rs. 3180 crore has been reduced to Rs. 975 crore which will affect important schemes envisaged by the NIC. The Committee has strongly recommended that Ministry should take up the matter with Planning Commission at highest level to get the funds released as proposed by the NIC. The Committee has also felt the imperative need to redefine the role of NIC *viz-a-viz* working of National Institute of Smart Governance (NISG) and National Informatics Centre Service Inc. (NICSI).

4. The Report was considered and adopted by the Committee at its sitting held on 13 November and 11 December, 2003 respectively.

5. The Committee expresses its thanks to the representatives of the Department of Information Technology for appearing before the Committee and placing before it the information sought by it.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters.

NEW DELHI;
19 December, 2003

26 Agrahayana, 1925 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on
Information Technology.

WORKING OF NATIONAL INFORMATICS CENTRE

Introductory

National Informatics Centre NIC was set up in 1975-76 with the objective of providing computer communication support to various Central Government Ministries/ Departments and other organizations. Towards this end, NIC Centres were established in various ministries to build basic computer infrastructure in the concerned departments. A large Central Computer Centre was built at NIC Headquarters(Hqs) to provide basic computing facilities to all ministries/departments. These NIC centres were connected to the Central Computer Centre through leased PSTN lines to make intra-city central Govt. network. In 1985, NIC was charged with the responsibility of extending this concept to the State Government Offices including district headquarters. During this phase, NIC established centres at 35 States/Union Territories, HQs. Besides, about 600 district centres have been established. All the NIC centres at district level have been connected through wide area network called NICNET. This connectivity provides capability to move information from one location to the other over a network. Subsequently, NIC established in each of Central Government Ministries/Departments and State Hqs. backbone connecting 100 to 600 computers each. The above infrastructure is stated to be now acting as E-governance backbone structure for Central Government and State Governments. A high bandwidth gateway has also been established to provide internet to all the users of NICNET. In addition, more than 127 video conferencing nodes have been established to provide high speed video conferencing facility. NIC has also been implementing the Community Information Centre (CIC) project in every block of the North-Eastern States to provide Internet and e-mail facilities and various Government to – Citizen Services to the local residents across the North-Eastern States of India.

10th Plan Outlay

2. The Committee enquired about the financial outlay proposed *vis-à-vis* the actual allocation received by the NIC to carry on its E-Governance activities during the 10th Five Year Plan (2002-2007). The Department of Information Technology in reply, stated that NIC had proposed a plan outlay of Rs. 3,179.80 crores. Rs. 1,679.80 crore for on-going activities and Rs. 1,500 crore for the proposed E-Infrastructure for Governance at Block level. The Department of Information Technology had

recommended outlay of Rs. 2,500 crore against which an amount of Rs. 975 crores has been approved.

3. In reply to another query about the fund constraints being faced by the NIC, the Department of Information Technology has stated that it had proposed an outlay of Rs. 226.23 crores for the Annual Plan 2003-2004 of National Informatics Centre. However, NIC got only Rs. 181.70 crore.

4. When asked about the financial assistance required by the NIC for its smooth functioning at the adequate level, it has been stated by the Ministry that the NIC needs additional Rs. 20 crore towards ASP infrastructure, GIS infrastructure, Cyber Security and CA, Upgradation of VSATs, Upgradation of infrastructure in NE States.

5. On being inquired about the item-wise details of the proposed *vis-a-vis* approved outlay, the Department of Information Technology furnished the details as under:—

10th Five year Plan Outlay

<i>Item</i>	<i>Proposed</i>	<i>Approved</i>
(Rs. in Crore)		
(A) Sustaining on-going Activities		
Salary	503	397
OE (Contingencies)	27	25
Maintenance	102	98
Consumables	28	25
Others	45	28
Total-A	705	573
(B) Bandwidth (Media)	230	230
Total-B	230	230
(C) Upgradation / Expansion	745	172
Total-C	745	172
Grand Total (A+B+C)	1680	975

6. When the Committee desired to know how many projects/schemes of NIC would be adversely affected due to drastic reduction of the proposed outlay, the Department of Information Technology in a note stated that the new programme relating to extension of e-infrastructure for E-Governance at block level has been completely shelved. The Department further stated that the projects relating to the upgradation/

expansion activities would have major adverse impact due to drastic reduction in the proposed outlay of the 10th Five Year Plan of NIC. Details of projects/programmes having major impact on the scope or upgradation/expansion activities as furnished by the Ministry are as under :—

Name of the Programme/Project	Tenth Plan Outlay (Proposed)	Tenth Plan Outlay (Approved)	Remarks
1	2	3	4
(A) Sustaining on-going activities			
NICNET Informatics Services to Central & State Govts.	503.00	397.00	For growth in E-Governance infrastructure at district and sub-district level, NIC had envisaged positioning of additional manpower in States, about 500 selected districts including newly created districts with an estimated salary budget of Rs. 100 crore. With reduced allocation, NIC would not be able to effectively support plans for G2C services at district/sub-district level.
(i) Salaries			
(ii) Others (contingencies, consumables, maintenance etc.)	202.00	176.00	
Total 'A'	705.00	573.00	
(B) Bandwidth (Media)	230.00	230.00	
Total 'B'	230.00	230.00	
(C) Upgradation/Expansion			
Extension of NICNET to new districts.	38.00	4.25	NIC envisaged providing high-speed internet connectivity, linkages to

1	2	3	4
			<p>Zilla Parishad and commissionerates in about 300 districts and upgradation of the existing hardware and software infrastructure was envisaged at an estimated cost of Rs. 38 crore so as to strengthen G2G and G2C services. This has now been revised to Rs. 4.25 crores due to which only existing activities could be sustained and the newer activities such as providing dial-up connectivity at sub-district level and high-speed internet connectivity, etc. will not be possible.</p>
<p>E-Governance Projects – Applications and Solutions</p>	14.50	1.00	<p>This project envisaged providing of necessary infrastructure (database servers, internet servers, GIS servers etc.) particularly at selected districts for G2G and G2C applications to the Central Government Departments located through out the country. Due to the reduction in outlay, NIC can undertake only demonstrative activities.</p>
<p>Informatics Development Programme for North Eastern States</p>	170.00	51.00	<p>NIC has to spend 10% of its budget on projects relating to North Eastern States. Due to</p>

1	2	3	4
			reduction in total outlay, amount for this activity also gets reduced.
Development of Multimedia Teleconferencing facility in Districts	40.00	3.70	NIC won't be able to provide video conferencing for E-Governance infrastructure at district level and the reduced amount is just sufficient to sustain the existing video conferencing sites only.
ASP Services	32.00	2.60	To avoid duplication of efforts, NIC proposed to establish ASP infrastructure for E-Governance promotion. Now, NIC will not be able to up scale the web based services as sufficient funds are not available for buying servers and relating communication equipments.
Development of Geographic Information System : Software Development and Infrastructure over NICNET	15.00	2.70	With reduced funds, the development of GIS based E-Governance applications are reduced.
5.1 Info Highway Project – Low Cost/Scale Advantage (Satellite based)	157.50	60.00	The upgradation and expansion of network backbone to the extent envisaged will not be possible in the reduced money now available.

1	2	3	4
High Speed Terrestrial Circuits	100.00	10.00	In the original proposal, NIC had proposed to provide 8mbps leased line at State capital and 4 mbps at district level. In the reduced provision, NIC will be able to provide 2 mbps leased line upto State capital only.
Project COURT-IS : Supreme Court/High Courts and Lower Courts Computerisation Project	28.00	2.70	The development of various ICT applications such as E-Court infrastructure for them will not be possible in the reduced provision now available.
Other Remaining Projects	150.00	34.05	Scopes reduced.
Total 'C'	745.00	172.00	
Grand Total (A+B+C)	1680.00	975.00	

7. It will be seen from above that the proposed 10th Plan outlay has been drastically reduced. The ongoing projects have been allocated Rs. 573 crores against the demand for Rs. 705 crores. It has affected NIC's plan to effectively support G2C services at district/sub-district level. Proposed outlay of Rs. 38 crore on Extension of NICNET to new districts has been reduced to merely Rs. 4.25 crore. Because of it, NIC will not be able to sustain new activities at district level and high speed internet connectivity. Further, NIC proposed an outlay of Rs. 14.50 crore for providing necessary infrastructure at selected districts for G2G and G2C applications under the scheme E-Governance projects. But the allocation is a negligible amount of Rs. one crore. Outlay of Rs. 40 crore was proposed for video-conferencing projects at district level, but only Rs. 3.70 crores have been approved, which would be sufficient to sustain only the existing sites. Similarly, due to drastically reduced outlay, other schemes like ASP services, Development of Geographic Information System, Info-Highway Projects, High Speed Terrestrial Circuits and Courts Computerisation schemes have been adversely affected.

8. The Committee finds that the proposed Tenth Plan Outlay of Rs. 705 crore on 'Sustaining on-going activities' of National Informatics Centre has been drastically reduced to Rs. 573 crores. Upgradation/Expansion schemes have been allocated only Rs. 172 crore against the proposed outlay of Rs. 745 crores. The proposed scheme of E-Infrastructure for E-governance at Block level which was to cost Rs. 1,500 crore has been completely abandoned. Financial outlay has been thinly spread on Upgradation and Expansion schemes with Extension of NICNET getting only Rs. 4.25 crore against the proposal of Rs. 38 crore; E-Governance — Applications and Solutions Rs. one crore against the proposal of Rs. 14.50 crore, Development of Multimedia Teleconferencing facility has been allocated Rs. 3.70 crore against the proposal of Rs. 40 crore recommended by the Department of Information Technology. Again, the ASP Services got only Rs. 2.60 crore, Development Geographic Information system Rs. 2.70 crore and High Speed Terrestrial system Rs. 10 crore against the Departments proposals for Rs. 40 crore, Rs. 15 crore and Rs. 100 crore. Thus against an outlay of Rs. 3,179.80 crore proposed by the NIC, for Tenth Five Year Plan, Rs. 975 crores have been approved by the Planning Commission. Due to the drastic reduction, various important new schemes envisaged by NIC and ongoing activities including upgradation/extension of NICNET to new districts, E-Governance projects, Information Development Programme for North-Eastern States, Info Highway project, computerisation projects of Supreme Court, High Courts and lower courts etc., will be affected adversely.

9. The Committee is of the opinion that if the national Informatics Centre (NIC) being the premier organisation in Government to provide computer based informatics services, for decision support to Government offices/Bodies at national, State, district and block level, is starved of funds required for execution of its proposed and ongoing schemes, then its basic objectives for which, it has been set up, will be defeated. The Committee is of the considered view that NIC must be provided adequate funds to implement its schemes as envisaged. The Committee, therefore, strongly recommends that Ministry should take up the matter with Planning Commission at the highest level to get the funds released as proposed by the NIC for execution of its ongoing and proposed schemes. The Committee would like to be apprised of the effective steps taken by the Department in this regard.

National Informatics Centre Services Inc. (NICSI)

10. National Informatics Centre Services Inc. (NICSI) was set up in August, 1995 under NIC as a Section 25 company under Companies Act, mainly to support NIC in the implementation of its promotional activities/projects/programmes of national

importance and to allow NIC's knowledge products and services to be selectively commercialized at national and international levels.

11. When asked by the Committee about the precise function of the company, the Ministry stated that it was to promote the economic, scientific, technological, social and cultural development of India by promoting the utilization of Information Technology, Computer Communication Networks, Informatics etc. by a spin off of the services technologies infrastructure, and expertise developed by the National Informatics Centre including its computer-communication network, NICNET and associated Infrastructure and services.

12. On a query of the Committee, whether NICS I has been able to realize its above objects, the Ministry stated that the objective have been realized to a large extent. NICS I has implemented a large number of projects. When further asked by the Committee in regard to the staff strength and annual turn-over of the company, representatives of the Ministry stated that the Cabinet has approved the evolution of a dynamic and flexible manpower policy to enable the company to grow without explicitly creating posts, except the post of Company Secretary required under the Companies Act, 1956, while acting as a conduit for the progressive reduction of the manpower budget of NIC by (a) taking specialist manpower of NIC on temporary rotational deputation basis along with their posts, (b) temporary project deployment of manpower through public/private/cooperative manpower bureaus, societies, voluntary organizations etc., which will not amount to employment in the Company, and (c) handling all accounts and administration by the concept of a substantially paperless office except for a minimal set of supervisory staff taken on rotational deputation from NIC alongwith their posts.

13. When asked about the staff strength and annual turn-over of the company the Ministry stated that NICS I has 51 officers on deputation from NIC. The annual turn-over of company for last two years is stated to be as under:—

(Rupees in Crores)

Year	Annual Turnover	Surplus before Taxes
2000-2001	44.43	12.98
2001-2002	66.28	17.34

14. When asked by the Committee regarding the organisation of NICS I, the Ministry stated that it is headed by Managing Director and its Board consists of Senior Officers from NIC, Department of Information Technology and outside members. The Joint Secretary (E-Governance), Department of Information Technology has been appointed as Chairman of NICS I *w.e.f.* 3.9.2002.

15. The Committee notes that National Informatics Centre Inc. (NICS I) was set up to promote the economic, scientific, technical, social and cultural development of India by promoting the utilization of Information Technology, Computer Communication Network, Informatics etc. The Committee recognizes the fact that NICS I is set up to supplement the efforts of NIC in providing a mechanism for enhancing the support to NIC for execution of the projects and managing the infrastructure with flexibility which NIC as a conventional Government organization does not have. Also Committee recognizes that NICS I is intimately linked to NIC both in regard to securing of the projects and providing requisite manpower for execution of projects. Therefore, NICS I cannot be considered as any other section 25 company rather it should be seen as an integral wing of NIC who must be authorized to exercise all conceivable control over NICS I seamlessly. The Committee also notes that NICS I which was headed by DG, NIC, is now headed by the Joint Secretary (E-Governance), Department of Information Technology. The Committee is also of the view that for strengthening of NIC and to avoid overlapping of work it is very important that NICS I is fully integrated with NIC as was planned during its creation. NICS I should not only be under the control of NIC but also the Chairman of NICS I be appointed by the NIC as it was before September, 2002.

E-Governance

16. E-Governance has been the use of Information and Communication Technologies to improve efficiency, convenience, accessibility and transparency in Government. The major emphasis in current effort both at Central and State Government levels has been to focus on these objectives from the perspective of the citizens and business. E-Governance is taking its root in the country. It is expected to become a backbone structure once all Government departments are inter-connected for providing unified/single window services and citizens have access to information any time, anywhere and without any hassle and the Government has access to modern information systems. For this, there would be a need for creating E-Governance infrastructure covering the National Communication backbone, last mile access/connectivity, internet service providers, dedicated intranet for specific service delivery, and Central/State Data Centres.

17. The Committee desired to know the constraints faced by the Ministry in the implementation of E-Governance in States. The Ministry in a written note has stated that State Governments are responsible for implementing E-Governance programme in their respective State. The role of the Department of Information Technology has been that of a facilitator, Catalyst and promoter and in that context, it can provide support to the States for pilot projects to establish proof of concept and/or

for carrying out feasibility studies to establish viability of a project on self-sustaining basis and to provide hand-holding support for implementation (roll-out) of such projects.

18. Asked by the Committee about the corrective measures to be taken for strengthening of E-Governance, the Ministry stated that State Governments should be advised to earmark at least 3% of their budget for IT related applications on the lines of Central Government Ministries. They could also explore possibility of partnering with private sector for creating E-Governance infrastructure. Sustainability of E-Governance application is critical for establishing self-sustaining projects like maintaining Land Records.

19. Replying to a query by the Committee regarding working of E-Governance projects handled by NIC, a representative of the Ministry during evidence stated that there were many E-Governance projects like land record, the community centres, the registration, Sales tax etc. handled by NIC. Asked whether E-Governance has been useful for increasing revenues of the State Governments, the representative stated that in fact some of the State Governments have improved their revenues after using these products. For example, Bihar has generated more than Rs. 330 crore additional revenues, after using the package developed by NIC.

20. When asked by the Committee regarding quantum of investment made by the States for application of E-Governance, the witness stated that software developed by NIC has been provided to the States; however, the cost of required hardware and the infrastructure has to be borne by the State Governments itself or by the funding agency. When further asked by the Committee, regarding the performance of the States for utility of E-Governance, the Ministry stated that all the States were using E-Governance to varying extents.

21. The Committee enquired how far the people have realized the benefits of E-Governance, the Ministry in a note stated that the people were getting benefits of E-Governance, for example in Karnataka under "Bhoomi Land Record System" a farmer may come to the counter and after paying Rs. 15, he will get the record of rights within ten minutes.

22. On being asked by the Committee whether the Ministry is getting full cooperation from the State Governments in the implementation of E-Governance, the Ministry stated that "E-readiness assesment exercise" has been undertaken recently to see upto what extent the State Governments can implement E-Governance, but ultimately the States will have to own and drive the E-Governance initiatives acquire marketable skills.

23. The Committee undertook a study tour in the month of October, 2003 to see the functioning of various schemes in the States of Jharkhand, West Bengal, Orissa

and Andhra Pradesh in Telecommunications, electronic media and information technology sectors. At Bhubaneswar, Chief Minister of Orissa invited the Committee to review the progress made by the State Government in delivering citizen centre services in increasing larger areas of Government functioning. The Chief Minister informed the Committee that in the State of Orissa computerisation is being implemented at district, block and panchayat levels. Different computerisation schemes have already been implemented by different State Government Departments like State Transport Authority/Road Transport Authority, Commercial Tax, Revenue Department for digitisation of Land Records, Health and Family Welfare for medicine inventory, Home Department (Election) for Electronic Photo Identity Card and E-Seva at Collectorate level in Kalahandi District. He further added that steps have been taken to computerise operations of some more Government Departments such as Panchayati Raj, Director General of Registration, School and Mass Education, District Primary Education Program etc. It would be highly desirable to connect each and every related nodal point of different Departments electronically all over Orissa. Similar type of projects have already been executed in the State of West Bengal, Karnataka, Andhra Pradesh etc. NIC has developed the Communication Network between its Head Office at Bhubaneswar and DRDA offices at district level. Orissa Remote Sensing Application Centre would develop similar type of connectivity to all Block and District offices with Headquarter. The Chief Minister emphasized that for the proposal, a dedicated electronic Wide Area Network (WAN) is required which would help in launching a variety of E-Governance projects in the future. The financial outlay requirement for implementing this scheme as per the details furnished in a note to the Committee on networking, equipment and computers are under :—

(Rs. in crore)

Sl. No.	Scheme	Amount
1.	Infrastructure development and Hardware required at Headquarter	1.44
2.	Infrastructure development and Hardware required at District Office	9.69
3.	Infrastructure development and Hardware required at Sub Division	8.40
4.	Infrastructure development and Hardware required at Block Office	25.47
5.	Annual Maintenance Charges (for 5 years)	12.20
6.	Training to concerned staff	4.00
Total		61.20

24. The State Government of Orissa realising the benefits of video conferencing in effective administration has proposed to set up video conferencing units in all the remaining Districts, Sub-divisions and Blocks. The Video Conferencing units will not only be used for effective administration and monitoring but also for imparting training to the people in areas like Crop cultivations, health & community care programme etc. in the State. Total approximate expenditure in this scheme towards procurement of Hardware, Software and other related accessories proposed to be Rs. 50.23 crores.

25. The Committee fully recognizes that e-governance is one of the pivotal steps to take India to Information Age. The committee also recognizes that this is a complex, time consuming, multi-disciplinary and multi-stakeholder activity. It is therefore very easy to loose track and land up in large investment without commensurating returns. At the same time India has to take calculated initiatives to move forward. The “change management” *i.e.*, from the prevailing practice of physical paper management to management by digital record and from present closed-door information to open information regime, becomes very important issue especially when a nation like India, having large legacy-issues to be handled in migration of Information age. NIC provides the common IT infrastructure, wealth of sustained domain and knowledge through out the country as the basic e-governance vehicle. The committee is of the view that various e-governance initiatives either by Central Government like e-governance of DIT, other line ministry departments of central government where the funds from central government are provided for should be integrated by NIC into their initiatives so that a common e-governance infrastructure and common applications can be rolled out for effective sustenance in the long run. Involving State Governments is equally important in this initiative, specially states which are lagging behind, to minimize the fast growing digital gap among different states within the country. This digital gap is leading to gaps in almost all sectors like economic, education, health, employment etc.

26. The Committee notes that e-governance is the use of Information and Communications Technology to improve efficiency, convenience, accessibility and transparency in Government and is expected to become a backbone structure once all Central and State Government Departments are inter-connected for providing unified/single window services and citizen have access to information any time, anywhere without any hassle. The Committee appreciates the work being done by the Government for achieving the objectives of e-Governance. The State Governments have also been found to be very active in adopting and implementing applications of e-governance successfully.

27. However, the Committee is constrained to find that many of the States are still lacking in the application of hardware and there is an urgent need to create e-governance infrastructure by the State Governments for implementation of e-governance programmes. In most of the States, only some computer applications are being run in specific areas *viz.* land records, driving licence etc. and not in all areas of e-governance. The Committee, therefore, agrees with the Ministry that State Governments should at least earmark 3 per cent of their budget for IT related applications on the lines of Central Government ministries for strengthening of e-governance and its infrastructure. The Committee, therefore, desires that the views of the Committee may be conveyed to all the concerned State Governments.

28. The Committee also desires to know the outcome of e-readiness assessment exercise which has been conducted by the Ministry to see up to what extent, the State Governments can provide cooperation for implementing e-governance.

29. The Committee notes that a Wide Area Network Infrastructure has been proposed by the State Government of Orissa for computerisation at district, block and panchayat levels so as to provide benefits of e-Governance applications like Data basic, e-mail, voice-over-IP, work flow Automation Video conferencing etc. to its people. The Committee appreciates the dedicated initiatives taken by the State Government of Orissa in building e-Governance infrastructure in the State with a view to have transparent, efficient and employment oriented administrative set up. The Committee desires the Government to consider the requests of the State Government sympathetically and render all possible assistance—financial and technical to the State Governments with a view to expedite implementation of infrastructure and hardware development schemes down below upto Block level. The Committee desires that as early as possible, the State of Orissa be connected with area network for the purpose and sufficient funds as proposed by the State of Orissa to Twelfth Finance Commission be made available so that schemes as envisaged by the State Government can be executed.

National Institute of Smart Governance (NISG)

30. The National Institute of Smart Governance (NISG) is a joint venture of Government, NASSCOM (National Association of Software Service Companies) and the Private Sector. It was incorporated as a Section 25 (not for profit) Company under the Indian Companies Act, 1956 on 28 May, 2002 with its Head Quarter at Hyderabad in the State of Andhra Pradesh, largely as a Virtual Institute with minimal core infrastructure. It is planned to draw resources of other institutions having expertise in the respective Fields Department of Information Technology expected NISG to play a

pivotal role in channelising private resources and competencies into the national e-governance efforts with this end in view, NISG would be synergising its efforts and take core initiatives, which would be complementing/supplementing, the initiatives of other Government agencies like National Informatics Centre.

31. Asked by the Committee about the share holding pattern in NISG and investment of Government and other agencies/bodies, the Ministry stated that the authorized share capital of NISG is Rs. 25 crore. The paid up share capital would be contributed by the Government (Group A) and Non-Government (Group B) entities as shown below :—

Names of Entities		Percentage of paid capital not exceeding
Group-A	Government of India	
1.	Department of Administrative Reforms & Public Grievances	10
2.	Ministry of Communications and Information Technology	10
	State Government	
3.	Andhra Pradesh	10
4.	Other States	9
5.	Other Central Govt. Ministries/Departments/Agencies/Organisations	5
6.	Local Bodies	5
Group-B	Non-Government	
1.	NASSCOM	10
2.	Industry Associations	10
3.	Civil Society	10
4.	Financial Institutions	10
5.	Others	11
Total		100

32. So far, Department of Information Technology (DIT) has released an amount of Rs. One crore towards pre-operative expanses to be converted into equity share of the NISG.

33. The Committee enquired about the procedure prescribed for new members to join the Company and the Ministry stated that the Memorandum & Article of Association (MAA) provides for induction of new share holders from amongst Government and Non-Government entities through subscribing to original shareholding or through transfer of shareholding subject to the conditions that the total shareholding of Group A entities does not exceed 49% of overall paid up capital of the company.

34. It would be seen from above that only nine percent of the share capital of NISG is to be prescribed by all other States while Andhra Pradesh State Government has subscribed ten percent of the share capital. In this context, the Committee asked about the steps taken for equal representation of States in NISG, the Ministry stated that NISG would be taking steps to invite other State agencies to participate in the shareholding of NISG.

35. On being asked by the Committee regarding the present board of Directors of the NISG, the Ministry furnished the details as under :—

1. Shri Rajeeva Ratna Shah – Secretary, Department of I.T. (DIT)
2. Shri Ajay Kumar Aggarwal – Secretary, Department of Personnel & Training.
3. Shri Kiran Karnik – President, NASSCOM
4. Shri Rantala Chandrasekhar – Jt. Secretary, DIT and OSD, NISG

36. When asked by the Committee about the impact on the funding of NIC after the NISG came into existence, the Ministry stated that NISG's emphasis would be primarily towards evolving system for providing Government to Citizen and Government to Business services through PPP (Public, Private Partnership) arrangements and for induction of private sector resources and competencies into e-Governance project in general to complement efforts of Government agencies. NISG would be carrying out holistic studies and recommend solutions addressing all aspects of the problems (Techno/Commercial/Legal etc.). Funding for such projects would normally combine funding from financial institutions, private sector combined appropriately with funding from the concerned State/Central Ministries. As such no impact on funding of the NIC is envisaged, but an overall augmentation of funding is expected.

37. The Committee enquired about the broad distinction between the domain of NISG and the NIC. In reply, the representative of the Ministry during the evidence stated that there has been clear conceptual divide. NIC is expected to work in the domain of e-governance relating Government to Government (G to G) applications.

When it comes to G to C (Government to Citizen) and G to B (Government to Business Community) applications, private participation would be required. State Governments may also have a preference to go to private parties. In that case, there is need to have an umbrella organization which can mobilize the resources. The Ministry further stated that there are three classifications. G to G is for the internal efficiency of the Government, whereas G to B and G to C are the areas in which certain services are provided by the Government to the citizens or to the business community, for example, services under which licence is provided or vehicle registration is done or land record certificate is issued involve a direct interface with the people.

38. When asked by the Committee about the amount of equity and management of the company, the Ministry stated that it has been agreed that the equity will be of the order of Rs. 10 crores and the Government shareholding will be of the order of 49 per cent *i.e.* Rs. 49 crores and 51 percent *i.e.* Rs. 5.1 crore will come from the private sector. The company has been set up as a not-for-profit organization.

39. Asked whether the Ministry has invited any other State Governments and if so, how they will be accommodated. The representatives of the Ministry during evidence replied that the idea was to have all the State Governments as a part of the company. In fact, the decision has been taken not only to have the State Governments, but also a third tier of Government which is very important as far as e-governance is concerned. They further stated a provision has been made in the equity that other State Governments also may participate to the extent of nine per cent. In fact, the process of inviting all the other shareholder to take the equity is going on.

40. In reply to another query by the Committee, the Secretary, Department of Information Technology stated in evidence that the initiative to form NISG came from the Government of Andhra Pradesh and the Company has been formed to get the process started. It has been head quartered at Hyderabad. Other States are being consulted to make them a part of the Company.

41. The Committee notes that the National Institute of Smart Governance (NISG) a joint venture of Government, National Association of Software Companies (NASSCOM) and the private sector has been created to play a pivotal role in channelising private resources and competencies into national e-governance efforts and supplementing the initiatives of National Informatics Centre. The Committee also notes that out of total shareholding of NISG, — entities prescribed holding does not exceed 49% of over all paid up capital of the company. Initial promoters of the company consists of the Ministry of Information Technology, Ministry of Administrative Reforms, Government of Andhra Pradesh and the

NASSCOM. Only nine percent paid up capital is reserved for, other States, which is inadequate and inequitable. The Committee understands that NISG has been formed at the initiative of Government of Andhra Pradesh and that State has provided ten percent of the equity capital of the Company. The Committee appreciates the initiative of the State Government. However the Committee is at loss to understand why the DoT did not consult the other State Governments at the stage of the incorporation of the Company and why only nine percent of the equity capital has been earmarked for all of them put together. The Committee desires that fair share of equity should be reserved for these States and all should be consulted to play a meaningful role for the spread of e-Governance.

42. The Committee recognizes the importance of private investment also in e-governance initiatives. This issue is very closely linked to the government policy of outsourcing a service. NIC as the primary agency for e-Governance should have been closely associated with the NISG from the very outset. It is surprising to note that NIC is not even in the board of directors of NISG. The Committee recommends that for effective coordination of the e-Governance NIC be asked to participate in NISC as a stakeholder. As clarified during the meetings NISG should be restricted to work only in the projects where private participation funding is contemplated, and not to be involved it for projects funded by the Government.

43. The Committee also desires that Ministry should make a study on the possibility of NIC/NISG becoming an effective bridge for private participation, in Government project so that their services can be exploited. Keeping in view the rapid changes in Communication Technology, it has become imperative that NIC/NISC should redefine its role.

Courts Information System

44. On being asked by the Committee, the Department of Information Technology stated that the National Informatics Centre (NIC) has been serving the legal community through Information Technology (IT) since 1990 when the COURTIS (Court Information System) project was commissioned for streamlining registries of various courts. Presently, all High Courts have been computerised and inter-connected through NICNET.

45. In response to a query about the applications developed and implemented at Supreme Court and 21 High Courts and their impact, the Department of IT in its reply stated that case status, Judis, daily orders on Internet, case status of

Supreme Court on IVR, High Court computerisation, computerisation of city civil Courts of all four metros, Video Conferencing between a District Court and jails in Bihar have been the major Public interface applications implemented by the NIC.

46. When asked about the projects under consideration of NIC, the Department of IT stated that the Supreme Court of India, in principle approved NIC's proposal for creating an E-Court and introduction of Electronic Filing. The DoIT stated that E-Court concept would enable the Supreme Court in establishing a Virtual Court at a remote place using Video Conferencing facility. They further stated that the Electronic Filing facility would enable the litigants and advocates in filing their cases *via* Internet in Electronic form without actually visiting the Supreme Court. The implementation of these two applications is yet to start.

47. On being inquired by the Committee about the constraints being faced by the NIC in the implementation of Court Information System, the Department of IT in a written note has stated that due to insufficient funds, the E-Courts and Electronic Filing projects have not yet been initiated in the Supreme Court and High Courts. The Department further Stated that more technical manpower was required at each High Court and District Courts and existing Hardware and Software facilities in High Court which have been in use since 1992-93 need to be replaced with client server Architecture. As regard the District Courts, it has been stated that due to non-availability of good infrastructure, computerisation of District Courts could not be successful as expected.

48. The Committee is happy to note that NIC has successfully implemented the applications developed for Supreme Court, High Courts and also proposes to create e-Court. It will help filing of cases in electronic form, without actually visiting the Supreme Court. The Committee, however, is constrained to note that due to insufficient funds, e-Courts and electronic filing project are yet to be initiated. The Committee is further unhappy to note that due to lack of technical manpower, non-replacement of existing Hardware and Software facilities in High Courts, non-availability of good infrastructure at District level, projects at High Courts and District Courts are not taken up by the NIC, thereby delaying the process of timely delivery of justice and access of information to the people.

49. The Committee, therefore, strongly recommends that sufficient funds be provided on priority basis for serving the legal community through Information Technology. The Committee would like to be apprised of the expeditious steps taken by the Government in this regard.

50. The Committee understands that the NIC has establishment a video conferencing facility between a District Court and a Jail in Bihar for hearing the case of an under trial without actually bringing him/her to the Court premises. The Committee does appreciate the performance of NIC, for establishing a VC facility between a District Court and Jail, which helped not only the many under trials but also the judiciary in delivering justice to the desired persons in time. The Committee, therefore, desires that video conferencing facilities be developed between District Court and Jail wherever proper police escort and transport facility are not available, in the States/Union Territories at a faster rate so that no under trial prisoner is detained in prison due to non disposal of the case. The Committee also desires that Ministry should make proper study for exploring avenues of possibility, where this video Conferencing facility could be extended for reducing the expenditure of public exchequer of the Government. The Committee would like NIC to be asked to examine and submit its report and the Committee to be apprised about the steps taken by the Ministry in this regard.

Extension of NIC Network

51. When asked by the Committee whether the NIC network has been extended to all the Districts of India, the Department of IT stated that there are 586 Districts covered under NICNET. They further added that a few newly formed Districts are not provided with NIC NETWORK facility due to lack of infrastructure, site not being ready or NIC staff not being posted. As soon as the sites are provided and are made ready by the district administration, NETWORK facility will be made available to the remaining newly created districts also.

52. On being asked by the Committee regarding steps taken for connectivity of all districts with NIC NETWORK, the Department of Information Technology in a note has stated that the respective State Governments have to provide site for establishing NIC NETWORK connectivity at the District Headquarters. It further added that NIC would provide necessary infrastructure to activate NETWORK connectivity & implement e-governance at respective District Centre and the required manpower will be provided by NIC to run the NETWORK set up at the District centre.

53. When asked by the Committee regarding status of 21 districts, which have been left over, from the operation of NIC, the Ministry in its reply stated that reason for delay was non providing suitable sites for setting up the centre. Further on a query

of the Committee regarding details of 21 districts which have been left over, the Ministry furnished details as under :—

Sl. No.	State	District	
1.	Arunachal Pradesh	Upper Siang, Upper Dibang Valley	2
2.	Bihar	Arwl*	1
3.	Jharkhand	Chhatra*, Simdega*, Latehar*, Sarikela*, Jamtara	5
4.	Madhya Pradesh	Barwani, Harda, Katni*, Neemach*, Sheopur	5
5.	Mizoram	Champhai, Mamit, Kolasib, Serchhip, Lawngtlai	5
6.	Uttaranchal	Champawat*, Bageswar*, Rudraprayag	3
			21

* Already being set up

54. The Committee notes that out of 586 Districts covered under NICNET, 21 districts are not provided with NIC NETWORK facility due to lack of infrastructure, site not being ready or NIC staff not being posted. The Committee, keeping in view that NICNET links the Central Government Ministries and Departments with District Administrations, State Secretaries and NCT/UT Administrations, strongly feels that remaining districts be connected with NICNET expeditiously.

55. The Committee therefore desires that Department of Information Technology should take up the matter with the concerned State Governments at the highest level to facilitate the process of availability of the required infrastructure and sites so that required manpower can be provided by the NIC to run the NETWORK at Districts Centre.

Land Records Computerisation Programme

56. Ministry of Rural Development (MRD) and National Informatics Centre (NIC) have been implementing "Computerisation of Land Records" Project in a collaborative manner since 1988-89. MRD provides funds to States for Data Collection, Collation, Site preparation and Tehsil level operations, whereas NIC is responsible for hardware/software at district centres and upgrading same with latest hardware for database creation on land records, and also technical support in term of application software and training to facilitate data-entry and related operations.

57. The Committee asked about the implementation of this project in the country. The Department of IT in a note has stated that this project is being implemented in 586 districts out of 600 district in the country and is at various stages of completion. NIC has upgraded its district centres in 586 districts with latest hardware in phases. Necessary application software along with operational training has also been provided to the revenue officials of the States associated with the work. But there has been delay in some States in completing the data entry work. Goa, Karnataka, Gujarat, Rajasthan have completed the project and started on-line citizen services from district and taluk centres while other States are at various stages of data entry and data verification work.

58. When asked about the availability of funds for the scheme, the Department in a note has stated that Ministry of Rural Development, under its own programme, has provided Rs. 3.80 lacs per Tehsil/Taluk for installation of hardware and software in 2782 out of about 6000 Tehsils/Talukas in the country. Since inception, MRD has released financial assistance of about Rs. 264 crore for computerisation of Land records to the States/UTs'. For tehsil/taluk operations, NIC's role has been to provide technical support in term of standard application software, hand holding and version upgrades and MRD directly provide funds to the States for hardware infrastructure at tehsil level.

59. In response to a query on the reasons for shortfall, under the scheme, the Department in a written reply has stated that diversification of manual system, delay in release of funds by the States to implementing agencies at District and Tehsil level, non-availability of data entry agencies in remote Districts, lack of awareness about the scheme among operational level staff, shortage of manpower, frequent power failures and low voltage have been the main causes of shortfall of the scheme.

60. The Committee desired to know the steps taken to complete the project on schedule, the Department in a written note has stated that the following steps are required to be undertaken :—

- (a) Network connectivity from tehsil to sub-district/district and *vice versa* for fast data transmission and updation of records.
- (b) On-line mutation at all the tehsils/taluks.
- (c) Non-repudiation, security and legal issues to be taken up in all the States.
- (d) Front end shop for implementation of e-governance at grass roots level.

- (e) Integration of Land Records data set with other related system namely Land Registration, household social security index, maps and usages of data by other organizations/departments and banks.

61. The Committee is happy to note that the Ministry of Rural Development and National Informatics Centre in collaboration, have undertaken computerisation of land records in 586 out of 600 districts in the country. The Committee, however, is perturbed to note that inspite of the fact that the Ministry of Rural Development has released assistance of Rs. 264 crore for computerization of land records and installation of hardware and software in 2,782 Tehsils/Talukas in the country, there has been delay in some States, in completing data entry work due to delay in release of funds by the States to the implementing agencies. The other bottlenecks have been lack of awareness, shortage of manpower and low voltage etc.

62. The Committee desires that the Ministry should take up the matter with the concerned State Governments at the highest level for timely release of funds to the implementing agencies. The other bottlenecks viz., creation of awareness about the scheme, provision of adequate manpower and low voltage should also be taken up with the States so that the scheme which is lagging behind in some States could be completed as early as possible and yield desired benefits to the people.

Safety of secret files

63. When asked by the Committee regarding present mechanism followed by NIC for security/locking of secret files and steps taken or proposed to be taken to ensure safety of official websites hosted by NIC against decryption, a representative of the Department in reply stated that the guidelines prepared by NIC and circulated by Ministry of Home Affairs, for the security of the secret files, spell out the methodology to be followed by various departments in dealing with electronic files in their respective ministries and departments. It has farther been pointed out that as per the MHA guidelines, no computers having confidential or secret files can be connected to the internet/LAN. Also a computer connected on the internet cannot be used for keeping secret files. There is a need to look into this if network has to be used for building up e-governance infrastructure.

64. The representative further added that the Department of Information Technology has set up a Committee to provide encryption policy for G2G and G2C information security. Once the policy is in place, NIC will upgrade its security

accordingly. All critical servers in NIC, including web servers (that host official web sites) have been located in a physically protected zone and access to them is controlled using router-level access control, firewalls, intrusion detection systems, anti-virus systems along with hardening of Operating System with up-to-date patches and upgrades.

65. In reply to another query by the Committee regarding protection of official websites/files, the Ministry stated that NIC has hosted more than 1500 official websites belonging to various ministries, departments, State governments, district administrations and government organizations. Details of each of them have been made available at NIC's website "www.goidirectory.nic.in". All protection mechanisms mentioned above have been implemented for these websites.

66. The Committee notes that NIC has adopted all protective mechanism to ensure safety of official websites/files. However, in view of the value of security of these websites / files, the Committee desires that security of the confidential files be reviewed from time to time. The guidelines issued to various Departments be also repeated periodically, so that the same is not lost sight of by them. The Committee also desires that Encryption Policy, which is to be declared, by the Committee set up by the Department of Information Technology, be followed strictly by the NIC and users departments to upgrade its security system.

Shortage of Staff

67. The Committee desired to know the number of technologists and Engineers working in the NIC. The Ministry in a note has stated that it had about 3000 technical officers who specialise in computer related technologies. When asked by the Committee whether NIC has adequate staff, the Ministry stated that it has shortage of staff of 183 Computer Engineers for the new districts and proposal for filling up these vacancies has been pending with the Ministry.

68. Asked about the reasons for not filling up the vacancies, the Additional Secretary, DoIT stated in evidence that at the time of the consideration of this proposal by the Ministry NIC wanted to recruit 500 people. So when the proposal was put up to the Minister, he ordered that possibility of redeployment be examined in the First stage. So the matter was pending. He further stated that exercise was going on and simultaneously they were examining the possibility of making out a case to reasonably justify to the Ministry of Finance in the light of economy instructions without letting the interest of the NIC suffer.

69. The Committee is concerned to note that there is a shortage of 183 computer engineers-with the NIC and proposal for filling up these vacancies is pending with Ministry of Finance. Because of the same, many of the Engineers' posts at district level are lying vacant. The Committee desires that the Department of Information Technology should expedite the redeployment exercise and then take up the matter with the Ministry of Finance to fill up the remaining vacancies, so that overall working of NIC including providing communication computer support to the newly created districts may not suffer. The Committee would like to be apprised about the steps taken by the Ministry in this regard.

Training of Staff

70. NIC's training set up at Head office as well as different State centres cater to the IT training needs of Center/State Governments through formal training programmes announced through annual training calendar and informal on job training of Government officials as a part of implementation of computerized information systems in various Ministries/Departments. Every year, Training Division at NIC Hqtrs. publishes a national level training calendar offering various titles of courses, along with their objectives, contents, level of participants, computer knowledge pre-requisite, course duration, and scheduled dates.

71. The Committee enquired about the number of training centres operational by the NIC all over India. In reply, the Ministry stated that NIC has its centres in all the States and the Union territories. Each Centre has a training unit as a part of the center. These are 36 in numbers.

72. Asked about the number of personnel engaged in training Government officials, the Ministry stated that in all the training units, NIC has technically competent faculty to cater to the training needs of the government officials depending upon the requirement from time to time. At a given time, 80 to 100 officials worked for training across the country. However, additional specialized manpower has been drawn from various projects on case to case basis.

73. On a specific query, regarding number of training courses arranged at each NIC Centre in a year, the Ministry stated that the training courses has either been pre-planned for the entire year or they were conducted on demand basis in different training units. As such on an average about 1000 training programmes (formal & informal) have been conducted all over the country.

74. When asked whether the manpower employed has been optimally utilized, the Ministry stated in affirmative. The various activities involved in training are course

identification/design, coordination with State center regarding training activities, coordination with ministries/departments to identify training needs, course-wise preparation and providing test bed for experimenting new technologies. Besides training, the manpower is also stated to be involved in various. IT related projects of the State and Central Government.

75. Asked whether NIC is fully satisfied with the training curriculum arranged at training courses, the Ministry stated that NIC has been fully satisfied with the training curriculum arranged at the training courses. The duration of training courses has been 2 to 10 days.

76. On being asked whether any constraints is being faced by NIC for imparting training, the Ministry stated that training/retraining needs of Government officials are so large that the present training resources at various NIC centres may not be adequate.

77. The Committee is of the considered view that in order to bring about the computer culture in Government offices and assist the user in accepting computer, it is necessary to provide proper and qualitative training to all levels of Government employees. The Committee is given to understand that training/retraining needs of Government officials are so large that the present training resources at various NIC centres, may not be adequate. The Committee, accordingly, keeping in view the importance of training, desires that Ministry should not only enhance training resources by setting up IT learning centres at Ministries/Departments with permanent Training faculty and computer resources but also increase duration of training courses. The Committee is at loss to understand how much useful training can be imparted in short duration courses of 2-3 days. The Committee also desires that Ministry should ensure proper quality of training and its integration with applications in a coordinated manner.

DOEACC Centre, Kolkata

78. NIC till recently had two attached offices Regional Computer Centres (RCCs), Kolkata and Chandigarh to provide "TOTAL - IT" solutions on turnkey basis to both State and Central Government organisations, corporate sectors and public sectors. The services of RCCs include turnkey IT projects, networking education, software development, training and consultancy services, etc. Both the centres also provides under-graduate and postgraduate diploma courses in computer application and other short-term training programmes. Employees of the Kolkata RCC in a representation to the Committee have stated that a few months back both RCCs have

been merged in another society of the Department of Information Technology called DOEACC Society. It has been submitted that the Centre was passing through an acute financial crunch resulting in belated payment of salary to its permanent employees and stipend for contractual staff salary for the month of May, 2003 was received in July, 2003. Further, other staff benefits like payment against Leave Encashment (on superannuation) and LTC scheme has also been withheld due to paucity of funds. Because of the prevailing financial condition, there is stated to be an air of uncertainty for timely release of employee's salary in future also. It has been sought that the Centre should be treated at par with its sister organisations, particularly in view of the fact that the percentage of its revenue shortfall is much less than that of the erstwhile CEDTI Centres, which have been allotted Rs. 25 crores for the X Plan. Further, the CENTRE as a non-profit organisation is stated to be earning a major portion of revenue required for its sustenance from project consultancy and education & training activities. It has been added that though the Department of IT has been allocated Rs. 470 crores for its organisations, DOEACC Centre, Kolkata has received merely Rs. 25 lakhs.

79. The Committee drew attention of the Department of IT to the facts narrated above and desired to know the reasons for deteriorating financial health of the RCCs. The Department of Information Technology in a note has stated that DOEACC Centre, Kolkata was initially sanctioned capital and revenue grants of Rs. 818.81 lakhs and 143.03 lakhs respectively. However, since 1999-2000 no Grant-in-Aid has been provided to RCC Kolkata for meeting the revenue deficit. It has been further stated that financial position of the Centre was never comfortable. Their expenditure on employees compensation is stated to be in the range of 40% to 78% of their total revenue generation. The revenue deficit of the Centre (excluding RCC, IIT Kolkata) for the period 1993-94 to 14 December, 2002 is slated to be Rs. 107 lakh. It has been further added that DOEACC has allotted one crore to RCCs, out of this one crore budget provision, an amount of 50 lakhs has been allocated to Kolkata Centre to meet the transitional cost. Rs. 25 lakh have already been released in the month of July, 2003.

80. The Committee is perturbed to note precarious financial health of the erstwhile Regional Computer Centre, Kolkata which has been re-christened as DOEACC Centre. It is pity that DOEACC Centres could not pay their staff salaries regularly. The Committee learnt that erstwhile Centres for Electronics Design and Technology Centres are also running in deficit. The Committee will like to be apprised of the reasons for stoppage of Grant-in-Aid since 1999-2000 and the steps proposed to be undertaken by the Department of Information Technology to restore the financial health of DOEACC Centres. The Committee also desires that besides the adequate funding of RCCs, the infrastructure built there be properly made use of to generate additional resources.

81. NIC was created way back in September, 1976 with an allocation of a meagre Rs. 3.44 crores plus a UNDP contribution of US \$4.4 million for funding the activities set for it. Over the last about two and a half decades of its existence, NIC has crossed various landmark towards providing common IT infrastructure, creating vast wealth of sustained domain and IT knowledge, spanned throughout the country and has built-up wherewithal except financial strength, to provide the basic e-governance vehicle. The Committee feels that the requirements and expectations have grown substantially for moving to new Information Age. Therefore, NIC as the nodal organization for e-governance, has to gear up itself to face the challenges. This includes upgrading of NICNET upto each block level and ultimately upto the Village Panchayat levels with a view to provide reliable and safe information backbone, sustain different applications, interface with industry for building their effective participation and lead the e-governance through R & D initiatives. These tasks for NIC to usher in new Information Age will not be easy unless it is given the flexibility and freedom as provided to some of the other organizations in scientific departments like ISRO, BARC, DRDO etc.

NEW DELHI;
19 December, 2003

26 Agrahayana, 1925 (Saka)

SOMNATH CHATTERJEE,
Chairman,
Standing Committee on
Information Technology.

MINUTES OF THE THIRTY-FOURTH SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2002)

The Committee sat on Friday, 23 August, 2002 from 1100 hours to 1300 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Prof. Dukha Bhagat
3. Shri Sheeshram Singh Ravi
4. Shri K.A. Sangtam
5. Rajkumari Ratna Singh
6. Shri Amarsinh Vasanttrao Patil
7. Shri T. Govindan
8. Shri Rama Mohan Gadde
9. Shri C.N. Singh
10. Shri A. Krishnaswamy
11. Shri Bhartruhari Mahtab
12. Shri P.C. Thomas
13. Dr.C. Krishnan
14. Shri K.K. Kaliappan
15. Shri Ratan Lal Kataria
16. Dr. Bikram Sarkar
17. Shri Chandra Vijay Singh
18. Shri Saroj Tufani
19. Smt. Kanti Singh

Rajya Sabha

20. Shri Vijay J. Darda
21. Shri K. Rama Mohana Rao
22. Shri Munavvar Hasan
23. Shri Kartar Singh Duggal
24. Shri R. Shunmugasundaram
25. Smt. Sarla Maheshwari
26. Shri S.S. Ahluwalia

SECRETARIAT

- | | | |
|----------------------|---|---------------------------|
| 1. Shri S.K. Sharma | — | <i>Deputy Secretary</i> |
| 2. Shri B.D. Swan | — | <i>Under Secretary</i> |
| 3. Shri D.R. Shekhar | — | <i>Assistant Director</i> |

Representatives of Department of Information Technology

1. Shri Rajeeva Ratna Shah, Secretary
2. Shri S. Lakshminarayanan, Jt. Secretary
3. Shri Y.S. Bhave, JS & FA
4. Shri R. Chandershekharan, Jt. Secretary
5. Dr. N. Vijayaditya, DG, NIC
6. Dr. B. K. Gairaula, Dy. DG(NIC)
7. Dr. Y.K. Sharma, Dy. DG (NIC)

2. At the outset, the Chairman welcomed the representatives of the Ministry of Communication and Information Technology (Department of Information Technology) to the sitting of the Committee and invited their attention to the provisions contained in Direction 58 of the Directions by the Speaker.

3. The Representatives of the Department of Information Technology, then, briefed the Committee through presentation describing salient features on working of NIC and other matters relating thereto.

4. The Committee sought clarification on the issues relating to Working of NIC. The representatives of the Department responded to the same. On certain issues, the Committee asked them to furnish written clarification to the Secretariat.

5. A verbatim record of proceedings has been kept.

6. The witnesses, then, withdrew.

The Committee, then, adjourned.

MINUTES OF THE TWENTY-FIRST SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2003)

The Committee sat on Thursday, 3 July, 2003 from 1100 hours to 1300 hours in Committee Room “B”, Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Rama Mohan Gadde
5. Shri A. Krishnaswamy
6. Shri Balrama Krishna Murthy
7. Shri Bhartruhari Mahtab
8. Shri Sheeshram Singh Ravi
9. Shri C.N. Singh
10. Rajkumari Ratna Singh
11. Shri Nikhil Kumar Chowdhary
12. Shri Vanlalawma
13. Smt. Kanti Singh
14. Shri Arun Kumar
15. Dr. Bikram Sarkar

Rajya Sabha

16. Smt. Sarla Maheshwari
17. Shri K. Rama Mohana Rao
18. Shri Sanjay Nirupam
19. Shri Kartar Singh Duggal

SECRETARIAT

1. Shri P.D.T. Achary	—	<i>Additional Secretary</i>
2. Shri S.K. Sharma	—	<i>Joint Secretary</i>
3. Shri S.K. Sharma	—	<i>Deputy Secretary</i>
4. Shri B.D. Swan	—	<i>Under Secretary</i>
5. Shri D.R. Shekhar	—	<i>Assistant Director</i>

WITNESSES

Department of Information Technology & National Informatics Centre (NIC)

1. Shri K.K. Jaiswal, Secretary
2. Shri S. Lakshminarayanan, Additional Secretary
3. Shri Pankaj Agarwala, Joint Secretary
4. Shri Y.S. Bhave, Joint Secretary & FA
5. Shri R. Chandrashekhar, Joint Secretary
6. Dr. N. Vijayaditya, DG, NIC
7. Dr. Y.K. Sharma, Dy. DG, NIC
8. Dr. U.P. Phadke, Advisor
9. Shri Jitendra Kumar, Sr. Advisor
10. Dr. S.L. Sarnot, DG(STQC)
11. Dr. V. Dharmadhikari, Advisor

2. At the outset, the Chairman welcomed the representatives of Department of Information Technology to the sitting of the Committee and invited their attention to the provision contained in Direction 58 of the Direction by the Speaker.

3. The representatives of the Department of Information Technology gave a presentation to Committee on the “Working of National Informatics Centre (NIC)” through slides highlighting the achievements of NIC in e-Governance and other activities.

4. The Committee then sought clarifications on certain issues relating to the “Working of National Informatics Centre (NIC)”. The representatives of the Department of Information Technology replied to the queries raised by the Members. On certain issues like details of approved outlay *vis-a-vis* the projected financial outlay, the actual expenditure of the NIC on various activities and projections made on Research and

Development (R&D) activities and actual allocation of funds, shortage of technical staff etc., the Department assured to furnish written notes.

5. The witnesses then withdrew.
6. The verbatim record of proceedings has been kept.

The Committee then adjourned.

MINUTES OF THE TWENTY-EIGHTH SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2003)

The Committee sat on Tuesday, the 23 September, 2003 from 1100 hours to 1245 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Ajay Singh Chautala
4. Shri P.D. Elangovan
5. Kumari Bhavana Pundlikrao Gawali
6. Shri K.K. Kaliappan
7. Shri A. Krishnaswamy
8. Shri Bhartruhari Mahtab
9. Shri Sheeshram Singh Ravi
10. Shri Saroj Tufani
11. Shri K.A.Sangtam
12. Shri C.N. Singh
13. Rajkumari Ratna Singh
14. Shri Nikhil Kumar Chowdhary
15. Shri Rajesh Varma
16. Shri Arun Kumar

Rajya Sabha

17. Smt. Sarla Maheshwari
18. Shri K. Rama Mohana Rao

SECRETARIAT

1. Shri P.D.T. Achary	—	<i>Additional Secretary</i>
2. Shri S.K. Sharma	—	<i>Joint Secretary</i>
3. Shri S.K. Sharma	—	<i>Officer on Special Duty (IT)</i>
4. Shri B.D. Swan	—	<i>Under Secretary</i>
5. Shri D.R. Shekhar	—	<i>Assistant Director</i>

WITNESSES

1. Shri K.K. Jaswal, Secretary
2. Shri S. Lakshminarayanan, Addl. Secretary
3. Dr. N.Vijayaditya, Director General
4. Shri Y.S. Bhave, JS&FA
5. Shri R. Chandrasekhar, Jt. Secretary
6. Dr. B.K. Gairaula, Dy. DG, NIC
7. Dr. Y.K. Sharma, Dy. DG, NIC
8. Dr. K.K. Bajaj, Dy. CCA

2. At the outset, the Chairman welcomed the Secretary, Department of Information Technology and other representatives of Department of Information Technology to the sitting of the Committee.

3. Thereafter, the Secretary, DIT gave a power point presentation on various activities of the National Informatics Centre. The Committee then sought certain clarifications from the representatives of the Department of information Technology. The officers of the Department replied to the queries of the Members.

4. The Chairman thanked the witnesses for attending the meeting as well as for furnishing the written information.

5. The Witnesses then withdrew.

6. A verbatim record of the proceedings has been kept.

7. ***

8. ***

The Committee then adjourned.

MINUTES OF THE THIRTY-FIRST SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2003)

The Committee sat on Thursday, the 13 November, 2003 from 1500 hours to 1530 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri T. Govindan
5. Shri K.K. Kaliappan
6. Shri Amarsinh Vasanttrao Patil
7. Shri Sheeshram Singh Ravi
8. Shri Saroj Tufani
9. Shri K.A. Sangtam
10. Shri C.N. Singh
11. Shri Nikhil Kumar Chowdhary
12. Shri Vanlal Zawma
13. Shri Rajesh Varma
14. Shri Charanjit Singh

Rajya Sabha

15. Shri S.S. Ahluwalia
16. Shri Dina Nath Mishra

MINUTES OF THE THIRTY-THIRD SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY (2003)

The Committee sat on Thursday 11 December, 2003 from 1500 hours to 1530 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Somnath Chatterjee — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Prof. Dukha Bhagat
4. Shri Ajay Singh Chautala
5. Shri K.K. Kaliappan
6. Shri Bhartruhari Mahtab
7. Shri Saroj Tufani
8. Shri C.N. Singh
9. Shri Nikhil Kumar Chowdhary
10. Shri Vanlal Zawma
11. Smt. Kanti Singh
12. Dr. Bikram Sarkar

Rajya Sabha

13. Shri Vijay J. Darda
14. Shri S.S. Ahluwalia
15. Smt.Sarla Maheshwari
16. Shri K. Rama Mohana Rao

SECRETARIAT

- | | | | |
|----|-------------------|---|-------------------------------------|
| 1. | Shri S.K. Sharma | — | <i>Officer on Special Duty (IT)</i> |
| 2. | Shri B.D. Swan | — | <i>Under Secretary</i> |
| 3. | Shri D.R. Shekhar | — | <i>Assistant Director</i> |

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee. The Committee then, considered and adopted the following Draft Reports:—

- | | | | |
|-------|---|-----|-----|
| (i) | Draft Report on “Working of National Informatics Centre” (NIC). | | |
| (ii) | *** | *** | *** |
| (iii) | *** | *** | *** |
| (iv) | *** | *** | *** |

3. The Committee then authorised the Chairman to finalise the Reports in light of the factual verifications received from the concerned Ministry/Departments and present the same to the House.

The Committee then, adjourned.