

**46**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2017-18)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY**

**DEMANDS FOR GRANTS  
(2018-19)**

**FORTY-SIXTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2018/ Phalguna, 1939 (Saka)*

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**MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY**

**DEMANDS FOR GRANTS  
(2018-19)**

**Presented to Lok Sabha on 13.03.2018  
Laid in Rajya Sabha on 13.03.2018**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*March, 2018/ Phalguna, 1939 (Saka)*

## CONTENTS

	Pg. No.
COMPOSITION OF THE COMMITTEE	(ii)
ABBREVIATION	(iii)
INTRODUCTION	(vi)
<b>REPORT</b>	
<b>PART-I</b>	
1. Introductory	1
2. Implementation status of the recommendations contained in the Thirty-sixth Report of the Committee on Demands for Grants (2017-18) of MeitY	2
3. Budget Analysis	2
3.1 Demands for Grants No.26 of MeitY for the year 2018-19	2
3.2 Position of Outstanding Utilization Certificates (UCs) and unspent Balances with States' implementing agencies	5
3.3 Internal and Extra Budgetary Resources (IEBR)	7
4. National Informatics Centre (NIC)	7
5. Regulatory Authorities	12
5.1 Standardisation Testing and Quality Certification (STQC) Programme	12
6. Digital India Programme	13
6.1 Manpower Development	15
6.2 Electronic Governance (including EAP)	17
6.2.1 State Wide Area Network (SWAN)	18
6.2.2 Common Service Centres (CSCs)	19
6.2.3 State Data Centres (SDC)	25
6.3 Promotion of Electronics & IT Hardware Manufacturing	27
6.4 Cyber Security Projects (NCCC & others)	35
6.5 Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)	37
6.6 R&D in Electronics in IT/CCBT	38
6.7 Promotion of Digital Payments	40
7. Autonomous and Other Bodies	48
7.1 Unique Identification Authority of India (UIDAI)	48
8. Unified Mobile Application for New-Age Governance (UMANG)	55
9. E-Waste	56
<b>PART-II</b>	
Observations/Recommendations	57-71
<b>APPENDICES</b>	
I. Minutes of the Tenth sitting of the Committee held on 22 <sup>nd</sup> February, 2018	72
II. Minutes of the Thirteenth sitting of the Committee held on 12 <sup>th</sup> March, 2018	75

## COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY

(2017-18)

Shri Anurag Singh Thakur - Chairperson

### Lok Sabha

2. Shri L. K. Advani
3. Shri Prasun Banerjee
4. Shri Harishchandra alias Harish Dwivedi
5. Dr. Sunil Baliram Gaikwad
5. Shri Hemant Tukaram Godse
6. Dr. Anupam Hazra
7. Smt. Hema Malini
8. Dr. J. Jayavardhan
9. Shri P. Karunakaran
11. Shri Virender Kashyap
12. Shri Harinder Singh Khalsa
13. Dr. K.C. Patel
14. Shri Raosaheb Danve Patil
15. Smt. R. Vanaroja
16. Shri Paresh Rawal
17. Dr. Bhartiben D. Shyal
18. Shri Abhishek Singh
19. Shri D.K. Suresh
20. Shri Ramdas C. Tadas
21. VACANT

### Rajya Sabha

22. Shri Raj Babbar
23. Dr. Subhash Chandra
24. Shri Suresh Gopi
25. Shri K.G. Kenye
26. Shri Santiuse Kujur
27. Smt. Kahkashan Perween
28. Dr. K.V.P. Ramachandra Rao
29. Dr. Vinay P. Sahasrabuddhe
30. Shri Sachin Ramesh Tendulkar
31. Shri Beni Prasad Verma

### SECRETARIAT

1. Shri R.C. Tiwari - Joint Secretary
2. Shri Y.M. Kandpal - Director
3. Dr. Sagarika Dash - Additional Director
4. Shri Abhishek Sharma - Executive Assistant

(ii)

## **ABBREVIATIONS**

AE	-	Actual Expenditure
BCC	-	Basic Computer Course
BE	-	Budget Estimate
BIRAC	-	Biotechnology Industry Research Assistance Council
BHQ	-	Block Head Quarter
BNCSCs	-	Bharat Nirman Common Service Centers
CAS	-	Conditional Access System
CAT	-	Cyber Appellate Tribunal
CAREL	-	Core Advisory Group for R&D in the Electronics Hardware Sector
CBI	-	Central Bureau of Investigation
CCA	-	Controller of Certifying Authority
C-DAC	-	Centre for Development of Advanced Computing
CGO	-	Central Government Offices
C-MET	-	Centre for Materials for Electronics Technology
CERT-In	-	Indian Computer Emergency Response Team
CRAC	-	Cyber Regulation Advisory Committee
CSC	-	Common Service Centres
CSIR	-	Council of Scientific and Industrial Research
CVD	-	Countervailing Duty
DCO	-	Data Centre Operator
DAE	-	Department of Atomic Energy
DARE	-	Department of Agricultural Research & Education
DBT	-	Department of Biotechnology
DeitY	-	Department of Electronics and Information Technology
DGCI&S	-	Directorate General of Commercial Intelligence and Statistics
DGS&D	-	Directorate General of Supplies and Disposals
DHQ	-	District Head Quarter
DMEP	-	Domestically Manufactured Electronic Products
DOEACC	-	Department of Electronics Accreditation of Computer Courses
DoS	-	Department of Space
DPR	-	Detailed Project Report
DTH	-	Direct-To-Home
DST	-	Department of Science and Technology
DRDO	-	Defence Research and Development Organization
EDF	-	Electronic Development Fund
EFC	-	Empowered Finance Committee
EFC	-	Expenditure Finance Committee
EHTP	-	Electronics Hardware Technology parks
EMDC	-	Electronic Materials Developments Council
EoI	-	Expression of Interest

ESDM	-	Electronics Systems Design and Manufacturing
ERNET	-	Education and Research Network
EMC	-	Electronics Manufacturing Clusters
FAB	-	Semiconductor Wafer Fabrication
GePNIC	-	Government e-Procurement System of NIC
GGE	-	Group of Governmental Experts
G2B	-	Government to Business
G2C	-	Government to Citizen
G2G	-	Government to Government
GITA	-	Global Innovation and Technology Alliance
HQ	-	Head Quarter
IEBR	-	Internal and Extra Budgetary Resource
ICT	-	Information and Communication Technology
ICTE	-	Information, Communication Technology and Electronics
ICT4D	-	ICT for Development
ITA	-	Information Technology Agreement
ITeS	-	Information Technology enabled Services
MHRD	-	Ministry of Human Resource Development
MEMS	-	Micro Electro Mechanical Systems
MLA	-	Media Lab Asia
MoES	-	Ministry of Earth Sciences
MoU	-	Memorandum of Understanding
MMPs	-	Mission Mode Projects
M-SIPS	-	Modified Special Incentive Package Scheme
MSME	-	Micro Small and Medium Enterprise
NASSCOM	-	National Association of Software and Services Companies
NCRB	-	National Crime Records Bureau
NCCC	-	National Cyber Co-ordination Centre
NCETIS	-	National Centre of Excellence in Technology for Internal Security
NIELIT	-	National Institute of Electronic and Information Technology
NeGD	-	National e-Governance Division
NeGP	-	National e-Governance Plan
NeGAP	-	National e-Governance Action Plan
NEBPS	-	North East BPO Promotion Scheme
NER	-	North Eastern Region
NIC	-	National Informatics Centre
NICSI	-	National Informatics Centre Services Inc
NIXI	-	National Internet Exchange of India
NKN	-	National Knowledge Network
NO	-	Network Operator
NCPUL	-	National Council for Promotion of Urdu Language
NLP	-	Natural Language Processing
NSM	-	National Supercomputing Mission

NTP	-	National Time Protocol
OLED	-	Organic LED
PCs	-	Personal Computers
PoPs	-	Point of Presence
PoC	-	Proof of Concept
RAC	-	Rapid Assessment System
R/C	-	Rate Contract
R&D	-	Research and Development
RE	-	Revised Estimate
SAMEER	-	Society for Applied Microwave Electronics Engineering and Research
SCA	-	Service Centre Agency
SDAs	-	State Designated Agencies
SDC	-	State Data Centre
SHQ	-	State Head Quarter
SICLDR	-	Semiconductor Integrated Circuits Layout-Design Registry
SIPS	-	Special Inventive Package Scheme
SMEs	-	Small and Medium Enterprise
SPV	-	Special Purpose Vehicle
STB	-	Set Top Box
STePs	-	Specialized Training for e-Governance Programmes
STQC	-	Standardisation, Testing and Quality Certification
STPI	-	Software Technology Park of India
SWAN	-	State Wide Area Network
TDIL	-	Technology Development for Indian Languages
TDC	-	Technology Development Council
ToT	-	Transfer of Technology
UCs	-	Utilisation Certificates
USD	-	United States Dollar
UT	-	Union Territory
VGF	-	Viability Gap Funding
VSAT	-	Very Small Aperture Terminal
VLE	-	Village Level Entrepreneur
WTO	-	World Trade Organization

## INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2017-18), having been authorized by the Committee to submit the Report on their behalf, present this Forty-sixth Report on Demands for Grants (2018-19) of the Ministry of Electronics and Information Technology.

2. The Standing Committee on Information Technology (2017-18) was constituted on 1<sup>st</sup> September, 2017. 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 the Demands for Grants of the Ministry/Department concerned and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Electronics and Information Technology for the year 2018-19 which were laid on the Table of the House on 9<sup>th</sup> February, 2018. The Committee took evidence of the representatives of the Ministry of Electronics and Information Technology on 22<sup>nd</sup> February, 2018.

4. The Report was considered and adopted by the Committee at their sitting held on 12<sup>th</sup> March, 2018.

5. The Committee wish to express their thanks to the officers of the Ministry 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 appreciation of the assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

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

**New Delhi;**  
**12 March, 2018**  
**21 Phalguna, 1939 (Saka)**

**ANURAG SINGH THAKUR,**  
**Chairperson,**  
**Standing Committee on**  
**Information Technology.**



## PART-I

### REPORT

#### 1. Introductory

The Ministry of Electronics and Information Technology (MeitY) 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 Ministry coincides with the overarching vision outlined under the Digital India programme for making Digital infrastructure as a utility to every citizen, Governance and Services on Demand and Digital empowerment of citizens. The Mission is to promote e-Governance for empowering citizens, promoting the Inclusive and sustainable growth of the Electronics, IT & ITeS industries, enhancing India's role in Global Platforms of Internet Governance, adopting a multipronged approach that includes development of human resources, promoting R&D and innovation, enhancing efficiency through digital services and ensuring a secure cyber space.

2. In order to operationalise the objectives of MeitY, schemes are formulated and implemented, either directly or through its Responsibility Centers (Organizations/ Institutions) under its jurisdiction. To make the technology robust and state-of-the-art, collaborations with the academia and the private / public sector is also sought.

3. MeitY has two Attached Offices (viz., NIC and STQC), six Autonomous Societies (viz., CDAC, CMET, NIELIT, SAMEER, STPI and ERNET), three Statutory Organizations (viz. CCA, ICERT and UIDAI) and three Section-8 companies (viz., NICSi, NIXI and Digital India Corporation (DIC)), One Company registered under Company Act, 1956 (viz. CSC e-Governance Services India Ltd.) under its charge to carry out the business allocated to the Ministry.

**2. Implementation status of the recommendations contained in the Thirty-sixth Report of the Committee on Demands for Grants (2017-18) of MeitY**

4. The Thirty-sixth Report of the Standing Committee on Information Technology on the 'Demands for Grants' of MeitY for the year 2017-18 was presented to the Lok Sabha/laid in the Rajya Sabha on 17<sup>th</sup> March, 2017. Under Rule 34(1) of 'Rules of Procedure of Departmentally Related Standing Committees (DRSCs)', the Ministry/Department concerned is required to furnish a statement showing the action taken by them on the Observations/Recommendations contained in the Report of the Committee within three months from the date of the presentation of the Report. The Forty-second Report on action taken by the Government on the Recommendations/Observations contained in Thirty-sixth Report on 'Demands for Grants (2017-18)' was presented to the Lok Sabha/laid in Rajya Sabha on 29<sup>th</sup> December, 2017. Out of the 21 recommendations made by the Committee, 16 were accepted. Replies to five recommendations were not accepted by the Committee and were reiterated in their Forty-second Report. Final Action Taken reply to the Forty-second Report is awaited.

**3. Budget Analysis**

**3.1 Demands for Grants No.26 of MeitY for the year 2018-19**

5. The budgetary allocation of the Ministry for implementation of different Schemes for the last two years and for 2018-19 is as under:-

**(Rs. in crore)**

	<b>Actuals (2016-17)</b>	<b>BE(2017-18)</b>	<b>RE(2017-18)</b>	<b>BE(2018-19)</b>
<b>Revenue</b>	3113.67	3690.00	3798.50	5675.00
<b>Capital</b>	330.78	349.00	240.50	325.00
<b>Total</b>	<b>3444.45</b>	<b>4039.00</b>	<b>4039.00</b>	<b>6000.00</b>

6. The above table shows a steep increase in Budget Estimates from Rs. 3690.00 crore in 2017-18 to Rs. 5675.00 crore in 2018-19. The Ministry explained that there is a steep increase in the budget provisions under Revenue Section in BE 2018-19 over BE

2017-18 in view of the fact that two new schemes, viz. Pradhan Mantri Gramin Digital Saksharta Abhiyan and Promotion of Digital Payments had been rolled out during FY 2017-18. These schemes need to be implemented in a time-bound manner.

7. The Annual Plan Proposal/Approval for the years 2015-16, 2016-17 and 2017-18 and Annual Budget Proposal/Approval for 2018-19 of the Ministry of Electronics and Information Technology are as under:-

(Rs. In crore)

	Proposed		Approved	
	Outlay	Gross BS	Outlay	Gross BS
<b>2015-16</b>	10947.93	10050.00	3465.93	2568.00
<b>2016-17</b>	10141.59	9530.90	3810.69	3200.00
<b>2017-18</b>	5070.13	4034.00	5075.13	4039.00
<b>2018-19</b>	11061.47	9953.00	7108.47	6000.00

8. Detailed Annual Plan proposal and the approved Gross Budgetary Support (GBS) for the year 2018-19 (Revenue and Capital) are as under:-

(Rs. in crore)

S. No.	Scheme/Non-Schemes	2018-19			
		Proposed		Approved	
		Outlay	Gross BS	Outlay	Gross BS
	<b>NON-SCHEMES</b>				
<b>1</b>	<b>Secretariat (MeitY)</b>	<b>110.00</b>	<b>110.00</b>	<b>100.00</b>	<b>100.00</b>
<b>2</b>	<b>National Informatics Centre (NIC)</b>	<b>1493.00</b>	<b>1493.00</b>	<b>1100.00</b>	<b>1100.00</b>
<b>3</b>	<b>Regulatory Authorities</b>	<b>222.00</b>	<b>222.00</b>	<b>157.00</b>	<b>157.00</b>
3.1	STQC Programme	160.00	160.00	110.00	110.00
3.2	Cyber Security (CERT-In)	50.00	50.00	40.00	40.00
3.3	Controller of Certifying Authority (CCA)	12.00	12.00	7.00	7.00
<b>4</b>	<b>Assistance to Autonomous and Other Bodies</b>	<b>3356.47</b>	<b>2248.00</b>	<b>2678.47</b>	<b>1570.00</b>
4.1	Centre for Dev. of Advanced Computing (C-DAC)	577.00	162.00	515.00	100.00
4.2	Society for Applied Microwave Electronics Engg & Research (SAMEER)	143.00	85.00	128.00	70.00

4.3	Centre for Materials for Electronics Technology (C-MET)	60.60	30.00	50.60	20.00
4.4	National Institute of Electronics and Information Technology (NIELIT)	328.04	0.00	328.04	0.00
4.5	Software Technology Parks of India (STPI) & EHTP	186.83	0.00	186.83	0.00
4.6	ERNET	90.00	0.00	90.00	0.00
4.7	Media Lab Asia (MLA)	6.00	6.00	5.00	5.00
4.8	Unique Identification Authority of India (UIDAI)*	1965.00	1965.00	1375.00	1375.00
<b>SCHEMES</b>					
<b>4</b>	<b>Digital India Programme</b>	<b>5880.00</b>	<b>5880.00</b>	<b>3073.00</b>	<b>3073.00</b>
4.1	Manpower Development	500.00	500.00	300.00	300.00
4.2	Electronic Governance	350.00	350.00	400.00	400.00
4.3	Externally Aided Project (e-Governance)	21.00	21.00	25.00	25.00
4.4	National Knowledge Network	500.00	500.00	150.00	150.00
4.5	Promotion of Electronics & IT Hardware mfg. (MSIPS, EDF and Manufacturing Clusters)	1800.00	1800.00	864.22	864.22
4.6	Promotion of IT & ITeS Industries	80.00	80.00	50.00	50.00
4.7	R&D in IT/Electronics/CCBT	450.00	450.00	178.00	178.00
4.8	Cyber Security Projects (NCCC & Others)	325.00	325.00	110.00	110.00
4.9	Promotion of Digital Payments	303.00	303.00	595.78	595.78
4.10	PMGDISHA	1551.00	1551.00	400.00	400.00
<b>Grand Total</b>		<b>11061.47</b>	<b>9953.00</b>	<b>7108.47</b>	<b>6000.00</b>

\*Keeping in view of the functioning of UIDAI and as per the provisions of the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016, UIDAI has been grouped under Autonomous and Other Bodies.

Outlay = GBS + IEBR

9. The details of Budget allocation and expenditure incurred under Plan schemes during the years 2015-16, 2016-17, 2017-18 and 2018-19 are as under:-

(Rs. In crore)

	Budget Estimates	Revised Estimates	Actual Expenditure
<b>2015-16</b>	2630.00	2759.00	2593.81
<b>2016-17</b>	3328.82	3708.93	3638.95
<b>2017-18</b>	4039.00	4039.00	3326.44*
<b>2018-19</b>	6000.00		

\*As on 31.01.2018

10. Budgetary overview of Schemes/Non-Schemes of MeitY during FY 2015-16, 2016-17, 2017-18 and 2018-19 is as under:-

Sl. No.	Schemes/ Non-Schemes	2015-16			2016-17			2017-18			2018-19
		BE	RE	Actual Expn	BE	RE	Actual Expn	BE	RE	Actual Expn (As on 31.01.18)	BE
1	Secretariat-Economic Services	58.00	58.00	41.21	0.00	0.00	0.00	105.00	86.50	74.39	100.00
2	National Informatics Centre (NIC)	700.00	800.00	782.14	800.00	960.00	945.87	1040.00	1040.00	915.35	1100.00
3	Regulatory Authorities	212.00	192.00	153.70	183.00	167.61	139.00	167.48	133.11	106.63	157.00
4	Assistance to Autonomous and Other Bodies	123.20	184.20	176.54	935.00	1120.26	1267.40	1053.76	1353.76	1048.55	1570.00
5	Digital India Programme	1474.80	1465.80	1384.50	1282.00	1192.55	1176.38	1672.76	1425.63	1183.74	3073.00
	<b>TOTAL</b>	<b>2568.00</b>	<b>2700.00</b>	<b>2538.09</b>	<b>3200.00</b>	<b>3440.42</b>	<b>3528.65</b>	<b>4039.00</b>	<b>4039.00</b>	<b>3328.66</b>	<b>6000.00</b>

### **3.2 Position of Outstanding Utilization Certificates (UCs) and unspent Balances with States' implementing agencies**

11. The detailed position of outstanding UCs and unspent balances as on 31<sup>st</sup> December 2017, is as under:

	<b>Amount (Rs. in crore)</b>	<b>No. of UCs</b>
Utilisation Certificates due	500.70	196
Unspent Balances for which UCs are not due	1767.57	389
<b>Total Unspent Balance with States/implementing Agencies</b>	<b>2268.27</b>	<b>585</b>

12. The Ministry have submitted the position of outstanding/pending UCs on 01.04.2017 and on 15.02.2018 as under:

Position as on	Pending Utilization Certificates	
	Number	Amount (Rs. in crore)
01-04-2017	355	1023.10
15-02-2018	182	488.28
<b>UCs liquidated</b>	<b>173</b>	<b>534.82</b>

13. On the exact number of UCs which would become due in March, 2018, the Ministry stated that as per the position as on 15.02.2018, the additional number of UCs which would become due on 01.04.2018 (UCs in respect of grants released during FY 2016-17) is 213 amounting to Rs. 412.77 crore. Assuming that no UC is further liquidated, the total number of pending UCs as on 01.04.2018 would be 395, amounting to Rs.901.05 crore.

14. When asked about the new measures envisaged by the Ministry for the year 2018-19 for reducing the pending of UCs and holding implementing agencies more accountable, the Ministry submitted that regular review of implementation of projects by the grantee bodies, non-release of further grants till the liquidation of pending UCs, release of grants w.r.t. unspent balances available with the grantee body, one-to-one meeting to ascertain the difficulties in utilizing the grant, etc are few measures that would help in the reduction of pending UCs and hold the implementing agencies more accountable.

### 3.3 Internal and Extra Budgetary Resources (IEBR)

15. The approved IEBR component, Gross Budgetary Support and Total Outlay for the year 2018-19 is as under:-

(Rs. In crore)

	<b>2018-19</b>
<b>IEBR</b>	1108.47
<b>GBS</b>	6000.00
<b>Total Outlay (IEBR+GBS)</b>	7108.47
<b>IEBR as percentage of total outlay</b>	15.59%

16. The status of IEBR in respect of societies under the jurisdiction of MeitY for the years 2016-17 and 2017-18 and IEBR target for 2018-19 is as under:-

(Rupees in crore)

Institutions/ Bodies under MeitY	2016-17			2017-18			IEBR Target 2018-19 (Rupees in crore)
	BE	RE	Actuals	BE	RE	Actuals (As on 31.12.2017)	
NIELIT	260.09	302.69	306.64	306.93	307.99	212.86	328.04
ERNET	80.00	80.00	102.92	90.00	90.00	40.64	90.00
STPI/EHTP	824.25	273.67	175.55	201.00	171.90	145.22	186.83
C-DAC	284.00	284.00	415.65	356.00	356.00	265.87	415.00
SAMEER	48.00	48.00	29.67	55.20	54.00	24.70	58.00
C-MET	18.60	18.60	21.57	27.00	27.00	5.77	30.60
<b>GRAND TOTAL</b>	<b>1514.94</b>	<b>1006.96</b>	<b>1052.00</b>	<b>1036.13</b>	<b>1006.89</b>	<b>695.06</b>	<b>1108.47</b>

### 4. National Informatics Centre (NIC)

17. NIC was established in 1976, and has been credited as the "prime builder" of e-Government/e-Governance applications in all levels of the administration. It has emerged as a promoter of digital opportunities for sustainable development. To its credit, NIC spearheaded "Informatics-Led-Development" by implementing ICT applications in social & public administration and facilitated electronic delivery of services to the Government (G2G), Business (G2B), Citizen (G2C) and Government

Employee (G2E). By establishing the ICT Network, called "NICNET", NIC has facilitated the institutional linkages with all the Ministries /Departments of the Central Government, 36 State Governments/Union Territories, and about 680+ District Administrations of India. NIC's role has been instrumental in spearheading e-Government/e-Governance applications in Government Ministries/Departments at the Centre, States, Districts and Blocks, facilitating improvement in Government services, wider transparency, promoting decentralized planning and management, resulting in better efficiency and accountability to the people of India.

18. NICNET, the nationwide Network has over 70,000 nodes in all the Government buildings in Delhi & over 1,00,000 nodes in State Secretariat Buildings for access to NICNET through Wi-Fi in various Central Government Offices. There are 3465 e-Services from various Ministries, States/UTs and all Mission Mode Projects (MMP) with over 4700 crores eTransactions till date. Citizens across India access NIC portals every day for information and services. The data centres of NIC host more than 8000+ websites of the Government in the secured environment. The NIC National Cloud (Meghraj) is presently hosting a number of critical applications on over 11,000 virtual servers in the cloud environment supporting 480+ eGovernance projects and 620+ user Departments under Digital India. A new state-of-the-art data centre at Bhubaneswar has been set up and another at Bhopal is being set up. These are in addition to the existing data centres at Delhi, Hyderabad and Pune. NIC has the largest e Mail service of the country with more than 440 million e-Mails transacted per month. It has the largest Video Conferencing network in the country facilitating around 28000 multisite conferences with over 5,00,000 site hours of VC sessions conducted. Over the National Knowledge Network (NKN), a total of 1631 links to various institutions have been commissioned and made operational. NIC continues to provide vital support to PRAGATI (Pro Active Governance and Timely Implementation of various Government schemes) wherein Hon'ble Prime Minister monitors implementation of critical projects of various Ministries/ Departments across the country.



19. At the State level, NIC is providing ICT and eGovernance support to State Departments. Some of the important projects implemented are Mid-Day Meal, eHRMS (Manav Sampada), ePareeksha, Real Craft, eVidhan, eDistrict, Land records and property registration, treasuries, eHospital and many more.

20. As against the proposed allocation of Rs. 1493 crore, an amount of Rs. 1100 crore has been provided for the year 2018-19 under this Scheme. The details of BE, RE and actual expenditure in respect of National Informatics Centre (NIC) is as under:-

<b>(Rs. in crore)</b>			
<b>Financial Year</b>	<b>BE</b>	<b>RE</b>	<b>AE</b>
<b>2016-17</b>	800	960	945.87
<b>2017-18</b>	1040	1040	923.97*
<b>2018-19</b>	1100		

**\* (As on 15.02.2018)**

21. When asked whether the Ministry are hopeful of utilizing the RE allocations for 2017-18 by March 2018, the Ministry submitted that Actual expenditure for the year 2017-18 is Rs.923.97 cr. as on 15.02.2018. NIC will not only utilize all the funds allocated for 2017-18 but also they are in paucity of funds of Rs.150 cr. approx. to meet the expenditure on behalf of salary, OE and Professional Services etc. out of which, NIC is already having bills for Rs. 65 cr. pending for want of funds. Non-payment of leased line rent and salary of FMS manpower may adversely affect the network operations in various Bhawans/States.

22. On the constraints in fulfilling the targets during 2017-18, the Ministry stated that NIC's main focus is in providing latest State-of-the-art ICT infrastructure. As per increasing IT requirement at State/District level, it has become difficult to sustain the number of projects with the existing manpower with NIC and fund allocation to NIC. The other major constraint is basic infrastructure across the country to match with its huge expansion of e-governance projects and activities. Due to paucity of funds, these

activities could not be fully materialized. During the launch of Digital India Programme by Hon'ble Prime Minister, the need of addressing cyber related risks was greatly emphasized. For enhancing security of the NICNET ICT infrastructure and the services, an SFC proposal for Rs.425 cr. was initiated by NIC for 'Enhancement of Cyber Security for Government ICT Infrastructure' and submitted on 26.10.2017 for approval of MeitY. For enhancement and securing the E-mail infrastructure for Government of India by implementing a dedicated security, networking infrastructure, another SFC for Rs. 59.50 cr. is still pending for approval at MeitY.

23. When asked to provide an updated status of the manpower/technologists /Engineers required/currently working in the NIC alongwith the shortage of staff, the Ministry informed that presently there are 3919 total strength in National Informatics Centre against sanctioned strength of 4536 to support the ICT requirement. Today NIC has an organizational presence across 680+ districts, 36 States/UTs, and amongst all Central Government Ministries/Departments. NIC has already initiated process for recruitment of more manpower through NIELIT.

24. When asked about the initiatives being taken by the Ministry to manage the problem of manpower in NIC, the Ministry submitted that to strengthen the technical manpower, a proposal has been mooted for creation of 1407 posts across different levels of Scientific and Administrative officers to meet the eGovernance requirements of NIC.

25. The Committee desired to know the current status of creation of 1407 posts in NIC to which the Ministry submitted that the matter is presently under consideration/examination and NIC is continuously following up for expediting the proposals. Moreover, recruitment process is going on with NIELIT.

26. On the steps that are being taken to promote the usage of NIC email amongst the Government officials, the Ministry informed that as of today over 17 lakhs Govt. officials are using NIC email service which is more than 50% of civilian employees. Daily email transaction has already crossed 1.5 Cr. Total no. of email transaction made in the year 2017 is over 552 cr.

27. When asked as to whether any study has been taken up/conducted by the Ministry to find the efficacy of existing technology, infrastructure, etc of NIC, the Ministry stated as under:-

“NIC constantly endeavors to deliver the latest technology to the Government officials to ensure that they are empowered to effectively implement the expectations of the Digital India initiative. These technologies are delivered through key services that are the backbone for an effective eGovernance eco-system. The usage of these services are an indication of their efficacy and impact. The key services offered by NIC are today the most efficient tools in the eGovernance framework and their usage is an indication of their impact. These services include the underlying NIC network which is high speed and redundant and connects all states, districts, 28 SDC, and 26 SWAN’s, email that is always available, secure and has a user base of over 17 lakhs, SMS that is instant and ensures scalability to handle large volumes of up to 15 crore a day. Video Conferencing service allows senior government officials to stay connected with their officials in districts and do a routine review of their projects on a regular basis. There are over 1400+ VC studios over NICNET spread across the country. 25,000 multi sites conferences with more than 5,00,000 site hours of VC sessions are being held annually over NICNET. Web based desktop VC facilities are being used by over 20,000 users from central & state governments, NKN, Courts etc. with more than 3,00,000 hrs. of VC usage annually. NIC cloud under the Meghraj initiative of MeitY is a versatile platform for on-boarding of critical applications for quick roll out. It provides a salable eco-system provisioned for performance, reliability and security. As of today NIC cloud has major Government initiatives of Digital India as part of its framework which include, Digilocker, MyGov, eHospital, Transport, Jeevan Pramaan etc.”

## 5. Regulatory Authorities

### 5.1 Standardisation Testing and Quality Certification (STQC) Programme

28. A network of 15 Testing and Calibration laboratories has been established by STQC Directorate across the country including North-East region. These laboratories are equipped with state of the art standards and equipment. It provides Testing, Calibration, Training and Certification services to industry in the field of Electronics and Information Technology. Many national and international accreditations/ recognitions have made these services widely acceptable not only in India but at international level also. Currently, STQC services are being utilized by large number of organizations representing the entire segment of industry, Government departments, R&D organizations etc.

29. The BE provided for the year 2018-19 for this Scheme is Rs. 110 crore. The details of BE, RE and AE in respect of STQC, during the year 2016-17, 2017-18 & 2018-19 is as under:-

<b>Financial Year</b>	<b>(Rs. In crore)</b>		
	<b>BE</b>	<b>RE</b>	<b>AE</b>
<b>2016-17</b>	112	115	98.29
<b>2017-18</b>	120	100.63	81.81*
<b>2018-19</b>	110		

\*(As on 31.01.2018)

30. During the examination of DFG (2017-18), the Ministry had informed that the proposal for construction of STQC building at Noida is awaiting budget allocation and STQC conducted 288 technology training programs all across India. When asked about the updated status of quantifiable deliverables viz. construction of STQC Building at Noida, conducting training programs across India, the Ministry informed that Secretary, MeitY has approved to transfer STQC Noida Building to CERT-IN on their request and CERT-IN has been approached to take custody of the Building. The Ministry also informed that during 2017-18, STQC conducted 280 technology training Courses throughout the country.

## 6 Digital India Programme

31. Digital India Programme is an umbrella programme which amalgamates all the ongoing schemes/programmes/projects being implemented by MeitY. It weaves together a large number of ideas and thoughts into a single, comprehensive vision so that each of them can be implemented as part of a larger goal. This programme pulls together many existing schemes. These schemes have been restructured and re-focused and are being implemented in a synchronized manner.

32. The proposed and approved budgetary support for the Digital India programme during 2016-17, 2017-18 and 2018-19 is as under:-

S.No.	Digital India Programme Schemes	2016-17		2017-18		2018-19	
		Proposed	Approved	Proposed	Approved	Proposed	Approved
1	Manpower Development	792.71	365.00	401.00	306.76	500.00	300.00
2	Electronic Governance	1650.00	420.00	520.00	240.00	350.00	400.00
3	Externally Aided Project (e-Gov)	50.00	50.00	50.00	21.00	21.00	25.00
4	National Knowledge Network (NKN)	1000.00	250.00	275.00	150.00	500.00	150.00
5	Promotion of Electronics & IT Hardware Manufacturing	854.64	70.00	77.00	745.00	1800.00	864.22
6	Promotion of IT & ITeS Industry	543.00	5.00	6.00	6.00	80.00	50.00
7	R&D in IT/Electronics/CCBT	887.72	122.00	136.00	101.00	450.00	178.00
8	Cyber Security Projects (NCCC & Others)			30.55	100.00	325.00	110.00
9	Foreign Trade and Export			3.00	3.00		
10	Promotion of Digital Payments					303.00	595.78
11	PMGDISHA					1551.00	400.00
12	Other Schemes						
<b>Total</b>		<b>5778.07</b>	<b>1282.00</b>	<b>1498.55</b>	<b>1672.76</b>	<b>5880.00</b>	<b>3073.00</b>

33. The vision of Digital India is centred on three key areas, viz., (i) Digital Infrastructure as a Utility to Every Citizen (ii) Governance and Services on Demand and (iii) Digital Empowerment of Citizens. Digital India aims to provide the much needed thrust to the nine pillars of growth areas, viz., (i) Broadband Highways (ii) Universal

Access to Mobile Connectivity (iii) Public Internet Access Programme (iv) e-Governance – Reforming Government through Technology (v) e-Kranti - Electronic Delivery of Services (vi) Information for All (vii) Electronics Manufacturing – Target NET ZERO imports (viii) IT for Jobs and (ix) Early Harvest Programmes. The details of BE, RE and actual expenditure components of this programme being implemented by MeitY are as under:-

Sl. No.	Digital India Programme Schemes	2015-16			2016-17			2017-18			2018-19
		BE	RE	Actual Expn	BE	RE	Actual Expn	BE	RE	Actual Expn (As on 31.01.18)	BE
1	Manpower Development	694.80	494.80	489.55	365.00	365.00	310.76	306.76	256.76	241.63	300.00
2	Electronic Governance (incl. EAP)	450.00	527.00	489.46	470.00	400.55	390.78	261.00	257.00	223.58	425.00
3	National Knowledge Network (NKN)	150.00	214.00	214.00	250.00	250.00	250.00	150.00	135.00	135.00	150.00
4	Promotion of Electronics & IT Hardware Manufacturing	74.00	94.00	52.08	70.00	50.00	41.34	745.00	484.87	386.93	864.22
5	Promotion of IT & ITeS Industry				5.00	5.00	3.43	6.00	6.00	1.50	50.00
6	R&D in IT/Electronics/CBT	106.00	136.00	139.41	122.00	122.00	114.05	101.00	101.00	92.73	178.00
8	Cyber Security Projects (NCCC & Others)							100.00	60.00	52.37	110.00
8	Foreign Trade and Export	3.10	3.10	2.60	3.10	2.79	2.79	3.00			
9	Promotion of Digital Payments							0.00	25.00	0.00	595.78
10	PMGDISHA							0.00	100.00	50.00	400.00
11	Other Schemes	1.00	0.50	0.44							
<b>Total</b>		<b>1474.80</b>	<b>1465.80</b>	<b>1384.50</b>	<b>1282.00</b>	<b>1192.55</b>	<b>1176.38</b>	<b>1672.76</b>	<b>1425.63</b>	<b>1183.74</b>	<b>3073.00</b>

34. When asked whether the Ministry have compiled any information regarding money saved by the Government under each plan through introduction of digital India Programme, the Ministry informed that on account of adoption of DBT under various

Government schemes, savings of Rs. 57,029 crore have been reported till year 2016-17.

Details are as under-

Savings Reported due to DBT				
#	Ministry / Department	Scheme	Reported Savings (in Rs Cr)	
			Upto 2015-16	Upto 2016-17
1	Petroleum & Natural Gas	PAHAL	21,584	29,769
2	Food & Public Distribution	PDS	10,191	14,000
3	Rural Development	MGNREGS	3,000	11,741
		NSAP	249	399
4	Others	Others	1,120	1,120
Total			36,144	57,029

Source: [www.dbtbharat.gov.in](http://www.dbtbharat.gov.in)

35. On the number of jobs created so far under Digital India Programme, the Ministry informed that India BPO Promotion Scheme (IBPS) and North East BPO Promotion Scheme (NEBPS) launched under Digital India programme, aims to incentivize 48,300 and 5,000 seats BPO/ITeS operations respectively. The employment target under these schemes is 1.5 times the number of seats. Till now 13,780 seats under IBPS and 900 seats under NEBPS became operationalized with initial employment to 11,517 and 954 persons respectively.

### **6.1 Manpower Development**

36. The objective of the programme is to ensure availability of trained human resources for the manufacturing & 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. The BE, RE and

Actual Expenditure for the years 2016-17 and 2017-18 and BE for the year 2018-19 are as follows:-

(Rs. in crore)			
Financial Year	BE	RE	AE
2016-17	365.00	365.00	364.81
2017-18	306.76	256.76	241.64*
2018-19	300.00		

\*(As on 12.02.2018)

37. On being asked about the targets set under the scheme for the year 2017-18 and the number of persons who have been imparted training during 2017-18 under Skill Development in IT initiative, the Ministry stated that the Ministry of Skill Development and Entrepreneurship assigns a target of skilling every year to MeitY which is primarily being achieved through National Institute of Electronics and Information Technology (NIELIT), an autonomous scientific society setup by MeitY. A small portion of the target is also assigned to C-DAC which is also engaged in education and training in upcoming/emerging and niche areas at higher end of spectrum (primarily targeted at B.Tech and above). For the FY 2017-18, a target of skilling 4.40 lakh candidates was assigned to MeitY. As on 30.11.2017, a total of around 5.82 lakh candidates have been trained out of which 3.33 lakh candidates have been certified by NIELIT, CDAC and others.

38. When asked whether any third party evaluation/audit/mechanism has been put in place to evaluate the quality of training being imparted to the intended beneficiaries under the Manpower Development scheme, the Ministry informed that for major Schemes/project, third party Impact Assessment is an integral component of the approval. At present the mid-term assessment of the two schemes for Skill Development in ESDM Sector is underway by CDAC, Noida. Further, a Committee under the Chairmanship of Prof K. Mangala Sunder, IIT Madras has carried out the review of various projects/schemes under 'Manpower Development Scheme' and recommended their continuation beyond 12th plan period.



## 6.2 Electronic Governance (including EAP)

39. The objective of e-Governance, in broader terms, is to deliver all Government services electronically to the citizens in his/her locality through integrated and interoperable systems via multiple modes, while ensuring efficiency, transparency & reliability of such services at affordable costs.

40. As against the proposed allocation of Rs. 371 crore, the BE provided for the year 2018-19 for this Scheme is Rs. 425 crore. The details of BE, RE and AE for the years is as under:-

Financial Year	(Rs. in crore)		
	BE	RE	AE
2016-17	470.00	400.55	390.78
2017-18	261.00	257.00	223.58*
2018-19	425.00		

\*(As on 31.01.2018)

41. When asked about reasons for a steep reduction in budgetary allocations during the year 2017-18 vis-à-vis allocation during 2016-17, the Ministry informed that National e-Governance Action Plan (NeGAP) comprises of 6 schemes namely State Data Centre (SDC), State Services Delivery Gateway (SSDG), State Wide Area Network (SWAN), e-District, Common Services Centre (CSC) and Capacity Building (CB) Scheme. From year 2015, it has been decided by Department of Expenditure, Ministry of Finance that the NeGAP scheme would be optional for the States and funding shall be shared 80:20 between the Centre and State. Further considering 14th Finance Commission's recommendation and devolution of 42% of Union Taxes to States, NeGAP scheme has been delinked from support of the Centre w.e.f. FY 2015-16.

42. The budget estimates for 2018-19 jumped from Rs. 261 crore in 2017-18 to Rs. 425 crore in 2018-19 i.e. an increase of 62.84%. When asked about the reasons for such a steep increase in allocation, the Ministry informed that the steep increase in

allocations in respect of Electronic Governance Scheme in BE 2018-19 is due to carry-forward liabilities amounting to approx. Rs.300 crore in respect of various e-Governance projects that couldn't be released due to paucity of funds.

43. On being enquired whether any assessment of NeGP projects was done during last two years and the details of such an assessment, the Committee were apprised as under:-

“No formal assessment of NeGP project was done during last two years. However, during the course of implementation of SWAN in the States, it was always observed that this core infrastructure of CUG network is a prime necessity for further penetration of e-Governance efforts of the State Governments. Trend of utilization of SWAN in past 6-8 years has been highly encouraging which clearly suggests its ever increasing use and utility in line with increased e-readiness of States conforming to the objectives of the scheme.

Number of horizontal offices connected on SWAN has gone up all over the country and resultantly there is increased demand for bandwidth and also actual utilization of bandwidth. Further it may be supplemented that 30 States/UTs are utilizing more than 60% of their bandwidth capacity. Besides this, from time to time bandwidth has been increased in the States/UTs from 2 Mbps to 8 Mbps, from 8 Mbps to 34 Mbps for the States where demand has been continually on rise. Similarly the rack utilization in State Data Centre(SDC) is more than 50% in 25 SDC out 28 Operational SDC.”

### **6.2.1 State Wide Area Network (SWAN)**

44. The Government has approved the Scheme for establishing State Wide Area Networks (SWANs) across the country, in March, 2005 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 2 Mbps per link. Each of the State / UT can enhance the bandwidth up to 34 Mbps between SHQ and DHQ and upto 8 Mbps between DHQ and BHQ depending upon the utilization. Presently, SWANs have been made operational in 33 States/UTs.

45. When asked about the status of establishment of SWANs and Broadband utilization, the Ministry stated that SWAN has been implemented in all the States/UTs excepting J&K and UT of A&N Island. The States/UTs have been utilizing the core infrastructure of SWAN for connectivity and dedicated close user application access connectivity. SWAN has been integrated with NKN in 30 States/UTs at SHQ level and at 450 district centers to provide high bandwidth. Increasing digitization amongst states has led to higher utilization of bandwidth. Presently, 32 States/UTs are utilizing more than 60% of bandwidth of the existing link capacity. It is strongly felt that with increasing digitization amongst centre and State in future with passage of time, there will be still higher bandwidth utilization.

46. On major impediments in establishment of SWANs in the remaining States/UTs, the Ministry informed that the major impediments in establishing of SWAN in J&K and UT of A&N Island are lack of participation of System Integrators (poor bid response) and higher bid value which has led to re-tendering 4 times in respect of J&K and 2 times in respect of A&N Island.

47. On the current status of implementation of SWAN in Jammu & Kashmir and Andaman & Nicobar Islands, the Ministry informed that the State of J&K has already finalized the RFP and in another one to two month RFP will be floated for selection of System Integrator (SI). Besides, for A&N Island, Bid is already floated in GeM portal and the System Integrator is likely to finalize by the end Feb 2018.

### **6.2.2 Common Service Centres (CSCs)**

48. The Common Services Centres (CSCs) being setup across the country as ICT enabled access points for delivery of services to the citizens are integral part of “Digital India” initiative of Government of India. CSC 2.0 aims for establishing self sustaining network of 2.5 lakh CSC centres at Gram Panchayat (GP) level under Digital India- Pillar

3-Public Internet Access Programme. The project is a service delivery oriented model with effort towards optimum utilisation of backend infrastructure already created in terms of other MMPs. Government of India has also provided guidelines, which, *inter alia*, prescribe the incentives/shares of fee for G2C services to the VLEs in the ratio of 80:20 between VLE and other stakeholders. It would enhance sustainability of the program.

49. On the number of CSCs established/rolled out/operationalized during the last three years viz. 2015-16, 2016-17 and 2017-18, the Ministry informed that as on 31 December, 2017, there are 2,71,311 established CSCs in the Country. Of them 1,73,853 CSCs are at Gram Panchayat level; the remaining CSCs are in urban and semi-urban areas. The details are as follows:-

Year	Total No. of CSCs Incl GP level	No. of CSCs at GP level	No. of CSCs in Urban & Semi-Urban Areas
As on 31 March, 2016 (Cumulative)	166671	97320	69351
As on 31 March, 2017 (Cumulative)	250345	133266	117079
As on December, 2017 (Cumulative)	271311	173853	97458

50. The Ministry furnished State/UT wise details of the number of CSCs established till date as follows:-

STATE/UT-WISE STATUS OF ROLL OUT OF CSCs AS ON 31 DECEMBER, 2017				
	No. of Gram Panchayats (GP)	Total No. of CSCs Established	No. of CSCs at GP level	No. of CSCs in Urban & Semi-Urban Areas
State/UT	As on 31 Dec'17	As on 31 Dec'17	As on 31 Dec'17	As on 31 Dec'17
Uttar Pradesh	59018	65788	41592	24196
Maharashtra	27977	29987	20684	9303
Madhya Pradesh	22771	19329	14213	5116
Bihar	8315	20976	13506	7470
West Bengal	3328	17063	8215	8848
Rajasthan	9883	13382	9156	4226
Gujarat	14085	13531	7576	5955

STATE/UT-WISE STATUS OF ROLL OUT OF CSCs AS ON 31 DECEMBER, 2017				
	No. of Gram Panchayats (GP)	Total No. of CSCs Established	No. of CSCs at GP level	No. of CSCs in Urban & Semi-Urban Areas
State/UT	As on 31 Dec'17	As on 31 Dec'17	As on 31 Dec'17	As on 31 Dec'17
Tamil Nadu	12507	8852	5019	3833
Jharkhand	4398	10573	6439	4134
Chhattisgarh	10948	11856	8555	3301
Odisha	6804	7771	6349	1422
Haryana	6205	8644	5489	3155
Karnataka	6021	5851	2954	2897
Andhra Pradesh	12917	7376	4168	3208
Punjab	12922	6172	4043	2129
Telangana	8687	5509	3165	2344
Uttarakhand	7957	4720	4233	487
Assam	2548	2892	2311	581
Himachal Pradesh	3226	2731	2156	575
Kerala	939	2318	1302	1016
Jammu & Kashmir	4167	1897	1486	411
Manipur	165	628	317	311
Tripura	1157	427	361	66
Meghalaya	1463	201	86	115
Nagaland	1203	146	116	30
Arunachal Pradesh	1814	71	56	15
Mizoram	713	135	110	25
Goa	191	45	35	10
Sikkim	176	30	25	5
<b>State Total</b>	<b>252505</b>	<b>268901</b>	<b>173717</b>	<b>95184</b>
Delhi	0	2111	0	2111
Puducherry	98	126	74	52
Chandigarh	12	77	23	54
Andaman & Nicobar	260	52	23	29
Dadra & Nagar Haveli	20	25	11	14
Daman & Diu	14	12	2	10
Lakshadweep	10	7	3	4
<b>UT Total</b>	<b>414</b>	<b>2410</b>	<b>136</b>	<b>2274</b>
<b>GRAND TOTAL</b>	<b>252919</b>	<b>271311</b>	<b>173853</b>	<b>97458</b>

**Note:** Uttar Pradesh has the highest number of CSCs, and, Sikkim has the lowest no. of CSCs. Amongst the Union Territories, NCT of Delhi is having the highest number of CSCs, while Lakshadweep is with lowest number of CSCs.

51. When the Committee desired to know the number of transactions done through CSCs the Ministry have furnished the following information:-

“During the period from April, 2017 to December, 2017, a total of 401.36 lakh transactions are made by the CSCs on Digital Seva Portal towards delivery of various Government and commercial Services. Apart from these, CSCs are also implementing a number of projects like Aadhaar enrollment, PMG DISHA and providing services under banking and Aadhaar based Payment system. A total of 959.86 lakh transactions under these Services have been made by the CSCs with linkage to Digital Seva Portal. The State/UT-wise status of transactions under these services is as follows:-

STATE-WISE STATUS OF TRANSACTIONS THROUGH CSCs AS ON 31 DECEMBER, 2017						
	Transactions on Digital Seva Portal/Other than Digital Seva Portal : Apr'17 - Dec'17 (Vol in Lakh)					
State/UT	Digital Seva	Aadhaar	Banking (BC Points)	AEPS (DigiPay)	PMG DISHA Certified	TOTAL
Uttar Pradesh	53.47	98.27	100.22	54.8	10.33	317.09
Bihar	33.2	41.94	63.07	65.36	3.45	207.02
West Bengal	26.05	16.78	36.26	32.64	1.10	112.83
Chhattisgarh	40.10	1.49	9.64	25.44	2.84	79.51
Madhya Pradesh	11.05	6.71	14.68	41.11	3.09	76.64
Rajasthan	9.91	5.35	40.77	16.45	3.23	75.71
Haryana	27.31	3.14	20.92	9.03	3.20	63.60
Odisha	14.82	16.69	12.22	4.18	3.41	51.32
Jharkhand	10.34	3.21	11.3	20.39	4.06	49.30
Maharashtra	26.61	5.44	8.7	4.71	2.15	47.61
Gujarat	9.98	4.88	2.35	21.03	3.55	41.79
Himachal Pradesh	32.23	0.85	6.07	0.34	0.25	39.74
Tamil Nadu	18.89	8.32	4.5	3.45	1.60	36.76
Andhra Pradesh	20.54	1.07	3.99	6.7	0.99	33.29
Punjab	14.42	2.65	5.76	2.41	1.32	26.56
Uttarakhand	11.66	3.93	2.48	0.84	0.77	19.68
Assam	9.34	0.77	9.41	0.01	0.00370	19.53
Telangana	4.5	1.46	4.54	4.31	0.97	15.78
Kerala	8.13	0.8	1.7	0.05	0.03	10.71
Karnataka	4.51	3.92	0.31	0.27	1.55	10.56
Meghalaya	4.74	0.06	0.08		0.00002	4.88
Jammu & Kashmir	3.09	0.08	0.25	0.06	0.53	4.01
Manipur	0.71	1.95	0.27	0.41	0.02	3.36
Tripura	0.59	0.14	1.49	0.82	0.16	3.20
Arunachal Pradesh	0.14	0.09	0.29	0.01	0.00034	0.53
Sikkim	0.06	0.01	0.28	0.01	0.00000	0.36
Mizoram	0.15	0.02	0.01	0	0.02	0.20
Nagaland	0.09	0.04	0.05	0	0.01	0.19

Goa	0.04	0.01	0	0	0.00000	0.05
<b>State Total</b>	<b>396.67</b>	<b>230.07</b>	<b>361.61</b>	<b>314.83</b>	<b>48.66</b>	<b>1351.84</b>
Delhi	1.73	1.52	1.22	0.73	0.00	5.20
Andaman and Nicobar	1.52	0.04	0	0	0.00	1.56
Chandigarh	0.12	0.03	0.86	0	0.00	1.01
Puducherry	0.67	0.18	0	0.04	0.02	0.91
Daman & Diu	0.45	0.01	0	0.01	0.00	0.47
Dadra & Nagar Haveli	0.2	0.02	0	0.01	0.00	0.23
Lakshadweep	0.0002	0.001	0.00	0.00	0.00	0.0012
<b>UT Total</b>	<b>4.6902</b>	<b>1.8010</b>	<b>2.0800</b>	<b>0.7900</b>	<b>0.0230</b>	<b>9.3842</b>
<b>GRAND TOTAL</b>	<b>401.36</b>	<b>231.87</b>	<b>363.69</b>	<b>315.62</b>	<b>48.68</b>	<b>1361.22</b>

**Note:** Amongst the States, Uttar Pradesh has recorded the highest no. of transactions, and, Goa has recorded the lowest no. of transactions. Amongst the Union Territories, Delhi tops the list and least number of transactions happened in Lakshadweep.

52. When asked as to whether any mechanism has been put in place to obtain feedback on functioning of CSCs from the citizens/service users and the status of implementation of Rapid Assessment System (RAS) for CSC users, the Committee were apprised that "CSC RAS (Rapid Assessment System)", a service for feedback by citizens for various G2C services of Digital India has been implemented. The objective is to capture daily footfall at CSC centres and obtain the citizens' feedback on the services availed by them. VLEs are requested to fill the mobile or email id of the citizen and transaction number of the service availed by him/ her. Citizen gets automatic message thanking him/ her for availing the service and to know his/ her feedback. This facility gives citizens a personalized experience that Govt. is interested to know their feedback and improve the delivery network. It also gauges the VLEs behavior & performances.

53. On the major factors affecting rollout of CSCs and the ways in which major issues in setting up of CSCs in rural and remote areas can be resolved, the Ministry informed that the rollout of CSCs is being affected by several factors such as: a) Lack of adequate connectivity in remote areas, b) Lack of adequate power supply, c) Left Wing Extremism and Naxalite Extremism, d) Lack of footfalls, g) Lack of adequate G2C services at

States/UTs level. h) Lack of integration of various Service Portals at State/UT Level. Once such challenge is overcome, the CSC network ubiquitously would offer a vital and enduring capability - the means to connect digital services and empowerment into the heart of rural India. For reliable connectivity to those CSCs, this Ministry recommended that the CSCs may be located within the Gram Panchayat Office premises or nearby NOFN/BharatNet Point of terminal (PoT). CSCs are being connected through Wi-Fi Choupal initiatives. Extension of connectivity from BharatNet points at selective Panchayat level (rural India) is being executed by leveraging the CSC network because of its extensive outreach at last mile, as per the direction of Department of Telecom (DoT) under Ministry of Communications. Necessary efforts are also being made to increase the portfolio of e-Services by ensuring that various service applications developed by different State departments/organizations are integrated and made available at the National level portal of CSC (Digital Seva) for the ease of benefits to the citizens across the country.

54. When asked about the measures envisaged by the Ministry to tackle the hindrances outlined above, the Ministry informed that the roll out process under CSC 2.0 is becoming quite faster because of the following measures taken by the Ministry:

- Single implementing agency across the country- i.e. CSC -SPV under close coordination & monitoring by Ministry of Electronics & IT (MeitY).
- Already motivated VLEs are getting on-boarded as CSC 2.0 is completely based on the service/transaction oriented self-sustainable entrepreneurship model, wherein, VLEs shall arrange for Capex and Opex for setting up and operation of CSCs.
- Efforts are being made to increase the portfolio of e-Services by integrating more & more services with national level portal of CSC (Digital Seva).
- For reliable connectivity to those CSCs, CSCs are being located/relocated within the Gram Panchayat Office premises or nearby NOFN/BharatNet Point of terminal (PoT).
- CSC –SPV has already been implementing a pilot project for extension of last mile connectivity beyond BharatNet point of terminals through Wi-Fi solution.



### 6.2.3 State Data Centres (SDC)

55. State Data Centre (SDC) is one of the three core infrastructure components under the NeGP. Under the SDC Scheme, it is proposed to establish Data Centres in all the States/UTs to consolidate services, applications and infrastructure in order to provide efficient electronic delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services. These services can be rendered by the States through common service delivery platforms seamlessly supported by core connectivity infrastructure such as SWAN and CSCs as the front-end delivery outlets at the village level.

56. As on 1st December, 2017, 28 SDCs have been declared operational in Tamil Nadu, Puducherry, West Bengal, Andhra Pradesh, Meghalaya, Goa Karnataka, Manipur, Odisha, Sikkim, Haryana, Kerala, Maharashtra, Gujarat, Tripura, Rajasthan, Nagaland, Uttar Pradesh, Andaman & Nicobar, Madhya Pradesh, Lakshadweep, Chhattisgarh, Jammu & Kashmir, Mizoram Bihar, Himachal Pradesh, Jharkhand and Punjab. Year-wise progress in operational State Data Centre (SDC) for the last three years is as under:-

Financial Year	Operational Date	State where SDC made Operational
2015-16	Apr 2015	Bihar
2016-17	Jun 2016	Himachal Pradesh
	Aug 2016	Jharkhand
2017-18	March 2017	Goa
	October 2017	Punjab

57. On the targets for setting up of SDCs during the year 2018-19, the Ministry informed that SDCs will be targeted to be operational in the following States/UTs in the FY2018-19:

S. No	State/UT	Operational Date	Remarks
1	Assam	2018-19	Bid in process
2	Uttarakhand	2018-19	Bid in Process
3	Arunachal Pradesh	2018-19	RFP finalized
4	Dadar & Nagar Haveli and Daman & Diu	2018-19	RFP preparation in process

58. On the major challenges in setting up/operationalization of SDCs and steps taken by the Ministry to fix the problems leading to the repetitive delay in operationalization of SDCs, the Ministry informed that site availability, finalization of site, delayed Site selection by the States and sometimes finalized site also changed resulting in further delay in implementation of SDC. Delayed Bid Process, Multiple times Bid process, States initiated rebidding of the SDC due to various reasons, delayed internal approvals and contract signing, etc. are some of the major challenges in setting up/operationalization of SDCs.

59. The Ministry further informed that it held several meetings with the stakeholders and provided necessary support to speed-up the process and fix any problems leading to delay in implementation and operationalization of SDCs. Some of the key activities initiated by Ministry in the past years to overcome problems and speed up implementation process with the laggard States are as below:

- 1<sup>st</sup> MeitY Program Officer team did the following key activities -
  - Interacted with the States through regular emails, Video conferencing, conducted meetings in MeitY office and at States
  - Visited States and conducted meetings to resolve the issues
  - Visited SDC sites and provided required Inputs
- 2<sup>nd</sup> Level meetings were done at Joint secretary(JS) Level -
  - JS MeitY communicated to concern IT officer of State related to pending issues.
- 3<sup>rd</sup> Level communication at Secretary, MeitY Level -
  - Secretary, MeitY sent letters emphasizing the importance of SDC and its early implementation to Chief Secretary/ Secretary IT of States.
- In some cases it was taken-up at Minister level
  - Hon'ble Minister, MeitY sent letters to Chief Minister / State IT Minister to look into the matters and help in fixing issues."

MeitY are continuously following with laggard States and making all out efforts to make SDC in these States get operationalize in FY 2017-18.

### 6.3 Promotion of Electronics & IT Hardware Manufacturing

60. The demand of Electronics System Design and Manufacturing (ESDM) is estimated to grow exponentially to USD 400 Billion by 2023-24. The Government attaches high priority to electronics & IT hardware manufacturing. It has the potential to generate domestic wealth and employment, apart from enabling cybersecure ecosystem. The electronic manufacturing sector requires continuous push with the overall objective of promoting make in India, not only to meet the domestic demands but also to promote India as a hub for electronics manufacturing. Several policy initiatives under the “Digital India” and “Make in India” programs are designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure towards creating conducive environment for attracting investment in the electronics hardware manufacturing sector.

61. The BE, RE and Actual Expenditure for the year 2016-17 and BE for the year 2017-18 under the scheme are as under:-

(Rs. in crore)

Sl. No.	Name of the Scheme/ Programme	2017-18			2018-19	
		BE	RE	AE (As on 31.01.2018)	Proposed	BE
1.	Promotion of Electronics & IT Hardware Manufacturing	745.00	484.87	386.93	1800.00	864.22

62. When asked about the reasons why the allocation of Rs. 745 crore at BE(2017-18) stage was reduced to Rs. 484.87 crore at RE(2017-18) stage, the Ministry stated that due to Budget constraints, MoF has reduced the outlay of the Ministry, although there is pending requirement of funds for supporting the EMC scheme.

63. When asked whether the Ministry are hopeful of full utilization of the budget estimates of Rs. 864.22 crore for the year 2018-19, the Ministry replied as under:-

“The Ministry is hopeful of fully utilizing the budget estimate of Rs. 864.22 crore for the year 2018-19 due to envisaged expenditure in the various schemes, briefed hereunder:

**Electronics Manufacturing Clusters (EMC) Scheme:** EMC Scheme is under implementation to create conducive ecosystem for the electronics manufacturers. As a result, 19 Greenfield EMCs and 3 Common Facilities Centres (CFCs) have been accorded final approval. The Grant has been sanctioned to 11 Greenfield EMCs and one CFC. Infrastructure work has started in 15 EMCs and total expenditure incurred so far is Rs.818 crore including grant-in-aid of Rs. 252 crore. In the FY 2018-19, the requirement for funding of Rs. 250-300 crore is envisaged for implementation of the various EMC projects.

**Modified Special Incentive Package (M-SIPS):** Under the Modified Special Incentive Package Scheme (M-SIPS), as on January 2018, 248 applications with proposed investments of Rs.92,576 crore have been received. Out of these, 145 applications with proposed investments of Rs.25,279 crore have been approved, 22 applications with proposed investments of Rs.14,859 crore have been recommended by Appraisal Committee for approval, 79 applications with proposed investments of Rs.14,524 crore and 2 mega project applications with proposed investment of Rs.37,576 are under appraisal. The process of disbursement of incentives has also been started under MSIPS. Keeping in view the quantum of incentives enunciated in the approved and recommended cases, the funds would be utilized.

**Electronic Development Fund (EDF):** Electronics Development Fund (EDF) has been set up as a “Fund of Funds” to participate in professionally managed “Daughter Funds” which in turn will provide risk capital to companies developing new technologies in the area of Electronics, Nano-electronics and Information Technology (IT). Twenty two Daughter Funds have been selected for investment through EDF. The cumulative commitment of EDF to these 22 Daughter Funds is Rs 1227 crore and the total targeted corpus of these 22 Daughter Funds is around Rs 10,900 crore. Till date EDF has drawn Rs 56.99 crore from its contributors, which includes Rs 51.24 crore from MeitY and has invested Rs 25 crore to three Daughter Funds, which in turn have made investments in 42 Ventures. The release of MeitY contribution to the EDF is envisaged in the FY.2018-19. Therefore, it is likely that funds would be utilized on this count.”

64. On the major impediments in growth of Electronics & IT Hardware manufacturing sector in India, the Ministry informed that the major impediments in growth of Electronics & IT Hardware manufacturing sector in India are as follows:-

- i. **The China factor:** India's biggest competition in the sector is from China which has achieved high economies of scale and has highly subsidized operating environment, which is largely opaque.
- ii. **ITA and the WTO:** Electronics was the first sector to be opened up and which accepted zero duty regime for large number of products. As a signatory to the Information Technology Agreement-1 (ITA-1) of the World Trade Organization (WTO), India has implemented zero duty regime on 217 tariff lines. Further, under the Free Trade Agreements (FTAs) with various countries/ trading blocks, the import of electronics hardware from these countries is allowed at a duty which is lower than the normal duty rate or at "Nil" rate. Thus, there is little protection to electronics industry.
- iii. **Disability costs in domestic manufacturing:** The sector faces several disabilities which render indigenous electronics manufacturing uncompetitive. The three elements of operating environment which pose significant challenges to Indian manufacturers are: infrastructure, power and finance. Infrastructure challenges arise from poor supply chain logistics and inadequate ready availability of land. The finance costs in India are typically 5 to 6 points above international rates. Power supply though much improved in the last decade is still, in several parts, inadequate, unreliable and costly. High transaction costs due to stringent rules and regulations also add to the disability cost for manufacturers.
- iv. Limited R&D focus of the Industry

65. When the Committee desired information on annual demand of electronics and IT hardware percentage met through imports and percentage of demand met through domestic production, the Ministry furnished as under:-

Year	Annual demand of Electronics and IT Hardware in India (in Rs. crore)	Percentage of demand (met through imports (%))	Percentage of demand met through Domestic production (%)
2012-13	2,87,969	46.9	53.1
2013-14	3,30,057	45.3	54.7
2014-15	3,79,087	49.8	50.2
2015-16	4,68,046*	48.0	52.0
2016-17 <sup>@</sup>	5,58,875*	42.2	57.8
2017-18	NA	NA	NA

Note: As estimates of demands for electronics and IT hardware are not available, Consumption is taken as a proxy for demand derived by adding the estimated production figures of electronics & IT hardware (as per the figures provided/ given by various Electronics and IT Hardware Industry Associations) to the net imports of similar items.

\* Estimated / derived totals

@ Imports & Exports figures of DGCIS (used for evaluating the net imports)

66. On the plan envisaged by the Ministry to boost Electronics & IT Hardware manufacturing sector in India during the year 2018-19, the Committee were informed as under:-

“India is one of the fastest growing markets of electronics in the world. The demand of Electronics System Design and Manufacturing (ESDM) is estimated to grow exponentially to USD 400 Billion by 2023-24. The Vision is to establish India as a leading global destination for ESDM by creating a level playing field and an enabling environment for the industry to compete globally. Government has implemented several schemes which are holistic, investor-friendly and market-driven, and focused on up-gradation of infrastructure, providing incentives to offset disabilities, promoting innovation and human resource development. Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives across the ESDM value chain to compensate for disability costs in manufacturing. Electronics Manufacturing Clusters (EMC) Scheme provides support for world-class infrastructure and logistics. Safety Standards have been mandated. Rationalization of Tariff structure is an on-going exercise and providing preference to domestically manufactured electronic products in Government procurement under the aegis of the Public Procurement Order 2017 is under implementation.

The Ministry is poised to create eco-system for globally competitive ESDM sector by incentivizing domestic manufacturing and compensating disabilities. We are encouraging domestic manufacturing of electronic products and their inputs for significantly increasing value addition by building a comprehensive ecosystem, covering the entire supply chain, through suitable phased manufacturing programme and/or fiscal interventions. We also plan to devise suitable methods for promotion of manufacturing of electronic goods covered under the Information Technology Agreement (ITA-1) of WTO.

It has been a constant effort by the Government and industry to attract manufacturing to India and increase the value addition. The National Policy on Electronics (NPE) 2018 is being formulated against the aforesaid backdrop to provide the requisite framework for the same.”

67. When asked about the steps which have been taken to promote indigenous Electronics & IT Hardware manufacturing industry in India, the Ministry informed as under:-

- (i) “Promotion of electronics hardware manufacturing is one of the pillars of Digital India campaign of the Government.
- (ii) The National Policy on Electronics (NPE 2012) was notified in October 2012 with the vision to create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market. The policy is under review.
- (iii) Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the Electronics Systems Design and Manufacturing (ESDM) sector. The scheme was notified in July 2012. The scheme provides subsidy for investments in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. The scheme is available for both new projects and expansion projects.
- (iv) Electronics Manufacturing Clusters (EMC) are being set up in the country.
- (v) Notifications for 10 electronic products in furtherance of the Department of Industrial Policy and Promotion’s Public Procurement (Preference to Make in India) Order 2017 have been issued on 14.9.17.
- (vi) Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.
- (vii) For promotion of exports in the sector, Merchandise Exports from India Scheme (MEIS) and Export Promotion Capital Goods (EPCG) Scheme are available under the Foreign Trade Policy, 2015-20. MEIS offers export incentives so as to offset disabilities of manufacturing. Zero duty EPCG scheme allows import of capital goods at zero customs duty, subject to specified export obligation.
- (viii) Under the Electronics Hardware Technology Park (EHTP) Scheme, approved units are allowed duty free import of goods required by them for carrying on export activities, CST reimbursement and excise duty exemption on procurement of indigenously available goods, as per the Foreign Trade Policy.

- (ix) Tariff Structure has been rationalized to promote indigenous manufacturing of electronic goods, including inter-alia Mobile Handsets, Televisions, Electronic Components, Set Top Boxes, LED Products, Medical Electronics, Solar PV Cells and Microwave Ovens. To promote domestic value addition in mobile handsets manufacturing, a Phased Manufacturing Programme (PMP) has been notified.
- (x) To promote indigenous manufacturing of Televisions, baggage rules have been amended to ban duty free import of Flat Panel Television Sets w.e.f. August 2014 under the baggage allowance.
- (xi) Mandatory compliance to safety standards has been notified for identified Electronic Products with the objective to curb import of sub-standard and unsafe electronics goods. As of now, 43 electronic products are under the ambit of this Order.

### **Promotion of Innovation and R&D**

- (i) Electronic Development Fund (EDF) policy has been operationalized to support Daughter Funds in the area of Electronics System Design and Manufacturing, Nano-electronics and IT. The fund is housed in Canbank Venture Capital Fund Ltd. The supported Daughter Funds will promote innovation, R&D, product development and within the country.
- (ii) Keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector, Conditional Access System, entitled iCAS has been developed to promote indigenous manufacturing of Set Top Boxes (STBs). The iCAS is available to domestic STB manufacturers at a price of USD 0.5 per license for a period of three years as against market price of USD 3-5 per license for other competing products. The implementation of iCAS in the cable networks is underway.
- (iii) An Electropreneur park has been set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.
- (iv) National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.



- (v) National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
- (vi) Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru jointly with NASSCOM.
- (vii) An Incubation center with focus on medical electronics has been set up at Indian Institute of Technology-Patna.
- (viii) An Incubation Center at Kochi with focus on consumer electronics has been set up at IIITM.

Concrete steps taken during the year 2017-18 in this regard include:

- a. Modified Special Incentive Package Scheme(M-SIPS)
- b. Electronic Manufacturing Cluster (EMC)
- c. Electronics Development Fund (EDF)
- d. Growth in production of Electronics Hardware
- e. Indian Conditional Access System (iCAS)
- f. Public Procurement (Preference to Make in India) Order 2017
- g. Compulsory Safety Standards for Electronics
- h. Phased Manufacturing Programme (PMP) for cellular mobile handsets and its sub-assemblies/ parts/ components

**Tariff Rationalization:**

Rationalization of tariff structure for electronics hardware manufacturing sector is an on-going exercise.

**Ease of Doing Business:** The Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017, notified vide Notification No.68/2017-Customs (N.T.) dated 30.06.2017, as amended vide Circular No.48 /2017-Customs dated 08.12.2017, have further eased import clearance.

**Rationalization of GST Rates for Electronic Goods:** Based on representations of electronics industry associations, the GST rates for electronic goods have been rationalized.”

68. When asked about details of the revenue and employment generated from Electronics & IT Hardware Manufacturing sector during the years 2016-17 and 2017-18 along with the target for the year 2018-19, the Committee were informed that the Scheme under the aegis of Promotion of electronics manufacturing is primarily to boost investment in the sector and creating enabling environment for industry to grow and compete globally. The production of electronics is showing upward trend as detailed above. The details of employment generated are as under:-

“The EMC scheme aims to develop infrastructure for electronics manufacturing units which is a continuous process. The projects under EMC scheme are implemented through various state/private agencies. Under EMC scheme, employment to 7400 persons is reported by 10 units who have started their commercial production. As per Indian Cellular Association (ICA), the mobile handsets manufacturing sector has generated employment for about 4.5 lakh persons (direct and indirect) as 115 mobile and component manufacturing units have come up. 82 M-SIPS units have made investment amount of Rs. 3,832.89 crore and 74 units have started commercial production. The production amount is Rs. 35,949.75 crore (domestic and export). These units have paid duties (Excise, GST etc.) of Rs. 1447.72 crore. Employment provided by these units is 43,349 (Direct & Indirect).”

69. Regarding the major categories of Electronics and IT Hardware being imported into India, the Ministry stated as under:-

“The major categories of Electronics and IT Hardware being imported in India are:-

- (i) Parts of Telecom Equipment
- (ii) Cellular Mobile Phones
- (iii) Solar Cells and Modules
- (iv) Telecom networking equipment, Base Stations
- (v) Personal computers
- (vi) LCD panels
- (vii) Servers and storage devices
- (viii) Populated Printed Circuit Boards
- (ix) Semiconductors, Electronic components”

70. On the synergy between the ‘Promotion of Electronics & IT Hardware Manufacturing’ scheme and the ‘Make in India’ Project of Government of India, the

Committee were apprised that The Government attaches high priority to electronics hardware manufacturing, which is one of the important pillars of both “Make in India” and “Digital India” programmes of Government of India. The sector faces many challenges which, *inter-alia*, include lack of adequate infrastructure, supply chain and logistics; high cost of finance, taxation issues, inflexible labour laws, limited R&D focus, inadequate funding and limited value addition. The electronics manufacturing sector requires continuous push with the overall objective of promoting make in India, not only to meet the domestic demand but also to promote India as a hub for electronics manufacturing.

#### **6.4 Cyber Security Projects (NCCC & others)**

71. Cyberspace today is the common tool used by citizens, civil society, businesses and Government for communication and dissemination of information. The objective is to adopt a holistic approach towards securing the cyber space of the country by pursuing multiple initiatives like Security Policy, Compliance and Assurance, Security, Incident-Early warning & Response, Security Training, Security specific R&D, Enabling Legal Framework and Collaboration. An allocation of Rs.110 crore has been made to Cyber Security Projects (NCCC & others) as against the proposed allocation of Rs. 325 crore.

72. Regarding the National Cyber Coordination Centre (NCCC) and the status of setting up of NCCC, the Ministry informed that Government has proposed to set up the National Cyber Coordination Centre (NCCC) to generate near real time macroscopic views of the cyber security threats in the country. The centre will scan the cyberspace in the country at meta-data level and will generate near real time situational awareness. NCCC will be a multi stakeholder body and will be implemented by Indian Computer Emergency Response Team (CERT-In) at Ministry of Electronics and Information Technology (MeitY). The proposed centre will provide a structured system and facilitate coordination among different agencies by sharing with them the metadata from

cyberspace for taking action to mitigate the cyber security threats. Phase-I of NCCC has been operationalised in July, 2017. On the basis of learning from implementation of Phase-I of NCCC, Request for Proposal (RFP) for phase-II of NCCC is being prepared. The Phase-II is targeted to be operationalised during the year 2018-2019 subject to availability of funds, space and manpower.

73. On the testing infrastructure and facilities for IT security products are currently available in the country, the Committee were apprised that Testing infrastructure for IT security products are available at IT Centres of Standardisation Testing and Quality Certification (STQC) Directorate, an attached office of the Ministry, at Kolkata, Delhi, Bengaluru, Chennai and Trivandrum. The test facility available at these centres are as follows:-

- i. **STQC IT Centre – Kolkata:** The scope for testing at Kolkata include Testing of IT infrastructure, Vulnerability Assessment, Penetration Testing and Application Security. This centre is also testing Security products as per Common Criteria Standards upto EAL4.
- ii. **STQC IT Centre – Delhi:** The scope of testing at Delhi includes testing of authentication and access control modules used in telecommunications devices upto EAL2.
- iii. **STQC IT Centre – Bengaluru:** The scope for testing at Bengaluru includes testing of IT Infrastructure and Vulnerability Assessment,
- iv. **STQC IT Centre – Trivandrum:** The scope for testing at Trivandrum includes Application Security Testing
- v. **STQC IT Centre – Chennai:** The scope for testing at Chennai include Application Security Testing.

In addition to STQC, C-DAC Hyderabad has source code analysis tools for auditing the source code of software solutions/products. C-DAC Hyderabad also has various proprietary and open source tools for carrying out penetration testing of IT products/solutions.

74. On the extent to which CERT-In has been able to prevent cyber-threats to online financial transactions, and details about the achievements and shortcomings of CERT-In, the Ministry, in a written note, stated that CERT-In has taken the following major initiatives to prevent cyber- threats to online financial transactions such as:-

- i. A number of Advisories have been issued by CERT-In for users and organisations to secure digital payment systems.
- ii. Cyber Swachhta Kendra (Botnet Cleaning and Malware Analysis Centre) of CERT-In is working with various banks and financial institutions to track infected systems and vulnerable services/systems within their networks. Cyber Swachhta Kendra advises the infected/vulnerable systems to Banks on daily basis alongwith remedial measures to clean and secure the systems.
- iii. CERT-In is regularly issuing tailored alerts to financial institutions to enable proactive threat prevention by the respective entities.
- iv. CERT-In has also been instrumental in ensuring that a Chief Information Security Officer (CISO) at a senior level is appointed by every financial institution including banks and government organisations. As on 31<sup>st</sup> January, 2018, the total no. of CISOs in Financial sector are 283.
- v. CERT-In is conducting Training and Joint Exercises on Cyber Crisis Management Plans for all key organisations including Financial Institutions.
- vi. Setting up of Sectoral CERT for the Financial Sector (CERT-Fin) - Actions have been initiated by the Government to set up CERT-Fin which will work in close coordination with all financial sector regulators and other stakeholders.

Keeping in view the technology and complexity of the emerging threats, the Ministry are putting up efforts in augmenting the manpower and space for CERT-In.

## **6.5 Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)**

75. The allocation under PMGDISHA was increased from Rs.100 crore in 2017-18 (RE) to Rs.400 crore in BE 2018-19. When asked about the physical targets set and actual achievement under the Scheme, the Ministry informed that the Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) was approved by the Government in February, 2017 to usher in digital literacy in rural India by covering 6 crore rural households (one person per household) at a total outlay of Rs. 2,351.38 crore. For implementation of the Scheme, an amount of Rs. 50 crore was allocated in 1st Supplementary Grant, which

was released to the implementing agency of the Scheme viz. CSC e-Governance Services India Ltd. Further, an additional amount of Rs. 50 crore has been allocated for the Scheme in the 2nd Supplementary Grant. This amount will be released to the implementing agency once formal approval of the Department of Expenditure for the re-appropriation of funds is received. Under the Scheme, a total of around 1.05 crore beneficiaries have been trained out of which around 52.49 lakh candidates have been duly certified.

## **6.6 R&D in Electronics in IT/CCBT**

76. In 2018-19, as against a proposed allocation of Rs. 450.00 crore, the Ministry have been allocated Rs. 178.00 crore. The Committee were informed that in 2017-18, as against an allocation of Rs. 101 crore, the actual expenditure as on 13.02.2018 stood at Rs. 93.02 crore & the remaining budget will be utilized by the end of financial year. On the targets set for 2017-18 and their achievement, the Committee were apprised as under:-

**“R& D in Electronics:** 12 new projects were targeted for initiation. However 4 projects were initiated as per the availability of funds in the area of in the areas of micro processor, receiver for Indian GPS (NAVIC), flexible batteries & Optical fiber.

Besides this, 37 ongoing projects were continued which led to 10 ToTs, 19 Patents, about 1300 Specialized Manpower and about 100 publications in the area of NSM, Micro electronics, Nano electronics, Medical Electronics, Electronics material components, Photonics, Process automation, Intelligent transportation, e-Waste and Power electronics.

R& D in IT: 10 ongoing projects in the various thrust areas of IT were continued which led to one ToT, 2 Patents and about 56 publications in the area of ITRA, Perception Engineering, Bio-informatics and FOSS. 5 New projects were targeted for initiation, however due paucity of funds, these could not be initiated.”

77. As against Rs. 101 crore in 2017-18 an allocation of Rs.178.00 crore has been made for R&D in IT/Electronics/CCBT. Asked about the manner in which the allocation for 2018-19 is proposed to be expended, the Ministry replied as under:-

“R& D in Electronics: In the FY 2018-19, there are 39 ongoing projects in the R&D in electronics area. These need to be funded towards completion leading to ToT, Deployment and IP generation etc. The major projects are being implemented in the area of National Super Computing Mission (NSM), Micro electronics, Nano electronics, Medical Electronics, Electronics material components, Photonics, Process automation, Intelligent transportation, e-Waste and Power electronics etc.,. Besides this new projects need to be initiated in areas of Power electronics, Electric vehicle, AMOLED, Nano-electronics etc. The requirement for the on-going and new projects is about Rs 904.00 Crore (Rs. 840.00 Crore for ongoing projects and Rs. 64.00 Crore for new projects). However the budget allocation for FY 2018-19 is only Rs. 178.00 Crore. Using the allocated fund of Rs. 178 Crore, the project would be prioritized and implemented/initiated. R&D projects for development of indigenous technologies for microprocessor and receiver for Indian constellation (NavIC) were initiated. As an outcome of the on-going R& D projects technologies/ product like MEMS based sensor for Ammonia , Wafer to wafer interconnect, Smart Energy meter, microwave printed Circuit board (PCB) substrate, green power for telecom towers , Tactile graphics were developed and transferred to industry for commercialization.

R&D in IT: In the FY 2018-19, there are 10 ongoing projects in the R& D in IT area. These need to be funded towards completion leading to ToT, Deployment and IP generation etc. The major projects are being implemented in the area of ITRA, Perception Engineering, Bioinformatics and FOSS etc. Besides these new projects need to be initiated in the new/emerging areas to address National level challenges through R&D. The requirement for the on-going and new projects is about Rs 65.00 Crore (Rs. 40.00 Crore for ongoing projects and Rs. 25.00 Crore for new projects). Using the allocated fund of Rs. 178 Crore, the project would be prioritized and implemented/initiated. As an outcome of the on-going R&D projects technologies for neuro-rehabilitation serious game therapy systems using sensors, hardware for a range of strokes, spinal cord injuries, age-related ambulatory issues developed and transferred to a company and efforts are underway to market these in Indian and western markets.”

## **6.7 Promotion of Digital Payments**

78. The Digital India programme is envisioned to transform India into a digitally empowered society and knowledge economy. Promotion of digital payments has been accorded highest priority by the Government of India to bring each and every segment of our country under the formal fold of digital payment services. The Vision is to provide facility of seamless digital payment to all citizens of India in a convenient, easy, affordable, quick and secured manner. Ministry of Electronics & Information Technology (MeitY) has been entrusted with the responsibility of leading this initiative on “Promotion of Digital Transactions including Digital Payments”. MeitY is working on various strategies, ideation with multiple stakeholders including Banks, Central Ministries/Departments and States, to create an ecosystem to enable digital payments across the country. MeitY is working on strengthening of Digital Payment infrastructure and creating awareness through promotions of digital payments with all the stakeholders to achieve Government’s vision of making citizens of this country digitally empowered. Citizens have been provided multiple options to make digital transactions. A dedicated ‘Digidhan Mission’ has been setup in MeitY for building strategies and approaches in collaboration with all stakeholders to promote digital payments and create awareness.

79. As against Rs.25 crore allocated in RE 2017-18, an increased allocation of Rs.595.78 crore has been made under the scheme Promotion of Digital Payments. When asked about details of target to be achieved under the scheme for 2018-19, the Ministry informed that the targets to be achieved are:-

- Campaign for On-boarding of 40 lakh merchants throughout India on BHIM/BHARAT QR
- MDR Disbursement to Banks for Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to Rs. 2000
- Syndicated Campaign along with Banks for promotion of Digital Payments throughout India



80. On the aims and objectives of the scheme and details of Physical and financial targets, the Committee were apprised as under:-

- In the digital payments ecosystem, merchants play a very crucial role especially in a country like India where nearly 90% of merchants are from the unorganized sector in the form of small grocery stores, local outlets, etc. The scheme targets to on-board 40 lakh merchants throughout India on BHIM/BHARAT QR for accepting Digital Payments
- In order to ensure widespread acceptance of Digital Payments there was a need to make Digital Payments at par with Cash Transaction for the consumer as well as the merchant. The Banks charge MDR from the merchant and the merchant in turn used to collect such charges from customer. In order to prevent this for small value transactions, MDR applicable on Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to Rs. 2000/- in value will be borne by Government for a period of two years with effect from 1st January, 2018 by reimbursement of the same to the acquirer banks so that no MDR is payable by the merchant in respect of such transactions. This will promote Digital Payments especially for low value transactions.
- In order to generate awareness about Digital Payments and its benefits as compared to Cash Payments, a syndicated campaign along with Banks for promotion of Digital Payments throughout India will be undertaken.

81. When asked whether the Ministry have compiled any data regarding fraud cases and financial losses due to e-fraud, the Ministry furnished the RBI Data on Credit Card, ATM/Debit Cards & Internet Banking fraud cases for the last five years, as under:-

**RBI Data on Credit Card, ATM/ Debit Cards & Internet Banking fraud cases (amount involved  $\geq$  ₹1.00 Lakh)  
reported during last five year( 2012-13 to 2016-17) (Amount in Rs Lakhs)**

State Name	2012-13		2013-14		2014-15		2015-16		2016-17	
	Number of frauds	Amount in Lakhs	Number of frauds	Amount in Lakhs	Number of frauds	Amount in Lakhs	Number of frauds	Amount in Lakhs	Number of frauds	Amount in Lakhs
Others	1	60.32	0	0	5	1922.38	13	70.86	7	21.68
Andhra Pradesh	25	109.36	22	91.17	14	35.18	35	173.26	31	64.17
Assam	2	17.9	1	1.04	0	0	1	5.98	3	10.63
Bihar	3	48.27	3	9.8	0	0	4	16.46	4	6.5
Chandigarh	5	13.72	2	3.53	3	31.22	3	16.19	7	18.88
Chhattisgarh	0	0	2	23.81	1	1.2	4	20.78	1	1.33
Delhi	71	728.83	69	329.14	35	114.27	74	226.33	156	343.61
Goa	0	0	1	1.59	3	8.43	8	62.94	0	0
Gujarat	10	107.01	24	128.26	11	275.86	26	70.83	16	53.32
Haryana	161	773.87	231	2156.08	187	1132.17	194	684.93	238	827.65
Himachal Pradesh	0	0	0	0	0	0	1	1.1	1	1.5

Jammu & Kashmir	0	0	2	16.13	2	32.53	0	0	1	9.4
Jharkhand	1	1.19	1	3.92	0	0	2	2.95	9	12.05
Karnataka	97	309.81	111	580.64	91	433.28	179	477.28	221	916.47
Kerala	6	101.87	1	2.96	8	22.36	2	2.5	9	45.92
Madhya Pradesh	1	8.1	5	6.66	0	0	5	12.14	4	9.68
Maharashtra	208	1702.17	328	1478.86	255	675.13	368	1589.63	380	1210.51
Orissa	3	3.34	3	7.21	3	9.8	6	7.67	1	6.13
Pondicherry	0	0	1	2	1	2.75	1	2.54	2	4.52
Punjab	3	11.5	1	9.9	2	7.83	3	12.52	3	26.69
Rajasthan	5	65.68	4	26.59	2	8.61	4	8.54	10	16.35
Sikkim	0	0	0	0	2	3.05	0	0	0	0
Tamil Nadu	163	566.75	125	325.51	175	354.26	201	373.23	208	438.54
Uttar Pradesh	16	30.79	26	129.93	20	46.36	39	93.24	37	104.3
Uttaranchal	0	0	0	0	1	1	3	26.1	5	13.31
West Bengal	11	270.34	17	120.16	24	51.33	15	62.12	19	66.6
<b>Grand Total</b>	<b>792</b>	<b>4930.82</b>	<b>980</b>	<b>5454.89</b>	<b>845</b>	<b>5169</b>	<b>1191</b>	<b>4020.12</b>	<b>1373</b>	<b>4229.74</b>
Note : State wise data for amount one lakh below is not available										

82. Regarding the adequacy of existing legal frame work to deal with cases of cyber crimes involving financial transactions/ Digital Payments etc. and the need to create a separate entity such as Digital Payments Authority, the Ministry informed that Reserve Bank reviews the cyber security developments and threats on an ongoing basis and necessary measures are taken to strengthen the cyber resilience of banks. RBI has taken multiple measures, including the creation of Cyber security framework at Banks. Financial CERT is in the process of development which caters to cyber security cooperation among the various financial entities. The existing legal framework is adequate to deal with cyber crimes involving financial transactions / Digital Payments and a separate authority may not be needed.

83. On the legal constraints being faced by the Government in checking the menace of cyber-crime pertaining to online financial transactions and the measures proposed to overcome the same, the Ministry informed that Cyberspace is cross-border, virtual, unregulated and provides anonymity to an extent. There are several challenges in ensuring protection of data as well as other cybercrimes in cyberspace. Some of the

major issues are jurisdictional issues (global as well as regional/country-wide) because of which enforcement of law is difficult. Also security w.r.t. hacking and leakage of data is a challenge. New forms of cybercrime like ransomware, where user data and system is hacked and encrypted and ransom is demanded to decrypt the data has emerged as a big challenge. Further, implementing the law is challenging as the onus, at times, is on victim to prove that law has been violated. Although IT Act 2000 has ample provisions to deal with prevalent cyber crimes, steps towards preparation of an exclusive personal data protection legislation has been initiated.

84. When asked about the level of preparedness of Law Enforcement Agencies in India in dealing with cases of cyber crimes and whether the existing mechanisms are adequate to address the likely increase in cases of cyber crimes, cyber frauds, financial e-frauds etc., the Ministry informed that with the rapid growth of technology particularly ever-growing use of social media and mobile Apps, it is important to update the skill set of law enforcement agencies on a regular basis. Government has taken following steps to train and develop Cyber Crime investigators:-

- i) Ministry of Home Affairs has issued an Advisory to the State Governments and Union Territory Administrations to build adequate technical capacity in handling cyber crime including trained manpower for detection, registration, investigation and prosecution of cyber crimes. Also, under the Cyber Crime Investigation programme, Ministry of Home Affairs is supporting the establishment of Cyber Crime Police Stations (CCPS) and Cyber Crime Investigations and Forensic Training Facilities (CCITF) in each State / Union Territory of India under Police Modernization Scheme. Action also has been taken to set up a National Centre of Excellence exclusively devoted to render Cyber Forensic services and to act as National Research and Training Centre on Cyber Forensics.
- ii) Ministry of Home Affairs is implementing the 'Cyber Crime Prevention against Women and Children (CCPWC)' scheme from NIRBHAYA funds of the Ministry of Women & Child Development in the period 2017-2020, which inter alia, aims at setting up an online cyber-crime reporting platform, cyber forensic training cum laboratories in States/UTs, R&D

facilities and capacity building in law enforcement against cyber-crime. The main objective of the scheme is to facilitate handling of issues related to cyber-crime against women and children.

- iii) A major programme has been undertaken on development of cyber forensics tools, setting up of infrastructure for investigation and training of the users, particularly police and judicial officers in use of this tool to collect and analyze the digital evidence and present them in Courts.
- iv) Indian Computer Emergency Response Team (CERT-In) and Centre for Development of Advanced Computing (CDAC) are involved in providing basic and advanced training to Law Enforcement Agencies, Forensic labs and judiciary on the procedures and methodology of collecting, analyzing and presenting digital evidence.
- v) MeitY has setup Cyber Forensics Training Lab at CBI Academy Ghaziabad. Also In collaboration with Data Security Council of India (DSCI), Cyber Forensic Labs have been set up at Mumbai, Bengaluru, Pune and Kolkata for awareness creation and training programmes on Cyber Crime investigation. National Law School, Bangalore and NALSAR University of Law, Hyderabad are also engaged in conducting several awareness and training programmes on Cyber Laws and Cyber crimes for judicial officers. Mumbai, Pune, Bangalore and Kolkata and in north-eastern States at respective Police headquarters to train LEA officials (Police) in cyber crime detection, seizing and imaging of digital evidence. Using these facilities, more than 28000 Police /LEA personnel have been trained.
- vi) Government has formulated a set of investigation manuals with procedures for Search, Seizure Analysis and Presentation of digital evidence in courts. The manuals have been circulated to Law Enforcement Agencies in all States.
- vii) Government organised Cyber Crime Awareness workshops in 17 cities (Ahmadabad, Chandigarh, Bhopal, Lucknow, Jaipur, Patna, Shimla, Shillong, Dehradun, Thrissur, Bhubaneswar, Ranchi, Nagpur, Srinagar, Raipur, Goa and Mangalore.

85. When asked whether there is any specialized nodal agency in India to deal with cases of cyber-crime and if not, do the local law enforcement agencies (LEA) in India

have sufficient expertise and resources to deal with cases of cyber-crime which may transgress national boundaries, the Committee were apprised as under:-

- (i) “As mentioned on the website of Ministry of Home Affairs, Cyber and information Security Division deals with cases of cyber – crime including cyber investigation (Source - <http://mha.gov.in/CIS>)
- (ii) Cyber incidents need to be reported on the CERT-In website at [www.cert-in.org.in](http://www.cert-in.org.in) or incident response helpdesk
- (iii) Further, the cyber crimes may also be reported to the banks / financial services provider helplines.

RBI has also setup an awareness helpline which also guides users to on how to report frauds. (Reference link - [https://rbi.org.in/SCRIPTS/BS\\_PressReleaseDisplay.aspx?prid=42214](https://rbi.org.in/SCRIPTS/BS_PressReleaseDisplay.aspx?prid=42214))”

86. On being asked as to whether there is any central helpline for victims of cyber crime pertaining to online Digital Payments and security of data, the Ministry informed as under:-

- “1. Cyber incidents can be reported on the CERT-In website at [www.cert-in.org.in](http://www.cert-in.org.in)
2. Further, the cyber incidents can also be reported to the respective bank’s website or financial service provider’s helpline.
3. RBI has also setup an awareness helpline which also guides users to on how to report frauds. (Reference link - [https://rbi.org.in/SCRIPTS/BS\\_PressReleaseDisplay.aspx?prid=42214](https://rbi.org.in/SCRIPTS/BS_PressReleaseDisplay.aspx?prid=42214))”

87. Asked as to whether any steps have been taken to address the issue of cyber crimes, cyber frauds, financial e-frauds etc. from the perspective of the victims and what role can be played by CERT-In in this direction, the Ministry informed about the steps as under:-

1. “Reserve Bank reviews the cyber security developments and threats on an ongoing basis and necessary measures are taken to strengthen the cyber resilience of banks. RBI had developed a comprehensive Cyber Security framework encompassing various aspects of Cyber security.
2. RBI has also set up a Cyber Crisis Management Group to address any major incidents reported including suggesting ways to respond. Based on market intelligence and incidents reported by the banks,

advisories are issued to the banks for sensitising them about the threat & to enable them to take prompt preventive/corrective action. RBI also conducts cyber security preparedness testing among banks on the basis of hypothetical scenarios with the help of CERT-In and ReBIT. RBI carries out IT Examination of banks separately from the regular financial examination of the banks since 2015 to assess their cyber resilience. The examination, inter-alia, evaluates the processes implemented by banks for security checks like VA/PT etc. and their follow up action.

3. Indian Computer Emergency Response Team (CERT-In) has issued 27 focused advisories on awareness of security aspects of digital payments, from Nov'16 to Dec' 17, that aim at creating cyber security know-how by analyzing the threat vectors and suggesting best practices for the specific area in cyber security.
4. Government has formulated a Cyber Crisis Management Plan (CCMP) for countering cyber attacks and cyber terrorism for implementation by all Ministries/Departments of Central Government, State Governments/UTs and their organizations and critical sectors. Guideline documents and templates have been published to assist development and implementation of sectoral Crisis Management Plan. The Indian Computer Emergency Response Team (CERT-In) along with Reserve Bank of India is enabling implementation of CCMP in banks by means of cyber security framework, minimum baselines resiliency requirements and best practices/guidelines. To enable and assess cyber security posture of organizations and effectiveness of CCMP implementation, Cyber security mock drills are being conducted regularly by CERT-In in Government and critical sectors.
5. Cyber security awareness sessions are conducted by Ministry of Electronics and Information Technology (MeitY) under the Digishala Awareness Campaign.
6. MeitY has organized 2 workshops for banks, Internet Service Providers, (ISPs) and Prepaid Payment Instruments (PPIs) issuing entities regarding security of digital payments systems.
7. Free Tools released for Citizens: CERT-In has also released free security tools which can be used by citizens to detect threats on mobile and desktops. These are Bot removal tool, USB Pratirodh, AppSamvid and M-Kavach.
8. CERT-In is operating incident response help desk wherein incidents like phishing websites which lures victims to divulge sensitive credential information are reported by users and organisations. CERT-In is working in coordination with banks, RBI, Internet Service

Providers and international CERTs to track and disable such phishing websites.

9. CERT-In is issuing advisories for users and organisations to create awareness about cyber frauds and threats and to secure digital payment systems.
10. CERT-In is providing tailored alerts to banks and financial sector organizations regarding latest threats and advising countermeasures.
11. Victims require to report cyber crimes and cyber fraud cases to Law Enforcement agencies for investigation.”

88. About the initiatives taken to bring awareness about financial e-frauds etc. amongst the citizens, the Ministry informed as under:-

1. “CERT-In has issued 27 focused advisories on awareness of security aspects of digital payments, from Nov’16 to Dec’ 17, that aim at creating cyber security know-how by analyzing the threat vectors and suggesting best practices for the specific area in cyber security. These advisories include security measures for users and organisations.

2. A series of episodes were launched in DigiShala TV Channel to enhance awareness about financial e-frauds and follow Cyber Hygiene practices.

3. Free Tools released for Citizens: CERT-In has also released free security tools which can be used by citizens to detect threats on mobile and desktops. These are Bot removal tool, USB Pratirodh, AppSamvid and M-Kavach.

4. Advisories are published by CERT-In at its website (<http://www.cert-in.org.in>) for increasing awareness towards securing digital payments.

5. Providing latest information to citizens about malware threats, security best practices, countermeasures, security tools to secure/disinfect users’ systems through the website of [www.cyberswachhtakendra.gov.in](http://www.cyberswachhtakendra.gov.in)

6. CERT-In had advised Banks to issue its advisories to its customers to follow secure digital banking practices.

7. MeitY, with support from Data Security Council of India and Google India launched an initiative- ‘Digital Payment Suraksha’ in the country. The initiative has a two-pronged approach mutually complementing each other (i) Digital Payment Security Awareness Campaign: To spread awareness around security aspects of digital payments in the society, penetrating it to communities such as traders, micro and small businesses and citizens at large. (ii) Digital Payment

Security Alliance: To bring all stakeholders on a common platform and progress together in building up a sustainable ecosystem of digital payment security in the country.”

## **7 Autonomous and Other Bodies**

### **7.1 Unique Identification Authority of India (UIDAI)**

89. Unique Identification Authority of India (UIDAI) was established in 2009 as an attached office under the aegis of the erstwhile Planning Commission to operate a Central Plan Scheme aimed at providing a Unique Identification number to every resident of the country. UIDAI is a transformational initiative that involves establishing identity infrastructure for providing unique digital identity in the form of Aadhaar number (a twelve digit random number) to the residents. The Aadhaar number establishes uniqueness by the process of biometric de-duplication and enables online authentication anytime and from anywhere for verification of identity. From September 2015 onwards, UIDAI has been shifted under the Ministry of Communications and Information Technology, Department of Electronics and Information Technology (DeitY) by virtue of Cabinet Secretariat’s Notification S.O.2492(E) dated 12<sup>th</sup> September 2015.

**(Ref: Pointwise material P.11)**

90. The Ministry have furnished the details of allocations to the UIDAI during last 5 years along with the actual utilization as under:-

<b>Year</b>	<b>BE Allocation (Rs.in crore)</b>	<b>RE Allocation (Rs. in crore)</b>	<b>Utilization (Rs. in crore)</b>
2012-13	1758.00	1350.00	1338.72
2013-14	2620.00	1550.00	1544.44
2014-15	2039.64	1617.73	1615.34
2015-16	2000.00	1880.93	1680.44
2016-17	1140.00	1135.27	1132.84
2017-18	900.00	1200.00	791.24 (as on 31.01.2018)



91. On the targets set to be achieved for the financial year 2018-19, the Ministry informed that UIDAI has been allocated grants-in-aid of Rs.1375 crore against the BE 2018-19 projection of Rs.1600 crore. The targets for the financial year 2018-2019 are as follows :

- To issue Unique Identification Numbers for every resident
- To provide robust, ubiquitous and cost effective on-line authentication services
- To provide updation services
- To aid financial inclusion
- Continue with Aadhaar enrolment of residents and achieve universal enrolment.

92. When asked about the impact of UIDAI getting a legal status on the privacy of citizens and the likely security implications, the Committee were apprised as under:-

“The Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 [Act 18 of 2016], was passed by the Parliament on 16-03-2016. It is designed to promote good governance, financial inclusion and for targeted delivery of subsidies, benefits and services to deserving individuals in a transparent manner. In the Act, all important, legally validated and well certified principles of data privacy and protection of information have been incorporated. From the very inception, UIDAI has respected the principles of privacy. The Aadhaar ecosystem, infrastructure and technology as described under the Aadhaar Act and the Regulations framed thereunder protect privacy.

UIDAI was meant primarily to lay down policies and to implement the unique identification scheme by which the resident of India were provided a unique identification number through the Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016. Further, the process of enrolment, authentication, security and confidentiality were made also statutory through the various Regulations which inter-alia include that is, Aadhar (Enrolment & Update) Regulations, 2016; Aadhaar (Authentication) Act, 2016; Aadhaar (Data Security) Regulations, 2016; and Aadhaar (Sharing of Information) Act, 2016 etc. The Act and the Regulations are easily available on the public domain.

2. The scheme of issuance of Aadhaar numbers involve certain issues, such as security and confidentiality of information, imposition of obligation of disclosure of information so collected in certain cases, possible impersonation by certain individuals at the time of enrolment, investigation

of certain acts constituting offence particularly in relation to unauthorised disclosure of information collected for the purposes of issue of the unique identification numbers, which should be addressed by law and attract penalties wherever required.

3. With a legal / legislative framework in place, these issues of privacy, data security, sharing of information and matters related to offences and penalties have been addressed effectively.
4. The Act further lays down the powers and functions of the Authority, the framework for issuing Aadhaar, framework for Authentication of the Aadhaar number holder to establish identity, major penalties and matters incidental thereto through an Act of Parliament. However, with regard to Aadhaar, it is stated that there are adequate provisions for data protection and protection of privacy of the individuals and that due consent is taken from the individual for any use of the Aadhaar data. The following provisions are relevant in this regard:-

(a) Section 3(2) which provide for informing the individual at the time of enrolment, the manner in which the information collected shall be used, the nature of recipients with whom the information is intended to be shared and the existence of the right to access his own information.

(b) Section 8(2) and 8(3) provide for obtaining the consent of the individual before collecting the identity information for the purpose of authentication, and to ensure that the identity information is only used for submission to the CIDR and further that the requesting entity shall inform the individual the details of the nature of information that may be shared upon authentication, the uses to which the information is put to by the requesting entity and the alternatives to submission of identity information to the requesting entity

(c) Section 29 (1) further stipulates that no core biometric information shall be shared with anyone for any reason or used for any purpose other than the generation of Aadhaar and authentication.

(d) Section 29(3) provide that no identity information shall be used for any other purpose, other than specified to the individual at the time of submitting any identity information or the identity information shall be disclosed except with the prior consent of the individual to whom such information relates. Section 29(4) stipulates that no Aadhaar Number or

core biometric information collected or created shall be published, displayed or posted publicly except as may be specified by regulations.

(e) Section 33 provides for in details the circumstances and manner in which disclosure of identity information or authentication records can be made. Disclosure can be made only pursuant to an order of a court not inferior to that of a District Judge and / or disclosure made in the interest of national security in pursuance of a direction of an officer not below the rank of a Joint Secretary to the Government of India specially authorized for the said purpose. Further, any direction issued pursuant to concerns of national security, shall be reviewed by an oversight Committee consisting of the Cabinet Secretary and the Secretaries to the Government of India in the Department of Legal Affairs and the Department of Electronics and Information Technology (now MeitY) before it takes effect; moreover, any such direction would be valid for three months from the date of issue and extended for further period of three months after review by an Oversight Committee. However, under no circumstances core biometrics shall be shared under whatsoever circumstances.

5. Further, contravention of any provisions of the Act would attract penalties as specifically provided for in Chapter VII of the Act. Section 40 and 41 of the Aadhaar Act specifically provide for penalty for unauthorised use by requesting entity and for non-compliance with intimation requirements respectively.

6. UIDAI has also been declared as ISO 27001:2013 which is certified by STQC with respect to Information Security thus adding an additional layer of IT security. Additionally, in pursuance of sub-section (1) of Section 70 of the IT Act 2000, UIDAI data has also been declared as “Protected System” by National Critical Information Infrastructure Protection Centre and hence is protected accordingly. Further strengthening of security and privacy of data is an on-going process, and all possible steps are being taken to make the data safe and protected.

7. As already indicated in an earlier Affidavit, the Data Protection Committee under Justice Sri Krishna is in the process of preparing its recommendations for the formulation of a Data Protection Law in India and is also looking into the Aadhaar Act, 2016. This Hon’ble Court in its judgment dated 24.08.2017 in (Retd.) Justice K. S. Puttaswamy and Anr. v. Union of India and Ors., W.P.(C) No. 494 of 2012, 2017 (10) SCC 1 and connected cases delivered by a 9 Judge Bench at Para 315 has noted and observed as follows:

“Since the Government has initiated the process of reviewing the entire area of data protection, it would be appropriate to leave the matter for expert determination so that a robust regime for the protection of data is put into place. We expect that the Union Government shall follow up on its decision by taking all necessary and proper steps.”

93. On the role envisaged for Aadhaar in Digital Payments and e-KYC process, the Ministry stated that Aadhaar is unique and does not change over the lifecycle of an individual. The 12-digit Aadhaar is sufficient to transfer any payments to an individual. Today, in order to transfer money to a beneficiary, the Governments/ Institutions need to know the bank account, IFSC Code, and bank branch details etc. which is prone to change. However, Aadhaar offers the possibility of sending money by just using the 12-digit number for life without bothering about any changes in the bank account of the individuals. Thus, with this unique property of being valid for a lifetime, Aadhaar is very well perceived as a Financial Address in the banking sector. A payment platform called the Aadhaar-enabled Payment Systems (AePS) has been designed and implemented by NPCI. The AEPS system works through a device called ‘MicroATM’ and resident validation for banking transaction is done through Aadhaar Based biometric authentication, online. The MicroATM device mentioned here is agnostic to form factor. It can be handheld device, tab, laptop, desktop or mobile etc. which is connected to fingerprint / Iris device for capturing resident’s biometric viz. FP / Iris. The system is capable of working seamlessly using 2G connectivity. However, higher connectivity viz. 3G, 4G, WiFi can also be used, if available. If the fingerprint matches during online authentication, NPCI routes the transaction to the Bank for the financial transaction and the cycle gets completed. If the resident’s authentication fails, appropriate message is provided to him. Aadhaar enabled Payments System (AePS) facilitates basic banking access (viz. cash withdrawal, cash deposit, balance enquiry, fund transfers) to the beneficiaries in a hassle free manner at / near the doorsteps. Further, usage of Aadhaar authentication enables transactions in real time in an inter-operable environment. Over

121 crore successful transactions have been done on this platform across nearly 3.84 lakh microATMs. Aadhaar Pay is the merchant version of AePS and was launched last year on 14th April 2017. The application works on a low cost android phone with an attached single finger bio-metric device. It enables merchant to take cashless payment from his customers. Customer is only required to give his Aadhaar number, name of the bank (from where the money is to be deducted) and his finger print for authentication. It has now over 84 banks, which have become live on this system. Since launch it has done over 1.03 million successful transactions. Pay-to-Aadhaar is the service of being able to make a payment to an individual's Aadhaar number. It is a facility available on UPI platform integrated in BHIM app. It enables Person-to-Person (P2P) remittance using Aadhaar number of the recipient as financial address. The receiving Aadhaar number should be linked with his/her Aadhaar number. Launched early in 2017, it has been deployed by over 66 banks and enables over 58.25 crore Aadhaar linked bank accounts to start receiving money using Aadhaar as financial Address. So far it has done over 12.6 lakh successful transactions since launch.

94. There have been concerns about Aadhaar data safety and security. On the steps being taken by the Ministry to ensure Aadhaar data safety and security and dispel any misconceptions in public domain, the Committee were apprised that there have been instances of concerns being raised on the security of Aadhaar data. All the concerns raised regarding the security, have been dealt with and addressed by UIDAI. Adequate legal, organizational and technological measures are in place for the security of the data stored with UIDAI. UIDAI has a well-designed, multi-layered robust security system in place and the same is being constantly upgraded to maintain the highest level of data security and integrity. Government is fully alive to the need to maintain highest level of data security, privacy and is deploying the necessary technology and infrastructure. The architecture of Aadhaar ecosystem has been designed to ensure non-duplication, data integrity and other related management aspects of security & privacy in Aadhaar

database. Additionally, various policies and procedures have been defined clearly which are reviewed and updated periodically, thereby, appropriately controlling and monitoring security of data.

95. There are multiple layers of security at physical level in UIDAI Data Centres and is being managed by armed CISF personnel round the clock. Strengthening of security of data is an ongoing process and all possible steps are being taken in this regard. Further, Chapter VI (Protection of Information) of The Aadhaar (Targeted Delivery of Financial and other Subsidies, Benefits and Services) Act, 2016 (“The Aadhaar Act”) and the Aadhaar (Data Security) Regulations, 2016 framed there under have been specifically drafted keeping in account the various security requirements in respect of data collected by UIDAI.

96. Security Audits are conducted on regular basis by Standardisation Testing and Quality Certification (STQC) Directorate, which is an attached office of the Ministry of Electronics and Information Technology, Government of India. UIDAI has been declared ISO 27001:2013 certified by STQC with respect to Information Security which has added another layer of information security assurance. Further in pursuance of sub-section (1) of Section 70 of the IT Act 2000, UIDAI data has also been declared as Protected System by National Critical Information Infrastructure Protection Centre.

97. When the Committee desired to know about the mechanism to give Aadhaar Card to Leprosy and Visually challenged persons, the Ministry informed that as per requirement, special measures are also taken for Aadhaar enrolment for special categories of people facing problems in enrolment. The Aadhaar enrolment system has a well defined “Biometric Exception Mechanism” for enrolling people with biometric exceptions (fingerprints and IRIS). This includes holding of special enrolment camps, household visit etc.

98. Regarding the provisions for enrolment of people with special needs such as leprosy patients and visually challenged persons, the representative of MeitY further added as under:-

“...xxx...If due to some reason there is some problem in getting finger print due to leprosy or amputation or old age and if the finger print is not coming, if they are not able to open eye, there is an option of granting an exception in our system. The operator can say that it is not possible to obtain biometrics and an exception can be granted. There are around 3-4 lakh such cases in the country...xxx...”

## **8 Unified Mobile Application for New-Age Governance (UMANG)**

99. Unified Mobile Application for New-Age Governance (UMANG) has been developed as a single mobile platform to deliver major Government services. Hon'ble Prime Minister has dedicated UMANG to nation on 23rd November, 2017. UMANG has been developed as a single mobile platform to deliver major Government services with Core Platform integrated with Aadhaar, DigiLocker, PayGov, Rapid Assessment System (RAS) etc. About 176 services from 33 departments and 4 States are already available on UMANG and the count is increasing day by day. It supports around 12 Indian languages, in addition to English and has been hosted on cloud. UMANG aims to bring power to the finger tips of citizens. Citizens can access pan India Government services from the Central Government, State Governments, local bodies and their agencies and some important utility services from corporate.

100. Regarding the response received so far for the Umang App, the representative of MeitY informed in evidence as under:-

“In total there have been 40 lakh downloads and it is hoped that by the end of this year, the number would reach 2 crore.”

## **9 E-Waste**

101. On the steps taken by the Ministry to tackle the e-waste, the Committee have been apprised that lack of awareness amongst the citizens about the ill-effect of e-waste recycling in informal sector is one of the serious challenges to our society. An “Awareness Programme on Environmental Hazards of Electronic Waste” has been initiated since March 2015 under the aegis of Software Technology Parks of India (STPI), New Delhi to create awareness among the public about the hazards of e-waste recycling by the unorganized sector and to educate them about alternate methods of disposing their e-waste. The programme stresses the need for adopting environment friendly e-waste recycling practices. Short modules and films have been created for spreading general awareness about the hazards of the recycling methods being used by the unorganized sector vis-à-vis best practices available for environmentally friendly recycling. The general public would be encouraged to participate in “Swachh Digital Bharat” by giving their e-waste to the authorized recyclers only. A total of 1,23,087 participants from School, colleges, RWA, manufacturer, refurbishers, informal operators etc. have participated in various cities in India. A dedicated Website, Twitter handle and Facebook page have been created in order to spread awareness through social media.



**PART-II**  
**OBSERVATIONS/RECOMMENDATIONS**

**Budget Analysis**

1. The Committee note that Budget allocation of MeitY for the year 2018-19 is Rs. 6000.00 crore as against the proposed allocation of Rs.9953.00 crore which includes Rs. 5675.00 Crore under Revenue section and Rs. 325.00 crore under Capital section. This is in contrast to the allocation made in 2017-18 wherein as against the proposed amount of Rs. 4034.00 crore, the Ministry had been given allocation of Rs. 4039.00 crore, and the actual expenditure incurred by the Ministry was Rs. 3328.66 crore till 31<sup>st</sup> January, 2018. On the increase in allocation during 2018-19 compared to the allocation during 2017-18, the Ministry have stated that there is a steep increase in the budget provisions under Revenue Section in BE 2018-19 over BE 2017-18 in view of the fact that two new schemes, viz. Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) and Promotion of Digital Payments had been rolled out during FY 2017-18 and are being implemented in a time-bound manner. The Committee observe that while during the last year, the Ministry were allocated slightly more than the amount proposed by them, this year there is a steep reduction in the allocation vis-à-vis the amount proposed by the Ministry. In view of the vast mandate of the Ministry and major role of MeitY in Government's flagship programmes such as Digital India and Make in India, the Committee are of the opinion that the Ministry should have sufficient budgetary resources to ensure that critical programmes of Government of India being implemented/executed through the Ministry are not affected due to want of funds and hope that the Ministry would be able to achieve optimal utilization of funds during 2018-19.

**Position of Outstanding Utilization Certificates**

2. The Committee note that as on 31<sup>st</sup> December 2017, a total of 196 Utilization certificates involving amount of Rs. 500.70 crore were due. The Ministry further

informed that it has taken several initiatives for reducing the number of pending UCs and holding implementing agencies more accountable and is meticulously putting its efforts in liquidating the pending Utilization Certificates. The number of pending UCs has reduced from 355 involving amount of Rs. 1023.10 crore as on 01.04.2017 to 182 involving amount of Rs. 488.28 crore as on 15.02.2018. The Committee further note that the additional number of UCs which would become due on 01.04.2018 is 213 for the amount of Rs. 412.77 crore. While taking note of the efforts made by the Ministry during 2016-17 and 2017-18 in liquidating the pending Utilization Certificates at a significant pace, the Committee recommend that continuous and sustained efforts be made by the Ministry to avoid any pendency in Utilization Certificates which could otherwise have an adverse impact on the release of subsequent funds for important Government schemes.

#### **Internal and Extra Budgetary Resources (IEBR)**

3. The Committee note that during the year 2016-17, an IEBR target of Rs.1514.94 crore set by the Ministry at BE stage was reduced to Rs.1006.96 crore at the RE stage. Against this, the Autonomous Societies under MeitY achieved an IEBR target of Rs.1052.00 crore which fell far short of the target set at BE stage. The Committee note that during the year 2017-18, a target of Rs.1036.13 crore had been set initially by the Ministry at BE stage for the Societies, this target was slightly reduced to Rs. 1006.96 crore at RE stage and out of this the achievement has been Rs. 695.06 crore as on 31.12.2017. For both the years 2016-17 and 2017-18, the Societies under the Ministry have fallen short of the targets set at BE stage for their Internal and Extra Budgetary Resources (IEBR). The Committee also note that IEBR target for 2018-19 stands at Rs. 1108.47 crore which is approximately 15.59% of the total approved outlay of Rs. 7108.47 crore and the rest 84.81% is met through Government Grants. The Ministry of Electronics and Information Technology have several notable Autonomous Societies under their aegis such as C-DAC, NIELIT, STPI, ERNET, SAMEER and C-MET

working in diverse niche areas like R&D in IT, Electronics and associated ICT technologies have great potential for revenue generation. The Committee feel that sincere efforts should be made by the Ministry for achievement of IEBR targets set for 2018-19 and the Ministry should identify new areas of potential revenue generation by Autonomous Societies and strive for increasing the share of IEBR component in the total outlay of the Ministry to reduce their dependence on Government Grants.

#### **National Informatics Centre (NIC)- Manpower & Infrastructure constraints**

4. The National Informatics Centre (NIC) was established in 1976, and has been credited as the 'prime builder' of e-Government/e-Governance applications in all levels of the administration as well as a promoter of digital opportunities for sustainable development. NIC, through its ICT Network called 'NICNET', has facilitated institutional linkages with all Ministries /Departments of Central Government, 36 State Governments/Union Territories, and about 680+ District administrations of India. The Committee are concerned to note that two major constraints of NIC *i.e.* manpower and infrastructure have not been addressed by the Ministry till date. The Ministry have submitted that in view of the increasing IT requirement at State/District level, it has become difficult for NIC, with the existing manpower at its disposal to sustain the number of projects being undertaken by it. Another constraint being faced by the institution is basic infrastructure upgradation across the country to match with its huge expansion of e-governance projects and activities. During the examination of Demands for Grants (2017-18), the Ministry had informed that with regard to shortage of regular manpower, a proposal has been mooted for creation of 1407 posts across different levels of Scientific and Administrative Officers to meet the e-Governance requirements of NIC. The Committee are disturbed to note that even though the proposal was mooted way back in 2014, there is no progress on the proposal. It is imperative that the manpower and infrastructure constraints at NIC, which is the backbone of the ICT infrastructure in the country, are accorded due attention. The

Committee strongly recommend the Ministry to address the manpower and infrastructure constraints in NIC on priority basis and ensure that the proposal of creation of additional posts in NIC is fast tracked without any further delay.

#### **Digital India Programme – Need for higher allocation of funds**

5. The Committee note that Digital India Programme is an umbrella programme to prepare India for knowledge based transformation. The Digital India program is centered on three key vision areas viz., (i) Digital Infrastructure as a Utility to Every Citizen (ii) Governance and Services on Demand and (iii) Digital Empowerment of Citizens. Digital India also aims to provide the much needed thrust to the nine pillars of growth areas, viz., (i) Broadband Highways (ii) Universal Access to Mobile Connectivity (iii) Public Internet Access Programme (iv) e-Governance – Reforming Government through Technology (v) e-Kranti - Electronic Delivery of Services (vi) Information for All (vii) Electronics Manufacturing - Target NET ZERO imports (viii) IT for Jobs and (ix) Early Harvest Programmes. The Committee also note that in 2016-17, the Ministry had proposed Rs. 5778.07 crore and the allocation was only Rs. 1285.10 crore. However, in 2017-18, against the proposed amount of Rs. 1498.55 crore, the Ministry were allocated an amount of Rs. 1672.76 crore. In 2018-19, against the proposed amount of Rs. 5880.00 crore, the Ministry were allocated a reduced amount of Rs. 3073.00 crore. The Committee find that despite good utilization of allocation by the Ministry in the Digital India Programme, the Ministry of Finance have not been considerate to the requirement of funds as proposed by MeitY for 2018-19. With increasing fund requirement in important schemes under the umbrella programme of Digital India, the Committee recommend the Ministry to impress upon the Ministry of Finance for higher allocation so as to ensure that scarcity of funds do not affect the implementation of the sub-schemes.

### **State Wide Area Network (SWAN) – J&K and A&N Islands**

6. The Committee note that SWAN has been implemented in all the States/UTs except Jammu & Kashmir and Andaman & Nicobar Islands. The States/UTs have been utilizing the core infrastructure of SWAN for connectivity and dedicated close user application access connectivity. SWAN has been integrated with National Knowledge Network (NKN) in 30 States/UTs at SHQ level and at 450 district centers to provide high bandwidth. Increasing digitization amongst states has led to higher utilization of available bandwidth. At present, 32 States/UTs are utilizing more than 60% of bandwidth of the existing link capacity and the bandwidth utilization is likely to increase further in future. The Committee are, however, concerned to note that major impediments such as lack of participation of System Integrators (poor bid response) and higher bid value which has led to re-tendering four times in respect of J&K and twice in respect of A&N Islands are acting as major roadblocks in operationalization of SWAN in these States/UTs. The Committee have been informed that the State of J&K has already finalized the RFP and for A&N Island, the bid is already floated in GeM portal and the System Integrator is likely to be finalized. The Committee find it disturbing to note that implementation of SWAN in Jammu & Kashmir and Andaman & Nicobar Islands has been delayed for so long. In view of the fact that seamless connectivity through implementation of SWAN is essential to leverage the digital infrastructure in the States/UTs, the Committee strongly recommend that all steps must be taken to expedite implementation of SWAN in the remaining States/UTs of J&K and A&N Islands without any further delay. The Committee would like to be informed about the progress in the matter.

### **Common Service Centres (CSCs)**

7. The Committee note that the Common Services Centres (CSCs) being setup across the country as ICT enabled access points for delivery of services to the citizens are integral part of 'Digital India' initiative of Government of India. CSC 2.0 aims for

establishing self sustaining network of 2.5 lakh CSC centres at Gram Panchayat (GP) level under Digital India- Pillar 3-Public Internet Access Programme. The project is a service delivery oriented model with effort towards optimum utilisation of backend infrastructure already created in terms of other Mission Mode Projects. The Committee note that the total number of CSCs established as of March, 2016 was 1,66,671. As of March, 2017, this number rose to 2,50,345 and by December, 2017, it further increased to 2,71,311. At Gram Panchayat level, 1,73,853 CSCs have been set up against the target of 2.5 lakhs. While the new CSCs are being set up at an increasing rate, there is a huge variation in the number of CSCs across different states and the number of transactions recorded across different States/UTs. While appreciating that CSC RAS (Rapid Assessment System), a service for feedback by citizens for various G2C services of Digital India has been implemented with an objective to capture daily footfall at CSC centres and obtain the citizens' feedback on the services availed by them, the Committee recommend regular monitoring of quality of services delivered through CSCs and ensure uniform access to e-services delivered through CSCs to all the citizens of the country irrespective of their location/place of stay.

#### State Data Centre (SDC)

8. The State Data Centre (SDC) Scheme aims to establish Data Centres in all the States/UTs to consolidate services, applications and infrastructure in order to provide efficient electronic delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services. These services can be rendered by the States through common service delivery platforms seamlessly supported by core connectivity infrastructure such as SWAN and CSCs as the front-end delivery outlets at the village level. The Committee note that as on 1st December, 2017, 28 SDCs have been declared operational. These are Tamil Nadu, Puducherry, West Bengal, Andhra Pradesh, Meghalaya, Goa, Karnataka, Manipur, Odisha, Sikkim,

Haryana, Kerala, Maharashtra, Gujarat, Tripura, Rajasthan, Nagaland, Uttar Pradesh, Andaman & Nicobar, Madhya Pradesh, Lakshadweep, Chhattisgarh, Jammu & Kashmir, Mizoram Bihar, Himachal Pradesh, Jharkhand and Punjab. During the year 2018-19, there is a target of operationalizing four SDCs in Assam, Uttarkhand, Arunachal Pradesh and Dadar & Nagar Haveli and Daman & Diu which are at various stages of implementation. The Committee are given to understand that major challenges in setting up/operationalization of SDCs include lack of site availability, delays in site selection by the States, issues in finalization of site, delays in bid process, repetition of bidding by States involved due to multiple reasons, delays in getting internal approvals and signing of contracts etc. The Committee take note of the fact that the Ministry of Electronics and Information Technology have held several meetings with the stakeholders and provided necessary support to speed-up the process and fix any problems leading to delay in implementation and operationalization of SDCs. Even then in some of the States, SDCs are yet to be put in place/become operational. While noting that Data Centres are critical to consolidate services, applications and infrastructure, the Committee recommend that steps may be taken for expeditious establishment of State Data Centers in the remaining States/UTs to enable them to deliver electronic services through common service delivery platforms.

#### **Promotion of Electronics and IT Hardware Manufacturing**

9. The Committee note that demand of Electronics System Design and Manufacturing (ESDM) is estimated to grow exponentially to USD 400 Billion by 2023-24. The electronic manufacturing sector requires continuous push with the overall objective of promoting make in India, not only to meet the domestic demands but also to promote India as a hub for electronics manufacturing. Several policy initiatives under the “Digital India” and “Make in India” programs are designed to facilitate investment, foster innovation, protect intellectual property, and build best-

in-class manufacturing infrastructure towards creating conducive environment for attracting investment in the electronics hardware manufacturing sector. The Committee note that during 2017-18, the BE allocation for the scheme was Rs. 745.00 crore which was reduced to Rs. 484.87 crore at RE stage and the actual expenditure as on 31.01.2018 stood at Rs. 386.93 crore. For the year 2018-19, as against the proposed amount of Rs. 1800 crore, there has been an allocation of Rs. 864.22 crore. The Committee were informed that the demand for electronics items in India is increasing at a fast pace and rose from Rs. 3,79,087 crore during 2014-15 to Rs. 4,68,046 crore during 2015-16 and stood at Rs. 5,58,875 crore during 2016-17. During the year 2016-17, the demand met through domestic production stood at 57.8% while the imports stood at 42.2% which translates to total electronics imports in India during 2016-17 at a staggering figure of Rs. 2,35,845.25 crore. The Committee note that while the Ministry has various schemes such as Modified Special Incentive Package Scheme(M-SIPS), Electronic Manufacturing Cluster (EMC) and Electronics Development Fund (EDF) for incentivizing indigenous Electronics and IT Hardware Manufacturing, still a lot more needs to be done. Keeping in view the growing demand for electronics in India, the Committee recommend the Ministry to take holistic approach for creating an enabling environment in India to stimulate domestic production of electronics hardware and reduce the reliance on electronics imports from other countries.

#### **Promotion of Digital Payments**

10. The Committee note that promotion of digital payments has been accorded highest priority by the Government of India to bring each and every segment of our country under the formal fold of digital payment services. The Vision is to provide facility of seamless digital payment to all citizens of India in a convenient, easy, affordable, quick and secured manner. The Ministry of Electronics & Information Technology (MeitY) has been entrusted with the responsibility of leading this initiative on 'Promotion of Digital Transactions including Digital Payments'. MeitY is working on various strategies, ideation with multiple stakeholders including Banks, Central



Ministries/Departments and States, to create an ecosystem to enable digital payments across the country. MeitY is working on strengthening of Digital Payment infrastructure and creating awareness through promotions of digital payments with all the stakeholders to achieve Government's vision of making citizens of this country digitally empowered. Citizens have been provided multiple options to make digital transactions. A dedicated 'Digidhan Mission' has been setup in MeitY for building strategies and approaches in collaboration with all stakeholders to promote digital payments and create awareness. As against Rs.25 crore allocated in RE 2017-18, an increased allocation of Rs.595.78 crore has been made under the scheme 'Promotion of Digital Payments' and the major targets to be achieved during 2018-19 include campaign for on-boarding of 40 lakh merchants throughout India on BHIM/BHARAT QR, Merchant Discount Rate (MDR) Disbursement to Banks for Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to Rs. 2000 and Syndicated Campaign along with Banks for promotion of Digital Payments throughout India. While appreciating the initiative of the Government to provide facility of seamless digital payment to all citizens of India in a convenient, easy, affordable, quick and secured manner, the Committee recommend for effective utilization of the above allocation and ensure that sincere efforts be made to facilitate adoption of digital payments for successful transformation of Indian economy from a predominantly cash-based economy to a less-cash economy.

#### **Cyber Security – Training of Law Enforcement Agencies (LEAs)**

11. The Committee note that with the rapid growth of technology particularly ever-growing use of social media and mobile Apps, it is important to update the skill set of law enforcement agencies on a regular basis. The Committee have been apprised that the Government is taking various steps to train and develop Cyber Crime investigators which inter-alia include establishment of Cyber Crime Police Stations (CCPS) and Cyber Crime Investigations and Forensic Training Facilities (CCITF) in each State / Union

Territory of India under Police Modernization Scheme, action to set up a National Centre of Excellence exclusively devoted to render Cyber Forensic services and to act as National Research and Training Centre on Cyber Forensics, Indian Computer Emergency Response Team (CERT-In) and Centre for Development of Advanced Computing (CDAC) providing basic and advanced training to Law Enforcement Agencies, Forensic labs and judiciary on the procedures and methodology of collecting, analyzing and presenting digital evidence. MeitY has setup Cyber Forensics Training Lab at CBI Academy Ghaziabad and in collaboration with Data Security Council of India (DSCI), Cyber Forensic Labs have been set up at Mumbai, Bengaluru, Pune and Kolkata for awareness creation and training programmes on Cyber Crime investigation. While lauding the Government initiatives to train and develop cyber crime investigators, the Committee recommend that such efforts need to be scaled up in order to take care of the increasing cases of cyber crime.

#### **Cyber Security – Need for a victim centric approach**

12. The Committee note that there is no specialized agency for dealing with cases of cyber crime in India. As is the case with other criminal offences, victims are required to report cyber crimes and cyber fraud cases to Law Enforcement agencies for investigation. The role of Indian Computer Emergency Response Team (CERT-In) primarily relates to issuing alerts and advisories regarding latest cyber threats and countermeasures on regular basis and creating Cyber security awareness. As far as cases of cyber crime pertaining to online Digital Payments are concerned, the incident can be reported to CERT-In through any bank or financial service provider. The Committee are concerned to note a lack of victim-centric approach in dealing with cases pertaining to cyber crime and recommend that with increasing online activities/transactions, there is an urgent need to adopt a '*victim-centric*' approach through coordination amongst different agencies such as the law enforcement agencies, RBI, the bank, the financial intermediary, the telecom service provider or CERT-In etc. which would not only help the victims of cyber crime but also help in

faster resolution of such cases. The Ministry can also explore the possibility of setting up of dedicated cyber courts to deal with cases pertaining to cyber crime. The Committee may be informed of the progress in this regard.

### Unique Identification Authority of India (UIDAI)

13. The Committee note that Unique Identification Authority of India (UIDAI) has been mandated to empower every resident of India with a Unique Identification Number and provide a digital platform for authentication in an easy, electronic, cost-effective way. Unique Identification Authority of India (UIDAI) was established in 2009 as an attached office under the aegis of the erstwhile Planning Commission to operate a Central Plan Scheme aimed at providing a Unique Identification number to every resident of the country. UIDAI is a transformational initiative that involves establishing identity infrastructure for providing unique digital identity in the form of Aadhaar number (a twelve digit random number) to the residents. The Aadhaar number establishes uniqueness by the process of biometric de-duplication and enables online authentication anytime and from anywhere for verification of identity. Aadhaar is increasingly being used in Digital Payments and e-KYC process since it is unique and does not change over the lifecycle of an individual. The 12-digit Aadhaar is sufficient to transfer any payments to an individual. The Committee also note that for FY 2018-19, UIDAI has been allocated grants-in-aid of Rs.1375 crore as against the BE 2018-19 projection of Rs.1600.00 crore. The BE proposals were put up after considering targets for FY 2018-19 which include providing robust, ubiquitous and cost effective on-line authentication services, providing updation services and aid financial inclusion. The Committee are given to understand that Aadhaar enrolment process as of now takes due care of people with special needs such as leprosy patients or differently-abled people who may not be able to provide biometric data such as fingerprints or iris scan and allows exception to them. With Aadhaar enrolment reaching saturation levels, we are likely to witness multi-fold increase in online

authentication and updation services which would require significant infrastructure support. Keeping in view the widespread adoption of Aadhaar and its varied uses in authentication and financial transactions, the Committee recommend adequate allocation of funds to UIDAI.

**Unique Identification Authority of India (UIDAI) – Need to promote Aadhaar applications such as AEPS**

14. The Committee note that Aadhaar is unique and does not change over the lifecycle of an individual. The 12-digit Aadhaar is sufficient to transfer any payments to an individual. Today, in order to transfer money to a beneficiary, the Governments/ Institutions need to know the bank account, IFSC Code, and bank branch details etc. which is prone to change. However, Aadhaar offers the possibility of sending money by just using the 12-digit number for life without bothering about any changes in the bank account of the individuals. Thus, with this unique property of being valid for a lifetime, Aadhaar is very well perceived as a Financial Address in the banking sector. A payment platform called the Aadhaar-enabled Payment Systems (AePS) has been designed and implemented by NPCI. The AEPS system works through a device called 'MicroATM' and resident validation for banking transaction is done through Aadhaar Based biometric authentication, online. Aadhaar enabled Payments System (AePS) facilitates basic banking access (viz. cash withdrawal, cash deposit, balance enquiry, fund transfers) to the beneficiaries in a hassle free manner at / near the doorsteps. Further, usage of Aadhaar authentication enables transactions in real time in an interoperable environment. Aadhaar Pay is the merchant version of AePS and was launched on 14th April 2017. The application works on a low cost android phone with an attached single finger bio-metric device. It enables merchant to take cashless payment from his customers. Customer is only required to give his Aadhaar number, name of the bank (from where the money is to be deducted) and his finger print for authentication. Pay-to-Aadhaar is another service which allows payment to an individual's Aadhaar number. It is a facility available on UPI platform integrated in

**BHIM app. It enables Person-to-Person (P2P) remittance using Aadhaar number of the recipient as financial address. While taking note of the fact that Aadhaar finds immense applications in the domain of digital payments, the Committee strongly feel the need to promote innovative Aadhaar based applications such as AEPS, Aadhaar Pay and Pay-to-Aadhaar for successful transformation from predominantly cash-based economy to a less-cash economy.**

**Unique Identification Authority of India (UIDAI) – Need to create a positive perception**

**15. The Committee note that there have been concerns about Aadhaar data safety and security. The Committee are given to understand that the concerns raised regarding the security, have been dealt with and addressed by UIDAI. Adequate legal, organizational and technological measures are in place for the security of the data stored with UIDAI. UIDAI has a well-designed, multi-layered robust security system in place and the same is being constantly upgraded to maintain the highest level of data security and integrity. Government is fully alive to the needs of maintaining highest level of data security, privacy and is deploying the necessary technology and infrastructure. The architecture of Aadhaar ecosystem has been designed to ensure non-duplication, data integrity and other related management aspects of security & privacy in Aadhaar database. Additionally, various policies and procedures have been defined clearly which are reviewed and updated periodically, thereby, appropriately controlling and monitoring security of data. In so far as data protection and protection of privacy of an individual are concerned, there are adequate provisions in Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016. Section 3(2), Section 8(2), Section 8(3), Section 29(1), Section 29(3) and Section 33 particularly deal with data protection and protection of privacy of an individual. The Committee feel that there is a need to publicize the inherent safeguards in Aadhaar Act, 2016 pertaining to data & privacy protection and dispel any doubts/apprehensions/misgivings in the minds of general public. The Committee**

therefore recommend earmarking separate fund for promotion of Aadhaar and increasing its usage amongst the masses. It should be used to educate the people about the benefits of Aadhaar and how they can use it to avail various Government services and performing digital payments in an easy and hassle-free manner.

#### **Unified Mobile Application for New-Age Governance (UMANG)**

16. The Committee note that Unified Mobile Application for New-Age Governance (UMANG) has been developed as a single mobile platform to deliver major Government services and it was released on 23rd November, 2017. UMANG has been developed as a single mobile platform to deliver major Government services with Core Platform integrated with Aadhaar, DigiLocker, PayGov, Rapid Assessment System (RAS) etc. About 176 services from 33 departments and 4 States are already available on UMANG and the count is increasing day by day. It supports around 12 Indian languages, in addition to English and has been hosted on cloud. UMANG aims to bring power to the finger tips of citizens. The Committee have been apprised that there have been 40 lakh downloads of the UMANG app so far and this number is expected to reach 2 crore by the end of the year 2018. While appreciating the Ministry's efforts to launch UMANG Mobile App through which Citizens can access pan India Government services from the Central Government, State Governments, local bodies and their agencies and some important utility services from the corporate sector, the Committee recommend that due publicity may be given to UMANG Mobile App to increase its usage and simultaneously efforts should be made to increase the number of Government services which can be accessed through this Mobile App.

#### **E-Waste**

17. The Committee note that lack of awareness amongst the citizens about the ill-effect of e-waste recycling in informal sector is a serious challenge to our society. An 'Awareness Programme on Environmental Hazards of Electronic Waste' has been initiated since March 2015 under the aegis of Software Technology Parks of India

(STPI), New Delhi to create awareness among the public about the hazards of e-waste recycling by the unorganized sector and to educate them about alternate methods of disposing their e-waste. The programme stresses the need for adopting environment friendly e-waste recycling practices. Short modules and films have been created for spreading general awareness about the hazards of the recycling methods being used by the unorganized sector *vis-à-vis* best practices available for environmentally friendly recycling. The general public would be encouraged to participate in “Swachh Digital Bharat” by giving their e-waste to the authorized recyclers only. A dedicated Website, Twitter handle and Facebook page have been created in order to spread awareness through social media. While acknowledging the problem of increasing e-Waste in the country, the Committee appreciate the efforts of STPI in creating awareness about environmental hazards of electronic waste. The Committee feel that the use of social media should be encouraged to spread awareness on the issue and the Committee desire the Ministry to play a proactive role to encourage initiatives to sensitize general public about impact of e-Waste on our environment and the importance of its proper disposal.

New Delhi;  
12 March, 2018  
21 Phalgun, 1939 (Saka)

ANURAG SINGH THAKUR,  
Chairperson,  
Standing Committee on  
Information Technology.

**MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY (2017-18) HELD ON 22<sup>nd</sup> FEBRUARY, 2018**

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The Committee sat on Thursday, the 22<sup>nd</sup> February, 2018 from 1020 hours to 1200 hours in Committee Room '2', Extension to Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Anurag Singh Thakur - Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri Prasun Banerjee
3. Shri Harish Dwivedi
4. Dr. Sunil Baliram Gaikwad
5. Dr. Anupam Hazra
6. Shri Virender Kashyap
7. Shri Harinder Singh Khalsa
8. Smt. R. Vanaroja
9. Shri Abhishek Singh

***Rajya Sabha***

10. Shri Santiuse Kujur
11. Smt. Kahkashan Perween
12. Dr. K.V.P. Ramachandra Rao
13. Dr. Vinay P. Sahasrabuddhe

**SECRETARIAT**

- |    |                       |   |                     |
|----|-----------------------|---|---------------------|
| 1. | Shri R.C. Tiwari      | - | Joint Secretary     |
| 2. | Shri Y.M. Kandpal     | - | Director            |
| 3. | Dr. Sagarika Dash     | - | Additional Director |
| 4. | Smt. Geeta Parmar     | - | Deputy Secretary    |
| 5. | Shri Shangreiso Zimik | - | Under Secretary     |



## **Representatives of the Ministry of Electronics and Information Technology**

	<b>Name</b>	<b>Designation</b>
1.	Shri Ajay Prakash Sawhney	Secretary
2.	Shri Sanjeev Gupta	President & CEO, NeGD
3.	Dr. A.B.P. Pandey	CEO, Aadhaar
4.	Smt. Anuradha Mitra	Additional Secretary & Financial Advisor
5.	Shri Rajiv Kumar	Joint Secretary
6.	Shri Sanjay Kumar Rakesh	Joint Secretary
7.	Shri Gopalakrishnan S.	Joint Secretary
8.	Shri Sanjay Goel	Joint Secretary
9.	Shri Arvind Kumar	Scientist 'G'
10.	Dr. B.K. Murthy	Scientist 'G'
11.	Shri Rakesh Maheshwari	Scientist 'G'
12.	Shri A. K. Balani	Scientist 'G'
13.	Smt. Simmi Chaudhary	Economic Advisor
14.	Smt. Neeta Verma	Director General, NIC
15.	Shri Umesh Kumar Nandwani	Director General, STQC

2. After the welcome address by the Chairperson, the Secretary in the Ministry of Electronics and Information Technology made a power-point presentation covering the mandate of MeitY and highlights of Budget 2018-19. The presentation also highlighted prominent achievements of the Ministry in Digital India Programme, Aadhaar enrollement, National Knowledge Network (NKN), Digital Literacy & skilling and MyGov initiatives. It also covered initiatives such as promotion of Digital Payments, development of Unified Mobile App for New Age Governance (UMANG), HRD initiatives, Electronics manufacturing, R&D achievements, setting up of Digital India Corporation (DIC) and formulation of Data Protection framework for India etc.

3. Thereafter, Members sought clarifications on issues *viz.* manpower & infrastructure requirement in NIC, grievance redressal mechanism & quality of service in CSCs, research in cyber security, level of coordination amongst agencies to tackle cyber crime, PMGDISHA, Promotion of Digital Payments, overall performance of Digital India Programme, security and privacy of Aadhaar data, management of increasing e-waste, etc. Members also raised issues such as need for better inter-ministerial/departmental

coordination to encourage adoption of IT tools, promotion of indigenous electronics & IT hardware manufacturing, initiatives for creating positive perception of Aadhaar and dispel any misconceptions, need to keep legal provisions abreast of emerging threats in cyber space, etc. which were responded to by the representatives of the Ministry.

4. The Chairperson, then, thanked the representatives of the Ministry for deposing before the Committee.

The witnesses then withdrew.

Verbatim Proceedings of the sitting have been kept on record.

**The Committee, then, adjourned.**

**MINUTES OF THE THIRTEENTH SITTING OF THE STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY (2017-18) HELD ON 12<sup>TH</sup> MARCH, 2018**

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The Committee sat on Monday, the 12<sup>th</sup> March, 2018 from 1000 hours to 1030 hours in Committee Room No. '3', First Floor, Extension Parliament House Annexe Building, New Delhi.

**PRESENT**

**Shri Anurag Singh Thakur - Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri Lal Krishna Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
5. Dr. Anupam Hazra
6. Dr. J. Jayavardhan
7. Shri Virender Kashyap
8. Dr. K. C. Patel

***Rajya Sabha***

9. Shri Suresh Gopi
10. Shri Santiuse Kujur
11. Dr. Vinay P. Sahasrabuddhe

**SECRETARIAT**

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|----|-----------------------|---|---------------------|
| 1. | Shri R.C. Tiwari      | - | Joint Secretary     |
| 2. | Shri Y.M. Kandpal     | - | Director            |
| 3. | Dr. Sagarika Dash     | - | Additional Director |
| 4. | Smt. Geeta Parmar     | - | Deputy Secretary    |
| 5. | Shri Shangreiso Zimik | - | Under Secretary     |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt the following Draft Reports on 'Demands for Grants (2018-19)':-

- (i) ....XXXX....XXXX...XXXX...XXXX... ....XXXX....XXXX...XXXX...XXXX...;
- (ii) Forty-sixth Report on Demands for Grants (2018-19) relating to the Ministry of Electronics and Information Technology;
- (iii) ....XXXX....XXXX...XXXX...XXXX... ....XXXX....XXXX...XXXX...XXXX...;
- (iv) ....XXXX....XXXX...XXXX...XXXX... ....XXXX....XXXX...XXXX...XXXX...; and
- (v) ....XXXX....XXXX...XXXX...XXXX... ....XXXX....XXXX...XXXX...XXXX...;

3. The Committee, thereafter, adopted the Forty-sixth Report without any modification.

4. The Committee, then, authorized the Chairperson to finalize the draft Reports arising out of factual verification, if any, and present the Reports to the House during the current session of Parliament.

**The Committee, then, adjourned**

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....XXXX....Matters not related to Report