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**STANDING COMMITTEE ON
COMMUNICATIONS AND
INFORMATION TECHNOLOGY
(2022-23)**

SEVENTEENTH LOK SABHA

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

**DEMANDS FOR GRANTS
(2023-24)**

FORTY-FIFTH REPORT

**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2023/ Phalguna, 1944 (Saka)

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(2023-24)

Presented to Lok Sabha on 21.03.2023
Laid in Rajya Sabha on 21.03.2023

LOK SABHA SECRETARIAT
NEW DELHI

March, 2023/ Phalguna, 1944 (Saka)

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Shri Prataprao Jadhav - Chairperson

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3.   Shri Karti P. Chidambaram
4.   Dr. Nishikant Dubey
5.   Smt. Sunita Duggal
6.   Shri Jayadev Galla
7.   Smt. Raksha Nikhil Khadse
8.   Dr. Sukanta Majumdar
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12. Col. Rajyavardhan Singh Rathore
13. Dr. Gaddam Ranjith Reddy
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15. Shri Ganesh Singh
16. Shri Parvesh Sahib Singh
17. Shri Shatrughan Prasad Sinha
18. Shri L.S. Tejasvi Surya
19. Dr. T. Sumathy (A) Thamizhachi Thangapandian
20   Dr. M. K. Vishnu Prasad
21. Shri S. Jagathrakshakan

Rajya Sabha

22. Dr. Anil Agrawal
23. Dr. Laxmikant Bajpayee
24. Dr. John Brittas
25. Shri Syed Nasir Hussain
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30. Shri Jawhar Sircar
31. Shri Lahar Singh Siroya

Secretariat

1. Shri Satpal Gulati   -   Joint Secretary
2. Smt. A. Jyothirmayi   -   Director
3. Shri Abhishek Sharma   -   Assistant Executive Officer

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Committee constituted w.e.f. 13th September, 2022 *vide* Para No.5288 of Bulletin Part-II dated 4th October, 2022.

(ii)

INTRODUCTION

I, the Chairperson, Standing Committee on Communications and Information Technology (2022-23), having been authorized by the Committee to submit the Report on their behalf, present this Forty-fifth Report on Demands for Grants (2023-24) of the Ministry of Electronics and Information Technology.

2.   The Standing Committee on Communications and Information Technology (2022-23) was constituted on 13th September, 2022. 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 concerned and make a Report on the same to the Houses.

3.   The Committee considered the Demands for Grants pertaining to the Ministry of Electronics and Information Technology for the year 2023-24 which were laid on the Table of the House on 8th February, 2023. The Committee took evidence of the representatives of the Ministry of Electronics and Information Technology on 14th February, 2023.

4.   The Report was considered and adopted by the Committee at their sitting held on 17th March, 2023.

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 for 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;   **PRATAPRAO JADHAV,**
17 March , 2023   **Chairperson,**
26 Phalguna, 1943(Saka)   **Standing Committee on**
                              Communications and Information Technology.

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 is e-Development of India as the engine for transition into a developed nation and an empowered society. 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 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 India), three Section-8 companies (*viz.*, NICSI, NIXI and Digital India Corporation (DIC)), three Statutory Organizations (viz. CCA, ICERT and UIDAI) and one Company registered under Companies 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-fifth Report of the Committee on Demands for Grants (2022-23) of MeitY**

4.   The Thirty-fifth Report of the Standing Committee on Communications and Information Technology on the 'Demands for Grants' of MeitY for the year 2022-23 was presented to the Lok Sabha/laid in the Rajya Sabha on 21st March, 2022. 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 Observations/

Recommendations contained in Thirty-fifth Report on 'Demands for Grants (2022-23)' was presented to the Lok Sabha/laid in Rajya Sabha on 9th February, 2023. Out of the 18 recommendations made by the Committee in their Forty-second Report, 16 were accepted. Reply to 01 recommendation was not accepted by the Committee and was reiterated. 01 reply was interim in nature. The final Action Taken Statement on the recommendations contained in the Forty-second Report will be due by May, 2023.

3.   Budget Analysis
(i)   Demands for Grants No. 27 of MeitY for the year 2023-24

5.   The budgetary allocation and utilization during the last, current and the next financial years is as under:

(Rs. in crore)

Financial Year	Proposed	BE	RE	Actual Utilization	%age Utilization w.r.t. RE	%age Utilization w.r.t. BE
2021-22	13,886.00	9720.66	9581.25	8256.27	86.17	84.94
2022-23	16,223.21	14,300.00	11,719.95	6060.38 (as on 31.01.2023)	51.71	42.38
2023-24	21,564.42	16,549.04				

6.   The proposed budgetary support for the year 2022-23 was Rs.16,223.21 crore and the amount allocated at BE stage was Rs. 14,300.00 crore and the same was reduced to Rs. 11,719.95 crore at RE stage. The actual utilisation till 31.01.2023 has been Rs. 6060.38 crore. During 2023-24, the proposed budgetary support was Rs. 21,564.42 crore and the amount allocated at BE stage was Rs. 16,549.04 crore. There has been a steep reduction in utilization w.r.t. RE (51.71%) during 2022-23.

7.   When asked to explain about the shortfall in utilisation which stands at 51.71 percent with respect to RE for the FY 2022-23, the Ministry submitted as under:-

> "In view of implementation of Revised Procedure for Flow of Funds in respect of Central Sector and Centrally Sponsored Schemes, no substantial amount could be released during the first two quarters of FY 2022-23. However, the pace of expenditure gained momentum during the third quarter and MeitY could utilize 51.71% of the RE allocation by the end of January 2023. MeitY is quite hopeful of achieving full utilization of funds allocated in RE 2022-23 by the end of March 2023 in view of the receipt of disbursal proposals under

various incentive schemes which are presently being examined for necessary disbursements."

8.   On whether any schemes/activities were likely to be affected due to a steep reduction in allocation *vis-à-vis* the proposed amount during the year 2023-24, the Ministry informed that MoF usually sticks to the policy of increasing the budgetary provision of ongoing schemes by 5-7%. However, there has been an increase of about 16% in BE 2023-24 (amounting to Rs.2249 crore) against BE 2022-23.

9.   Further it was added that although MeitY had been allocated Rs.16,549.04 cr against the proposed allocation of Rs. 21,564.42 cr, yet MeitY had distributed the amount amongst all the Schemes and Non-Schemes keeping in view of their demand and commitments. The Ministry has submitted that there may not be any possible fund crunch and the activities of MeitY were not likely to be affected due to this reduced allocation. Nevertheless, if situation warranted MeitY would request Ministry of Finance for additional allocation for smooth implementation of schemes/non-schemes through Supplementary Demand for Grants at RE stage.

10.   When asked as to how the implementation of Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes had resulted in slow pace of expenditure during the first two quarters of FY 2022-23, the Ministry submitted as under:-

> "Government of India has implemented Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes w.e.f. 01.04.2022. Implementation of this revised procedure had resulted in slow pace of expenditure during the first two quarters of FY 2022-23 due to some essential and mandatory features of this procedure. Some of the crucial action points that affected the pace of expenditure initially are given below:

- Since MeitY is implementing only Central Sector Schemes, as per the guidelines of the Revised Procedure for Flow of Funds, all the schemes were divided into two categories, viz. Model-I (having annual outlay of more than Rs.500 cr) and Model-II (having annual outlay up to Rs.500 cr)

- Major Action Points for Model-I Schemes
  - ➤ Designating an Autonomous Body as Central Nodal Agency (CNA) for each scheme having annual outlay of more than Rs.500 Crore
  - ➤ Intimation to the concerned Autonomous Body to open Treasury Single Account (TSA) account with RBI
  - ➤ Opening of TSA (Assignment Account) by the Autonomous Bodies designated as Central Nodal Agency for Schemes having annual outlay of more than Rs.500 Crore

- ➢ Preparation of a list of Sub Agencies (SAs), which are involved in implementation of the project/scheme down the ladder, under each CNA
- ➢ Getting the Assignment Accounts of Autonomous Bodies/Sub Autonomous Bodies opened with RBI in e-Kuber
- ➢ Mapping of the RBI Account in PFMS
- ➢ Approving of Assignment Accounts in PFMS
- ➢ Ensuring that the unutilized amounts of past releases under the scheme available in the bank account of CNA & SAs are deposited in the Consolidated Fund of India.

- • Major Action Points for Model-II Schemes
  - ➢ Selection of Central Nodal Agency (CNA) for Schemes having Annual outlay of less than Rs.500 Crore
  - ➢ Intimation to the concerned Autonomous Body to open Central Nodal Account for each CS Scheme in a scheduled commercial bank authorized to conduct Govt business
  - ➢ Opening of Central Nodal Account in the Scheduled Commercial Bank
  - ➢ Preparation of list of Sub Agencies (SAs) involved in implementation of the scheme and inform the same to the concerned CNA
  - ➢ Mapping of the Central Nodal Account in PFMS
  - ➢ Approving of Central Nodal Account in PFMS
  - ➢ Ensuring that the entire unspent amount of past releases under the scheme is returned by all the SAs to the Central Nodal Account of the CNA concerned before releasing funds to CNAs

A number of meetings were taken to impress upon the CNAs and SAs for implementation of the revised procedure and to get themselves acquainted with the new system/procedure. Further, in view of involvement of a significant number of implementation agencies under a scheme, it took some time to coordinate with them for getting the unspent balance refunded to Consolidated Fund of India in Model-I Schemes and to the Central Nodal Account in Model-II Schemes. All these action points involving Programme Divisions, implementation agencies, Pay & Accounts Office, O/o Controller General of Accounts, PFMS and Ministry of Finance delayed the pace of expenditure during the first two quarters."

(ii)   Revenue Section

11.   The budgetary allocation to the Ministry during the years 2021-22, 2022-23 and 2023-24 is as under:

	Actuals (2021-22)	BE (2022-23)	RE (2022-23)	Actuals (2022-23) (as on 31.01.2023)	BE (2023-24)
Revenue	7904.50	13911.99	11443.49	5859.41	16180.36
Capital	351.77	388.01	276.46	200.97	368.68
Total	8256.27	14300.00	11719.95	6060.38	16549.04

12.   Regarding the decrease in allocation at RE stage followed by drastically low actual utilization under Revenue head during the year 2022-23, the Ministry has furnished the following reasons:-

"There is a decrease in allocation of about Rs.2468.50 cr in view of budgetary cut by Ministry of Finance at RE stage. The budgetary cut was mainly due to low pace of expenditure in the first two quarters in view of implementation of Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes. Besides, MeitY didn't receive the anticipated proposals in respect of incentive schemes (Promotion of Electronics and IT Hardware Mfg and PLI Schemes) as the applicants were unable to achieve threshold due to COVID disruption in the supply chain."

13.   On the reasons for variation between BE 2022-23 and BE 2023-24 under the Revenue Head, the Ministry submitted as under:-

"The revenue provision in BE 2023-24 has been increased by Rs.2268.37 cr than that of in BE 2022-23. The increased provision in BE 2023-24 is mainly due to allocations made for the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India amounting to Rs.3000 crore. It is worth-mentioning that Government of India has approved this comprehensive programme with an outlay of ₹ 76,000 crore in furtherance of the vision of Aatmanirbhar Bharat and for positioning India as the global hub for electronic system designing and manufacturing (ESDM). This Programme contains various schemes to attract investments in the field of semiconductors and display manufacturing."

(iii)   **Capital Section**

14.   When asked about the reasons for a decrease in the allocation made at RE stage during 2022-23 and its impact thereof, the Ministry informed that:

"The capital provision has been reduced by Rs.111.55 crore in RE 2022-23. This provision was curtailed due to low pace of expenditure in view of non-

supply of micro-chips and other machineries and equipment by the international vendors in view of Covid-19 and Make-in-India restrictions."

15.   Regarding the reasons for variation between BE 2022-23 and BE 2023-24 under the Capital Head, the Ministry submitted that:-

"The capital provision in BE 2023-24 has been reduced by Rs.19.33 cr from that of provided in BE 2022-23. Although the variation is quite negligible, yet the reduction was due to less requirement of funds for machinery and equipment by NIC as their services would henceforth be rendered on PPP mode."

16.   Scheme-wise details of BE, RE and Actual Expenditure from 2020-21 to 2022-23 and BE for 2023-24 are as under:

S. No.	Scheme/Non-Schemes	2020-21			2021-22			2022-23			2023-24	
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (31.01.20 23)	Prop-osed	BE
1	Secretariat (MeitY)	116.03	99.18	92.89	109.33	104.07	94.38	109.82	140.00	96.64	145.00	140.00
2	National Informatic Centre (NIC)	1285.00	1300.00	1308.19	1400.00	1400.00	1353.43	1450.00	1463.45	1124.86	1600.00	1527.26
3	Regulatory Authorities	274.00	212.00	197.58	345.00	336.21	300.30	344.00	311.00	240.81	402.50	373.50
3.1	STQC Programme	125.00	114.00	99.14	120.00	114.91	102.05	120.00	120.00	94.15	139.50	135.50
3.2	Cyber Security (CERT-In), NCCC & Data Governance	60.00	140.00	90.00	216.00	213.30	193.70	215.00	180.00	139.85	250.00	225.00
3.3	Controller of Certifying Authority (CCA)	9.00	8.00	6.71	9.00	8.00	4.55	9.00	11.00	6.81	13.00	13.00
	SCHEMES											
4	Digital India Programme	3958.00	3044.82	3030.54	6806.33	6388.00	4504.36	5376.18	5400.50	2100.96	7957.92	4795.24
4.1	Electronic Governance incl. EAP	425.00	415.82	404.99	425.00	535.00	312.39	525.00	525.00	500.64	559.72	555.74
4.2	Manpower Development	430.00	190.00	190.00	400.00	400.00	272.26	350.00	250.00	78.64	-	-
4.3	National Knowledge Network	400.00	584.00	584.00	500.00	500.00	500.00	650.00	485.25	485.12	495.52	352.00
4.4	Promotion of Electronics & IT Hardware mfg. (MSIPS, EDF and Manufacturing Clusters)	980.00	700.00	478.62	2631.32	2014.00	1193.02	2403.00	1199.00	201.69	3500.00	700.00
4.5	Promotion of IT & ITeS Industries	170.00	100.00	98.55	150.00	100.00	69.80	100.00	89.25	49.33	285.08	150.00
4.6	Cyber Security Projects	170.00	80.00	79.99	200.00	339.00	310.51	300.00	100.00	25.51	432.39	400.00
4.7	R&D in IT/Electronics/CCBT	762.99	425.00	420.91	700.00	700.00	502.04	598.17	365.00	349.18	967.22	600.00
4.8	PMGDISHA	400.00	250.00	250.00	300.00	300.00	300.00	250.00	250.00	245.00	-	-
4.9	Promotion of Digital Payments	220.00	300.00	523.48	1500.00	1500.00	1044.34	200.00	2137.00	165.85	890.65	1500.00
4.10	Champion Service Sector Scheme	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00	-	-
4.11	Capacity Building and Skill Development Scheme										827.34	537.50

5	**Central Sector Schemes/Projects**							5300.00	2403.00	885.11	8355.00	7645.04
5.1	Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India							200.00	0.00		3000.00	3000.00
5.2	Production Linked Incentive Scheme (PLI)							5300.00	2203.00	885.11	5355.00	4645.04
6	**Assistance to Autonomous and Other Bodies**	1266.00	894.00	894.00	1060.00	1352.97	2003.80	1720.00	2002.00	1612.00	3104.00	2068.00
6.1	Centre for Dev. of Advanced Computing (C-DAC)	127.00	127.00	127.00	200.00	217.00	217.00	250.00	250.00	181.00	270.00	270.00
6.2	Centre for Materials for Electronics Technology (C-MET)	50.00	40.00	40.00	80.00	78.00	60.00	100.00	100.00	100.00	120.00	110.00
6.3	Society for Applied Microwave Electronics Engg & Research (SAMEER)	98.00	88.00	88.00	120.00	116.00	116.00	150.00	140.00	117.00	160.00	160.00
6.4	Unique Identification Authority of India (UIDAI)	985.00	613.00	613.00	600.00	884.97	1564.80	1110.00	1110.00	1110.00	1800.00	940.00
6.5	Digital India Corporation (DIC)	6.00	6.00	6.00	10.00	9.00	9.00	10.00	10.00	0.00	11.00	11.00
6.5	Bhaskaracharya National Institute for Space Applications and Geo-Information		20.00	20.00	50.00	48.00	37.00	100.00	72.00	0.00	44.00	44.00
6.6	Semi-Conductor Laboratory (SCL)								320.00	104.00	699.00	533.00
	Grand Total	6899.03	5550.00	5523.20	9720.66	9581.25	8256.27	14300.00	11719.95	6060.38	21564.42	16549.04

17. While submitting the reasons for variation from BE to RE during 2022-23 and also furnishing information about the schemes having major shortfalls in achieving the targets during 2022-23, the Ministry informed as under:-

"There is a reduction in allocation of Rs.2580.05 cr at RE stage. The variation is mainly due to low pace of expenditure in the first two quarters in view of implementation of Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes. Besides, MeitY didn't receive the anticipated proposals in respect of incentive schemes (Promotion of Electronics and IT Hardware Mfg and PLI Schemes) as the applicants were unable to achieve threshold due to COVID disruption in the supply chain."

18. When asked about the difference in allocation of funds at BE stage for the years 2022-23 and 2023-24 for the schemes, the Ministry stated as under:-

"The BE allocation in 2023-24 in respect of Schemes have been raised by Rs.1764.10 cr (from Rs.10676.18 cr in BE 2022-23 to Rs.12440.28 cr in BE 2023-24). The difference in allocation of funds is due to more allocations earmarked for 'Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India'."

19. Regarding the schemes which had been prioritized during the year 2023-24, the Committee were apprised by the Ministry as under:-

"During the FY 2023-24, MeitY will prioritize on proliferation and absorption of emerging technology and creating essential R&D infrastructure and scientific & technical human capital by supporting the R&D projects. Another area of importance for MeitY is cyber security projects in view of increasing digital transactions. Focus will also be made for modernization of Semi-Conductor Laboratory (SCL) as well as for timely disbursement of incentives under PLI schemes. It is informed that SCL was transferred to MeitY from Department of Space in 2022-23 and budget provision to the tune of Rs.320 crore has been made for it in RE 2022-23."

(iv) **Position of Outstanding UCs and unspent Balances with States' implementing agencies**

20.   The Ministry have furnished the following information on outstanding UCs and unspent Balances as on 31st January 2023:-

	Amount (Rs. in crore)	No. of UCs
Utilisation Certificates due	355.55	131
Unspent Balances for which UCs are not due	3177.10	465
Total Unspent Balance with States/implementing Agencies	**3532.65**	**596**

21.   While furnishing the information regarding the measures taken by the Ministry for timely submission of UCs by the States/implementing agencies, the Ministry submitted as under:-

"The following measures are being taken by the Ministry for timely submission of UCs by the grantee bodies and these measures are proving to be fruitful in moving towards zero pending UC and minimum unspent balance:

- MeitY is monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects which further ensures that the grants released by MeitY are being utilized in a proper and productive manner.
- Secretary and Financial Adviser (MeitY) review the UC status from time to time to ascertain utilization status of released grants to various agencies.
- With the implementation of Revised Procedure for Flow of Funds (w.e.f. 01.04.2022), actual utilization of funds at the Sub-Agency level is being monitored through PFMS.
- Grantee bodies are released grants in installments for implementation of various projects, taking into consideration the unspent balances with them.
- Project Review and Steering Committee (PRSG) monitors and evaluates the project progress and utilization of the funds as per approval and make recommendations for release of financial assistance.

The liquidation status of pending UCs as on 1.4.2022 and 06.02.2023 given below is an indication of fruitful measures being taken by MeitY to reduce the pending UCs and thereby heading towards zero pending UC.

	As on 01.04.2022	As on 06.02.2023	Difference/ Liquidated	% of Liquidation
Number of pending UCs	475	131	344	72.42%
Pending Amount (Rupees in crore)	1687.88	355.55	1332.33	78.93%

22.   On the new measures envisaged by the Ministry during the year 2023-24 for reducing the number of UCs and ensuring accountability from implementing agencies, the Ministry informed that:-

"The following measures are being taken by the Ministry for timely submission of UCs by the grantee bodies and these measures are proving to be fruitful in moving towards zero pending UC and minimum unspent balance:

- MeitY is monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects which further ensures that the grants released by MeitY are being utilized in a proper and productive manner.
- Secretary and Financial Adviser (MeitY) review the UC status from on weekly basis to ascertain utilization status of released grants to various agencies.
- As per the revised procedure for flow of funds which is being implemented with effect from 1st April, 2022, at the end of Financial Year, the unspent balances, if any available with Implementing agencies, would cease to exist under Model I Schemes (having annual financial outlay of more than 500 cr). However, in case of Model-II Schemes (having annual financial outlay of less than 500 cr), the unutilized funds will remain with Central Nodal Account of the respective schemes and will not be available to Implementing Agencies for utilization, as per the existing instructions.
- As per the revised procedure for flow of funds under the Central Sector Schemes, there would be no parking of funds under Central Sector Schemes. The releases to the beneficiaries/vendors under all the schemes would be 'just-in-time'.
- Project Review and Steering Committee (PRSG) monitors and evaluates the project progress and utilization of the funds as per approval and make recommendations for release of financial assistance.

E. National Informatics Centre (NIC)

23. Established in the year 1976, National Informatics Centre had emerged as a promoter of digital opportunities for sustainable development. NIC has rich experience in providing ICT & eGovernance support in the last 4 decades. By establishing the ICT Network, "NICNET", NIC has facilitated the institutional linkages with all the Ministries/ Departments of the Central Government, 37 State Governments/Union Territories, and about 741+ District Administrations of India. NIC has aligned itself with mission and vision of Digital India Programme. Generic, configurable e-Governance products/applications have been developed using cutting edge technologies including mobile, cloud, data analytics, BI and advanced GIS. Various centres of excellence have been created to strengthen the nationwide digital infrastructure and services playing catalytic role in the country's road to digital transformation in the next decade. The NIC National Cloud (Meghraj) is presently hosting several critical applications on over 24,300 virtual servers supporting over 1600 e-Governance Users/Applications under Digital India. NIC's video conferencing service is helping Government officials to connect remotely and effectively with each other. In the present post-pandemic scenario of increasing remote working, work from home culture and demand for more online services, NIC is providing smart eGovernance solutions to cater to these requirements. NIC has successfully created a digitally enabled ecosystem for the government in carrying out essential services in post pandemic time. NIC products and Services have also been recognized internationally with many countries showing keen interest in taking support of NIC in IT & eGovernance.

24. The BE provided for the year 2023-24 is Rs. 1527.26 crore. The details of BE, RE and actual expenditure in respect of National Informatics Centre (NIC) is as under:

(Rs. in crore)

Financial Year	Proposed	BE	RE	Actuals
2020-21	1700.00	1285.00	1300.00	1308.19
2021-22	1700.00	1400.00	1400.00	1353.43
2022-23	1500.00	1450.00	1463.45	1114.40*
2023-24	1600.00	1527.26	-	-

*As on 31.01.2023

25. Regarding the functions and targets of NIC, the Ministry apprised the Committee that the nationwide network of National Informatics Centre comprises over 1000 LANs of Govt.

offices and more than 5 lakh nodes across over 8000 locations. The data centres of NIC host more than 8000 websites of the Government in secure environment. NIC National Cloud (Meghraj) is presently hosting a number of critical applications on over 20,000 virtual servers supporting over 1200 e-Governance projects / User departments under Digital India.

26.   With the launching of Digital India Programme by Hon'ble Prime Minister, the role of NIC has increased manifold. NIC has aligned itself with mission and vision of Digital India Programme. Generic, configurable eGovernance products/applications have been developed using cutting edge technologies including mobile, cloud, data analytics, BI and advanced GIS for important socio-economic sectors covering Rural Development, Food and Civil Supplies, Agriculture, Industry & Commerce, Labour & Employment, Judiciary, Finance, Education etc.

27.   NIC has been responsible for country-wide implementation of various e-Governance projects including many Mission Mode Projects of the Department. eCourts, Virtual Courts, Soil Health Card, Kisan Rath, eUrvarak, eTransport, eHospital, eOffice, eWayBill, Cooperative Core Banking Solution (CCBS), Immigration Visa Foreigners Registration & Tracking (IVFRT), National Scholarship Portal, eCounselling, NGDRS, GePNIC, eAuction India, DARPAN, PARIVESH, ServicePlus, eHRMS, CollabDDS, CollabCAD, S3WaaS (Secured, Scalable and Sugamya Website as a Service), etc are some of the major ICT initiatives taken up by NIC.

28.   Some of the key targets of NIC include the following:

Project Name	Targets
eCourts	• eCourts Project has been implemented in 25 High Courts & its benches and 3,067 District level courts. • Case Information System (CIS) has been developed under the eCourts Project and is deployed in every court of the country. CIS along with eCourts Portals (ecourts.gov.in, services.ecourts.gov.in, districts.ecourts.gov.in), Mobile App, SMS Pull & Push, Automated Emails, Touch Screen Info Kiosks, e-Payment, e-Filling, National Judiciary Data Grid (NJDG), Justice has transformed Indian Judiciary into ICT enabled Courts. • NJDG has a repository of about 10 Crore orders and Judgements from High Courts and District Level Courts. • Virtual Courts to reduce footfall in the courts.
eHospitals	• Unified and interoperable application across Govt. Hospitals. • Available through Software as a service (SaaS) model. • eHospital functional in more than 631+ hospitals across the country. • Online Registration System (ORS) has facilitated more than 48 lakh appointments since its inception. As of now more than 421+ Hospitals on-boarded. 23.27 Crore Patients registered since Sep, 15.
E-Way Bill	• As part of GST, E-Way Bill provides an easy movement of goods across India. • 234 Crore+ E-Way Bill Generated.
National Scholarship	• One-Stop solution for services starting from student application, application receipt, processing, sanction and disbursal of various scholarships to

Portal	students. • Total Applications 127.19 Lakhs (Fresh +Renewal) • 2839 Crore+ disbursed through portal. • 104 schemes.
eProcurement	• Implemented PAN India in 31 States / UTs and around 600+ Central Government Ministries / Departments and PSUs. • Overall procurement worth Rs.147 lakh crore have been carried out with 98.77 lakh electronic tenders since inception.
E-Mail & SMS Gateway	• Over 30 Lakhs Govt E-Mail accounts. • Average daily E-Mail traffic of over 4.5 Crore • Over 2887 Government Applications connected for SMS services.
Video Conferencing	• VC services since 1995. • 2400+ Studios across the country. • 17 Lakh+ Video Conferencing hrs of studio usage in 2021 • 3600VIP VC Sessions in 2021.
National Cloud &National Data Centre	• Over 1470 users and 22720 virtual servers of National Cloud. • NDCs at Delhi, Pune, Hyderabad, Bhubaneswar, and Mini Data Centres.
IVFRT	• IVFRT applications have been implemented in 184 Indian Missions abroad. • e-Tourist Visa (eTV) has been introduced in 171 countries, 28 airports and 5 Sea Ports. • More than 97 lakh e-Visas have been granted.
Govt LAN & NKN	• High-speed Network Connectivity up to 10 Gbps. • Covering over 1,00,000 nodes in Delhi Govt. Buildings and over 5,00,000 nodes in State Secretariat Buildings. Access to NICNET through WiFi in various Central Government Offices. • Network up to Districts from state capitals using 34/100 Mbps / 1 Gbps leased circuits. • NKN is India's unified high-speed backbone network that carries the traffic of E-Governance, research and Internet on a single platform. • Nearly 1752 institutes connected to NKN empowering over 5cr students, researchers, and faculty.
E-Counseling	• End To End solutions based on joint seat allocation mechanism for facilitating the admission process • 89 Lakh+ application processed • 38 Counseling Boards • 4500+ Institutions
Public Financial Management System (PFMS)	• 737 Govt. Schemes • Total Transactions(2021-22) 116.57 Crore.
NREGA Soft	• A web-enabled MIS to capture all activities under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) scheme. • Asset s Created - 6.09 Cr • Active Workers - 15.23 Cr
e - Transport	Vahan&Sarathi System - • Vahan– 28.13 Crore+ • Sarathi -12.67 Crore+

e – Office	Under Central Government
	(No. of Units where eOffice is implemented)
	• Ministries and Departments – 315
	
	Under State Government
	(No. of Units where eOffice is implemented)
	• Secretariats, District Administrations and others - 401
	  • 11.3 Cr.+ e-Recipts created
	  • 8.1 Lakh+ eFile users.

Jeevan Pramaan	• Anytime Anywhere submissions of Digital Life Certificate (DLC) by pensioner. • Approx. 556.83 Lakh+ pensioners registered till date.
MyGov	• Unique citizen engagement and crowdsourcing platform for policy formation and program implementation.
	• 222.64 Lakh+ registered members
	• 52.57 Lakh+ Comments on 919 discussions
ServicePlus	Making all Government services accessible to the common man in his locality. • 33 states, 2381 services • 11.4 crore+ applications received • 9.08 Crore+ applications delivered
Targeted Public Distribution System (TPDS)	• TPDS facilitates cost-effective, timely and targeted delivery of food grains to eligible beneficiaries. • 36 States/UTs • 5.33 Lakh+ Fair Price Shop (FPS) • 5.13 Lakh+ POS Enabled FPSs • 23.69 Crore.+ Ration Cards With Aadhar

29.   Regarding the reasons for increase in allocation from BE to RE during 2022-23, the Ministry stated as under:-

"The increase of fund Under the Budget Head salaries is due to the payment of arrears to the NIC employees in view of the judgment of the Hon'ble Supreme court of India during RE 2022-23. An expenditure of Rs.1125.31 Crore has been incurred as on 03.02.2023."

30.   On the targets set for NIC during the year 2023-24 and measures envisaged to achieve the same, the Ministry has submitted as under:-

"NIC's main focus is in providing latest state-of-the-art ICT infrastructure. National Informatics Centre (NIC) under the Ministry of Electronics and Information Technology (MeitY) provides e-Governance support, state of the art solutions to Central Government, State Governments, UT Administrations, Districts and other Government bodies. NIC plays a pivotal role in development and implementation of Digital Platforms and Applications, in close collaboration with Central and State Governments, making the last-mile delivery of government services to the citizens a reality. NIC is upgrading to infrastructure gradually to meet the increased demand."

31.   Regarding the gap between the amount proposed and allocation made at BE during 2023-24 and how the Ministry would ensure adequate availability of funds during 2023-24, the Ministry has stated:-

"Mainly the fund requirement under the Capital Budget has been reduced. Due to which the upgradation of ICT infrastructure in the Districts will be taken up in a phased manner depending upon availability of funds."

32.   When asked about the measures taken to address and fast-track the long pending issues of resources and manpower at NIC, the Ministry furnished the following:-

"The proposal for creation of 1407 new posts (subsequently reworked to 1392) is pending for approval since 2014. For further details, kindly refer reply at below-mentioned Para-2. NIC has also moved a separate proposal in the year 2022 for the creation of 212 new posts to meet out the requirement of deploying technical manpower of the level of DIO & ADIO in newly created District Centres in the states. The proposal is yet to be approved. In addition to above, NIC has also initiated the drive of recruitment of 754 S&T Group-A and Below Group-A posts (including 598 S&T vacant posts under MMR) of the level of Scientific/Technical Assistant-A to Scientist-F through recruiting agency NIELIT in the year 2022- 23 against the vacancies arises due to superannuation, VRS, Resignations and Deaths etc including anticipated vacancies till Dec'2023."

33.   Regarding the current status of creation of 1407 posts (subsequently reworked to 1392) in NIC, the Ministry in a submission has stated:-

"The proposal for creation of 1407 (reworked now to 1392) posts in NIC was initiated in 2014. The proposal was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance for concurrence. The proposal was received back from Ministry of Finance for seeking clarifications on some points which have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to Ministry of Finance through MeitY for further consideration in February, 2020. M/o Finance have made some further observations and sought additional information. Necessary inputs are being compiled for re-submission to Ministry of Finance."

34.   When asked about the total users of e-Office, NIC email and Sandes messaging app and the steps being taken to promote the usage of these tools, the Ministry has furnished the following details:-

	2019-20	2020-21	2021-22	2022-23	2023-24
e-Office users*	270014	548170	481650	875912	NA
NIC email users	23 lakhs	27 lakhs	31 lakhs	32.8 lakhs	36 lakhs (expected)
Sandes Messaging App users	Total Sandes Messaging App users : 4,618 Total E-gov	Total Users : 4,28,568 Total Apps Integrated: 44	Total Users : 16,66,950 Total Apps Integrated: 180	Total Users : 23,15,227 Total Apps Integrated: 281	Total users: 35 lakhs Total Integrated Apps: 350

	apps integrated with Sandes: **18**				

*The above counts have been provided, based on the data available for the organizations hosted in eOffice Cloud at National Data Centre, Shastri Park (NDC-SP) and XML Reports received from the organizations which are hosted locally in that particular year. On few occasions, some organisations do not share the XML

Steps taken to promote the usage of eOffice

a) National Level workshops are conducted by Department of Administrative Reforms and Public Grievances (DARPG) across the country. Further, DARPG also awards Certificates of Appreciation to GoI Min/Depts from time to time based on usage of eoffice
b) Regular Capability Building Programmes (CBP) on eOffice for Ministries / Departments are being organized by NIC / NICSI.
c) Various training programmes / workshop on eOffice are also being organized at premier Institutes of Government of India such as Institute of Secretariat Training and Management (ISTM), Indian Institute of Public Administration (IIPA), Institute of Government Accounts and Finance (INGAF) , Haryana Institute of Public Administration (HIPA), etc.

Steps taken to promote the usage of NIC Email

a) Number of workshops and interactive sessions had been conducted for GOI Ministries/Departments.
b) Various new features had been added to facilitate users to access NIC Email service in an efficient and secure manner.
c) Video tutorials had been added in Email portal and Kavach App to make user aware about features

35.   The Committee sought to know if there was any existing mechanism for collection of end-user feedback in NIC products such as email, e-Office, SANDES and eportal for Members of Parliament etc. and whether the user feedback such received was incorporated in successive versions of NIC products. To this the Ministry has made the following submission:

"SANDES:

A mechanism for Sandes is built into NIC Service Desk for receiving feedback, suggestion and reporting of issues. The suggestions received are evaluated and incorporated in successive versions.

a) As e-Office product is rolled out in different kinds of organisations with a huge user base, varying from highest levels in the Government to the lowest, the feedback and change requests from them enriched the product in unparalleled way.
b) The user departments can register their feedback / change request on eOffice Support Portal (https://support.eoffice.gov.in). The reported feedback/ change request goes through the process of analysis and feasibility, impact assessment followed by design, development, testing and roll-out.

Details of Email Solution for the Government of India New Initiatives undertaken

1. Integration of NIC meet NIC meet allows the Government officials to interact with each other on a secure connection network with inbuilt one-to-one, one-to-many calling function. NIC meet has been integrated with e-mail. The user can thus schedule and share a calendar invite with NIC Meet link.

2. Added feature to Update Mobile and profile Self-serving portal to update mobile number and user profile details like display name, designation, date of birth etc.

3. Introduction of ID retrieval Additional feature to allow users with IDs on Government server to use the service without creating a new ID. This can be done by submitting registered mobile number and OTP for verification. The user can further access email by reset the password.

4. Incorporation of caution email Enables the users to send email with caution/ awareness header which intimates the recipient to treat the e-mail with "caution".

5. Addition of sticky note The feature allows user to make quick notes and attach it to a particular email. Once attached, the sticky note will automatically pop-up the next time user opens the email.

6. Dashboard development This feature allows the user to view various elements at-a-glance. Examples of elements are storage occupied and available, email addresses/ alias assigned, past 15 days login history including IP addresses, protocol, date & time, and country of access and more.

Achievements:

Month	YEAR	Nos. of New Users (Apporox.)	Number of email e-transactions (approx.)
January	2022	23327	61.36 Crores
February	2022	25125	101.85 Crores
March	2022	21275	82.94 Crores
April	2022	23012	83.74 Crores
May	2022	35580	75.24 Crores
June	2022	76142	93.37 Crores
July	2022	25990	78.2 Crores
August	2022	26468	81.28 Crores
September	2022	29184	85.05 Crores
Total		**286103**	

F.   Regulatory Authorities

Cyber Security (CERT–in), NCCC & Data Governance

36.   The budgetary allocation and utilization during the last three years, the current year and allocation for the next financial year are as under:-

	2019-20	**2020-21**	**2021-22**	**2022-23**	**2023-24**
Proposed	49.75	60.00	500.00	500.00	250.00
BE	42	140.00	216.00	215.00	225.00
RE	35.00	90.00	213.30	180.00	-
Actual	29.98	91.73	193.70	139.85*	-
% w.r.t. RE	86	102	91	78	-

As on 31.01.2023

Allocation of funds at the BE stage in FY 2022-23 was Rs215 Cr which was revised to Rs180 Cr at RE stage (i.e. 84% of BE). According to the Ministry, the reduction at RE stage was due to non-availability of co-location site for Data Centre of NCCC. Out of total allocation of Rs180 Cr, an amount of Rs120 Cr (upto 30 Jan 2023) had been utilized.

37.   While providing an overview of the Cyber Security (CERT-in) and NCCC, the Ministry has submitted the following:

"The Indian Computer Emergency Response Team (CERT-In) under the Ministry of Electronics and Information Technology, Government of India has been designated under Section 70B of the Information Technology Act, 2000 to serve as the national agency in the area of cyber security incident response.

CERT-In operates 24x7 incidence response Help Desk for cyber security incident response. CERT-In also provides Incident Prevention and Response services as well as Security Quality Management Services.

The Indian Computer Emergency Response Team (CERT-In) issues alerts and advisories regarding latest cyber threats/vulnerabilities and countermeasures to protect computers and networks on regular basis.

CERT-In creates awareness on security issues through dissemination of information on its website (http:// www. cert-in.org.in).

Under Security Quality Management Services, Indian Computer Emergency Response Team (CERT-In) has created a panel of 'IT security auditing organizations' for auditing, including vulnerability assessment and penetration testing of computer systems, networks & applications of various organizations of the Government, critical infrastructure organizations and those in other sectors of Indian economy.

In addition, CERT-In has formulated 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 organizations under their administrative control. Along with the CCMP, CERT-In has developed "Guidance Framework for CCMP "which may be used as a template by various entities including Central Government Ministries/Departments/States/ UTs and entities under their administrative control to prepare & implement their own CCMP.

CERT-In regularly conducts Cyber Security Exercises for critical sector organizations. Cyber security exercise is an effective tool to help entities in

assessing cyber security preparedness to counter cyber-threats and building cyber-resiliency.

CERT-In has also setup State-of-the art Cyber Forensic lab to support incident response operation of CERT-In as well as the needs of various Law Enforcement agencies. The Cyber Forensics Laboratory at the   Indian Computer Emergency Response Team (CERT-In) has been notified as 'Examiner of Electronic Evidence' under section 79A of the Information Technology Act, 2000.

CSIRT-Fin has been established and is operational since 15th May 2020. CERT-In is providing the requisite leadership for the CERT-Fin operations under its umbrella.

To deal with the complex, sophisticated cyber-attacks, sharing and exchange of threat intelligence, CERT-In partners with overseas counterpart agencies as well as cyber security organizations from industry that are willing to work together and share information in a timely manner for preventing cyber attacks as well as collaborating for providing swift response to cyber security incidents.

CERT-In undertakes responsible vulnerability disclosure and coordination for vulnerabilities at national level to encourage discovery of cyber security issues by the community and their subsequent remediation through responsible entities. To move a step further in the direction to strengthen trust in "Make in India", CERT-In has also setup CVE Numbering Authority (CNA) for vulnerabilities impacting all products designed, developed and manufactured in India.

Cyber Swachhta Kendra is a citizen centric service provided by CERT-In, which extends the vision of Swachh Bharat to the Cyber Space. Cyber Swachhta Kendra was launched on 21st February, 2017 as part of the Government of India's Digital India initiative under the Ministry of Electronics and Information Technology (MeitY). Cyber Swachhta Kendra aims to secure India's digital IT Infrastructure by creating a dedicated mechanism for providing timely information about Botnet/Malware threats to the victim organizations/users and suggesting remedial actions to be taken by the concerned entity. The centre provides free tools for removal of botnet/malware infections and securing computers and mobile devices for organizations and users.

CERT-In has setup National Cyber Coordination Centre (NCCC) to generate necessary situational awareness of existing and potential cyber security threats and enable timely information sharing for proactive, preventive and protective actions by individual entities. The phase I of NCCC has been operationalized in July 2017. NCCC project was merged with regular activities of CERT-In from the F.Y. 2021-22.   The budget requirement of NCCC establishment component has also been merged with regular budget of CERT-In from F.Y. 2021-22."

38.   Regarding the details of physical targets at BE and RE stage and achievements made during 2022-23, the Ministry informed the Committee as under:-

"For performing various functions, CERT-In is maintaining systems and solutions and augmenting the same to deal with latest cyber security threats and mitigation measures. Physical targets for FY 2022-23 were primarily for sustaining the existing and ongoing activities viz. Cyber Swachhata Kendra, Cyber Threat Intelligence Sharing, Tools for Incident response and cyber security auditing, analytic solution and tools for Cyber Security Drills, setting up of vulnerability research Lab for CVE numbering authority, CERT-In ICT Infrastructure (Web, Email and Security etc.) through Annual maintenance as well as augmentation/upgradation. In addition, CERT-In is also targeting to set up a new platform for Cyber Security Training activities a.k.a. Cyber AbhyasSuvidha (CAS) in the F.Y. 2022-23. There is no shortfall in achieving the set targets."

40. When asked about the targets set during 2023-24 and measures being taken to achieve the same, the Ministry has stated that:-

"The targets at (BE and RE) in the F.Y. 2023-24 are for the procurement of capital IT infrastructure items (hardware, software and networking) for CERT-In activities and projects as well as for establishment (Salary, Medical, Travel, Office Expenses and Training etc.)"

40. While providing information regarding an overview of National Cyber Coordination Centre (NCCC), time by when it was expected to be fully operational and how it was different from CERT-In, the Ministry has submitted that:-

"The setting up of National Cyber Coordination Centre (NCCC) project by CERT-In, is a part of the framework for enhancing Cyber Security of Indian Cyber Space by recognizing the importance and need for cyber threat situational awareness. NCCC was proposed as one of the key projects under Digital India to provide safe and secure cyber space.

The objective of National Cyber Coordination Centre (NCCC) project is to generate necessary situational awareness of existing and potential cyber security threats and enable timely information sharing for proactive, preventive and protective actions by individual entities. The NCCC project scans the cyberspace in the country at meta-data level to generate near real time macroscopic views of the cyber security. The project is facilitating various organizations and entities in the country to mitigate cyber-attacks and cyber incidents on a near real time basis.

The metadata inputs are collected from Internet Service Providers (ISPs), State Data Centres (SDCs), and organisations across sectors. The phase-I of NCCC was operationalized in July 2017 and phase-II implementation is in progress. As on today around 50+ ISPs and organisations are integrated with NCCC for collection of traffic data and logs. In addition, 1200 honeypots are deployed pan India at various organisations.

Work is in progress to operationalize full scale NCCC project (comprising of 275 sites) during the year 2023-2024.

CERT-In has been designated under Section 70B of the Information Technology Act, 2000 to serve as the national agency in the area of cyber security incident response. CERT-In operates 24x7 incidence response Help Desk for cyber security incident response. CERT-In also provides Incident Prevention and Response services as well as Security Quality Management Services.

In addition to the implementation and operations of NCCC project, CERT-In undertakes following activities:

i. CERT-In issues alerts and advisories regarding latest cyber threats/vulnerabilities and countermeasures to protect computers and networks on regular basis.

ii. CERT-In operates an automated cyber threat exchange platform for proactively collecting, analysing and sharing tailored alerts with organisations across sectors for proactive threat mitigation actions by them.

iii. CERT-In creates awareness on security issues through dissemination of information on its website (http:// www. cert-in.org.in).

iv. Under Security Quality Management Services, CERT-In has created a panel of 'IT security auditing organizations' for auditing, including vulnerability assessment and penetration testing of computer systems, networks & applications of various organizations of the Government, critical infrastructure organizations and those in other sectors of Indian economy.

v. CERT-In has formulated 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 organizations under their administrative control. Along with the CCMP, CERT-In has developed "Guidance Framework for CCMP "which may be used as a template by various entities including Central Government Ministries/Departments/States/ UTs and entities under their administrative control to prepare & implement their own CCMP.

vi. CERT-In regularly conducts Cyber Security Exercises for critical sector organizations. Cyber security exercise is an effective tool to help entities in assessing cyber security preparedness to counter cyber-threats and building cyber-resiliency.

vii. CERT-In has also setup State-of-the art Cyber Forensic lab to support incident response operation of CERT-In as well as the needs of various Law Enforcement agencies. The Cyber Forensics Laboratory at the Indian Computer Emergency Response Team (CERT-In) has been notified as 'Examiner of Electronic Evidence' under section 79A of the Information Technology Act, 2000.

viii. CSIRT-Fin has been established and is operational since 15th May 2020. CERT-In is providing the requisite leadership for the CERT-Fin operations under its umbrella.

ix. CERT-In partners with overseas counterpart agencies as well as cyber security organizations from industry for exchanging information in a timely manner for preventing cyber attacks as well as collaborating for swift response to cyber security incidents.

x. CERT-In undertakes responsible vulnerability disclosure and coordination for vulnerabilities at national level to encourage discovery of cyber security issues by the community and their subsequent remediation through responsible entities. To move a step further in the direction to strengthen trust in "Make in India", CERT-In has also setup CVE Numbering Authority (CNA) for vulnerabilities impacting all products designed, developed and manufactured in India.

Cyber Swachhta Kendra is a citizen centric service provided by CERT-In, which extends the vision of Swachh Bharat to the Cyber Space. Cyber Swachhta Kendra was launched on 21st February, 2017 as part of the Government of India's Digital India initiative under the Ministry of Electronics and Information Technology (MeitY). Cyber Swachhta Kendra aims to secure India's digital IT Infrastructure by creating a dedicated mechanism for providing timely information about Botnet/Malware threats to the victim organizations/users and suggesting remedial actions to be taken by the concerned entity. The centre provides free tools for removal of botnet/malware infections and securing computers and mobile devices for organizations and users."

41. To a specific query as to whether there was any specialized nodal agency in India to deal with cases of cyber-crime, the Ministry has replied that:-

"The Indian Cyber Crime Coordination Centre (I4C) under Ministry of Home Affairs coordinates cyber crime issues with Law Enforcement Agencies across the country."

42. While putting forth major impediments that had been encountered, the measures taken to address them and the achievements made, the Ministry informed the Committee as follows:-

"The major impediments being encountered and measures to address them as well as the achievements made are briefed below:

Impediments:

CERT-In is in urgent need of additional manpower to keep up with the rapid increase in the incidents and cyber security issues, urgent nature of incident response activities including onsite response, to sustain key current as well as planned new activities / projects and to address cyber security issues pertaining to emerging technologies and areas.

To address the challenge, CERT-In has already moved a proposal for additional creation of posts at various levels.

Achievements:

a) In the year 2022, CERT-In handled 13,91,457 incidents. Remedial measures for handling incidents were suggested and implemented in coordination with relevant stakeholders.

b)   A total of 653 security alerts, 38 advisories and 488 Vulnerability Notes were issued during the year 2022.

c)   CERT-In conducted 123 cyber security training and awareness programs for Government, Public and Critical Sector organisations and communication & Information infrastructure providers to educate them in the area of Information Security with the latest security threats, needs and developments & deployment of techniques and tools in order to minimize security risk. A total number of 6,317 personnel were trained during year 2022.

d)   CERT-In conducted 09 domestic cyber exercises&drills and contributed & participated in 07 International cyber security drills in 2022.

e)   CERT-In was conferred the "Cyber Frontlines of the Country" award at the Data Security Council of India (DSCI) Excellence Awards 2020.

f)   CERT-In is listed as "Task Force for CSIRT - Trusted Introducer" thereby demonstrating certain level of maturity and functionality to build trust throughout the global CERT community

g)   CERT-In has been authorized as CVE Numbering Authority (CNA) in 2021 by CVE Program of MITRE, USA. This will help nurturing responsible vulnerability research in the country as well as strengthen trust in "Make in India"

h)   Cyber Swachhta Kendra (CSK - Botnet Cleaning and Malware Analysis Centre) detects malware infections and enables citizens for cleaning their systems with free of cost tools to citizens and organizations. The center covers about 94% of Indian internet users as well as 669 organizations across sectors.

i)   CERT-In has empaneled 150 Information Security Auditing organizations, on the basis of stringent qualifying criteria, to carry out information security audit, including the vulnerability assessment and penetration test of the networked infrastructure of government and critical sector organizations.

j)   During the year 2022, CERT-In, via its automatic threat intelligence platform, shared 653 tailored alerts with various organisations across sectors and stakeholders to enable active threat prevention.

k)   CERT-In, under its leadership, has operationalized CSIRT-Fin to enhance cyber security in financial sector through coordinated measures with regulators.

l)   The Cyber Forensics Laboratory at the Indian Computer Emergency Response Team (CERT-In) has been notified as 'Examiner of Electronic Evidence' under section 79A of the Information Technology Act, 2000 and supporting investigation of cyber security incidents and cyber crimes, submitted by central and state government ministries / departments, public sector organisations and Law Enforcement agencies."

G.   **Digital India Programme**

43.   The budgetary allocation and utilization during the past three years, the current year and allocation for the next financial year as furnished by the Ministry are as under:-

(Rs. in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed	7931.14	6940.00	9627.00	6653.21	7957.92

BE	3750.76	3958.00	6806.33	5376.18	4795.24
RE	3212.52	3044.82	6388.00	5400.50	-
Actual	3191.09	3030.54	4504.36	2100.96*	-
% w.r.t. RE	99	100	71	39	-

As on 31.01.2023

I. Allocation to Central Sector Schemes/Projects including Digital India Programme from FY 2020-21 to FY 2023-24

S. No.	Scheme/Non-Schemes	2020-21			2021-22			2022-23			2023-24	
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (31.01.2023)	Prop-osed	BE
4	**Digital India Programme**	**3958.00**	**3044.82**	**3030.54**	**6806.33**	**6388.00**	**4504.36**	**5376.18**	**5400.50**	**2100.96**	**7957.92**	**4795.24**
4.1	Electronic Governance incl. EAP	425.00	415.82	404.99	425.00	535.00	312.39	525.00	525.00	500.64	559.72	555.74
4.2	Manpower Development	430.00	190.00	190.00	400.00	400.00	272.26	350.00	250.00	78.64	-	-
4.3	National Knowledge Network	400.00	584.00	584.00	500.00	500.00	500.00	650.00	485.25	485.12	495.52	352.00
4.4	Promotion of Electronics & IT Hardware mfg. (MSIPS, EDF and Manufacturing Clusters)	980.00	700.00	478.62	2631.32	2014.00	1193.02	2403.00	1199.00	201.69	3500.00	700.00
4.5	Promotion of IT & ITeS Industries	170.00	100.00	98.55	150.00	100.00	69.80	100.00	89.25	49.33	285.08	150.00
4.6	Cyber Security Projects	170.00	80.00	79.99	200.00	339.00	310.51	300.00	100.00	25.51	432.39	400.00
4.7	R&D in IT/Electronics/CCBT	762.99	425.00	420.91	700.00	700.00	502.04	598.17	365.00	349.18	967.22	600.00
4.8	PMGDISHA	400.00	250.00	250.00	300.00	300.00	300.00	250.00	250.00	245.00	-	-
4.9	Promotion of Digital Payments	220.00	300.00	523.48	1500.00	1500.00	1044.34	200.00	2137.00	165.85	890.65	1500.00
4.10	Champion Service Sector Scheme	0.01	0.00	0.00	0.01	0.00	0.00	0.01	0.00	0.00	-	-
4.11	Capacity Building and Skill Development Scheme										827.34	537.50
5	**Central Sector Schemes/Projects**							**5300.00**	**2403.00**	**885.11**	**8355.00**	**7645.04**
5.1	Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India								200.00	0.00	3000.00	3000.00
5.2	Production Linked Incentive Scheme (PLI)							5300.00	2203.00	885.11	5355.00	4645.04

44.   On being asked whether the Ministry was hopeful of achieving full utilization of funds allocated during 2022-23 by the end of March 2023, the Ministry has replied that:

> "MeitY is quite hopeful of achieving full utilization of funds allocated in RE 2022-23 by the end of March 2023 in view of receipt of disbursal proposals under various incentive schemes which are presently being examined for necessary disbursements."

45.   While examining the allocation, the Committee noted that during 2023-24, there had been a significant allocation to two schemes viz. Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India and

Production Linked Incentive Scheme (PLI). When asked as to how the allocation during the year 2023-24 to these schemes was likely to be utilized, the Committee were apprised as:

"PLI Scheme: All applicants are performing well under PLI Schemes and will be able to receive incentives as per projections for 2023-24.

Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India: A budget of Rs.3,000 crore has been allocated for FY 2023-24 out of the total outlay of Rs. 76,000 crore under the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India. For FY 2023-24, scheme wise allocation of fund is as under:

Scheme	Budget Allocation (in Crore) BE 2023-24
Scheme/Modified for Setting up of Semiconductor Fabs in India	1,000
Scheme/ Modified for Setting up of Display Fab in India	0.04
Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductor Fabs and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India	1,799.92
Design Linked Incentive (DLI) Scheme	200
Modernization of SCL, Mohali	0.04

46.   Asked to explain the reasons for significant increase in allocation to Promotion of Digital Payments scheme as against the last financial year, the Ministry replied that:

"The final allocation in respect of Promotion of Digital Payments in FY 2022-23 is Rs.2137 cr. Against this, the allocation in BE 2023-24 for this scheme is Rs.1500 cr. The allocation is more than the BE 2022-23 provision in view of the decision of the Government to continue the Incentive Scheme to acquiring Banks (ISB Scheme) for promotion of Rupay Debit Card and low value BHIM transactions for another year, i.e. 2023-24."

47. When asked to enumerate the reasons for reduced allocation during 2023-24 in schemes such as Promotion of Electronics & IT Hardware Manufacturing and National Knowledge Network (NKN), the Ministry submitted the following:-

"The reduced allocation during 2023-24 is mainly attributable to the following reasons:

Promotion of Electronics & IT Hardware Manufacturing:

i) Non-incurring of expenditure during the 1st half of FY 2022-23 leading to cut in Budget Estimate for the year 2023-24;

ii) Lack of clarity on revised procedure for flow of funds. Initially, the scheme was placed in Model 1 and now after a lapse of 8-9 months, the scheme is being shifted to Model 2; and

iii) There being no specific scheme for the welfare of social sector like Scheduled Castes and Scheduled Tribes

National Knowledge Network:

Next phase of NKN i.e. Digital India Infoway (DII) is in the process of approval. Once DII get approved, the NKN would be subsumed in it. Accordingly, if required, efforts would be made to seek additional funds in the supplementary demand for grants.

48. The Committee observed that during 2022-23, there was low utilization in schemes such as Promotion of Electronics & IT Hardware Manufacturing, Manpower Development and Promotion of Digital Payments. When asked to explain the reasons for the same, the Ministry informed that:-

"The following, prima-facie, reasons have impacted the disbursement of funds in first three quarters of FY 2022-23 in respect of Promotion of Electronics and IT Hardware Manufacturing and Manpower Development Scheme:

i) Due to lack of clarity on revised procedure for flow of funds (Model-1 & Model-2) introduced by Department of Expenditure and complications of such procedure in relation to scheme framework;

ii) Closure of one of the components of the scheme viz. EMC disbursement period and subsequent revival thereof;

iii) So far as the incentive based schemes are concerned, the late receipt of claims and non-furnishing of documents by the companies led to the delay in disbursement.

Requisite funds were allocated under Promotion of Digital Payments at RE stage and the same is being utilized fully."

(i) **Electronic Governance including EAP**

49.   In respect of Electronic Governance, the budgetary allocation and utilization during the past three years, the current year and allocation for the next financial year as furnished by the Ministry are as under:-

(Rs. in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed	1072.17	850.00	750.00	575.00	559.72
BE	450.00	425.00	425.00	525.00	555.74
RE	402.87	415.82	535.00	525.00	-
Actual	402.06	404.99	312.39	500.64*	-
% w.r.t. RE	100	97	58	95	-

*As on 31.01.2023

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

50.   While furnishing the updated status of implementation of SWAN in all the States/UTs and the progress made during the year 2022-23, the Ministry submitted that:

"Presently, SWANs have been made operational in all States/UTs except UT of Ladakh. UT of Ladakh has selected network operator for implementation of SWAN. The Ladakh SWAN is expected to be implemented by June 2023.

In 31 States/UTs, SWAN is successfully completed five years of operation and thereafter States/UTs upgrade and maintain the SWAN network from their own budgetary resources. In 3 State of Arunachal Pradesh and UT of A&N Island and J&K, SWAN is under operationalization. In UT of Ladakh, SWAN is under implementation."

51.   On being specifically asked how the Ministry proposed to speed up the implementation of SWAN in the remaining States/UTs, the Ministry in a written submission stated:

"As mentioned above, SWANs have been made operational in all States/UTs except UT of Ladakh. For implementation of SWAN in UT of Ladakh. MeitY is regularly monitoring the status of the implementation, at the same time, it is also monitored by State Implementing Committee chaired by Secretary, IT of the State/UT government."

b.   Common Service Centres (CSCs)

52.   **Common Service Centres (CSC-2.0: A Way Forward) Project**: MeitY has implemented the network of Common Services Centres (CSC) for delivery of public services to every citizen in assisted mode. The CSC scheme envisages setting up of at-least one CSC in each of 2.50 lakh Gram Panchayats (GPs) across the country, for delivery of various Government-to-Citizens (G2C) and other citizen centric e-Services to citizens. It is a self-sustainable entrepreneurship model which is run by Village Level Entrepreneurs (VLEs). As on October 2022, total 5,21,225 CSCs are operational across all states & Union Territories of the country, out of which, total 4,14,766 CSCs are operational at Gram Panchayat (GP) level. More than 400+ services across the country are being delivered through CSCs (CSC SPV Portal) to the citizen across the country.

53.   During examination of the subject 'Review of functioning of Common Service Centre – Special Purpose Vehicle (CSC-SPV)', the Ministry had furnished as under:-

> "CSC e-Governance Services India Limited was incorporated as a company under the Companies Act, 1956. It is not a Government-owned company….."

54.   Dwelling on the major factors affecting rollout of CSCs and how the major issues in setting up of CSCs in rural and remote areas could be resolved, the Committee were inter-alia apprised as under:-

> "CSC e-Governance Service India Limited apprised that CSCs are run on a self-sustainable basis by village level entrepreneurs and the setting up of CSCs in a particular locality depends upon a number of factors such as availability of reliable power and internet connectivity, viability of operations, demand for its services and footfalls at the centres."

c.   State Data Centres (SDC)

55.   Regarding the updated status of operationalization of SWAN in all the States/UTs, the Ministry informed as under:-

> "State Data Centre (SDC): State Data Centre (SDC) is one of the core infrastructure components of digital infrastructure. Under the SDC scheme, Data Centres to be established 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. Some of the key functionalities that can be provided through SDC are central repository for the State, secure data

storage, online delivery of services, citizen information/services portal, State Intranet Portal, disaster recovery, remote management and service integration, etc. As on date, 30 State Data Centre (SDCs) have been made operational."

56. On the steps taken by the Ministry in 2022-23 to operationalize the SDCs in the remaining States/UTs, the Ministry stated as under:-

"Discussions held with the remaining States/UTs for completion of SDC project. All operational SDCs are taken over and managed by respective State Government / Agencies."

57. Enumerating the major impediments being encountered in the implementation of the scheme and measures taken to address them, the Committee were apprised as under:-

"The primary challenges faced for implementation of Electronics Governance Scheme are digital literacy, digital connectivity, accessibility to services, ease in availing the digital services and the awareness/ readiness amongst the departments to adopt the services. Besides these challenges, the digital divide gap is also attributed to the fact that many citizens belonging to the weaker sections are deprived of availing the digital services.

Government has already taken necessary measures to tackle these challenges through implementing "Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)" to usher in digital literacy in rural India and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity. Government is also providing the services in assisted mode through CSCs to digitally illiterate and taking steps through various other channels also. Moreover, Government is striving hard to create awareness amongst citizens as well as the departments for onboarding and consumption of the digital services."

(ii) **Promotion of Electronics & IT Hardware Mfg. (MSIPS, EDF and Manufacturing Clusters)**

58. The budgetary allocation during the last three years, the current year and allocation for the next financial year, with respect to Promotion of Electronics and IT Hardware Manufacturing are as under:-

(Rs. in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed	1600.00	1545.00	4200.00	2405.00	3500.00

BE	986.00	980.00	2631.32	2403.00	700.00
RE	690.00	700.00	2014.00	1199.00	-
Actual	655.08	478.62	1193.02	201.69*	-
% w.r.t. RE	95	68	59	17	-

As on 31.01.2023

59.   When asked for details with respect to the objectives, targets, date of launching and deadline for completion of the Scheme, the Ministry has submitted that :

"Modified Special Incentive Package Scheme (M-SIPS): The Modified Special Incentive Package Scheme (M-SIPS) was notified on 27th July, 2012 to encourage investments in the Electronics System Design and Manufacturing sector in India. The scheme has been amended in August, 2015 to extend the period of the scheme, enhance scope of the Scheme by including 15 more product verticals, and attract more investment. The scheme was further amended in January, 2017 to expedite the investments. The scheme provides subsidy for capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The incentives are available for 44 categories / verticals of electronic products and components covering entire electronics manufacturing value chain. The Scheme was closed to receive new applications on 31 December, 2018.

Electronics Manufacturing Clusters (EMC): To offset the disability faced by electronics manufacturers in need of ready land availability along with supporting infrastructure; Ministry of Electronics & IT (MeitY) notified Electronics Manufacturing Cluster (EMC) Scheme on 22ndOctober, 2012. The scheme was open for receipt of application for a period of 5 years i.e. upto October, 2017 and further period of upto October, 2024 is available for disbursement of funds to the approved projects. Under the scheme, 19 Greenfield EMCs and 3 Common Facility Centers (CFCs) measuring an area of 3,464 acres with project cost of Rs. 3,498 crore including Government Grant-in-aid of Rs. 1,470 crore. These EMCs are projected to attract an investment of Rs. 52,119 crore and generate about 6.30 lakh employment opportunities.

EMC 2.0: Based on closure of receipt of application and further requirement for strengthening of infrastructure for creation of robust electronics manufacturing ecosystem in the country, MeitY introduced Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme on 1st April, 2020 to provide infrastructure support for attracting major electronics manufacturers along with their supply chain to set up their production facility in the country through such clusters. The total budgetary outlay of the scheme is INR 3,762 crore for a period of 8 years (i.e. March, 2028) with initial 3 years for receipt of applications. The scheme is targeted to attract new investment in the sector and having potential to generate 10 Lakh employment opportunities.

Electronics Development Fund (EDF): EDF has been set up to provide risk capital to companies developing new technologies in the area of Electronics, Nano-Electronics and Information Technology (IT). EDF Policy was approved Cabinet on 10.12.2014 and notified on 09.01.2015. 22 Daughter Funds were approved for investment through EDF. The approved commitments to these 22 Daughter Funds was Rs 1224 crore. However, due to various reasons like

restriction to invest at least 50% of the corpus in Electronics System Design and Manufacturing (ESDM), inability to raise sufficient capital from market, 14 Daughter Funds could not avail funding from EDF. The current commitment of EDF is Rs 246.30 crore to 8 Daughter Fund.

As on 31.12.2022, EDF has invested Rs. 242.40 crore in eight Daughter Funds, which in turn have made investments of Rs. 1,242.51 crore in 128 Ventures/Startups. Total employment in supported Startups was more than 18,000. The number of IPs created/acquired by the supported start-ups is 383. Out of the 128 startups, 8 Daughter Funds have exited from 26 investments and written off 8 investments. The cumulative returns received in EDF from the proceeds of these exits is Rs 95.70 crore.

Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS): SPECS scheme was notified on 01.04.2020 to offset the disability for domestic manufacturing of components and semiconductors in order to strengthen the electronics manufacturing ecosystem in the country. The scheme provides financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods, all of which involve high value added manufacturing. The scheme is open to receive application till 31.03.2023.The total approved expenditure outlay by cabinet is INR 3,285 crore (including administrative expenses of up to 32 crore).

Thirty two (32) applications have been approved till 31.01.2023 with total proposed investment of INR 11,131 crore and committed incentives of Rs 1,518 crore. The total employment generation potential of the approved applications is 32,457."

60. While furnishing details with respect to the targets set under the scheme during 2023-24 and the measures being taken to achieve the same, the Ministry informed the Committee as under:-

"M-SIPS & SPECS: A budget of Rs.414.00 crore has been earmarked for 2023-24 for M-SIPS & SPECS schemes. Following measures are being taken to achieve the target:

  i) Organized workshop/meeting with applicant to address their disbursement related issues.

  ii) Disbursement projections for next two quarter are being sought from applicant through QPR.

EMC & EMC 2.0: Initially, a budget of Rs. 350 crore was earmarked for 2022-23 for these schemes. However, due to closure of disbursal period i.e., upto Oct. 2022 under EMC scheme and subsequent revival thereof upto Oct. 2024

and constraints faced in compliance of requisite terms & conditions as well as issue in implementation of revised fund flow procedure introduced by Department of Expenditure w.r.t execution of such schemes, the budget outlay was revised as Rs. 130 crore during RE 2022-23. Out of which, Rs. 29.75 crore has been released and rest of the amount is targeted to release before end of 31.03.2023. The proposal is in consideration. Project review meetings are being carried out regularly with project implementing agencies for timely completion of projects.

EDF: Investment by EDF - Rs 2 crore. The target is set based on the remaining commitment of EDF to the Daughter Funds. Most of The Daughter Funds have completed their investments and have started divestments.

61.   The Committee noted that there was a substantial gap between the amount proposed and allocation made at BE during 2023-24. In this regard, the Committee sought to know the steps being taken by the Ministry to ensure adequate availability of funds during 2023-24. To this, the reply of the Ministry was:

"MeitY had sought Rs. 3500 crore as Budget Estimate for the financial year 2023-24 against which an amount of Rs. 700.00 crore has been allocated to the scheme. In case, the allocated budget is found insufficient, the additional budget may be sought at RE stage."

62.   When asked about the major impediments being encountered in the implementation of the scheme and the measures taken to address the same, the Ministry furnished their reply as under:-

"The major impediments faced by the Electronics hardware manufacturing sector in India are as under:

- **Addressing disabilities in domestic manufacturing:** The electronics manufacturing sector in India faces certain disabilities which render domestic manufacturing less competitive. The three most significant factors contributing to this are the state of infrastructure, quality and reliability of power, and cost of finance.

- **Diversity and velocity of technology change:** Electronics is pervasive and spans all sectors. Convergence between different technologies, applications, devices, systems, and software, is constantly driving technology changes. In addition, the half-life of technologies has been continuously reducing and is estimated to be even less than six months in certain verticals."

(iii) **Promotion of Digital Payments**

63.   With respect to promotion of Digital Payments, the budgetary allocation and utilization during the last three years and the current year alongwith the allocation for the next financial year are as under:-

(Rs. in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed	860.00	320.00	300.00	570.00	890.65
BE	600.00	220.00	1500.00	200.00	1500.00
RE	480.00	300.00	1500.00	2137.00	-
Actual	511.53	523.48	1044.34	165.85*	-
% w.r.t. RE	107	174	70	8	-

As on 31.01.2023

64.   The overview of the scheme as submitted by the Ministry is:

"**Name of the Scheme**: Promotion of Digital Payments

Duration of the Scheme: 5 years (2021-2026)

Objectives: Promotion of digital payments ecosystem is an essential aspect of Digital India programme and has the potential to transform Indian economy by extending inclusive financial services. The objectives of the Scheme are as follows:

- Enhancement of the digital payments acceptance infrastructure in J&K, NE, Rural and other un-tapped areas.
- End-to-end integration of digital payments in the complete supply-chain of major trades of the States & UTs.
- Promotion of digital payments in Government sector across the country.
- Targeted interventions/ models tying up cashless payments with the livelihoods of otherwise digitally-excluded population segments.
- Execute targeted awareness and incentive programs.
- Promotion and enablement of startups in Fintech domain.
- Strengthening of Cyber-security in Digital Payments including robust grievance redressal mechanism.
- Internationalisation of domestic payment modes (RuPay card & UPI).

Proposed Outcomes year-wise:

Year	TARGET(No. of Digital Payment Transactions) (volume in crore)
2021-22	8840 (achieved)
2022-23	13000
2023-24	21000
2024-25	30000
2025-26	42000

Sunset date – 31st March, 2026

65.   When asked to enumerate the reasons for a drastic ten-fold increase in allocation to this scheme at RE stage *vis-à-vis* the amount allocated at BE stage during the year 2022-23, the Ministry put forth the following:

> "For FY 2022-23, it was announced in the budget that 'The financial support for digital payment ecosystem announced in the previous Budget will continue in 2022-23'. In compliance with Budget announcement for FY 2022-23, the incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant) for a period of one year from April 2022 got approved in January, 2023 which accounts for increase in RE, for FY2022-23."

66.   On being asked as to how the increased allocation to the scheme *vis-à-vis* the proposed amount during the year 2023-24 was likely to be utilized, the Committee were apprised as under:-

> "Increased allocation for FY 2022-23 as well as FY 2023-24 are to be utilized for 'Incentive scheme for promotion of RuPay Debit Card and low-value BHIM-UPI transactions (person-to-merchant)'."

67.   Regarding the physical targets set at BE and RE stage and achievements made by the Ministry during the year 2022-23, the following was submitted:

> "The incentive scheme for promotion of RuPay Debit Card & low-value BHIM-UPI transactions (upto ₹ 2,000) (P2M) with an outlay of Rs.2600 crore for 1 year w.e.f. April 01, 2022 has been approved by the Cabinet on 11.1.2023 and notified by the Ministry on 14.1.2023. The ISB Scheme for the FY 2022-23 was only approved in January, 2023, however, the allocated funds under RE 2022-23 are likely to be utilized by the end of the financial year for payment of the First, Second and Third quarter of the ISB Scheme 2022-23 as the claims for the same are being processed and will shortly be released in February 2023."

68.   The various activities undertaken for promotion of digital payments are:-

1. Incentive schemes
2. Launch of innovative Payment Solutions
3. Digital Payment acceptance infrastructure
4. Digital Payments Dashboard
5. Awareness & Capacity Building initiatives
6. Promotion of Fintech startups
7. Digital Payment Awards
8. Initiative to empower street vendors with Digital Payments
9. Promotion of indigenous payment solutions BHIM-UPI & RuPay globally
10. Initiatives and campaigns to educate citizens about cyber frauds

Details of the above are at **Annexure-I**.

69.   Details regarding the total number of transactions and value of transacted amount in respect of different modes of digital payment during the last 3 financial years as furnished is as under:

Mode of Digital Payment	FY 2019-20		FY 2020-21		FY 2021-22	
	Volume in Crore	Value In Crore	Volume in Crore	Value In Crore	Volume in Crore	Value In Crore
NACH	340	1,762,848	363	1,903,275	384	2,193,870
IMPS	258	2,337,390	328	2,941,349	466	4,166,458
BHIM-UPI	1,252	2,131,730	2,233	4,103,653	4,597	8,417,731
AEPS	90	118,829	134	342,037	126	306,294
NETC	58	11,294	133	22,761	244	38,801
Debit Card	512	979,143	411	814,269	395	730,274
Credit Card	218	730,986	176	630,415	224	971,632
NEFT	274	22,945,580	309	25,130,909	404	28,725,463
RTGS	15	154,906,073	16	105,599,849	21	128,657,516
Prepaid Instrument	533	215,399	494	197,685	658	293,658
Closed Loop Wallet	150	6,712	23	813	36	1,537
Internet Banking	189	35,939,259	204	72,564,718	390	35,153,670
Mobile Banking	126	776,664	99	969,087	143	1,170,184
Others	556	72,424,623	630	84,772,378	753	91,280,606
Total	4,572	295,286,529	5,554	299,993,200	8,840	302,107,696

Note: Data for FY 2022-23 is provisional, till 28th January, 2023

70.   When asked whether there was any nodal agency to address issues faced by the end-user in the digital payments space in India and the recourse that was available to a victim of fraud related to digital payments, the Committee were apprised as under:-

"As per Gazette Notification dated 13.02.2017, Government of India (Allocation of Business) Rules, 1961, the matter regarding "Promotion of Digital

transactions including Digital Payments" has been allocated to Ministry of Electronics & IT (MeitY). Further, the PSS Act, 2007 (Payment and Settlement Systems Act) provides for the regulation and supervision of payment systems in India and designates the RBI as the authority for that purpose and all related matters. The above referred act is administered by Deptt of Financial Services, GOI.

Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes, with a special focus on cyber-crimes against women and children. All States/UTs have been on boarded on the system, which comprises around 177 Banks, e-Wallets, UPI service providers, E-commerce companies, etc. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber frauds/complaints.

Further, 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the capacity building of their Law Enforcement Agencies (LEAs), prevention, detection, investigation and prosecution of crimes including cyber-crimes through their LEAs. The LEAs take legal action as per provisions of law against the offenders and Ministry of Home Affairs supplements the initiatives of the State Governments through financial assistance under various schemes for their capacity building and advisories to deal with cyber-crimes."

71.   On being asked whether MeitY had ever considered/proposed setting up of a single point contact centre for issues related to digital payments in pursuance of a victim-centric approach, the Ministry submitted:

"Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber complaints.

Further, 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the capacity building of their Law Enforcement Agencies (LEAs), prevention, detection, investigation and prosecution of crimes including cyber-crimes through their LEAs. The LEAs take legal action as per provisions of law against the offenders and Ministry of Home Affairs supplements the initiatives of the State Governments through financial assistance under various schemes for their capacity building and advisories to deal with cyber-crimes."

72.   The Committee had sought data regarding total number of user grievances (received/disposed off) and total number of cases of reported fraud (lodged/settled) for each type of digital payments mode during the last three years and also the breakup of such frauds in terms of (i) social engineering frauds (ii) customers falling prey to greed

and (iii) breach in system/network security. The requisite information from the Ministry is awaited.

73. Regarding steps being taken to mitigate cases of fraud related to digital payments, the Ministry apprised the Committee as under:-

"Indian Cyber Crime Coordination Centre (I4C) Scheme under Ministry of Home Affairs in its various initiatives has launched Citizen Financial Cyber Frauds Reporting and Management System (CFCFRMS with National Helpline Number 1930) to prevent the flow of money of citizens siphoned off by cyber fraudsters. All States/UTs have been on boarded on the system, which comprises around 177 Banks, e-Wallets, UPI service providers, E-commerce companies, etc.

Further, 'Police' and 'Public Order' are State subjects as per the Seventh Schedule of the Constitution of India. States/UTs are primarily responsible for the capacity building of their Law Enforcement Agencies (LEAs), prevention, detection, investigation and prosecution of crimes including cyber-crimes through their LEAs. The LEAs take legal action as per provisions of law against the offenders and Ministry of Home Affairs supplements the initiatives of the State Governments through financial assistance under various schemes for their capacity building and advisories to deal with cyber-crimes.

Reserve Bank of India has issued the instructions to limit the liability of customers in case of unauthorised electronic transactions. The following are the details:

(i)   Zero Liability: A customer need not bear any loss if the deficiency is on the part of the bank and in cases where the fault lies neither with the bank nor with the customer but lies elsewhere in the system and the customer notifies the bank within three working days of receiving the communication about the unauthorised transaction.

(ii)   Limited Liability:
•   Where the loss is due to the customer's negligence, the customer has to bear
the   entire loss until the customer reports the unauthorised transaction to the bank; and
•   Where the fault lies neither with the customer nor with the bank and lies
         elsewhere in the system and the customer reports between four to seven
working   days of the unauthorised transaction, the maximum liability of the
customer   ranges from ₹5,000 to ₹25,000, depending on the type of account/
instrument.

(iii)   **Liability as per Board approved policy**: If the unauthorised transaction is reported beyond seven working days, the customer liability shall be determined as per the bank's Board approved policy.

Further, the following steps have been taken by CERT-In to address the issue of cybercrimes:

i. Indian Computer Emergency Response Team (CERT-In) issues alerts and advisories regarding latest cyber threats/vulnerabilities and countermeasures to protect computers and networks on an ongoing basis. CERT-In has issued 69 focused advisories on awareness of security aspects of digital payments, from November 2016 to November 2022, that aim at creating cyber security know-how by analyzing the threat vectors and suggesting best practices for the specific area in cyber security for organisations and users.

ii. CERT-In 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/exercises are being conducted regularly by CERT-In in Government and financial sector.

iii. 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 tools, USB Pratirodh, AppSamvid and M-Kavach.

iv. 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, Law Enforcement Agencies and international CERTs to track and disable such phishing websites.

v. CERT-In is issuing advisories for users and organisations to create awareness about cyber frauds and threats and to secure digital payment systems.

vi. CERT-In is providing tailored alerts to banks and financial sector organizations regarding latest cyber threats and advising countermeasures.

vii. Victims require to report cyber-crimes and cyber fraud cases to Law Enforcement agencies for investigation.

In addition to the above, the role played by CERT-In is to provide situational awareness and analysis of fraudulent activities to Indian Cyber Crime Coordination Centre (I4C) and Law Enforcement Agencies for investigation purposes."

74. On whether there were any laid down Guidelines or Standard Operating Procedure to be followed by a victim of such fraud, the Ministry informed that:-

"Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes including digital payments related fraud. All States/UTs have been on boarded on the system, which comprises around 177 Banks, e-Wallets, UPI service providers, E-commerce companies, etc. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber frauds/complaints."

(iv) **Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India**

75.   The budgetary allocation and utilization during the last two years and the current year alongwith allocation for the next financial year towards Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India are as under:-

<div align="right">(Rs. in crore)</div>

	2020-21	2021-22	2022-23	2023-24
Proposed	-	-	-	3000.00
BE	-	-	-	3000.00
RE	-	-	200.00	-
Actual	-	-	0*	-
% w.r.t. RE	-	-	0	-

As on 31.01.2023

76.   According to the Ministry, a budget of Rs.3000 crore has been earmarked for FY 2023-24 under the Programme for Development of Semiconductors and Display Ecosystem in India. During the year, it is projected to attract investments to the tune of Rs. 6,000 Crore under different schemes of the Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India. Under the DLI scheme, 20 companies are expected to be supported for design and development of semiconductor IP Cores.

77.   While submitting an overview of the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India, the Ministry furnished the following:-

"In furtherance of the vision of Aatmanirbhar Bharat and positioning India as the global hub for Electronic System Design and Manufacturing, the Union Cabinet approved the comprehensive program for the development of sustainable semiconductor and display ecosystem in the country with an outlay of INR 76,000 crore on 15.12.2021.

The programme aimed to provide attractive incentive support to companies / consortia that are engaged in Silicon Semiconductor Fabs, Display Fabs, Compound Semiconductors / Silicon Photonics / Sensors (including MEMS) Fabs, Semiconductor Packaging (ATMP / OSAT), Semiconductor Design. As part of the programme, following four schemes were notified on 21.12.2021:

•Scheme for setting up of semiconductor fabs in India
•Scheme for setting up of Display Fabs in India
•Scheme

- for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India
- Design Linked Incentive (DLI) Scheme

Additionally, Union Cabinet also approved that Ministry of Electronics and Information Technology will take requisite steps for modernization and commercialization of Semi-conductor Laboratory (SCL), Mohali. MeitY will explore the possibility for the Joint Venture of SCL with a commercial fab partner to modernize the brownfield fab facility.

Further, on 21.09.2022, Union Cabinet has accorded approval for modifications in "Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India" which was approved by the Union Cabinet on 15.12.2021. Consequent upon the approval of the Union Cabinet on 21.09.2022, modified schemes were notified in Gazette of India on 04.10.2022. As per the modified programme, following incentives are now available:

- **'Modified Scheme for setting up of Semiconductor Fabs in India'** for attracting large investments for setting up semiconductor wafer fabrication facilities in the country to strengthen the electronics manufacturing ecosystem and help establish a trusted value chain. The Scheme extends a fiscal support of 50% of the project cost over period of 6 years on *pari-passu* basis for setting up of Silicon CMOS based Semiconductor Fab in India.
- **'Modified Scheme for setting up of Display Fabs in India'** for attracting large investments for manufacturing TFT LCD or AMOLED based display panels in the country to strengthen the electronics manufacturing ecosystem. Scheme extends fiscal support of 50% of Project Cost over period of 6 years on *pari-passu* basis for setting up of Display Fabs in India.
- **'Modified Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India'** shall extends a fiscal support of 50% of the Capital Expenditure on Pari-passu basis for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS) Fab/ Discrete Semiconductor Fab and Semiconductor ATMP / OSAT facilities in India. The Scheme is open for receiving applications till 31.12.2024.
- **Design Linked Incentive (DLI) Scheme'** offers financial incentives, design infrastructure support across various stages of development and deployment of semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design. The scheme provides "Product Design Linked Incentive" of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application and "Deployment Linked Incentive" of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application."

78.   Regarding major impediments being encountered in the implementation of the scheme and the measures taken to address them, the Committee were apprised as under:-

"Semiconductor and display manufacturing are very complex and technology intensive industry with huge capital investments, high risk, long gestation and

payback periods, and rapid changes in technology requiring significant and sustained investments.

The programme for Development of Semiconductors and Display Manufacturing Ecosystem in India has further been modified in view of the aggressive incentives offered by countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies. The modified programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem. This will serve to pave the way for India's growing presence in the global electronics value chains. The programme will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design."

79.   On the overall status of implementation of this scheme and achievements made so far, the Ministry has submitted the following information:

"India Semiconductor Mission (ISM) has been set up as an Independent Business Division within Digital India Corporation having administrative and financial autonomy to drive India's strategies for developing semiconductors and display manufacturing ecosystem. Envisioned to be led by global experts in the Semiconductor and Display industry, ISM will serve as the nodal agency for efficient, coherent and smooth implementation of the schemes.

Total 29 applications have been received under the Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India. Three (3) applications under setting of semiconductor Fabs in India; 2 applications under setting up of Display Fab in India; 3 applications under setting up of compound & ATMP facilities in India; and 21 applications under Design Linked Incentive Scheme, have been received.

ISM has recommended one application for approval under the Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India'.

ISM has also recommended one application for approval under the Scheme for setting up of semiconductor fabs in India."

(v)   Production Linked Incentive (PLI) Scheme

80.   Towards Production Linked Incentive Scheme, the budgetary allocation and utilization during the last two years and the current year with allocation for the next financial year are as under:-

<div align="right">(Rs. in crore)</div>

	2020-21	2021-22	2022-23	2023-24
Proposed	-	-	5298.00	5355.00

BE	-	-	5300.00	4645.04
RE	-	-	2203.00	-
Actual	-	-	885.11*	-
% w.r.t. RE	-	-	40	-

As on 31.01.2023

81.   While giving an overview of the Scheme, the Ministry has submitted the following:-

"Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing was notified on 01.04.2020. The scheme extends an incentive of 3% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target segments viz. Mobile Phones and specified Electronic Components, to eligible companies, for a period of 5 years, to boost domestic manufacturing and attract large investments in the electronics value chain including electronic components and semiconductor packaging.

Production Linked Incentive Scheme (PLI) for IT Hardware was notified on 03.03.2021. This scheme extends an incentive of 4% to 2% / 1% on net incremental sales of goods under target segments - Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers for a period of four years (FY2021-22 to FY2024-25). The target IT hardware segments under the Scheme include Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers."

82.   On the reasons for decrease in allocation from BE to RE during 2022-23 and the actual status of utilization of funds made, the Ministry has stated as under:-

"Initially, the PLI scheme for Large Scale Electronics Manufacturing tenure was from August 2020 to March 2025 (for 5 years). However, considering the disruptions in production activities on account of pandemic related lockdowns, restrictions on movement of personnel, delays in installation of relocated plant and machinery and disruptions in supply chain due to Covid-19 pandemic, the option of an extension was made available to the scheme beneficiaries. Out of 32 beneficiaries, 31 opted for the extension. The budget outlay of INR 5300 Crore was decided for the FY 2022-23, however, after opting for the extension the yearly outlay was revised to INR 2203 Crore, based on their production."

83.   Regarding the targets set during 2023-24 under this scheme and the measures being taken to achieve the set targets, the Ministry apprised the Committee as under:-

"Target for FY 2023-24 has been set as 4,645 crore for incentivization of approved applicants under PLI Schemes of MeitY. MeitY is continuously engaging with stakeholders to improve the performance and achieve the targets under PLI Schemes."

84.   While submitting the overall status of implementation of this scheme and the achievements made so far, the Ministry has furnished the following:-

"The scheme is running successfully. As of December 2022, under PLI Scheme for Large Scale Electronics Manufacturing, production of ₹2,39,609 crore; investment of ₹5,124 crore and employment of 52,509 has been achieved. Further, As of December 2022, PLI scheme for IT Hardware has led to production of INR 4138 crore, investment of INR 129 crore and generated 514 direct jobs. Further, Round 2 of PLI Scheme for IT Hardware is under formulation."

H.   Unique Identification Authority of India (UIDAI)

85.   The budgetary allocation and utilization with respect to UIDAI during the last three years, the current year and allocation for the next financial year are as follows:-

(Rs. in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Proposed	1650.00	1500.00	1200.00	1400.00	1800.00
BE	1227.00	985.00	600.00	1110.00	940.00
RE	836.78	613.00	884.97	1110.00	-
Actual	836.78	613.00	1564.80	1110.00*	-
% w.r.t. RE	100	100	177	100	-

As on 31.01.2023

86.   An overview of major activities of UIDAI including its major targets and achievements during 2022-23, as submitted by the Ministry are as under:

"Unique Identification Authority of India (UIDAI), governed by the Aadhaar Act, 2016 and Regulations framed thereunder is mandated to provide digital identity (Aadhaar) and digital authentication services to all the residents of India. Till date more than 135 crore Aadhaar numbers have been issued by UIDAI. After adjusting for estimated deaths, the estimated number of living Aadhaar number holders, as on 31.12.2022, is 129.69 crore.

a) As on 31st December 2022, 135.43 crore Aadhaar have been generated against the projected population (2022) of about 137.29 Crore. However, the actual number of Aadhaar holders would always be lesser than the number of Aadhaar issued due to deaths. Hence, the concept of "Live Aadhaar" has been introduced to estimate the number of alive persons holding Aadhaar. Accordingly, number of live Aadhaar is calculated as 129.69 Crore covering 94.46% of the projected population.

Total enrolment and updated done in year 2022 (January 2022 to December 2022 are as follows:
   • Enrolment – 2.95 crore
   • Update – 16.62 crore
b) As on 31st December 2021, there were 53,640 enrolment stations operational across the country under various Registrars for Aadhaar enrolment/update activities which were increased to 66,699 enrolment stations operational across the country.

c) Head of Family (HOF) based Address update in Aadhaar through myAadhaar portal. UIDAI has put in place a resident friendly facility to help them update address in Aadhaar online with the consent of the HoF. The HoF based online address update in Aadhaar will be of great help to the relative(s) of a resident–like children, spouse, parents etc, who don't have supporting documents in their own name to update address in their Aadhaar. It can be done by submitting Proof of Relationship document like Ration Card, Marksheet, Marriage Certificate, Passport etc. mentioning the name of both the applicant and HOF and the relationship between them and OTP based authentication by the HOF. In case even Proof of Relationship document is not available, UIDAI provides the resident to submit a self-declaration by the HOF in the UIDAI prescribed format.

d) Introduction of separate Aadhaar Enrolment forms for Enrolment/Update of Adult residents (>18), Aadhaar Enrolment /Update of residents in the age group of 0-18 years and child enrolment in the age group of 0-5 years

e) UIDAI has started Document Update project from August 2022. Residents who had got their Aadhaar issued 10 years ago, and have never updated after that in these years, such Aadhaar number holders are encouraged to get their documents updated. From August 2022 till 31st January 2023, a total of 13.79 lakh document updates carried out.

f) Development of online portal on NIC Service Plus platform for verification of Adult enrolments through State Govt machinery before issuance of Aadhaar

g) Establishment of UIDAI run Aadhaar Seva Kendra providing higher service capacity, comfortable air-conditioned environment, multiple enrolment counters, seating arrangement and electronic token system besides other amenities on all 7 days of the week (except public holidays). Residents have option to book online appointment for availing service at these ASKs. As on 31-12-2021 the no. of Aadhaar Enrolment functional was – 64 which has been increased to 88 covering 72 major cities.

h) Saturation level of Aadhaar generation as on 31-12-2021 – 93.13% which is increased to 94.46% as on 31-12-2021.

i) Implementation of protocols for 1:N de-duplication by two Biometric Service providers for all Adult enrolments including Face as a modality for de-duplication to reduce chances of generation of duplicate Aadhaars.

j) 100% quality check for the documents provided by the resident for enrolment/update of Aadhaar.

k) Introduction of Bhuvan Portal through which Residents can locate Aadhaar enrolment centres with navigation across the country.

l) Against the target of on-boarding about 1 lakh postman through India Post Payment Bank 99,695 machines activated as on 31st December and 54,766 operators are on-boarded.

m) Aadhaar authentications is a demand driven service. Due to increased use of online authentication, onboarding of more requesting entities in Aadhaar authentication ecosystem, the present peak is of 08 crore online authentication per day."

87. While dealing with the issue of the substantial gap between the amount proposed and allocation made at BE during 2023-24 and the steps being taken by the Ministry to ensure adequate availability of funds during 2023-24, the Ministry submitted:-

"MeitY has allocated ₹ 940.00 crore as B.E for UIDAI for the year 2023-24 against the total requirement of ₹ 2102.04 crore projected by UIDAI.

The allocation of ₹ 940.00 crore for the F.Y. 2023-24 would not be sufficient to meet the requirements of UIDAI. Currently, UIDAI is in the process of Technology Up gradation to cater the rise in Enrolment and Update request as well as support for enhanced Authentication related services. Also the on boarding of new Managed Service Providers for various UIDAI services, tech refresh of Data Centres (DC's) and increase in number of Mandatory Biometric

Update (MBU) requests is leading to increased requirement of resources. It is hoped that MeitY will enhance the budget allocation of UIDAI to meet its committed liabilities.

One of the major area of expenditure from UIDAI is under the Assistance to be released to Registrars against Aadhaar Generation and Mandatory Biometric Update. In addition to the above, UIDAI need to make payments to the ASK Service Providers against the Services provided through UIDAI ASKs against Aadhaar Enrolment and Update. As per Regulation 28(1) (e) of the Aadhaar Enrolment and Update Regulations 2016, every Aadhaar holder on attaining the age of 5 and 15 are mandated to update their Biometrics in their Aadhaar. UIDAI targets to cover the uncovered and new born residents for Aadhaar enrolment and to cover the Mandatory Biometric Update for children attaining the age of 5/15.

Huge reduction in BE allocation may badly affect the release of assistance to Registrar and the basic functioning of UIDAI-concerning new enrolments and Mandatory biometric updates."

88. To a specific question as to how UIDAI was meeting the budgetary requirements of the organization, the Committee were apprised as under:-

"The budgetary requirement of UIDAI is met through Grants-in-Aid received from MeitY. UIDAI requires adequate Grants from MeitY in order to fulfill its mandate of providing good governance, efficient, transparent and targeted delivery of subsidies, benefits and services to individuals residing in India through assigning unique Identity number. It may also be mentioned that UIDAI has own receipts/income from Authentication Service Charges, Authentication License Fee, Self Service Update Portal (i.e. nominal) and other miscellaneous receipts."

89. With respect to the targets set during 2023-24 and the measures being taken to achieve the same, the Ministry informed as under:-

"UIDAI is in the process of further strengthening the Aadhaar enrolment eco-system through the following measures which are under progress:

a)   UIDAI has developed a State Government Portal in collaboration with NIC and all the States/UAT to get the requests for new Aadhaar verified by State Governments through this Portal – Under this system the demographic details, provided by the Resident undergoing enrolment for Aadhaar, shall be shared with the respective State/UAT for verification;

b)   Introduction of separate Aadhaar Enrolment forms for Enrolment/Update of Adult residents (>18), Aadhaar Enrolment /Update of residents in the age group of 0-18 years and child enrolment in the age group of 0-5 years;

c)   Introduction of simplified Revised List of acceptable supporting documents.

d)   Protocol for issue of Aadhaar to Resident Foreigner with visible difference

e)   Further Increase in number of UIDAI Aadhaar Seva Kendra to major districts

f)   To automate the process of deactivation of Aadhaar of deceased personnel

    API based integration with document issuing authority to verify authenticity of document."

90.   When asked about the response to usage/adoption of Aadhaar in Digital Payments and e-KYC process and steps taken by MeitY to promote Aadhaar enrolment and usage/adoption of Aadhaar in Digital Payments and e-KYC process, the Ministry submitted as under:-

"Aadhaar as a digital identity platform has gained nationwide acceptance and has become ubiquitous with around 136 crore Aadhaars being issued till date. Around 8 crore authentication transactions including more than one crore e-KYC transactions are being performed daily. Since inception, around 1412 crore e-KYC authentications have been performed. Due to ease of use across all applications and availability of updated data, eKYC is finding increased use.

In order to increase usage/ adoption of Aadhaar eKYC, in October 2021, UIDAI has reduced rates drastically for Aadhaar e-KYC transaction from Rs. 20 to Rs. 3 per transaction whereas the same is Re. 1/- for Telecom Service Providers (as per the decision of Union Cabinet).

Aadhaar e-KYC has seen tremendous growth during last three years as depicted below:

Year	No. of Aadhaar e-KYC (in crore)
2019	91.52
2020	102.35
2021	193.29
2022	313.86

The Aadhaar Enabled Payment System (AePS), an important tool for financial inclusion, has also been growing on a continuous basis as shown below:

Year	No. of AePS transactions (in crore)
2020-21	392.10
2021-22	431.40
2022-23 (upto January 2023)	403.24

91.   Regarding the existing mechanism for reconciliation of deaths in the Aadhaar database and whether there was any proposal to link it to data from Registrar of Births and Deaths for periodic updation, the Ministry made the following submission:

> "Registrars of Birth and Death are the custodians of births and deaths in the country. Process of matching the death records with Aadhaar numbers in CRS database with UIDAI database and deletion/deactivation of these Aadhaar numbers as per provisions of the Aadhaar Act is under consideration. Moreover RGI had sought suggestions of UIDAI on draft RBD amendment so as to obtain the Aadhaar number of deceased person while issuing death certificate."

92.   When asked whether there was excessive centralization of data in the form of Aadhaar and the merits versus demerits of too much centralization of data in the form of Aadhaar having linkages with various other documents and services, the Ministry submitted as under:-

> "By its very design, Aadhaar database does not have all domain specific transaction data and hence the resident's specific transactional data remains federated across many user agencies' databases rather than centralized into a common database. It is also important to note that the various systems may have made references to the UIDAI (through the use of the Aadhaar number), but the UIDAI does not maintain reverse links to any of these systems. For example, while opening a bank account, the Bank will have the Aadhaar number, but UIDAI will not be privy to any data held by the Bank including the bank account number or any banking transaction details. Aadhaar seeding is therefore, strictly a one-way linkage wherein the Aadhaar number is incorporated into the beneficiary database without pooling any data from the said database into the UID database."

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Activities undertaken for promotion of digital payments

1. **Incentive schemes:** In order to catalyze the adoption of digital payments, Government has launched various schemes for incentivizing merchants, individuals and banks. Some of them were BHIM Cashback schemes for Individuals & Merchants, BHIM Aadhaar Merchant Incentive Scheme, BHIM-UPI Merchant On-boarding Scheme and MDR Reimbursement Scheme.

In order to further drive adoption of digital payments in the country, the incentive scheme for promotion of RuPay Debit cards and low-value BHIM-UPI transactions (P2M) was notified by the Ministry of Electronics and Information Technology, Government of India *vide* Gazette Notification dated December 17, 2021, subsequent to the approval by the Union Cabinet in its meeting held on December 15, 2021. The scheme was formulated in compliance with the Budget announcement (FY 2021-22) to give a further boost to digital transactions in the country. Under the scheme, the acquiring banks were incentivised by the Government by way of paying percentage of value of RuPay Debit cards and low-value BHIM-UPI transactions (up to Rs 2,000) (P2M), for a period of one year, w.e.f. April 01, 2021. The scheme ended on 31st March 2022.

Recently, in order to further deepen penetration of digital payments in the country, across all sectors and segments of the population, Government has approved the incentive scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (P2M) in FY 2022-23 has a financial outlay of ₹ 2,600 crore. This incentive scheme will facilitate building of a robust digital payment ecosystem and promoting RuPay Debit Card and BHIM-UPI digital transactions. In-line with the objective of **'Sabka Saath, Sabka Vikas'**, the scheme will also promote UPI Lite and UPI 123 PAY as economical and user-friendly digital payments solutions.

2. **Launch of innovative Payment Solutions:** Various innovative payment solutions have been launched to provide easy and convenient digital payment options for the citizens across the country.

- **BHIM 2.0**: BHIM app facilitates easy digital payments via UPI, through multiple Bank accounts. New version of BHIM (BHIM 2.0) was launched by Hon'ble MEIT on 21st Oct, 2019, with various new features. In order to make BHIM app more effective, new features have been introduced like introduction of mandate, linking of over-draft account, invoice in the inbox, Donation, Merchant offers, and introduction of new languages. At present, BHIM users can access the app in 13 languages.

- **BHIM Aadhaar Pay:** BHIM Aadhaar Pay, merchant version of AePS (Aadhaar Enabled Payment System) was launched by Hon'ble PM on 14th April, 2017 that allows making payments without using smart phone or card. BHIM-Aadhaar Pay app enables digital payments through the fingerprint scanner, by authenticating the biometric details of a user with Aadhaar database.

- **National Common Mobility Card (NCMC):** Government has launched NCMC to provide an easy, convenient and fast method of digital payment to the citizens for public transport and other low value transactions including retail, parking etc. NCMC will enable a single interoperable digital payment mode in all the Metros and Bus services along with retail to fulfill the vision of 'One Nation One Card'.

- **e-RUPI:** Hon'ble Prime Minister has launched "e-RUPI" - a person and purpose specific, contactless and cashless digital payment solution on Aug 02, 2021. e-RUPI is a landmark initiative for 'Direct Benefit Transfer' schemes, aimed at targeted, transparent and leakage free delivery of benefits for public welfare. e-RUPI is a prepaid electronic voucher (QR code or SMS based) which can be used by the Government organizations/Corporates/NGOs for delivery of a specific subsidy or welfare benefit to the targeted citizens. The beneficiaries will be able to redeem e-RUPI voucher without a card, digital payments app or internet banking access, at the merchants accepting e-RUPI, simply by showing SMS or QR code. The first use case of e-RUPI has been rolled out for sponsoring COVID vaccination at private vaccination centres. e-RUPI may be further extended for various government welfare schemes.
- **UPI 123PAY:** UPI 123PAY is an instant payment system for feature phone users who can use Unified Payments Interface (UPI) payment service in a safe and secure manner. Through UPI 123PAY, feature phone users will now be able to undertake a host of transactions based on four technology alternatives. They include calling an IVR (interactive voice response) number, app functionality in feature phones, missed call-based approach and also proximity sound-based payments

- **UPI Lite** – For enabling offline UPI payments for promotion of digital payments in rural and remote areas, UPI Lite has been designed with an 'on-Device wallet functionality' for UPI users.

3. **Digital Payment acceptance infrastructure**: Coordinated efforts of ecosystem partners have led to increase in digital payments acceptance infrastructure, in the country. The status is given below:

Payment Infrastructures (in Lakh)

Payment System Infrastructures	Mar-21	Oct-22	Growth(in %)
BHIM-UPI QR Codes	925.22	2,253.23	144.53
Bharat QR Codes	35.70	47.49	32.18
POS	47.20	72.11	52.78

Source: RBI

4. **Digital Payments Dashboard:** DIGIDHAN Dashboard (https://digipay.gov.in) has been developed to create a platform for reporting, monitoring and analysis of digital payment transactions occurring in the country and enablement of infrastructure through deployment of Physical/Mobile/BHIM Aadhaar PoS devices. It helps in tracking the growth of digital payment transactions in the country and provides inputs for effective planning of promotional activities. An interactive chatbot 'DigidhanMitra' has been developed in the Dashboard which is powered by artificial intelligence to provide on-demand data and information from Digidhan Dashboard. DigidhanMitra chatbot is designed to have text & voice-based conversation with the user. It mines the Digidhan portal to give customized information in graphical, tabular and textual format. It can handle queries in English and Hindi languages.
5. **Awareness & Capacity Building initiatives**
   Awareness and Capacity Building initiatives have been undertaken in coordination with ecosystem partners for promotion of Digital Payments, as given below:
i) **Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)**
   Ministry of Electronics & IT (MeitY) has undertaken PMGDISHA for providing digital literacy in rural India. The Scheme aims to bridge the digital divide, specifically targeting the rural population including the marginalised sections of society like Scheduled Castes (SC)/Scheduled Tribes (ST), Below Poverty Line (BPL), women, differently-abled persons and minorities. Special focus of the said Scheme is on training the beneficiaries on use of various modes of digital payments. The outcome measurement criteria include undertaking at least 5 electronic payments transactions by each beneficiary using Unified Payments

Interface (including BHIM app), *99# (a USSD based digital payment mode), Aadhaar Enabled Payment System (AEPS), Cards, Internet Banking etc. Up till now, a total of around 6.68 crore candidates have been enrolled and 5.74 crore have been trained, out of which 4.27 crore candidates have been certified under the PMGDISHA Scheme.

ii) Digital Payment Training

Ministry of Electronics & IT in coordination with National Payments Corporation of India (NPCI) has undertaken various training programmes for promotion of Digital Payments in the country. Trainings has been conducted on Digital Financial Products for various segments of society, including rural areas, women etc. These training sessions has been conducted in local languages, depending upon the regions and the type of target audience.

iii) Digital Payment Awareness Campaign (Digital Payments Utsav)

Government of India is celebrating Azadi ka Amrit Mahotsav (AKAM), to commemorate the 75th Anniversary of Independence of India. As a part of this initiative, Ministry of Electronics and Information Technology (MeitY) celebrated "Digital Payments Utsav" on 5th December. A digital payment promotional video 'Chutki Baja Ke' has been launched, which highlights the ease of digital payments. The event witnessed the unveiling of DIGIDHAN logo, and launch of some innovative payment solutions including Rupay Wearables, SOFTPOS etc. Top Banks were awarded & recognized in various categories for achievements in FY 2019-20 and FY 2020-21 towards the promotion of Digital Payments. During the event, MeitY also recognized the contribution of four payment system aggregators for on-boarding street vendors under the PM SVANidhi Scheme.

iv) Digital Payment camps

a. **Financial Literacy Centres (FLCs):** Banks have been advised by Reserve Bank of India (RBI) to conduct special camps through their Financial Literacy Centres for conducting 2 camps per month on "Going Digital" through UPI and *99# (USSD) and tailored camps for different target groups viz., farmers, Micro and Small entrepreneurs, school children, Self Help Groups and Senior citizens. As per RBI, 1,495 Financial Literacy Centres were operationalized till 31stDecember 2021.

b. **Rural Branches of Banks:** Rural branches of banks have been advised by RBI to conduct one camp per month covering Financial Awareness Messages and the two digital platforms UPI and *99# (USSD).

v) Centre for Financial Literacy (CFL) project

To have an exclusive focus on financial literacy at the block level through brick and mortar Centres, CFLs have been set up at the block level. The pilot project was initiated by RBI in 2017 in 80 blocks across nine states across the country and was subsequently extended in 20 tribal/ economically backward blocks in these states in 2019. Women have been identified as one of the target groups, for focused intervention under the CFL project. The outreach of the CFLs is now being scaled up across the country in phased manner, and as per RBI 1,112 CFLs were operationalized till July 2022. Awareness about digital payments is one of the areas covered under the CFL project.

vi) Electronic Banking Awareness and Training (e-BAAT)

In order to encourage customers to adopt digital banking, to create awareness about payment products and to disseminate information about safe digital banking, Regional Offices of RBI have been conducting Electronic Banking Awareness and Training (e-BAAT) programmes across the country. The main thrust of a e-BAAT programme comprises i) Awareness about Digital Payment Products ii) Awareness about Frauds and Risk Mitigation iii) Awareness about grievance redressal. The target audience includes cross sections of the society consisting of bank staff, customers, government officials, students, Self Help Groups, farmers, shopkeepers, traders and the common man. During the calendar years 2019, 2020 and 2021, a total of 623 e-BAAT programmes were conducted by various Regional Offices of RBI wherein electronic payment systems, their benefits and issues related to safety were explained to the participants.

vii) Launch of DigiSathi

DigiSathi is a 24x7 Helpline for Digital Payments products and services, launched by RBI. The helpline enables the user with brief information on the digital payment products and services asked by the caller / user along with basics on how to avail or use the product or service. DigiSathi is available in Hindi, English and regional languages and can be easily accessed through toll free Interactive Voice Response (IVR) on 14431 & 1800 891 3333.

viii)   **Promotion of Digital Payments on Social Media**
Social media posts have been published on Digital India and MeitY's social media platforms for encouraging citizens to use digital payments on various occasions including Diwali, Bhai Dooj, Christmas, New Year and Republic Day.

6. **Promotion of Fintech startups**
MeitY has established 'FinBlue', a fintech Centre of Excellence (CoE) in Chennai in 2019, in coordination with Software Technology Parks in India (STPI) with the support of the Tamil Nadu government. The CoE has been launched with an objective to mentor and provide technical support and funding to FinTech startups. It offers an integrated program for start-ups to scale up through its incubation facility. The FinBlue Incubation program includes co-working space for tech start-ups and offers access to the Fintech ecosystemincluding mentors, investors, Banks, Financial institutions etc. to support GoToMarket strategy.

7. **Digital Payment Awards**
MeitY has initiated a yearly award for recognition of top performing Banks in various categories, for contribution towards promotion of Digital Payments.

8. **Initiative to empower street vendors with Digital Payments:** Pilot project was initiated to digitally onboard around 7 Lakh beneficiaries of PM SVANIdhi Prime Minister Street Vendor AtmanirbharNidhi) scheme with BHIM-UPI QR code through Digital Payment aggregators for increasing the digital transactions.

9. **Promotion of indigenous payment solutions BHIM-UPI & RuPay globally:** India's indigenously developed BHIM-UPI and RuPay cards are world class platforms for enabling digital payments. Several countries in Asia, Africa and the Middle East have displayed an inclination towards establishing a 'real time payment system' or 'domestic card scheme' and wish to replicate our model in their country. Government is making efforts to promote these products globally.

10. **Initiatives and campaigns to educate citizens about cyber frauds:** For increasing customer awareness about safe banking, RBI has been running campaigns in media / social media under the "RBI Kehta Hai" initiative. Reserve Bank has also advised all authorised payment systems operators and participants to undertake targeted multi-lingual campaigns by way of SMSs, advertisements in print and visual media, etc., to educate their users on safe and secure use of digital payments, besides sensitising members of public on safe use of digital transactions through press release dated June 22, 2020. Regional Offices of RBI organise regular electronic banking awareness and training (e-BAAT) programmes to improve customer awareness. RBI had, vide notifications dated June 22, 2020 and January 28, 2022, sensitised the general public on certain safety measures to be followed for digital payment transactions

PART-II
OBSERVATIONS/RECOMMENDATIONS

Budget Analysis - Utilization of funds during 2022-23

1.   During the year 2022-23, as against the proposed amount of Rs. 16,223.21 crore, the Ministry had been allocated Rs. 14,300.00 crore which was reduced to Rs. 11,719.95 crore at RE stage and the actual expenditure as on 31.01.2023 was Rs. 6060.38 crore. In terms of percentage, the utilisation stands at 51.71% with respect to the Revised Estimate which means the Ministry has to spend the remaining 48.29% in the last two months of the Financial Year 2022-23.This is in contrast to past few years wherein the Ministry had been able to achieve far better utilization of the allocated funds. When asked about the reasons for the shortfall in utilization, the Committee are given to understand that implementation of Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes and Covid-19 induced disruption in the supply chain were amongst the primary reasons for low utilization of funds in 2022-23. Due to implementation of Revised Procedure for Flow of Funds in respect of Central Sector and Centrally Sponsored Schemes, no substantial amount could be released during the first two quarters of FY 2022-23 and the pace of expenditure gained momentum only during the third quarter which has resulted in 51.71% utilization of the RE allocation by the end of January 2023. The Ministry has expressed hope of achieving full utilization of funds allocated in RE 2022-23 by the end of March 2023 in view of the receipt of disbursal proposals under various incentive schemes which are presently being examined for necessary disbursements. Expressing concern at the significantly low utilization of allocated funds during 2022-23 by the Ministry, the Committee hope that the Revised Procedure for Flow of Funds in respect of Central Sector and Centrally Sponsored Schemes has been put into place by now and with the impact of Covid-19 receding, the Ministry would be able to achieve full utilization of funds for 2022-23 by the end of March, 2023.

Budget Analysis - Enhanced allocation during 2023-24

2.   The Committee note that even though there was under utilization of funds during 2022-23, the Ministry has been allocated Rs. 16,549.04 crore at BE stage for the year 2023-24 which is an increase of about 16% in comparison to BE 2022-23.The revenue provision in BE 2023-24 has been increased by Rs.2268.37 crore compared to that in BE 2022-23. The increased provision in BE 2023-24 is mainly

due to allocations made for the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India amounting to Rs.3000 crore. The Government of India has approved this comprehensive programme with an outlay of ₹ 76,000 crore in furtherance of the vision of Aatmanirbhar Bharat and for positioning India as the global hub for electronic system designing and manufacturing (ESDM). This Programme contains various schemes to attract investments in the field of semiconductors and display manufacturing. However, the capital provision in BE 2023-24 has been reduced by Rs.19.33 cr from that provided in BE 2022-23. The reduction was due to reduced requirement of funds for machinery and equipment by NIC since their services would henceforth be rendered on Public-Private-Partnership (PPP) mode.The Committee recommend that the overall increase of about 16% in allocations made at BE 2023-24 over BE 2022-23 particularly the enhanced allocations under important schemes such as the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India are optimally utilized. The Committee hope that they do not end up reduced at RE stage by MoF due to underutilization by the Ministry as it happened in FY 2022-23.

<u>Position of Outstanding Utilization Certificates (UCs)</u>
3.   The Committee note that as on 31stJanuary 2023, a total of 131 Utilization certificates amounting to Rs. 355.55 crore were due. The Ministry further informed that it has taken several initiatives for reducing the number of pending UCs and the measures taken by MeitY to liquidate the pending UCs are proving to be fruitful as the pending UCs amount for any particular period is continuously on a decreasing trend. The Ministry further added that during the period from 01.04.2022 to 06.02.2023, Utilization Certificates amounting to Rs. 1332.33 crore have been liquidated. In order to reduce the quantum of pending UCs as well as holding the implementing agencies more accountable, the Ministry are monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects and to ensure that the grants released by MeitY are being fully utilised. UC status is also reviewed from time to time to ascertain utilization status of released grant to various agencies and aim towards zero pending UC and minimum unspent balance with the grantee institutions. While lauding the efforts of the Ministry in liquidating Utilization Certificates amounting to Rs. 1332.33 crore during the period from 1 April 2022 to

6 February 2023, the Committee recommend that efforts be made in the same direction to ensure that release of subsequent grants to important Government schemes/projects is not adversely affected dueto gradual buildup of pendency in Utilization Certificates. Further, the Committee would like to be apprised of the period to which these 131 UCs are pending along with the details thereof.

<u>National Informatics Centre (NIC) –providing ICT & eGovernance support</u>
4.   The Committee note that National Informatics Centre (NIC), which was established in 1976, has rich experience in providing ICT and eGovernance support in last 4 decades. By establishing the ICT Network, 'NICNET', NIC has facilitated the institutional linkages with all the Ministries/Departments of the Central Government, 37 State Governments/Union Territories, and about 741+ District Administrations of India. Nationwide Network of National Informatics Centre comprises over 1000 LANs of Govt. offices and more than 5 lakh nodes across over 8000 locations. The data centres of NIC host more than 8000 websites of the Government in secure environment. NIC National Cloud (Meghraj) is presently hosting a number of critical applications on over 20,000 virtual servers supporting over 1200 e-Governance projects / User departments under Digital India. With the launching of Digital India Programme by Hon'ble Prime Minister, the role of NIC has increased manifold. NIC has aligned itself with mission and vision of Digital India Programme. Generic, configurable eGovernance products/applications have been developed using cutting edge technologies including mobile, cloud, data analytics, BI and advanced GIS for important socio-economic sectors covering Rural Development, Food and Civil Supplies, Agriculture, Industry & Commerce, Labour& Employment, Judiciary, Finance, Education etc. NIC has been responsible for country-wide implementation of various e-Governance projects including many Mission Mode Projects of the department. eCourts, Virtual Courts, Soil Health Card, Kisan Rath, eUrvarak, eTransport, eHospital, eOffice, eWayBill, Cooperative Core Banking Solution (CCBS), Immigration Visa Foreigners Registration & Tracking (IVFRT), National Scholarship Portal, eCounselling, NGDRS, GePNIC, eAuction India, DARPAN, PARIVESH, ServicePlus, eHRMS, CollabDDS, CollabCAD, S3WaaS (Secured, Scalable and Sugamya Website as a Service), etc are some of the major ICT initiatives taken up by NIC. Regarding increase in allocation from BE to RE during 2022-23, the Ministry apprised that the increase of funds Under the Budget Head

salaries is due to the payment of arrears to the NIC employees in view of the judgment of the Hon'ble Supreme court of India during RE 2022-23. Regarding the gap between the amount proposed and allocation made at BE during 2023-24, it was informed that mainly the fund requirement under the Capital Budget has been reduced. Due to which the upgradation of ICT infrasturce in the Districts will be taken up in a phased manner depending upon the availability of funds. Keeping in view the critical role played by NIC as a provider of eGovernance support and ICT infrastructure to Central Government, State Governments, UT Administrations, Districts and other Government bodies, the Committee recommend the Ministry to be sensitive to requirements of NIC and address the constraints faced by the organization particularly infrastructure related concerns so that their ability to provide and maintain the critical IT infrastructure backbone is not affected owing to want of resources.

<u>National Informatics Centre (NIC)- Manpower issues</u>

5.   The Committee note that the proposal for creation of 1407 new posts (subsequently reworked to 1392) is pending for approval since 2014. The proposal was initiated in 2014 and was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance (MoF) for concurrence. The proposal was received back from the Ministry of Finance for seeking clarifications on some points which have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to Ministry of Finance through MeitY for further consideration in February, 2020. MoF has made some further observations and sought additional information. Necessary inputs are being compiled for re-submission to MoF.Apart from the above, NIC has also moved a separate proposal in the year 2022 for the creation of 212 new posts to meet the requirement of deploying technical manpower at the level of DIO and ADIO in the newly created District Centres in the states. The proposal is yet to be approved. In addition to above, NIC has also initiated the drive for recruitment of 754 Scientific & Technical (S&T) Group-A and Below Group-A posts (including 598 S&T vacant posts under Mission Mode Recruitment (MMR)) of the level of Scientific/Technical Assistant-A to Scientist-F through recruiting agency NIELIT in the year 2022- 23 against the vacancies arising due to superannuation, VRS, Resignations and Deaths etc including anticipated vacancies till December 2023. Given the significant role played by NIC

as key IT infrastructure provider for the Government, the Committee recommend the Ministry to undertake a review of requirements at NIC with follow up action on all pending recruitments in a time-bound manner. The Ministry may furnish a detailed note to the Committee containing year-wise data since 2014 regarding the sanctioned strength, the actual strength, the status of proposal for creation of new posts and the status of filling up of the vacancies arising due to superannuation, VRS, Resignations and Deaths etc. The Committee may also be apprised of the action taken.

National Informatics Centre (NIC) – Need to focus on user feedback and convenience

6. The Committee note that NIC offers a number of popular user applications such as NIC email, eOffice and Sandes instant messaging App whose user base has increased significantly over the years. The NIC email users have increased from 23 lakh in 2019-20 to around 32 lakh in 2022-23. During the same period, eOffice user base, has increased from around 2.7 lakh to 8.75 lakh. The Sandes Instant Messaging App users have increased from 4618 in 2019-20 to a whopping 35 lakh in 2023-24. The Sandes App has also been integrated with other e-Governance Apps for providing notification services. The number of e-Governance Apps integrated with Sandes have increased from 18 in 2019-20 to around 350 in 2023-24. In order to further augment the user base of these applications, various steps are being taken by the Ministry which *inter-alia* include conducting training programmes/workshops and interactive sessions for various Government of India Ministries/Departments across the country, Capacity Building Programmes (CBP) on eOffice for Ministries/Departments organized by NIC/NICSI and addition of video tutorials in Email portal and Kavach App for increasing user awareness etc.While all these initiatives to promote widespread usage of NIC products/Applications are laudable, the Committee feel that there is a need to pay particular attention to obtaining user feedback with option to provide the same through the Software product/Application itself in a user-friendly manner. This needs to be incorporate in successive iterations/versions of these popular NIC products/Applications to give further impetus to their widespread adoption. A case in point is the recent addition of Kavach App for authentication resulting in

additional step required for log-in thereby making the process cumbersome and may dissuade users from accessing and using the product/App regularly. There is a parallel need to evaluate whether such safety features can be implemented in a more user friendly manner without adverse effect on accessibility of these products/Apps.

Cyber Security (CERT-In), NCCC & Data Governance

7.   The Committee note that allocation of funds at the BE stage in FY 2022-23 was Rs.215 Cr which was revised to Rs.180 Cr at RE stage i.e. 84% of BE. The reduction at RE stage was due to non-availability of co-location site for Data Centre of National Cyber Coordination Centre (NCCC). Out of total allocation of Rs.180 Cr, an amount of Rs.120 Cr (upto 30.01.2023) had been utilized. The Indian Computer Emergency Response Team (CERT-In) under the Ministry of Electronics and Information Technology (MeitY), Government of India has been designated under Section 70B of the Information Technology Act, 2000 to serve as the national agency in the area of cyber security incident response. CERT-In has setup NCCC to generate necessary situational awareness of existing and potential cyber security threats and enable timely information sharing for proactive, preventive and protective actions by individual entities. The phase-I of NCCC has been operationalized from July 2017. NCCC project was merged with regular activities of CERT-In from the FY 2021-22. The budget requirement of NCCC establishment component has also been merged with regular budget of CERT-In from FY 2021-22. For performing various functions, CERT-In is maintaining systems and solutions and augmenting the same to deal with latest cyber security threats and mitigation measures. Physical targets for FY 2022-23 were primarily for sustaining the existing and ongoing activities *viz.* Cyber Swachhata Kendra, Cyber Threat Intelligence Sharing, tools for Incident response and cyber security auditing, analytic solution and tools for Cyber Security Drills, setting up of vulnerability research Lab for CVE numbering authority, CERT-In ICT Infrastructure (Web, Email and Security etc.) through Annual maintenance as well as augmentation/upgradation. In addition, CERT-In is also targeting to set up a new platform for Cyber Security Training activities a.k.a. Cyber AbhyasSuvidha (CAS) in the FY 2022-23. There is no shortfall in achieving the set targets. The

targets at BE and RE in the FY 2023-24 are for the procurement of capital IT infrastructure items (hardware, software and networking) for CERT-In activities and projects as well as for establishment (Salary, Medical, Travel, Office Expenses and Training etc.) On the impediments faced by CERT-In, it was informed that CERT-In is in urgent need of additional manpower to keep up with the rapid increase in the incidents and cyber security issues, urgent nature of incident response activities including onsite response, to sustain key current as well as planned new activities / projects and to address cyber security issues pertaining to emerging technologies and areas. To address the challenge, CERT-In has already moved a proposal for additional creation of posts at various levels. In view of the fact that CERT-In, which has been designated under Section 70B of IT Act, 2000 to serve as the national agency in the area of cyber security incident response, the Committee recommend the Ministry to meet the requirements of CERT-In and address the constraints faced by the organization in general and shortage of trained manpower in particular so that its ability to discharge its functions as mandated under Section 70B of the IT Act is not adversely affected.

Digital India Programme – Need for optimum utilization of funds

8.   The Committee note that in 2023-24, the BE allocation to Digital India Programme stands at Rs.4795.24 crore which is a reduction of Rs. 580.94 crore or around 10.81% in comparison to the BE allocation during the last year which stood at Rs. 5376.18 crore. The actual utilization during 2022-23 (till 31.01.2023) stands at 2100.96 crore which is around 39% of the Revised Estimate. When asked whether the Ministry was hopeful of achieving full utilization of funds allocated during 2022-23 by the end of March 2023, it was informed that MeitY was quite hopeful of achieving full utilization of funds allocated in RE 2022-23 by the end of March 2023 in view of receipt of disbursal proposals under various incentive schemes which are presently being examined for necessary disbursements. In 2023-24, barring Promotion of Digital Payments, other major schemes such as Promotion of Electronics and IT Hardware Manufacturing and National Knowledge Network have got reduced allocation in comparison to the previous year. The reasons furnished for reduced allocation to Promotion of Electronics and IT Hardware Manufacturing included non-incurring of expenditure during the 1st half of FY 2022-23 leading to cut in Budget Estimate for the year 2023-24 and lack of clarity on revised procedure for flow of funds. Initially, the scheme was placed in

Model 1 and now after a lapse of 8-9 months, the scheme is being shifted to Model 2 and no specific scheme for the welfare of social sector like Scheduled Castes and Scheduled Tribes. Regarding the reduced allocation to National Knowledge Network it was informed that the next phase of NKN i.e. Digital India Infoway (DII) is in the process of approval. Once DII gets approved, the NKN would be subsumed in it and if required, efforts would be made to seek additional funds in the supplementary Demand for Grants. Since FY 2021-22, there has been reduction in utilization of allocated funds in the Digital India Proogramme. In stark contrast to FY 2020-21, when there was almost full utilization of allocation at RE stage, the utilization of RE stage allocation in 2021-22 and 2022-23 (till 31.01.2023) stood at 71% and 30% respectively. Keeping in view the importance of the flagship Digital India Programme that weaves together important sub-schemes of the Government, the Committee exhort the Ministry to improve utilization of the allocated funds and ensure that implementation of the sub-schemes which form part of the Digital India Program do not get derailed due to underutilization of funds.

Electronic Governance including EAP

9.   The Committee note that during 2022-23, the actual utilization in the scheme stands at Rs. 500.64 crore which is around 95% of the Revised Estimate. When asked about the status of implementation of State Wide Area Network (SWAN) in all the States/UTs, it was informed that SWANs have been made operational in all States/UTs except UT of Ladakh. The UT of Ladakh has selected network operator for implementation of SWAN and the Ladakh SWAN is expected to be implemented by June 2023. Regarding the major impediments in implementation of the scheme and measures to address them, the Ministry informed that the primary challenges faced for implementation of Electronics Governance Scheme include digital literacy, digital connectivity, accessibility to services, ease in availing the digital services and the awareness/ readiness amongst the departments to adopt the services. Besides these challenges, the digital divide gap is also attributed to the fact that many citizens belonging to the weaker sections are deprived of availing the digital services. On the measures taken to address the above impediments, it was informed that the Government has already taken necessary measures to

tackle these challenges through implementing 'Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)' to usher in digital literacy in rural India and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity. Government is also providing the services in assisted mode through CSCs to digitally illiterate and taking steps through various other channels also. Moreover, Government is striving hard to create awareness amongst citizens as well as the departments for onboarding and consumption of the digital services. Appreciating the efforts made by the Ministry, the Committee hope that the implementation of SWAN in the remaining UT of Ladakh be expedited. The Ministry may provide an updated status of the total number of Gram Panchayats (State-wise) which have already been connected with 100 Mbps connectivity as part of the BharatNet project as it was a major initiative to remove impediments to Electronic Governance including EAP scheme.

Common Service Centres (CSCs) – Need for suitable monitoring mechanism

10.   The Committee note that Common Service Centre – Special Purpose Vehicle (CSC-SPV) is an important component of the Electronic Governance including EAP scheme under the Digital India Programme. MeitY has implemented the network of Common Services Centres (CSC) for delivery of public services to every citizen in assisted mode. The CSC scheme envisages setting up of at-least one CSC in each of 2.50 lakh Gram Panchayats (GPs) across the country, for delivery of various Government-to-Citizens (G2C) and other citizen centric e-Services to citizens. It is a self-sustainable entrepreneurship model which is run by Village Level Entrepreneurs (VLEs). As on October 2022, total 5,21,225 CSCs are operational across all states & Union Territories of the country, out of which, total 4,14,766 CSCs are operational at Gram Panchayat (GP) level. More than 400+ services across the country are being delivered through CSCs (CSC-SPV Portal) to the citizen across the country. Setting up of CSCs is also aimed at alleviating the primary challenges faced in implementation of Electronics Governance Scheme such as digital literacy, digital connectivity, accessibility to services, ease in availing the digital services, the digital divide gap etc. through implementation of 'Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA)' to promote digital literacy in rural India and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity. The Committee are given to understand that Common Service Centres (CSCs) have a predominant

role in successful implementation of Electronic Governance scheme. Keeping in view the fact that successful delivery of eGovernance services through CSCs ride on a number of factors such as availability of digital connectivity, accessibility to services, ease in availing the digital services and overall digital literacy etc., parameters such as total number CSCs or the number of services offered through them may not be helpful if there is no internet connectivity and therefore such parameters may not accurately reflect successful implementation of Electronic Governance scheme. In view of the above, the Committee recommend setting up of a suitable monitoring mechanism to ensure that Common Services Centres (CSCs) in each of 2.50 lakh Gram Panchayats (GPs) across the country are functional and successfully delivering eGovernance services to the citizens as per the prescribed norms. There is also a need to develop a suitable feedback mechanism wherein the users can share their feedback of availing services through these CSCs. The Committee note Ministry's admission that CSC e-Governance Services India Limited is not a Government-owned company and would like to know the basis of tie-ups of CSC e-Governance Services India Limited with State Governments for delivery of services. In this regard the Committee would also like the Ministry to examine implementation aspects of CSC scheme.

Promotion of Electronics and IT Hardware Manufacturing (MSIPS, EDF and Manufacturing Clusters)

11.   The Committee note that there has been a gradual decline in utilization of allocated funds since FY 2019-20 under the scheme 'Promotion of Electronics and IT Hardware Manufacturing (MSIPS, EDF and Manufacturing Clusters)' with the actual utilization witnessing a gradual decline from 95% in 2019-20 to 68% in 2020-21, 59% in 2021-22 and a measly 17% in 2022-23. The scheme comprises of Modified Special Incentive Package Scheme (M-SIPS), Electronics Manufacturing Clusters (EMC), EMC 2.0, Electronics Development Fund (EDF) and Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) sub-schemes to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports. The major hurdles being encountered in the implementation of the scheme include

disabilities in domestic electronics manufacturing which render domestic manufacturing less competitive. The three most significant factors contributing to disabilities in domestic electronics manufacturing include the state of infrastructure, quality and reliability of power, and cost of finance. The diversity and velocity of technology change pose another significant challenge in promoting domestic electronics manufacturing. Since electronics is all pervasive and spans multiple sectors, convergence between different technologies, applications, devices, systems, and software, is constantly driving technology changes. In addition, the half-life of technologies has been continuously reducing and is estimated to be even less than six months in certain verticals. In view of the foregoing, the Committee recommend measures to speed up disbursement of financial incentives to the applicants to ensure timely release of financial incentives to the intended beneficiaries. If need be, a comprehensive study may be undertaken to see the efficacy of the scheme.

Promotion of Digital Payments

12.   The Committee note that Promotion of digital payments ecosystem is an essential aspect of Digital India programme and has the potential to transform Indian economy by extending inclusive financial services. The objectives of the Scheme inter-alia include Enhancement of the digital payments acceptance infrastructure in J&K, NE, Rural and other un-tapped areas, End-to-end integration of digital payments in the complete supply-chain of major trades of the States & UTs, Promotion of digital payments in Government sector across the country, Promotion and enablement of startups in Fintech domain, Strengthening of Cyber-security in Digital Payments including robust grievance redressal mechanism and Internationalisation of domestic payment modes (RuPay card & UPI). The budgetary allocation for Promotion of Digital Payments scheme under the Digital India Programme was significantly increased at RE stage for the year 2022-23. Regarding the ten-fold increase in allocation to this scheme at RE stage *vis-à-vis* the amount allocated at BE stage during the year 2022-23, the Ministry informed that for FY 2022-23, it was announced in the budget that 'The financial support for digital payment ecosystem announced in the previous Budget will continue in 2022-23'. In compliance with Budget announcement for FY 2022-23, the incentive

scheme for promotion of RuPay Debit Cards and low-value BHIM-UPI transactions (person-to-merchant) for a period of one year from April 2022 got approved in January, 2023 which accounts for increase in RE, for FY 2022-23. For the year 2023-24, as against the proposed amount of Rs. 890.65 crore, the scheme has been allocated Rs. 1500 crore. Regarding the utilization of the increased allocation to the scheme *vis-à-vis* the proposed amount during the year 2023-24, the Committee were apprised that increased allocation for FY 2022-23 as well as FY 2023-24 are to be utilized for 'Incentive scheme for promotion of RuPay Debit Card and low-value BHIM-UPI transactions (person-to-merchant). The Committee feel that keeping in view the focus on promotion of digital payments, increase in the budget for Promotion of Digital Payments scheme under the Digital India Programme is a move in the right direction. While lauding efforts of MeitY in promotion of Digital Payments, the Committee recommend that sustained efforts be made by the Ministry to promote use of digital payments platforms in order to achieve the goal of a less-cash economy. The Committee opine that along with the focus on promotion of digital payments, there should be simultaneous efforts to develop robust security mechanisms for digital payments. The Committee would like to be apprised of specific measures taken in this regard.

Promotion of Digital Payments – Lack of coordination amongst different stakeholders

13.   The Committee note that the Ministry is undertaking a number of activities for promotion of digital payments which inter-alia include   (i) incentivizing merchants, individuals and banks for digital payments;   (ii) launch of innovative Payment solutions such as e-RUPI, UPI123PAY, UPI Lite BHIM 2.0 & AEPS; (iii) development of Digital Payment acceptance infrastructure and Digital Payments Dashboard, Awareness & Capacity building initiatives; (iv) promotion of Fintech startups; and (v) campaigns to educate citizens about cyber frauds. The Committee are glad to note that the number of digital transactions taking place in the country has almost doubled from 4572 crore transactions in the year 2019-20 to about 8840 crore transactions in the year 2021-22 with the growth trajectory likely to continue in future. However, with widespread adoption of digital modes of payment, there is likelyhood of rise in frauds relating to digital transactions which needs to be curtailed by way of adopting security safeguards,

quick response, an effective grievance redressal mechanism and so on. When asked about the nodal agency to address issues faced by end-users in digital payments space, the Ministry have informed that as per Gazette Notification dated 13.02.2017, Government of India (Allocation of Business) Rules, 1961, the matter regarding "Promotion of Digital transactions including Digital Payments" has been allocated to Ministry of Electronics & IT (MeitY). Further, the PSS Act, 2007 (Payment and Settlement Systems Act) provides for the regulation and supervision of payment systems in India and designates the RBI as the authority for that purpose and all related matters. The above referred act is administered by Deptt of Financial Services, GOI. Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes, with a special focus on cyber-crimes against women and children. The Committee had sought data regarding total number of cases of fraud for each type of digital payments mode during the last three years and the nature of such frauds. However, till the time of finalization of this Report, the requisite information was not furnished by the Ministry and the same may be furnished expeditiously. The Committee further note that while all efforts including provision of annual budget of Rs. 1500 crore are aimed at promotion of digital payments, there is a need to have commensurate focus on coordination amongst different stakeholders in the digital payments ecosystem such as the Fintech App providers, the telecom service providers, the respective banks, RBI, MHA portal for cybercrime, the local police and so on which are currently working in silos. In the present scenario, victims of digital payment fraud end up running from pillar to post and have to deal with multiple stakeholders causing undue harassment and resulting in general reluctance in reporting cases of digital payments related frauds. The Committee strongly recommend creation of a nodal agency having all the stakeholders in the digital payments ecosystem on board to address issues relating to digital payments which can greatly aid in coordination amongst the different stakeholders including the law enforcement agencies, creating standard operating procedures and protocols to be followed in cases of digital payments related frauds. Thereby the victims are not hassled and are able to recover their losses to the extent possible within a reasonable timeframe. The Committee would like to be apprised of the progress made in this regard.

Promotion of Digital Payments – Need for centralized data repository for fraud prevention

14.   Regarding the nodal agency for issues relating to digital payments, the Committee were apprised that Ministry of Home Affairs, Government has launched the National Cyber Crime Reporting Portal (www.cybercrime.gov.in), to enable public to report incidents pertaining to all types of cyber-crimes, with a special focus on cyber-crimes against women and children. All States/UTs have been on boarded on the system, which comprises around 177 Banks, e-Wallets, UPI service providers, E-commerce companies, etc. A toll-free number 1930 has been operationalised to get assistance in lodging online cyber frauds/complaints. While the National Cyber Crime Reporting Portal is a great initiative lauched by the Ministry of Home Affairs in curbing the menace of cyber-crime in general and cyber-crimes against women and children in particular, there are certain grey areas which still remain to be addressed. In many instances, the amount involved in digital payment related fraud may not be significant enough for the victim to initiate a formal complaint and carry on with the follow up which may involve expending time, energy and legal costs to recover the losses. In other instances there may be a failed attempt to coerce a target by means of social engineering or through some lucrative deals via email/SMS without the actual fraud happening and the intended target may wish to report/flag/notify or forward to the law enforcement agencies as a pre-emptive measure so as to prevent others from falling in the trap. In both the above instances, the National Cyber Crime Reporting Portal of Ministry of Home Affairs may not be able to help the victim or the intended victim. In order to prevent such incidents from going unreported, the Committee strongly recommend that in cases where the victim may not be inclined to follow up with a formal complaint or in cases of attempted fraud relating to digital payments, MeitY may create a centralized database/helpline or nodal agency where such incidents can be reported by the victims/intended victims and where such information can be used to preempt further such incidents of digital payments related frauds. Such a database would not only help prevent future instances of fraud but can be of immense value to other stakeholders in the digital payments ecosystem such as Indian Cyber Crime Coordination Centre

(I4C), the law enforcement agencies, CERT-In, NCCC, Fintechs, Telecom Service Providers (TSPs), banks, RBI etc. besides having immense academic and research value. The Committee may be apprised of the progress made in the matter.

Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India and Production Linked Incentive (PLI) Scheme

15.   The Committee note that the scheme Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India was approved on 15.12.2021 with an outlay of Rs. 76,000 crore for the development of sustainable semiconductor and display ecosystem in the country. The scheme was conceptualized in furtherance of the vision of Aatmanirbhar Bharat and to position India as the global hub for Electronic System Design and Manufacturing. The Ministry of Electronics and Information Technology has been mandated to take requisite steps for modernization and commercialization of Semi-conductor Laboratory (SCL), Mohali. The scheme provides (a) incentives for setting up of Semiconductor Fabs in India, (b) setting up of Display Fabs in India, (c) setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, (d) Testing, Marking and Packaging (ATMP) / OSAT facilities in India and (e) Design Linked Incentive (DLI) Scheme. The Committee further note that Semiconductor and Display manufacturing are very complex and technology intensive industry with huge capital investments, high risk, long gestation and payback periods, and rapid changes in technology requiring significant and sustained investments. The programme for Development of Semiconductors and Display Manufacturing Ecosystem in India has further been modified in view of the aggressive incentives offered by countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies. The

modified programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem. This will serve to pave the way for India's growing presence in the global electronics value chains. The programme will usher in a new era in electronics manufacturing by providing a globally competitive incentive package to companies in semiconductors and display manufacturing as well as design. On the achievements under the scheme so far, it has been informed that India Semiconductor Mission (ISM) has been set up as an Independent Business Division within Digital India Corporation having administrative and financial autonomy to drive India's strategies for developing semiconductors and display manufacturing ecosystem. Envisioned to be led by global experts in the Semiconductor and Display industry, ISM will serve as the nodal agency for efficient, coherent and smooth implementation of the schemes. A total of 29 applications have been received under the Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India. Three (3) applications under setting of semiconductor Fabs in India; 2 applications under setting up of Display Fab in India; 3 applications under setting up of compound & ATMP facilities in India; and 21 applications under Design Linked Incentive Scheme, have been received. ISM has recommended one application for approval under the Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India'. ISM

has also recommended one application for approval under the Scheme for setting up of semiconductor fabs in India. The Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing was notified on 01.04.2020. The scheme extends an incentive of 3% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target segments viz. Mobile Phones and specified Electronic Components, to eligible companies, for a period of 5 years, to boost domestic manufacturing and attract large investments in the electronics value chain including electronic components and semiconductor packaging. Production Linked Incentive Scheme (PLI) for IT Hardware was notified on 03.03.2021. This scheme extends an incentive of 4% to 2% / 1% on net incremental sales of goods under target segments - Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers for a period of four years (FY2021-22 to FY2024-25). The target IT hardware segments under the Scheme include Laptops, Tablets, All-in-One Personal Computers (PCs) and Servers. The Committee are given to understand that the scheme is running successfully. As of December 2022, under PLI Scheme for Large Scale Electronics Manufacturing, production of ₹2,39,609 crore; investment of ₹5,124 crore and employment of 52,509 has been achieved. Further, As of December 2022, PLI scheme for IT Hardware has led to production of INR 4138 crore, investment of INR 129 crore and generated 514 direct jobs. Further, Round 2 of PLI Scheme for IT Hardware is under formulation. While lauding the Ministry for undertaking the scheme to incentivize such complex and technology intensive industry which involves huge capital investments, high risk, long gestation and payback periods along with rapid changes in technology requiring significant and sustained investments and facing severe competition from countries already having established semiconductor ecosystem and limited number of companies owning the advanced node technologies, the Committee hope that both the flagship schemes will help pave the way for India's growing presence in the global electronics value chain.

New Delhi;   PRATAPRAO JADHAV,
17 March , 2023   Chairperson,
26 Phalguna, 1943(Saka)   Standing Committee on
                                          Communications and Information Technology.

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY (2022-23) HELD ON 14th FEBRUARY, 2023

The Committee sat on Tuesday, the 14th February, 2023 from 1500 hours to 1710 hours in Committee Room '1', Extension to Parliament House Annexe, New Delhi.

PRESENT

Shri Prataprao Jadhav – Chairperson

MEMBERS

Lok Sabha

2. Dr. Nishikant Dubey
3. Smt. Sunita Duggal
4. Ms. Mahua Moitra
5. Shri Santosh Pandey
6. Shri Ganesh Singh
7. Shri Shatrughan Prasad Sinha
8. Dr. T. Sumathy (A) Thamizhachi Thangapandian

Rajya Sabha

9. Dr. Anil Agrawal
10. Dr. John Brittas
11. Shri Syed Nasir Hussain
12. Shri Kartikeya Sharma
13. Shri Jawhar Sircar
14. Shri Lahar Singh Siroya

SECRETARIAT

1.	Shri Satpal Gulati	-	Joint Secretary
2.	Smt. A. Jyothirmayi	-	Director
3.	Shri Nishant Mehra	-	Deputy Secretary

Representatives of the Ministry of Electronics and Information Technology

	Name	Designation
1.	Shri Amit Agrawal	Additional Secretary
2.	Shri Abhishek Singh	CEO, NeGD/DIC
3.	Ms. Simmi Chaudhary	Economic Adviser & Group Coordinator
4.	Shri Rajesh Singh	Joint Secretary & Financial Adviser
5.	Shri Amitesh Kumar Sinha	Joint Secretary
6.	Shri S.K. Marwaha	Scientist 'G' & Group Coordinator
7.	Smt. Sunita Verma	Scientist 'G' & Group Coordinator
8.	Shri Manoj Kumar Mishra	Scientist 'G' & AFA, NIC
9.	Shri Arvind Kumar	Chief Controller of Accounts
10.	Smt. Tulika Pandey	Scientist 'G'
11.	Smt. Vidushi Chaturvedi	DDG (Finance & Accounts), UIDAI
12.	Shri Akshay Jha	COO, CSC-SPV

2.   After the welcome address by the Chairperson, the representative of the Ministry of Electronics and Information Technology made a power-point presentation covering various aspects such as mandate of the Ministry, organizational structure including key organizations, achievements in creating digital infrastructure and offering digital services, promotion of digital payments and achievements in Production Linked Incentive (PLI) schemes.

3.   The presentation also gave an overview of new initiatives launched by MeitY such as India Semiconductor Mission, Digital India GENESIS (Gen-Next Support for Innovative Startups), National Programme on Artificial Intelligence (AI), Meri Pehchaan – National Single Sign-On, Mission Digital India Bhashini, MyScheme – Eligibility based service discovery platform and India Stack Global – for replicating Indian solutions globally etc. The presentation also covered the roadmap and global cooperation through Digital Economy Working Group (DEWG) as part of Indian Presidency of G20 nations, continuing sub-schemes under the Digital India Programme and the Budget provisions for financial year 2023-24.

4.   Thereafter, Members sought clarification on issues such as reduced allocation *vis-à-vis* the proposed amount, under-utilization of the budget allocation during the last year, impact of reduced allocation *vis-à-vis* the proposed amount to Digital India Programme in general and Promotion of Electronics and IT Hardware Manufacturing, R&D in IT/Electronics/CCBT, National Knowledge Network and Capacity building and Skill

Development schemes in particular. The Ministry informed that implementation of Revised Procedure for Flow of Funds for Central Sector and Centrally Sponsored Schemes and Covid-19 induced disruption in the supply chain were amongst the primary reasons for low utilization of funds during the financial year 2022-23 which was coming to a close and hoped to achieve optimum utilization by the end of March, 2023.

5.   Members also raised queries relating to Budgetary allocation towards promotion of digital payments, capacity augmentation of National Data Centre (NDC), reduced allocation to UIDAI, issues surrounding the CSC e-Governance Services India Limited, lack of provision for reconciliation of deaths in UIDAI database, too much centralization of data in the form of Aadhaar having linkages with most other documents and services, lack of coordination amongst different agencies such as MHA(I4C), RBI, banks, financial intermediaries and CERT-In etc. which were responded to by the representatives of the Ministry.

6.   The Members also stressed upon the need to focus on cyber security in general and online security measures for digital payments in particular along with an underlying need to develop a victim-centric approach in cases of digital payment related frauds which were increasing by the day. Members also sought inputs on initiatives to publicize Mission Digital India Bhashini and success stories in the IT startup space, simplify NIC products such as email, SANDES, e-portal for Members of Parliament etc. to make them more user friendly and easy to use. The Ministry took note of the concerns and suggestions made by the Committee.

7.   The Chairperson, then, thanked the representatives of the Ministry for deposing before the Committee and directed that written replies to points on which information was not readily available may be furnished to the Committee within five days.

The witnesses then withdrew.

Verbatim Proceedings of the sitting have been kept on record.

The Committee, then, adjourned.

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STANDING COMMITTEE ON COMMUNICATIONS AND INFORMATION TECHNOLOGY
(2022-23)

MINUTES OF THE TWELFTH SITTING OF THE COMMITTEE

The Committee sat on Friday, the 17th March, 2023 from 1000 hours to 1045 hours in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT
Shri Prataprao Jadhav

MEMBERS

Lok Sabha

2.   Shri Karti P. Chidambaram
3.   Shri Nishikant Dubey
4.   Shri Santosh Pandey
5.   Shri Sanjay Seth
6.   Shri Ganesh Singh
7.   Dr. T. Sumathy (A) Thamizhachi Thangapandian

Rajya Sabha

8.   Dr. Anil Aggarwal
9.   Dr. John Brittas
10. Shri Syed Nasir Hussain
11. Shri Kartikeya Sharma
12. Shri Jawahar Sircar
13. Shri Lahar Singh Siroya

SECRETARIAT

4.   Shri Satpal Gulati   -   Joint Secretary
5.   Smt. A.Jyothirmayi   -   Director
6.   Shri Nishant Mehra   -   Deputy Secretary

2.   At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt Draft Reports on Demands for Grants (2023-24) relating to the Ministries/Departments under their jurisdiction.

3.   The Committee, then, took up the following draft Reports for consideration and adoption.
  (i)   Draft Report on Demands for Grants (2023-24) of the Ministry of Communications (Department of Telecommunications).
  (ii) Draft Report on Demands for Grants (2023-24) of the Ministry of Communications (Department of Posts)
  (iii) Draft Report on Demands for Grants (2023-24) of the Ministry of Electronics and Information Technology, and
  (iv) Draft Report on Demands for Grants (2023-24) of the Ministry of Information and Broadcasting.

4.   After due deliberations, the Committee adopted the Reports with modifications. The Committee then placed on record their appreciation of the Hon'ble Chairperson under whose guidance and leadership the Study Visit to Hyderabad, Bengaluru, Pune and Mumbai from 19.01.2023 to 24.01.2023 was conducted successfully.
5.   The Committee 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.