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STANDING COMMITTEE ON
INFORMATION TECHNOLOGY
(2009-2010)

FIFTEENTH LOK SABHA

MINISTRY OF COMMUNICATIONS &
INFORMATION TECHNOLOGY

(DEPARTMENT OF INFORMATION
TECHNOLOGY)

DEMANDS FOR GRANTS
(2009-2010)

THIRD REPORT



LOK SABHA SECRETARIAT
NEW DELHI

December, 2009/Agrahayana, 1931 (Saka)

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(2009-2010)

*Presented to Lok Sabha on 17 December, 2009
Laid in Rajya Sabha on 17 December, 2009*



LOK SABHA SECRETARIAT
NEW DELHI

December, 2009/Agrahayana, 1931 (Saka)

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ABBREVIATIONS

ACA	Additional Central Assistance
AICTE	All India Council for Technical Education
BPO	Business Process Outsourcing
BSNL	Bharat Sanchar Nigam Limited
CERT-in	Indian Computer Emergency Response Team
CSC	Common Service Centre
DOEACC	Department of Electronics Accreditation of Computer Courses
ERNET	Education & Research Network
FDI	Foreign Direct Investment
GEANT	Pan European Gigabit Research and Education Network
HRD	Human Resources Development
IISc	Indian Institute of Science
IIT	Indian Institute of Technology
ITeS	Information Technology enabled Services
MCA	Master of Computer Application
MHRD	Ministry of Human Resource Development
MLA	Media Lab Asia
MMPs	Mission Mode Projects
MOU	Memorandum of Understanding
MSA	Master Service Agreements
NASSCOM	National Association of Software and Services Companies
NDC	National Development Council
NeGP	National e-Governance Plan
NIC	National Informatics Centre
NKN	National Knowledge Network
NLRMP	National Land Resource Management Programme
NLSA	National Level Service Agency
NMCC	National Manufacturing Competitiveness Council

NSDG	National Service Delivery Gateway
PPP	Public Private Partnership
PRSG	Project Review
RFPs	Request for Proposals
SAMEER	Society for Applied Microwave Electronics Engineering
SCA	Special Central Assistance
SDC	State Data Centre
SEZ	Special Economic Zone
SIPS	Special Incentive Package Scheme
SMEs	Small & Medium Enterprises
STQC	Standardisation, Testing and Quality Certification
STPI	Software Technology Parks of India
SWAN	State Wide Area Network
TOT	Transfer of Technology
TDIL	Technology Development of Indian Languages
UID	Unique Identification

COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION
TECHNOLOGY (2009-2010)

Shri Rao Inderjit Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri Milind Deora
- * 5. Shri Charles Dias
6. Shri Rajen Gohain
7. Smt. Darshana Jardosh
8. Shri Mithilesh Kumar
- ** 9. Shri Sadashivrao Dadoba Mandlik
10. Shri Inder Singh Namdhari
11. Shri Abdul Rahman
12. Shri Prem Das Rai
- #13. Shri Tufani Saroj
14. Shri Tathagata Satpathy
15. Shri Adhalrao Patil Shivaji
16. Dr. Bhola Singh
17. Shri Dhananjay Singh
18. Shri Sushil Kumar Singh

** Nominated to Committee *w.e.f.* 10th September, 2009

Nominated to Committee *w.e.f.* 13th October, 2009

* Nominated to Committee *w.e.f.* 19th November, 2009

19. Shri C. Sivasami
20. Smt. M. Vijaya Shanthi
21. Shri Dharmendra Yadav

Rajya Sabha

22. Prof. Alka Balram Kshatriya
23. Shri Dharam Pal Sabharwal
24. Shri Ravi Shankar Prasad
25. Shri Prabhat Jha
26. Shri P. Rajeeve
27. Shri Shriram Pal
28. Shri N.R. Govindarajar
29. Shri M.P. Achuthan
30. Shri Rajkumar Dhoot
31. Vacant

SECRETARIAT

1. Shri T.K. Mukherjee — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*

INTRODUCTION

I, the Chairman, Standing Committee on Information Technology (2009-10) having been authorized by the Committee to submit the Report on their behalf, present this Third Report on Demands for Grants (2009-10) relating to the Ministry of Communications and Information Technology (Department of Information Technology).

2. The Standing Committee of Information Technology (2009-10) was constituted on 31 August, 2009. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha is to consider Demands for Grants of the concerned Ministry/Department and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Information Technology) for the current year *i.e.* 2009-10 which were laid on the Table of the House on 13 July, 2009. The Committee took oral evidence of the representatives of the Department of Information Technology on 23 October, 2009.

4. The Report was considered and adopted by the Committee at their sitting held on 16 December, 2009.

5. The Committee wish to express their thanks to the officers of the Department of 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. For facility of reference and convenience Recommendations/ Observations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;
16 December, 2009

25 Agrahayana, 1931 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology.

REPORT

PART-I

I. INTRODUCTORY

The Department of Information Technology (DIT), in the Ministry of Communications and Information Technology, are *inter-alia* responsible for formulation, implementation and review of the national policies in the field of Information Technology. All policy matters relating to silicon facility, computer based information technology and processing including hardware and software, standardisation of procedures besides matters relating to international bodies, promotion of knowledge based enterprises, internet, e-commerce and information technology education and development of electronics and coordination amongst their various users are also addressed by the Department.

2. Department of Information Technology are implementing various schemes and programmes for technological development in the field of Information Technology and for creating critical infrastructure for the development of Information Technology in the country. Some of the major Schemes/Projects/Programmes carried out by the Department are as follows:—

- (i) Society for Applied Microwave Electronics Engineering and Research (SAMEER)
- (ii) Microelectronics and Nanotechnology Development Programme
- (iii) Technology Development Council (TDC)
- (iv) Convergence, Communications and Strategic Electronics
- (v) Component and Material Development Programme
- (vi) Centre for Development of Advanced Computing (C-DAC)
- (vii) Electronics in Health & Telemedicine
- (viii) Technology Development for Indian Languages
- (ix) IT for Masses (Gender, SC/ST)

- (x) Media Lab Asia (MLA)
- (xi) Standardisation, Testing and Quality Certification (STQC) Directorate
- (xii) Software Technology Parks of India (STPI) & EHTP
- (xiii) Digital DNA Park
- (xiv) e-Governance
- (xv) Cyber Security (including CERT-In, IT Act, CCA)
- (xvi) Education and Research Network (ERNET) India
- (xvii) Promotion of Electronics/IT Hardware Manufacturing
- (xviii) Department of Electronics Accreditation of Computer Courses (DOEACC) Society
- (xix) Manpower Development
- (xx) Facilitation of setting-up of Integrated Townships
- (xxi) National Informatics Centre (NIC)
- (xxii) National Knowledge Network (NKN)

3. To make the technology robust and state-of-the-art, the Department obtains collaboration of the academia and the private/public sector besides being assisted by two attached offices, three statutory organisations, seven Autonomous Societies and three section 25 companies. Details of these organisations/bodies are as follows:—

- (i) Attached offices
 - Standardisation, Testing and Quality Certification (STQC)
 - National Informatics Centre (NIC)
- (ii) Statutory Authorities
 - Controller of Certifying Authorities (CCA)
 - Cyber Regulation Appellate Tribunal (CRAT)
 - Semiconductor Integrated Circuits Layout – Design Registry
- (iii) Autonomous Societies
 - Education and Research in Computer Networking (ERNET)
 - Centre for Development of Advanced Computing (C-DAC)

- Centre for Materials for Electronics Technology (C-MET)
- DOEACC Society
- Society for Applied Microwave Electronics Engineering and Research (SAMEER)
- Software Technology Parks of India (STPI)
- Electronics and Computer Software Export Promotion Council (ESC)

(iv) Section 25 Companies

- Media Lab Asia (MLA)
- National Informatics Centre Services Inc. (NICSI)
- National Internet Exchange of India (NIXI)

(v) Others

- Indian Computer Emergency Response Team (CERT-In)

4. A lot of Government funding is being provided to enable Department of Information Technology (DIT) to discharge the various responsibilities. During the year 2009-10, Demands for Grants are for Rs. 2582 crore which include Rs. 2484 crore as Revenue Outlay and Rs. 98 crore as Capital Outlay. The Demands have already been passed by the Parliament. This year being the election year, the budget was presented to the Parliament on 6 July, 2009 and Demands were passed without the same being referred to the concerned Departmentally Related Standing Committees after suspension of Rule 331G of the Rules of Procedure and Conduct of Business in Lok Sabha. However, as per the ruling of the Chair in Lok Sabha, the Demands have been referred to the Standing Committees for examination and report.

5. In the aforesaid background, the Committee in this report have *inter-alia* analysed the position of Outlay and the expenditure, particularly, the performance of the Plan schemes in the context of examination of Demands for Grants (2009-10).

**II. IMPLEMENTATION STATUS OF THE RECOMMENDATIONS
CONTAINED IN THE FIFTY-EIGHTH REPORT ON
DEMANDS FOR GRANTS (2008-09) OF THE
DEPARTMENT OF INFORMATION
TECHNOLOGY**

6. The Standing Committee on Information Technology presented the Fifty-eighth Report on Demands for Grants (2008-09) of the Department of Information Technology to Lok Sabha on 16 April, 2008. The report was laid on the Table of Rajya Sabha on 15 April, 2008. The Sixty-fifth Report on action taken by the Government on the Observations/Recommendations of the Committee contained in the Fifty-eighth Report was presented to Lok Sabha on 20 October, 2008. The report was laid on the Table of Rajya Sabha on 22 October, 2008. Out of 34 recommendations made by the Committee in the said report, 26 recommendations were accepted by the Government. Reply to 1 recommendation was found to be interim, to which the Ministry was requested to furnish the final action taken reply in the Sixty-fifth Report. Replies to 7 recommendations were not accepted by the Committee which were reiterated in the Sixty-fifth Report.

7. Hon'ble Minister initially made the statement in the House regarding the status of the implementation of the recommendations contained in the Fifty-eighth Report on 15 December, 2008. While undertaking the critical analysis of the statement, various infirmities were noticed. Besides, the statement of the Minister indicated nothing beyond what was stated by the Department five months back in action taken notes. As such, the Ministry was requested to take the necessary action for making a revised statement by the Minister giving up-to-date recommendation-wise status of implementation. Accordingly, the revised statement by the Hon'ble Minister was made on 25 February, 2009.

III. OVER-ALL ANALYSIS OF THE BUDGETARY ALLOCATION OF THE DEPARTMENT OF INFORMATION TECHNOLOGY

8. The Demand No. 15 pertaining to the Department of Information Technology (DIT) for the year 2009-2010 was laid in Lok Sabha on 13 July, 2009. The details of Revenue as well as Capital expenditure under the Plan and Non-Plan sections are as under:—

Demand No. 15

(Rs. in crore)

	Plan	Non-plan	Total
Revenue	2432.00	52.00	2484.00
Capital	98.00	—	98.00
Total	2530.00	52.00	2582.00

9. The BE for the year 2009-10 is for Rs. 2530 crore against the projected Outlay of Rs. 3021.50 crore. Apart from the Outlay of Rs. 2530 crore, the Department have also shown a sum of Rs. 272.14 crore as IEBR to be generated by the societies/offices under them through their R&D programmes/activities. Thus, the total Outlay of the Department for the Plan activities during 2009-2010 comes to Rs. 2802.14 crore.

10. The detailed Scheme/Project-wise position of proposed GBS, BE, RE and Actual Expenditure during each of the year of the Eleventh Plan *viz.* 2007-08, 2008-09 and 2009-10 under Plan Scheme has been indicated at *Appendix-I*. The overall position of the Outlay and expenditure during these years is as under:—

(Rs. in crore)

Eleventh Plan	Proposed GBS	BE	RE	Actual	Percent of utilisation
2007-08	2092.08	1500.00	1400.00	1252.06	89.43
2008-09	2500.00	1680.00	1450.00	1516.65	104.60
2009-10	3021.50	2530.00	—	625.13 (upto 30.09.09)	—

11. A scrutiny of the above statement reveals that against a Budgetary Support proposal of Rs. 2500 crore during the year 2008-09,

an amount of Rs. 1680 crore was approved at the BE stage. Thus, the allocation provided at BE stage was Rs. 820 crore lesser than the proposed Outlay. Further, the Outlay was reduced by Rs. 230 crore at the RE stage. The Department were allocated an Outlay to the tune of Rs. 1450 crore at the RE stage which was Rs. 1050 crore lesser than the proposed Outlay.

12. The various schemes/projects of the Department are broadly for R&D Programmes, Infrastructure Development and Human Resource Development. The details of the Outlay position under these three sectors are as follows:—

Research & Development (R&D)

(Rs. in crore)

Year	Proposed GBS	BE	RE	Actual	Percent of utilisation
2007-08	410.92	238.00	249.00	241.02	96.80
2008-09	599.26	245.22	275.22	274.61	99.78
2009-10	759.73	292.22	—	157.56 (upto 30.09.09)	—

Infrastructure Development

(Rs. in crore)

Year	Proposed GBS	BE	RE	Actual	Percent of utilisation
2007-08	1120.16	884.70	761.55	627.75	100.31
2008-09	1174.34	875.89	655.89	657.94	100.31
2009-10	1157.10	1008.83	—	191.29	—

Human Resource Development (HRD)

(Rs. in crore)

Year	Proposed GBS	BE	RE	Actual	Percent of utilisation
2007-08	122.00	44.50	51.65	50.48	97.73
2008-09	151.40	45.55	45.55	44.88	98.53
2009-10	127.67	48.55	—	24.27	—

13. Besides the aforesaid three sectors, the allocation is also provided for Headquarters (Secretariat and Building), National Informatics Centre (NIC) and National Knowledge Networks (NKNs). The details in this regard are as under:—

Headquarters

(Rs. in crore)

Year	Proposed GBS	BE	RE	Actual	Percent of utilisation
2007-08	12.00	12.80	12.80	11.75	91.88
2008-09	15.00	13.34	13.34	16.40	122.94
2009-10	32.00	30.40	—	6.01	

National Informatics Centre (NIC)

(Rs. in crore)

Year	Proposed GBS	BE	RE	Actual	Percent of utilisation
2007-08	427.00	320.00	325.00	321.04	98.8
2008-09	560.00	400.00	400.00	462.82	115.71
2009-10	845.00	550.00	—	244.00	—

National Knowledge Network (NKN)

(Rs. in crore)

Year	Proposed GBS	BE	RE	Actual	Percent of utilisation
2008-09	100	600	60	60	100

14. The Department have stated that the underspending during the year 2007-08 was due to reduction in budgetary provisions at RE stage by Ministry of Finance, mainly under e-Governance Programme. The Programme Divisions also could not submit their project proposal requirements due to non-receipt of Utilisation Certificates (UCs) of earlier grants.

15. When asked for comments of the Department on the mismatch between proposed allocation, BE and RE in different years, the Department have submitted that Zero Based Budgeting (ZBB) has been resorted to

for rationalizing Plan proposals. This is to prevent a mismatch between the requirement of funds and the Plan allocations and ensure that Plan expenditure is matched by desired physical achievements. This has also shifted the focus of planning from inputs to outputs, *i.e.*, on physical targetting rather than on financial allocations alone.

16. The total Budgetary allocation for the Eleventh Plan Period is for Rs. 12,496 crore. The actuals during the first two years are for Rs. 2768.71 crore (1252.06 + 1516.65). The BE for the year 2009-10 is for Rs. 2530 crore. Thus, the allocations for the first three years are for Rs. 5298.71 crore which is even lesser than half of the allocated Outlay for the Eleventh Plan. In this regard, the Department have submitted that the Eleventh Plan has laid significant emphasis on Information Technology sector by making three fold increase in Plan allocation for Eleventh Plan over the Tenth Plan. However, due to budgetary constraints the cumulative Gross Budgetary Support (GBS) for the first three years of the Eleventh Plan for the Information technology sector could not match with what was originally envisaged and proposed. DIT have therefore tried to ensure qualitative plan expenditure towards fulfilling the targets and objectives of the Eleventh Five Year Plan.

17. The Department have further stated:—

“The Plan projects are mainly of the nature of sponsored research and development, e-Governance, infrastructure development and human resource development. The conceptualisation, evolution and approval of new projects many times take more time than anticipated. The sponsored R&D activity depends on conceptualisation of research area, selection of the institution to undertake it, availability of faculty, etc. Hence, sometimes there is variation between BE, RE and actual expenditure under various Heads.”

18. The Department have also added that they have been informed by the Planning Commission that any further requirements for 2009-10 could be considered for priority programmes and other good projects at the time of supplementary demand for grant based on the financial performance of the Department.

19. With regard to the estimated requirement of Outlay for the remaining two years of Eleventh Plan (2010-12), at the Mid term appraisal (MTA) meeting held in Planning Commission on 15th September 2009,

the Department have projected GBS requirement of Rs. 12598.70 crore. The scheme-wise details are given below:—

**Estimated requirement in last 2 years of Eleventh Five Year Plan
Scheme-wise is as under:—**

(Rs. in crore)

Sl. No.	Name of the Scheme	Estimated requirement in last 2 years of Eleventh Plan (2010-12)
Continuing Schemes		
1.	SAMEER	83.00
2.	Microelectronics & Nanotech Devp. Prog.	225.00
3.	Technology Development Council	254.53
4.	Convergence, Comm & Strategic Electronics	132.60
5.	Components and Material Dev. Prog.	52.85
6.	C-DAC	585.52
7.	Electronics in Health and Telemedicine	50.00
8.	Technology Dev. for Indian Languages	73.29
9.	IT for Masses (Gender, SC/ST)	124.37
10.	Media Lab Asia	294.00
11.	STQC	200.00
12.	STPI & EHTP	40.97
13.	Digital DNA Park	9.99
14.	Electronic Governance	2964.93
15.	Cyber Security (including CERT-In, IT Act)	513.66
16.	ERNET	9.99
17.	Promotion of Electronics/IT Hardware Mfg.	1096.53
18.	DOEACC	6.56
19.	Manpower Development	195.58
20.	Headquarter (Secretariat and Bldg.)	41.44
21.	NIC	1400.00
New Schemes		
1.	Facilitation of Setting-up of Integrated Townships	59.89
2.	National Knowledge Network	4184.00
	TOTAL	12598.70

(i) Pendency of Utilisation Certificates and Unspent Balance

20. Whereas the utilisation position of Outlay during the year 2008-09 has been shown as 104.60 per cent, the scrutiny of the various Budget documents has revealed that there is huge pendency of Utilisation Certificates from different implementing agencies. The data as initially made available to the Committee in this regard is as under:—

(Rs. in crore)

Total amount sanctioned	12,67.3
Utilisation Certificates received	2,57.5
Balance amount	10,09.8
No. of Utilisation Certificates pending	663

21. In a subsequent note the latest information as given under was furnished by the Department in this regard as on 03.11.2009:—

(Rs. in crore)

Total amount sanctioned	12,11.8
Utilisation Certificates received	2,53.4
Balance amount	9,58.3
No. of Utilisation Certificates pending	623

22. The year-wise position of pendency of certificates is as under:—

**List of year-wise Pending Utilisation Certificates
(1.4.2001 to 31.3.2008)**

Sl. No.	Year	Amount Outstanding (Rs. in crore)	Number of Pending Utilisation Certificates
1.	2001-02	0.11	2
2.	2002-03	46.63	44
3.	2003-04	23.34	42
4.	2004-05	117.34	47
5.	2005-06	161.26	96
6.	2006-07	162.02	98
7.	2007-08	447.68	294
	Total	958.38	623

23. As per the latest data made available to the Committee out of 203 agencies to whom the Outlay was released, against as many as

113 agencies, the Utilisation Certificates received amount has been shown as nil, although substantial allocation has been shown as released.

24. While elaborating on the efforts being made by the Department to expedite the Utilisation Certificates, the Committee were informed as under:—

“There were 739 number of UCs amounting to Rs. 1232 crore as on 31.3.2009. With vigorous efforts as already reported to the Standing Committee and continuous pursuance the number of UCs came down to 663 amounting to Rs. 1010 crore as on 02.09.2009 as already reported. As on 3.11.2009, the number of pending UCs which are due have further been reduced to 623 amounting to Rs. 958 crore.”

25. When asked about the details of unspent balances, the Department have informed that unspent balances as on 31st March, 2009 with all grantee/loanee bodies which received more than Rs. 1 crore grant/loan during 2008-09 are for Rs. 525.6 crore. The cumulative balance as on 31 March, 2009 comes to Rs. 983.92 crore. The details in this regard are given at Appendix-II.

26. When enquired whether the pendency of Utilisation Certificates indicates that the different agencies have been issued first installment and could not use the money effectively and stopped demanding further installments, the Department have stated as under:—

“Yes, there may be some cases where one time grant is released. In cases of ongoing projects, the UCs are prerequisite for claiming further amount which is not released without getting the UCs of the previous grants.”

27. Elaborating on the efforts being made by the Department to expedite Utilisation Certificates, the Committee have been informed as under:—

“Periodic reviews are undertaken to liquidate the pending UCs at various levels in the Department of Information Technology. Ministry of Finance also reviews outstanding UCs and unspent balances. Every release of next installment is subject to receiving the Utilisation Certificate for the amount already released. Integrated Finance Division has been emphasizing time and again the need to ensure the timely submission of UCs. Even special drives have

also been organized to facilitate co-ordination between PAO (DIT) and Programme Division. All Group coordinator and heads of all Autonomous Bodies have been requested for the early liquidation of pending UCs. Communications have also been issued to all GCs/ Heads of all Autonomous Bodies under DIT enclosing the copies of UCs pending against them with the request to put in sincere efforts to ensure clearance of pending UCs and also reiterating that proposal for further releases (including core grant) will not be processed in case of non clearance of pending UCs by all concerned.”

(ii) Internal and External Budgetary Resources

28. The details of Internal and External Budgetary Resources (BE) and actuals during 2008-09 are as under:—

(Rs. in crore)

Schemes/Programmes	IEBR	Actuals
SAMEER	15.00	37.84
Technology development council	1.50	0.00
Components & material Dev. Programme	5.60	5.28
C-DAC	145.00	183.42
Media Lab Asia	20.00	1.12
R & D Sub Total	187.10	227.66
ERNET	25.00	46.19
Infrastructure Sub Total	25.00	46.19
DOEACC	60.04	58.97
HRD Sub Total	60.04	58.97
Grand Total	272.14	332.82

29. The details of Internal and External Budgetary Resources for Eleventh Five Year Plan and Annual Plan 2009-10 are as under:—

(Rs. in crore)

Schemes/Programmes	Eleventh Five Year Plan (IEBR)	Annual Plan 2009-10 (BE)
(1)	(2)	(3)
SAMEER	84.50	15.00
Technology Development Council	17.00	1.50
Components & Material Dev. Programme	30.20	5.60
C-DAC	1555.00	145.00

(1)	(2)	(3)
Media Lab Asia	150.00	20.00
R & D Sub Total	1836.70	187.10
STQC	—	—
Export Promotion	16.49	—
ERNET	—	25.00
Infrastructure Sub Total	16.49	25.00
DOEACC	372.37	60.04
HRD Sub Total	372.37	60.04
Grand Total	2225.56	272.14

30. It could be seen from above that during the year 2008-09, in case of Technology Development Council, actuals are nil against the projections, for Rs. 1.50 crore. Further, in the case of Media Lab Asia actuals are Rs. 1.12 crore against the projections for Rs. 20.00 crore. There is slight shortfall in actuals in the case of Components and Material Development Programme and DOEACC. Further, the projected IEBR during the year 2009-10 was 272.14 crore. During the year 2008-09 the actual IEBR was Rs. 332.82 crore.

31. While elaborating on the shortfall in IEBR particularly in the case of Technology Development Council and Media Lab Asia, the Department explained as under:—

“11th five year plan study team report envisaged a funding of Rs. 750 crore for MLAsia in the 11th five year plan. However, Planning Commission revised it to Rs. 300 crore. The projection of Rs. 20 crore is based on the allocation of Rs. 300 crore. Moreover as per recommendations of Steering committee, MLAsia will have to generate IEBR of 50% of total grant from DIT. It may be worthwhile to mention that MLAsia has not received funding other than Rs. 1 Cr. for North-East so far during the first three years of 11th plan including current financial year. During the review which started in May 2007, MLAsia was advised not to initiate new projects. Recruitment for the posts approved by the Board has also not taken place. However, with the review of MLAsia completed and approval of the steering committee obtained, it is expected that MLAsia will receive funds to start its regular activities and generate IEBR as recommended.

As far as TDC is concerned, the IEBr projected during the year 2008-09 is Rs. 1.50 crore. A sum of Rs. 2.18 crore was received/receivable to C-DAC from outside agencies for projects undertaken under the NaMPET as part of TDC project during the financial year 2008-09.”

32. About the reason for lower projection with regard to IEBr at the year 2009-10 as compared to the previous year:—

“The Committee has rightly pointed out that the actual IEBr during the financial year 2008-09 (Rs. 332.82 crore) is more than the projected IEBr (Rs. 272.14 crore) for the year 2008-09. Similar projections amounting to Rs. 272.14 crore were projected/sanctioned by the Planning Commission for the year 2009-10. The Committee will appreciate that the actual IEBr during 2008-09 were more than the projected one.

The projections for IEBr for 2009-10 were made by the six respective organisations and TDC Scheme, keeping in view the proposed scale of activities as indicated in the Outcome Budget 2009-10. Planning Commission fixes the projections well in advance after a number of meetings while the actuals come to notice after the closing of the financial year. This may be the reason.”

33. Elaborating on the mismatch between projected and actual IEBr, the Department replied as under:—

“It is noteworthy that IEBr is fixed by the Planning Commission. DIT submitted proposals for the 11th Five Year Plan for Rs. 20,386 crore which included Rs. 2225.56 crore as IEBr. However, Planning Commission reduced the proposed allocation to Rs. 12,496 crore with IEBr of the same amount, *i.e.* Rs. 2225.56 crore. It may be seen that only the budgetary Outlay has been reduced. But, the IEBr of Rs. 2225.56 crore which is based on the projection of Outlays for the 11th Five Year Plan had not been reduced. The allocation during the 11th Plan period is Rs. 12,496 crore and the IEBr for that period is Rs. 2225.56 crore which is around 18% of the allocation. However, during the last two years (2007-08 & 2008-09) the total allocation was Rs. 3180 crore and the actual IEBr for that period was Rs. 510.09 crore which is around 16%. It is also stated that the projected IEBr for 2007-08 and 2008-09 was Rs. 521.13 crore against which the actual IEBr generation as cited above is Rs. 510.09 crore which is around 98%. Hence, there is no huge shortfall in the IEBr.”

(iii) Budgetary analysis of the Outlay earmarked for North-Eastern Areas

34. The details of the actual expenditure of North-Eastern Areas, as on 31.3.2009 are as under:—

(Rs. in lakh)

S.No.	Programme	BE 2008-09	RE 2008-09	Tentative information submitted earlier	Tentative Actuals upto 31.03.2009	% age
1.	E-Governance	8100	6100	3860	4149	68.0
2.	TDIL	100	100	80	80	80.0
3.	MLA	100	100	100	100	100.0
4.	Manpower Dev.	1000	1000	485	993	99.3
5.	National Knowledge Network	900	600	0	0	0.0
6.	C-DAC	900	900	0	849	94.3
7.	TDC	300	300	297	364	121.5
8.	Electronics in Health	100	100	0	187	187.3
9.	Convergence, Strategic Elect.	200	200	108	158	79.0
10.	IT for Masses	200	200	200	374	187.0
11.	Cyber Security	400	400	387	411	102.6
12.	STQC	500	500	500	528	105.6
13.	NIC	4000	4000	4000	4640	116.0
Total		16800	14500	10017	12834	88.5

35. An analysis of the aforesaid data indicates that there is no allocation/expenditure of fund under STPI and DOEACC for the year 2008-09. In this regard, the Department have explained that due to overall reduction in Plan allocation made available to the Department for 2008-09, provision could not be made for STPI and only Rs. 44 lakh could be allocated to DOEACC.

(iv) Human Resource Development in North-Eastern Region

36. The Committee were informed that few measures *viz.* revising syllabus, introducing bridge course in mathematics etc. have been taken for Human Resource Development in North-Eastern Region. When asked,

how far these measures would help in checking high attrition rate, the Department replied as under:—

“In North-Eastern region students in general belong to SC/ST and minority communities, residing in far-flung and most backward hilly and difficult terrains. Economic conditions of these students are generally weak. DOEACC Society is offering free coaching and training or charges minimum fee from these students under various schemes like women empowerment, etc., with the financial support of various Ministries. Students belonging to SC/ST category, who are passing out DOEACC O/A/B/C level courses in first attempt, are being provided with scholarship as an incentive to complete the course successfully. Syllabus of O/A/B/C level is being revised regularly to make it at par with industry requirement. A bridge course in mathematics is being introduced for various courses wherever it is required. These measures are expected to reduce attrition rate.”

IV. INFRASTRUCTURE DEVELOPMENT

1. National e-Governance Plan (NeGP)

37. The Committee were informed that for National e-Governance Plan the Planning Commission had indicated a budgetary support of Rs. 4992.00 crore for the Eleventh Plan period. The position of Outlay proposed, allocated and actual during the first three years of Eleventh Plan is as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	957.96	1053.63	1021.00
Allocated	800.00 (677.35 at RE)	800.00 (580.00 at RE)	900.00
Actual Expenditure	551.06	576.01	—

38. The analysis of the aforesaid data indicates that under one of the flagship programme of the Department *i.e.* e-Governance, the allocations are far lesser than the projections. During the years 2007-08, 2008-09 and 2009-10, the allocations provided are Rs. 157.96 crore, 253.63 crore and 121 crore respectively lesser than the proposed Outlay. The Outlay was reduced by Rs. 122.65 and Rs. 220 crore respectively at RE stage. Even the reduced Outlay could not be utilized fully. The unspent amount was to the extent of Rs. 126.29 and Rs. 3.99 crore during 2007-08 and 2008-09 respectively.

(i) Mission Mode Projects (MMPs)

39. Broadly, there are 27 Mission Mode Projects (MMPs), under National e-Governance Plan, that span multiple backend Ministries/ Departments. It also includes eight program support components aimed at creating the right governance and institutional mechanisms, core infrastructure, polices & standards and the necessary legal framework for adoption of e-Governance. It is being implemented at the Central, State and Local Government Levels. As per the information furnished by the Department as on 31 March, 2009 the total allocation of funds for MMP under NeGP for the Eleventh Plan are Rs. 16334.5 crore. The proposed Outlay for the Twelfth Plan are Rs. 10498 crore.

40. While elaborating on the details of Mission Mode Project (MMP), the Department, in the written note, have stated as under:—

“In NeGP, 27 Mission Mode Projects (MMPS) have been identified in various Line Ministries and Departments. These Mission Mode Projects are classified in three categories namely, Central MMPS (9), Integrated MMPS (7) and State MMPS (11). Under these MMPS, 2 MMPS in the Central Category namely, Banking and Insurance are industry initiatives and 1 MMP namely Land Records, Phase I, under the State category is Pre-NeGP period which has now been merged with new scheme called National Land Records Modernisation Programme (NLRMP). Considering this, the updated status as of 31st July, 2009, is as under:

- (i) Central MMPS: Five out of nine MMP Schemes have been approved. Two MMPS, namely Banking and Insurance are Industry initiatives and scheme preparation is being taken up separately. The remaining two MMPS, namely UID and Immigration, schemes are under preparation. For UID MMP Phase I SFC Note has been prepared and circulated for appraisal. In respect of Immigration MMP, MHA has informed that appraisal of EFC is planned by November 2009.
- (ii) Integrated MMPS: Six out of seven MMP schemes have been approved except e- procurement. Ministry of Commerce has informed that the SFC for the e- procurement MMP pilots is under preparation.
- (iii) State MMPS: Six out of eleven MMP Schemes have been approved. The approved six MMPS are Transport, Police, NLRMP, Municipalities (JNNURM), e-District (Pilot) and Land Records, Phase I. EFC Schemes for Panchayati Raj and Agriculture MMP have been prepared. Employment exchange MMP DPR has been prepared. For Commercial Taxes MMP, note for Committee of Non-Plan Expenditure (CNE) has been prepared. Meeting of CNE has taken place and minutes are awaited. For Treasuries MMP Scheme needs to be prepared.”

41. The updated status of the implementation of all the Mission Mode Projects (MMPS) along with the revised deadlines for implementation of MMPS are given at *Appendix III*.

42. The analysis of the information provided in the Appendix indicate that the deadlines for 7 out of 27 MMPs have been extended and only 6 are at post implementation stage. Further, the deadlines for 3 of the integrated projects like CSC, e-courts, NSDG have been extended by at least one year. For instance, the new deadline for CSC, which was march 2009, is postponed to June, 2010; for e-courts, which was December, 2008, is revised to February, 2010; and for NSDG, which was May 2008, is extended to April, 2012. Similarly, in respect of one of the State MMP, *i.e.* Police, the date of completion has been postponed from December, 2010 to March, 2012. Likewise, for 3 of the Central category MMPs, *viz.* passport and visa, Immigration and Central Excise, the completion dates have been shifted from September, 2009 to April, 2010, from October 2009 to September 2014 and from December 2008 to December, 2009 respectively.

43. The Committee desired to be apprised of the reasons for delay in the implementation of MMPs. In reply, it was stated that the progress of the projects was being affected either by issues that were specific to the respective projects or by certain generic issues which were at the policy or Government level. It was further stated that out of the 9 central projects, some of the projects like MCA-21 had shown exceptional progress and there had been significant and measurable service improvement as a result of implementation of this project. Other projects like Income Tax, Excise and Customs were at an advanced stage of implementation and many tax payer friendly services were already available under these projects. The projects were scheduled for completion during the current year. Passports/Visa project was on target and showing satisfactory progress and was slated for completion/implementation with full range of online services by July 2009. The Department further added:—

“Out of 9 MMPs, except UID and Immigration, schemes have been approved for all the central MMPs.

UID: The UID Authority of India was recently formed with Shri Nandan Nilekani as Chairperson. The revised Expenditure Finance Committee (EFC) Note has been circulated for comments from various stakeholders/Departments.

Immigration: The target completion date of the Immigration project is September, 2014. The approval of EFC Note for Immigration MMP is planned by November 2009. The Home Minister has approved the Detailed Project Report (DPR) on 28th of August.”

44. The Committee also asked about the response regarding the communication sent, by the Department, to the inter-State Councils for including e-Governance as a part of the Agenda item for Chief Minister's Conference. To which, they replied that the efforts are being made to include e-Governance as a part of Agenda item for CM's conference. Further, the Department added that leadership Meets and Orientation Programme are being organized for training State Governments Ministers, Legislators and Policy makers in NeGP under the category Capacity Building Scheme. On 27th October 2009, conference of State ICT Ministers was organized in Vigyan Bhawan for speeding up e-Services.

(a) e-District

45. The objective of the MMP is to target certain high volume services delivered at the District level, which are currently not covered by any MMP under the NeGP, and undertake backend computerisation to enable the delivery of these services through Common Service Centres in a sustainable manner, within a specific time frame.

46. The Department have informed that the e-District Scheme is not yet finalized because of the delay in implementation of the Pilot project in 14 States. Learnings from the Pilot projects have to be included in the Scheme for National rollout. The brief status of the Pilot projects, as on 30th September, 2009, provided by the Department is as under:—

Status of Pilot implementation	States
Pilot Go Live	Uttar Pradesh (partial)
Application Development	Assam, MP, Bihar, Tamil Nadu, Kerala
Selection of IT Partner	Orissa, Jharkhand, West Bengal, Mizoram, Maharashtra
Process Re-engineering	Haryana, Uttarakhand, Punjab

47. As per the information made available to the Committee, the pilot projects have been approved for a total Outlay of Rs. 115.11 crore out of which Rs. 75.7 crore has been released to the implementing agencies. Pilot e-District projects are being implemented in 37 districts of the States.

48. The status with regard to pendency of the Utilisation Certificates has been indicated at Appendix IV. The analysis of the data indicates that out of the approved Outlay of Rs. 115.10 crore, 75.69 crore could be released to various implementing agencies in 14 States. In respect of two States of Uttar Pradesh and Assam, the approval date was March 2006

and July, 2006 respectively. In case of Uttar Pradesh, the total approved Outlay has already been released. However, the Utilisation Certificate of final installment is awaited. In case of Assam, the Utilisation Certificate of second installment is awaited. In the remaining States the approval date is February/March, 2008 and Utilisation Certificates of 1st installment in each of the State are awaited.

(b) e-Bharat

49. The National e-Governance Plan (NeGP) of the Government of India has a vision of supporting citizen centric governance by ensuring accessibility of all Government services to common man, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs, to realize the basic needs of the common man.

50. e-Bharat's objectives are the same as those of NeGP, albeit at a smaller scale. The project is expected to contribute to:—

- (i) Improving government effectiveness;
- (ii) Empowering marginalized communities;
- (iii) Increasing fiscal revenues;
- (iv) Reducing public procurement costs; and
- (v) Promoting private sector-led growth through PPPs.

51. The Department have informed that to support this programme, Government of India have been carrying out a dialogue with World Bank for possible programme management and financial support for the NeGP.

52. Following GoI's decision not to establish a dedicated SPV (*i.e.* National e-Governance Agency), a requirement insisted by World Bank earlier, the Bank advocated a newer look to be adopted *inter-alia* suggesting termination of the preparation of "e-Bharat" Project. In view of significant efforts including sizable resources put in by DIT/other Line Ministries and participating States for timely completion of project preparation activities, DIT re emphasized its keenness to carry forward the "e-Bharat" initiatives after confirmation on certain basic issues such as the size of the proposed funding and a programme based approach to the design of "e-Bharat" as were being contemplated before.

53. Following DIT's suggestions, discussions with the Bank are currently under way, to explore and agree on a revised framework and modalities for the project to be operationalised.

(c) Monitoring of e-Governance Project

54. The Committee have been informed that the Department are in the process of implementing a Project Amendment Information System (PMIS) to monitor all components and MMPs of NeGP. When asked as to when the project Amendment Information System is likely to be operational the Committee have been informed that the likely date of operationalisation of first phase may be July, 2010.

56. The Department have further informed that under the implementation framework, review of NeGP is done regularly at the level of Apex Committee headed by Cabinet Secretary. Periodic review of NeGP and MMPs is undertaken by the Apex Committee for reviewing the timelines, milestones, inter-departmental issues and providing guidance to various MMPs. From 2008 till September, 2009, six meetings of the Apex Committee on 22nd January, 2008, 28th March, 2008, 7th October, 2008, 19th March, 2009, 16th June, 2009 and 28th July, 2009 have been held.

(d) Unique Identification Number (UID)

55. The project UID for BPL families was sanctioned on 3rd March, 2006, at a total estimated Outlay of Rs. 46.70 crore to be implemented by NIC through NICSI. UID has now been set up under Planning Commission under the Chairmanship of Shri Nandan Nilekani and further approach and implementation of UID will be worked out by UIDAI.

56. When asked whether DIT have now any role in the UID project, the Committee have been informed that the DIT have a clearly defined role in all the Mission Mode Projects . UID being one of the MMP, DIT will provide all necessary support to the UIDAI under Planning Commission for the successful implementation of the UID project and UIDAI has started functioning under the aegis of Planning Commission.

57. With regard to the allocation made and the status of spending, the Committee have been informed that out of the total project cost of Rs. 46.70 crores, an amount of Rs. 41.725 crore was released to NICSI in two installments till date. As on 20.07.2009 NICSI, had spent an amount of Rs. 35.28 crore on software/hardware/project management consultancy etc. for the project and approximately an amount of Rs. 6.44 crore is available with NICSI, which will be utilized by UIDAI.

(e) Horizontal Transfer of Successful e-Governance Initiatives

58. The fund allocated for this Scheme for the year 2009-10 is Rs. 1.5 crore. However, the Department have stated that they have stopped supporting in areas of replication of Land record, property registration and transport as Ministry of Rural Development have approved National Land Records Modernisation Programme under MMP for all the States.

59. When enquired about the purpose of allocation of Rs. 1.5 crore when the Department have stopped supporting in areas of replication of Land record, property registration and transport, the Committee have been informed that the earmarked funds are meant to meet the already committed financial liability in terms of sanctioned/underway projects.

(ii) State Wide Area Network (SWAN)

60. For successful implementation of various e-Governance projects, the Department are in the process of creating the common core and support infrastructure. The Government have approved the Scheme for establishing State Wide Networks (SWANs) across the country in 29 States and 6 UTs with a total Outlay of Rs. 3,334 crore with the Department's component of Rs. 2,005 crore over a period of five years. Under this Scheme, it is envisaged to provide technical and financial assistance to States for establishing SWANs from State Headquarters upto the Block level with a minimum bandwidth capacity of 2 Mbps. SWAN proposals from 33 States/UTs have been approved so far, with a sanctioned total Outlay of Rs. 1964.97 crore from the Department. As of June 2009, 7 States/UTs (Delhi, Haryana, Himachal Pradesh, Tamil Nadu, Chandigarh, Tripura and Punjab) have already completed the SWAN implementation, while implementation is at an advanced stage in 12 States/UTs.

61. A perusal of Minister's Statement made under direction 73A revealed that the Department hadn't met their targets and extended the deadline upto September, 2009. Now, in the context of examination of Demands for Grants (2009-10), the Department have informed that SWANs are expected to be operationalised by June, 2010.

62. The updated State-wise status of implementation of SWAN in various States has been given at *Appendix-V*. The analysis of the information is as under:

- SWAN implemented — Delhi, Haryana, Himachal Pradesh, Tamil Nadu, Punjab, Tripura, Chandigarh.

- Implementation in progress—Manipur, Uttarakhand, Madhya Pradesh, Andhra Pradesh, Chhatisgarh, Jammu & Kashmir.
- Implementation in advance stage — Assam, Bihar, Gujarat, Jharkhand, Karnataka, Kerala, Maharashtra, Orissa, Puducherry, Sikkim, Uttar Pradesh, West Bengal.
- Bid Process initiated — Arunachal Pradesh, Meghalaya, Mizoram, Nagaland.
- Rebidding under progress — Rajasthan.
- RFP/BoM under submission/review & finalisation—Dadra & Nagar Haveli, Daman & Diu, Lakshadweep.
- Opted out of SWAN Scheme — Andaman & Nicobar Islands, Goa.

63. The various bottlenecks faced in the implementation of SWAN as elaborated by the Department, are as under:—

1. “The progress of the project is mainly dependent on the pace of work at the State level during pre bid, post bid and during implementation phase, like submission of RFP, Publishing of RFP, Evaluation of RFP, and award of contract to the selected bidder. Any delay at any of these stages compound the overall delay in the completion time scheduled for the project.
2. Delay in timely selection of agency/third party by the State(s)/ UT(s) Governments for conducting Partial Acceptance (PAT), Full Acceptance Test (FAT), timely conducting of tests and release of funds to the PPP partner/contractor.
3. Connectivity, power shortage in the rural areas.”

64. When asked to provide details of the impact of the delay in implementation on other scheme/projects, the Department replied:—

“Due to the delay of implementation of SWAN, delivery of services and transmission of information under some of the MMPs may be affected due to the non-availability of connectivity.”

65. The representatives of the Department, during evidence, added:—

“There are two aspects to it. The first one is the physical connectivity, our ability to move. The second one is addressing the space, how unified it is. NIC has a network called NICNET which is across the country. These SWANS are coming up as a second

network and we are connecting them and integrating them at different levels. The idea is that there will be a backbone system which will connect all these systems both in terms of ability to have an addressing scheme which is unified, at the same time being able to move information. Because in the Internet the multiple networks can very easily communicate to each other. So, the responsibility of NIC is now to be able to integrate all of them and we have already started doing that. It will take may be six to eight months. We have for example already integrated the Tamil Nadu network.”

66. The representative further added:—

“There are a couple of other States which have really been integrated. As you know, in internet there are multiple networks and they are communicating through the bridges. We are not even going that loose coupling. We are trying to build a more close coupling by having a single unified addressing scheme because security has to be put on top of it. Yes, there is a need to work it out, we are working on it and I hope as the new SWANs come in, we should be able to integrate them.”

67. The Department have informed that annual operational support of SWAN will be provided for five years from the date of operationalisation of each SWAN. While elaborating on the scheme of maintenance, the Department have informed as under:—

“SWAN Scheme is being implemented under two Models. In the PPP model the issue of maintenance is embedded into the “Concession Agreement” signed between the State SWAN Implementing Agency and the Implementer *i.e.* the Network Operator, for five years. In effect, State/UT is being provided with network services by the Network Operator against an amount of charges finalized through a competitive bidding process. Therefore, maintenance is an essential part of the entire operational process. In the NIC model of implementation, NIC has selected Facility Management Services (FMS) agencies through competitive bidding process and entered into agreement with such agencies for the purpose of maintenance. Therefore, in both the models maintenance for five years is ensured. Moreover, a Third Party Agency is instituted to oversee various aspects of agreement including the network performance, bandwidth utilisation and compliance to the various parameters of the Service Level Agreement (SLA).”

(iii) State Data Centres (SDCs)

68. The Committee were informed that the Scheme of State Data Centres has been identified as one of the important elements of the core infrastructure for supporting e-Governance initiative of NeGP. Pursuant to that, it was proposed to create data repositories/data centres in various States/UTs so that common secured data storage could be maintained to serve a horde of e-Governance applications. As per the Outcome Budget 2009-10, the time frame, to operationalise State Data Centres (SDCs), set earlier for March, 2008 has been extended up to March, 2009. The Department have further indicated that as on date no Data Centre could be operationalised while only 5 States are in the process of awarding the contract to the successful bid. When asked about the status of operationalisation of SDCs the Department have informed that as on 14 September, 2009 following is the targeted GO-Live plan for SDCs:—

- (i) 3 States by March, 2010
- (ii) 5 States by Apr.-Jun., 2010
- (iii) 7 States by Jul.-Sep., 2010
- (iv) 9 States by Oct.-Dec., 2010
- (v) 7 States by Jan.-Mar., 2011

69. The Scheme was approved by the Government in January, 2008 at an Outlay of Rs. 1623.20 crore to cover 28 States and 6 UTs across the country. About the utilisation of Outlay till August 31, 2009, the Department explained as under:—

“An amount of Rs. 124.84 crore of DIT-GIA has been released so far to 31 States/UTs, out of which Utilisation Certificates for Rs. 4.77 crore have been received by DIT. However major portion of the CAPEX will be released/utilized on award of contract to the successful bidder, by the States/UTs.”

70. With regard to constraints, the Department have informed that the timeframe for setting up of a Data Centre is about 6 to 8 months after the contract is awarded, and some of the delaying factors experienced by the States for initialisation of the RFP are site preparation, finalisation of FAT Application (Final Acceptance Test) and availability of Raw Power.

71. The Department have informed that a consultancy agency to each State has been provided to assess them in RFP preparation bid for successful implementation of the SDC's.

(iv) Common Service Centres (CSCs)

72. The Government approved a Scheme in September, 2006 for facilitating establishment of 1,00,000 broadband internet enabled Common Service Centres (CSCs) in the rural areas of the country. This Scheme was approved at a total cost of Rs. 5,742 crore, and was being implemented on a Public Private Partnership (PPP) mode. The CSCs were intended to be one of the three infrastructure pillars of the National e-Governance Plan and would serve as the physical front end for delivering Government and private services at the doorstep of the citizen.

73. While examining the Demands for Grants of the previous year the Committee had been informed that the initial target of establishment of one lakh CSC was by 2008. However, the targets were extended till March, 2009. During the course of examination of Demands for Grants of the current year, the Committee have now been informed that the total rollout of over one lakh centres would be by June, 2010.

74. Hon'ble President in her address in Fifteenth Lok Sabha stated as under:—

“The scheme for Common Service Centres or e-kiosks will be suitably repositioned to be a network of Panchayat-level Bharat Nirman Common Service Centres to provide Government services to citizens in rural areas. My Government will initiate steps within the next hundred days for Electronic governance through Bharat Nirman common service centres in all Panchayats in the next three years.”

75. The Department have stated that the instruction have been issued to all the State Governments to constitute District e-Governance society in all the Districts, under Chairmanship of Collector/DM/ Dy. Commissioner, for coordinating and implementing the Schemes. They have also issued guidelines to States, to involve Local Government for proper Coordination. The Department have stated that a reminder to all the State IT Secretaries has been sent on 21 October, 2009 requesting them to send the information to DIT regarding formation of e-Governance Society in all the districts in their respective States. The Department have further informed that it is understood that States have initiated action to form such societies. However, response from the States is still awaited.

76. When asked about the coordination mechanism with the local bodies, the Department have stated as under:—

“We are given to understand that SCAs are finding it comfortable to set up CSCs in consultation with Gram Panchayat and also

scouting suitable VLEs. Therefore, it is felt that wherever CSCs are yet to be set up, association of Gram Panchayat will indeed facilitate speeding up roll out and also making CSCs more popular in their presence in the rural areas.”

77. The representative of the Department, during the course of the oral evidence, have submitted:—

“The Government of India is setting up more than 100,000 common service centres. These are basically in front and rural areas because the private sector was not interested in opening this kind of Cyber Cafes in rural areas. That is why the Government of India came into the picture and said that we would be providing a revenue viability gap for the next four year. Today about 55000 CSCs have been set up in various States. We expect that by June 2010 we should be in a position to complete the roll out of CSCs.”

78. The Committee were further informed that some of the prominent hurdles, being faced by the Department to implement the Scheme, are as follows:—

- Lack of readiness on the part of States to make available G2C services through CSCs. This requires digitisation/computerisation of various information/data at the backend by the States.
- Inadequacy and non-reliability of power supply in the rural areas which adversely impacts running of the CSCs.
- Non-availability of broad band connection in all the rural areas. Besides the charges for the connection have also been found to be non economical by the SCAs/VLEs.
- Non-release/delayed payment of revenue support by the State to the SCAs in certain States. This is due to delay in placement of certification mechanism by the States.
- General economic slow down has also created financial crunch with the SCAs leading to delay in set up and roll out of CSCs.

2. Standardisation, Testing and Quality Certification (STQC)

79. STQC, an attached organisation of the Department, provides quality assurance services which includes Testing, Calibration, Training and Certification services, through its well-developed network of Electronics Regional Test Laboratories (ERTL), Electronics Test & Development Centres (ETDC), Centre for Electronics Test Engineering (CETE),

STQC IT Centers, Indian Institute of Quality Management (IIQM) and Center for Reliability.

80. The Planning Commission has indicated a budgetary support of Rs. 330 crore for the entire Eleventh Plan. The proposed, allocated and actual utilisation under STQC for the last two years have been given as follows:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	65.00	74.00	94.00
Allocated	50.00	42.00	71.00
Actual Expenditure	51.44	51.55	—

81. As per the information provided by the Department, the revenue generated by STQC is deposited into CFI. During the year 2009-10 STQC is expected to generate Rs. 44 crore by providing services to the Industry. The Department have further informed that the Budgetary allocation below the proposed level may affect the following activities:—

“ Expansion of test & calibration facility as per industry requirement; Procurement of software tools for mission critical projects like defence/space; Maintenance of existing equipment & software tools; Skill up gradation of technical manpower and Obtaining international accreditation for IT test laboratories.”

82. The Committee have also been informed that the request of additional, fund of Rs. 7 crore has been projected for the consideration at RE stage during the year 2009-10.

3. Digital DNA Park

83. The Government have taken initiative to set up Digital DNA Park in various regions to promote Bio-IT activities in the country, generate professional manpower and R&D development in Bio-IT area. States of Karnataka and Tamil Nadu have proposed to set up Digital DNA Park and the process is underway. The proposed, approved Outlay and actual expenditure under this Scheme for the last four years are as follows:—

(Rs. in crore)

Year	2005-06	2006-07	2007-08	2008-09	2009-10
Proposed	12	1	0.10	0.10	0.01
Allocated	10	0.10	0.10	0	0.01
Actual Expenditure	10	0	0.10	0	-

84. In the statement, made by the Hon'ble Minister in respect of Fifty-eighth Report, it has been said that the Digital DNA Project would not be carried forward due to non-availability of land. However, scrutinizing the Department's Outcome Budget 2009-10, the Committee found that setting up of Bio-IT Centres is in progress at Bengaluru.

85. In this context, the Committee desired to know about the steps taken to avoid such hurdles. In reply, the Department stated that the Ministry has decided to go in for smaller clusters of Bio-IT centers instead of setting up of Bio-IT park involving large area of land. This route is adopted to tide over the difficulties of land acquisition.

86. When the Committee enquired about the revised financial and physical targets along with the deadlines, the Department informed that during the current financial year one Bio-IT centre at Bangalore is expected to be initiated by March 2010. Further, they added that the amount of Rs. 0.01 crore allocated during 2009-10 would be utilized for holding a national level workshop.

4. Cyber Security

(i) Computer Emergency Response Team (CERT-In)

87. In pursuance of the recommendation made by the Committee in 50th Report on IT Amendment Bill, CERT-In has been designated to serve as nodal agency to perform few more additional functions in the area of cyber security. The problems/incidents related to cyber crime are reported to CERT-In by various organisations in Government/Public Sector Banks, financial institutions and private sector/organisations. In this regard, the following data was furnished by the Department:—

Activities of CERT-In	2003	2004	2005	2006	2007	2008	2009 (upto Sep.)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
E-mail messages received	-	625	1822	1948	3283	4073	5864
Incidents handled	-	23	254	552	1237	2565	6589
Security Alerts/Incident Notes	4	20	30	48	44	49	20
Advisories	17	23	25	50	66	76	45
Vulnerability Notes	16	74	120	138	163	197	115
Security Guidelines	9	4	2	1	1	1	-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
White papers/case studies	-	3	6	2	2	3	1
Trainings	1	7	6	7	6	18	13
Indian Website Defacement tracked	1687	1529	4705	5211	5863	5475	4121
Open Proxy Servers tracked	-	236	1156	1837	1805	2332	1724
Bot Infected systems tracked	-	-	-	-	25915	146891	3335096

88. The Committee have further been informed that the Department have funded projects at National Police Academy, Hyderabad and C-DAC Thiruvananthapuram jointly with Kerala Police for imparting training for police officials in the use of computers as well as seizure, investigations and analysis of the digital evidence. These organisations periodically conduct the training programmes.

89. With regard to the types of Cyber Crime the Secretary, during evidence, stated:—

“Basically, there are nine types of cyber crimes, which we are finding in our country where infringement is taking place in the cyber space. Predominant among them is the website defacement. Now, website defacement has become a little more complicated over a period of last two years. It is not as simple as defacing the website or putting the message over there. The hacker that exploits the vulnerabilities in the software puts sophisticated software codes and do a lot of espionage activities. Now, this activity has increased. We have monitored these kinds of activities over a period of time, and the statistics for them are also there.

Then, there are open systems that get in the control of the hacker. We have been monitoring those systems also on the net because they become a source of hacker activity and the source of crime. We have been monitoring those activities.

The third is the introduction of virus or so called Bots. Bots are sophisticated software that operates like robots. They take over the complete system, and they make the system to function as per their own wish and to do whatever they want to do.

Then, there are social engineering scams about which we hear on the Facebook, Orkut, etc. There is a distribute denial of service attacks that are there, which has happened on a Nation-wide basis also. On America's Independence Day, a lot of attacks happened in South Korea and America, and those attacks are happening in the country also. Therefore, these are the nine broad categories of attacks that have happened worldwide, which we are also facing."

90. When asked about the Departments preparedness against Cyber Crime threat and the area which needs to be focused in particular to strengthen our system , the Committee were informed as follows:—

"In order to effectively address the growing threat of Cyber Crimes in the country, Department has adopted an integrated approach with a series of legal, technical and administrative initiatives to put in place necessary structures and mechanisms. They are:

- Establishment of Indian Computer Emergency Response Team (CERT-In).
- Publication of a Crisis management plan.
- Establishment of a national framework for assuring compliance to international security best practices.
- Facilitating research & development in security technology.
- Facilitating and providing security training, education, awareness and skills to critical sectors, law enforcement agencies, judiciary and e-Governance project owners.
- Facilitating information sharing and cooperation with regard to security incidents within as well as outside the country to support cyber crime investigation and prosecution, and as an aid to effective alert and warning actions.
- Creating a major programme on cyber forensics specifically development of cyber forensic tools, setting up of infrastructure for investigation and training of the users, particularly police and judicial officers."

91. With regard to the crisis management plan, the representative of the Department, during evidence, added:—

"We prepared a crisis management plan — after the Act was done—for countering those cyber attacks. The plan was approved by the Committee, which looks after the crisis management. Then, we had called a workshop of all the stakeholders, that is, the agencies that look into it, and they have been apprised of the steps that need

to be taken. A big booklet detailing the symptoms, the steps that need to be taken, where the incidents are to be reported, etc. has been given them. They have been given training also. Now, we are helping the State Governments also to chalk out — based on what we chalked out — their plans, and several State Governments are in the process of preparing their blueprint based on the document, which we have prepared. We have circulated it to them largely for countering the cyber attacks within the country, and attacks that are happening from outside the country.

Further, we have informed the critical sectors and other agencies to implement the best practices because ultimately they have to secure their systems and they have to monitor their systems. We have given some documents to them mentioning those best practices, and training has been conducted for all the State Governments, various public and private sector organisations, and this process is continuing over there.”

92. When asked about the detailed status about the number and types of cyber crimes registered under ‘IT Act, 2000’, the Department replied:—

“The cyber crimes are a new class of crime and have emerged due to use of internet and Information Technology. The statistics on cyber crime are being collected and maintained by the National Crime Records Bureau (NCRB) under the Ministry of Home Affairs. According to NCRB, 217 cases of cyber crime were registered under the Information Technology Act, 2000 during 2007 as compared to 142 cases registered in 2006. NCRB does not maintain the data of the cases decided in the court.”

93. When asked about the initiatives taken to make Information Technology Act, 2008 and registration of cases against cyber crime, people friendly, the Department, in their written reply, stated:—

“DIT as well as the Presiding Officer of CRAT have taken intensive awareness drive to disseminate information about the provisions of the IT Act, 2000, the establishment of the Tribunal and its functions. Workshops in this regard have been conducted in various parts of the country together with all Industry Associations and Computer Society of India. These workshops also provided information about the process of filing applications/petitions/appeals different provisions of the Act with the Police, Adjudicating Officer and appeal before the CRAT.

The Office of CRAT has also been issuing circulars/letters, from time to time, to Adjudicating Officers and Registrar Generals of the High Courts informing them of the establishment of CRAT and requesting them to give wide publicity.

Many of the States have set up a Cyber Crime Cell for registering and investigating the cases under the IT Act, 2000. Some States have also set up Computer Labs for providing training to the police officials in the use of computer as well as seizure, investigation and analysis of the digital evidence. Besides Indian Computer Emergency Response Team (CERT-In) is also assisting the Central Bureau of Investigation to set up a state-of-the-art lab fully equipped with the tools to train the senior officers in the area of cyber forensic. The regular training programmes are also being organized at the National Police Academy to train Police officials in the area of cyber/digital forensic. CERT-In is also conducting regular workshops to train senior police officials and judicial officers in the use of computer and cyber forensics.”

5. Promotion of Electronics/IT Hardware Manufacturing

94. Government of India have identified Electronics Hardware Manufacturing sector as one of the thrust area and Department of Information Technology (DIT) have been making continuous efforts to make India an attractive Electronics Hardware manufacturing hub. Indian hardware production constitutes around 1.4% of global electronic production and 2% of GDP. Employment generated in Hardware Production Sector during the year 2007 was 7.7 lakh (direct) and around 15.4 lakh (in direct). The estimated growth rate for the year 2008-09 was 12.1% and the projected growth rate for hardware production during year 2009-10 is 0.1% lesser than the previous year *i.e.* 12% .

95. The total Outlay for the entire Eleventh Five Year Plan, under this head, is Rs. 1100 crore and the BE, RE along with the actual expenditure since 2007 is provided as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	10.00	2.00	2.00
Allocated	1.00	0.80	2.30
Actual Expenditure	1.00	0.17	—

96. During 2008-09, a budgetary allocation of Rs. 0.80 crore was made against the proposal of Rs. 2 crore and only 21.25 per cent of the allocated fund was utilized (*i.e.* Rs. 0.17 crore). In this context, the Committee desired to know the reasons for underutilisation of the allocated fund during the year 2008-09, to which the Department replied as under:—

“It may be noted that allocated fund during the year 2008-09 was provided for the purpose of (I) Supporting the setting up of Semiconductor Fabrication and other micro and nano technology manufacture industries in India, and (II) Conducting Studies and preparation of Position Papers related to promotion of Electronics/IT Hardware manufacturing. The allocation was notional in nature for creation of a line entry in the plan budget, particularly for meeting the requirement under Special Incentive Package Scheme (SIPS). The applicants need to approach DIT for disbursement after meeting the prescribed conditions. The main reasons for underutilisation of the allocated fund during the year 2008-09 are: None of the SIPS applicants has approached DIT for disbursement of incentive, as they were in the various stages of implementing their projects like achieving financial closure, etc. Further, no proposal was received for financial assistance from Electronics Industry Associations for conducting Studies and preparation of Position Papers related to promotion of Electronics/IT Hardware manufacturing, etc.

A few proposals have been received for financial assistance from Electronics Industry Associations for conducting Studies and preparation of Position Papers related to promotion of Electronics/IT Hardware manufacturing. These are under examination in DIT. As regards utilisation of funds for disbursement under SIPS, no applicant has approached DIT for the same so far. A part of the funds shall also be utilized for the operation of the Project Monitoring Unit (PMU) set up for SIPS.”

97. As regards the challenges faced in the growth of Hardware Sector, the representatives of the Department replied:—

“The employment potential is also quite high. But there are many challenges in increasing the hardware production. There are problems in terms of the infrastructural support within the country. There are problems in terms of the various factors of production, things like the cost of finance, cost of energy etc. There are problems in terms of any type of protection whatsoever to domestic industry because of various international trade obligations. There are,

sometimes, problems imposed by other countries in terms of non-tariff barriers etc. Moreover, on top of all of that, there is currently a demand recession in much of the developed world.”

98. Further, he added:—

“.....a Task Force has now been set up with the people from the industry. In fact, we have had a lot of extensive dialogue. But we thought is time now to condense into an actual actionable plan as to give all these various constraints and the factors what we can do, how we can leverage the domestic demand in order to boost the hardware production in the country. That is a report from the Task Force which we are expecting by the beginning of November based on which, then we would take further steps.”

“As was mentioned, SIPS is one big programme which has brought in the special incentive package scheme for the semi-conductor which is wafer-fab and eco-system units which are the heart of the electronic sector. Typically it is believed that the growth happens around a nucleus of such units. Under that scheme we have nearly 12 proposals of about Rs. 76,000 crore which are in the pipeline.”

99. Regarding the efforts made to improve this Sector, the Department stated that efforts are being taken in the following fields:—

“Infrastructure support; Incentives for Research & Development (R&D), such as support International Patent Protection in Electronics &IT (SIP-EIT), Multiplies Grants Scheme and promote technology and innovation focused start ups; Tariff issues and fiscal incentives; special Incentives for Fabs and other High Tech IT Products; special attention and priorities to Electronics/IT Hardware manufacturing; skill development besides other tax incentives.

V. RESEARCH AND DEVELOPMENT

1. Society for Applied Microwave Electronics Engineering and Research (SAMEER)

100. The Plan Outlay for initial two years of the Eleventh Five Year Plan is as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	25.00	27.00	42.73
Allocated	22.00 (25 at RE)	24.00 (27.5 at RE)	30.00
Actual Expenditure	25.00	27.50	—

101. In the above context, the Committee desired to know about the reasons for the reduced allocation during 2009-10, in light of the fact that entire RE stage allocations are being utilized for the past few years. In reply, the Department stated that the allocations are made by the Planning Commission on the basis of availability of funds.

102. With regard to one of the important project 'Compact Antenna Test Range Facility' of SAMEER, the Committee were informed that it was supposed to be set up by June, 2009. In this regard the Department were asked to update the status, to which, they replied:—

"The necessary special building for the Compact Antenna Test Range (CART) facility at SAMEER, Kolkata has been constructed and the installation of the system is in progress. There was an initial delay in the procurement of special antenna and associated accessories from an agency abroad, which after placement of order, regretted to supply. The order has now been placed on another agency. This has caused a delay of 6 months. Accordingly, the project has been extended from June 2009 to November 2009.

The total project cost is Rs. 1802 lakhs with DIT support of Rs. 1297 Lakhs and SAMEER contributions of Rs. 505 Lakhs."

2. Microelectronics and Nanotechnology Development Programme

103. The amount allocated for Eleventh Five Year Plan under this Scheme is Rs. 250 crore. The proposed and approved Outlay with Actual Expenditure since 2007 are as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	40.00	65.00	200.00
Allocated	29.00	35.00	35.00
Actual Expenditure	27.91	34.71	—

104. Major thrust areas identified by the Department for the year 2009-10 are as under:—

- 12 Projects (including 2 for Centres of Excellence) ready for initiation.
- Major areas to be addressed: NEMS, non-silicon nanotechnologies, MBE cluster tools for nano devices, MEMS based gas sensors.

105. When asked about the roadmap to boost the research in this area, the Committee have been informed as under:—

“Two Centres of Excellence for nano-electronics are being set up at IIT Bombay and IISc Bangalore. One project for setting up of national level Nanometrology Laboratory is under progress. The Indian Nanoelectronics Users Programme (INUP) has been initiated at IIT Bombay and IISc Bangalore which is providing a platform for participation of faculty and students from institutions across the country in the nanoelectronics research and thus generation of expertise and research output. Ten projects have been evolved in the area of nanotechnology and are ready for initiation. These include two more centres of excellence at IIT Delhi and IIT Kharagpur and one more major project at IIT Bombay. One major project for creating a centre of excellence at IIT Madras is under consideration. In addition, initiation of some new small and medium scale projects across the country will be considered. The programme will be continued beyond the current financial year. The INUP as well as the other infrastructure being created is attracting young scientists and researchers.”

106. The Department have also informed that there is very little nanoelectronics industry in the country at present which can pose research challenges specially from productisation perspective.

3. Centre For Development of Advanced Computing (C-DAC)

107. Centre for Development of Advanced Computing (C-DAC) is the premier R&D organisation of the Department for carrying out research

and development in IT, Electronics and associated areas. Total allocation for the entire Eleventh Plan period for this society is Rs. 900 crore. The proposed and approved Outlay and actual expenditure of C-DAC since 2007-08 are as below:—

(*Rs. in crore*)

Year	2007-08	2008-09	2009-10
Proposed	127.00	249.00	300.00
Allocated	75.00	91.00 (Increased to 115 at RE)	125.00
Actual Expenditure	75.00	114.49	—

108. When asked about the Internal and External Budgetary Resources generated for the year 2008-09 and expected Internal and External Budgetary Resources for the year 2009-10, the Department replied:—

“IEBR generated for the year 2008-09 is Rs. 183.42 crore against the target of Rs. 145.00 crore. The expected IEBR for the year 2009-10 is Rs. 145.00 crore.”

109. The Committee in their Fifty-eighth Report had recommended to take up the issue of staff benefit proposal of C-DAC with the Ministry of Finance to check attrition of manpower. In this regard, the Department in their Action Taken note had stated that they have taken up the issue of performance incentive with Ministry of Finance.

110. In the above context, the Committee asked about the outcome of the implementation of the recommendation of Sixth Pay Commission and the result of the issue of performance incentive taken up with the Ministry of Finance. In reply, the Department stated:—

“The recommendations of the Sixth Pay Commission with respect to Salary, Pay & Allowances, and Arrears have been fully implemented. The attrition rate in C-DAC during the last year was significantly lower. The matter was taken up with Ministry of Finance. No response has been received so far.”

4. **Technology Development of Indian Languages**

111. The proposed and approved Outlay and actual expenditure under this programme since 2007 are as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	30.00	19.00	18.00
Allocated	11.00 (Reduced to 10 at RE)	8.89	8.89
Actual Expenditure	9.18	8.64	—

112. When asked the reasons for such a marked difference between the proposed, approved and actual expenditure during the initial two years of Eleventh Plan, the Department has stated that due to recession the allocated budget as granted by Planning Commission was much lower than the proposed budget and the actual expenditure matches with the granted budget. They also stated that the activities proposed had to be deferred.

5. Media Lab Asia (MLA)

113. The Media Lab Asia (MLA) has been set up by the Government of India, as a not-for-profit organisation with an aim to bring the benefits of the Information and Communication Technologies to the common man. Media Lab Asia works with academic and R&D institutions, industry, NGOs and Governments in this endeavour. Media Lab Asia's application development is focused on use of ICT for healthcare, education, livelihood generation, empowerment of the disabled and providing rural connectivity.

114. The proposed allocated Outlay and actual expenditure of Media Lab Asia since 2007-08 are as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	50.00	50.00	1.00
Allocated	10.00 (reduced to Zero at RE stage)	1.00	5.00
Actual Expenditure	0.00	1.00	-

115. With regard to the reasons for Outlay Allocation much lesser than the proposed, the Department have stated:—

“As per the directives of Cabinet given at the time of restructuring of Media Lab Asia in May 2003, the Eleventh Plan funding is to be decided based on the recommendations of the empowered

Steering Committee constituted by the Cabinet, based on independent review of Media Lab Asia. Pending approval of the Steering Committee, a notional allocation of Rs. 1 crore was proposed for the year 2009-10.”

115. The Committee also asked about the plan to utilize the total allocated fund of Rs. 300 crore in the remaining period of Eleventh Five Year Plan. The Department, replied as under:—

“The Steering Committee has recommended an allocation of Rs. 67 crore for the remaining years of the XI Plan. Media Lab Asia will also take up projects in high impact research areas, which are being identified. Significant funds will be required for supporting High impact research. It is expected that the Media Lab Asia will be able to fully utilize the allocated funds.”

116. When asked about the reasons for the delay in seeking approval of the Steering Committee, the Department stated as under:—

“The approval of the Steering Committee was to be obtained based on the review of Media Lab Asia. The Steering Committee has recently accorded its approval for Government funding of Rs. 67 crore for the remaining period of the 11th Plan.”

VI. HUMAN RESOURCE DEVELOPMENT

1. Manpower Development

117. The Department's Human Resource Development activities are targeted towards ensuring the availability of trained human resources for Manufacturing and Service Sectors of IECT industry. In line with this, the Department have set up a working group on HRD in IT with the objective of evolving long-term HR strategies and for increasing the number of well-trained professionals. The Committee have been informed that based on the recommendations of this working group and depending on the emerging need and priority, new projects will be evolved and taken up for implementation as and when required.

118. The total Outlay for Eleventh Five Year Plan for manpower development is Rs. 335 crore. The proposed and allocated Outlay for the first three years of Eleventh Plan are as under:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	99.00	139.40	119.67
Allocated	43.00 (50.15 at RE stage)	45.00	45.00
Actual Expenditure	49.98	44.44	—

VII. NATIONAL INFORMATICS CENTRE (NIC)

119. National Informatics Centre (NIC), an attached organisation of the Department, has been playing a pioneering role in propagating IT-led development. A number of work flow based applications and services like Video Conferencing, e-mail, Web Portals, e-learning, Geomatics etc., have been deployed in various sectors through this backbone network infrastructure for facilitating the e-Governance initiatives across the country.

120. NIC is totally dependent on Government budget and it carries out its activities within the budget available to it. Total Outlay for Eleventh Five Year Plan is Rs. 2300 crore. The proposed, approved Outlay and actual expenditure of National Informatics Centre since 2007 are as follows:—

(Rs. in crore)

Year	2007-08	2008-09	2009-10
Proposed	427.00	560.00	845.00
Allocated (Increased to 325 at RE stage)	320.00	400.00	550.00
Actual Expenditure	321.04	462.82	-

121. The Committee were informed that during 2008-09, an additional fund of Rs. 64.08 crore was provided at the RE stage. However, since the allocation was under the salary budget on account of revised pay and 40% arrears as per recommendations of 6th Pay Commission, the RE 2008-09 remained at the level of BE 2008-09 and the activities of the NIC were hampered and carried out at reduced scale.

122. The Committee asked about the strategy adopted by the Department to put their case for adequate allocation effectively before the Planning Commission. The Department stated as under:—

“NIC has proposed that the budget for salaries in respect of employees/posts existing as on 31.03.2007 and contingency expenditure may be provided under Non-Plan budget and development expenditure may be put under Plan budget. But the same has not been agreed to by Ministry of Finance. The servers, development computers, software development resources and handholding support required under various Government projects are procured from the funds provided by the user departments for implementing their projects.”

PART II

RECOMMENDATIONS/OBSERVATIONS

I. OVER-ALL ANALYSIS OF THE BUDGETARY ALLOCATION OF THE DEPARTMENT OF INFORMATION TECHNOLOGY

1. The analysis of the data with regard to the Budgetary allocations for the planned schemes of the Department of Information Technology during the first three years of the Eleventh Plan indicates that the allocations made at the Budget Estimates stage are quite lesser than the proposed allocations. This trend is applicable to all the three sectors *viz.* Infrastructure sector, R&D and Human Resource Development. As regards the position of allocations at RE stage, the examination of the data for the years 2007-08 and 2008-09 reveals that under the infrastructure sector, the Outlays are considerably reduced. However, under the remaining two sectors, there is slight variation at RE stage. Under R&D sector the allocations are slightly more than RE and under HRD the allocations are slightly lesser. With regard to the status of utilisation, the releases are overall satisfactory. Under the Infrastructure Sector, the major part of the allocations are for Electronic Governance. The scheme wise analysis has been done in the later part of the report. Here, the Committee would like to recommend that whatever allocations are being made at BE stage should not be reduced at RE stage particularly when the allocations are for creating critical infrastructure for the development of Information Technology in the country. Besides, there should not be gaps in the estimated and the allocated Outlay. Adequate Outlay should be provided to different schemes under the aforesaid three sectors.

II. PENDENCY OF UTILISATION CERTIFICATES AND UNSPENT BALANCE

2. As stated above the data indicates that the overall utilisation position during the first two years of the Eleventh Plan for the Plan Schemes is overall satisfactory. However, a disturbing trend noticed by the Committee is that there are huge unspent balances with the implementing agencies. The cumulative unspent balance as on

31 March, 2009 with all grantee/loanee bodies which received more than Rs. one lakh is for Rs. 983.92 crore. Inspite of the efforts made by the Department to get the Utilisation Certificates from the implementing agencies, as on 3 November, 2009, out of the total sanctioned amount of Rs. 1211.8 crore, Utilisation Certificates were received in respect of only 253.4 crore. 623 Utilisation Certificates amounting to Rs. 958.3 crore are still pending with the implementing agencies. The detailed examination has further revealed that out of 203 implementing agencies to whom the Outlay was released, against as many as 113 agencies, the Utilisation Certificates for the amount received has been indicated as nil. The Department have acknowledged the fact that there may be cases where one time grant is released. The further installment cannot be released as these agencies could not utilize the first installment effectively and stopped demanding the further installments. All this clearly shows that there are serious problems in the implementation of the various planned programmes/schemes. The release of Outlay is considered as the utilisation from the Department side. All this emphasises the need for review of different schemes. The Committee deplore the way the schemes are being implemented. There is an urgent need to probe the schemes and identify the weaknesses. The Department should analyse each scheme/programme and take the desired corrective actions. The Committee should be kept apprised in this regard.

III. ELEVENTH FIVE YEAR PLAN

3. The total budgetary allocation for the Eleventh Plan is for Rs. 12496 crore. The actual utilisation during the first two years of the Plan is Rs. 2768.71 crore. The BE for the third year *i.e.* 2009-10 is for Rs. 2530 crore. Thus, the allocations during the first three years are for Rs. 5298.71 crore which are even lesser than half of the approved Outlay of the Eleventh Plan. The Committee have further been apprised that for the remaining two years of the Plan, the Department have projected requirement of Rs. 12598.70 crore. The aforesaid scenario clearly indicates that the projections made by the Department are either not realistic or the Department are facing serious problems in the implementation of the different programmes. The Committee also find that the Eleventh Plan has laid significant emphasis on the Information Technology sector. The Committee feel that with the induction of technology, delivery of different programmes/schemes for which crores of Rupees are being allocated annually can be improved and benefits

envisioned under these programmes/schemes can reach to the targeted beneficiaries. While recommending for higher Outlay for the information sector, the Committee urge that the Department should pay adequate emphasis on the implementation of the programmes. Since the programmes/schemes are being implemented by the line Ministries/Departments and various State Governments, there is an urgent need to play a proactive role by the Department. Besides, the monitoring mechanism under the different programmes/schemes should be further strengthened. The Department should take the desired actions on the suggested lines and inform the Committee accordingly.

(i) Internal and External Budgetary Resources

4. The Committee note from the data made available by the Department that during the year 2008-09 under IEBR, in case of Technology Development Council, actuals are nil against the projections for Rs. 1.50 crore. In the case of Media Lab Asia, the actuals are Rs. 1.12 crore against the projections of Rs. 20 crore. There is slight shortfall in actuals in the case of Components & Material Development Programme, DOEACC. Besides, the projected IEBR during the year 2009-10 is Rs. 272.14 crore which is Rs. 60.68 crore lesser than the actual IEBR of the previous year. While justifying the reduced projections for the current year as compared to the actuals of the previous year, the Department on the one hand have stated that the projections are made by the six respective organisations, on the other hand it has been stated that the projections are fixed by the Planning Commission. Moreover, the Department are contended with the level of IEBR generation during the first two years of the Eleventh Plan, even when the actual are 2 per cent lesser than the average projections made for the Eleventh Plan. The Committee do not agree with the stand of the Department while justifying the reduced IEBR. The Committee feel that the Planning Commission should fix IEBR as per the projections of the respective organisations. In view of this, the Committee strongly recommend that every effort should be made so that IEBR during the current year is not lesser than the actuals of the previous year in case of each and every organisation.

(ii) Allocation of Outlay to North-Eastern areas

5. The Committee note that in case of North-Eastern areas, the percentage of expenditure as compared to RE is 88.5 per cent. Besides during the year 2008-09, no allocation was made under STPI and

DOEACC. The Committee take note of the under-utilisation of the Outlay seriously and recommend that all efforts should be made to utilize the Outlay fully. On the issue of not making any allocation for STPI and DOEACC, the Committee are not satisfied with the reason furnished by the Department that it was due to overall reduction in plan allocations. The Committee feel that besides providing the mandated 10 per cent overall Outlay to North-Eastern areas, it should also be ensured that for each and every programme, the 10 per cent allocation is provided to these areas. The Committee also note that there is pendency of Utilisation Certificate in case of various North-Eastern States *viz.* Assam and Mizoram. As recommended earlier, every effort should be made so that the Outlay earmarked is utilized by the implementing agencies and the set objective of the programmes are achieved. The desired action on the suggested line should be taken and the Committee apprised accordingly.

IV. INFRASTRUCTURE DEVELOPMENT

(1) National e-Governance Programme

6. The Committee note that during each year of the Eleventh Plan the allocations made under one of the flagship programmes of the Government *i.e.* National e-governance Plan are lesser than the proposed allocation. The allocations are further reduced at RE stage and even the reduced allocations are not fully utilized. There is under-spending of Rs. 126.29 crore during the year 2007-08 and Rs. 3.99 crore during the year 2008-09. The allocations provided at RE stage during the year 2008-09 was 97.35 crore lesser than the RE of 2007-08. As explained earlier in Report, there are further unspent balances with the various State Governments/implementing agencies under the different programmes. All this explains the unsatisfactory implementation status of one of the most important programmes of the Government. The Committee note that the National e-Governance Plan is the major initiative of the Government for ushering e-Governance and is expected to change the entire concept and system of governance in the country. As such, there is an urgent need to analyze the performance critically and identify the weaknesses experienced in implementation of the programme. The Committee expect the Ministry to be serious in this regard and take all the corrective actions. The Committee should also be kept apprised about the corrective action taken in this regard.

(i) **Mission Mode Projects (MMP)**

7. There are 27 Mission mode projects (MMPs), under National e-Governance Plan, spanning multiple backend Ministries/Departments aimed at creating the right governance and institutional mechanisms, core infrastructure, polices & standards and the necessary legal framework for adoption of e-Governance. From the information furnished by the Department, the Committee note that only 6 MMPs are at post implementation stage. Remaining MMPs are at various stages of implementation. Even the deadlines for the remaining MMPs are being further extended. As apprised to the Committee, the deadlines for 7 projects have further been extended. Such projects in case of which deadlines have been extended are 3 integrated projects *viz.* CSC, e-courts, National e-Governance Service Delivery Gateway (NSDG); 3 Central projects *viz.* Passport and Visa, Immigration and Central Excise and 1 State MMP *viz.* Police. The Committee note that various Line Ministries and State Governments are involved in Central, State and integrated MMPs. There is an urgent need to have the effective coordination with the State Governments and Line Ministries. In this regard, the Department have written to various Inter-State Councils to have e-Governance as a part of agenda item for Chief Minister's Conference. The Department have further informed that the State Governments are taking efforts to include e-Governance as a part of agenda item for CM's conference. Besides, leadership meets orientation programmes are being organized for the training of State Governments, Ministers, legislators and policy makers under NeGP. The Committee note that these are the steps in the right direction and need to be continued. The Committee would like to know about the details of the training programmes conducted so far as well as the outcome of the deliberations in the Chief Minister's conference so as to know the impact of the aforesaid mechanisms.

(ii) **e-District**

8. The Committee note that e-District is one of the Central MMP. The pilot e-district projects are being implemented in 37 districts in the country. As informed by the Department, the e-district scheme has not yet been finalized because of delay in implementation of the pilot projects in 14 States. The Committee are not satisfied with the status of implementation of pilot projects. Out of the 14 States where pilot projects are being undertaken, 12 States have not furnished Utilisation Certificates for the first installment. Only in the case of Uttar Pradesh,

the total approved Outlay has been released. However, UC of final installment is awaited. From the aforesaid analysis the Committee conclude that there are problems in implementation of the pilot projects. The Committee are unable to comprehend as to how much time the Department would take to launch the programme formally which is dependent on the successful implementation of the pilot projects. The Committee further note that e-district is an important MMP whose objective is to target certain high volume services delivered at the district level which are not covered by any other MMP and also to undertake backend computerisation of these services through Common Service Centres. As such all the initiatives should be taken so that the MMP is approved and implemented in full scale.

(iii) **e-Bharat**

9. The Committee note that e-Bharat which is expected to contribute to improve Government effectiveness, increasing fiscal revenues and reducing public procurement cost etc. is in trouble. To support the programme, Government of India have been carrying out a dialogue with World Bank for possible programme management and financial support. Following Government of India's decision, not to establish a dedicated SPV (National e-Governance Agency) a requirement insisted by World Bank earlier, the Bank advocated a newer look to be adopted *inter-alia* suggesting termination of the preparation of "e-Bharat" Project. With the reemphasis given by DIT to carry forward e-Bharat project, discussions with the World Bank are currently under way to explore and agree on a revised frame work and modalities for the project to be operationalised. Keeping in view the significant efforts including sizeable resources put in by DIT and other line Ministries and participating States for timely completion of project preparation activities, the Committee recommend that the issue should be pursued with World Bank so that the project is implemented with the financial support given by the World Bank.

(iv) **Monitoring of MMPs**

10. The Committee note that the Department are in the process of implementing a Project Amendment Information System (PMIS) to monitor all components of MMPs. The likely date of operationalisation of first phase according to the Department may be July, 2010. The Committee strongly recommend that the Project Amendment Information System (PMIS) should be expeditiously set up for the effective implementation of e-governance project.

(v) Unique Identification Number (UID)

11. The Committee note that the project Unique Identification Number (UID) for BPL families was sanctioned on 3 March, 2006, at a total estimated Outlay of Rs. 46.70 crore to be implemented by NIC through NICSI. UID has now been set up under Planning Commission under the Chairmanship of Shri Nandan Nilekani and further approach and implementation of UID will be worked out by UIDAI. The Committee understand that the Department will provide all necessary support to UIDAI as it is one of the MMP. The Committee expect a synergistic cooperation between the Department and the UIDAI under Planning Commission, for the successful implementation of the UID project.

(vi) State Wide Area Network (SWAN)

12. State Wide Area Network (SWAN) is one of the three core infrastructure components of NeGP. Under the scheme it is envisaged to provide technical and financial assistance to States for establishing SWANs from State Headquarters upto the Block level with a minimum bandwidth capacity of 2 Mbps. Even when the proposals from all the States have already been approved and total Outlay of Rs. 1964.97 crore has been sanctioned, the deadlines for implementation of SWAN in various States are continuously being extended. During the examination of Demands for Grants of 2007-08, the Committee was assured that by March, 2008, SWAN would be in place either partly or fully in at least 15 States/UTs. However, as informed during the course of examination of Demands for Grants of previous year, the SWAN could be implemented in four States only (refer Recommendation No. 9 of 58th report). There is little progress in this regard as reported during the course of examination of Demands of the current year. As of June, 2009, only 7 States/UTs have completed the SWAN implementation. Now the Committee have been apprised that SWANs are expected to be operationalised by June, 2010. With the status of implementation as given above, the Committee have still doubts about the operationalisation of SWANs by June, 2010. The Committee again express unhappiness over the deferring of the deadlines again and again by the Department. The Committee strongly recommend that all the shortcomings being experienced in the implementation of SWAN should be addressed on a priority basis particularly when delivery of services and transmission of information under some of the MMPs would also be affected due to the non-availability of connectivity with the delay in implementation of SWAN.

(vii) State Data Centres (SDCs)

13. The Committee note that the Scheme of State Data Centres has been identified as one of the important elements of the core infrastructure for supporting e-Governance initiative of NeGP. Pursuant to that, it was proposed to create data repositories/data centres in various States/UTs so that a common secured data storage could be maintained to serve a horde of e-Governance applications. The Scheme was approved by the Government in January, 2008 at an Outlay of Rs. 1623.20 crore. The Committee note that it has been mentioned in the Outcome Budget that the time frame to operationalise the Data Centre which was March, 2008 has now been extended to March, 2009. In the written note furnished by the Department, the targeted dates are—3 States by March 2010, 5 States by April-June 2010 7 States by July-September, 2010 and 7 States by January-March, 2011. The Committee find that there are contradictions in the time frame with regard to operationalisation of SDC as mentioned in the Outcome Budget and in a written note. While expressing unhappiness over the way the information has been indicated in the Outcome Budget, the Committee would like the clarification of the Department in this regard.

14. The Committee further note that till date not even a single Data Centre could be operationalised. With the status of the things moving on, the Committee have their own doubts about the operationalisation of State Data Centres in all the States/UT's even by 2011. In light of the significance of SDCs in supporting e-governance plan, the Committee strongly recommend that all the bottlenecks being faced in implementation of Data Centres should be addressed so that these Centres are set up expeditiously.

(viii) Common Service Centre (CSC)

15. The Committee note that the Government approved a scheme in September 2006 for facilitating establishment of 1,00,000 broadband internet enabled Common Service Centre in the rural areas with the objective of delivering Government and private services at the doorstep of the citizen. The scheme was approved at a total cost of Rs. 5742 crore and was to be implemented on a PPP mode. The Committee note that till date around 55,000 Common Service Centres could be set up in various States. In the case of Common Service Centres also, the deadline is being extended again and again. During the course of examination of Demands for Grants of the previous year, the Committee were

apprised that the scheduled date of completion was extended from 2008 to March 2009. Now the Department has informed that the deadline has again been extended to June, 2010. The Committee are unhappy to note the aforesaid state of affairs with regard to implementation of one of the basic components of NeGP *i.e.* Common Service Centre which intend to provide Government services to citizens in rural areas at their doorstep. The various problems identified in this regard includes non-availability of broadband connection, non-release/delayed payment of revenue support by the States etc. The Committee feel that with regard to the issue of connectivity, the Department should coordinate with the sister Department *i.e.* Department of Telecom and BSNL. Besides the problems faced by the various State Governments need to be addressed in State specific manner. Proper consultations should be done and the desired action taken. The Committee should be kept apprised about the follow up action in this regard.

16. The Committee note that guidelines have been issued to all the State Governments to constitute district e-governance societies in all the districts under Chairmanship of Collector for coordinating and implementing the scheme. When asked the information about the status of constitution of these societies, the Department in the replies furnished in November, 2009 has stated that a reminder has been issued to all State IT Secretaries on 21 October, 2009 to furnish the information about the setting up of these societies in the respective States. The Committee note that the Department felt the need of getting the status of setting up of these societies only when the issue was raised through a question during the course of examination of Demands for Grants. This clearly states the insensitive attitude of the Department towards such an important issue. The Committee feel that besides setting up various coordinating mechanisms, it is desired that these mechanisms actually work. For this, the Department has to pursue with the State Governments. The Committee strongly recommend that the information about the e-governance societies should at least now be procured from the States. Besides in case of the States where these societies could not be set up, it should be emphasized to set up the same expeditiously.

17. The Committee are of the firm view that proper coordination with Gram Panchayats would certainly help in establishing CSCs in the rural areas. In this regard, suitable guidelines should be issued to the State Government to proper tie up with local bodies so as to facilitate speeding up roll out of the remaining CSCs.

(2) Standardisation, Testing and Quality Certification (STQC)

18. The Committee find that the Outlay provided to STQC during the year 2009-10 is Rs. 71 crore against the proposed allocation of Rs. 94 crore. The Committee note that the budgetary allocation below the proposed level may affect the expansion of test and calibration facility as per industry requirement; Procurement of software tools for mission critical projects like Defence/space; maintenance of existing equipment & software tools; Skill up gradation of technical manpower and Obtaining international accreditation for IT test laboratories. The Committee note that STQC is a major infrastructure of national importance in the field of quality assurance. Currently STQC services are being utilized by more than 10000 organisations representing the entire segment of industry, Government departments, R&D organisations etc. Not only that, during the year 2009-10, STQC is expected to generate Rs. 44 crore by providing services to the industry. In view of the importance of STQC, the Committee strongly recommend that adequate Outlay should be provided to facilitate STQC in setting up the desired infrastructure.

(3) Digital DNA Park

19. The Committee note that Digital DNA Parks were to be set up to promote BIO IT activities in the Country, generate professional manpower and R&D development in Bio-IT area. In this regard, initially Karnataka and Tamil Nadu proposed to set up Digital DNA Park. However, the projects could not be carried out due to non-availability of land. To address the problem of land acquisition the Ministry has now decided to go in for the smaller clusters of Bio IT centres instead of setting up of Bio IT Park involving large area of land. During the current Fiscal, one Bio IT Centre at Bengaluru is expected to be initiated by March, 2010. In this regard, the Committee would like to be clarified whether the Bio IT Centres now proposed would achieve the objectives of the Digital DNA Park, so as to enable the Committee to analyse the position and comment further in this regard.

(4) Cyber Security

(i) Computer Emergency Response Team (CERT-In)

20. The Committee note that the problems/incidents related to Cyber Crime are reported to CERT-In by various organisations in

Government/Public Sector Banks, financial institutions and private sector/organisations. In this, regard, the Committee learned that upto September, 2009 the CERT-In has tracked 4121 web defacement, 1724 open proxy servers, 3335096 Bot infected system, has issued one white paper, 115 vulnerability notes, 45 advisories, 20 security alerts/incident notes, and received 5864 e-mail messages and handled 6589 incidents. Noting the complexities of growing use of information technology the Committee feel that there is an urgent need to chalk out a multi pronged strategy to tackle myriad forms of Cyber Crime. The steps taken in this regard should be communicated to the Committee.

(ii) Information Technology Act, 2000

21. The Committee note that DIT as well as the presiding officers of CRAT have taken intensive awareness drive to disseminate information about the provisions of IT Act, 2000. Workshops are being conducted in various parts of the country together with all Industry Associations and Computer Society of India. These workshops also provide information about the process of filing applications/petitions/ appeals different provisions of the Act with the Police, Adjudicating Officer and appeal before the CRAT. Besides, many of the States have set up a Cyber Crime Cell for registering and investigating the cases under the IT Act, 2000. Indian Computer Emergency Response Team (CERT-In) is also assisting the Central Bureau of Investigation to set up a state-of-the-art lab fully equipped with the tools to train the senior officers in the area of cyber forensic. The regular training programmes are also being organized at the National Police Academy to train Police officials in the area of cyber/digital forensic. CERT-In is also conducting regular workshops to train senior police officials and judicial officers in the use of computer and cyber forensics. The Committee note that these are the steps in the right direction and need to be intensified with the proper coordination of the State Governments.

(5) Promotion of Electronics/IT Hardware Manufacturing

22. The Committee note with concern that the Indian hardware production constitutes only around 1.4 per cent of global electronic production. The estimated growth rate projected for the year 2009-10 is 0.1 per cent lesser than the previous year which was 12.1 per cent. It has been mentioned in the Budget documents that Government of India has identified growth of electronics hardware manufacturing sector as a thrust area. Though Rs. 1,100 crore is the proposed allocation

for promotion of electronics IT hardware manufacturing for the Eleventh Plan, only Rs. 2.30 crore have been provided for this sector during the year 2009-10. During the year 2008-09 the Budgetary allocation was only for Rs. 0.80 crore against the proposed allocation of Rs. 2 crore and only Rs. 21.25 percent of the allocated Outlay (*i.e.* Rs. 0.17 Crore) could be utilized. The Committee note that the aforesaid allocation was made particularly for meeting the requirement under Special Incentive Package Scheme (SIPS). Under this Scheme the applicants need to approach DIT for disbursement after meeting the prescribed conditions. Whereas, the Department has acclaimed that SIPS is one big programme which has brought in the special incentive package scheme for the semi-conductor which is wafer-fab and eco-system units which are the heart of the electronic sector, the fact that no applicant has so far approached DIT for reimbursement calls for review of entire Programme. The Committee are further surprised to note that even when allocation of Rs. 1100 crore during Eleventh Plan has remained under-utilized substantially out of the proposed allocation, the Department's statement that the activities related to enhanced R&D project works, augmentation of Registry technical resources and seeding of the new national IPR Institute for Semiconductor layout Designs (NISLD) are affected due to non-sufficient fund allocations and have to be deferred is not understandable. The Committee conclude from the aforesaid that sufficient attention is not being paid to one of the identified priority sector *i.e.* Hardware manufacturing sector. While noting that the hardware industry has a tremendous potential in terms of revenue and employment generation, the Committee strongly recommend that the Department should pay more attention to the hardware sector and take concrete action. The Committee should also be kept apprised about the initiatives taken in this regard.

V. RESEARCH AND DEVELOPMENT

(i) Society for Applied Microwave Electronics Engineering and Research (SAMEER)

23. The Committee are distressed to find that the deadline for one of the important project 'Compact Antenna Test Range Facility' of the SAMEER under DIT, which was supposed to be set up by June, 2009, has been delayed by six months due to delay in procurement of special antenna and associated accessories from an agency abroad. The total project cost is Rs. 18.02 crore with DIT support of Rs. 12.97 crore and SAMEER contributions of Rs. 5.05 crore. The Committee want the

Department to take extra caution so that such delays do not repeat.

(ii) Microelectronics and Nanotechnology Development Programme

24. The Committee find that the global Market for Nanotechnology is expected to be US\$ 1 trillion by the year 2015. The Governments in other countries have been heavily funding R&D in this area for quite some time and the increasing trend in investment is expected to continue. The Department of Information Technology have allocated Rs. 250 crore for entire Eleventh Five Year Plan under this Scheme. However, the Committee are seriously concerned to observe that for last three years the Department were not able to utilize even the allocated amount. The Committee were made to understand that the target could not be fully achieved due to paucity of fund. Considering the visionary impact of Micro & Nanotechnology programme, the Committee strongly feel that the fund sought by the Department should be allocated by the Planning Commission, for the year 2009-10, to fund R&D in this area in a larger way. While recommending for higher Outlay, the Committee would like to emphasize that it should be ensured that allocations are meaningfully utilized.

(iii) Centre For Development of Advanced Computing (C-DAC)

25. Centre for Development of Advanced Computing (C-DAC) is the premier R&D organisation of the Department for carrying out research and development in IT, Electronics and associated areas. Total allocation for the entire Plan period for C-DAC is Rs. 900 crore. From the data made available by the Department, the Committee note that the allocated Outlay is not even half of the proposed allocation, though the utilisation is more than 100 per cent. During the first three years of the Eleventh Plan the allocations are just for Rs. 291 crore which is almost one third of the total entire plan allocations. The Committee recommend that all the possible budgetary support should be provided to C-DAC so as to enable the Society to achieve excellence in various R&D initiatives in information technology. The Committee in their earlier Reports have consistently drawn the attention of Department towards the attrition of manpower in C-DAC. In this regard, the Committee have been apprised that the attrition rate in C-DAC in the last year was significantly lower with the implementation of the recommendations of the Sixth Pay Commission. While appreciating

the position, the Committee would like to recommend that the trend need to be observed carefully in the coming years. The Committee also note that the issue of performance incentive is being taken by the Department with the Ministry of Finance. The issue should be pursued further and implemented. The Committee should be kept apprised of the development in this regard.

(iv) Technology Development of Indian Language

26. The Committee note that the allocation provided under the programme during each year of Eleventh Plan is far lesser than the proposed allocation. During the year 2009-10, Rs. 8.89 crore were allocated against the proposed Outlay of Rs. 18 crore. The Committee note that the objective of TDIL is to develop information processing tools to facilitate human machine interaction in Indian languages and to create an access to multilingual knowledge resources/content as well as to promote collaborative development of futuristic technologies leading to innovative products and services. Keeping in view the fact that India is a multilingual country, there is an urgent need to provide the adequate allocation for the programme so that the benefits of technology reach to the last person of the society.

(v) Media Lab Asia

27. The Committee note that the Government have set up Media Lab Asia, a not-for profit organisation, to bring the benefits of the Information and Communication Technologies in the field of health care, education, livelihood generation, empowerment of the disabled and providing rural connectivity, to the common man. The Committee note that as per the directives of the Cabinet, given at the time of restructuring of MLA in May 2003, the Eleventh Plan funding was to be decided based on the recommendations of the Empowered Steering Committee constituted by the Cabinet. As informed by the Department, the approved Outlay for the Eleventh Plan is Rs. 300 crore. The Committee are concerned to note that during the first three years of Eleventh Plan only the nominal allocation could be made to MLA due to pending clearance by the Empowered Steering Committee. Almost two and a half year of the plan period was lost in getting clearance from the empowered steering Committee. The Committee are unhappy to note the aforesaid situation. Now when the clearances are in place, only Rs. 67 crore is allocated for the remaining period of Eleventh Plan, which is not proportionate to overall approved Outlay

of Eleventh Plan. The Committee strongly recommend that at least now adequate allocation should be made for the remaining period of the Eleventh Plan and efforts should be made for the effective utilisation of the allocated Outlay.

VI. HUMAN RESOURCE DEVELOPMENT

28. The Committee are concerned to note that for such an important sector *i.e.* Human Resource Development, the Outlay provided during first three years of Eleventh Plan are far lesser than the proposed allocation. During the year 2007-08, BE was Rs. 43 crore which was increased to Rs. 50.15 crore at RE stage and the Outlay was almost fully utilized. During the year 2008-09 the Outlay was Rs. 45 crore which was 74 crore lesser than the proposed amount. The Outlay allocated for 2008-09 was also almost fully utilized. During the year 2009-10 Rs. 45 crore have again been provided. The Committee note that there is an urgent need to pay more attention for training of manpower to ensure availability of trained resources for manufacturing and service sectors of electronics and IT industry. The Committee strongly recommend that more emphasis should be given for this sector and the Outlay should commensurate with the proposed allocations for Eleventh Plan under this sector.

VII. NATIONAL INFORMATICS CENTRE

29. The Committee find that the allocation provided during each year of Eleventh Plan to NIC is lesser than the proposed allocation. The difference between the proposed and allocated Outlay is increasing year after year. During the year 2008-09, Rs. 400 crore are provided against the proposed allocation of Rs. 560 crore. An additional fund of Rs. 64.08 crore was provided at RE stage. However, since the allocation was under the salary Budget, on account of revised pay and 40 per cent arrears as per the recommendations of Sixth Pay Commission, the RE 2008-09 remained at the level of BE 2008-09. The Committee are concerned to note that the activities of NIC have been hampered and had to be carried out at the reduced level. The Committee note that the National Informatics Centre (NIC) is the only organisation in the country to provide total informatics support to the Central Ministries & Departments, State Governments, District Administrations and other Government bodies. NIC in the pursuit of its objectives is playing a pivotal role in the major e-Governance initiatives at all levels of Governance and providing various network services

(WAN, MAN, LAN), Data Centres, capacity building etc. In view of the importance of the mandate given to NIC and the wide spectrum of activities it has been carrying out, the Committee emphasize that adequate allocation should be provided to NIC.

30. The Committee further note that NIC has proposed to Planning Commission that the Budget for salaries in respect of employees/post existing as on 31.3.2007 and contingency expenditure should be provided under non-Plan budget and the development expenditure should be put under Plan budget. The Committee are unhappy to note that Ministry of Finance has not agreed to the proposal of NIC. The Committee find that the proposal made by NIC merits consideration and need to be implemented expeditiously. The allocations under Plan and Non-Plan head as desired by NIC would certainly help to analyze the increasing/decreasing trends of Outlay under the Plan/Non-Plan schemes clearly. The concerns of the Committee in this regard should be placed before the Ministry of Finance/Planning Commission.

NEW DELHI;
16 December, 2009
25 Agrahayana, 1931 (Saka)

RAO INDERJIT SINGH,
Chairman,
Standing Committee on
Information Technology.

APPENDIX I

Budget Estimates, Revised Estimates and Actual Expenditure

Ministry/Department/Department of Information Technology

(Rs. in crore)

S.No.	Schemes/Programmes	Annual Plan 2006-07			Annual Plan 2007-08			Annual Plan 2008-09			Annual Plan 2009-10	
		BE	RE	Actual Expn.	BE	RE	Actual Expn.	BE	RE	Actual Expn.	BE	BE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
I. R&D PROGRAMMES												
1. SAMER		200	200	200	200	200	200	200	200	200	200	300
2. Microelectronics & Nanotech Devp. Prog	400	3400	3236	3236	2900	2900	2791	3500	3500	3471	3500	
3. Technology Development Council	2100	2100	2154	2154	300	300	3148	320	320	319	320	
4. Convergence, Comm. & Strategic Electronics	600	1700	1700	1700	200	200	288	200	200	2157	2200	
5. Components & Material Dev. Prog	90	90	73	73	1000	1000	1499	100	125	125	130	
6. GDAC	6450	6450	6450	6450	7500	7500	9100	11500	11449	11449	12500	
7. Electronics in Health	150	150	150	150	1800	1800	1800	1333	1333	1420	1333	
8. Technology Dev. for Indian Languages	90	90	1060	1060	100	918	889	889	864	889	889	
9. E-Commerce & Info-Security	40	40	40	40	460	460	460	merged with cybersecurity				
10. ITforMasses(Telemedicine/Gender/SCST)	1800	1800	1384	900	1700	1563	800	800	800	800	800	
11. Media Lab Asia	1000	1000	1495	1000	1000	1000	000	100	100	100	50	
R&D Sub-Total	218.50	224.10	223.92	238.00	249.00	241.02	245.22	275.22	274.61	292.22		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
II. INFRASTRUCTURE DEVELOPMENT											
12	SIQC	460	540	4659	500	500	5144	420	420	51.15	7100
13	STPI&EHTP	40	40	30	05	20	152	00	00	00	251
14	DigitalDNA Part	010	010	00	010	00	00	00	00	00	001
15	Electronic Governance	44000	44000	43381	80000	67735	55106	80000	58000	57601	90000
16	CyberSecurity(including CERTIn,ITAct)	70	70	640	3300	3100	2273	330	330	3061	330
17	Community Information Centres(CIC)	280	230	1327	merged with Electronic Governance						
18	HRNET	00	00	00	010	010	00	00	00	00	001
19	Promotion of Electronics/IT/Hardware/Mfg.	50	00	00	10	10	10	080	080	017	230
	Infrastructure Sub-Total	530.10	524.50	503.07	884.70	761.55	627.75	875.89	655.89	657.94	1008.83
III. HUMAN RESOURCE DEVELOPMENT											
20	DOEAC	120	120	120	050	051	051	044	044	044	344
21	Manpower Development	3840	3840	3267	4200	5015	4998	4500	4500	4444	4500
22	Facilitation of Setting-up of Integrated Township	00	00	00	100	100	00	011	011	00	011
	HRD Sub-Total	50.40	50.40	44.67	44.50	51.65	50.48	45.55	45.55	44.88	48.55
IV. OTHERS											
23	Headquarter (Secretariat&Bldg.)	1100	1100	1021	1280	1280	1176	1334	1334	1640	3040
24	NC	28000	28000	27677	32000	32600	32104	40000	40000	46282	55000
25	National Knowledge Network							10000	6000	6000	60000
	Grand Total	1090.00	1090.00	1058.64	1500.00	1400.00	1252.05	1680.00	1450.00	1516.65	2530.00

APPENDIX II

Unspent balances as on 31st March, 2009 with all grantee/loanee bodies which received more than Rs. 1 crore grant/loan during 2008-09

(Rs. in crore)

Sl.No.	Name of Grantee/Loanee Body	Amount Received in 2008-09	Cumulative Unspent Balance as on 31.3.2009
(1)	(2)	(3)	(4)
1.	68-AMIAS	5.25	5.25
2.	AMTRONGAHT	3.71	22.53
3.	ANNA UNIVERSITY, CHENNAI	2.09	4.59
4.	AP COUNCIL FOR SCIENCE & TECHNOLOGY	1.31	8.40
5.	BSNL	160.01	100.01
6.	C-DAC, NOIDA	2.89	3.96
7.	C-DAC, BANGALORE	11.00	21.97
8.	C-DAC, HYDERABAD	4.37	7.66
9.	C-DAC, NEW DELHI	1.23	7.96
10.	C-DAC, PUNE	87.66	164.99
11.	C-DAC, KOLKATA	3.96	3.96
12.	C-DAC, MOHALI	2.11	2.76
13.	C-DAC, MUMBAI	3.43	4.18
14.	C-DAC, TRIVANDRUM	26.45	42.44
15.	C-DIT, TRIVANDRUM	1.15	1.32
16.	DOEACC	8.33	25.86
17.	E-GOV SOCIETY, AIZWAL	2.37	5.30
18.	ECIL, HYDERABAD	1.03	1.18
19.	ERNET	1.18	31.59
20.	ESC, NEW DELHI	2.91	3.17
21.	GUJARAT INFORMATIC LTD., GANDHINAGAR	4.41	1.54

(1)	(2)	(3)	(4)
22.	IIIT, BANAGALORE	8.25	8.25
23.	IIIT, HYDERABAD	10.17	15.88
24.	IIS, BANGALORE	8.17	13.96
25.	IIT, CHENNAI	2.31	6.18
26.	IIT, GUWAHATI	2.05	4.01
27.	IIT, KANPUR	4.11	7.39
28.	IIT, KHARAGPUR	2.30	4.71
29.	IIT, MUMBAI	11.34	14.74
30.	IIT, NEW DELHI	5.19	6.56
31.	IIT, ROORKEE	1.45	2.75
32.	IT MEGHALAYA	3.13	3.13
33.	JLNU, NEW DELHI	1.43	1.45
34.	KSITM, KERALA	6.35	13.14
35.	MITs, MEGHALAYA	1.29	6.53
36.	MPSEDC, BHOPAL	3.36	34.22
37.	NASSCOM	1.15	1.54
38.	NICSI	58.66	217.5
39.	NISG, HYDERABAD	16.34	27.34
40.	NORTHEASTAP	1.20	1.20
41.	OCAC, BHUBANESWAR	2.29	43.69
42.	SAMEER, CHENNAI	5.67	5.67
43.	SAMEER, KOLKATA	5.00	5.00
44.	SAMEER, MUMBAI	6.63	27.31
45.	SETAL, SHIMLA	1.22	2.26
46.	SITEG, HP	8.87	10.16
47.	SPIT, CHANDIGARH	5.38	7.37
48.	WEBEL, KOLKATA	5.44	21.36
	TOTAL	525.60	983.92

APPENDIX III

State of Mission Mode Projects (MMPs) Scheme

(As on 30th September 2009)

Sl.No.	MMP	Scheme Sanction Status	Completion Date	Stage
(1)	(2)	(3)	(4)	(5)
1.	MCA 21	Sanctioned	Sep., 2006	Post Implementation
2.	Pensions	Sanctioned	Mar., 2007	Post Implementation
3.	Income Tax	Sanctioned	Dec., 2008	Post Implementation
4A.	Passport and Visa	Sanctioned	Apr., 2010	Implementation
4B.	Immigration	EFC Note to be approved by Nov. 2009	Sep., 2014	Design & Dev.
5.	Central Excise	Sanctioned	Dec., 2009	Implementation
6.	Banking	Industry Initiative	—	Industry Initiative
7A.	MNIC (Pilot)	Sanctioned	—	Implementation
7B.	UID	Draft scheme under discussion. UID Authority appointed by the Union Government.	—	Design & Dev.
8.	e-Office (Pilot)	To be prepared	Pilots under Design & Development	Design & Dev.
9.	Insurance	Industry Initiative	—	Industry Initiative
10.	CSC	Sanctioned	June, 2010	Implementation
11A.	e-Courts (Pre NeGP)	Ongoing scheme	Operational	Implementation
11B.	e-Courts	Sanctioned	Feb., 2010	Implementation
12.	EDI	Sanctioned	Dec., 2009	Implementation

(1)	(2)	(3)	(4)	(5)
13.	India Portal	Sanctioned	Operational	Post Implementation
14.	NSDG	Sanctioned	April, 2012	Implementation
15.	e-Biz (Pilot)	Sanctioned	May, 2012	Implementation
16.	e-Procurement	SFC note under preparation	March , 2010	Design & Dev.
17.	Land Records Ph. I (Pre NeGP)	Sanctioned	Operational in 12 States	Post Implementation
18.	Land Records Ph. II & Reg. (NLRMP)	Sanctioned	Districts per State 1-2 in 2008-09 3-4 in 2009-11 2-3 in 2011-12 Balance districts in XIIth Plan	Implementation
19.	Road Transport	Sanctioned	Oct., 2010	Implementation
20A.	Agriculture (Pre NeGP)	Sanctioned	Operational	Post Implementation
20B.	Agriculture	DPR approved Note for SFC under preparation	Dec., 2011	Design and Development
21.	Police	Sanctioned	Mar., 2012	Implementation
22A.	Treasuries (Pre NeGP)	Sanctioned	Under Operation	Implementation
22B.	Treasuries	DPR of Treasuries MMP prepared	March, 2010	Design and Development
23.	Municipality	Sanctioned	2008-2013	Implementation
24.	e-District (Pilot)	Pilots in 14 States sanctioned	T+18 Months (T is date of approval)	Implementation
25.	Commercial Taxes	CNE meeting held	To be firmed up	Design and Development
26.	Gram Panchayat	Revised EFC note circulated	To be firmed up	Design and Development
27.	Employment Exchange	To be prepared	To be firmed up	Design and Development

APPENDIX IV

Status of Utilisation Certificates under e-District

Pendency as on 30th September 2009 (Rs in Lakh)

Sl.No.	State	Approval Date	Total Amount Approved	Total Amount released	Total Amount to be released	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Uttar Pradesh	Mar-06	1891.84	1891.84	Nil	UC of final installment is awaited
2.	Assam	Jul-06	656.63	496.67	159.96	UC of 2nd installment is awaited
3.	Tamil Nadu	Feb-08	1257.91	753.39	504.52	UC of 1st installment is awaited
4.	Bihar	Feb-08	1422.06	711.03	711.03	UC of 1st installment is awaited
5.	Madhya Pradesh	Mar-08	1619.5	1098.52	520.98	UC of 2nd installment is awaited
6.	Orissa	Mar-08	615.8	202	413.8	UC of 1st installment is awaited
7.	Maharashtra	Mar-08	1022.42	609.2	413.22	UC of 1st installment is awaited
8.	Kerala	Mar-08	599.01	370.94	228.07	UC of 1st installment is awaited
9.	Punjab	Mar-08	600.11	371.48	228.63	UC of 1st installment is awaited

(1)	(2)	(3)	(4)	(5)	(6)	(7)
10.	Haryana	Mar-08	331.65	165.82	165.83	UC of 1st installment is awaited
11.	Mizoram	Mar-08	315.88	198.02	117.86	UC of 1st installment is awaited
12.	Jharkhand	Mar-08	319.69	199.96	119.73	UC of 1st installment is awaited
13.	West Bengal	Mar-08	579.44	361.19	218.25	UC of 1st installment is awaited
14.	Uttarakhand	Mar-08	279.04	139.52	139.52	UC of 1st installment is awaited
Grand Total			11510.98	7569.58	3941.4	

APPENDIX V

Status on Establishing of SWANs

Sl.No.	State/Union Territory	Expected time schedule for establishment of SWAN	Whether work on establishment is on schedule	If no	
				Revised time schedule	Comments
(1)	(2)	(3)	(4)	(5)	(6)
1.	Andhra Pradesh	Mar. 09	No	March-09	Implementation is in progress
2.	Arunachal Pradesh	Dec. 08	No	June-10	Bid process initiated
3.	Assam	Dec. 08	No	December-09	Implementation is in advance stage
4.	Bihar	Oct. 08	No	October-09	Implementation is in advance stage
5.	Chandigarh	Jan. 08	No	-	Rolled out
6.	Chhattisgarh	Dec. 08	No	Februay-10	Implementation is in progress
7.	D&N Haveli	Dec. 08	No	June-10	RFP under review & finalisation
8.	Daman & Diu	Dec. 08	No	June-10	RFP under review & finalisation
9.	Delhi	Jan. 08	Yes	-	Rolled out
10.	Gujarat	Jan. 08	No	September-09	Implementation is in advance stage
11.	Haryana	Jan. 08	Yes	-	Rolled out
12.	Himachal Pradesh	Jan. 08	Yes	-	Rolled out

(1)	(2)	(3)	(4)	(5)	(6)
13.	Jammu & Kashmir	Jan. 09	No	March-10	Implementation is in progress
14.	Jharkhand	Jan. 08	No	September-09	Implementation is in advance stage
15.	Karnataka	Sep. 08	No	November-09	Implementation is in advance stage
16.	Kerala	Jan. 08	No	September-09	Implementation is in advance stage
17.	Lakshadweep	Mar. 09	No	June-10	RFP/BOM is under Preparation
18.	Madhya Pradesh	Oct. 08	No	January-10	Implementation is in progress
19.	Maharashtra	Jan. 09	Yes	October-09	Implementation in advance stage
20.	Manipur	Sep. 08	No	March-10	Implementation is in progress
21.	Meghalaya	Jan. 09	No	June-10	Bid process initiated
22.	Mizoram	Mar. 09	No	June-10	Bid process initiated
23.	Nagaland	Jan. 09	No	June-10	Bid process initiated
24.	Orissa	Jan. 09	No	November-09	Implementation is in advance stage
25.	Puducherry	Jan. 09	Yes	October-09	Implementation is in advance stage
26.	Punjab	Oct. 08	No	-	Rolled out
27.	Rajasthan	Jan. 09	No	June-10	Re-bidng is under progress
28.	Sikkim	Feb. 08	No	September-09	Implementation is in advance stage

(1)	(2)	(3)	(4)	(5)	(6)
29.	Tamil Nadu	Jan. 08	Yes	-	Rolled out
30.	Tripura	Oct. 08	No	-	Rolled out
31.	Uttar Pradesh	Jan. 08	No	September-09	Implementation is in advance stage
32.	Uttarakhand	Dec. 08	No	January-10	Implementation is in progress
33.	West Bengal	Oct. 08	No	September-09	Implementation is in advance stage
34.	Goa	Implemented Goa Broadband Network (GBBN) outside the scope of Govt. approved SWAN Scheme			
35.	Andaman & Nicobar	Using VSAT network, wide area network implemented through ISRO, outside the scope of Govt. approved SWAN Scheme			

ANNEXURE I

MINUTES OF THE THIRD SITTING OF THE STANDING
COMMITTEE ON INFORMATION TECHNOLOGY
(2009-10)

The Committee sat on Friday, the 23rd October, 2009 from 1500 hours to 1730 hours in Committee Room 'D', Parliament House Annex, New Delhi.

PRESENT

Shri Inder Singh Namdhari — *in Chair*

MEMBERS

Lok Sabha

2. Shri Rajendra Agrawal
3. Shri Nikhil Kumar Choudhary
4. Shri Milind Deora
5. Shri Rajen Gohain
6. Smt. Darshana Jardosh
7. Shri Abdul Rahman
8. Shri Prem Das Rai
9. Shri Tathagata Satpathy
10. Dr. Bhola Singh
11. Shri C. Sivasami

Rajya Sabha

12. Shri Dharam Pal Sabharwal
13. Shri Ravi Shankar Prasad
14. Shri Prabhat Jha

15. Shri P. Rajeeve
16. Shri Shriram Pal
17. Shri N.R. Govindarajar
18. Shri M.P. Achuthan

SECRETARIAT

1. Shri T.K. Mukherjee — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*
3. Shri H. R. Kamboj — *Deputy Secretary*
4. Dr. Yumnam Arun Kumar — *Under Secretary*

WITNESSES

Representatives of the Department of Information Technology

1. Shri R. Chandrashekhar — *Secretary*
2. Shri R.C. Misra — *Additional Secretary & FA*
3. Shri S.R. Rao — *Additional Secretary*
4. Shri Rakesh Singh — *Additional Secretary*
5. Shri Shankar Aggarwal — *Joint Secretary*
6. Shri N. Ravi Shanker — *Joint Secretary*
7. Dr. Gulshan Rai — *Director, CERT-In & DG, STQC*
8. Dr. B.K. Gairola — *Director General, NIC*
9. Dr. U.P. Phadke — *Group Coordinator*
10. Shri B.N. Satpathy — *Economic Advisor*
11. Dr. N. Vijyaditya — *CCA*
12. Shri V.B. Taneja — *Group Coordinator*
13. Shri Debashis Dutta — *Senior Director*
14. Shri B.M. Beveja — *Senior Director*
15. Dr. Govind — *Senior Director*
16. Shri G.V. Raghunathan — *Senior Director*
17. Shri Rajiv Rastogi — *Senior Director*
18. Shri J.K. Tyagi — *Director, Finance*
19. Shri Rajan Joseph — *Director General, C-DAC*
20. Shri N. Krishnan — *Director General, STPI*
21. Dr. S. Birendra Singh — *Executive Director, DOEACC*

22. Shri K. Mohanram	— <i>Executive Director, ERNET</i>
23. Dr. Amalnerkar	— <i>Executive Director, C-MET</i>
24. Shri S. Karunakaran	— <i>Executive Director, SAMEER</i>
25. Shri D.K. Sareen	— <i>Executive Director, ESC</i>

2. As the Chairman was not present, the Committee under Rule 258 (3) chose Shri Inder Singh Namdhari, M.P. and a member of the Committee, to preside over the meeting.

[The representatives of the Department were then called in.]

3. The Chairman welcomed the Secretary, Department of Information Technology and other officers accompanying him to the sitting of the Committee. The representatives of the Department then explained the salient features of the Demands for Grants (2009-10) with the help of a power point presentation

4. The Members sought certain clarifications on the issues relating to the Demands for Grants (2009-10) of the Department and the representatives of the Department responded to the same. The Secretary assured to the Committee to furnish the written replies for the issues on which the information was not readily available.

5. The Chairman thanked the representatives of the Department of Information Technology for appearing before the Committee as well as for furnishing valuable information that the Committee desired in connection with the examination of the Demands for Grants (2009-10).

A copy of verbatim proceedings of the sitting has been kept.

The Committee then adjourned.

ANNEXURE II

MINUTES OF THE EIGHTH SITTING OF THE
STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2009-10)

The Committee sat on Wednesday, the 16th December, 2009 from 1600 hrs. to 1700 hrs. in Committee Room 'E', Basement, Parliament House Annex, New Delhi

PRESENT

Shri Rao Inderjit Singh — *Chairman*

MEMBERS

Lok Sabha

2. Shri Milind Deora
3. Shri Charles Dias
4. Shri Mithilesh Kumar
5. Shri Sadashivrao Dadoba Mandlik
6. Shri Prem Das Rai
7. Dr. Bhola Singh
8. Shri Dharmendra Yadav

Rajya Sabha

9. Shri Ravi Shanker Prasad
10. Dr. P. Rajeeve

SECRETARIAT

1. Shri T.K. Mukherjee — *Joint Secretary*
2. Smt. Sudesh Luthra — *Director*

2. At the outset, the Chairman welcomed the Members to the sitting of the Committee.

3. There after, the Committee took up for consideration the Draft Report on Demands for Grants (2009-10) relating to Department of Information Technology (Ministry of Communications and Information Technology) and adopted the same without any modification.

4. *** *** *** *** ***

5. The Committee, then, authorized the Chairman to finalise the above Draft Reports in the light of the factual verifications made by the concerned Ministry/Departments and present the same to the House on a date convenient to him.

The Committee, then, adjourned.

***Matter not related to the Report.