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STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2014-15)

SIXTEENTH LOK SABHA

MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DEPARTMENT OF ELECTRONICS AND INFORMATION TECHNOLOGY)

DEMANDS FOR GRANTS (2014-15)

SECOND REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2014/Agrahayana, 1936 (Saka)

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DEMANDS FOR GRANTS (2014-15)

Presented to Lok Sabha on 22 December, 2014
Laid in Rajya Sabha on 22 December, 2014

LOK SABHA SECRETARIAT
NEW DELHI

December, 2014/Agrahayana, 1936 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2014-15)

Shri Anurag Singh Thakur - **Chairperson**

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2. Shri L.K. Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
* 5. Dr. K.C. Patel
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8. Dr. J. Jayavardhan
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18. Shri D.K. Suresh
19. Shri Ramdas C. Tadas
20. Smt. R. Vanaroja
**21. VACANT

Rajya Sabha

22. Shri Javed Akhtar
23. Shri Salim Ansari
24. Smt. Jaya Bachchan
25. Shri Vijay Jawaharlal Darda
26. Shri Santiuse Kujur
27. Shri Derek O'Brien
28. Dr. K.V.P. Ramachandra Rao
29. Shri Sachin Ramesh Tendulkar
30. Mahant Shambhuprasadji Tundiya
\# 31. VACANT

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1.	Shri K. Vijayakrishnan	Additional Secretary
2.	Shri J. M. Baisakh	Director
3.	Dr. Sagarika Dash	Deputy Secretary
4.	Smt. Rinky Singh	Executive Assistant

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* Nominated to the Committee w.e.f. 11.09.2014 *vice* Shri Feroze Varun Gandhi, M.P., *vide* Bulletin Part – II w.e.f. 11.09.2014

** Shri Deepender Singh Hooda, M.P. Lok Sabha ceased to be a Member of the Committee as he has been shifted to the Committee on Energy *vide* Bulletin Part - II w.e.f. 14.11.2014.

\# Shri Md. Adeeb, M.P. Rajya Sabha ceased to be Member of the Committee consequent upon his retirement w.e.f. 25.11.2014.

ABBREVIATIONS

AE	-	Actual Expenditure
BE	-	Budget Estimate
BHQ	-	Block Head Quarter
BNCSCs	-	Bharat Nirman Common Service Centers
CAS	-	Conditional Access System
CAT	-	Cyber Appellate Tribunal
CAREL	-	Core Advisory Group for R&D in the Electronics Hardware Sector
CBI	-	Central Bureau of Investigation
CCA	-	Controller of Certifying Authority
C-DAC	-	Centre for Development of Advanced Computing
CGO	-	Central Government Offices
C-MET	-	Centre for Materials for Electronics Technology
CERT-In	-	Indian Computer Emergency Response Team
CRAC	-	Cyber Regulation Advisory Committee
CSC	-	Common Service Centres
CSIR	-	Council of Scientific and Industrial Research
DCO	-	Data Centre Operator
DAE	-	Department of Atomic Energy
DARE	-	Department of Agricultural Research & Education
DBT	-	Department of Biotechnology
DeitY	-	Department of Electronics and Information Technology
DGCI&S	-	Directorate General of Commercial Intelligence and Statistics
DGS&D	-	Directorate General of Supplies and Disposals
DHQ	-	District Head Quarter
DOEACC	-	Department of Electronics Accreditation of Computer Courses
DoS	-	Department of Space
DPR	-	Detailed Project Report
DTH	-	Direct-To-Home
DST	-	Department of Science and Technology
DRDO	-	Defence Research and Development Organization
EDF	-	Electronic Development Fund
EFC	-	Empowered Finance Committee
EFC	-	Expenditure Finance Committee
EHTP	-	Electronics Hardware Technology parks
EoI	-	Expression of Interest
ESDM	-	Electronics Systems Design and Manufacturing
ERNET	-	Education and Research Network
FAB	-	Semiconductor Wafer Fabrication
GePNIC	-	Government e-Procurement System of NIC
GGE	-	Group of Governmental Experts
G2B	-	Government to Business
G2C	-	Government to Citizen
G2G	-	Government to Government
GITA	-	Global Innovation and Technology Alliance
HQ	-	Head Quarter
IEBR	-	Internal and Extra Budgetary Resource
ICT	-	Information and Communication Technology
ICTE	-	Information, Communication Technology and Electronics
ICT4D	-	ICT for Development
ITeS	-	Information Technology enabled Services
MHRD	-	Ministry of Human Resource Development
MLA	-	Media Lab Asia
MoES	-	Ministry of Earth Sciences
MoU	-	Memorandum of Understanding
MMPs	-	Mission Mode Projects
NCRB	-	National Crime Records Bureau
NCCC	-	National Cyber Co-ordination Centre

NIELIT	-	National Institute of Electronic and Information Technology
NeGD	-	National e-Governance Division
NeGP	-	National e-Governance Plan
NeGAP	-	National e-Governance Action Plan
NER	-	North Eastern Region
NIC	-	National Informatics Centre
NICSI	-	National Informatics Centre Services Inc
NIXI	-	National Internet Exchange of India
NKN	-	National Knowledge Network
NO	-	Network Operator
NSM	-	National Supercomputing Mission
NTP	-	National Time Protocol
PCs	-	Personal Computers
PoPs	-	Point of Presence
PoC	-	Proof of Concept
R/C	-	Rate Contract
R&D	-	Research and Development
RE	-	Revised Estimate
SAMEER	-	Society for Applied Microwave Electronics Engineering and Research
SCA	-	Service Centre Agency
SDAs	-	State Designated Agencies
SDC	-	State Data Centre
SHQ	-	State Head Quarter
SICLDR	-	Semiconductor Integrated Circuits Layout-Design Registry
SIPS	-	Special Inventive Package Scheme
SMEs	-	Small and Medium Enterprise
STB	-	Set Top Box
STePs	-	Specialized Training for e-Governance Programmes
STQC	-	Standardisation, Testing and Quality Certification
STPI	-	Software Technology Park of India
SWAN	-	State Wide Area Network
TDIL	-	Technology Development for Indian Languages
UCs	-	Utilisation Certificates
USD	-	United States Dollar
UT	-	Union Territory
VSAT	-	Very Small Aperture Terminal

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2014-15), having been authorized by the Committee to submit the Report on their behalf, present this Second Report on Demands for Grants (2014-15) of the Ministry of Communications and Information Technology (Department of Electronics and Information Technology).

2. The Standing Committee on Information Technology (2014-15) was constituted on 31st August, 2014. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the Ministry/Department concerned and to make a Report on the same to the House.

3. The Committee considered the Demands for Grants pertaining to the Ministry of Communications and Information Technology (Department of Electronics and Information Technology) for the year (2014-15) which were laid on the Table of the House on 11th August, 2014. The Committee took evidence of the representatives of the Department of Electronics and Information Technology on 30th September, 2014.

4. The Report was considered and adopted by the Committee at their sitting held on 18th December, 2014.

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

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

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

New Delhi;
16 December, 2014
25 Agrahayana, 1936 (Saka)

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

PART – I

REPORT

I. Introductory

Information Technology has been contributing significantly to the economic growth of the country and has tremendous potential to boost India's economy and governance, particularly when services are becoming seamlessly linked through mobile and internet modes of delivery. The Department of Electronics and Information Technology (DeitY) under the Ministry of Communications and Information Technology are responsible for formulation, implementation and review of national policies in the field of Information Technology, Electronics and Internet (all matters other than licensing of Internet Service Provider). The vision and mission for IT sector for the Twelfth Plan is e-Development of India and in order to achieve the vision, seven thrust areas have been identified by the Department which *inter-alia* include e-Government, e-Learning, e-Security, e-Industry (Electronics Hardware Industry), e-Industry (IT-ITeS Industry), e-Innovation/R&D and e-inclusion (with the merger of the scheme 'IT for Masses' with 'Manpower Development' scheme from Financial Year 2013-14, e-Inclusion stands merged with e-Learning)

2. Some of the major Programmes/Schemes/Projects/Organisations of DeitY are Society for Applied Microwave Electronics Engineering and Research (SAMEER), Micro-electronics and Nano-technology, Technology Development Council (incl. ITRA), Convergence, Communication and Strategic Electronics, Component and Material Development; Centre for Development of Advanced Computing (C-DAC), R&D in Medical Electronics and Health Informatics (erstwhile Electronics in Health and Tele-medicine), Technology Development for Indian Languages (TDIL), Media Lab Asia, Standardisation, Testing and Quality Certification (STQC), Software Technology Parks of India (STPI) and EHTP, E-Governance [including (i) Programme on Good Governance and Best Practices and (ii) Programme on enabling all schools with virtual classrooms], Cyber Security (incl. CERT-In, IT Act), National Informatics Centre (NIC), National Knowledge Network, Controller of Certifying Authorities (CCA), ERNET; Promotion of Electronics/IT Hardware Manufacturing, National Institute of Electronics & Information Technology (NIELIT), Digital India Programme and Manpower Development for Skill Development in IT and IT for Masses, Facilitation of setting up of Integrated Townships and Others, including Secretariat Economic Services.

3. To operationalise the objectives of the Department, schemes are formulated which are implemented directly by the Department and through the organizations/institutions under their jurisdiction. To make the technology robust and

state-of-the-art, collaboration of the academia and the private/public sector is also obtained. The Department have two Attached Offices - NIC and STQC, four Statutory Organizations - CCA, CAT, SICLDR and CERT-In, seven Autonomous Societies-SAMEER, C-DAC, STPI, NIELIT, C-MET, ERNET and ESC and three Section 25 companies – MLA, NICSI and NIXI, under its control to carry out the business allocated to the Department.

II. Implementation status of the recommendations contained in the Forty-fourth Report of the Committee on Demands for Grants (2013-14) of the Department of Electronics and Information Technology

4. The Forty-fourth Report of the Standing Committee on Information Technology on 'Demands for Grants' of the Department of Electronics and Information Technology for the year 2013-14 was presented to Lok Sabha/laid in Rajya Sabha on 30th April, 2013. The Forty-eighth Report on Action Taken by the Government on the recommendations/observations contained in the Forty-fourth Report on Demands for Grants (2013-14) was presented to Lok Sabha/laid in Rajya Sabha on 17th December, 2013. Out of the 24 recommendations made by the Committee, 15 recommendations were accepted by the Government. Replies to five recommendations were found to be interim, to which the Department were asked to furnish the final action taken reply in the Forty-eighth Report. Replies to four recommendations were not accepted by the Committee and were reiterated in their Forty-eighth Report. DeitY furnished the Final Action Taken Statement on the recommendations contained in the Forty-eighth Report of the Committee which will be laid in Parliament in due course.

III. BUDGET ANALYSIS

i. Demands for Grants No.15 of Department of Electronics and Information Technology (DeitY) for the year 2014-15

5. The budget allocation, to implement different Plan and Non-Plan Schemes of DeitY, for the year 2014-15, is as under:-

(Rs. in crore)

	BE 2014-15		
	Plan	**Non-Plan**	**Total**
Revenue	3620.00	114.10	3734.10
Capital	195.00	--	195.00
Total	**3815.00**	**114.10**	**3929.10**

ii. Scheme-wise Annual Plan Proposal/Approval for the year 2014-15

6. The Scheme-wise Gross Budgetary Support (GBS) proposed by the DeitY and approved by the Planning Commission / Ministry of Finance for the year 2014-15 are as under:-

(Rs. in crore)

		Annual Plan (2014-15)			
		Proposed		Approved	
Sl. No.	**SCHEME NAME**	**Outlay**	**Gross BS**	**Outlay**	**Gross BS**
A1	**Ongoing Schemes**				
	I. e-Government				
1	Electronic Governance [incl. (i) Programme on Good Governance and Best Practices and (ii) Programme on enabling all schools with virtual classrooms]*	1400	1400	475.00	475.00
2	National e-Governance Action Plan (NeGAP) – ACA component of Electronic Governance Scheme which has been newly restructured as a Centrally Sponsored Scheme	500.00	500.00	755.00	755.00
3	National Informatics Centre (NIC)	1188.00	1188.00	800.00	800.00
	II. e-Learning				
4	National Knowledge Network	1500.00	1500.00	300.00	300.00
5	Digital India Programme and Manpower Development for Skill Development in IT and IT for Masses**	637.40	637.40	660.00	660.00
6	NIELIT (erstwhile DOEACC)	202.83	24.25	188.58	10.00
7	Education & Research Network (ERNET)	100.00	25.00	75.10	0.10
8	Technology Development for Indian Languages (TDIL)	40.00	40.00	25.00	25.00
9	Facilitation of Setting-up of Integrated Townships	1.00	1.00	0.10	0.10
	III. e-Security				
10	Cyber Security (including CERT-In, IT Act)	500.00	500.00	120.00	120.00
11	Controller of Certifying Authorities	10.00	10.00	8.00	8.00
	IV. e-Industry (Electronics Hardware)				
12	Promotion of Electronics/IT Hardware Manufacturing	4713.71	4713.71	85.00	85.00
13	Standardisation Testing and Quality Certification (STQC)	120.00	120.00	120.00	120.00
	V. e-Industry (IT-ITeS)				
14	Promotion of IT/ITeS Industry (STPI & EHTP)	568.13	341.93	236.20	10.00
	VI. e-Innovation/R&D				
15	Centre for Development of Advanced Computing (C-DAC)	770.00	516.00	402.00	148.00
16	Technology Development Council Projects (incl. ITRA)	126.50	126.50	50.00	50.00
17	Micro-electronics and Nano-	147.00	147.00	75.00	75.00

	Technology Development Prog.				
18	Society for Applied Microwave Electronics Engineering and Research (SAMEER)	128.95	83.95	95.00	50.00
19	Convergence, Communication & Strategic Electronics	70.00	70.00	26.00	26.00
20	Media Lab Asia	60.00	55.00	10.00	10.00
21	Component & Material Development Programme	61.00	44.00	44.00	27.00
22	R&D in Medical Electronics & Heath Informatics (erstwhile Electronics in Health and Telemedicine)	26.00	26.00	10.00	10.00
	Others				
23	Secretariat - Economic Services	63.75	63.75	50.80	50.80
	Total	**12934.27**	**12133.49**	**4610.78**	**3815.00**

*Nomenclature of *erstwhile* Electronic Governance Programme has been changed in view of inclusion of two new programmes, *viz*. Programme on Good Governance and Best Practices, and Programme on enabling all schools with virtual classrooms, with this scheme.
**Nomenclature of erstwhile Manpower Development Programme has been changed in view of inclusion of Digital India Programme with this scheme.

iii. Plan allocations and utilizations of the Twelfth Five Year Plan

7. The total amount proposed for the Twelfth Plan (2012-17) is Rs. 81,378.45 crore. The Plan allocations and utilizations for the first two years of the Twelfth Five Year Plan are as under:-

(Rs. in crore)

Financial Year	Proposed	BE	RE	Actual Utilization	%age Utilization w.r.t. BE	%age Utilization w.r.t. RE
2012-13	10491.33	3000	2000	1859.88	62%	93%
2013-14	6927.84	3000	2140	2117.88	71%	99%
Total of first two years of 12th FYP	**17418.17**	**6000**	**4140**	**3976.56**	**66**%	**96**%
2014-15	12133.49	3185	-	-	-	-

8. When asked to furnish reasons for proposing four times more GBS for the year 2014-15 in spite of the Department's failure to utilize even the RE allocation for the first two years, the Department, in a written note, submitted as under:-

> "The budgetary Planning follows laid down procedures. The Working Group for formulation of the Five Year Plan identified 7 thrust areas. In order to achieve the overall targets for the Twelfth Five Year Plan, the Department have proposed an allocation (Gross Budgetary Support) of Rs 81,378.45 crore.
>
> All attempts are made to ensure that the basic sectoral priorities and thrust areas are properly addressed and provided with adequate funds. During the first two years of 12th Plan, 2012-13 and 2013-14, DeitY had utilized 93% and 99% of the RE allocation. It is a fact that due to reduced allocation at RE stage, DeitY prioritized fund releases under various programmes and only major ongoing projects were released funds to avoid the adverse effects of reduced allocation on scheme implementation. All attempts are made to ensure that the

basic sectoral priorities and thrust areas are properly addressed and provided with adequate funds. As per National Policy on Electronics (NPE) 2012, there is a need to develop Electronic System Design and Manufacturing (ESDM) which would require huge investments in schemes such as Modified Special Incentive Package Scheme (M-SIPS), Semiconductor Wafer Fab, Electronics Manufacturing Cluster (EMC), etc. Besides, substantial outlays are also required due to increased focus on Micro, Small and Medium Enterprises (MSME) and for capacity building under Manpower Development programmes."

9. The Committee desired to know whether with the substantial variation between the proposed GBS and approved GBS, the Department would be able to meet the stipulated targets set under various schemes during the year 2014-15. DeitY, in a written note, submitted that the targets with respect to each Plan Scheme for the year 2014-15 have been laid down in the Outcome Budget 2014-15. These targets correspond to the approved allocation with respect to each Plan Scheme. Reduction in allocation has no bearing on the targets laid down in the Outcome Budget 2014-15. It was also stated that due to reduced allocation at RE stage, they have prioritized fund releases under various programmes and only major ongoing projects were released funds to avoid the adverse effects of reduced allocation on scheme implementation.

iv. Sectoral Allocation and utilisation of Funds for the Twelfth Five Year Plan

10. The Budget Estimate (BE), Revised Estimate (RE) and Actual Expenditure (AE) of allocations made for the seven thrust areas of the DeitY for the first three years of the Twelfth Five Year Plan, are as under:-

(Rs. in Crore)

Progress/ Scheme	2012-13				2013-14				2014-15	
	Proposed	**BE**	**RE**	**AE**	**Proposed**	**BE**	**RE**	**AE**	**Proposed**	**BE**
e-governance Programmes	3320.57	1729	1204	1164.59	2000	1530	1134.10	1123.03	3088	2030
e-learning programmes	4418.25	533.55	288	253.08	2563.22	555.86	487.08	486.69	2227.65	995.20
e-security programmes	206	51.20	39.06	33.28	406	60.37	48.37	45.26	510	128
e-industry (Electronic Hardware programmes)	1560.50	125.00	85	70.35	979.50	220.00	85.00	84.87	4833.71	205
e-Industry (IT-ITes)	12.51	2.50	2.33	1.88	70.50	52.50	4.20	2.13	341.93	10
e-innovation/ R&D	881.50	498.14	330.88	289.33	854.70	536.27	341.25	340.56	1068.45	396
e-inclusion	32.00	16.94	7.06	7.03	-	-	-	-	-	-
Other programmes	60.00	43.67	43.67	40.34	53.92	45	40.00	35.34	63.75	50.80
Total	**10491.33**	**3000**	**2000**	**1859.88**	**6927.84**	**3000**	**2140**	**2117.88**	**12133.49**	**3815**

v. Internal and Extra Budgetary Resources (IEBR)

11. The proposed IEBR as well as IEBR projections at BE/RE stage and actual achievements during the years 2012-13 and 2013-14 are as under:-

(Rs. in crore)

Society	***2012-13***				***2013-14***			
	Proposed	***BE***	***RE***	***Achieve-ment***	***Proposed***	***BE***	***RE***	***Achieve-ment***
NIELIT	1799.17	1799.17	132.66	111.82	146.65	146.66	169.94	202.05
ERNET	84.00	84.00	50.00	48.21	90.00	90.00	45.00	47.51
STPI	192.13	192.13	192.13	126.94	204.53	204.53	170.13	168.41
Media Lab Asia	3.00	3.00	3.00	74.20	0.00	0.00	0.00	0.00
C-DAC	230.00	230.00	230.00	181.65	242.00	242.00	221.00	230.11
SAMEER	39.00	39.00	39.00	20.00	43.00	43.00	40.00	21.64
C-MET	15.50	15.50	15.50	16.58	16.40	16.40	20.00	20.58
TOTAL	**2362.80**	**2362.80**	**662.29**	**579.40**	**742.58**	**742.59**	**666.07**	**690.30**

12. When the Committee enquired about the reasons for the huge shortfall in IEBR targets (project in BE 2012-13) and achievements in the year 2012-13, the Department informed that the work of Bio-metric capture of NPR project has been withdrawn from NIELIT by the Registrar General and Census Commissioner, Ministry of Home Affairs, involving an amount of Rs. 1,685.55 crore and there is reduction in connectivity in view of migration of ERNET India users to National Knowledge Network. Enumerating the reasons for the withdrawal of the above-mentioned project and migration of ERNET India users to National Knowledge Network and the follow-up measures taken, the Department, in a post-evidence note, stated as under:-

> "(i) ERNET was providing bandwidth to users and charging users as per the bandwidth utilized by them.
> (ii) National Knowledge Network (NKN) is providing free bandwidth to users of universities. So, most users have switched to NKN.
> (iii) ERNET has approached some of the institutes who have migrated to NKN to take bandwidth from ERNET as back-up."

vi. Budgetary Provision for the North-East Region (NER) & Sikkim

13. The Budget Estimate (BE), Revised Estimate (RE) and Actual Expenditure (AE) for the development of North Eastern Region (NER) for the past two years (2012-13 and 2013-14) are as under:-

(Rs. in Crore)

Programme/Schemes	**2012-13**			**2013-14**		
	BE	**RE**	**AE**	**BE**	**RE**	**AE**
National Informatics Centre	75.00	75.00	75.00	83.00	83.00	83.00
Technology Development Council Projects (incl. ITRA)	7.00	4.05	4.05	4.00	0.90	0.89
Centre for Development of Advanced Computing (C-DAC)	21.00	10.53	0.00	21.00	21.00	21.00

STQC Programme	14.00	4.00	2.38	10.00	3.05	3.05
Manpower Development (incl. Skill Development in IT & IT for Masses)	27.00	38.84	38.87	60.00	52.50	52.51
Convergence, Communications and Strategic Electronics	2.00	2.00	1.99	2.00	0.00	0.93
Micro-Electronics and Nano-Technology Development Programme	5.00	0.00	0.00	0.00	0.00	0.00
Electronic Governance	108.00	38.11	38.11	70.00	7.55	11.63
Cyber Security (incl. CERT-In, IT Act)	3.00	1.00	3.23	1.00	0.00	1.01
National Knowledge Network (NKN)	25.00	19.00	12.28	40.00	40.00	40.00
R&D in Electronics and Health Informatics	1.00	1.00	0.68	1.00	0.00	0.35
NIELIT	1.00	1.00	1.00	1.00	1.00	1.00
SAMEER	2.00	2.00	1.77	2.00	2.00	2.00
Component and Material Development Programme	1.00	1.00	1.02	1.00	0.00	0.22
Technology Development for Indian Languages (TDIL)	3.00	2.00	1.08	1.00	0.00	0.00
IT for Masses (Gender, SC/ST)	2.00	0.47	0.45	0.00	0.00	0.00
Media Lab Asia	3.00	0.00	0.00	3.00	3.00	3.00
TOTAL	**300.00**	**200.00**	**181.91**	**300.00**	**214.00**	**220.59**

14. Budgetary allocation for NER and Sikkim for the year 2014-15 are as follows:-

Sl. No.	**Programme/Scheme**	**Plan *(Rs. in Crore)***	**Purpose**
i)	SAMEER	4.00	As per Government instructions, 10% of the Central Plan Allocation is to be earmarked for the schemes for the benefit of the North Eastern Region and Sikkim.
ii)	Technology Development Council (incl. ITRA)	5.00	
iii)	Convergence Comm. & Strategic Electronics	3.00	
iv)	Electronic Governance (incl. (i) Programme on Good Governance & Best Practices and (ii) Programme on enabling all schools with virtual classrooms)	60.00	
v)	C-DAC	18.00	
vi)	R&D in Medical Electronics and Health Informatics	2.00	
vii)	Technology Dev. for Indian Languages (TDIL)	1.00	
viii)	Media Lab Asia	3.00	
ix)	STQC	10.00	
x)	Digital India Programme and Manpower Development for Skill Development in IT and IT for Masses	76.00	
xi)	Cyber Security (Incl. CERT-In, IT Act)	4.00	
xii)	National Informatics Centre (NIC)	80.00	

Sl. No.	Programme/Scheme	Plan *(Rs. in Crore)*	Purpose
xiii)	National Knowledge Network	39.00	
xiv)	NIELIT (erstwhile DOEACC)	1.00	
xv)	National e-Governance Action Plan (NeGAP)	76.00	
Total		**382.00**	

15. When asked about the reasons for 'Nil' allocation under the head Micro-Electronics and Nano-Technology Development Programme, Component and Material Development Programme and Media Lab Asia during the year 2014-15 for NER, the Department, in a post-evidence note, submitted as under:-

> "A sum of Rs. 3.00 crore has been earmarked in respect of Media Lab Asia during the current financial year 2014-15 for being used for the benefit of North-Eastern Region and Sikkim. As regards the other two programmes, it is stated that these being R&D programmes, instead of provisioning under these programmes, provisions for NER have been earmarked under other schemes/programmes where funds could be better utilized for the benefit of NER. It is noteworthy that expenditure can be made for the benefit of NER under any programme irrespective of specific provision for NER under the programme. It is further stated that three projects under Micro-Electronics and Nano-Technology Programme have been initiated in the NE Region and these projects are being funded out of the budget earmarked for the programme."

16. As regards major impediments being encountered in implementing the schemes/projects of DeitY in NER, the Department, in a written note, submitted as under:-

> "(a) Due to difficult geographical terrain many district HQ are difficult to reach during odd season and normal office work is affected during the period,
> (b) Issues of connectivity, line of sight problems, interconnectivity of PoPs and maintenance of PoPs faced with Network Operator (NO),
> (c) Participation of Bidders: Bidders find it very difficult to participate on NER tenders due to issues like cost of project management and slow realization of revenue, this results in low participation of prospective bidders and increased costs,
> (d) Non-availability of sufficient power,
> (e) Hostile environment,
> (f) Low paying capacity of the students in rural areas,
> (g) Coordination with local agencies,
> (h) Excecutional challenges due to non-local presence,
> (i) Irregular availability of network (both internet and telecommunication), etc."

17. About the corrective measures taken to address the impediments encountered in implementing the schemes/projects in the North Eastern region, the Department stated as under:-

> "The efforts have been made by the Department to provide connectivity by provisioning more funds to BSNL at remote locations through various

technologies like VSAT. To address the power shortage problem at CSCs, it has been proposed that State Designated Agencies (SDAs) in the north-east and difficult states may provide solar power backup to CSCs facing acute power problems including non-availability of power for more than 4 hours in a day or bad quality of power. Under the scheme, the Ministry of New and Renewable Energy (MNRE) would provide 90% subsidy on the capex of complete solar power systems required including comprehensive maintenance for a period of 5 years. Besides this regular review meetings are held with various stakeholders to address the issues faced in projects."

18. As regards schemes/initiatives planned for the North-Eastern Region, the Secretary, in evidence, submitted as under:-

"For the North-Eastern Region, we are opening a BPO. We have established 11 centres of the NIELIT, the body which is responsible for training, starting from base level to IT for jobs standard. Since we are establishing BPO, we are ensuring that we will provide jobs and that too there itself. So, to some extent, the problem of migration for training and jobs will be taken care of. If the boys and girls do well, I think, it should be possible for us to put up more and more BPOs in the North-East Region, which will address the problem of unemployment and provide effective remuneration."

19. The Department, in a post-evidence note, further submitted as under:-

"Based on the success and usability of the Mobile Based Agro Advisory System in Meghalaya, Media Lab Asia is contemplating expansion of Mobile Based Agro Advisory System in other North-Eastern States, *viz.* Arunachal Pradesh, Mizoram and Tripura."

vii. <u>New Schemes/Projects initiated during 2014-15.</u>

20. The Department have informed that three new Schemes/Programmes, *viz*. Digital India Programme, Programme on Good Governance and Best Practices and Programme on enabling all schools with virtual classrooms, have been conceived for implementation by DeitY during 2014-15.

(a) <u>Digital India Programme</u>

21. Digital India programme is a flagship programme of the Government of India with a vision to transform India into a digitally empowered society and knowledge economy. The Digital India programme weaves together various government schemes, many of which cut across all the Central Ministries/ Departments. The programme is to be implemented by the entire Government, both Central and State, and will be coordinated by DeitY. With the initiation of 'Digital India Programme', the nomenclature of Manpower Development Programme has been changed to 'Digital India Programme and Manpower Development for Skill Development in IT and IT for Masses'. The fund earmarked for 'Digital India Programme' is Rs. 500 crore.

22. Its vision areas are centered on 'Digital Infrastructure as a Utility to Every Citizen', 'Governance & Services on Demand' and 'Digital Empowerment of Citizens'. The basic idea is to have ICT infrastructure and deliver all Government services electronically, so that citizens are really empowered in today's digital space.

23. The objectives of 'Digital India Programme' as figured out under three broad heads comprise the following elements:-

(a) Digital Infrastructure as Utility to Every Citizen.

i. High speed internet as a core utility shall be made available in all the Gram Panchayats.
ii. Cradle to grave digital identity shall be made available to all individuals. The digital identity would be unique, lifelong, online and authenticable.
iii. Mobile phone & Bank account would enable participation in digital & financial space at individual level.
iv. All persons shall have easy access to a Common Service Centre within their locality.
v. All persons shall be provided easy access to a shareable private space on a public cloud.
vi. Government shall formulate and implement a strategy to ensure safe and secure Cyber-space in the country.

(b) Governance and Services on Demand

i. Government services should be seamlessly integrated across Departments or jurisdictions to provide easy and a single window access to all persons.
ii. Government services shall be made available in real time from online &mobile platforms.
iii. All citizen entitlements shall be made available on the cloud to ensure easy access to them.
iv. Government services for businesses shall be digitally transformed for improving Ease of Doing Business in the country.
v. All financial transactions above a threshold shall be made electronic & cashless.
vi. Government Departments shall leverage GIS for decision support systems & development.

(c) Digital Empowerment of Citizens

i. Government shall make all efforts to ensure universal digital literacy in the country.
ii. All digital resources shall be made universally accessible.
iii. All Government documents/ certificates shall be made available on the cloud platform for easy access and retrieval. Individuals would not be required to produce these documents for obtaining various services.
iv. Government shall make all efforts to ensure availability of digital resources / services in Indian languages.
v. Collaborative digital platforms shall be developed and made available to all stakeholders for participative governance.

vi. Portability of all entitlements for individuals would be ensured through the cloud platform.

24. Digital India programme aims to provide the much needed thrust to the nine pillars of the growth areas, namely Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programme, e-Governance–Reforming Governance through Technology, e-Kranti – Electronic Delivery of Services, Information for All, Electronic Manufacturing, IT for jobs and Early Harvest Programmes.

25. The Committee have been informed that under the Digital India Programme, the following projects/proposals have been initiated so far:-

"a. Scheme for Financial Assistance to States/UTs for skill development in ESDM Sector: Phase-II: A draft EFC Memo to cover States/UTs in Phase-II with a target to train 3.25 lakh persons with a total budget outlay of Rs. 411 crore has been circulated to line Ministries for comments.

b. Scheme for National Digital Literacy Mission (IT Mass Literacy: Phase-II): A draft EFC Memo to cover 40 lakh persons in selected households throughout the country with a budget outlay of Rs. 380 crore has been circulated to line Ministries for comments.

c. 'Under 'IT for Jobs', a proposal to train 1 crore persons (@ 20 lakhs/annum) in Digital Literacy and other skill development courses leading to upgradation of skills for enhancement of employability to be implemented over a period of five years is under preparation through NIELIT'.

d. Project Proposal: 'Wi-Fi in tourist location 'Goa': This project proposal aims at setting up Wi-Fi in Goa, a tourist location which shall serve as a model for setting up Wi-Fi at other similar tourist locations. E-Infrastructure Division of DeitY has requested ERNET to submit proposal on setting up Wi-Fi in a tourist location, Goa.

e. Project Proposal: 'Setting up Wi-Fi Hotspots at common areas in Institutions/Universities connected under NKN'. E-Infrastructure Division of DeitY has received the project proposal from ERNET for setting up Wi-Fi Hotspots at common areas of 400 Institutions/Universities at a budgetary outlay of Rs.79,052.76 lakh. The project shall be implemented in 3 years. The proposal is under examination in the Department.

f. Biometric attendance: Biometric attendance system to be implemented in Central Government Departments.

g. National Information Infrastructure - Integration of SWAN, NKN, NOFN in 2 years.

h. CSCs: To cover 2.5 lakh Gram Panchayats with one CSC per Panchayat.

i. e-kranti: Approval of e-Kranti (NeGP 2.0) programme and implementation

j. Wi-Fi in all universities: All universities to be wifi enabled and connected through NKN.

k. Secure email within government & Standardize government email design: The email policy to be notified and email to be primary mode of communication and standard template for email to be used."

26. The Committee enquired about the targets under various components of 'Digital India Programme'. The Department, in a written note, submitted as under:-

"**National Information Infrastructure** - Integration of SWAN, NKN, NOFN in 2 years.

IT for Jobs: To train 1 crore persons (@ 20 lakhs/annum) in Digital Literacy and other skill development courses leading to upgradation of skills for enhancement of employability to be implemented over a period of five years.

CSCs: To cover 2.5 lakh Gram Panchayats with one CSC for each Panchayat

e-kranti : Approval of NeGP 2.0 (e-Kranti) programme and implementation

Biometric attendance: Biometric attendance system to be implemented in Central Government Departments

Wi-Fi in all universities: All universities to be wifi enabled and connected through NKN

Secure email within government & Standardize government email design: The email policy to be notified and email to be primary mode of communication and standard template for email to be used."

27. The target set for implementing some components of the Digital India Programme are as follows:-

(i) IT platform for messages – Already implemented
(ii) Government greetings to be e-Greetings – Already implemented
(iii) Biometric attendance – Some Dept.(s) are already covered
(iv) Wi-Fi in All Universities/Tourist places (Goa)/Central Government Offices (CGO)/Trains
(v) Secure email within government – Phase 1 comprising 10 lakh Government employees complete.
(vi) Standardise government email design
(vii) School Books to be eBooks
(viii) SMS based weather information, disaster alerts
(ix) National Portal for Lost & Found children
(x) Government Website upgradation

(b) Programme on enabling all schools with virtual classrooms

28. The objective of this scheme is to enable schools which are ICT enabled and have connectivity with virtual classrooms. The Committee have been informed that schemes are being prepared for funding the projects of Ministries/States under this scheme. An allocation of Rs. 100 crore has been earmarked for the scheme for the year 2014-15.

(c) Good Governance and Best practices

29. The objective of this scheme is to promote and fund the projects which encourage good governance and best practices in Ministries/States. According to the Department, projects are being formulated for implementation in schools which are ICT

enabled and have connectivity. An allocation of Rs. 100 crore has been earmarked for the scheme for the year 2014-15.

30. As regards hindrances being apprehended for the above three new schemes the Department, in a post-evidence note, stated as under:-

> "No hindrances are being apprehended by the Department for the above schemes. Digital India programme has individual components to be implemented by various Departments/Ministries including DeitY. The individual components have their own timelines and targets. Under Good Governance and best practices scheme, projects from States/UTs having completion period of 2-3 years are being funded. Under Enabling all schools with virtual classrooms programme, in first phase 3000 schools having ICT infrastructure are being targeted to enable with virtual classrooms."

IV. Ongoing Schemes

i. Electronic Governance

31. The National e-Governance Plan (NeGP) was approved by the Government on 18th May 2006 with a common vision, implementation methodology and management structure. It comprises 31 Mission Mode Projects (MMPs) having a singular mission to make all Government services accessible to the common citizen in his/her locality, through efficient, transparent and reliable mechanisms. To realize the vision of NeGP, DeitY have been entrusted with laying an elaborate common ICT infrastructure platform for the use of all MMPs. The common program support components are aimed at creating the right governance and institutional mechanisms, core infrastructure, policies and standards and the necessary legal framework for adoption of e-Governance in the country. The plan is being implemented at the Central, State and Local Government levels. Under the programme, a robust e-infrastructure is being created to facilitate deployment of ICT solutions by various Departments and State Governments.

32. The proposed Allocation, BE, RE and AE under e-Governance during the last three years is as under:-

(Rs. in crore)

Year	Proposed	BE	RE	AE	%age of BE	%age of RE
2012-13	2492.57	975.00	450.00	416.95	42.56	93
2013-14	1075.00	700.00	385.00	378.92*	--	--
2014-15	1900.00	475.00	--	--	--	--

* *Tentative*

33. The Plan allocation of Rs. 1230 crore made for the year 2014-15 for e-Government includes Rs. 475 crore for Electronic Governance (including Rs. 100 crore

for World Bank Project, Rs. 100 crore for Good Governance and Best Practices and Rs. 100 crore for Programme on enabling all schools with virtual classrooms) and Rs. 755 crore for National e-Governance Action Plan (NeGAP).

34. In the Outcome Budget, under Electronic Governance Programme, the risk factors identified for the year 2014-15 relate to lack of interest by domain owners, non-readiness of industry for new standards and resistance by industry. In this context, the Committee desired to know about the steps taken by the Department to remove these hindrances during 2014-15. DeitY, in a written note, stated that they are continuously organizing workshops, trainings, seminars and meetings with various stakeholders like Ministries/ Departments of Central and State/UT Governments and industry.

35. Explaining the efficacy of these measures, the Department, in a post-evidence note, submitted:-

> "The above measures have been quite successful in removing the mentioned hindrances. The participation in the workshops, trainings, seminars and meetings has increased significantly. Till 31.09.2014, 29 Leadership Meets have been conducted in 26 States/UTs in which Ministers/MLAs and Senior Government functionaries participated. 244 STePs (Specialized Training for e-Governance Programmes) covering 32 States/ UTs have been conducted and more than 6927 participants have been trained. xx…xx. 4 successful workshops have been conducted so far – xx…xx. 5th workshop on Cyber Security is scheduled to be held on 31st October, 2014. Knowledge Sharing and Knowledge Management have been identified as critical aspects of capacity building and work is in progress in these areas. A collaboration portal with an active community of more than 1000 members is currently being managed at www.mynegp.com. It is an active forum for discussions, information sharing and announcements. It is engaging the community of SeMTs, e-Governance Practitioners, Govt. Officers and NeGD employees."

36. Regarding the mechanism in place to review the implementation of schemes under e-Governance during 2014-15, the Committee have been informed that DeitY as part of its overall e-Assessment strategy propose to list, identify and conduct independent third party assessment of e-Governance and ICT for Development (ICT4D) projects that provide any measure of e-Governance services, across India, in order to understand the impact, utility, sustainability, scalability and replicability of these projects. DeitY have been undertaking independent third party assessment of projects since 2007.

a. State Wide Area Network (SWAN)

37. The Government approved the scheme for establishing State Wide Area Networks (SWANs) across the country in March 2005 at a total outlay of Rs. 3,334 crore by DeitY with a Grant-in-Aid of Rs. 2,005 crore over a period of five years. Under this Scheme, technical and financial assistance is being provided to the States/UTs for establishing SWANs to connect all State/UT headquarters, up to the block level, via district/ sub-divisional headquarters, in a vertical hierarchical structure with a minimum bandwidth capacity of 2 Mbps per link. The States/UTs can enhance the bandwidth up to 34 Mbps between SHQ and DHQ and upto 8 Mbps between DHQ and BHQ depending upon the utilization. Steps have been initiated to integrate all SWANs using the National Knowledge Network (NKN).

38. Presently, the SWANs have been made operational in 33 States/UTs, i.e. Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Odisha, Puducherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttarakhand, Uttar Pradesh, West Bengal, Dadra Nagar Haveli and Daman and Diu. The States are utilizing the core infrastructure of SWAN for providing the closed user connectivity to various Government offices in the State. These offices access their applications through SWAN in a secure environment, hosted at State Data Centres (SDCs).

39. The actual expenditure under the SWAN scheme during the last three years is as follows:-

(Rs. in crore)

Year	BE	RE	Actual expenditure
2012-13	224.21	226	177.94
2013-14	191.00	112	111.98
2014-15	196.02	-	67.14(as on 15.09.2014)

40. On being asked whether any study has been conducted to find out the functioning of SWAN, the Department informed that no formal study of SWANs has been carried out so far. However, the TPAs are monitoring the percentage utilization of bandwidth and number of horizontal offices connected to the individual networks at the State/UT level. Further, DeitY are in the process of empanelment of agencies for impact assessment for all the MMPs, including SWAN.

b. State Data Centres (SDCs)

41. State Data Centres (SDCs), approved in January, 2008, have been identified as one of the important elements of the core infrastructure for supporting e-Governance initiatives under NeGP. Under the SDC Scheme, it is proposed to establish Data Centres in all the States/UTs so that common secure IT infrastructure is created to host State level e-Governance applications/Data to enable seamless delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services duly supported by State Wide Area Network and Common Service Centres established at the village level.

42. The Committee have been informed that 23 SDCs have been declared operational. Implementation of SDC is in progress in Bihar and is likely to be completed by November, 2014. Implementation is also in progress in two Union Territories, Dadra and Nagar Haveli and Daman and Diu, where the timeline for completion is March, 2015 and in the State of Assam, for which the timeline for completion is June, 2015. In the States of Himachal Pradesh and Punjab, bid process management for selection of a Data Center Operator (DCO) is going on and SDCs will be made operational by June and August, 2015, respectively. 4 States (Uttarakhand, Arunachal Pradesh, Jharkhand and Goa) are in the process of finalizing their SDC RFPs to initiate a competitive bid process and Data Centres for these States are to be made operational by October 2015. Delhi and Chandigarh have opted out of the scheme. 18 States are utilizing more than 50 percent of the SDC infrastructure.

43. The Department, in the Outcome Budget, have outlined the following hindrances for operationalization of SDCs:-

i. Delay in identifying, or change in the site, and handing over the site to the selected Bidder;

ii. Delay in provisioning of raw power for the SDC, delay in awarding LoI and Contract to the selected Bidder; and

iii. Delay in the completion of the Final Acceptance Test, etc.

44. The Committee desired to know the measures taken by the Department to tackle the obstacles in the operationalisation of SDCs. It has been stated that DeitY conduct regular review meetings with States/UTs and site visits in concerned States/UTs where SDCs are yet to be operationalised. The learning from other States/UTs is regularly communicated to these States/UTs.

c. Common Service Centres (CSCs)

45. The Common Service Centres Scheme (CSCs), approved by the Government in 2006, has been envisaged as the front end delivery points for Government, private and social sector services at the doorstep of the citizen, in an integrated manner. The objective of the scheme is to develop a platform that can enable Government, private and social sector organizations, to align their social and commercial goals for the benefit of the rural population in the remotest corners of the country through a combination of IT based as well as non-IT based services. So far 1,36,851 CSCs have been rolled out covering Thirty-three States/ UTs.

46. The budget earmarked and utilized for the CSC scheme during the first three years of the Twelfth Five Year Plan, is as under:-

(Rs. in crore)

FYP	BE	RE	Actual Expenditure
2012-13	64.82	12	3.46
2013-14	24.25	18	17.08
2014-15	49.10	--	--

47. State/UT-wise roll out of CSCs, as provided by the Department, are as under:-

Sl. No.	State	Planned	Operational CSCs as reported by State/UT by 31st July 2014
1	Andaman & Nicobar	45	35
2	Andhra Pradesh	2762	3831
3	Arunachal Pradesh	200	200
4	Assam	4375	3915
5	Bihar	8436	8167
6	Chandigarh	13	28
7	Chhattisgarh	3385	2660
8	Dadra & Nagar Haveli	4	5
9	Daman & Diu	12	2
10	Delhi	135	91
11	Goa	60	0
12	Gujarat	6000	13685
13	Haryana	1159	1
14	Himachal Pradesh	3366	2827
15	Jammu & Kashmir	1109	989
16	Jharkhand	4562	4677
17	Karnataka	4913	904
18	Kerala	2200	2004
19	Lakshadweep	18	15
20	Madhya Pradesh	9232	13165
21	Maharashtra	10889	31272

22	Manipur	399	392
23	Meghalaya	225	225
24	Mizoram	136	136
25	Nagaland	220	220
26	Orissa	8558	5847
27	Puducherry	66	56
28	Punjab	2112	2130
29	Rajasthan	6626	7554
30	Sikkim	45	0
31	Tamil Nadu	5440	1130
32	Telangana	1925	3374
33	Tripura	145	146
34	Uttar Pradesh	17909	17198
35	Uttarakhand	2804	2073
36	West Bengal	6797	6331
	Total	**116282**	**135285**

48. The reasons for non-achievement of targets for operationalization of CSCs in the States of Goa, Haryana, Karnataka and Tamil Nadu are as follows:

Goa: The State of Goa implemented an Integrated Information Infrastructure Project (i-3 project) which consisted of State Data Centre, a State Portal and Lok Seva Kendras (CSCs). The State Government selected M/s 3i Infotech for implementation of the CSC Scheme. However, 3i Infotech failed to make the CSC Scheme Go-Live. Hence, Government decided to terminate the contract with M/s 3i Infotech for non-establishment of CSCs under the i-3 project in the State of Goa. The operationalization of CSCs in the State is still pending.

Haryana: The total no. of CSCs planned in the State of Haryana was 1159. SDA –Haryana State Electronics Development Corporation Limited (HARTRON) had selected 3 SCAs namely: M/s 3i Infotech, M/s Comat Technologies and M/s SARK Systems for rolling out CSCs in the State. All the MSAs had been terminated due to non-performance in August 2009. Further, RFP was issued and fresh bid processing was initiated for the selection of new SCAs, but the same was cancelled due to low bid amount. The low revenue bid amount submitted by SCAs initially was the key reason for poor implementation of the CSC Scheme in the State of Haryana.

Karnataka: The delay in issuance of CSC RFP has delayed the process of CSC implementation in the State of Karnataka. However, the Nemmadi project has been integrated with the CSC Scheme in the State of Karnataka.

Tamil Nadu**:** The State Government of Tamilnadu approved 5440 CSCs to rollout. MSA was signed with 2 SCAs in the State, namely M/s SREI Sahaj and M/s 3i Infotech. The contract of M/s 3i Infotech was cancelled due to poor performance of SCA. M/s 3i Infotech wanted to withdraw for only those CSCs where rollout was not complete and court case was filed against SDA. This further delayed the operationalization of CSCs in the State of Tamil Nadu.

49. Enumerating the reasons for repetitive lapse in the deadlines, the Department, in a written note, stated that CSCs roll out has been delayed due to non-availability of broadband connectivity and lack of power and left wing extremism in some States. The termination of contracts with private Service Center Agencies due to non-performance has also impacted the operationalisation of CSCs. In addition to this, lack of e-services has impacted the sustainability of CSCs.

50. Regarding the status of the connectivity of CSCs, the Department have furnished following data:-

- Total no. of CSCs Operational – 1,36,851
- Total no. of CSCs with connectivity – 1,22,651
- Total no. of CSCs with BSNL connectivity – 51,305
- Total no. of CSCs reporting transactions – 74,047

51. When asked about the timeline by which the remaining CSCs would be connected, the Department, in a post-evidence note, further submitted that all the States/ UTs have been communicated by DeitY to get all the CSCs connected and have been informed about CSC special BSNL broadband wired and wireless plans starting from Rs 99/-. The CSCs not having broadband connectivity are sustaining by offering various offline services. Efforts are being made to enable connectivity at these locations at the earliest.

52. The Committee desired to know the status of 40,329 CSCs like kiosks to be integrated with the CSC Scheme and of 2500 VSATs sanctioned for North East and other difficult areas. The Department, in a written note, stated that 44,060 CSCs like kiosks have been integrated with the CSC scheme and 1,705 VSATs have been installed out of 2,500 VSATs sanctioned for North East and other difficult areas as of 30 September, 2014.

53. The reasons for non-completion of VSAT installation at the remaining sites are stated to be:-

i) Non-availability of adequate power to install the VSATs;
ii) Non-availability of flat leveled surface at the sites for installation of VSAT antennas;
iii) Delays in obtaining SACFA and WPC regulatory clearances which are required prior to installing VSATs from Department of Telecommunications, etc.

d. <u>Mobile Governance</u>

54. DeitY had initiated a massive countrywide initiative on mobile governance to provide Government services to the people through mobile phones and tablets and had

notified the framework for mobile governance in February, 2012. Mobile Seva is fully owned and funded by DeitY. It provides a platform to all Government Departments and agencies in the country at the Centre and the States to achieve mobile-enablement and start delivering their services through mobile devices across various channels such as SMS, IVRS, USSD and mobile-apps.

55. DeitY are operationalizing Mobile Seva through two projects, *viz*. 'National Rollout for the Mobile Services Gateway' at an estimated outlay of Rs. 21.5 crore over 36 months to be implemented by DeitY's agency, Centre for Development of Advanced Computing (C-DAC) Mumbai, and 'm-Enablement of Government Departments through Mobile Seva' at an estimated outlay of Rs. 96.89 crore over 36 months, also to be implemented by C-DAC Mumbai. Total fund released so far to C-DAC Mumbai is Rs. 11.9336 crore where as total expenditure is Rs 8.7594 crore.

56. The Committee have been informed that an independent mid-term impact assessment/evaluation exercise in respect of the project was undertaken in June 2013 through the Narsee Monjee Institute of Management Studies (NMIMS), Mumbai. The assessment showed that the project has achieved its desired impact, in terms of substantial savings in time, efforts and costs for the Departments in enabling not only their services for mobile based delivery but also in developing better citizen interface as they can provide almost real time responses to their queries, etc.

57. The Department have informed that the Mobile Seva platform has undergone security audit by CERT-In empanelled agency, STQC and NIC Cyber Security division. In this context, when asked about the status of the security audit of Mobile-Seva platform for mobile governance, the Department, in a post-evidence note, stated that all components of Mobile Seva platform have been audited and certified by a CERT-In empanelled agency. The entire platform is hosted in the National Data Centre at Shastri Park with DR in NIC Data Centre at Pune.

58. On the issue of security of mobile, the DG, CERT-In, in evidence, submitted as under:-

> "The second aspect is about mobile. It is a very important issue. Today in this country, more than 50 per cent of the mobiles use Android platform. Other operating systems, like Black Berry and Windows are there. But largely it is Android system which is used. It is a set system and is really a more vulnerable system, not because of their own operating system but because of the large usage so many apps are being created by different groups which are not tested properly. As a result of this, android system is very vulnerable. Many reports are there about the system. Knowing this vulnerability, we had initially a

project at IIT, Madras, as well as C-Dot, Hyderabad, to develop a wrapper which can go across the android system and make the system secure to avoid the kind of applications you have said. I must mention the demo which you have mentioned, it was similar to demo. I had also seen that demo. It was not that somebody was dialling it. It is a simulated demo. Somebody was trying to show, look these are the hacking and these are the things. It was not actually a demo part.. The Samsung and the Micro Max are testing it right now so that it can be bundled along with the mobile phones. We are in the process of creating a patent also for that. It is at a fairly advanced stage of testing. Samsung has shown a lot of interest, developing that secure wrapper across the android so that those things are not able to go there. That is what we are trying to do. Third thing which we are going to do, will be on in about month's time or latest by 15th November. We are tying up with major companies in India. They will provide the scanner facilities to us. We will host the scanning facility on our website and anyone in the country can log on to this scanning device and clean the system. You can download the anti-virus software for a week or so. We are providing those facilities in a very limited scale. But in a month and half time those will be available to any citizen from any part of the country. As and when they find the system, they want to test the system whether the mobile is full of virus or some activity happening, they can hook on to the system and they can test it and clean the system if there is a virus. It will be on by middle of November or by the end of November. It will be on because we are trying to tie up. Large number of users will come. So, we will have to make arrangement so that large number of users can be addressed."

ii. <u>National Informatics Centre (NIC)</u>

59. National Informatics Centre (NIC) was established in the year 1976 with the objective of providing computer communication support to various Central Government Ministries/Departments and other organizations. It became fully functional in the year 1977. In 1985, NIC was charged with the responsibility of extending this concept to the State Government offices, including District Headquarters, and since then NIC has emerged as a prime builder of e-Government/e-Governance application in Government Ministries/Departments at the Centre, States, Districts and Blocks. NIC, through its ICT Network – 'NICNET', has institutional linkages with Ministries /Departments of the Central Government, State Governments/ Union Territories and Districts administrations of India.

60. NIC is entrusted with certain core ICT activities which include setting up of ICT Infrastructure, Implementation of National and State Level e-Governance Projects, consultancy to the Government Departments, Research and Development, Capacity Building, Assistance in implementing Information Technology Projects in close collaboration with Central and State Governments in the areas of (a) Centrally sponsored schemes and Central sector schemes, (b) State sector and State sponsored projects, and (c) District Administration sponsored projects, Providing network backbone and e-Governance support to Central Government, State Governments, UT

Administrations, Districts and other Government bodies. Besides, the organisation is mandated to provide some important services relating to Anti Virus Services, ICT Training, National Data Centres (NDCs) and Remote Sensing & GIS Division, SATCOM, etc.

61. As against the proposed allocation of Rs. 1188 crore, the BE provided for NIC for the year 2014-15 is Rs. 800 crore. The details of BE, RE and actual expenditure in respect of NIC for the last six years is as under:-

(Rs. in crore)

Financial Year	Proposed	BE	RE	Actual Expenditure
2009-10	845	550	550	526.54
2010-11	800	700	700	697.22
2011-12	800	754	754	730.58
2012-13	828	754	754	747.64
2013-14	925	830	749.10	749.10*
2014-15	1188	800	--	--

**Tentative*

62. Asked about the status of the manpower/ technologists/ Engineers required/ currently working and the problem of manpower associated with NIC, the Department, in a written note, stated:-

> **"**Presently there are 3796 Scientific and Technical manpower in National Informatics Centre to support the ICT requirement. NIC today has an organizational presence across 648 districts, 36 States, and more than 75 Central Government Ministries/Departments. NIC is the only Government body engaged in end to end ICT-needs of 60 Lakh Government employees and providing e-Governance and citizen charter services to citizens of India.
>
> Over the preceding five years there has been significant increase in the gamut of activities and operation requirements which have rendered existing manpower at NIC largely inadequate – both in terms of number of people and the skills. The factors which have influenced this demand for new manpower are putting incessant pressure of performance on the organization across a variety of levels, technologies, and functions. There is therefore a need for organic and inorganic expansion of the organization. The inorganic expansion can happen by acquiring new talent from the market at various levels with required technical expertise at industry competitive rates. Similarly, the organic expansion can happen by bringing fresh talent in different areas of NIC functioning.
>
> An estimated additional strength of around 4000 works with NIC teams as a nucleus, across the country. These temporary staff provides level 1 (basic, junior level) support for ground level ICT requirements of network and software implementation, maintenance and monitoring. Keeping in view the position approximately the number of outsources staff are deployed the same number of posts needs to be created."

63. On being asked to provide details of the proposal to create posts and to upgrade the existing infrastructure, technology, etc., the Department, in a post-evidence note, stated:-

"a) In order to identify the manpower requirements of NIC across a range of functions and geographies a professional study was conducted to estimate manpower numbers. This proposal has been based on the same.

b) The proposal is for creation of 1407 posts across different levels of Scientific and Administrative Officers to meet the e-Governance requirements of NIC.

i) 285 positions for augmenting the capacity of Electronics Services Division in the central line Ministries / Departments by setting up of approximate ICT – HR structures and mechanisms for e-Governance and fast track the successful implementation of various MMPs, contributing to the realization of good governance in the country.

ii) 240 positions for augmenting the capacity of State NIC Centres across 36 States / UTs to augment support to State Mission Mode projects and other ICT requirements at State/UT level.

iii) 671 positions for all districts to augment the current deployment in District NIC centres to support implementation of majority of e-Governance projects at grass root level.

iv) 101 positions for providing critical e-Governance infrastructure services at the Headquarters of NIC, including setting up and managing of Meghraj (cloud), Security enhancements, e-mail and Messaging Services, GIS, Certifying Authority, etc.

v) 110 additional resources for administrative functions to support administrative, financial, procurement, budgeting and other related functions.

c) The break-up of positions of 1407 posts across different levels is as below:

No. of posts	Designation
30	Senior level experts to support MMPs in the DeitY and Central line Ministries
44	Scientist 'E' and 'F'
62	Scientist 'D'
120	Scientist 'C'
178	Scientist 'B'
309	Scientific Officer/Engineer 'SB'
554	Scientific/Technical Assistants
110	Administrative Staff at different levels

d) For creating the posts Inter-Ministerial Consultations / approval are required."

64. On being enquired as to whether any study has been conducted by the Department to find the efficacy of existing technology, infrastructure, etc of NIC, the

Department have stated that no such study has been done during the period. However, when asked about the plans envisaged to have adequate staff in NIC during the year 2014-15, the Department stated that it is proposed to conduct internal study for working out the manpower requirements for strengthening NIC.

65. In the context of expansion of NIC, the Committee desired to know whether the Department felt the need to upgrade the existing infrastructure technology, in a note DeitY, explained:-

> "Since there is a steady increase in the overall power & cooling requirement for normal and critical applications, there is a need to upgrade basic infrastructure at NIC centres across the country.
>
> NIC-HQ: Redundancy of Uninterrupted Power Source and capacity augmentation of UPS and cooling to meet the additional requirement due to the proposed renovation of Data Centre, Network Centre and other ICT services need to be established.
>
> NIC State & District Centres: Upgradation of Power & Cooling for Data Centres, Network centres and other ICT services. General infrastructure upgradation, Installation of renewable energy sources such as solar power at selected District."

66. The Committee have been informed that various steps have been initiated to strengthen NIC. The salient activities are as follows:-

> "i) NIC State Units are being strengthened. As part of this the financial powers of SIOs have been significantly enhanced vide Circular No. 1(6)/2014 dated 30th July 2014 and 29th October 2014, respectively.
>
> Further, the SIOs have also been given the powers to transfer / post personnel within the States vide Circular No. 17(5)/2014-Pers. dated 16th September 2014 and 15th October 2014, respectively.
>
> ii) The Certifying Authority infrastructure of NIC is being revamped with latest technology infrastructure. The strength of CA is proposed to be increased from 15 to 76.
>
> iii) To provide training to NIC employees, on latest technologies, several steps have been taken. These include:
>
> (a) Conducting training on software design and engineering through IITs and other institutions. The first such program will start from December, 14/January, 15.
> (b) A systematic training calendar on Information security has been designed with funding support under ISEA-II of DeitY. These programmes will start from November/December 2014.
> (c) Training for testing of software from IBM and HP organized in October/November 2014.
> (d) Training on Financial Management / GFR for officers dealing with financial matters organized in NIFM w.e.f. 13th October

2014. Second course is being organized from 17th December 2014.

Other training programmes are being structured based on requirement.

iv) Two new Application Development Groups have been constituted in NIC Hqrs w.e.f. 27th October 2014 and 7th November 2014 (copies of two Office Orders No. 17(1)/2014-Pers. dated 27th October 2014 and 7th November 2014. These Groups have been required to equip with manpower required for all aspects of software design, architecture, GUI, database design, tuning, balancing, etc.

v) It has been decided to engage faculty members of leading institutions like IITs / IISCs, etc. to guide (either full time or part time) in specific projects / problems where in-house skills are not available.

vi) Expert Groups, involving stakeholders from Government, Academic and Industry for major projects are being set up to provide overall guidance and vision to these projects."

V. e-Learning

67. On being asked about specific targets fixed for making schools IT-enabled under e-Learning, the Committee have been informed that in the Budget 2014-15, there is a provision for a programme on 'Enabling all schools with virtual classrooms' and the scheme is being rolled out.

i. National Knowledge Network (NKN)

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

69. The allocated amount for NKN Programme at BE stage during the year 2014-15 is Rs. 300 crore as against the proposed sum of Rs. 1500 crore. The status of funds released under NKN so far, as provided by the Department, is as under:-

(Rs. in crore)

Sl. No	Financial Year	Proposed	Amount Allocated		Amount Released	Interest Adjusted
			BE	RE		
	(1)	(2)	(3)	(4)	(5)	(6)
1.	2008-09	-	100.0	60.00	60.00*	-.
2.	2009-10	240.00	600.00	240.00	240.00	-
3.	2010-11	1733.85	100.00	1362.00	1362.00**	-
4.	2011-12	2300.00	250.00	412.00	412.00	9.58
5.	2012-13	2406.00	360.00	152.19	3.39*	0.61*
					# 118.80	-
6.	2013-14	1240.00	360.00	352.23	352.23	7.77
7.	2014-15	1500.00	300.00	-	300.00	-
Total					**2848.42**	**17.96**

**For Initial phase of NKN*
*** Out of this Rs. 20 crore released for Initial Phase of NKN*
 # The balance could not be released during the year 2012-13 due to instructions imposed by MOF vide order No. 7(1)/E-Coord/2012 dated14.11.2012.

70. As regards the reasons for huge variations and mismatch observed between the proposed allocations, BE and the allocations at the RE stage under the Scheme, the Department, in a written note, stated as under:-

> "The Department's allocation was less than the initial projection and accordingly allocation to the NKN was reduced proportionately. In most of the years, adequate funds have not been provided for NKN as per the proposed outlay, which resulted in accumulation of short fall since 2010-11 onwards. The shortfall in allocation resulted in reduced outcome and delayed the implementation of NKN. Hence to maintain the pace of implementation, additional requirement of funds for NKN were submitted at supplementary stage in each of the financial years."

71. The Committee have also been informed that for the year 2014-15 as against the projection of Rs. 1500 crore an allocation of Rs. 300 crore has been made which is not sufficient to achieve the projected targets and they would like to seek the additional grants at supplementary stage.

72. The target for the year 2014-15 under NKN, as per the Outcome Budget, is as under:-

- 180 institutions/District would be connected to NKN
- Initiation of National Test labs at Shastri Park, Delhi & Pune
- Completion of work for 7 NKN PoPs. Work to be initiated for remaining 10 NKN PoPs.
- Installation of NTP (National Time Protocol) server
- Extending the Data Center storage and Launch of other NKN common services
- National Workshops and Regional Technical Workshops
- Setting up of NKN international PoPs.

73. The status of NKN as on 31st August, 2014 is as under:-

- Total number of links commissioned till 31 August 2014 – 1299
- Total number of districts connected - 295
- Number of Virtual Classrooms setup – 66
- 89 Numbers of Core Links have been commissioned and operational.

74. Regarding details of difficulties faced in implementing NKN, the Department, in a post-evidence note, stated that since 2010-11 onwards adequate funds have not been provided for NKN as per the proposed outlay, which resulted in accumulation of short fall. The shortfall in allocation resulted in reduced outcome and delayed the implementation of NKN. To maintain the pace of implementation, additional requirement of funds for NKN were submitted at supplementary stage in each of the previous financial years.

VI. e-Security

i. Cyber Security (Incl. CERT-In IT Act & CCA)

75. The Cyber Security programme of the Department aims at building a secure and resilient cyberspace for citizens, businesses and Government. The cyber security programme is implemented by way of targeted actions in six focus areas during the Twelfth plan period, *viz*. (a) Enabling Legal Framework, (b) Security Policy, Compliance and Assurance, (c) Security R&D, (d) Security Incident – Early Warning and Response, (e) Security awareness, skill development and training and (f) Collaboration. In order to address the issues of cyber security in a holistic manner, the Government published the 'National Cyber Security Policy' on 2nd July 2013.

76. The allocations and utilisation during the first three years of the Twelfth Plan are as under:-

(Rs. in crore)

	Proposed	**BE**	**RE**	**AE**
2012-13	206	51.20	39.06	33.28
2013-14	400	60.37	48.37	45.26*
2014-15	510	128		

**Tentative*

77. The Committee desired to know the reasons for significant enhancement in the proposed allocation of funds for the year 2014-15. The Department, in a post-evidence note, explained:-

> "The enhancement of budget allocation for 2014-15 is primarily to meet the requirements of the key initiatives towards implementation of the National Cyber Security Policy.

The National Cyber Security Policy has been released by the Government to create a framework for comprehensive, collaborative and collective response to deal with the issue of cyber security at all levels within the country. The Policy includes a number of objectives and strategies to build a secure and resilient cyberspace for citizens, businesses and Government. A number of initiatives need to be taken by the Department to achieve the objectives and implement the Policy.

During the year 2014-15, 2 key initiatives related to creation of mechanisms for security threat early warning and response to security threats are being taken up for implementation. These key initiatives include establishment of (i) National Cyber Co-ordination Centre (NCCC) and (ii) Botnet Cleaning Malware Analysis Centre."

78. On being asked about the impact of repetitive reduction of the allocation at BE stage, the Department stated that it will cause delay in implementation of the key initiatives.

79. Asked about the plan to mitigate the impact of reduced allocation on the scheme during 2014-15, the Department, in a post-evidence note, stated as under:-

"Considering the broad range of Cyber Security related activities and recommendations of 12th Plan Working Group, DeitY had envisaged several initiatives and projected the budget requirement accordingly for the 12th Plan Period. Subsequently, in-line with the overall reduction for the Department allocation for 12th Plan, the budget allocation for Cyber Security related activities was also scaled down to Rs. 500 crore for the 12th Plan period.

Based on the allocation for Cyber Security programme, DeitY prioritized its initiatives and identified key initiatives such as 'Setting up of National Cyber Coordination Centre (NCCC)' and "Setting up of Botnet Cleaning and Malware Analysis Centre" for early implementation. The Big Ticket Project of National Cyber Coordination Centre involves various stages of actions such as multi stakeholders' consultation. The allocation for E-security related activities in the first 2 years was made to allow for current level of activities in the first 2 years of the 12th Plan. Envisaging completion of bulk of the process for setting-up of NCCC in the 3rd year of the 12th Plan, an enhanced allocation of Rs. 120 crore has been made for Cyber Security related activities during 2014-15. In the current year, the allocation allows for setting-up of Botnet Cleaning and Malware Analysis Centre. Subsequent to the approval by Government, higher allocation, by way of re-appropriation of budget from other budget head of the Department, for e-security has been provided to implement and operationalise the projects."

80. Elaborating on the issue of Cyber security and reduced budget, the Secretary, DeitY, in evidence, deposed:-

"The second issue of cyber crime is an extremely serious issue. We do not lack in that**.** We are going to install what is called a National Cyber Coordination Centre at a cost of about Rs.900 crore. It is in a very advanced stage of approval. We are also going to install a malware detection centre which will ensure the malwares in the affected computers are taken care of. We are also going to increase the capacity of the CERT, which is the Cyber Emergency Response Team. We will have better monitoring capabilities of the data and the

traffic which is coming in the country. So, we are absolutely focused on this issue of cyber security because that is extremely important and the funds are also there. In fact, because we do not have adequate fund in the Budget just now, we are reallocating funds from some other areas and ensuring that this particular sector does not go under-funded."

81. As regards the financial loss due to e-fraud and the number of cases registered under IT Act during the last three years along with their status of disposal, the Department, have furnished the following statement made available by RBI:-

	2010-11		2011-12		2012-13		2013-14 (April to Sep 2013)	
Area of frauds reported	**No. of cases**	**Rs. in crore**	**No. of cases**	**Rs. in crore**	**No. of cases**	**Rs. in crore**	**No. of cases**	**Rs. in crore**
Credit Cards	11148	23	8252	22	7538	40	5269	42
ATM/ Debit Cards	309	3	609	8	914	10	618	4
Internet banking	2814	13	1187	8	313	18	147	8
Total	14271	40	10048	38	8765	67	6034	54

82. The Department have also informed that as per the cyber crime data maintained by the National Crime Records Bureau, a total of 1791, 2876 and 4356 Cyber Crime cases were registered under Information Technology Act during the year 2011, 2012 and 2013, respectively. A total of 446, 1522, 2098 persons have been arrested during the year 2011, 2012 and 2013, respectively, under the IT Act.

83. On the level of coordination of the Department with all the stakeholders such as Banks, Police, security organisations, etc. so as to tackle issues related to online financial losses, the Department, in a written note, stated:-

"DeitY regularly interacts with Banks and RBI with regard to cyber fraud incident related actions such as prevention, investigation support, technical advisories, promotion of best practices and compliance.

CERT-In, DeitY assists user entities to understand the concept of Crisis Management Plan (CMP) and its implementation by conducting workshops on CMP and IT security best practices for Sectors/ States/ Ministries/ Departments/ Organisations on-site or at CERT-In facility.

To enable organisations to assess their preparedness in dealing with cyber crisis, CERT-In is conducting Cyber Security drills of different complexities with various banks and financial institutions.

In addition, CERT-In also assists user entities and Law Enforcement Agencies by way of cyber investigation support."

84. When asked about the kind of deficiencies being observed during the security audit of banks, the Department, in a post-evidence note, stated that the following deficiencies are observed by CERT-In during the security audit of banks:-

i. The web server is mis-configured or running on default settings which increases possibility of hacking.
ii. Digital certificates are not properly updated and renewed in timely manner leading to poor authentication of online banking website. This increases risk of phishing attacks on customers.
iii. The secure coding practices are not followed while developing the web applications. This results in code level vulnerabilities which can be exploited by the attackers for carrying out malicious activities.
iv. Hosting environment of web applications is not hardened properly.
v. The web Applications are not securely connected with databases leading to information disclosure vulnerability."

85. On being asked about the exact number of cyber security experts in India along with the current requirement of cyber experts and measures taken to mitigate the hindrances experienced in meeting the requirement, the Department, in a post-evidence note, stated:-

> "xx…xx.. Today India has about 44,000 information security professionals out of which 600 are estimated to be in the Govt. The cyber security related activities in general in the country are being handled by the generalist IT professionals.
>
> The demand of cyber security professionals is estimated to be 5 lakh by the year 2016 across all spheres mapped to a career progression roadmap with the requisite knowledge, skills and ability to achieve the cyber security assurance level needed to secure IT infrastructure in the country. The number of 5 lakh professionals also include those required in the export related activity.xxx..xx"

86. DeitY, apart from taking key initiatives for capacity building through formal and informal methods, have launched a project named Information Security Education and Awareness (ISEA) Project in March, 2005 with an aim to create awareness about information security and develop human resource in the field of information security. The project was implemented through five resource centres and 34 participating institutes and a total of about 35,000 students have been trained and given degrees at the graduate and post graduate levels in the area of information security. The second phase of the project has been launched in 2013 with a project outlay of about Rs. 100 crore to create skills in the area of cyber security.

87. Adding on the demand for man power for securing cyber space, the Director General CERT-In, in evidence, stated:-

> "We have assessed that the demand for the cyber security experts would be around five lakh by 2016. The present position is that somewhere around 42,000 cyber security experts are there in the country. In the Government

there are around 500 people who are in this area. The demand is very high. We require people for the software exports also. We require for our internal and domestic industry also. The entire demand cannot be met through a formal system of education. What is going to happen, the existing programmers will have to be trained to implement secure coding and security aspects in the software or in the hardware part of it. The Department have initiated the project, called the ICEA programme I, in which we have 35 participating institutions and we ran their Beta Programme where the course was in cyber security. A specialised M.Tech. course is there. Part II of the programme has started and the entire project is costing about Rs. 100 crore. But that will not fulfill the demand entirely. So, what we are trying to put is a Public Private partnership in the area of capacity development. We require people who have a short-term skill upgradation. For example, we have to protect the low despatch centre in the power centre, give them three months additional course there so that they can get skill. So, we are dividing the entire programme into two parts. Part I is formal through the universities. We have a non-formal sector where we start short-term courses where we give them certificates and they keep on upgrading their skills. On the first part, we are working very closely with the MHRD. In fact, at one point of time we were only 14,000 in number. It is because of this ICEA programme, we could increase it to 40,000. We hope to increase another 40,000 through that programme itself. We are working with the MHRD. Prof. Pathak from Mumbai is involved in developing this programme so that we can increase the man power."

ii. '<u>Right to be forgotten online</u>'

88. When asked about the Department's stand on the issue of 'Right to be forgotten online', particularly after the ruling by the European Court on the issue, the Department, in a written note, stated as under:-

> "The 'right to be forgotten' is a new concept that has been discussed and tried in the European Union (EU) in recent years. The issue has arisen from the desires of some individuals to "determine the development of his life in an autonomous way, without being perpetually or periodically stigmatized as a consequence of a specific action performed in the past. There are concerns about its impact on the right to freedom of expression, its interaction with the right to privacy, and whether creating a right to be forgotten would decrease the quality of the Internet."

89. Responding to a query about preparedness in this regard, the Department, in a written note, stated as under:-

> "The issues with regard to cyber space are quite dynamic in nature and the actions of the Government are tailored to be in line with the same. In this direction, a Cyber Regulation Advisory Committee (CRAC) has been set up by the Department to advise the Central Government either generally as regards any rules or for any other purpose connected with IT Act."

VII. e-Industry (Electronic Hardware)

i. Promotion of Electronics/IT Hardware Manufacturing (Productivity and Employment)

90. The allocation for Promotion of Electronics/IT Hardware Manufacturing (Productivity and Employment) during the year 2014-15 is Rs. 85 crore, as against the proposed allocation of Rs. 4713.71 crore. The year-wise allocation and utilization of funds for the three years of the Twelfth Five Year Plan under this sector is as under:-

(Rs. in crore)

Year	Proposed	BE	RE	AE
2012-13	1434.50	5	5	4.89
2013-14	856.50	100	10	7.90*
2014-15	4713.71	85	--	--

***Tentative*

91. On being asked to provide the status of indigenous production and demand of electronics hardware in the country, the Department, in a written note, furnished the following production data for the electronics hardware sector:-

Electronics & IT Production (Financial Year)				
Sl. No	**Verticals / Item**	**2011-12**	**2012-13**	**2013-14 * (Esttd.)**
1	Consumer Electronics*	34300	40447	54463
2	Industrial Electronics *	18700	25800	33600
3	Automotive Electronics**		5629	7278
4	Medical Electronics***		Data Not Available	
5	IT Hardware*	16500	9376	10139
6	Communications & Broadcasting Eqpts. and Telecom * **(Including Mobile Handsets)**	40500	46000	57000
7	Mobile Handsets * (@)		46000	57000
8	Strategic Electronics*	8500	9000	10260
9	Electronic Components *	24800	26645	30641
10	Solar Photovoltaic Cells*** (part of Electronic Components)		Data Not Available	
11	LED* (part of Electronic Components)		1275	1941
12	Electronic Design*** **[New Vertical Introduced]**		Data Not Available	
	Sub-Total (Electronics Hardware)	**143300**	**164172**	**205321.85**
Notes	(1): Sources: (*): Industry Associations / (**) – M/s. Gartner / (***): The data above does not include data for Annual Report of DeitY. (2) : (@): Data for Mobile Handsets has been considered in Commns. & Broadcast and Telecom. (3): Data for Commn. & Broadcasting & Telecom Eqpts. (Except for Mobile Handsets) is not available for 2012-13 & 2013-14			

92. The Committee also desired to know about the Electronic/IT goods that are imported maximum in the country and the percentage of handsets imported and manufactured in India. The Department, in a post-evidence note, stated that the following top 10 items are being imported (maximum) in the country:-

Sl. No.	Description of Import Items	Value in USD $ Million			
		2011-12	2012-13	2013-14	2014-15 (Apr-Aug)
1	Telephones for cellular networks or for other wireless networks	5,815.88	4,745.46	5,925.72	3,103.17
2	Personal computer (laptop, palmtop, etc.)	1,354.00	1,566.14	1,738.17	861.52
3	Videophone	949.04	948.80	1,266.09	785.46
4	Monolithic integrated circuits - digital	1,199.44	1,217.42	932.62	307.74
5	Digital processing units	667.51	710.84	775.38	393.30
6	Solar cells/photovoltaic cells, whether or not assembled in module/panel	1,348.48	827.08	711.12	247.06
7	Hard disc drives	576.77	665.65	540.45	233.33
8	Solid-state non-volatile storage devices	202.38	210.97	276.94	150.04
9	Printed circuits	347.10	350.64	270.20	101.19
10	Machines which perform two or more of the functions of printing, copying or facsimile transmission capable of connecting two Automatic Data Processing Machine or two networks	185.16	244.64	260.13	111.53

93. The Committee desired to know specific details about import of mobile handsets. The Department stated that based on the details of the production of mobile phones provided by the Indian Cellular Association and the import /export data extracted from the DGCIS website, the percentage of handsets imported and that are manufactured in India for the last three years are as follows:-

Year	Demand*		Production*		Import**		Export**	
	No of Handsets (Million units)	Values in INR (Crore)	No of Handsets (Million units)	Values in INR (Crore)	No of Handsets (Million units)	Values in INR (Crore)	No of Handsets (Million Units)	Values in INR (Crore)
2011-12	180	38200	165	28000	143	27715.82	117	13156.04
2012-13	200	46100	180	34600	159	25835.14	109	14487.12
2013-14	245	57000	132	34050	187	35716.24	74	11848.24

Source: * Indian Cellular Association / ** DGCIS
From the above data, it may be seen that the percentage of handsets imported is 48.81% and the percentage of handsets manufactured in India is 51.19%. However, there is significant export as well.

94. Asked to provide a list of top ten companies which are importing electronic/IT components covering Mobile, Television, Washing Machine, Video Games, Music System, Air Conditioners, Microwave, etc., and also item-wise details of components being produced/imported by these companies, the Department, in a post-evidence note, submitted as under:-

"This Department does not maintain any records/database of the companies importing electronics/IT components and item-wise details of produced/imported components. Directorate General of Commercial Intelligence and Statistics (DGCIS) under Department of Commerce and Industry have also informed that they do not have any records as such."

95. Regarding percentage of electronic equipment being imported and produced indigenously and value addition being done domestically, the Department, in a post-evidence note, submitted as under:-

"As per India Electronics and Semiconductor Association (IESA) – Frost and Sullivan Report on 'Indian Electronics System Design and Manufacturing (ESDM) Market' released in January 2014, the details of total market of electronic products in India, domestic production (including value addition) and import for the year 2013 and projection for the year 2014 are tabulated below:

(USD Billion)

	2013	**2014***
Total Market	50.61 (100%)	57.14 (100%)
Total Production, out of which	17.07 (33.7%)	19.47 (34%)
High Value Added#	3.61	3.9
Low & Medium Value Added##	13.46	15.57
Imports	33.54 (66.3%)	37.67 (66%)

** Estimated*

 # Low/Medium Value Added: Includes negligible sourcing, minimal design activity, Electronics Manufacturing Services (EMS), Semi Knocked Down (SKD) and completely Knocked Down (CKD) assembly; corresponds to value addition of upto 50% (<20% being low value addition and 20%-50% being medium value addition)

High Value Added: Includes high local sourcing, high levels of indigenous design and complete system manufacturing; corresponds to a value addition of >50%.

During the year 2014, it is estimated that 66% of total demand of electronic products in India would be met from imports while 34% would be met from domestic production. Out of total domestic production, 20% is estimated to be high value added while 80% is estimated to be low/ medium value-added production."

96. On being asked to provide details of steps being taken by the Department to boost indigenous production of electronic hardware, the Department, in a post-evidence note, stated that under the 'Digital India Programme' of the new Government, the Government have laid down the roadmap to transform India into a digitally empowered society and knowledge economy. One of the pillars of this programme is promotion of electronics manufacturing.

97. Some of the steps taken over the last two years to curb import of electronic hardware and specific measures to boost indigenous production of electronic hardware initiated by the Department are as follows:-

- The National Policy on Electronics 2012 was notified in October 2012 with a vision to create a globally competitive Electronics System Design and Manufacturing (ESDM) industry to meet the country's needs and serve the international market. The renaming of Department as Department of Electronics and Information Technology (DeitY) is manifestation of the Government's intent to provide thrust for promotion of indigenous industries in the area of electronics hardware.

- Modified Special Incentive Package Scheme (M-SIPS) was announced by the Government in July 2012. It provides financial incentives for investment in specified verticals of electronics. Out of the 51 proposals, 16 proposals involving investments of about Rs.2,133 crore have been approved.

- In order to promote design and development of semiconductor in the country, the Government has approved setting up of two semiconductor wafer fabrication (FAB) manufacturing facilities in India and the Letters of Intent dated 19.30.2014 have been issued to the two consortia.

- The Government has notified Electronics Manufacturing Clusters (EMC) Scheme in October 2012 to support creation of world-class infrastructure for attracting investments in the Electronics. "In-Principle" approval has been accorded to 10 applications. Policy for providing preference to domestically manufactured electronic products in Government procurement notified on 23.12.2013 is under implementation. The Department of Telecommunications (DoT) had notified 23 telecom products for Government procurement.

- To curb inflow of sub standard and unsafe electronic products the "Electronics and IT goods Order (Requirements for Compulsory Registration) Order, 2012" has been notified on 3rd October 2012 mandating compliance of notified goods to Indian Safety Standards.

- Electronic Development Fund (EDF) Policy is being finalized to support Daughter Funds, including Early Stage Angel Funds and Venture Funds to promote innovation and R&D in the area of Electronics System Design and Manufacturing, Nano-electronics and IT.

- Approvals for all foreign direct investment upto 100% in the electronic hardware manufacturing sector are under the automatic route.

- Steps have been taken for the development and implementation of the Indian Conditional Access System (CAS) to promote indigenous manufacturing of Set Top Box (STB), keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector.

- An Incubator providing Incubation for development of ESDM sector which will contribute towards IP creation and Product Development in the sector has been approved and is being set up by STPI in Delhi region.

- The 'Scheme to enhance the number of PhDs in the Electronic System Design and Manufacturing (ESDM) and IT/IT Enabled Services (ITES) sectors' has been approved. 3000 PhDs are proposed to be supported under the Scheme.

- A Scheme for skill development of 90,000 persons in the ESDM sector has been approved to provide human resource for ESDM industry.

- To promote Innovation, IP, R&D and commercialization of products, etc. in the ESDM sector, a project for Funding and support to Industry and Academic Institutions for doing collaborative research to be implemented by Global Innovation and Technology Alliance (GITA), New Delhi, has been approved.

- Keeping in view the importance and requirement of security agencies and entities that provide rescue and relief operations, to be sufficiently equipped with the state-of-art-technologies, a Centre of Excellence in Technology for Internal Security is proposed at IIT Bombay to address the internal security needs of the nation on continuous basis and to deliver technology prototypes required for internal security and to promote domestic industry in internal security.

- In order to promote the fabless chip design, embedded software and board design industry in India with the aim of tapping the huge opportunity available in the area, the policy is under finalization by the Department.

- The Department have initiated the Scheme for supporting MSMEs in the electronics sector by providing financial support to promote manufacturing, to build quality into Indian manufacturing & also to encourage exporters.

- The Department have initiated the Scheme for National Awards in the Electronics System Design and Manufacturing (ESDM) Sector to recognize the achievements of successful industry in the ESDM sector, to encourage entrepreneurs and to encourage new investments and innovation in the sector."

98. The Cabinet, in its decision dated 20.04.2011, had set up an Empowered Committee (EC) to identify technology and potential investors for establishment of Semiconductor Wafer Fabs in India. In this context, the Committee desired to know the status of implementation of FAB projects in furtherance of the Cabinet decision; the Department, in a post-evidence note, stated:-

"In furtherance of the decision of the Cabinet dated 12.02.2014, Letters of Intent (LoI) dated 19.03.2014 were issued to following two consortia for setting up of Semiconductor Wafer Fabrication (FAB) facilities in India:

i. M/s. Jaiprakash Associates Limited along- with M/s. IBM (USA) and M/s. Tower Jazz (Israel)

ii. M/s. HSMC Technologies India Pvt. Ltd. along with M/s. STMicroelectronics (France/Italy) and M/s. Silterra (Malaysia)

While the Detailed Project Reports (DPRs) have been submitted by both M/s. HSMC Technologies India Pvt. Ltd. and M/s. Jaiprakash Associates Ltd., on behalf of their respective consortia, both the consortia are yet to submit the other documents. Moreover, several deficiencies have been observed in the DPRs which have also been pointed out to both the consortia."

99. On being asked to provide the timeline for setting up of a FAB in India, the Department stated that the consortia have indicated that the FABs may take between 24 and 36 months for commencing commercial operations from ground breaking.

100. Responding to a query from the Committee regarding the slow pace of indigenous hardware manufacturing sector, the Secretary, in evidence, deposed:-

> "The production of China in electronics is 1800 billion. Our production is 15 or 20 billion. We do not even have the correct figure also. It is a fact that we are quite behind in the domestic electronic manufacturing. ..xx.., we have taken a number of steps. One is, providing incentives to the people who are going to do the domestic manufacturing also restricting the market access to those people who are doing it from outside; putting certain import duties wherever possible to do that and also providing incentives to domestic manufacturers so that they do not suffer. Their disabilities are removed.
>
> As I explained to you, the import is cheaper than the manufacturing. Now this Budget itself, the inverted duty structure has been rationalised so that those people who are doing it domestically, they get certain benefits so that their initial disadvantage of about 10 per cent gets addressed. Our only hope is that with these fiscal incentives and also the incentives which we are giving in terms of export as also putting import duty, etc. will combine together and will facilitate the establishment of the domestic manufacturing sector. I must clarify that domestic manufacturing sector does not mean domestic players manufacturing in India. It means Samsungs and the CISCOs of the world manufacturing in India. Whatever interaction we have had in the limited period, we are finding that there are positive signs from the big players that they are interested in setting up their manufacturing plants in India."

101. Regarding fixing certain percentage for the companies for mandatory manufacturing of Electronic/IT goods in India, the Department, in a post-evidence note, stated as under:-

> "The policy for providing preference to domestically manufactured electronic products in Government Procurement has been notified in December, 2013. The policy is applicable to all Ministries / Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in goods for commercial sale. The percentage of procurement to be made from domestically manufactured electronic product(s) shall not be less than 30% of the total procurement value of the electronic product(s). So far 9 electronic products, *viz*., Desktop PCs, Dot Matrix Printers, Tablet PCs, Laptop PCs, Smart Cards, LED Products, Biometric Access Control/ Authentication Devices, Biometric Fingerprint Sensors and Biometric Iris Sensors have been notified by DeitY in furtherance of the policy, wherein 50% procurement, in value terms, is to be made from domestically manufactured products. The Department of Telecommunications (DoT) has notified 23 telecom products for Government procurement wherein the percentage of procurement in value terms ranges from 50% to 100% for domestically manufactured products."

VIII. e-innovation/R&D

i. Center for Development of Advanced Computing (C-DAC)

102. The allocation for C-DAC during the year 2014-15 is Rs. 148 crore as against the proposed outlay of Rs. 516 crore. The proposed allocation, BE, RE and actual expenditure in respect of C-DAC for first three years of the 12th Five Year Plan is as under:-

(Rs. in crore)

	Proposed	**BE**	**RE**	**AE**
2012-13	400.0	203.40	121.06	110.53
2013-14	425	205	122	122*
2014-15	516	148	-	-

***Tentative*

103. The Committee, while taking note of the status of R&D in the basic electronic component of the Set Top Boxes (STBs), in their Thirty-fourth Report on Demands for Grants (2012-13), had recommended that all the financial support and other support should be provided to C-DAC so that the Set Top Boxes with our own technology system can be manufactured in India. During the examination of Demands for Grants (2012-13), the representatives of C-DAC had even informed the Committee that C-DAC would be ready in about 6 months time for the first prototype of the card being used for the Set Top Boxes which can be manufactured in India.

104. In this context, the Committee desired to be apprised about the follow-up action/current status of assurance made by DeitY/C-DAC for developing prototype of the card. In response, the Department, in a written note, informed as under:-

> "The Core Advisory Group for Research and Development in Electronics Hardware (CAREL), the empowered group formed under the auspices of the Office of the Principal Scientific Adviser to the Government of India has identified six products for design, development and indigenous manufacture and one of the products is Set-Top-Box (STB). DeitY are taking steps to promote indigenous manufacture of STB for Cable/ DTH TV, in view of the very large indigenous requirement of STBs on account of roadmap for digitization of Broadcast Sector.
>
> A major impediment in design and development of indigenous STB is the license of Conditional Access System (CAS) players. Therefore, the need as well as an opportunity was felt to develop indigenous CAS for boosting the development and manufacturing of STBs in the country
>
> Based on the recommendations of a Committee of Experts, the specifications of the proposed Indian CAS were finalized. This Indian CAS would be made available to all operators and domestic manufacturers of Head-end and STBs at a cost of not more than USD 0.5/ license. DeitY released an Expression of Interest (EoI) for the Development of Indian CAS. Based on the responses received, Request for Proposal (RFP) was issued to three shortlisted bidders in August 2013.

After following due tendering processes, M/s. ByDesign India Pvt. Ltd., Bangalore has been shortlisted for the development and implementation of the Indian CAS in association with the Centre for Development of Advanced Computing (C-DAC). C-DAC will be primarily responsible for design review, code review, monitoring, testing and validation of the entire project. Administrative Approval has been issued. Out of the total project cost of Rs. 29.99 crore, Rs. 19.79 crore is the DeitY's support amount and remaining amount will be contributed by M/s ByDesign India Pvt. Ltd., Bangalore. CAS system is required to be built, tested and be ready for integration and deployment within 12 months of award of contract.

A Tripartite Agreement and Letter of Award for the development and implementation of the Indian CAS between DeitY, C-DAC and M/s ByDesign India Pvt. Ltd., Bangalore, is under finalization."

105. When the Committee enquired about the scheduled timeline for finalization of the Tripartite Agreement and Letter of Award along with the time by which India can have its own domestically manufactured CAS, the Department, in a post-evidence note, stated that the Letter of Award for the Development and Implementation of Indian Conditional Access System (CAS) has been issued to the developer, M/s. ByDesign India Pvt. Ltd., Bangalore, on 5th November, 2014. The tripartite agreement has also been finalized in consultation with the Department of Legal Affairs and is expected to be signed shortly. Indian CAS is expected to be built, tested and be ready for integration and deployment by November 2015.

106. Regarding the status of indigenous production of CAS, the representative of DeitY, in evidence, submitted:-

"Regarding Conditional Access System, we have made an attempt. Today the CAS is being supplied to the world by four or five major companies. There was no company who had a CAS on their own. हमारे कुछ वैन्डर हैं डैवलपमैंट के लिए। उन्होंने डैवलपमैंट शुरू कर दिया है। उनका 18 महीने का प्रोजैक्ट है। With five different broadcasters and 50,000 households they have to install this and put it. So, at least we will have one company with one CAS which will be available and supplied in the market."

107. On being asked about the roadmap for manufacturing CAS in India, the Department, in a post-evidence note, stated that they are taking steps to promote indigenous manufacturing of Set Top Boxes (STBs) for Cable / DTH TV, keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcast sector. Development of CAS is one of them.

108. The domestic STB manufacturing industry already has the requisite installed capacity to meet the complete requirement of 110 million STBs for Phase-III and

Phase-IV of digitization of the Cable TV system in the country as per revised deadline of December 2016. However, some of the hindrances which challenge domestic STB manufacturing are:-

i. The market is dominated by M/s. CISCO which caters to nearly 50% of the STB market. They continue to manufacture the STBs in China and sell in India despite efforts to encourage them to set up manufacturing in India.

ii. Suppliers of imported STBs offer attractive financial terms to the operators because of which the domestic manufacturers of STBs are unable to compete with foreign suppliers.

IX. e-Inclusion

i. Vikaspedia

109. The Department have informed that the project 'Vikaspedia' was approved in March, 2013 and has been planned to be developed in all 22 Indian official languages and English. So far, it has been developed in 10 languages, *viz*. Hindi, Telugu, Assamese, Marathi, English, Tamil, Gujarati, Kannada, Bangla and Malayalam. The remaining languages will be added in phases by June 2015. For the year 2013-14, an amount of Rs. Rs. 331.33 lakh was allocated which was utilized fully. During the year 2014-15, an amount of Rs. Rs. 450.31 lakh has been allocated for this project.

110. Asked about the areas/domain/subjects in which the 'Vikaspedia' provides information, the Department, through the post-evidence note, have stated that the domains covered by 'Vikaspedia', at present, include Agriculture, Health, Education, Social Welfare, Energy and e-Governance. More domains would be added based on need and relevance.

111. To a query from the Committee whether the Department have evaluated the 'Vikaspedia' site's efficacy, particularly in disseminating information, the Department replied in the negative and stated that 'Vikaspedia' has been launched in Feb 2014 and its efficacy is yet to be accessed. About any survey conducted, the Department informed that they have not done any survey to find out the problems encountered in operating 'Vikaspedia'.

ii. Supercomputing

112. The Department have informed that keeping in view the worldwide technology trends and growing requirement in the country in the domains of cutting edge R&D, the Government decided to provide impetus to Supercomputing in the 12th Plan. Supercomputing has emerged as the 4th Paradigm for cutting edge S&T research and

accordingly special thrust has been provided to the capacity and capability building in Supercomputing in the 12th Five Year Plan (2012-17). In pursuance of this agenda, the 'National Supercomputing Mission (NSM): Building Capacity & Capability', with an outlay of Rs. 4500 crore over a period of seven years, has been evolved, as a national effort, which is to be jointly steered and implemented by DST and DeitY, Government of India.

113. The Committee, in their Twenty-ninth Report on Demands for Grants (2006-07), had observed serious short supply of supercomputing resources in the country and had recommended that the Government should provide adequate financial support to build more supercomputers to help meet the research, scientific and engineering needs of India. In this background, when asked about the status of Supercomputers in India, the Department have informed that though India possesses a wealth of HPC-related experience and expertise, in recent years India has under-invested in HPC and is falling behind other major HPC players of the world.

114. The Department have also informed that at present there are a few key Departments/ Ministries which invest in development of supercomputers in India, namely Department of Agricultural Research & Education (DARE) from the Ministry of Agriculture, Department of Atomic Energy (DAE), Department of Science and Technology (DST), Department of Biotechnology (DBT) and Council of Scientific and Industrial Research (CSIR)/ DSIR from the Ministry of Science and Technology, Defence Research and Development Organization (DRDO) from the Ministry of Defence, Ministry of Earth Sciences (MoES), Department of Higher Education from the Ministry of Human Resource Development (MHRD), Department of Space (DoS), and DeitY.

115. The details of fund allocation for developing Supercomputers in India, as provided by the Department, are as under:-

> " a. Rs. 567.16 by MoES, Rs. 2000 crore by DST, and Rs. 1250 crore by DeitY were allocated for development of HPC/ Supercomputer systems during the 12th Plan. The allocations by MHRD, DARE and DBT are miniscule.
>
> b. Pending approval of NSM both DST and DeitY have not made any significant investment towards development of Supercomputers in the current Five Year Plan. Similarly, there are not any major announcements by DRDO, DoS and DAE in this area.
>
> c. Keeping above in view, it may be concluded that allocation for developing supercomputers in India is about a few crore of Rupees per annum, at most, which is highly insignificant compared to investments, of the order of a few millions of USD, being made by technically and economically advanced countries in the world."

116. On being asked to furnish the utilisation status of Rs. 4500 crore allocated for National Supercomputing Mission (NSM), the Department, in a post-evidence note, stated as under:-

> "A meeting of the Expenditure Finance Committee (EFC) was held under the Chairmanship of the Secretary (Expenditure) to consider the "National Supercomputing Mission (NSM): Building Capacity & Capability" on August 28, 2014. The EFC favourably recommended the "National Supercomputing Mission (NSM): Building Capacity and Capability" proposal with an outlay of Rs. 4500 crore over a period of seven years, to be jointly steered and implemented by the Department of Science & Technology (DST) and Department of Electronics and Information Technology (DeitY) to the Government for further requisite approvals. The minutes of the meeting are under approval.
>
> Therefore, pending requisite approvals, no funds have been utilized out of the proposed Rs. 4500 crore."

iii. <u>Indigenous tablets/PCs</u>

117. Regarding the status of development of indigenous tablets/PCs 'Aakash' the Department informed as under:-

> "Aakash is a series of Android-based tablet computers. The new version of Aakash has been named as Aakash IV. The design and development of Aakash low cost tablet was initially a project of Ministry of Human Resource Development, which was initiated under the National Mission on Education through ICT (MNEICT) sanctioned in January, 2009…xxx..xxx.. Subsequently, MHRD transferred this project to IIT Bombay in April 2012 where a pilot project on Aakash Tablets was done involving 100000 tablets distributed to various college teachers. C-DAC was involved in testing of Aakash Tablet after it was transferred to IIT Bombay. IIT Bombay used these tablets for their teacher's training program under NMEICT project. Tablets are also used by other organizations for various R&D projects. In mid-2013, it was decided that DeitY may take the Aakash project forward. DeitY proposed the following model. The specifications for Aakash-IV will be finalized by a technical sub-committee. Thereafter DGS&D will establish Rate Contract (R/C) for supply of these tablets. C-DAC was entrusted to test samples and provide Aakash logo to products meeting required specifications. One of the requirements for vendors to participate in the bid was that the tablet should be domestically manufactured in terms of the policy for providing preference to domestically manufactured electronic products. The vendor neutral technical specifications prepared by the aforesaid committee for Aakash-IV tablets were finalized in August 3013 after placing it for public comments. These specifications have been developed with a view to have a device at a low cost. These broad-based and generalized specifications were made available to DGS&D for competitive bidding from all eligible bidders to bring Aakash tablets on their Rate Contract. Thereafter, DGS&D initiated the rate contract process. The tender for the Aakash-IV Tablets was put out by DGS&D on 28.01.2014. C-DAC was assigned the responsibility of testing and certification of the Aakash-IV Tablet. The DGS&D rate contract process has not been completed because of inability expressed by

the vendors to meet certain technical requirements. The process of making available Aakash Tablets is being reviewed."

118. On being asked the details about technical requirements that vendors are not able to meet, the Department, in a written note, submitted:-

"Some of the benchmark scores mentioned in the Aakash-IV Technical Specifications, *viz*. Quadrant Standard - Memory, CF-Bench - Java efficiency - MIPS, Memory Read/Write and Disc Write.

Kernel drivers in Linux for USB to Serial, USB-CDC network, 3G Modems and Webcams as mentioned in the Aakash-IV Technical Specifications.

As per the vendors, they were not supported by the Chip vendors specifically with respect to Linux because Linux is not the preferred Operating System for tablets."

119. The Committee have been informed that low cost access devices/tablets are already available in the market.

120. Regarding the current scenario of 'Aakash Tablets', the Secretary, DeitY, in evidence, submitted:-

"Human Resource Development Ministry have started this project. The initial mistake that was committed by us was that we fixed the price and asked the manufactures to supply the product on this fixed price. If we could have decided the specifications and then asked the manufacturers to supply the product then that could be the better arrangement. Then our Department was asked to carry forward the scheme."

121. When the Committee desired to know the timeline by which Aakash-IV will be made available, the Department, in a post-evidence note, stated:-

"The tender for making available Aakash-IV tablet on DGS&D Rate Contract was issued in January 2014. Despite best efforts, no vendor has been able to meet the technical specifications. It is now proposed to review the technical specifications of Aakash-IV tablet. The matter is under consideration of the Government. After approval of the competent authority, the tender process for making available Aakash-IV tablet will be taken up with DGS&D immediately."

PART-II

OBSERVATIONS/RECOMMENDATIONS

I. BUDGETARY ANALYSIS

1. The Committee note that the Department of Electronics and Information Technology (DeitY) had proposed an allocation of Rs. 81,378.45 crore in order to achieve the overall targets for the Twelfth Five Year Plan. For the first two years of the Plan period (2012-13 and 2013-14), as against the proposed amount of Rs. 17,418.17 crore, the amount allocated at BE and RE stage were Rs. 6,000 crore and Rs. 4,140 crore, respectively. The Department, however, could utilize only Rs. 3,976.56 crore during these two years, which accounts for only 66% of the Budget Estimates. The shortfall in utilization led to cut in allocation at RE stage against which the Department, of course, have been able to spend 96% of allocation. The matter of concern is that persistent under utilization in the first half of the Plan years had led to further fund crunch at RE stage, affecting implementation of planned schemes. The Committee, therefore, emphasize that the Department should focus on achieving optimal utilization of funds at BE stage, so that no issue of funds arises at the RE stage. The Committee find that due to reduced allocation against the proposal, the Department are forced to rationalize fund release giving priority to major ongoing projects to avoid the adverse effects on scheme implementation. The Committee, however, take note of utilization of allocated funds during the first two years of the Twelfth Plan and stress that efforts should continue in the direction of better utilization of outlay in the year 2014-15. The Committee observe that realistic projections, coupled with apt utilization of funds, would place the Department on a sound platform to claim enhanced allocation to meet the objective of fulfilling the Plan targets

through effective implementation of schemes. The Committee desire that the momentum gained in the first two years of the Plan period be sustained and consolidated steps be taken to ensure that performance indicators set for the current fiscal are achieved.

II. Budgetary Provision for the North-East Region (NER) and Sikkim

2. The Committee note that Rs. 300 crore allocated at BE stage for the year 2013-14 for the North-East Region has been reduced to Rs. 214 crore at the RE stage. The actual expenditure of the Department in NER and Sikkim has been more than the amount allocated at RE Stage, i.e. Rs. 220.59 crore. Though there has been full utilization of funds during the year 2013-14, yet some of the major impediments being encountered in NER, *viz*. difficult geographical terrain, issues of connectivity, participation of bidders, irregular availability of network (both internet and telecommunication), etc., continue to hamper the implementation of various schemes/projects of the Department. The Committee take note of the corrective measures taken by DeitY like providing connectivity to remote locations through technologies like VSAT, initiatives to provide solar back-up to address the power shortage problem at CSCs, etc. to facilitate implementation of the schemes. The Department have reportedly established 11 centres of the NIELIT, the body responsible for training, starting from base level to IT for jobs standard. Further, the Department are planning to open a BPO with the objective of providing jobs and address the problem of migration from the region. Based on the success and usability of Mobile Based Agro Advisory System in Meghalaya, Media Lab Asia is also contemplating expansion of the system in other States, *viz*., Arunachal Pradesh, Mizoram and Tripura. While taking note of the initiatives taken to address the impediments encountered in NER, the Committee stress the need for sustained efforts by the Department for

inclusive growth of NER so as to have holistic e-development spread across the country. The Committee would like to be informed about the outcome of the fresh initiatives taken by the Department in NER.

III. NEW SCHEMES/PROJECTS

(a) Digital India Programme

3. The Committee note that the 'Digital India Programme' is one of the three new schemes conceived by the Department for implementation during the current Financial Year 2014-15, with an allocation of Rs. 500 crore. This is a flagship programme of the Government of India, with a vision to transform India into a digitally empowered society and knowledge economy, the basic idea being to have ICT infrastructure and deliver all Government services electronically so that citizens are empowered in real terms in today's digital space. Its vision areas are centered on 'Digital Infrastructure as a utility to 'Every Citizen', 'Governance & Services on Demand' and 'Digital Empowerment of Citizens'. The programme aims to provide the much needed thrust to the nine pillars of growth areas, namely, Broadband Highways, Universal Access to Mobile Connectivity, Public Internet Access Programme, e-Governance–Reforming Governance through Technology, e-Kranti–Electronic Delivery of Services, Information for All, Electronic Manufacturing, IT for jobs and Early Harvest Programmes. The Committee further note that the proposal for various components of the 'Digital India Programme', including their financial and physical targets are to be moved separately for getting due approvals. Some of the components of the 'Digital India Programme' for the year 2014-15, *viz*. ' IT platform for messages' and 'Government greetings to be e-Greetings', securing email within Government, comprising 10 lakh Government employees, have been completed. Targets have been set for implementing other components such as Biometric attendance, upgrading of

Government Websites, standardising Government email design, making school Books to be eBooks, SMS based weather information/disaster alerts, National Portal for Lost and Found Children, Wi-Fi enablement of universities, tourist places (Goa), Central Government Offices and Trains. The Committee also note that for various other components under the 'Digital India Programme', projects/ proposals have already been initiated. The Committee compliment the Government for initiating the 'Digital India Programme' which would go a long way in transforming the country into a digitally empowered society. While appreciating the achievements made so far in the current year, the Committee desire that steps be taken to implement the other components of the scheme within the stipulated time frame. The scheme being an all canvassing scheme taking into its fold both the Central and State Governments, DeitY have to perform the onerous task of diligent coordination. The scheme is presently at its early stages of execution and the Committee would review its progress in due course. The Committee would like to be informed of further progress made in the direction of achieving other milestones, including those earmarked for the current fiscal.

(b) (i) <u>Programme on enabling all Schools with Virtual Class Rooms</u>

(ii) <u>Good Governance and Best Practices</u>

4. The Committee note that two other new schemes, i.e. (i) Programme on enabling all schools with virtual classrooms and (ii) Good Governance and Best Practices have also been contemplated, with a corpus of Rs. 100 crore each, for implementation during the year 2014-15, with the objectives to enable schools which will be ICT enabled and which will have connectivity with virtual classrooms and to promote and fund the projects which encourage good governance and best practices in Ministries/States, respectively. According to the Department, under the good governance and best practices scheme,

projects from States/UTs having completion period of 2-3 years are being funded. Under the Programme for enabling all schools with virtual class rooms, in the first phase, 300 schools having ICT infrastructure are being targeted to enable virtual class rooms. Considering that both these schemes are at their nascent stages of implementation, the Committee observe that coordinated efforts supported by meticulous planning are absolutely essential. The Committee would evaluate the efficacy of measures taken for the effective implementation of these schemes. The Department, however, should apprise the Committee the progress made in this regard.

ONGOING SCHEMES

IV. E-Governance

5. The National e-Governance plan was conceived in May, 2006 with a vision to make all Government Services accessible to the common citizen in his/her locality, through an efficient, transparent and reliable mechanism. Under the programme, a robust e-infrastructure is being created to facilitate deployment of ICT solutions by various Departments and State Governments. The Committee note that for e-Governance, the Plan allocation is Rs. 1230 crore for the year 2014-15 which include Rs. 475 crore for Electronic Governance and Rs. 755 crore for National e-Governance Action Plan (NeGAP). The Committee take note of the fact that the Department have been able to achieve decent utilization of funds under the Electronic Governance Programme during the years 2012-13 and 2013-14. The Department have referred to implementation hazards like lack of interest by domain owners, non-readiness of industry for new standards and resistance by industry. The Department have been continuously organizing workshops, trainings, seminars and meetings with various stakeholders like Ministries/ Departments of Central and State/UT Governments and industry to overcome the difficulties

and these measures have been found successful. While appreciating the initiatives taken by the Department to overcome the hindrances, the Committee desire that they should continue this trend of optimal utilization of funds for fruitful implementation of such a significant scheme. The Committee may be apprised of the outcome of the study of the independent third party assessment of projects for the year 2014-15 in terms of their impact, utility, sustainability, scalability and replicability. Some of the important components of the e-Governance programme are discussed in the succeeding paragraphs.

(a) <u>State Wide Area Network (SWAN)</u>

6. The Committee note that the scheme for establishment of State Wide Area Networks (SWANs) is one of the components under e-Governance which had been approved for implementation across the country in March 2005 with a total outlay of Rs. 3,334 crore. In the year 2014-15, Rs. 196.02 crore has been allocated for this programme. The Committee find that during the first two years of the Plan period, the Department have almost fully utilized the funds and in the current year, there is a steady progress of utilization. As on date, SWAN proposals from 34 States/UTs have been approved and in 33 States/UTs, SWANs have been made operational and 29 States/UTs have been integrated using the National Knowledge Network (NKN). However, out of the 29 States/UTs only 25 States/UTs are utilizing more than 60 percent of bandwidth of the existing link capacity. The Committee note that the delay in the entire bid process management, delay in engaging consultant, State elections, non-availability of lease line connectivity in remotely located blocks, etc. continue to act as stumbling blocks for implementation of the SWAN scheme in all the States/UTs. Additionally, Third Party Auditors (TPAs) engaged by the Department to review the scheme have identified low

bandwidth utilization by the States/UTs, non-adherence to the SLAs by the Network Operators, poor presence of connectivity by Broadband Service Provider, poor quality and low availability of power and improper configuration of some of the monitoring devices etc. to be some of the factors contributing to the delay in the implementation of the scheme. The Committee are constrained to point out that even after more than a decade, issues confronting the establishment of SWANs are yet to be fully resolved. Taking note of shortfall in capacity utilisation of SWANs, the Committee recommend that concerted efforts should be made by the Department to complete the establishment of SWANs as per the new deadline and ensure that the established SWANs function properly, with full broadband utilization.

(b) <u>State Data Centres (SDCs)</u>

7. The Scheme of State Data Centres (SDCs) approved in January, 2008 was identified as one of the important elements of the core infrastructure for supporting e-Governance initiatives. The Committee are concerned to note that even after a lapse of 6 years, the scheme of State Data Centres (SDCs) is yet to be operationalised in all the States/UTs. As on 31st August, 2014, 23 SDCs have been made operational and it is yet to be completed in States/UTs like Bihar, Dadra and Nagar Haveli, Daman & Diu, Himachal Pradesh, Assam, Punjab, Uttarakhand, Arunachal Pradesh, Jharkhand and Goa. Some of the reasons attributed to non-operationalisation of SDCs in the States are the delay in identifying/change in the site/handing over the site to the selected bidder, delay in provisioning of raw power for the SDC, delay in awarding LoI and contract to the selected bidder, delay in the completion of the Final Acceptance Test, etc. The Committee note that DeitY are engaged in conducting review meetings with States/UTs concerned to resolve the problems. They, however, urge the Department to closely monitor the

implementation and find early solutions to the identified problems and ensure setting up of SDCs in the remaining States/UTs in the current fiscal.

(c) <u>Common Service Centres (CSCs)</u>

8. The Committee note that under the Common Service Centres (CSC) Scheme, approved in 2006, as of now 1,36,851 CSCs have been made operational covering Thirty-three States/ UTs. However, out of the 1,36,851 CSCs, 1,22,651 CSCs have connectivity, of which 51,305 CSCs have BSNL connectivity with reported transactions of 74,047. As many as 14,200 CSCs still lack any kind of connectivity. The Committee further observe that there are major shortfalls in achievement of target for operationalization of CSCs in most of the States/UTs particularly in States like Goa, Haryana, Karnataka, Sikkim, Tamil Nadu, etc., so much so that out of the targeted 60 CSCs for Goa and 45 for Sikkim, not a single CSC had been operationalised till 31st July 2014, for Haryana out of 1159 CSCs only 1 had been operationalised; for Karnataka out of 4913 planned, only 904 had been operationalised; and for Tamil Nadu out of 5440 planned, only 1130 CSCs had been operationalised. Non-availability of broadband connectivity, lack of power, left wing extremism in some States, termination of contracts with private Service Center Agencies, lack of e-services, etc., have been cited as the reasons impacting the sustainability and functioning of CSCs. The Committee observe that the CSCs scheme had been conceived with an objective to develop a platform that can enable the Government, private and social sector organizations to align their social and commercial goals for the benefit of the rural population in the remotest corners of the country through a combination of IT based as well as non-IT based services. However, even after so many years of its operation, the scheme is yet to achieve the desired results. Expressing displeasure over the significant delay in roll-out of the CSCs, the

Committee recommend to the Department to take requisite steps to remove the bottlenecks and ensure that the revised timeline for establishment/ operationalisation/roll-out of all CSCs is achieved. The Department should also make sure that all the CSCs are made functional and are connected within this Plan period. The Committee may be apprised about the progress made in this regard.

(d) <u>Mobile Governance</u>

9. The Committee note that DeitY had initiated a massive countrywide initiative on mobile governance to provide Government services to the people through mobile phones and tablets and had notified a framework for mobile Governance in February, 2012. DeitY are operationalizing Mobile Seva through two projects, *viz*. 'National Rollout for the Mobile Services Gateway' at an estimated outlay of Rs. 21.5 crore over 36 months and 'm-Enablement of Government Departments through Mobile Seva' at an estimated outlay of Rs. 96.89 crore over 36 months, to be implemented by DeitY's agency, Centre for Development of Advanced Computing (C-DAC) Mumbai. As of now, funds to the tune of Rs. 11.93 crore have been released to C-DAC Mumbai against which an amount of Rs 8.75 crore has been utilized. Keeping in view the fact that mere Rs 8.75 crore has been utilized out of the estimated outlay of Rs. 118.39 crore which is just 7.39 percent, the Committee view that the projects for operationalising Mobile Seva will not be completed as scheduled. The Committee would like to be apprised of the timeline by which these two projects are planned to be rolled out.

According to the Department, the Mobile Seva platform has undergone security audit by CERT-empanelled agency, STQC and the NIC Cyber Security division. The Committee are given to understand that considering the vulnerability of the Android system – a platform largely used in mobile these

day-the Department are planning to host the scanning facility on their website and for everyone in the country to log on and test and clean their system if there is a virus and this facility was expected to be operational by November, 2014. While lauding the initiatives taken by the Department for securing mobile Governance/delivery of services, the Committee desire that the Department should now focus on the final roll out of the 'Mobile Services Gateway' and 'm-Enablement of Government Departments through Mobile Seva' within the scheduled time frame. The Committee may be apprised of the status in this regard within three months of presentation of this Report.

V. National Informatics Centre (NIC)

10. Since its inception in 1976, NIC has emerged as the prime builder of e-Government/e-Governance application in Government Ministries/ Departments at the Centre/States, Districts and Blocks. NIC, through its ICT network – 'NICNET', has institutional linkages with Ministries/Departments of the Central Government, State Governments/UTs and District administrations of India. The Committee are happy to note that the NIC has maintained a healthy trend in utilizing allocated funds over the years. The Committee further note that NIC at present has 3796 Scientific and Technical manpower to support ICT requirements. An estimated additional strength of around 4000 temporary staff are working with NIC across the country. The Committee have been informed that based on a professional study, a proposal was marked for creation of 1407 posts across different levels of scientific and administrative officers to meet the e-Governance requirement of NIC. However, the Committee do not find any follow-up action on the part of the Department to take the proposal forward. Considering that NIC's activities have expanded manifold and it is the only Government body engaged in end-to-end ICT-needs of 60 Lakh Government employees and providing e-Governance and citizen

charter services to the citizens of India and it has an organizational presence across 648 districts, across the States, and more than 75 Central Government Ministries/Departments, there is an urgent need for augmenting the staff strength of NIC. The Committee, therefore, recommend that the Department should take expeditious steps to pilot the proposal for creating posts so as to strengthen the technical arm of NIC. Organizing regular training programmes for the employees of NIC to keep them up-to-date with state-of-the-art technologies is an important area which requires constant attention of the Department. At the same time, the Department should initiate action for upgradation of basic infrastructure at NIC centres across the country to match with its massive expansion of activities. The Committee would like to be informed of the specific steps taken in this regard.

VI. National Knowledge Network (NKN)

11. The Committee note that since inception of the project, there has been a gross variation and persistent mismatch in the proposed and allocated GBS under NKN. The Committee in their previous Reports on Demands for Grants have been disapproving the adhocism of fund allocation to such an important programme and stressed the need for adequate allocation of funds. The Committee are constrained to find that the shortfall in allocation have resulted in reduced outcome and delayed the implementation of NKN. The Committee note that for the years 2012-13 and 2013-14, the allocations at BE stage was Rs. 360 crore for each year whereas at RE stage it was reduced to Rs. 152.19 crore and Rs. 352.23 crore, respectively, as against the proposed allocation of Rs. 2406 crore and Rs. 1240 crore, respectively. The Committee note a similar trend of allocation during the year 2014-15 wherein Rs. 300 crore has been allocated as against the proposed allocation of Rs. 1500 crore. This situation

becomes a matter of serious concern in the light of the fact that various schemes of DeitY are being connected through network of NKN and the very objective of NKN is to inter-connect all knowledge institutions across the country through high speed data communication network covering 1500 institutions comprising all universities, institutions of higher learning and research. The Committee recommend that the Department should take up the matter at the higher levels with the Ministry of Finance and bring to their notice the serious concerns of the Committee in the matter.

VII. E-Security

(i) Cyber Security

12. Cyber security programme aims at building a secure and resilient cyberspace for citizens, business and Government. In order to address the issues of cyber security in a holistic manner, the Government announced 'National Cyber Security Policy' on 2 July, 2013. It is a matter of concern that the programme remain under funded year after year. In the year 2014-15, as against the proposed GBS of Rs. 510 crore, the Department have received only Rs. 128 crore for Cyber Security. Similarly, in the years 2012-13 and 2013-14, against the proposed allocation of Rs. 206 crore and Rs. 400 crore, allocations at BE stage remained at Rs. 51.20 crore and Rs. 60.37 crore, respectively; besides, there were further cuts at the RE stage. The reduced allocation has obviously caused delay in implementation of the key initiatives. What is further disquieting to note is the fact that the Department have failed to utilize even the fund allocated at RE stage. It is imperative on the part of the Department to improve the utilization of funds with better planning so as to secure enhanced allocation under such an important programme. Though the Committee have been assured that funds are reallocated to ensure that this programme does not suffer, they desire the Department to be focused and see

that the two key initiatives taken in 2014-15 for implementation - National Cyber Coordination Centre and Botnet cleaning malware - are implemented, as envisaged.

13. The Committee note with concern that though the number of cyber fraud cases during the last three years has come down, yet financial loss due to e-fraud has increased from Rs. 38 crore in 2011-12 to Rs. 67 crore in 2012-13. In fact, the data maintained by the National Crime Records Bureau (NCRB) also reflects that the number of cyber crime cases registered has increased over the years. Cases registered under the IT Act have increased almost four times from 1791 in 2011 to 4356 in 2013. Despite several initiatives taken by the Department to tackle online financial fraud/loss, the Department have identified deficiencies, *viz*. mis-configuration of web server, irregular and improper updation of digital certificate leading to poor authentication of online banking website, non-following of secure coding practices while developing the web applications, hosting environment of web applications not hardened properly, web applications not securely connected with databases leading to information disclosure vulnerability, etc. which caused increase in cyber crime/fraud. Herein lies the significance role of cyber security experts. However, against the growing demand for cyber security experts in the country which is estimated to be 5 lakh by 2016, the Committee find that India has at present only 44,000 information security professionals out of which around 600 are in the Government. Moreover, the cyber security related activities are handled by generalist IT professionals and the country lacks specialists in the field of cyber security. Though the Department have taken key initiatives for capacity building through formal and informal methods and launching of the ISEA project, these measures have not been adequate enough to address the cyber security needs of the country. The Committee while

taking cognizance of the Department's initiative with regard to the non-formal sector wherein they are working closely with the Ministry of HRD to increase the number of cyber security professionals through the ISEA programme, emphasize that more efforts need to be made to create a vast pool of resource/ IT/cyber security experts to provide a secure cyber space to its users.

(e) 'Right to be forgotten online'

14. The Committee note that the 'Right to be forgotten online' is a new concept that has been discussed and tried in the European Union (EU) in recent years and this issue has arisen from the desire of some individuals to determine the development of his/her life in an autonomous way, without being perpetually or periodically stigmatized as a consequence of a specific action performed in the past. There are also concerns about its impact on the right to freedom of expression, its interaction with the right to privacy, and whether creating the 'right to be forgotten' would decrease the quality of the Internet while dealing with this issue. The Committee understand that the cyber space is quite dynamic in nature and the actions of the Government are tailored to be in line with the same and a Cyber Regulation Advisory Committee (CRAC) has been set up by the Department to advise the Union Government. The Committee may be apprised of any development made in this regard.

VIII. e-Industry (Electronic Hardware)

Promotion of Electronics/IT Hardware Manufacturing (Productivity and Employment)

15. It is distressing to find that allocations made under the Electronics/IT Hardware manufacturing sector are insignificant. In the year 2012-13, an amount of Rs. 5 crore was allocated against the proposed GBS of Rs. 1434.50 crore. In the year 2013-14, allocation was increased to Rs. 100 crore which

was reduced to Rs. 10 crore at the RE stage. The allocation in 2014-15 is again Rs. 85 crore as against the proposed GBS of Rs. 4713.71 crore. The expenditure over the years has also fallen below the RE allocation. The funding and extent of utilization under this sector speak poorly of the pace of electronics hardware manufacturing in the country.

16. The Committee note that as per the data furnished by the Department during the year 2011-12, 2012-13 and 2013-14, the country imported for USD $ 12,645.76 million, USD $ 11,487.64 million and USD $ 12,696.82 million, respectively, which included items such as telephones for cellular networks or for other wireless networks; Personal computer (laptop, palmtop, etc.), Videophone; Monolithic integrated circuits–digital, Digital processing units, Solar cells/photovoltaic cells; Solid-state non-volatile storage devices; Printed circuits and Machines, etc. The Committee also note that as per the information provided by the Indian Cellular Association, the quantum of handsets imported in the country has increased from 143 million in 2011-12 to 187 million in 2013-14. The India Electronics and Semiconductor Association (IESA) – Frost and Sullivan Report on 'Indian Electronics System Design and Manufacturing (ESDM) Market', released in January 2014 (provided by DeitY) shows that during the year 2014, an estimated 66% of the total demand of electronic products in India would be met from imports while 34% would be met from domestic production. Out of the total domestic production, 20% is estimated to be high value added, while 80% is estimated to be low/ medium value-added production. The aforesaid data furnished by the Department substantiate the country's increased dependency on imports. The Committee, therefore, have been impressing upon the Department to give focused attention to this sector and make the country self-reliant in hardware manufacturing. The Committee are happy to note that the promotion of

electronics manufacturing is included as a key component of the recently launched 'Digital India Programme' of the Government. Some of the steps taken to boost indigenous production of electronic hardware are the enunciation of the National Policy on Electronics 2012, Modified Special Incentive Package Scheme (M-SIPS), setting up of two Semiconductor Wafer Fabrication (FAB) Manufacturing facilities, Electronics Manufacturing Clusters (EMC) Scheme, Electronic Development Fund (EDF), 100% FDI in electronic hardware manufacturing sector through automatic route, etc. The Committee recognize that one of the major hindrances on the path of domestic manufacturing is that at present import is cheaper than manufacturing. To address this, the inverted duty structure has been rationalized by the Government so that domestic manufacturing get certain benefits that offset initial disadvantages. Further, import duty has been increased on these items and incentives are extended for export of these goods. The Committee believe that these fiscal incentives would certainly give a boost to the indigenous manufacturing sector in electronic hardware. Indigenous manufacture policy allows global players to manufacture in the country which will further give fillip to the upcoming electronic market in the country. The Committee hope that all these measures will be taken to their logical end, facilitating transformation to a self-reliant India in the manufacturing sector.

IX. e-Innovation/R&D

Center for Development of Advanced Computing (C-DAC)

17. The Committee note that C-DAC is the premier R&D agency of DeitY carrying out R&D and innovation activities ranging from conceptualization to field deployment in the area of Electronics, Information and Communication Technology. Feeling the need to develop indigenous CAS for boosting the

development and manufacturing of STBs in the country and based on the recommendations of a Committee of Experts, the Department have finalized the specifications and released an Expression of Interest (EoI) for the Development of Indian CAS. The Committee have been informed that M/s ByDesign India Pvt. Ltd, Bangalore, has been shortlisted for development and implementation of the India CAS in association with C-DAC. The tripartite agreement is expected to be signed shortly and Indian CAS is expected to be built and tested and would be ready for integration and deployment by November 2015. In view of the huge requirement of millions of STBs in the country, the Department should seize the opportunity and expedite the process of manufacturing of Set Top Boxes in a systematic and phased manner and take measures to stay ahead in competition with established players in the market.

X. e-Inclusion

(a) Vikaspedia

18. The Committee note that the project 'Vikaspedia', approved in March, 2013, was planned to be developed in all the 22 Indian official languages and English. So far, it has been developed in 10 languages *viz*. Hindi, Telugu, Assamese, Marathi, English, Tamil, Gujarati, Kannada, Bangla and Malayalam and the remaining languages are planned to be added in phases by June 2015. The Committee further note that for the year 2013-14, an amount of Rs. 331.33 lakh was allocated which was fully utilized and for the year 2014-15, an amount of Rs. 450.31 lakh has been allocated for the project. Considering the fact that it is more than one year since the site was launched and since it includes important domains such as Agriculture, Health, Education, Social Welfare, Energy and e-Governance, the Committee observe that the Department should assess the site's efficacy in terms of dissemination

of information, content, accessibility, and also the need for expanding the domains/subjects based on need and relevance. The Committee also recommend to the Department to complete the development of the site in the remaining 12 languages as per the scheduled timeline so as to deliver maximum benefits to the targeted groups. The Committee may be apprised about the action taken in this regard.

(b) <u>Supercomputing</u>

19. The Committee note that India possesses a wealth of High Performance Computing (HPC) related experience and expertise. However, in recent years India has under-invested in HPC and is falling behind other major HPC players of the world. The Committee also note that in this direction a meeting of the Expenditure Finance Committee (EFC) was held under the Chairmanship of the Secretary (Expenditure) on 28th August, 2014. The EFC have favorably recommended the 'National Supercomputing Mission (NSM): Building Capacity & Capability' proposal with an outlay of Rs. 4,500 crore over a period of seven years, to be jointly steered and implemented by the Department of Science and Technology (DST) and DeitY. The Committee further note that requisite approvals and the minutes of the meeting are under approval and therefore no funds have been utilized out of the proposed Rs. 4,500 crore. The Committee strongly feel that in the era of shifting paradigm towards Information Technology for e-Development of India and increased usage of Cloud computing for mass storage, India should continue with their endeavor in Supercomputers. The Committee stress that the Department should be futuristic in their approach and should work in coordination with DST for clearance of all the necessary approvals at the earliest so as to reap the benefits of supercomputing.

(c)Indigenous tablets/PCs

20. The Committee note that the indigenous low cost Tablet 'Aakash', now named as 'Aakash-IV', was sanctioned in January, 2009 and was initially a project of the Ministry of Human Resource Development initiated under the National Mission on Education through ICT (MNEICT) and then transferred to IIT Bombay in April 2012. The Committee also note that C-DAC was involved in testing of 'Aakash' Tablet after it was transferred to IIT Bombay. In mid-2013, it was decided that DeitY would take forward the 'Aakash' project. The Committee also learnt that the vendor neutral technical specifications for 'Aakash-IV' were finalized by a technical Sub-Committee in August 2013, after placing it for public comments. Thereafter, the tender for 'Aakash-IV' Tablets was put out by DGS&D on 28.01.2014. However, the DGS&D rate contract process could not be completed because of inability expressed by the vendors to meet certain technical requirements. The Committee have been informed that the technical specifications of Aakash-IV tablet are therefore proposed to be reviewed and after a decision taken in the matter fresh tender process will be taken up with DGS&D. The Committee would like to be apprised of the progress made in this regard.

New Delhi;
16 December, 2014
25 Agrahayana, 1936 (Saka)

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

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Appendix-I

MINUTES OF THE FOURTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2014-15) HELD ON 30th SEPTEMBER, 2014

The Committee sat on Tuesday, the 30th September, 2014 from 1100 hours to 1345 hours in Committee Room '62', First Floor, Parliament House, New Delhi.

PRESENT

Shri Anurag Singh Thakur- Chairperson

MEMBERS

Lok Sabha

2. Shri L.K. Advani
3. Dr. Sunil Baliram Gaikwad
4. Dr. K.C. Patel
5. Shri Hemant Tukaram Godse
6. Shri Virender Kashyap
7. Shri Keshav Prasad Maurya
8. Shri Ramdas C. Tadas

Rajya Sabha

9. Shri Mohammed Adeeb
10. Shri Salim Ansari
11. Shri Santiuse Kujur
12. Dr. K. V. P. Ramachandra Rao
13. Mahant Shambhuprasadji Tundiya

SECRETARIAT

1.	Shri K. Vijayakrishnan	-	Additional Secretary
2.	Shri J.M. Baisakh	-	Director
3.	Shri Ajay Kumar Garg	-	Additional Director

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

	Name	Designation
1.	Shri Ram Sewak Sharma	Secretary
2.	Shri R. K. Goyal	Joint Secretary
3.	Shri Ajay Kumar	Joint Secretary
4.	Dr. Gulshan Rai	DG (CERT-In)
5.	Shri N.E. Prasad	DG (STQC)
6.	Prof. Rajat Moona	DG (C-DAC)
7.	Shri Ashwini Kumar Sharma	DG (NIELIT)
8.	Dr. Dinesh P. Amalnerkar	ED (C-MET)

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. Thereafter, the representatives of the Ministry of Communications and Information Technology (Department of Electronics and Information Technology) were called in and the Committee took their evidence on issues related to the Demands for Grants of the Department for the year 2014-15. Before tendering evidence, the Department made a power-point presentation highlighting the financial and physical achievements of the Department during the year 2013-14, the budget allocation and expenditure for the year 2014-15, vision for new initiative 'Digital India', initiatives to promote Electronics System Design and Manufacturing, e-Governance, IT and IT enabled Services, Internet, R&D in IT, Electronics and Convergence technologies, etc. The queries raised by the Members were clarified by the representatives of the Department. With regard to certain points, to which the representatives could not provide the requisite information, the Chairperson directed them to submit written replies.

3. The Chairperson, then, thanked the representatives of the Department for deposing before the Committee.

The witnesses then withdrew

Verbatim proceedings of the sitting have been kept on record.

The Committee, then, adjourned.

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Appendix-II

STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2014-15)

MINUTES OF THE TENTH SITTING OF THE COMMITTEE

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The Committee sat on Tuesday, the 18th December, 2014 from 1530 hours to 1620 hours in Committee Room 'C', Ground Floor, Parliament House Annexe, New Delhi.

PRESENT

Shri Anurag Singh Thakur– Chairperson

MEMBERS

Lok Sabha

2. Shri L.K. Advani
3. Dr. Sunil Baliram Gaikwad
4. Dr. K.C. Patel
5. Shri Hemant Tukaram Godse
6. Dr. J. Jayavardhan
7. Shri Virender Kashyap
8. Smt. Hema Malini
9. Shri Keshav Prasad Maurya
10. Shri Paresh Rawal
11. Dr. (Smt.) Bhartiben Dhirubhai Shiyal
12. Smt. R. Vanaroja

Rajya Sabha

13. Shri Vijay Jawaharlal Darda
14. Shri Santiuse Kujur
15. Dr. K.V.P. Ramachandra Rao

Secretariat

1.	Shri K. Vijayakrishnan	-	Additional Secretary
2.	Shri J.M. Baisakh	-	Director
3.	Shri Ajay Kumar Garg	-	Additional Director
4.	Dr. Sagarika Dash	-	Deputy Secretary
5.	Shri Shangrieso Zimik	-	Under Secretary

2. The Sitting of the Committee to consider and adopt draft Reports on Demands for Grants (2014-15) of the ministries/Departments under their jurisdiction was scheduled to be held at 1500 hours. However, due to some urgent business in the house requiring the presence of Members, the Chairperson directed that the meeting may be postponed by 30 minutes. The Committee reassembled at 1530 hours. At the outset, the Chairperson gave a broad overview of the important observations/Recommendations contained in the Reports.

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

(i) *****……..*****…….…*****

(ii) Second Report on Demands for Grants (2014-15) of the Ministry of Communications and Information Technology (Department of Electronics and Information Technology);

(iii) *****……..*****…….*****; and

(iv) *****……..*****…….…*****

4. The Committee thereafter adopted the above Reports without any modification.

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

The Committee, then, adjourned

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xxxx Matter not related to the Report.