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STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2018-19)

SIXTEENTH LOK SABHA

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)']

FIFTY-SEVENTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

December, 2018/Pausha, 1940 (Saka)

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Presented to Lok Sabha on 02.01.2019
Laid in Rajya Sabha on 02.01.2019

LOK SABHA SECRETARIAT
NEW DELHI

December, 2018/Pausha, 1940 (Saka)

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Shri Anurag Singh Thakur - Chairperson

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2. Shri Lal Krishna Advani
3. Shri Prasun Banerjee
4. Dr. Sunil Baliram Gaikwad
5. Shri Hemant Tukaram Godse
6. Shri Shyama Charan Gupta
7. Dr. Anupam Hazra
8. Smt. Hema Malini
9. Dr. J. Jayavardhan
10. Shri P. Karunakaran
11. Shri Virender Kashyap
12. Shri Harinder Singh Khalsa
13. Dr. K.C. Patel
14. Shri Raosaheb Patil Danve
15. Smt. R. Vanaroja
16. Shri Paresh Rawal
17. Dr. Bharatiben D. Shyal
18. Shri Abhishek Singh
19. Shri D.K. Suresh
20. Shri Ramdas C. Tadas
21. Shri Nagendra Pratap Singh Patel

Rajya Sabha

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

Secretariat

1.	Shri Y.M. Kandpal	-	Director
2.	Dr. Sagarika Dash	-	Additional Director
3.	Shri Abhishek Sharma	-	Executive Assistant

Committee constituted w.e.f. 1st September, 2018 *vide* Bulletin Part-II Para No. 7324 dated 18th September, 2018.

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2018-2019), having been authorised by the Committee, present this Fifty-seventh Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Forty-sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)' of the Ministry of Electronics and Information Technology.

2. The Forty-Sixth Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 13th March, 2018. The Ministry of Electronics and Information Technology furnished their Action Taken Notes on the Observations/Recommendations contained in the Forty-Sixth Report on 15th October, 2018.

3. The Report was considered and adopted by the Committee at their sitting held on 28th December, 2018.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Forty-Sixth Report of the Committee is given at Annexure-II.

New Delhi;
28 December, 2018
07 Pausha, 1940 (Saka)

ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology

CHAPTER I

REPORT

This Report of the Standing Committee on Information Technology deals with action taken by Government on the Observations/Recommendations of the Committee contained in their Forty-Sixth Report (Sixteenth Lok Sabha) on 'Demands for Grants (2018-19)' relating to the Ministry of Electronics and Information Technology.

2. The Forty-Sixth Report was presented to Lok Sabha on the 13 March, 2018 and also laid in Rajya Sabha, the same day. It contained 17 Observations/ Recommendations. Replies of the Government in respect of all the Observations/Recommendations have been received from the Ministry of Electronics and Information Technology and are categorized as under:-

(i) Observations/Recommendations which have been accepted by the Government:- Para Nos. 1, 2, 3, 5, 7, 9, 10, 13, 14, 15,16 and 17

Total : 12
Chapter II

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government replies:-

Para No. NIL

Total : NIL
Chapter III

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:-

Para Nos. 4, 6, 8, 11 and 12

Total : 05
Chapter IV

(iv) Observations/Recommendations in respect of which replies of the Government are interim in nature:-

Para No. NIL Total :NIL

Chapter V

3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. The Committee further desire that Action Taken Notes on the Observations/Recommendations contained in Chapter-I of this Report should be furnished to them at an early date.

4. The Committee will now deal with action taken by the Government on some of their recommendations.

National Informatics Centre (NIC)- Manpower & Infrastructure constraints

(Recommendation Sl. No. 4)

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

creation of additional posts in NIC is fast tracked without any further delay.

6. In their Action Taken Reply, the Ministry of Electronics and Information Technology have stated as under:

" **Manpower constraint: from Personnel Division:-** Proposal for creation of various posts across different levels of Scientific and Administrative officers to meet the e- Governance requirement of NIC has been submitted to Ministry of Finance for concurrence.

1. **Infrastructure constraint: from Infra Division:-** NIC has setup its centres in all the districts in India. As on date NIC Centres are operational in 708 Districts and also being setup in 9 newly created districts adding up to total 717 NIC District Centres as on date.

We are in process of upgrading critical infrastructure to all the existing NIC District Centres in the Country. Already minimum critical infrastructure has been upgraded for 243 NIC District Centres. The provisioning of upgrading minimum critical infrastructure to remaining NIC District Centres is in process and likely to be completed by September 2018.

NIC District Centres play an important role in facilitating the e-Governance at the grass root level. The technology needs to be upgraded to meet the demand of digital services which in turn ride on connectivity, compute resources available 24x7. Additional funds enhance the technology at the district level to cater to Digital India programme needs to be provisioned.

NIC State Centre Infrastructure:

NIC has augmented minimal resources at the State level too to maintain continuity of services, through its available budget. NIC State Centres not only serve the District Centres but also cater to the requirements of State Government. With increase requirement/usage of Digital services, the infrastructure at the State Level also to be upgraded /being upgraded for setting up Cloud Services and fast & secured accessibility of services.

National Data Centre:

NIC has established State of Art National Data Centres at Delhi, Hyderabad, Pune and recently in Bhubaneswar, Odisha. Internet Data Centre established at NIC-HQ in year 2002 has been upgraded in year 2017. National Data Centre at Hyderabad is also being renovated /upgraded with additional capacity of 70 server racks.

e-Governance is leading to a huge demand for the cloud services in years to come. In order to meet the forthcoming demand a new State-of-Art Data Centre has been proposed in Bhopal with an overall capacity of 1,500 server racks. This data centre shall be augmented in a modular approach. The proposal has already been submitted to the Government for consideration.

The increase in use of Digital India Services has generated the need to augment the infrastructure at all levels and manpower on an urgent basis. In the recent past, 85 new districts have been created. Manpower for these Districts needs to be provided on urgent basis. "

7. The Committee had recommended the Ministry to address the manpower and infrastructure constraints in NIC on priority basis and ensure that the proposal of creation of 1407 additional posts across different levels of Scientific and Administrative Officers in NIC is fast tracked without any further delay. The Committee are given to understand that steps have been/are being taken for augmentation of infrastructure facilities at National Data Centres, State Data Centres and District Centres. Minimum critical infrastructure has been upgraded for 243 NIC District Centres out of 717 NIC District Centres and upgrading of infrastructure to remaining NIC District Centres is to be completed soon. Similarly NIC has augmented minimal resources at State level through their budget. The Ministry have also mentioned about the proposal to create a new State-of-Art Data Centre in Bhopal with overall capacity of 1500 server racks to cater to increasing demand in future for cloud services which is already under submission to Government for consideration. While expressing satisfaction that there is noteworthy progress in infrastructure front, the Committee are disturbed to learn that at the manpower front, there is no progress and the proposal for creation of 1407 additional posts across different levels of Scientific and Administrative officers is still awaiting the concurrence of the Ministry of Finance. The Committee reiterate that manpower constraint in NIC be addressed on priority basis and proposal for creation of additional posts in NIC be fast tracked without any further delay and the matter may be pursued vigorously with the Ministry of Finance. The Committee also desire that additional funds may be provisioned for enhancing the technology at District level. The Committee may also be apprised about the status of State of Art data centre in Bhopal and upgradation, renovation of Data Centre in Hyderabad.

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

(Recommendation Sl. No. 6)

8. The Committee note that SWAN has been implemented in all the States/UTs except Jammu & Kashmir and Andaman & Nicobar Islands. The States/UTs have been utilizing the core infrastructure of

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

9. In their Action Taken Reply, the Ministry of Electronics and Information Technology have stated as under:

> " **UT of A&N Islands:** L1 bidder has been identified through GeM Portal by the A&N Administration. The proposal on SWAN received from A&N Administration has been considered by the Empowered Committee on SWAN held on 18.05.2018 under the chairmanship of the Secretary, MeitY and it has approved the proposal at a budgetary cost of Rs. 15.62 Cr.
>
> It is now hoped that the SWAN in the UT of A&N Islands would be implemented in next three months.
>
> **Jammu & Kashmir:** The State Govt is yet to complete the procedural formalities for SWAN implementation. It is however understood that the State is likely to issue the bid through GeM Portal for selection of L1 bidder as system integrator."

10. Keeping in view the importance of SWAN for leveraging the digital infrastructure in the States/UTs, the Committee had recommended that all steps must be taken to expedite implementation of SWAN in the remaining States/UTs of J&K and A&N Islands without any further delay. With regard to A&N Island, the Committee are given to understand that L1 bidder

has been identified through GeM Portal by the A&N Administration and the proposal on SWAN received from A&N Administration has been approved by the Empowered Committee on SWAN at a budgetary cost of Rs. 15.62 Cr. The Ministry are hopeful of implementing SWAN in the UT of A&N Islands in next three months. However, for the State of Jammu & Kashmir, the State Govt is yet to complete the procedural formalities for SWAN implementation. The State is likely to issue the bid through GeM Portal for selection of L1 bidder as system integrator. The Committee need not emphasize that seamless connectivity through implementation of SWAN is critical for leveraging the digital infrastructure in the above States/UTs. Therefore, the Committee reiterate that adequate steps be taken to complete the formalities with promptitude and implementation of SWAN in both the States/UTs may be expedited without any delay. The Committee may be apprised of the progress in the matter.

State Data Centre (SDC)

(Recommendation Sl. No. 8)

11. The State Data Centre (SDC) Scheme aims to establish Data Centres in all the States/UTs to consolidate services, applications and infrastructure in order to provide efficient electronic delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services. These services can be rendered by the States through common service delivery platforms seamlessly supported by core connectivity infrastructure such as SWAN and CSCs as the front-end delivery outlets at the village level. The Committee note that as on 1st December, 2017, 28 SDCs have been declared operational. These are Tamil Nadu, Puducherry, West Bengal, Andhra Pradesh, Meghalaya, Goa, Karnataka, Manipur, Odisha, Sikkim, Haryana, Kerala, Maharashtra, Gujarat, Tripura, Rajasthan, Nagaland, Uttar Pradesh, Andaman & Nicobar, Madhya Pradesh, Lakshadweep, Chhattisgarh, Jammu & Kashmir, Mizoram Bihar, Himachal Pradesh, Jharkhand and Punjab. During the year 2018-19, there is a target of operationalizing four SDCs in Assam, Uttarkhand, Arunachal Pradesh and Dadar & Nagar Haveli and Daman & Diu which are at various stages of implementation. The Committee are given to understand that major challenges in setting up/operationalization of SDCs include lack of site availability, delays in site selection by the States, issues in finalization of site, delays in bid process, repetition of bidding by States involved due to multiple reasons, delays in getting internal approvals and signing of contracts etc. The Committee take note of the fact that the Ministry of Electronics and Information

Technology have held several meetings with the stakeholders and provided necessary support to speed-up the process and fix any problems leading to delay in implementation and operationalization of SDCs. Even then in some of the States, SDCs are yet to be put in place/become operational. While noting that Data Centres are critical to consolidate services, applications and infrastructure, the Committee recommend that steps may be taken for expeditious establishment of State Data Centers in the remaining States/UTs to enable them to deliver electronic services through common service delivery platforms.

12. In their Action Taken Reply, the Ministry of Electronics and Information Technology have stated as under:

"So far DPRs for 33 States/UT's have been approved by MeitY and as on date, SDC has been made operational in 28 States/UT's. However, SDC, in the States of Assam, Arunachal Pradesh, Uttarakhand and UTs of Dadra Nagar Haveli and Daman & Diu is yet to be implemented. Below is the Action Taken Report for states/UTs where SDC implementation has been pending:

- **Assam:** Bid Process Management for selection of Data Centre Operator (DCO) is in process. Bids of the eligible bidders have been evaluated. Bid Evaluation Committee meeting held on 28th August 2018. After Issuing of LoI, DCO will build the State Data Center for Go-Live.

- **Uttarakhand:** State Date Centre tender opened on 8th May 2018, four firms have been received for UKSDC, ACBS and bid evaluation completed, L-I awarded to M/s Sify Technology Ltd. Work order for Implementing Uttarakhand State Date Center (SDC) given to M/s Sify Technology Ltd. Approved drawing has been revised. DCO has started their work from 20th July 2018.

- **Dadra& Nagar Haveli & Daman & Diu:** The project is not implemented as the contract with the earlier DCO (M/s Prithvi) was terminated in Jan'2016, due to poor performance. Currently, SDC team is in process of releasing fresh RFP for selection of another DCO. A Video Conferencing was organized between MeitY and DNH& D&D SDC team on 21st August where it was advised by MeitY to float a fresh RFP with cloud enablement scope included and select new DCO.

- **Arunachal Pradesh:** The RFP was finalised and suggestions from MeitY was sought. MeitY on 19th June 2018 communicated to Arunachal SDC Team that they may go-ahead and publish the RFP. State is in the process of publishing the RFP to select the DCO. "

13. The State Data Centre (SDC) Scheme aims to establish Data Centres in all the States/UTs to consolidate services, applications and infrastructure in order to provide efficient electronic delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services. These services can be rendered by the States through common service delivery platforms seamlessly supported by core connectivity infrastructure such as SWAN and CSCs as the front-end delivery outlets at the village level. While noting that as on 1st December, 2017, 28 SDCs have been declared operational and that Data Centres are critical to consolidate services, applications and infrastructure, the Committee had recommended that steps may be taken for expeditious establishment of State Data Centers in the remaining States/UTs to enable them to deliver electronic services through common service delivery platforms. The Ministry, in their Action Taken Note, have stated that so far DPRs for 33 States/UT's have been approved by MeitY and as on date, SDC has been made operational in 28 States/UT's. However, SDC, in the States of Assam, Arunachal Pradesh, Uttarakhand and UTs of Dadra & Nagar Haveli and Daman & Diu is yet to be implemented. The Committee are perturbed to find that no additional State Data Center (SDC) has been operationalized during the last one year. While the number of operational SDCs, as on 1st December, 2017 stood at 28, it remains unchanged as per the Action Taken Notes furnished by the Ministry. Taking note of the fact that there has been no addition to the number of operational SDCs during the last one year, the Committee reiterate their earlier recommendation and exhort the Ministry to take all the necessary measures for expeditious establishment of State Data Centers in the remaining States/UTs.

Cyber Security – Training of Law Enforcement Agencies (LEAs)

(Recommendation Sl. No. 11)

14. The Committee note that with the rapid growth of technology particularly ever-growing use of social media and mobile Apps, it is important to update the skill set of law enforcement agencies on a regular basis. The Committee have been apprised that the Government is taking various steps to train and develop Cyber Crime investigators which inter-alia include establishment of Cyber Crime Police Stations (CCPS) and Cyber Crime Investigations and Forensic Training Facilities (CCIFTF) in each State / Union Territory of India under Police Modernization Scheme, action to set up a National Centre of Excellence exclusively devoted to render Cyber Forensic services and to act as National Research and Training Centre on Cyber Forensics, Indian Computer Emergency Response Team (CERT-In) and Centre for Development of Advanced Computing (CDAC) providing basic and advanced training to Law Enforcement Agencies, Forensic labs and judiciary on the procedures and methodology of collecting, analyzing and presenting digital evidence. MeitY has setup Cyber Forensics Training Lab at CBI Academy Ghaziabad and in collaboration with Data Security Council of India (DSCI), Cyber Forensic Labs have been set up at Mumbai, Bengaluru, Pune and Kolkata for awareness creation and training programmes on Cyber Crime investigation. While lauding the Government initiatives to train and develop cyber crime investigators, the Committee recommend that such efforts need to be scaled up in order to take care of the increasing cases of cyber crime.

15. In their Action Taken Reply, the Ministry of Electronics and Information Technology have stated as under:

> "In continuing the efforts of training of LEA officials, training has been imparted to 150 State Police of Arunachal Pradesh at awareness and beginners levels so that the trained police can understand the basic issues of Cyber Crime investigation including forensics aspects.

In addition, 200 State Police personnel from North Eastern States have been trained in aspects of mobile based crime and forensics investigation. Efforts are being made to create 100 Master Trainers from North Eastern States in mobile based crime and forensic investigation."

16. In the background of rapid growth of technology particularly ever-growing use of social media and mobile Apps, which necessitate updation of the skill set of law enforcement agencies on a continuation basis, the Committee had recommended the Government to take initiatives to train and develop cyber crime investigators. The Ministry have informed that in continuing the efforts of training of Law Enforcement Agencies (LEA) officials, training has been imparted to 150 State Police of Arunachal Pradesh at awareness and beginners levels so that the trained police can understand the basic issues of Cyber Crime investigation including forensics aspects. In addition, 200 State Police personnel from North Eastern States have been trained in aspects of mobile based crime and forensics investigation. Efforts are also being made to create 100 Master Trainers from North Eastern States in mobile based crime and forensic investigation. While taking note of the above initiative of the Ministry, the Committee feel that the efforts are a miniscule as compared to the requirement in the field. The Committee emphasize that training of LEAs in dealing with cases of cyber crime on regular basis is a must and it should not end as a one-time activity. These should be conducted regularly on an ongoing basis so that the Law Enforcement Agencies can keep themselves updated in the ever evolving domain of cyber crime. The Committee may be apprised about further steps taken in this direction.

Cyber Security – Need for a victim centric approach

(Recommendation Sl. No. 12)

17. The Committee note that there is no specialized agency for dealing with cases of cyber crime in India. As is the case with other criminal offences, victims are required to report cyber crimes and cyber fraud cases to Law Enforcement agencies for investigation. The role of

Indian Computer Emergency Response Team (CERT-In) primarily relates to issuing alerts and advisories regarding latest cyber threats and countermeasures on regular basis and creating Cyber security awareness. As far as cases of cyber crime pertaining to online Digital Payments are concerned, the incident can be reported to CERT-In through any bank or financial service provider. The Committee are concerned to note a lack of victim-centric approach in dealing with cases pertaining to cyber crime and recommend that with increasing online activities/transactions, there is an urgent need to adopt a '*victim-centric*' approach through coordination amongst different agencies such as the law enforcement agencies, RBI, the bank, the financial intermediary, the telecom service provider or CERT-In etc. which would not only help the victims of cyber crime but also help in faster resolution of such cases. The Ministry can also explore the possibility of setting up of dedicated cyber courts to deal with cases pertaining to cyber crime. The Committee may be informed of the progress in this regard.

18. In their Action Taken Reply, the Ministry of Electronics and Information Technology have stated as under:

> "A portal named "cybercrime.gov.in" has been launched. It is an initiative of Government of India under National Mission for the Safety of Women by utilising Nirbhaya funds, to facilitate victims/complainants to report cybercrime complaints online. At present the portal caters to complaints pertaining to online Child Pornography (CP)/ Child Sexual Abuse Material (CSAM) or sexually explicit content such as Rape/Gang Rape (CP/RGR) content. Complaints reported on the portal are dealt by respective police authorities of States/UTs based on the information in the complaints provided by the complainants.
>
> Option for anonymous reporting of CP/RGR content has also been provided on the portal as per the direction of Hon'ble Supreme Court under the matter of Suo Motu Writ Petition no.3/2015.

In case of anonymous complaints – users do not need to provide any personal information. However, information related to the incident/ complaint should be complete for the police authorities to take necessary action.

In-case users opt for "Report and Track" option then users need to provide key information such as your name, phone number, email address, details of the incident/ complaint and necessary information supporting the complaint, etc."

19. **On the recommendation of the Committee for adoption of a '*victim-centric*' approach through coordination among different agencies, the Ministry, have informed that a portal named "cybercrime.gov.in" has been launched as an initiative of Government of India under National Mission for the Safety of Women by utilising Nirbhaya funds, to facilitate victims/complainants to report cybercrime complaints online. The Committee have been apprised that presently the portal 'cybercrime.gov.in' deals with cases pertaining to child pornography and sexually explicit content. However, cyber crime comprises a vast array of activities/crimes of which child pornography and sexually explicit content is just a part. With the increasing thrust on digital payments and less-cash economy, cyber crimes involving Financial transactions/Digital Payments etc. are bound to increase and consequently there is an urgent need to adopt a 'victim-centric' approach with designated nodal agency/helpline in addressing such cases. The Committee desire the Ministry to work in the direction of 'victim-centric' approach through establishment of nodal agency/helpline for faster a resolution of cyber crime cases. The Committee may also be kept informed about the response to the "cybercrime.gov.in" portal launched by the Government.**

CHAPTER II
OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Budget Analysis

(Recommendation Sl. No.1)

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

Reply of the Government

The Committee has rightly pointed out that the allocation of Rs. 6000 crore against the proposed allocation of Rs. 9953 crore, are not sufficient keeping in view the mandate and role of the Ministry. Although there is an increase of about Rs.1961 crore (around 48%) in the overall allocation, yet a sizeable portion (more than 50%) of the additional allocation is earmarked/attributable to two schemes, viz. Pradhan Mantri Digital Saksharta Abhiyan (PMGDISHA) and Promotion of Digital Payments. However, Ministry would ensure optimum utilization of funds during 2018-19 and also make sure that no critical programme is affected due to lack of funds.

Position of Outstanding Utilization Certificates

(Recommendation Sl. No. 2)

The Committee note that as on 31st December 2017, a total of 196 Utilization certificates involving amount of Rs. 500.70 crore were due. The Ministry further informed that it has taken several initiatives for reducing the number of pending UCs and holding implementing agencies more accountable and is meticulously putting its efforts in liquidating the pending Utilization Certificates. The number of pending UCs has reduced from 355 involving amount of Rs. 1023.10 crore as on 01.04.2017 to 182 involving amount of Rs. 488.28 crore as on 15.02.2018. The Committee further note that the additional number of UCs which would become due on 01.04.2018 is 213 for the amount of Rs. 412.77 crore. While taking note of the efforts made by the Ministry during 2016-17 and 2017-18 in liquidating the pending Utilization Certificates at a significant pace, the Committee recommend that continuous and sustained efforts be made by the Ministry to avoid any pendency in Utilization Certificates which could otherwise have an adverse impact on the release of subsequent funds for important Government schemes.

Reply of the Government

The comments of the esteemed Committee have been noted and MeitY would continue its sustained efforts to bring down the pendency of UCs to almost zero. The status of pending UCs is, however, given below:

Status of Pending UCs as on	***Number of UCs Pending***	***Amount (Rs. in crore)***
31.03.2018 (Pending UCs pertain to FY 2002-03 to 2015-16)	168	444.00
01.04.2018 (Pending UCs pertain to FY 2002-03 to 2016-17)	374	849.86
01.09.2018 (Pending UCs pertain to FY 2002-03 to 2016-17)	206	541.34

Internal and Extra Budgetary Resources (IEBR)

(Recommendation Sl. No. 3)

The Committee note that during the year 2016-17, an IEBR target of Rs.1514.94 crore set by the Ministry at BE stage was reduced to Rs.1006.96 crore at the RE stage. Against this, the Autonomous Societies under MeitY achieved an IEBR target of Rs.1052.00 crore which fell far short of the target set at BE stage. The Committee note that during the year 2017-18, a target of Rs.1036.13 crore had been set initially by the Ministry at BE stage for the Societies, this target was slightly reduced to Rs. 1006.96 crore at RE stage and out of this the achievement has been Rs. 695.06 crore as on 31.12.2017. For both the years 2016-17 and 2017-18, the Societies under the Ministry have fallen short of the targets set at BE stage for their Internal and Extra Budgetary Resources (IEBR). The Committee also note that IEBR target for 2018-19 stands at Rs. 1108.47 crore which is approximately 15.59% of the total approved outlay of Rs. 7108.47 crore and the rest 84.81% is met through Government Grants. The Ministry of Electronics and Information Technology have several notable Autonomous Societies under their aegis such as C-DAC, NIELIT, STPI, ERNET, SAMEER and C-MET working in diverse niche areas like R&D in IT, Electronics and associated ICT technologies have great potential for revenue generation. The Committee feel that sincere efforts should be made by the Ministry for achievement of IEBR targets set for 2018-19 and the Ministry should identify new areas of potential revenue generation by Autonomous Societies and strive for increasing the share of IEBR component in the total outlay of the Ministry to reduce their dependence on Government Grants.

Reply of the Government

During the fiscal year 2016-17, 2017-18 and 2018-19, the target and achievement of Extra Budgetary Resources (IEBR) are as under :-

(Rs. In Crore)

2016-17			2017-18			2018-19
Target		Achieve-ment	Target		Achieve-ment	Target
BE	RE		BE	RE		
1514.94	1006.96	1052.00	1036.13	1006.89	968.41	1108.47

During 2016-17 and 2017-18, the major shortfall in the IEBR of STPI was the income tax exemption incentives which were withdrawn from STP units. It also does not have Service Exports from India Scheme (SEIS) benefits, as available to SEZs. These and other factors cumulatively contribute towards non achievements of targets. Efforts are continuously on to bring the STP Scheme on level playing field. Further, STPI is also in the process of developing infrastructural facilities for harnessing new and

emerging technologies and entrepreneurship development. These steps are expected to further improve IEBR realization.

Similarly, during 2017-18, the actual IEBR achieved by C-MET was much less than the actual target due to non-receipt of expected funding from funding agencies. The funding for various on-going projects from the sponsoring agencies, besides, non-initiation of new projects were delayed due to paucity of funds. Even initial budget for some of the sanctioned projects were also not received during the year.

A road map and strategies have been prepared by these Societies for the financial year 2018-19 to achieve the targeted IEBR. In addition to above, efforts are being made to identify other areas of revenue generation to increase the IEBR during the year.

Digital India Programme – Need for higher allocation of funds

(Recommendation Sl. No.5)

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

Reply of the Government

The recommendations of the Committee have been noted. A review of requirement of funds for all the sub-schemes would be undertaken at the Revised Estimates (RE) stage and

requirement of additional funds would be taken up with Ministry of Finance so as to ensure that scarcity of funds do not affect implementation of the schemes.

Common Service Centres (CSCs)

(Recommendation Sl.No. 7)

The Committee note that the Common Services Centres (CSCs) being setup across the country as ICT enabled access points for delivery of services to the citizens are integral part of 'Digital India' initiative of Government of India. CSC 2.0 aims for establishing self sustaining network of 2.5 lakh CSC centres at Gram Panchayat (GP) level under Digital India- Pillar 3- Public Internet Access Programme. The project is a service delivery oriented model with effort towards optimum utilisation of backend infrastructure already created in terms of other Mission Mode Projects. The Committee note that the total number of CSCs established as of March, 2016 was 1,66,671. As of March, 2017, this number rose to 2,50,345 and by December, 2017, it further increased to 2,71,311. At Gram Panchayat level, 1,73,853 CSCs have been set up against the target of 2.5 lakhs. While the new CSCs are being set up at an increasing rate, there is a huge variation in the number of CSCs across different states and the number of transactions recorded across different States/UTs. While appreciating that CSC RAS (Rapid Assessment System), a service for feedback by citizens for various G2C services of Digital India has been implemented with an objective to capture daily footfall at CSC centres and obtain the citizens' feedback on the services availed by them, the Committee recommend regular monitoring of quality of services delivered through CSCs and ensure uniform access to e-services delivered through CSCs to all the citizens of the country irrespective of their location/place of stay.

Reply of the Government

CSC 2.0- *A Way Forward* Project introduced in December, 2015, under the pillar-3 of *Digital India Programme*, to expand the outreach of the Common Service Centres (CSCs) to all Gram Panchayats (GPs) across the country. It has *aimed to set up 2.5 lakhs CSCs with at least one CSC in every GP across the Country* within duration of 4 years (by August 2019).

As on 31st July, 2018, **3,05,379** Common Services Centres (CSCs) are active and transacting for delivery of eServices; Out of this, **2,10,366** are at GP level. The number of CSCs in the country (State/UT-wise) is shown below:

STATE/UT-WISE STATUS OF ROLL OUT OF CSCs AS ON 31 JULY, 2018					
	Total No. of Functional CSCs incl GP	No. of Functional CSCs at GP level		Total No. of Functional CSCs incl GP	No. of Functional CSCs at GP level

State/UT	Till July'18	Till July'18	State/UT	Till July'18	Till July'18
Uttar Pradesh	74021	48880	Jammu & Kashmir	2135	1687
Maharashtra	33740	25985	Manipur	706	334
Bihar	23601	17365	Tripura	479	380
Madhya Pradesh	21747	16982	Meghalaya	226	167
West Bengal	19200	10655	Nagaland	164	122
Gujarat	15224	9897	Mizoram	151	116
Rajasthan	15056	11672	Arunachal Pradesh	79	59
Chhattisgarh	13339	10166	Goa	50	37
Jharkhand	11897	7689	Sikkim	33	26
Tamil Nadu	9960	6323	***State Total***	***302569***	***210159***
Haryana	9727	6878			
Odisha	8765	6794	NCT of Delhi	2374	0
Andhra Pradesh	8299	5140	Puducherry	187	98
Punjab	6944	4568	Chandigarh	141	24
Karnataka	6584	3563	Andaman & Nicobar	58	53
Telangana	6198	3836	Dadra & Nagar Haveli	28	12
Uttarakhand	5313	4461	Daman & Diu	14	8
Assam	3252	2436	Lakshadweep	8	12
Himachal Pradesh	3072	2270	***UT Total***	***2810***	***207***
Kerala	2607	1671	**GRAND TOTAL**	**305379**	**210366**

CSCs are now delivering more than 300 e-Services through their CSC centres, with the following roles:

- Centres for skill development, education and trainings, financial inclusion and indirect employment generation, Acting as Electoral Registration centres Wi-Fi distribution centres etc.
- Acting as Health Care Services centre for Telemedicine, retail sales of Jan- Aushadhi (Generic Medicine) and Diagnostics etc.
- Acting as last mile distribution units for various governments and non-government direct benefits-like:
    - Swachh Bharat Abhiyan: Registration for Toilet Scheme
    - Information Centre for various schemes
    - Agriculture Service & Skill Development
    - Income Tax filing & Know Your TDS service
    - Registration of Workers & Submission of Claims for Building and Other Construction
    - Applications for Pradhan Mantri Awas Yojna (PMAY) submitted through CSC Network CSC -SPV is making efforts by collaborating with various service providers (Govt and non Govt Organisation) to deliver citizen centric services at affordable cost. The envisaged service roadmap are as follows:
        - CSCs as WiFi distributors,
        - CSCs as single window Bill Payment Service Points,
        - CSCs being a channel for “Access to Justice for marginalized people”.
        - E-Commerce service platform (vlebazaar.csc.gov.in) has been created to promote rural market products in India to encourage VLEs to sell regional, handmade or local products.

MeitY performs regular monitoring of the said project and collects Monthly Progress Report from M/s CSC e-Governance Services India Limited (CSC-SPV) and time-to-time conducting review meetings too for ensuring the quality of services delivered through CSCs & Uniform access to e-Services delivered through CSCs to citizens of India.

Promotion of Electronics and IT Hardware Manufacturing

(Recommendation Sl.No.9)

The Committee note that demand of Electronics System Design and Manufacturing (ESDM) is estimated to grow exponentially to USD 400 Billion by 2023-24. The electronic manufacturing sector requires continuous push with the overall objective of promoting make in India, not only to meet the domestic demands but also to promote India as a hub for electronics manufacturing. Several policy initiatives under the "Digital India" and "Make in India" programs are designed to facilitate investment, foster innovation, protect intellectual property, and build best-in-class manufacturing infrastructure towards creating conducive environment for attracting investment in the electronics hardware manufacturing sector. The Committee note that during 2017-18, the BE allocation for the scheme was Rs. 745.00 crore which was reduced to Rs. 484.87 crore at RE stage and the actual expenditure as on 31.01.2018 stood at Rs. 386.93 crore. For the year 2018-19, as against the proposed amount of Rs. 1800 crore, there has been an allocation of Rs. 864.22 crore. The Committee were informed that the demand for electronics items in India is increasing at a fast pace and rose from Rs. 3,79,087 crore during 2014-15 to Rs. 4,68,046 crore during 2015-16 and stood at Rs. 5,58,875 crore during 2016-17. During the year 2016-17, the demand met through domestic production stood at 57.8% while the imports stood at 42.2% which translates to total electronics imports in India during 2016-17 at a staggering figure of Rs. 2,35,845.25 crore. The Committee note that while the Ministry has various schemes such as Modified Special Incentive Package Scheme(M-SIPS), Electronic Manufacturing Cluster (EMC) and Electronics Development Fund (EDF) for incentivizing indigenous Electronics and IT Hardware Manufacturing, still a lot more needs to be done. Keeping in view the growing demand for electronics in India, the Committee recommend the Ministry to take holistic approach for creating an enabling environment in India to stimulate domestic production of electronics hardware and reduce the reliance on electronics imports from other countries.

Reply of the Government

Electronics Manufacturing is one of the nine pillars under Digital India Programme. India is one of the fastest growing markets of electronics in the world. The demand of Electronics System Design and Manufacturing (ESDM) is estimated to grow exponentially to USD 400 Billion by 2023-24.

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

As a result, ESDM industry has witnessed upward growth in India. The production of electronics hardware has gone up from Rs.2,23,263 crore in 2015-16 to to Rs. 3,87,525 crore in 2017-18. The year-on-year growth of import in 2015-16 was 9%, which has reduced to 4.6% in 2016-17.

2. The Ministry is poised to create eco-system for globally competitive ESDM sector by incentivizing domestic manufacturing and compensating disabilities. We are encouraging domestic manufacturing of electronic products and their inputs for significantly increasing value addition by building a comprehensive ecosystem, covering the entire supply chain, through suitable phased manufacturing programme and/or fiscal interventions. We also plan to devise suitable methods for promotion of manufacturing of electronic goods covered under the Information Technology Agreement (ITA-1) of WTO. MeitY is planning to take several measures to increase/promote domestic production of electronics. The intent and thrust is to provide a level playing field for domestic manufactures to enable them to compete with imports in the electronics sector by rationalization of tariff structure, simplification of procedures, providing globally comparable incentives and creating/upgrading infrastructure. The initiatives taken so far have also beginning to bear fruit. The investment in this sector has gained significant momentum. The domestic production of Mobile Handsets, Light Emitting Diode (LED) Products and LCD/LED TVs has witnessed substantial growth in the last three years.

3. The multi pronged approach is to create enabling environment in the country to attract investment in the sector.

(i) Through Modified Special package Incentive Scheme viability gap funding is provided to Industry to overcome disability of factors of production in form of incentives, which has attracted huge response. As many as 253 investment proposals, entailing an investment of Rs.93,000 crore in the electronics sector have been received under the Modified Special Incentive Package Scheme (M-SIPS) and 162 proposals with investment of about Rs. 34,075 crore had been approved. The incentives to the tune of Rs. 220 crore have been disbursed to 25 applicants. The 101 approved units have made investment of Rs. 4902 crore and 90 units have commenced commercial production providing employment (direct & indirect) to 46502 persons. These units have also paid duties/taxes of about Rs. 2837 crore to the Government.

(ii) For creation of infrastructure for the electronics manufacturing industry in the country, 23 Electronics Manufacturing Clusters with area of 3565 acres and project cost of Rs. 3895 crore have been approved. The grant assistance of about Rs. 344 crore has been provided to 14 Greenfield EMCs and 2 CFCs to kick start the infrastructure activities. About 108 units have booked the land over 464 acre in

the EMCs. 16 units have started commercial production with investment of Rs. 3839 crore and employment generated so far is 7820 persons.

(iii) To promote innovation and value addition, Electronics Development Fund (EDF) has been set up as a "Fund of Funds" to participate in professionally managed "Daughter Funds" which in turn will provide risk capital to companies developing new technologies in the area of Electronics, Nano-electronics and Information Technology (IT). Twenty two Daughter Funds have been selected for investment through EDF. The cumulative commitment of EDF to these 22 Daughter Funds is Rs 1227 crore and the total targeted corpus of these 22 Daughter Funds is around Rs 10,900 crore. EDF has drawn Rs 56.99 crore from its contributors, which includes Rs 51.24 crore from MeitY and has released Rs 34.43 crore to six Daughter Funds, which in turn have made investments of Rs 130 crore in 40 Ventures/Startups. These 40 Ventures have a total Funding of Rs 600 crore approximately. Total Employment in supported Startups is around 3557 (Direct-3001, Indirect-556). Total 44 (11-Granted, 33 Applied) Patents have been created/acquired by the supported Startups.

(iv) Tariff Structure has been rationalized to promote indigenous manufacturing of electronic goods, including, *inter-alia*, Cellular Mobile Handsets, Televisions, Electronic Components, Set Top Boxes, LED Products, Medical Electronics, Solar PV Cells, Microwave Ovens, etc. For promoting indigenous manufacturing of Cellular Mobile Handsets and sub-assemblies/ components/ accessories thereof, a Phased Manufacturing Programme (PMP) is under implementation. As a result, the production of LCD/ LED TVs has gone up from 1.5 crore units in 2016-17 to 1.6 crore units in 2017-18. The production value of Light Emitting Diode (LED) Products has gone up from Rs.7,134 crore in 2016-17 to Rs.9,630 crore in 2017-18. The production of cellular mobile phones reached approx. Rs.1,32,000 crore (225 million units) in 2017-18, compared to a production of Rs.90,000 crore (175 million units) in 2016-17. Presently, about 120 units are manufacturing mobile phone and their parts/ components/ accessories in the country, up from about 70 units in 2016-17 and providing employment to about 4.5 lakh persons (direct and indirect).

(v) Phased Manufacturing Programme (PMP) for cellular mobile handsets and sub-assemblies/ parts/ components thereof is under implementation. The Excise Duty based Phased Manufacturing Programme (PMP) was formulated and implemented in 2016-17 for Charger/Adaptor, Battery Pack and Wired Headset, with the objective to substantially increase the domestic value addition for establishment of a robust cellular mobile handsets manufacturing eco-system in India. As a result, India rapidly started attracting investments into this sector and significant manufacturing capacities have been set up in India during the past two years. The following PMP roadmap, formally notified in April 2017, has enabled the cellular mobile handsets and related sub-assembly/ component industry to plan their investments in the sector. Presently, the PMP has been implemented based on Basic Customs Duty (BCD) based differential duty in favour of domestic manufacturers. Consequently, the cellular mobile handsets and components manufacturing has emerged as one of the flagship sectors under the "Make in India" initiative of the Government. The production of mobile handsets is estimated to go up from Rs.18,900 crore (60 million units) in 2014-15 to Rs.1,32,000 crore (225 million units) in 2017-18. About 120 units manufacturing mobile phone and their parts/ components/ accessories in the country have been set up during the last three years. These units are providing employment opportunities to about 4.5 lakh persons (direct and indirect). All major brands (both foreign and Indian) either have already set up their own manufacturing facilities or are in the process of doing so or have sub-contracted manufacturing to Electronics Manufacturing Services (EMS) companies operating from here. The extension of Phased Manufacturing Programme to other electronics products is also under consideration

and the process of industry consultation is going on to identify more electronics products and modalities thereof.

(vi) Department of Industrial Policy and Promotion (DIPP) has issued notification for Public Procurement (Preference to Make in India) Order 2017 dated 15.06.2017 to encourage 'Make in India' and to promote manufacturing and production of goods and services in India with a view to enhancing income and employment. In furtherance of the aforesaid Order, MeitY has notified 10 Electronic Products viz., Desktop PCs, Laptop PCs, Tablet PCs, Dot Matrix Printers, Contact and Contactless Smart Cards, LED Products, Biometric Access Control/ Authentication Devices, Biometric Finger Print Sensors, Biometric Iris Sensors and Servers vide Notification No. 33(1)/2017-IPHW dated 14.09.2017. The Electronic Product Notification will help stimulate the flow of capital and technology, create employment opportunities, promote higher value addition in the electronic products manufactured in the country and reduce dependence on imports. It is planned to include more electronic products for providing preference under the aforesaid Order.

4. Further, MeitY has initiated the exercise to revise the National Policy on Electronics, notified in 2012, in consultation with the Industry. The ffocus areas identified for NPE 2018 are:

- Expansion of Phased Manufacturing Programme (PMP) with a sunset clause (say, by 2025)
- Revamping of existing incentive schemes (MSIPS and EMC) that are easy to implement such as: Interest subsidy; Credit default guarantee, etc.
- Increasing Income Tax benefits on expenditure incurred on R&D
- Provide support for export-led growth
- Special incentives for Mega projects such as FABs
- Promoting path-breaking research, grass root level innovations and early stage Start-ups in emerging technology areas
- Institutional Mechanisms for (i) promoting design, innovation and product development in electronics; (ii) standards setting body and mandating compliance to standards; and (iii) investment promotion and brand building
- Promotion of specific sub-sectors such as Fabless chip design, Medical, Automotive, and Strategic electronics

5. In order to boost export of electronics, Electronics Export Policy or package of incentives are under consideration to significantly increase domestic value addition and exports to compensate for disabilities for increased competitiveness on identified electronic goods, which may be available for 5 years from 2018-19 to 2022-23 and would be reviewed at the end of fourth year, i.e., 2021-22. The proposals under consideration are:

- Income Tax Holiday on export profits.
- Increasing export incentives available under the Merchandise Export from India Scheme (MEIS) or evolving an alternate scheme to MEIS.

- Evolving suitable policy interventions to promote R&D, such as reinstating Income Tax deduction to 200% of expenditure incurred on R&D and including the "business of electronics system design, including semiconductor design".
- Expanding the list of capital goods not manufactured in India for Basic Customs Duty (BCD) exemption
- Entering into free trade agreements (FTAs) primarily with consumption economies such as EU, Africa, South America, etc., which may benefit the indigenous electronics industry.
- Providing support for Brand-building through a dedicated fund or a separate allocation under the existing schemes such Market Development Assistance (MDA) and India Brand Equity Fund (IBEF) of the Department of Commerce.
- Relaxation/ procedural simplification
- Re-import of electronic goods within three years from the date of exportation, for repair or reconditioning
- Permission to import of second hand manufacturing plant and machinery without any restriction for re-exporting these goods, provided the end of life of such manufacturing plant and machinery should not less than five years
- Providing support for setting up new electronics manufacturing clusters/ up-gradation of existing clusters to primarily attract investment from anchor units and ancillary units thereof.

Promotion of Digital Payments

(Recommendation Sl. No. 10)

The Committee note that promotion of digital payments has been accorded highest priority by the Government of India to bring each and every segment of our country under the formal fold of digital payment services. The Vision is to provide facility of seamless digital payment to all citizens of India in a convenient, easy, affordable, quick and secured manner. The Ministry of Electronics & Information Technology (MeitY) has been entrusted with the responsibility of leading this initiative on 'Promotion of Digital Transactions including Digital Payments'. MeitY is working on various strategies, ideation with multiple stakeholders including Banks, Central Ministries/Departments and States, to create an ecosystem to enable digital payments across the country. MeitY is working on strengthening of Digital Payment infrastructure and creating awareness through promotions of digital payments with all the stakeholders to achieve Government's vision of making citizens of this country digitally empowered. Citizens have been provided multiple options to make digital transactions. A dedicated 'Digidhan Mission' has been setup in MeitY for building strategies and approaches in collaboration with all stakeholders to promote digital payments and create awareness. As against Rs.25 crore allocated in RE 2017-18, an increased allocation of Rs.595.78 crore has been made under the scheme 'Promotion of Digital Payments' and the major targets to be achieved during 2018-19 include campaign for on-boarding of 40 lakh merchants throughout India on BHIM/BHARAT QR, Merchant Discount Rate (MDR) Disbursement to Banks for Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to Rs. 2000 and Syndicated Campaign along with Banks for promotion of Digital Payments throughout India. While

appreciating the initiative of the Government to provide facility of seamless digital payment to all citizens of India in a convenient, easy, affordable, quick and secured manner, the Committee recommend for effective utilization of the above allocation and ensure that sincere efforts be made to facilitate adoption of digital payments for successful transformation of Indian economy from a predominantly cash-based economy to a less-cash economy.

Reply of the Government

Ministry of Electronics and Information Technology (MeitY) has been assigned the responsibility of "Promotion of Digital Transactions including Digital Payments" as per the amendment to the Allocation of Business Rules, 1961,vide Cabinet Secretariat Notification No.1/21/1/2017.Cab dated 15-2-2017.

In order to create conducive environment for the adoption and growth of digital payments, Ministry of Electronics and Information Technology, Government of India undertook several initiatives in the last financial year. A dedicated 'DIGIDHAN Mission' was created to achieve a target of 2,500 crore digital payment transactions in the last financial year. As a result of the concerted efforts, digital payment transactions have witnessed significant growth of 106% as compared to the F.Y. 2016-17. Against the allocated target of 2500 crore transactions for the F.Y. 2017-18, a total of 2070 crore Digital Payment Transactions have been achieved as on 31st March, 2018.

In the Budget for the F.Y. 2018-19, an amount of Rs.595.78 Crore has been allocated for the promotion of digital transactions. A substantial portion of the allocation is likely to be spent on Merchant Discount Rate (MDR) reimbursement to banks. It may be noted that MeitY vide Gazette Notification No.6(19)/2017-DPD-1 dated 27.12.2017 has notified reimbursement of MDR charges on Debit Cards/BHIM-UPI/BHIM Aadhaar transactions of value less than Rs.2000 to the banks for a period of two years starting from 1st January, 2018. **The estimated budgetary requirements for the F.Y. 2018-19 for implementing this Scheme is Rs.1,050/- Crore.**

Further, the Ministry is implementing various incentive Schemes to accelerate the digital transactions, namely, Bharat Interface for Money (BHIM) Cashback Scheme for Individuals, BHIM Incentive Scheme for Merchants and BHIM Aadhaar Merchant Incentive Scheme. These Schemes are in vogue upto March, 2019. Due to tweaks in the restructured BHIM incentive mechanism, there is a huge rise in demand for funds to be paid as cashback to the account of users who make larger number of transactions. **The estimated fund requirements for implementing these Schemes during the F.Y. 2018-19 is Rs.752.73 Crore**.

Creating awareness through publicity and digital financial literacy are another two important areas which can give further boost to the growth of digital transactions. Lack of digital financial literacy, especially among rural population, is a major challenge in the country. Recognizing this, the Ministry has initiated a project entitled "Enablement of Merchants on BHIM App". Under this project, a target has been set up to enable 40 lakh merchants to digital payment

acceptance infrastructure in terms of BHIM App scan and pay mode. **The total outlay of the project is Rs.42 Crore.** The project is being implemented through Common Service Centre – Special Purpose Vehicle (SPV). On the publicity front, the Ministry has been undertaking 360 degree communication and awareness campaign through various channels including Print, Television, Radio, Digital and on-ground activities.

Thus, the Ministry is making all out efforts to promote the digital transactions through incentive schemes, reimbursement of MDR charges, awareness through digital financial literacy, advertisement & publicity, coordination with Ministries/Departments/State Governments and Banks. Therefore, the Ministry will not only be in a position to effectively spend the budget allocation of Rs.595.78 Crore but may require additional funds during the F.Y.2018-19 for reimbursement of MDR to banks and for funding the cashback/incentive schemes.

Unique Identification Authority of India (UIDAI)

(Recommendation Sl. No.13)

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

Reply of the Government

The fund position of UIDAI would be reviewed at the Revised Estimates (RE) stage to ensure that adequate allocation of funds has been made to UIDAI for its proper functioning.

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

(Recommendation Sl. No.14)

The Committee note that Aadhaar is unique and does not change over the lifecycle of an individual. The 12-digit Aadhaar is sufficient to transfer any payments to an individual. Today, in order to transfer money to a beneficiary, the Governments/ Institutions need to know the bank account, IFSC Code, and bank branch details etc. which is prone to change. However, Aadhaar offers the possibility of sending money by just using the 12-digit number for life without bothering about any changes in the bank account of the individuals. Thus, with this unique property of being valid for a lifetime, Aadhaar is very well perceived as a Financial Address in the banking sector. A payment platform called the Aadhaar-enabled Payment Systems (AePS) has been designed and implemented by NPCI. The AEPS system works through a device called 'MicroATM' and resident validation for banking transaction is done through Aadhaar Based biometric authentication, online. Aadhaar enabled Payments System (AePS) facilitates basic banking access (viz. cash withdrawal, cash deposit, balance enquiry, fund transfers) to the beneficiaries in a hassle free manner at / near the doorsteps. Further, usage of Aadhaar authentication enables transactions in real time in an inter-operable environment. Aadhaar Pay is the merchant version of AePS and was launched on 14th April 2017. The application works on a low cost android phone with an attached single finger bio-metric device. It enables merchant to take cashless payment from his customers. Customer is only required to give his Aadhaar number, name of the bank (from where the money is to be deducted) and his finger print for authentication. Pay-to-Aadhaar is another service which allows payment to an individual's Aadhaar number. It is a facility available on UPI platform integrated in BHIM app. It enables Person-to-Person (P2P) remittance using Aadhaar number of the recipient as financial address. While taking note of the fact that Aadhaar finds immense applications in the domain of digital payments, the Committee strongly feel the need to promote innovative Aadhaar based applications such as AEPS, Aadhaar Pay and Pay-to-Aadhaar for successful transformation from predominantly cash-based economy to a less-cash economy.

Reply of the Government

A person can do basic banking transactions from his/her bank account at Micro-ATMs using biometric authentication through Aadhaar Enabled payment System (AePS). There has been growth of AePS & BHIM Aadhaar transactions since Oct 2016. The number of AEPS transactions have increased from 2.54 crore transactions (Oct 2016) to 14.01 crore transactions (August 2018) as per information shared by NPCI. The value of AePS Off us transactions have increased from ` 305.65 crore (Oct 2016) to ` 5170.62 crore (Aug 2018). The number of transactions per day has increased from 3.2 lakh transactions/day (Oct 2016) to 45 lakh (Aug 2018)

Incentivization:

- To boost the digital transactions, and to ensure that no Merchant Discount Rate (MDR) is payable by the Merchant, Ministry of Electronics and IT (MeitY) has notified to absorb the applicable MDR on Debit Card/BHIM UPI/Aadhaar-Pay transactions less than or equal to ` 2000 for a period of two years with effect from 1st January 2018.
- On 14th April, 2017, scheme on Promotion of Digital Payments using BHIM Aadhaar Pay was launched. Under this scheme, on every transactions using BHIM Aadhaar Pay, merchant will get incentive of 0.5% of the transaction value up to ` 10000 with maximum incentive of ` 50 per transaction and minimum incentive of ` 2 per tranaction.
- Under the "Promotion Scheme for Deployment of 20 lakh BHIM Aadhaar Pay devices including merchant on-boarding for merchant transactions, Banks deploying BHIM Aadhaar Pay devices including merchant on-boarding for merchant transactions will be extended support of maximum ` 1800 per device.
- The number of BHIM Aadhaar Pay Devices has reached 5,86,124 till 31st August 2018 (as per data shared by DFS).

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

(Recommendation Sl. No.15)

The Committee note that there have been concerns about Aadhaar data safety and security. The Committee are given to understand that the concerns raised regarding the security, have been dealt with and addressed by UIDAI. Adequate legal, organizational and technological measures are in place for the security of the data stored with UIDAI. UIDAI has a well-designed, multi-layered robust security system in place and the same is being constantly upgraded to maintain the highest level of data security and integrity. Government is fully alive to the needs of maintaining highest level of data security, privacy and is deploying the necessary technology and infrastructure. The architecture of Aadhaar ecosystem has been

designed to ensure non-duplication, data integrity and other related management aspects of security & privacy in Aadhaar database. Additionally, various policies and procedures have been defined clearly which are reviewed and updated periodically, thereby, appropriately controlling and monitoring security of data. In so far as data protection and protection of privacy of an individual are concerned, there are adequate provisions in Aadhaar (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016. Section 3(2), Section 8(2), Section 8(3), Section 29(1), Section 29(3) and Section 33 particularly deal with data protection and protection of privacy of an individual. The Committee feel that there is a need to publicize the inherent safeguards in Aadhaar Act, 2016 pertaining to data & privacy protection and dispel any doubts/apprehensions/misgivings in the minds of general public. The Committee, therefore, recommends earmarking separate fund for promotion of Aadhaar and increasing its usage amongst the masses. It should be used to educate the people about the benefits of Aadhaar and how they can use it to avail various Government services and performing digital payments in an easy and hassle-free manner.

Reply of the Government

Media Division at UIDAI (HQ) itself and through its regional offices at Delhi, Chandigarh, Mumbai, Bengaluru, Hyderabad, Lucknow, Ranchi and Guwahati have been carrying out nationwide annual IEC (Information, Education and Communication) activities through various media i.e. print, electronic, cinema theatre etc. from time to time in order to make people aware about various benefits of Aadhaar, availability of Aadhaar centers, mythbusters (FAQ), privacy protection, govt. savings etc. For this purpose, UIDAI has already created separate Media Budget Head including: 31.112.03 (Advertising & Publicity-IEC) and Establishment (Advertisement & Publicity): 31.109.03 wherein yearly allocation of fund is made.

Unified Mobile Application for New-Age Governance (UMANG)

(Recommendation Sl. No.16)

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

some important utility services from the corporate sector, the Committee recommend that due publicity may be given to UMANG Mobile App to increase its usage and simultaneously efforts should be made to increase the number of Government services which can be accessed through this Mobile App.

Reply of the Government

Regarding giving due publicity to UMANG Mobile App and to increase its usage following may be noted:

The UMANG is being promoted through UMANG /Digital India twitter/facebook handle and also on Digital India instagram handle. Hon'ble Minister's twitter/facebook handle is also promoting UMANG. On 18th Feb 2018; a ½ page advertisement was given in 34 News papers.

Going forward in 2018-19 we also plan to consider usage of hoardings, documentary film capturing testimonials on the ground, campaign on FM radio etc.
In addition we are trying to promote UMANG on each onboarded department's website. Suitable stickers are being planned on CISF, EPFO properties and other department/ Ministries properties.

Continuous efforts are being made to increase the number of Government services which can be accessed through this Mobile App. The plan is to bring around 300 additional services in 2018-19. This is in addition to already on boarded 213 services.

E-Waste

(Recommendation Sl. No.17)

The Committee note that lack of awareness amongst the citizens about the ill-effect of e-waste recycling in informal sector is a serious challenge to our society. An 'Awareness Programme on Environmental Hazards of Electronic Waste' has been initiated since March 2015 under the aegis of Software Technology Parks of India (STPI), New Delhi to create awareness among the public about the hazards of e-waste recycling by the unorganized sector and to educate them about alternate methods of disposing their e-waste. The programme stresses the need for adopting environment friendly e-waste recycling practices. Short modules and films have been created for spreading general awareness about the hazards of the recycling methods being used by the unorganized sector *vis-à-vis* best practices available for environmentally friendly recycling. The general public would be encouraged to participate in "Swachh Digital Bharat" by giving their e-waste to the authorized recyclers only. A dedicated Website, Twitter handle and Facebook page have been created in order to spread awareness through social media. While acknowledging the problem of increasing e-Waste in the country, the Committee appreciate the efforts of STPI in creating awareness about environmental hazards of electronic waste. The Committee feel that the use of social media should be encouraged to spread awareness on the issue and the Committee desire the Ministry to play a

proactive role to encourage initiatives to sensitize general public about impact of e-Waste on our environment and the importance of its proper disposal.

Reply of the Government

Under the "Awareness Programme on Environmental Hazards of Electronic waste", so far, projects for content development; organization of workshops/activities; capacity building of govt. officials through training; mass awareness through cinema and inventory study have been initiated. All the projects, initiated during the first phase, have been completed successfully.

- In order to roll out the programme, the second phase of the project is being initiated to create awareness across other states/union territories of the country.

  Based on the learning, a RFP document has been prepared and uploaded on MeitY's website for the second phase of the awareness programme. The scope of work has been divided into 7 work packages (WPs) encompassing a total of 20 states/UTs, namely, Andhra Pradesh, Andaman and Nicobar Island, Chhatisgarh, Daman and Diu, Delhi, Gujarat, Haryana, Himachal Pradesh, Karnataka, Kerala, Lakshadweep, Maharashtra, Meghalaya, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura and Uttarakhand.

- With a view to utilize the social media, following Work Packages have also been included amongst others:

  WP1: Preparation of suitable content from the existing content or with minor modification for:
  (a) social media;
  (b) Course content for the SWAYAM digital platform for college students and/or School level curriculum (class VII to IX)

  WP2: Upgradation of GreenE Website – creating information utility common for government, public, NGO, industry etc.; flashing small quotes from ministers, celebrities etc.; or as required from time to time

- A total of 31 proposals were received till the last date of submission of proposals, which would be reviewed by the duly constituted Expert Review Committee (ERC) shortly. Based on ERC's recommendations, the projects would be initiated.

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT

-NIL-

CHAPTER IV
OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION

National Informatics Centre (NIC)- Manpower & Infrastructure constraints

(Recommendation Sl. No. 4)

The National Informatics Centre (NIC) was established in 1976, and has been credited as the 'prime builder' of e-Government/e-Governance applications in all levels of the administration as well as a promoter of digital opportunities for sustainable development. NIC, through its ICT Network called 'NICNET', has facilitated institutional linkages with all Ministries /Departments of Central Government, 36 State Governments/Union Territories, and about 680+ District administrations of India. The Committee are concerned to note that two major constraints of NIC *i.e.* manpower and infrastructure have not been addressed by the Ministry till date. The Ministry has submitted that in view of the increasing IT requirement at State/District level, it has become difficult for NIC, with the existing manpower at its disposal to sustain the number of projects being undertaken by it. Another constraint being faced by the institution is basic infrastructure upgradation across the country to match with its huge expansion of e-governance projects and activities. During the examination of Demands for Grants (2017-18), the Ministry had informed that with regard to shortage of regular manpower, a proposal has been mooted for creation of 1407 posts across different levels of Scientific and Administrative Officers to meet the e-Governance requirements of NIC. The Committee are disturbed to note that even though the proposal was mooted way back in 2014, there is no progress on the proposal. It is imperative that the manpower and infrastructure constraints at NIC, which is the backbone of the ICT infrastructure in the country, are accorded due attention. The Committee strongly recommend the Ministry to address the manpower and infrastructure constraints in NIC on priority basis and ensure that the proposal of creation of additional posts in NIC is fast tracked without any further delay.

Reply of the Government

Manpower constraint: from Personnel Division:- Proposal for creation of various posts across different levels of Scientific and Administrative officers to meet the e-Governance requirement of NIC has been submitted to Ministry of Finance for concurrence.

2. **Infrastructure constraint: from Infra Division:-** NIC has setup its centres in all the districts in India. As on date NIC Centres are operational in 708 Districts and also being setup in 9 newly created districts adding up to total 717 NIC District Centres as on date.

We are in process of upgrading critical infrastructure to all the existing NIC District Centres in the Country. Already minimum critical infrastructure has been upgraded for 243 NIC District Centres. The provisioning of upgrading minimum critical infrastructure to remaining NIC District Centres is in process and likely to be completed by September 2018.

NIC Districts Centres play an important role in facilitating the e-Governance at the grass root level. The technology needs to be upgraded to meet the demand of digital services which in turn ride on connectivity, compute resources available 24x7. Additional funds enhance the technology at the district level to cater to Digital India programme needs to be provisioned.

NIC State Centre Infrastructure:
NIC has augmented minimal resources at the State level too to maintain continuity of services, through its available budget. NIC State Centres not only serve the District Centres but also cater to the requirements of State Government. With increase requirement/usage of Digital services, the infrastructure at the State Level also to be upgraded /being upgraded for setting up Cloud Services and fast & secured accessibility of services.

National Data Centre:
NIC has established State of Art National Data Centres at Delhi, Hyderabad, Pune and recently in Bhubaneswar, Odisha. Internet Data Centre established at NIC-HQ in year 2002 has been upgraded in year 2017. National Data Centre at Hyderabad is also being renovated /upgraded with additional capacity of 70 server racks.

e-Governance is leading to a huge demand for the cloud services in years to come. In order to meet the forthcoming demand a new State-of-Art Data Centre has been proposed in Bhopal with an overall capacity of 1,500 server racks. This data centre shall be augmented in a modular approach. The proposal has already been submitted to the Government for consideration.

The increase in use of Digital India Services has generated the need to augment the infrastructure at all levels and manpower on an urgent basis. In the recent past, 85 new districts have been created. Manpower for these Districts needs to be provided on urgent basis.

Comments of the Committee
(Please see Para No. 7 of Chapter-I)

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

(Recommendation Sl. No.6)

The Committee note that SWAN has been implemented in all the States/UTs except Jammu & Kashmir and Andaman & Nicobar Islands. The States/UTs have been utilizing the core infrastructure of SWAN for connectivity and dedicated close user application access connectivity. SWAN has been integrated with National Knowledge Network (NKN) in 30 States/UTs at SHQ level and at 450 district centers to provide high bandwidth. Increasing digitization amongst states has led to higher utilization of available bandwidth. At present, 32 States/UTs are utilizing more than 60% of bandwidth of the existing link capacity and the bandwidth utilization is likely to increase further in future. The Committee are, however,

concerned to note that major impediments such as lack of participation of System Integrators (poor bid response) and higher bid value which has led to re-tendering four times in respect of J&K and twice in respect of A&N Islands are acting as major roadblocks in operationalization of SWAN in these States/UTs. The Committee have been informed that the State of J&K has already finalized the RFP and for A&N Island, the bid is already floated in GeM portal and the System Integrator is likely to finalized. The Committee find it disturbing to note that implementation of SWAN in Jammu & Kashmir and Andaman & Nicobar Islands has been delayed for so long. In view of the fact that seamless connectivity through implementation of SWAN is essential to leverage the digital infrastructure in the States/UTs, the Committee strongly recommend that all steps must be taken to expedite implementation of SWAN in the remaining States/UTs of J&K and A&N Islands without any further delay. The Committee would like to be informed about the progress in the matter.

Reply of the Government

UT of A&N Islands: L1 bidder has been identified through GeM Portal by the A&N Administration. The proposal on SWAN received from A&N Administration has been considered by the Empowered Committee on SWAN held on 18.05.2018 under the chairmanship of the Secretary, MeitY and it has approved the proposal at a budgetary cost of Rs. 15.62 Cr.

It is now hoped that the SWAN in the UT of A&N Islands would be implemented in next three months.

Jammu & Kashmir: The State Govt is yet to complete the procedural formalities for SWAN implementation. It is however understood that the State is likely to issue the bid through GeM Portal for selection of L1 bidder as system integrator.

Comments of the Committee
(Please see Para No. 10 of Chapter I)

State Data Centre (SDC)

(Recommendation Sl. No.8)

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

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

Reply of the Government

So far DPRs for 33 States/UT's have been approved by MeitY and as on date, SDC has been made operational in 28 States/UT's. However, SDC, in the States of Assam, Arunachal Pradesh, Uttarakhand and UTs of Dadra Nagar Haveli and Daman & Diu is yet to be implemented. Below is the Action Taken Report for states/UTs where SDC implementation has been pending:

- **Assam:** Bid Process Management for selection of Data Centre Operator (DCO) is in process. Bids of the eligible bidders have been evaluated. Bid Evaluation Committee meeting held on 28th August 2018. After Issuing of LoI, DCO will build the State Data Center for Go-Live.

- **Uttarakhand:** State Date Centre tender opened on 8th May 2018, four firms have been received for UKSDC, ACBS and bid evaluation completed, L-I awarded to M/s Sify Technology Ltd. Work order for Implementing Uttarakhand State Date Center (SDC) given to M/s Sify Technology Ltd. Approved drawing has been revised. DCO has started their work from 20th July 2018.

- **Dadra& Nagar Haveli & Daman & Diu:** The project is not implemented as the contract with the earlier DCO (M/s Prithvi) was terminated in Jan'2016, due to poor performance. Currently, SDC team is in process of releasing fresh RFP for selection of another DCO. A Video Conferencing was organized between MeitY and DNH& D&D SDC team on 21st August where it was advised by MeitY to float a fresh RFP with cloud enablement scope included and select new DCO.

- **Arunachal Pradesh:** The RFP was finalised and suggestions from MeitY was sought. MeitY on 19th June 2018 communicated to Arunachal SDC Team that they may go-ahead and publish the RFP. State is in the process of publishing the RFP to select the DCO.

Comments of the Committee
(Please see Para No. 13 of Chapter-I)

Cyber Security – Training of Law Enforcement Agencies (LEAs)

(Recommendation Sl. No.11)

The Committee note that with the rapid growth of technology particularly ever-growing use of social media and mobile Apps, it is important to update the skill set of law enforcement agencies on a regular basis. The Committee have been apprised that the Government is taking various steps to train and develop Cyber Crime investigators which inter-alia include establishment of Cyber Crime Police Stations (CCPS) and Cyber Crime Investigations and Forensic Training Facilities (CCIFTF) in each State / Union Territory of India under Police Modernization Scheme, action to set up a National Centre of Excellence exclusively devoted to render Cyber Forensic services and to act as National Research and Training Centre on Cyber Forensics, Indian Computer Emergency Response Team (CERT-In) and Centre for Development of Advanced Computing (CDAC) providing basic and advanced training to Law Enforcement Agencies, Forensic labs and judiciary on the procedures and methodology of collecting, analyzing and presenting digital evidence. MeitY has setup Cyber Forensics Training Lab at CBI Academy Ghaziabad and in collaboration with Data Security Council of India (DSCI), Cyber Forensic Labs have been set up at Mumbai, Bengaluru, Pune and Kolkata for awareness creation and training programmes on Cyber Crime investigation. While lauding the Government initiatives to train and develop cyber crime investigators, the Committee recommend that such efforts need to be scaled up in order to take care of the increasing cases of cyber crime.

Reply of the Government

In continuing the efforts of training of LEA officials, training has been imparted to 150 State Police of Arunachal Pradesh at awareness and beginners levels so that the trained police can understand the basic issues of Cyber Crime investigation including forensics aspects.

In addition, 200 State Police personnel from North Eastern States have been trained in aspects of mobile based crime and forensics investigation. Efforts are being made to create 100 Master Trainers from North Eastern States in mobile based crime and forensic investigation.

Comments of the Committee
(Please see Para No. 16 of Chapter-I)

Cyber Security – Need for a victim centric approach

(Recommendation Sl. No.12)

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

Reply of the Government

A portal named "cybercrime.gov.in" has been launched. It is an initiative of Government of India under National Mission for the Safety of Women by utilising Nirbhaya funds, to facilitate victims/complainants to report cybercrime complaints online. At present the portal caters to complaints pertaining to online Child Pornography (CP)/ Child Sexual Abuse Material (CSAM) or sexually explicit content such as Rape/Gang Rape (CP/RGR) content. Complaints reported on the portal are dealt by respective police authorities of States/UTs based on the information in the complaints provided by the complainants.

Option for anonymous reporting of CP/RGR content has also been provided on the portal as per the direction of Hon'ble Supreme Court under the matter of Suo Motu Writ Petition no.3/2015.

In case of anonymous complaints – users do not need to provide any personal information. However, information related to the incident/ complaint should be complete for the police authorities to take necessary action.

In-case users opt for "Report and Track" option then users need to provide key information such as your name, phone number, email address, details of the incident/ complaint and necessary information supporting the complaint, etc.

Comments of the Committee
(Please see Para No. 19 of Chapter-I)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

-NIL-

New Delhi;
28 December, 2018
07 Pausha, 1940 (Saka)

ANURAG SINGH THAKUR,
Chairperson,
Standing Committee on
Information Technology

Annexure-I

MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2018-19) HELD ON 28TH DECEMBER, 2018

The Committee sat on Thursday, the 28th December, 2018 from 1015 hours to 1040 hours in Committee Room No. '62', Parliament House, New Delhi.

PRESENT

Shri Anurag Singh Thakur – Chairperson

MEMBERS

Lok Sabha

2. Shri L. K. Advani
3. Shri Shyama Charan Gupta
4. Dr. Sunil Baliram Gaikwad
5. Shri Virender Kashyap
6. Dr. K. C. Patel
7. Shri D. K. Suresh
8. Shri Nagendra Pratap Singh Patel

Rajya Sabha

9. Smt. Kahkashan Perween
10. Dr. Vinay P. Sahasrabuddhe
11. Shri Binoy Viswam

SECRETARIAT

1.	Shri Y.M. Kandpal	-	Director
2.	Dr. Sagarika Dash	-	Additional Director
3.	Smt. Geeta Parmar	-	Deputy Secretary
4.	Shri Shangreiso Zimik	-	Under Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee convened to consider and adopt the following four Draft Action Taken Reports:-

I. xxxxx…..xxxxx…..xxxx…..xxxxx…..xxxxx…..xxxx…..xxxxx…..xxxxx…..x xxx…..xxxxx;

II. xxxxx…..xxxxx…..xxxx…..xxxxx…..xxxxx…..xxxx…..xxxxx…..xxxxx…..x xxx…..xxxxx;

III. Action Taken Report on the Forty-sixth Report on 'Demands for Grants (2018-19)' of the Ministry of Electronics and Information Technology; and

IV. xxxxx…..xxxxx…..xxxx…..xxxxx…..xxxxx…..xxxx…..xxxxx…..xxxxx…..x xxx…..xxxxx;

3. The Committee, thereafter, took up for consideration the above said Reports and after due deliberation adopted the same without any modifications.

4. The Committee, then, authorised the Chairperson to finalise and present the Action Taken Reports to the House during the current session of Parliament.

The Committee, then, adjourned

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xxxxx....Matters not related to Report.

Annexure-II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/ RECOMMENDATIONS CONTAINED IN THEIR FORTY-SIXTH REPORT (SIXTEENTH LOK SABHA)

[Vide Paragraph No. 5 of Introduction]

(i) Observations/Recommendations which have been accepted by the Government
Rec. Sl. Nos.: 1, 2, 3, 5, 7, 9, 10, 13, 14, 15, 16 and 17

Total 12

Percentage 70.59

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government
Rec. Sl. No.: Nil

Total Nil

Percentage 0.00

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration
Rec. Sl. Nos.: 4, 6, 8, 11 and 12

Total 05

Percentage 29.41

(iv) Observations/Recommendations in respect of which the replies of the Government are of interim in nature
Rec. Sl. No.: Nil

Total Nil

Percentage 0.00