

**16**

**STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY  
(2020-21)**

**SEVENTEENTH LOK SABHA**

**MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY**

**[Action Taken by the Government on the Observations/Recommendations  
of the Committee contained in their Fourth Report (Seventeenth Lok Sabha)  
on 'Demands for Grants (2019-20)']**

**SIXTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***February, 2021/Magha, 1942 (Saka)***

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the Committee contained in their Fourth Report (Seventeenth Lok Sabha) on  
'Demands for Grants (2019-20)']**

**Presented to Lok Sabha on 8-2-2021  
Laid in Rajya Sabha on 8-2-2021**



**LOK SABHA SECRETARIAT  
NEW DELHI**

***February, 2021/Magha, 1942 (Saka)***

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**COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2020-**

**21)**

**Dr. Shashi Tharoor - Chairperson**

**Lok Sabha**

2. Smt. Locket Chatterjee
3. Shri Karti P. Chidambaram
4. Shri Sunny Deol
5. Dr. Nishikant Dubey
6. Smt. Raksha Nikhil Khadse
7. Dr. Sukanta Majumdar
8. Shri Dhairyasheel Sambhajirao Mane
9. Ms. Mahua Moitra
10. Shri P. R. Natarajan
11. Shri Santosh Pandey
12. Shri Nisith Pramanik
13. Col. Rajyavardhan Singh Rathore
14. Dr. Gaddam Ranjith Reddy
- \*15. Shri Jayadev Galla
16. Shri Sanjay Seth
17. Shri Chandan Singh
18. Shri L.S. Tejasvi Surya
19. Dr. T. Sumathy (A) Thamizhachi Thangapandian
20. Shri Bhanu Pratap Singh Verma
- #21. Smt. Sumalatha Ambareesh

**Rajya Sabha**

22. Dr. Anil Agrawal
23. Dr. Subhash Chandra
24. Shri Y. S. Chowdary
25. Shri Shaktisinh Gohil
26. Shri Suresh Gopi
27. Shri Md. Nadimul Haque
28. Shri Syed Nasir Hussain
29. Shri Syed Zafar Islam
30. Dr. Narendra Jadhav
31. Shri Nabam Rebia

**Secretariat**

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

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\*Nominated to the Committee w.e.f. 15.10.2020 *vide* Bulletin Part-II dated 15.10.2020

#Nominated to the Committee w.e.f. 28.12.2020 *vide* Bulletin Part-II dated 28.12.2020

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Information Technology (2020-21), having been authorised by the Committee, present this Sixteenth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Fourth Report (Seventeenth Lok Sabha) on 'Demands for Grants (2019-20)' of the Ministry of Electronics and Information Technology.

2. The Fourth Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 10<sup>th</sup> December, 2019. The Ministry furnished their Action Taken Notes on the Observations/Recommendations contained in the Fourth Report on 11<sup>th</sup> June, 2020.

3. The Report was considered and adopted by the Committee at their sitting held on 16 October, 2020.

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 Fourth Report of the Committee is given at Annexure-II.

**New Delhi;  
4 February, 2021  
15 Magha, 1942 (Saka)**

**DR. SHASHI THAROOR,  
Chairperson,  
Standing Committee on  
Information Technology.**

(iii)

## 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 Fourth Report (Seventeenth Lok Sabha) on Demands for Grants (2019-20) of Ministry of Electronics and Information Technology.

2. The Fourth Report was presented to Lok Sabha on the 10 December, 2019 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, 6, 7, 8, 9, 10, 12, 13, 15 and 16  
Total : 13  
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, 11, 14 & 17  
Total : 04  
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 Committee note that National Informatics Centre (NIC), which was established in 1976, has set-up State-of-the-Art Digital 47 Infrastructure to support electronic communication among different establishments of the Government across the country to facilitate implementation of various Government Programmes/Schemes. It also facilitates the Government in providing a large number of citizen centric services online. This infrastructure comprises of high-speed communication network connecting almost all the important institutions of Central Government/State Governments including District Administrations, National Data Centres (NDCs), Video Conferencing, National Cloud, Mail and Messaging etc. National Data Centres are critical and integral part of this infrastructure. Over 10,000 eGovernance applications/websites as well as large number of citizen centric services are hosted in these Data Centers to deliver information and services to citizens at large. Existing data centres of NIC at Shastri Park, New Delhi, Hyderabad and Pune are almost completely utilised. Another National Data Centre at Bhubaneswar was launched during 2018 and augmentation of National Data Centre at Hyderabad is underway. More than 10000 web applications/sites are hosted in these data centres and with number of users planning to use the infrastructure, their capacity will be fully utilised in next two years. Therefore, an urgent need has emerged to expand the data centre facilities. Bhopal being located in one of the

safest seismic zones of the country has been selected for establishment of new National Data Centre. An SFC proposal for establishing NDC at Bhopal, Madhya Pradesh has been approved by the Competent Authority at a cost of Rs.490.44 crores for which, funds are required to start the work. Also, to provide impetus to increasing usage of e-Governance services and all inclusive growth of the North East region, NE Regional Data Centre with an outlay of 348.66 crore is proposed to be established which will also act as Disaster Recovery site to the existing State Data Centres. The proposal is under appraisal by MeitY. The Committee express their concern that despite the important role of NIC as key ICT infrastructure provider of the Government, addressing their own infrastructure needs has always been a grey area. Another issue which needs urgent attention is the manpower in NIC. It is a matter of great concern that as against sanctioned strength of 4839, the staff of NIC at present is 3999. The proposal for creation of 1407 posts across different levels of Scientific and Technical Officers and Administrative officers in NIC which was initiated way back in the year 2014 is still pending. The Committee are surprised to note that the issue has not been resolved in last 5 years and the reply of the Ministry that they are still compiling clarifications on the issues raised by Ministry of Finance is beyond their comprehension.

Keeping in view the fact that with proliferation of e-Governance services as part of Digital India programme and the requirement on NIC's resources has steadily grown, there is an urgent need to expand the existing data centre facilities at NIC. The Committee recommend that all the aforesaid projects be completed as per schedule and infrastructure of NIC be upgraded urgently. The Committee express their strong objection to inordinate delay in the proposal for creation of 1407 posts across different levels of Scientific and Technical Officers and Administrative officers in NIC. In view of the critical role played by NIC in providing ICT infrastructure in the country, the Committee strongly recommend the Ministry to address manpower and infrastructure constraints at NIC at highest level which have been pending for a long time. The Ministry should also take

steps to ensure adequate training of officials entrusted with tasks requiring frequent upgrading of technological skills.

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

" The proposal for creation of 1407 posts (reworked now to 1392) in NIC was initiated in 2014. The proposal was approved by the Hon'ble Minister (E&IT) after due deliberations at all levels and submitted to the Ministry of Finance for concurrence. The proposal received back from Ministry of Finance seeking clarifications on some points was examined by a duly constituted Internal Committee and the detailed clarifications were resubmitted to Ministry of Finance for further consideration in February, 2020.

#### **National Data Centre, Bhopal**

The 1500 racks Rating-IV National Data Centre shall be established in a phased manner including infrastructure for complete operational and management support. The project was approved by Hon'ble Minister (E&IT). 5 acres of land in IT-Park, Bhopal for the project was allotted to NIC by Science & Technology Department, Government of Madhya Pradesh in March 2015 for establishment of State of Art Data Centre at Bhopal. In the first phase of the project, 250 Rack State of Art rated IV Data Centre will be set up with an expansion capability to 500 Racks. Subsequent phases shall be taken up later as per the demand. The project is likely to be commenced soon and is expected to be completed in two and half years.

Approval has been accorded to NIC in January 2020 to execute the project from its own budget. Approximately Rs.50-60 crore may be required in FY 2020-21 for execution of the project.

#### **National Data Centre in North Eastern region (NDC NER)**

There has been considerable thrust by the Government of India in the recent times to bring a digital transformation in the North-Eastern region. The vision document 'Digital North Eastern India– Vision 2022' envisages that the Digital North East India will play an integral role in Digital India. It has also brought to the focus, the key areas of strategic importance for meeting the requirements of the region. Digital infrastructure, including connectivity infrastructure is one of the nine thrust areas that need to be strengthened in order to realize the objectives of the Digital North East India 2022. In line with this vision a State of Art Rated III National Data Centre has been planned at

Guwahati, Assam at an estimated cost of Rs.350 crore. The establishment of 200 Rack NE Regional Data Centre is likely to be started soon and is expected to be completed in two and half years. State Government of Assam has already allotted three Bigha of land for the said purpose. Delegated Investment Board (DIB) has recommended the project. The recommendations of Delegated Investment Board (DIB) have been submitted for approval of competent authority. The fund for the project shall be made available by MeitY from annual 10% GBS of MeitY and additional requirement may be met through re-appropriation mechanism. "

**7. The Committee had noted that with proliferation of e-Governance services as part of Digital India programme and the requirement on NIC's resources steadily growing, there is an urgent need to expand the existing data centre facilities at NIC. In view of the critical role played by NIC in providing ICT infrastructure in the country, the Committee had recommended the Ministry to address manpower and infrastructure constraints at NIC at highest level which had been pending for a long time. The Committee are, however, disturbed to note that the proposal for creation of 1407 posts (reworked now to 1392) in NIC which was initiated way back in 2014 has still not got clearance and the Ministry of Finance has sought detailed clarifications which have been resubmitted by the Ministry of Electronics and Information Technology in February, 2020. This is a clear reflection on the Ministry that they have failed to convince the Ministry of Finance on the manpower needs of NIC. On the infrastructure front also the Ministry's reply is not very encouraging as both the projects seem to be only in conceptual stages. With regard to National Data Centre, Bhopal, the Ministry has informed that the project is likely to commence soon and is expected to be completed in two and half years. On National Data Centre in North Eastern region (NDC NER), the Ministry has informed that the establishment of 200 Rack NE Regional Data Centre is likely to be started soon and is expected to be completed in two and half years. There is uncertainty with regard to budget and funding for the above projects. NIC being at the centre of Government's thrust on digital India programme, the Committee reiterate that the manpower and infrastructure needs of NIC**

are addressed urgently and necessary budget is provided for NIC to fulfill their mandate. The Committee may also be apprised whether NIC would be able to execute the project from its own budget or whether it would be at the cost of other projects.

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

#### **(Recommendation Sl. No. 11)**

9. The Committee note that the demand of Electronics System Design and Manufacturing (ESDM) is expected to rise rapidly to about USD 400 billion by the year 2025. Several policy initiatives under the 'Digital India' and 'Make in India' programmes 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 2018-19, the BE allocation for the scheme was Rs. 864.22 crore which was reduced to Rs. 844.22 crore at RE stage and the actual expenditure was Rs. 727.37 crore. For the year 2019-20, as against the proposed amount of Rs. 1600 crore, there has been an allocation of Rs. 986.00 crore.

The Committee note that the demand for electronics items in India is increasing at a fast pace and rose from Rs. 3,46,728 crore during 2014-15 to Rs. 4,26,057 crore during 2015-16 and stood at Rs. 5,10,258 crore during 2016-17. The demand reached Rs. 6,21,797 crore during 2017-18 and during the year 2018-19, the demand met through domestic production stood at 57% while the imports stood at 43% which translates to total electronics imports in India during 2018- 19 at a staggering figure of Rs. 2,98,939.01 crore. The Committee further note that while there has been a gradual decline in the percentage of demand met through imports, the overall increase in demand negates that effect since the volumes are huge and therefore despite a modest increase in domestic production, more and more foreign exchange reserves are being used up to

procure electronics hardware from abroad. With the National Policy on Electronics (NPE 2019) in place, the Committee strongly feel that there is a need to adopt a holistic approach in Promotion of Electronics and IT hardware manufacturing in India with special focus on creating an eco-system of a group of industries in the manufacturing sector to form a supply chain of products as against the existing policy wherein the emphasis has been on promoting individual industries. Encouragement of private sector leadership in this effort, as well as exploration of public-private partnerships in manufacturing, are also essential. There is also a need to reorient the ongoing schemes under Promotion of Electronics and IT hardware manufacturing in India such as M-SIPS, EMC and EDF so as to bring them in tune with the new policy. The Ministry may inform the Committee of the concrete steps taken in this direction and the visible impact on the ground.

### **Reply of the Government**

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

"Domestic electronics manufacturing has increased substantially over the last few years and is steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level of manufacturing on account of rationalization of tariff structure in accordance with the Phased Manufacturing Programme. However, domestic value addition continues to be low in the range of 10 - 30% only. This is due to the lack of electronic components manufacturing ecosystem in the country which go into manufacturing of all electronic products, majorly on account of the coverage of most of the electronic components in the Information Technology Agreement (ITA-1) of WTO, as a result of which there is no duty protection and these are imported at "Nil" Basic Customs Duty (BCD).

The vision of National Policy on Electronics 2019 (NPE 2019) notified on 25.02.2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

A vibrant electronic component manufacturing ecosystem is vital for the overall long-term and sustainable growth of electronics manufacturing in India and essential to achieve net positive Balance of Payments (BoP).

To attract and incentivize large investments in the electronics value chain and promote exports, following three Schemes have been notified under the aegis of National Policy on Electronics 2019 (NPE 2019):

(i) Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing notified on April 01, 2020 shall extend an incentive of 4% to 6% to eligible companies on incremental sales (over base year) involved in mobile phone manufacturing and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units.

(ii) Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES) notified on April 01, 2020 shall provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods. The scheme will help offset the disability for domestic manufacturing of electronic components and semiconductors in order to strengthen the electronics manufacturing ecosystem in the country.

(iii) Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme notified on April 01, 2020 shall provide support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds/ Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country. The Scheme shall provide financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country.

Rationalization of tariff structure is an on-going exercise. Based on the recommendations of MeitY, following steps have been taken by Department of Revenue, Ministry of Finance, for the promotion of domestic electronics manufacturing:

- a. Basic Customs Duty (BCD) has been exempted on specified capital goods [falling under Chapter 82, 84, 85 and 90] for use in the manufacture of specified electronic goods such as Printed Circuit Board (PCB), Charger of cellular mobile phones, Display Panel, etc., subject to actual user condition, with the objective of increasing competitiveness of the industry.
- b. BCD on Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under HS 85219090 and CCTV camera/ IP camera falling under HS 852580 has been increased from 15% to 20% by increasing the tariff rate.
- c. BCD of 15% has been imposed on charger or adapter (falling under HS 850440) of Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under HS 85219090 and CCTV camera/ IP camera falling under HS 852580.
- d. BCD on Open Cell for use in the manufacture of panels of LCD/ LED TVs has been reduced to Nil from 5% vide Customs Notification No.30/2019 dated 17.09.2019, till September 2020.

Further, based on the recommendations of MeitY, tariff structure has been rationalized in Budget 2020-21 for the promotion of electronics manufacturing:

- e. BCD on Printed Circuit Board Assembly (PCBA) of cellular mobile phones (HS 85177010) has been increased from 10% to 20% with effect from 01.04.2020 by increasing the tariff rate.
- f. BCD@10% has been imposed on the Vibrator Motor/ Ringer for use in the manufacture of cellular mobile phones w.e.f. 01.04.2020.
- g. BCD@10% shall be levied on the Display Assembly, Touch Panel, Cover Glass Assembly w.e.f. 01.10.2020.
- h. BCD has been exempted on specified parts of Microphones (covered under HS 85181000) viz., (i) Microphone Cartridge; (ii) Microphone Holder; (iii) Microphone Grill; and (iv) Microphone Body, subject to actual user condition.
- i. BCD on charger or power adapter (except those covered in Information Technology Agreement-1) covered under HS 850440 has been increased from Nil/10%/15% to 20% by increasing the tariff rate on the items covered under HS 850440 from 10%/15% to 20%.

As a result of various initiatives taken by the Government and efforts of the Industry, India's electronics production increased from Rs.3,88,306 crore in 2017-18 to Rs. 5,46,550 crore in the year 2019-20."

11. With the National Policy on Electronics (NPE 2019) in place, the Committee strongly felt that there is a need to adopt a holistic approach in Promotion of Electronics and IT hardware manufacturing in India with special focus on creating an eco-system of a group of industries in the manufacturing sector to form a supply chain of products as against the existing policy wherein the emphasis has been on promoting individual industries. In their Action Taken Note, the Ministry has stated that Domestic electronics manufacturing has increased substantially over the last few years and is steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level of manufacturing on account of rationalization of tariff structure in accordance with the Phased Manufacturing Programme. However, domestic value addition continues to be low in the range of 10 - 30% only. This is due to the lack of electronic components manufacturing ecosystem in the country which go into manufacturing of all electronic products, majorly on account of the coverage of most of the electronic components in the Information Technology Agreement (ITA-1) of WTO, as a result of which there is no duty protection and these are imported at “Nil” Basic Customs Duty (BCD). The Ministry have also enumerated performance of various schemes such as Production Linked Incentive Scheme (PLI), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs), Modified Electronics Manufacturing Clusters (EMC 2.0) and steps regarding Tariff Structure rationalization. The Ministry has, however, not specified the details of steps being taken for encouragement of private sector leadership in their effort, as well as exploration of public-private partnerships in manufacturing. They have also not spelt out the measures to reorient the ongoing schemes under Promotion of Electronics and IT hardware manufacturing in India such as M-SIPS, EMC and EDF so as to bring them in tune with the new policy. The Committee, therefore, reiterate the need to adopt a holistic approach in promotion of Electronics and IT hardware manufacturing in India with special focus on creating an ecosystem of a

**group of industries in the manufacturing sector to form a supply chain of products as against the existing policy wherein the emphasis has been on promoting individual industries. The Committee may also be apprised of special steps being taken, if any, in the present situation to meet the growing demand of Electronics and IT hardware in India.**

**(Recommendation Sl. No. 14)**

12. The Committee also note that Government has proposed to set up the National Cyber Coordination Centre (NCCC) to generate near real time macroscopic views of the cyber security threats in the country and provide near real time situational awareness. NCCC will be a multi stakeholder body and will be implemented by Indian Computer Emergency Response Team (CERT-In) at Ministry of Electronics and Information Technology (MeitY). Phase-I of NCCC has been operationalised in July, 2017. CERT-In has engaged C-DAC, Trivandrum as execution partner for implementation of NCCC phase-II Stage 1. The Request for Proposal (RFP) for phase-II of NCCC is being prepared. The Phase-II Stage 1 is targeted to be operationalised during the year 2019-2020 aimed for collection and analysis of meta data from 15 remote sites.

While taking a strong note of the sharp reduction in allocation vis-à-vis the proposed amount in the Cyber Security Projects (NCCC & Others), the Committee recommend that the Ministry need to ensure adequate allocation of funds in this important scheme so that the cyber security needs of the country are not compromised. The provision of up-to-date technology and adequate human resources to pursue cyber security breaches expeditiously and ward off future threats is indispensable. The Ministry need to take this more seriously, particularly in the backdrop of constant increase in cyber crime and fraud cases. Since these affect ordinary citizens, it is indispensable for the Ministry to publicize widely how a citizen who has been the victim of cyber crime or cyber hacking may report the matter for urgent resolution. At the same time, the

Committee welcome the decision of the Ministry for setting up of NCCC as a proactive agency in dealing with issues relating to cyber space and desire that the above centre may be set up in a time bound manner. The Committee wish to be apprised of the progress in setting up the NCCC.

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

" CERT-In is operating a 24x7 help desk for citizens and organisations to report cyber security incidents including cyber hacking. Challenges are faced in implementation of cyber security projects due to shortage of funds. The issue needs to be addressed with increased additional allocation of funds for these projects and expediting the recruitment of technical manpower. Based on available funds projects like NCCC are planned to be implemented in phased manner. In order to create the necessary situational awareness for taking proactive measures in the Indian cyber space against the emerging threats, it is imperative to implement the complete NCCC as well as enhance resources of CERT-In. If funds and the manpower are made available for the full scale implementation of NCCC, the project may be implemented in a time bound manner. Cases of Cyber Crime and Fraud are handled by the Ministry of Home Affairs (MHA) through a Citizen Reporting Portal set up <cybercrime.gov.in>."

14. **While taking a strong note of the sharp reduction in allocation vis-à-vis the proposed amount in the Cyber Security Projects (NCCC & Others), the Committee had recommended that the Ministry needs to ensure adequate allocation of funds in this important scheme so that the cyber security needs of the country are not compromised. The Ministry should take this more seriously, particularly in the backdrop of constant increase in cyber crime and fraud cases. Since these affect ordinary citizens, it is indispensable for the Ministry to publicize widely how a citizen who has been the victim of cyber crime or cyber hacking may report the matter for urgent resolution. The Ministry has submitted that CERT-In is operating a 24x7 help desk for citizens and organizations to report cyber security incidents including cyber hacking. Challenges are faced in implementation of cyber security projects due to shortage of funds. The issue needs to be**

**addressed with increased additional allocation of funds for these projects and expediting the recruitment of technical manpower. Based on available funds projects like NCCC are planned to be implemented in phased manner. The Committee are of the view that cyber security issues are crucial and cannot be left to the mercy of availability of funds. In fact, funds need to be made available for projects like NCCC so that cyber security of the country is not compromised. The Committee reiterate that the project of setting up of NCCC be fast tracked, their budget requirement be met on priority by taking up the matter at the highest level and NCCC be put in place as a pro-active agency in dealing with issues relating to cyber space within a definite time frame.**

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

**(Recommendation Sl. No. 17)**

15. 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 PayGov, Aadhaar, DigiLocker and Rapid Assessment System (RAS). About 490 services from 104 departments of Central/State Governments across 21 States/UTs through 93 different applications are already available on UMANG and the count is increasing every day. It supports around 12 Indian languages, in addition to English and has been hosted on cloud. The Committee have been apprised that since its launch on 23rd November, 2017 and till 28th October, 2019 i.e. in a span of approximately two years, the total number of downloads of the UMANG app have been a mere 1.93 Crore. While the Ministry were hopeful of reaching the target of 2 crore downloads by the end of 2018, the number of downloads has still not reached 2 crores even by the end of 2019.

While the Ministry's efforts in launching the UMANG Mobile App is laudable, it is disquieting to find tepid response to the UMANG Mobile App from the general public resulting in less than expected number of downloads. In other words, while the launching of app has been received well among the users, it has failed to sustain their interest in the application. This certainly calls for an introspection as to why an App which now offers 490 services on a single platform is yet to achieve 2 crore downloads even after two years of its release in 2017. The Committee, therefore, recommend that an assessment and evaluation survey may be conducted to ascertain reasons for such tepid/lukewarm response to the App and lack of repeated use after download, prior to incurring any further expenditure on the project. The Committee further desire that a comprehensive user study of the UMANG Mobile App may be submitted to the Committee within three months.

### **Reply of the Government**

16. It is mentioned that a small User and Integrated Department study was conducted by Prof. Satya Bhushan Dash of IIM Lucknow on the following aspects of UMANG app:

- a. To understand the current and potential usage of the app among users.
- b. To understand the level of awareness and understanding of EPFO application (one of the most used services on UMANG) among users and non-users.
- c. To understand the barriers and facilitators in adoption and the usage of the app among users

The summary of the findings of the report; its recommendations and the action taken/ proposed for the recommendation are given below:

#### **1. Summary of the findings of the report**

The summary of the findings of the report on the facilitators and barriers in the adoption of app among users and Integrating Department is mentioned below:

1.1. The **facilitators** for the adoption of the App among **Users** are the following:

- a. The app helps in saving Time and Energy
- b. It can be used Anytime and Anywhere
- c. It is User friendly
- d. No documentation on paper has to be carried to avail services on the App

e. Convenient to use and provides Peace of mind

1.2. The **barriers** for the adoption of the App among **Users** are the following:

- a. Lack of understanding to access the app
- b. Difficulty in verification of spelling errors in name and other details
- c. Performance gaps like OTP generation, app time out etc.
- d. Many things to read on app
- e. Lack of end to end online process for services
- f. Security

1.3. The **facilitators** for the adoption of the App among **Integrating Departments** (EPFO) are the following:

- a. It provides less human interference and greater transparency and accountability to users
- b. It has automated and streamlines the existing processes.
- c. Also, the documents which were handled physically are now available Online and hence the documents do not get misplaced.
- d. It has resulted in more productivity among employees.

1.4. The **barriers** for the adoption of the App among **Integrating Departments** (EPFO) are the following

- a. It has resulted in increased target due to greater productivity
- b. Lack of computer proficiency and disinterest among employees.

## 2. **Recommendations of the Report**

The recommendations of the Report with regards to UMANG app are as following:

2.1. Increase **Awareness and understanding** of the UMANG app for **Users** by:

- a. Conducting Digitally focussed awareness of UMANG app
- b. Advertising benefits and features of department services. E.g. for EPFO like pension status, PF withdrawal etc.
- c. Putting more focus on grey collar employees, security guards, labourers etc. to empower them as they are greatest beneficiaries of certain services
- d. Testimonial advertising, voice of current users should be spread to gray collar employees via videos, messages to build their self confidence.

2.2. Increase **Awareness and understanding** of the UMANG app for **Integrating Departments** (EPFO) by:

- a. Conducting more employee centric workshop
- b. More awareness in PF offices; special education to non users at EPF office for effective use of app
- c. Arrange help desk at EPFO offices to guide people about how to use the EPFO services in UMANG

- 2.3. Improvement in **User journey** on UMANG app by doing the following:
- a. Initial entry experiences to be without hindrances and glitches; easy
  - b. downloading, lite version of app, no time outs
  - c. App look and feel should convey the sense of security and trust, much to
  - d. learn from modern banking apps
  - e. User authentication process like KYC, Date of Birth to be streamlined
  - f. Improvement in usability

3. **Action taken/proposed** on the recommendations of the report:

- a. UMANG app has done limited promotion of its features and benefits among the users till now and as recommended in the report, a detailed media outreach programme for UMANG app has been prepared and was to be executed from March 2020 onwards but will now be executed in phases once the current COVID restrictions are lifted.
- b. In order to reach more and more residents of India, selected services of UMANG app are being made available on Feature Phones running on KaiOS Operating System (Jio phones). This will enable users who do not have smartphones to also avail services of integrated departments on UMANG.
- c. With regards to more awareness in PF offices, 25,000 targeted pamphlets were sent to various EPFO offices so as to increase awareness among users who visit PF offices. Also, CPFC, EPFO has been requested to arrange a Help desk at EPFO offices to guide people about how to use the EPFO app in UMANG. Apart from this, several training and Facebook sessions have been organized involving senior officials of departments (EPFO) to increase awareness of UMANG.
- d. To enhance the user Journey, UMANG app has already removed the 'so called' long registration process in the App. Now, the Users can register and login on the app quickly by just providing Mobile number and OTP/mPIN.
- e. UMANG app is being further revamped to smoothen the User journey and provide more personalized experience to the Users in next two months.
- f. In spite of having many services under its umbrella, UMANG app is lightweight and has an app size of less than 18 MB.
- g. Some of the suggestions mentioned such as KYC, DoB (Date of Birth) cannot be implemented as these are the mandatory requirements mentioned by the department to avail their services.
- h. There is already a Multilayer security implementation enabled in the app. However, the same may be conveyed to the user through look and feel.
- i. The aggregation of hundreds of services on UMANG platform has created a lot of value and the same UMANG platform will be used to provide services through Artificial Intelligence based Chat/Voice Assistants viz. Google assistant, Alexa, SIRI etc. An agency is being selected to provide the same.
- j. Even agencies which provide services through agent assisted mode like CSC etc. have approached to enable UMANG services for their agents, so that such services may be provided in assisted mode.
- k. Even Amazon and Flipkart type of major Apps have approached to provide UMANG services through their apps

However, as recommended by the Standing committee on IT, a detailed assessment and evaluation survey, and a comprehensive user study of the UMANG Mobile App would be conducted soon. It is submitted that in view of the COVID-19 pandemic and the unprecedented lockdown, the same couldn't be carried out in the stipulated time period. It is, therefore, requested that the committee may provide some time relaxation in submitting the said reports.

Further, it is brought to the notice of the committee that a target of 2 crore downloads in 1 Year was not set for the project. However, UMANG is one of the most downloaded Government Apps. UMANG has already crossed the 2.35 crore download mark. It may also be noted that UMANG is not only a Mobile app but also used through Web. There has been a steady increase in Year to Year transactions on UMANG Platform and from 2018 to 2019 the growth rate in the number of transactions has been 80 %. As on date, the total transactions executed on UMANG Platform is ~ 88 crore.

**17. The Committee had recommended that an assessment and evaluation survey may be conducted to ascertain reasons for tepid/lukewarm response to the App and lack of repeated use after download, prior to incurring any further expenditure on the project. In their Action Taken Note, the Ministry has stated that a small User and Integrated Department study was conducted by Prof. Satya Bhushan Dash of IIM Lucknow on various aspects of UMANG app. The Ministry has also furnished summary of the findings of the report, its recommendations and the action taken/ proposed for the recommendation. The Ministry's reply is however silent when the study was conducted & what corrective steps taken by them and its impact. The Committee would like to be apprised of the same. The Ministry has further submitted that detailed assessment and evaluation survey couldn't be carried out in the stipulated time period in**

**view of the COVID-19 pandemic and the unprecedented lockdown and comprehensive user study of the UMANG Mobile App would be conducted soon. The Committee desire the findings/outcome of the study may be conveyed to the Committee as and when it is conducted.**

## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Budget Analysis

##### (Recommendation Sl. No. 1)

The Committee note that as against the proposed allocation of Rs. 12059.39 crore, the budget allocation of MeitY for the year 2019-20 is Rs. 6654.00 crore which is a reduction of 44.82% from the proposed amount. The budget allocation of Rs. 6654.00 crore includes Rs. 6306.00 Crore under Revenue section and Rs. 348.00 crore under the Capital section. During the year 2018-19, as against the proposed allocation of Rs. 9959.00 crore, the budget allocation was Rs. 6000.00 crore which was a reduction of 39.75%. The BE allocation was enhanced to Rs. 6381.00 crore at RE stage and the actual expenditure was Rs. 6357.41 crore. Thus, both years have witnessed a mismatch in the amount proposed and the amount actually allocated to the Ministry. While the reduction in proposed amount in 2018-19 was 39.75%, in 2019-20, it has further been reduced to 44.82%. This is in stark contrast to the year 2017-18 where against the proposed amount of Rs. 4034.00 crore, the Ministry had been given a matching allocation of Rs. 4039.00 crore. When the Committee desired to know the reasons for significant decrease in allocation during 2019-20 despite more than 100% utilization w.r.t. BE during 2018-19, the Ministry have stated that 100% utilization of the funds allocated is not the only criteria based on which further allocations are made and Ministry of Finance usually sticks to the policy of increasing the budgetary provision by 5 to 7%. However, the allocation gets increased in case of approval of new schemes/projects, implementation of new policies of the Government, improvisation of some schemes for public benefit, etc. At the Ministry level, it is ensured that funds are allocated first to meet the committed/regular expenditure that may not be avoided and then the balance funds are distributed among the schemes/projects based on prioritization, specific instruction from MoF, etc. MeitY always tries to distribute funds amongst the schemes in such a manner that the schemes/projects are continued to be implemented with least adverse 44 effects. Further, MoF is also requested at Revised Estimates (RE) stage to allocate additional funds for better implementation of schemes, if required.

From the aforesaid explanation/submission, the Committee gets the impression that the Ministry satisfied with the allocation and they would seek additional fund at the RE stage. The representative of the Ministry also hinted during evidence that they would resort to asking for more funds at the RE stage. The Committee are, however, concerned to note that while in the year 2017-18, the Ministry had been allocated slightly more than the proposed amount, in 2018-19 and 2019-20, the proposed amount has been reduced by 39.75% & 44.82% respectively clearly pointing to the fact that something is amiss in the budgetary planning of

the Ministry. In view of the vast mandate of the Ministry and increasing role of MeitY in various IT based governance initiatives, a steep reduction of allocation at the BE stage is a cause for concern. The Committee are at a loss to understand what kind of consultation has gone in the budgetary exercise with the Ministry of Finance by MeitY because the Secretary, MeitY himself has admitted to some important/core activities of the Ministry getting affected due to lowering of budgetary allocation. The Committee are of the considered view that the Ministry should play a more proactive role in getting adequate funds from Ministry of Finance based on their past performance in utilization of funds. The Committee, therefore, recommend that the Ministry should ensure adequate budgetary resources commensurate to the requirements of the Ministry so that flagship programmes such as Digital India and Make in India do not fall short of funds and the planned expenditure does not end up relegated to the committed expenditure.

### **Reply of the Government**

The observations of the Committee have been noted for future compliance. It is, however, stated that in the Pre-Budget Meeting held on 31.10.2019 to finalize RE2019-20, MeitY had submitted a proposal for an additional allocation of Rs.1567.25 crore over and above the allocations made in BE 2019-20. The additionalities sought included Rs.1224 crore for various schemes under Digital India Programme. Ministry of Finance was also impressed upon with justifications relating to requirement of additional funds for better implementation of the ongoing schemes. However, considering the fiscal position of the Government, the final RE2019-20 was fixed at Rs.5839.46 crore having a cut of Rs.814.54 crore on the BE allocation of Rs.6654 crore.

### **Position of Outstanding Utilization Certificates**

#### **(Recommendation Sl. No. 2)**

The Committee note that as on 31st December 2018, a total of 174 Utilization Certificates amounting to Rs. 446.33 crore were due. The Ministry further informed that it has taken several initiatives for reducing the number of pending UCs and the measures taken by MeitY to liquidate the pending UCs are proving to be fruitful as the pending Utilization Certificate amount for any particular period is continuously on a decreasing trend. The Ministry further added that during the period from December 2018 to October 2019, Utilization Certificates amounting to Rs. 2505.15 crore have been liquidated. The Committee are given to understand that in order to reduce the quantum of pending UCs as well as holding the implementing agencies more accountable, the Ministry have employed several measures such as regular review of implementation of projects, non-release of further grants till the liquidation of pending UCs, release of grants with respect to unspent balances available with

the grantee bodies, one-to-one meetings to ascertain the difficulties in utilizing the grant, etc. which have ostensibly led to liquidation of utilization certificates amounting to Rs. 2505.15 crore during December 2018 to October 2019.

While appreciating the efforts of the Ministry in liquidating Utilization Certificates amounting to Rs. 2505.15 crore during the period of December 2018 to October 2019, the Committee desire that similar efforts may be continued during the current Financial year also, to avoid any increase in pending Utilization Certificates and ensuring that release of subsequent grants to important Government schemes/projects is not affected.

### **Reply of the Government**

MeitY is regularly monitoring the status of pending UCs. Continuous efforts are also being undertaken towards ensuring zero pending UC.

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

#### **(Recommendation SI. No.3)**

The Committee note that during the year 2017-18, an IEBR target of Rs.1036.13 crore set by the Ministry at BE stage was reduced to Rs.1006.89 crore at the RE stage. Against this, Autonomous Societies under MeitY achieved an IEBR target of Rs.968.41 crore which was about 93% of the target set at BE stage. The Committee note that during the year 2018-19, a target of Rs. 1108.47 crore had been set by the Ministry at BE stage which was increased to Rs. 1160.77 crore at RE stage and the achievement was Rs. 1249.23 crore which was about 112% of the target set at BE stage. While the achievement during 2017-18 was 93% of the target, during 2018-19, the achievement increased to 112% of the Internal and Extra Budgetary Resources (IEBR) target set for the Autonomous Societies under MeitY. The Committee also note that IEBR target for 2019-20 stands at Rs. 1248.89 crore which is approximately 15.80% of the total approved outlay of Rs. 7902.89 crore and the remaining 84.20% is met through Government Grants.

The Committee note that Autonomous Societies working under the aegis of the Ministry such as C-DAC, NIELIT, STPI, ERNET, SAMEER and C-MET are engaged in research in many cutting edge fields like artificial intelligence, microwave etc. The projects being developed by these Societies in diverse niche areas like R&D in IT, Electronics and associated ICT technologies have great potential for revenue generation through linkages with industry and academic institutions, etc. There is a need for leveraging these and commercializing the projects to their advantage. While it is a matter of satisfaction that the performance of Autonomous Societies such as C-DAC, ERNET and NIELIT has exceeded their targets for generation of IEBR in 2018-19, the Committee expect

similar performance from other Autonomous Societies. The Committee are of the view that the commercial viability of the products developed by these bodies need to be explored. The Committee, therefore recommends that the Ministry should identify and explore ways in which the research and development activities undertaken at these Societies can be effectively monetized to achieve their full potential for revenue generation so that the financial dependency of these autonomous societies on Government Grants is reduced.

### **Reply of the Government**

All autonomous societies under the aegis of MeitY have been requested to explore new areas of operation and execute more and more projects from other Ministries/Departments/State Governments/PSUs so that they would move forward towards self-sustaining institutions having little or no dependence upon core grants from this Ministry for sustenance. It is noteworthy that no core grant is being provided to NIELIT, ERNET and STPI for meeting their salary/establishment related expenses as these Autonomous Societies are self-sustained ones. The action taken by the other three Autonomous Societies are given below:

**C-DAC** is exploring new areas for implementing its R&D outcomes in other Ministries/ Departments to generate more IEBR. Current Year targets of IEBR have also been increased from Rs. 620.00 crore (2019-20) to Rs. 800.00 crore (2020-21).

**C-MET** is exploring to move forward towards self-sustaining institution having less dependence upon core grants from MeitY. C-MET has planned and executed various new areas of research with support from other Ministries/Departments/State Governments/Industries.

For effective monetization, some of the facilities i.e RoHS testing and certification, LTCC packaging facility etc. essential for development of niche R&D, made major contribution in self sustainability by providing internal as well as external services. Various technologies developed at C-MET have also been transferred to industries in the last financial year and some are in pipeline to achieve their full potential for revenue generation.

As a result, during 2019-20, C-MET has generated more than 102% of targeted IEBR (IR: Rs. 540.34 lakhs against Rs. 425.00 lakhs and EBR: Rs. 2669.19 lakhs against 2700.00 lakhs).

**SAMEER** has achieved IEBR target during the last two years. SAMEER has established a facility at Visakhapatnam to offer EMI/EMC and EMP tests, measurements and consultancy services. The current facility at SAMEER, Mumbai and Chennai is being augmented to meet the requirement of Industry in EMI/EMC tests, measurement and consultancy. In addition, SAMEER is also exploring new areas for implementing its R&D outcomes in other Ministries / Department to generate more IEBR so as to sustain itself.

## **NIC eMail and Messenger service**

### **(Recommendation SI. No. 5)**

The Committee note that the e-Mail policy mandates all Government officials to use only the Government eMail service and approximately 2.6 million officials are currently using NIC email. NIC email offers several unique/differentiating features vis-à-vis other popular e-mail services. NIC email ensures strategic control of the Government over its own data which as of today resides in servers like Gmail/Yahoo which are beyond the control of the Government. It caters to specific email communication requirements and expectations of the Government of India. NIC email integrates all Government applications through the single-sign-on module of the NIC eMail service and offers backup, Disaster Recovery and Business continuity plan as per the requirement of Government of India.

The Committee are, however, concerned to note that in spite of the above e-mail policy NIC mail is not the preferred choice of the users and other alternatives such as Gmail, Yahoo etc. are being widely used for email communication. In view of the increasing use of email for official communication and the emerging cyber threats and vectors associated with email communication, there is an urgent need that use of NIC mail is insisted upon at all levels and that NIC further strengthen their user-friendliness as well as security features. There is also a need to improve the Government websites with better user interface and the look and feel of the NIC email be made more user friendly and impressive. It is worth considering comparative examples, like Gmail, as possible design ideas given how popular they are. The Committee recommend that steps may be taken to create awareness about the eMail policy of the Government and to enforce it to ensure safety and security of official communications. The Committee are also given to understand that a prototype of Instant Messaging System for Government has been created and is under pilot testing. It has been designed and developed by NIC (National Informatics Centre) which is hosted on Government infrastructure for usage by Indian Government Organizations. The Committee, while appreciating the efforts of the Ministry to create an Instant Messaging System/App for use by Indian Government organizations, desire that the launching of the above app may be expedited. The Committee may be apprised of the progress and the reaction of the users to the messaging app.

### **Reply of the Government**

As part of the mandate under the Digital India program for providing secure communication, NIC has been providing the secure e-Mail service to its Govt. officials. The new enhanced version of e-Mail service has witnessed a quantum jump in terms of users as well as daily traffic. Today, the service has achieved 2.7 million users, and the daily email traffic of the service has scaled to more than 4.5

Cr. e-Mails per day and is increasing at a tremendous rate due to adoption of the service. The service has a mandate to onboard all Govt. officers estimated at about 5 millions.

With regards to the concern of the committee on usage of private email for official purpose, it may be noted that MEITY would send an official communication to all the Ministries and Departments mandating usage of Govt. of India e-Mail Service as the official channel for communication. In addition, a session on Govt. E-mail service would be made part of all workshops hosted by MEITY. This was delayed due to the ongoing Corona pandemic and would be initiated soon.

The new version of e-Mail service has been enhanced by several features that augment the functioning of the Govt. officials for their daily operations with a simpler user-interface. The security of the service has also been enhanced by adding unique features that are relevant to the Govt., like Geo Fencing and device mapping.

It may also be noted that NIC has upgraded its new email service with feature sets that are at par with global email service providers. In addition, the migration of the users and their data from the old version to the new version has also been recently completed and it is expected that with emphasis from MEITY and with the focus on user awareness of security of Govt. data, the usage will increase. The eMail service will soon have its own Mail App also for secure communication.

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

#### **(Recommendation Sl. No. 6)**

The Committee note that Digital India Programme is an umbrella programme which amalgamates all the ongoing schemes/programmes/projects being implemented by Ministry of 50 Electronics and Information Technology. Government of India has approved the 'Digital India' programme with the vision to transform India into a digitally empowered society and knowledge economy. It weaves together a large number of ideas and thoughts into a single, comprehensive vision so that each of them can be implemented as part of a larger goal. The vision of Digital India is centered on three key areas, viz., (i) 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 Phones (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 (viii) IT for Jobs and (ix) Early Harvest Programmes. The Committee also note that during the year 2017-18, as against Rs. 1498.55 crore proposed, the Ministry had been allocated Rs. 1672.76 crore. However, during

the year 2018-19, as against the proposed amount of Rs. 5880.00 crore, the Ministry had been allocated an amount of Rs. 3073.00 crore i.e. a reduction of Rs. 2807 crore. In 2019-20 as against Rs. 7931.14 crore proposed by the Ministry, the actual allocation is Rs. 3750.76 crore i.e. a reduction of Rs. 4180.38 crore.

It is disturbing to note that despite full utilization of allocation by the Ministry in the Digital India Programme, barring the year 2017-18, the Ministry of Finance have not been sympathetic to the requirement of funds as proposed by MeitY. The Ministry have cited constraints in budgetary allocation as major impediment in achieving the milestones under Digital India Programme. During the year, 2019-20, there have been significant reductions in allocations to important schemes such as National Knowledge Network (NKN), PMGDISHA and Cyber Security Projects, thereby affecting the operational requirements and achievement of targets. In view of the importance of the flagship Digital India Programme which weaves together all the key schemes of the Ministry, the Committee recommend that the matter may be taken up with the Ministry of Finance for adequate allocation of funds to this important scheme and ensure that its implementation is not affected due to budgetary constraints.

### **Reply of the Government**

MeitY has been taking up this issue with Ministry of Finance from time to time to ensure that implementation of any of the ongoing schemes is not affected adversely due to budgetary constraints.

### **Champion Services Sector Scheme**

#### **(Recommendation Sl. No. 7)**

The Committee note that the Union Cabinet Chaired by the Prime Minister on 28th February 2018 had approved the proposal of Department of Commerce (DoC) to give focussed attention to 12 identified Champion Services Sectors for realizing their full potential. The 12 identified champion services sectors are: Information Technology (IT) and IT enabled Services (ITeS), Tourism and Hospitality Services, Medical Value Travel, Transport and Logistics Services, Accounting and Finance Services, Audio Visual Services, Legal Services, Communication Services, Construction and Related Engineering Services, Environmental Services, Financial services, and Education services. The Cabinet also directed the Ministries/ Departments concerned with these sectors to finalize and implement the Action Plans along with a monitoring mechanism under the overall guidance of the Committee of Secretaries (CoS) under Cabinet Secretary. A dedicated corpus fund of Rs. 5,000 crore has been established to support initiatives for sectoral Action Plans of the Champion Sectors. Rs 855 crore has been earmarked for MeitY. The Second Meeting of the Screening Committee

regarding recommendations on the proposals under Champion Services Sector Scheme(CSSS) held on 6th March 2019 and four proposals amounting to Rs. 548.8 crore were recommended by the Screening Committee. The four proposals were Future Skills PRIME (Rs. 436.87 Cr.), Next Generation Incubation Services (Rs. 95.03 Cr.), Market Development Initiative in Nordic and African Region (Rs. 8.10 Cr.) and Market Outreach Initiative (Rs. 12.04 Cr.) The Committee appreciate the Government's initiative in giving focused attention to the Information Technology (IT) and IT enabled Services (ITeS) sector, which, in the opinion of the Committee is a 52 welcome step which was long overdue. The Ministry may inform the Committee the preparatory plan of action under the four proposed schemes and also the detailed future roadmap. The Committee hope that the proposed schemes would achieve their intended objectives. The Committee may be apprised of the progress in the scheme.

### **Reply of the Government**

#### **FutureSkills 'PRIME' as a sub-scheme under Champion Services Sector Scheme (CSSS) for IT/ITeS vertical**

MeitY and NASSCOM have jointly conceived a new initiative titled "FutureSkills PRIME (Programme for Re-skilling/Up-skilling of IT Manpower for Employability)", which aims to create a re-skilling/up-skilling ecosystem for B2C in emerging and futuristic technologies. The programme would provide re-skilling/up-skilling opportunities in 10 Emerging Technologies – Virtual Reality, Internet of Things, Big Data Analytics, Artificial Intelligence, Robotic Process Automation, Additive Manufacturing/ 3D Printing, Cloud Computing, Social & Mobile, Cyber Security and Blockchain, to facilitate continuous skill as well as knowledge enhancement of the professionals in line with their aspirations and aptitude in a self-paced digital skill environment. The FutureSkills PRIME programme has been approved under the Champion Services Sector Scheme (CSSS) of Department of Commerce for IT/ITeS vertical.

The Administrative Approval for implementation of 'FutureSkills PRIME' at a total estimated cost of Rs 436.87 crore with Grants-in-aid (GIA) of Rs. 433.21 Crore from the Central Government and Rs. 3.66 Crore as contribution of NASSCOM has been issued on 24.12.2019 to cover a target of 4.12 Lakh beneficiaries (4 lakh Professionals, 10,000 Government Officials and 2,000 Trainers) over a period of 3 years.

**Market Development Initiative in Africa and Nordic Region:** The objective of this MeitY's project is to have a comprehensive and sustained approach for IT/ITeS Market Development in high potential and under penetrated markets - Africa and Nordic Region to increase the global footprint of Indian IT/ITeS Industry particularly SMEs and Startups through NASSCOM. The project aims to positively impact 1,000 SMEs and Startups by increasing their export revenue by 20% over the period of three years through Gap Analysis, Knowledge

Dissemination, Market Access & Promotion, Promotion of Digital platforms created under Digital India Initiative including Diplomatic Engagements for ease of doing business. The total budget outlay of the project is Rs. 8.1 crore for 3 years. The Govt. contribution for the project under Champion Services Sector Scheme (CSSS) is 60% viz. Rs. 4.86 crore. NASSCOM will raise 40% viz. Rs. 3.24 crore of the project expenditure through Industry. The Administrative Approval for implementation of the programme has been issued on 8<sup>th</sup> January, 2020.

**Next Generation Incubation Scheme (NGIS):** The objective of Next Generation Incubation Scheme (NGIS) is to identify start-ups working towards solutions/ outstanding software products for futuristic problems/ emerging ICT technologies/ societal problems and to promote identified start-ups through technical, financial and mentoring support under STPIs incubation facilities across pan-India. This scheme will provide vibrant ecosystem in Tier-II and Tier-III cities to complement the robust IT industry for continued growth, new employment and enhance competitiveness. NGIS will support software product ecosystem and will address a significant portion of NPSP. The Scheme has solution oriented architecture and aims to handhold 300 Tech Start-ups/ entrepreneurs/ SMEs in the field of IT/ ITeS/ ESDM. The total budget requirement of the NGIS is Rs. 95.03 crore for 3 years. The Scheme is proposed to be launched from 11 locations. The Scheme is approved by Secretary, MeitY.

The 1<sup>st</sup> release of fund of Rs. 20.54 crore has been made to initiate Next Generation Incubation Scheme. Challenges have been approved under NextGen Idea Challenge Contest (CHUNAUTI - Covid Headway Under NGIS by Advancing Uninhibited Technology Innovation) and is launched on the Online-Portal [ngis.stpi.in](http://ngis.stpi.in).

**Market Outreach Initiative:** Under this market Outreach Initiative, three proposals have been approved with outlay of Rs. 12.04 crore 3 year duration. The proposals are as under:

- a) Business and marketing assistance office for Indian IT SMEs in the existing infrastructure for soft landing in US;
- b) Business and marketing assistance office for Indian IT SMEs in existing infrastructure for soft landing in UK; and
- c) B2B strategic IT services Networking meet between India IT and IT & ITeS buyers from Japan and Republic of Korea;

The objective of the proposals a) and b) is to support IT SMEs by providing Business and Marketing (B&M) Assistance for Indian IT SMEs. These B&M assistance office for Indian IT SMEs in existing infrastructure for soft landing in US and UK will be committed to the formation, growth, success of export-oriented IT companies, with special emphasis on SMEs. Under these two proposals, 60 Indian IT companies will be able to reap benefits and strengthen their foothold. Further, to diversify the presence of Indian IT/ ITeS in new and

emerging markets, B2B Strategic IT services networking meet is hosted between Indian IT buyers from Japan and Republic of Korea. This will open a new horizon for development of IT products and software jointly. Administrative Approval for implementation of the project was issued on 19.02.2020. The 1<sup>st</sup> release of funds of Rs. 2.25 crore has been made to initiate the proposals.

### **State Wide Area Network (SWAN) – J&K**

#### **(Recommendation SI. No.8)**

The Committee note that SWAN has been implemented in all the States/UTs except Jammu & Kashmir. The States/UTs have been utilizing the core infrastructure of SWAN for connectivity and dedicated close user application access connectivity. SWAN has been integrated with NKN in 30 States/UTs at SHQ level and at 515 district headquarters to provide high bandwidth. Increasing digitization amongst states has led to higher utilization of bandwidth. Presently, most of the States/UTs have upgraded the Statewide Area Network to higher performance and bandwidth capability and are utilizing more than 70% of bandwidth of the existing link capacity. It is strongly felt that in future, with increasing digitization both at Centre and State level, there will be higher bandwidth utilization.

The Committee note that even though there has been notable progress and SWAN has been implemented in all the States/UTs, the Ministry have failed to implement the scheme in Jammu & Kashmir. Even though implementation had been initiated way back in 2007, there is no headway in the scheme as the Ministry have submitted that the State has issued RFP on 4 different occasions in the past but could not finally select System Integrator (SI) due to reason of poor bid response, very limited participation by the vendors and exorbitant higher bid value. The last L1 bid received in 2014 was also very high and Jammu & Kashmir was required to re-bid after necessary modifications in the RFP. The Ministry have informed that RFP has now been finalized and in another one to two months it will be floated for selection of System Integrator (SI). The Committee are perturbed to note that implementation of SWAN in Jammu & Kashmir has been 53 delayed for so long for no other reason but for the procedural delays till August 5 following which a different set of circumstances may have delayed the project. However, the earlier performance reflects a lack of seriousness on the part of the Ministry in implementation of the project in Jammu and Kashmir. While all States are reaping the benefits of broadband connectivity under SWAN, it is unfortunate that Jammu & Kashmir is lagging behind. The Committee recommend that all necessary steps may be taken to expedite implementation of SWAN in Jammu & Kashmir without any further delay and Committee be apprised of the progress in this regard.

## **Reply of the Government**

The UT administration of J&K has completed the bid process for Selection of System Integrator (SI) for implementation of SWAN in the UT. Financial proposal from the UT has been received in the Ministry recently on 23-04-2020. The Empowered Committee (EC) in its meeting held on 19-05-2020 has recommended the proposal and it is under process.

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

#### **(Recommendation SI. No. 9)**

The Committee note that Common Services Centres (CSCs) are internet enabled access points for delivery of various Digital Services (eServices) to the citizens. The CSCs enable citizens to avail the Government and other services closer to their locality in a transparent and timely manner. The primary objective of the CSC is to provide e-governance services within the reach of the citizen, by creating the physical service delivery ICT infrastructure. It helps in making a transparent service delivery mechanism and eliminating citizens' effort in visiting government offices. The Committee note that at the end of March 2017, the total number of functional CSCs was 2,50,345. At the end of March, 2018, this number rose to 2,92,605 and by March 2019, it increased further to 3,45,246. Out of 3,45,246 CSCs functional by the end of March 2019, 2,28,547 CSCs are at the Gram Panchayat level. The Government of India has launched CSC 2.0 Project in December, 2015 under the pillar-3 of Digital India Programme which aims to set up at least one CSC in every GP across the Country within a duration of 4 years i.e. by November, 2019 thereby envisaging establishment of at least 2.5 lakh CSCs covering all Gram Panchayats of the country by November 2019. The Ministry have cited lack of connectivity & reliable power supply in hilly & remote areas as the major factors affecting rollout of CSCs. Department of Telecommunications (DoT) has assigned 54 CSC-SPV to extend the BharatNet connectivity up-to last mile and provide Wi-Fi Internet services to the rural population through Wi-Fi Choupal, where there was no reliable connectivity. As on 31st August, 2019, a total 10,091 Gram Panchayats are covered with Wi-Fi internet and by March, 2020 it is expected to cover 90,000 Gram Panchayats.

While the efforts of the Government in setting up new CSCs at an increasing rate to meet the targets set under the CSC 2.0 Project is appreciable, the Committee feel much more needs to be done to meet the target of 2.50 lakh CSCs covering all Gram Panchayats. The Committee recommends that the Ministry work more closely with other Departments and agencies such as DoT and State Governments to address the issue of connectivity and ensure uniform access to eservices delivered through CSCs to all the citizens of the country irrespective of their location/place of stay, including restarting Aadhaar related services. The Committee would also appreciate receiving information on impact

assessment of CSCs done by the Ministry, if any, as also the grievance redressal mechanism available to the users.

## **Reply of the Government**

### Issue of connectivity:

As on 31 March, 2020, in total 360,873 CSCs are functional pan India, of them 268,385 CSCs are at Gram Panchayat level. As on 31 March, 2020, identification of at least one VLE and creation of CSC ID against the identified VLEs have been done for **240,792 Gram Panchayats across the Country out of 253,134 Gram Panchayats (i.e. around for 95.12%)**. Multiple number of CSCs are functional in a good number of GPs.

**However, CSCs couldn't be set up in about 12,342 GPs** falling in the North-Eastern States, Himachal Pradesh, Uttarakhand and Jammu & Kashmir, Chhattisgarh, Punjab and Telangana where it is difficult to set up CSCs owing to absence of internet connectivity, unstable power supply and extreme remoteness (for NE States, Uttarakhand, Himachal Pradesh, Jammu & Kashmir), small size of GP (Punjab, Telangana and Tripura) and extremism (for Chhattisgarh).

- Action has already been taken to map those uncovered GPs with the CSCs of nearby GPs.
- Apart from this, the following initiatives have been taken in consultation with other Departments and agencies such as DoT, BBNL and State level organizations to address the issue of connectivity and ensure uniform access to eservices delivered through CSCs to all the citizens

### **1. Wi-Fi Choupal initiative (connectivity):**

CSC-SPV was granted with Unified Licence on 29 March, 2016 and initiated its Wi-Fi initiative (**Wi-Fi Choupal**) in April, 2016 by integrating it with BharatNet end-points at Gram Panchayats (GP) and extending it over a Wi-Fi Network covering all the inhabited areas of the village to create a very powerful service delivery platform.

During the period from April, 2017 to March, 2020, a total of 33,556 GPs have been covered for integrating with BharatNet Infrastructure end-points. And till 31 March, 2020, in total 14,550 GPs are covered with Wi-Fi internet. Till 31 March, 2020, in total 12,29,351 subscribers have taken Wi-Fi internet facility in 14,550 Gram Panchayats.

### **2. Fiber distribution activity awarded by DoT/ BBNL (connectivity):**

Under BharatNet Phase-1, DoT has awarded the activity of GPON (Gigabit Passive Optical Networks) installation and commissioning to CSC-SPV under CSC network in 18 States viz Uttar Pradesh, Punjab, Odisha, Maharashtra, Madhya Pradesh, Andhra Pradesh, Chhattisgarh, Jharkhand, Bihar, Uttarakhand,

West Bengal, Haryana, Tripura, Assam, Manipur, Himachal Pradesh, Sikkim and Rajasthan, at Gram Panchayats.

Under the GPON initiative, till March, 2020, Letter of intent (LoI) was received by CSC-SPV for 33,924 sites for 33,506 GPs. Among these, Installation is completed in 32,054 GPs, and, Integration is completed in 32,720 GPs. (few additional sites were for integration only).

#### Restarting of Aadhaar related services

CSC Network was utilized across the Country as UIDAI Registrar to enable positioning them as Permanent Enrollment Centres of UIDAI between December, 2012 to March, 2019. Post March, 2019, all the PECs run by the CSCs under CSC-SPV Registrar were deactivated at the instance of the UIDAI. However, CSC-SPV entered into agreements with the State Registrars of Haryana, Himachal Pradesh and Andhra Pradesh and engaged its CSCs in these States for providing Aadhaar services. **All necessary efforts are being made to re-activate the CSC-PECs under CSC-SPV Registrar for enabling smooth access to the Aadhaar related services for the rural citizens.**

**Aadhaar Enrolments:** Since December, 2012 (launch month) till March, 2020, in total 1,937.17 lakh Aadhaar Enrolments have been made/Aadhaar Numbers Generated through CSCs. In the month of March, 2020, a total of 23,764 Aadhaar Enrollments and 83,000 Aadhaar updation have been made through the 1788 nos. of PECs in 19 States and 2 UTs viz Uttar Pradesh, Bihar, Madhya Pradesh, Maharashtra, Gujarat, Karnataka, Odisha, West Bengal, Rajasthan, Jharkhand, Chhattisgarh, Assam, Haryana, Andhra Pradesh, Himachal Pradesh, Uttarakhand, Kerala, Telangana and Tamil Nadu, and UT of Delhi and Puducherry.

**Aadhaar E-KYC/Authentication:** Till 31 March, 2020, CSC E-Governance Services India Limited has tied up with 53 Organisations/ Government Departments for Aadhaar E-KYC/Authentication across the Country.

**Printing of Aadhaar PVC Card:** Printing of Aadhaar PVC Card through CSC Network was launched in 2015 by leveraging E-KYC to print PVC Aadhaar Cards. The service opened up a new avenue of income generation for the VLEs as there has been a growing demand for PVC Aadhaar Card. However, the service got discontinued since February, 2018 at the instance of UIDAI and resumed only in August, 2019.

#### Impact Assessment of CSC 2.0 project:

Impact Assessment was conducted by Indian School of Business (ISB) and report was submitted in December, 2018. **The following 3 (Three) Principal Recommendations were made in the Report.**

**(1.1)** First, given that the VLE's perception of the entrepreneurial environment in the state positively influences their achievement motivation, self-belief and social orientation, the central and state government apparatus engage more in the promotion and growth of entrepreneurship. This could result in highlighting the benefits and prospects of taking up entrepreneurship as a career option.

**(1.2)** Both central and state governments can build awareness particularly in younger populations on the potential value and job creation that could be created by being rural entrepreneurs.

**(1.3)** Inherent to promotion of rural entrepreneurship as an aspiring career option among the youth, governments must also lay the foundations necessary to promote internet based entrepreneurship in rural areas.

With better connectivity, newer and richer set of services could be availed through CSC scheme and this could significantly strengthen the impact of VLEs in their respective communities. Higher levels of awareness and aspiration towards a career in entrepreneurship combined with greater internet connectivity would create a newer generation of rural Indians who would be ready to become

**(2.1)** To provide training to the VLEs about business strategies, notably, marketing, finance, operations, and investments in human capital that facilitate identification of market opportunities and development of sustainable businesses around such opportunities.

**(2.2)** VLEs' enhanced understanding of the market linkages between the needs of his/her customers and the possible products and services in the market would empower VLEs to unleash their entrepreneurial potential better.

It is crucial that the entire business value chain is envisioned not only by the government and private service providers but also by the last mile connectors – the VLEs who have the best opportunity to come up with solutions that bridge the existing gaps in the value chain. VLE's market savviness, business and ICT skills would remain the bedrock of a sustainable and thriving CSC scheme.

**(3.1)** An important limitation in the use of CSC services is literacy levels of the population that it serves. Greater investments in the digital literacy of the citizens would enable them to a wealth of information and thereby their awareness of various products and services that they can afford and avail.

**(3.2)** CSC scheme and the VLEs can pave the path for digital empowerment of rural citizens through training programs and further enhance the local demand for newer products and services creating a self-sustaining cycle of business value and tech-enabled enterprise creation across India.

Necessary action has already been taken by this Ministry as per the above recommendations. A few key initiatives are indicated below for kind perusal:

- Necessary efforts have been made to ensure connectivity gradually through Wi-Fi initiative (Wi-Fi Choupal ) and integration with BharatNet end-points.
- Newer and richer set of services have been integrated with CSC Digital Seva Portal so as to significantly strengthen the impact of VLEs in their respective communities
- “Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMG DISHA)” scheme launched in February, 2017 through CSC network is aimed at empowering the citizens in rural areas by training them to operate computer or digital access devices, send and receive e-mails, browse Internet, access services, search for information, make digital payment, etc., and hence enable them to use the Information Technology and related applications to actively participate in the process of nation building. Thus, the Scheme aims to bridge the digital divide, specifically targeting the rural population including the marginalised sections of society like Scheduled Castes (SC)/Scheduled Tribes (ST), Below Poverty Line (BPL), women, differently-abled persons and minorities.
- CSCs have been leveraged for offering online learning to bridge the education gap by helping the underprivileged community.
- CSC Grameen e-Store initiative has been started through which VLEs can help local people to sell local products, groceries, vegetables & fruits using mobile app. CSCs have been engaged for creating awareness & grocery distribution via CSC mobile vans. Through this, VLEs’ would get enhanced understanding of the market linkages between the needs of his/her customers and the possible products and services in the market would empower VLEs to unleash their entrepreneurial potential better.

*Grievance redressal mechanism for CSCs:*

The Central Helpdesk has been established at its Headquarters in New Delhi to address the issues and complaints of Village Level Entrepreneurs (VLEs) through Calls, Centralized Public Grievance Redress and Monitoring System (CPGRAMS) as well as email communication. As mandated under CSC 2.0, CSC SPV is also in the process of establishing local level Helpdesk in every State and till 29 February, 2020, it has established Local Level Helpdesk in 23 States.

VLEs can contact the Central Helpdesk over the Toll free Helpdesk No. 180030003468. The working hours of Central Helpdesk: 10 am–1 pm & 2 pm–6 pm. The VLEs can register their complaints at **support.csc.gov.in**. VLEs may contact the State level local helpdesk on State specific number.

In the month of March, 2020, in total 29,100 call tickets have been attended by

the Central Helpdesks in respect of various services.

As on 31 March, 2020, local level Helpdesk has been set up in 23 States, of them 22 State level Helpdesks are mapped with Central Helpdesk. In the month of March, 2020, a total of 51,804 calls have been received at State Helpdesks. There were also in total 27,079 out-going calls from these Helpdesks.

### **State Data Centre (SDC)**

#### **(Recommendation Sl. No. 10)**

The Committee note that State Data Centre (SDC) is one of the three core infrastructure components under the NeGP. Under the SDC scheme, Data Centres are to be established in all the States/UTs to consolidate services, applications and infrastructure in order to provide efficient electronic delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services. 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. Some of the key functionalities that can be provided through SDC are central repository for the State, secure data storage, online delivery of services, citizen 55 information/services portal, State Intranet Portal, disaster recovery, remote management and service integration, etc. SDCs also provide better operation and management control with minimized overall cost of data management, IT resource management, deployment and other costs for States/UTs. As on date 29 SDCs have been declared operational in Tamil Nadu, Puducherry, West Bengal, Andhra Pradesh, Meghalaya, Goa, Karnataka, Manipur, Odisha, Sikkim, Haryana, Kerala, Maharashtra, Gujarat, Tripura, Rajasthan, Nagaland, Uttar Pradesh, Andaman and Nicobar Islands, Madhya Pradesh, Lakshadweep, Chhattisgarh, Jammu and Kashmir, Mizoram, Bihar, Himachal Pradesh, Jharkhand, Punjab and Uttarakhand.

The Committee note that State Data Centres (SDCs) have been declared operational in 29 States/UTs and out of the three pending SDCs (yet to be operational) Assam has already selected Data Centre Operator (DCO) and have started installation. It is expected to be operational by 31st March 2020. In Arunachal Pradesh, in the last bid in August 2019 no vendor had participated and the DCO has not been selected yet and in Dadra & Nagar Haveli and Daman & Diu the DCO was terminated on non-performance issues and they are again coming out with fresh RFP. While noting that SDCs play an important role by consolidating 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, the Committee exhort the Ministry to facilitate setting up of SDCs in the remaining three States/UTs of Assam, Arunachal Pradesh and Dadra & Nagar Haveli and Daman & Diu without

any further delay and find ways and means to address the constraints being faced in the execution of the project.

### **Reply of the Government**

Scheme for establishing State Data Centres (SDCs) across 35 States/UTs across the country was approved by the Government of India on 24th January 2008. Total outlay of Rs.1623.20 Crores was allocated towards the Capital and Operational expenses over a period of 5 years. A total of 22 states/UTs have completed 5 years of O&M (Operation & Maintenance) and 7 states/UTs are currently under 5 years of O&M.

The actions taken for the three SDCs under discussion are given below

#### 1. Assam:

- The DPR (Detailed Project Report) approved outlay is Rs. 49.04 crores.
- The work order has been issued to selected Data Centre Operator (DCO), M/s. Sify Technologies Ltd.
- The work, for getting the Assam SDC operational, is progressing without any hindrance and is expected to Go-Live shortly.

#### 2. Dadra & Nagar Haveli:

- The project for establishing the SDC for Dadra & Nagar Haveli got approved on 26<sup>th</sup> February 2013. The SDC was envisioned to cover SDC requirements of both Dadra & Nagar Haveli, and Daman and Diu.
- The total DPR approved outlay is Rs. 32.12 Cr.
- The Project got terminated in January 2016 due to poor performance of the DCO (Data Centre Operator).
- The union territory is contemplating to implement the SDC project under Silvassa Smart city Project.

#### 3. Arunachal Pradesh:

- The proposal for setting up of SDC by Government of Arunachal Pradesh was duly approved by the Empowered Committee on September 2008.
- The total DPR approved outlay is Rs. 31.81 Cr.

Based on the information shared by Arunachal Pradesh SDC team, the DCO selection has been in process.

### **National Policy on Electronics**

#### **(Recommendation Sl. No. 12)**

The Committee note that Electronics industry is a meta sector and supports increasing productivity and efficiency of other sectors of the economy.

The National Policy on Electronics 2019 (NPE 2019) has been notified on 25.02.2019, subsequent to the approval by the Union Cabinet in its meeting held on 19.02.2019. The National Policy on Electronics 2019 (NPE 2019) was notified on 25th February, 2019 and was published in the Gazette of India on 2nd March, 2019. The focus of the NPE-2019 is on promoting an eco-system of manufacturing (group of industries) which form supply chain of a product as against emphasis of existing policy on promoting individual industries, thereby increasing value addition and exports. The NPE 2019 replaces the earlier NPE 2012. The National Policy on Electronics (NPE) 2019 has been formulated to Position India as a global Hub in the Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets and creating an enabling environment for the Industry to compete globally. This would include expanding the scope of the NPE to incorporate robotics and similar subjects.

The Committee need not emphasize that with increasing imports of electronics items in the country which are expected to reach approximately Rs. 2,98,939.01 crore by the end of FY 2018-19, it is high time that the Government focused exclusively on the Electronics manufacturing sector in India and segregate it from the Software sector which is covered under the National Policy on Software Products, also approved in 2019. The Committee feel that the adoption of NPE 2019 is a correct move in the right direction. The Committee hope that the policy would help stimulate the Electronics System Design and Manufacturing (ESDM) sector in India. The Committee may be apprised of the concrete initiatives undertaken under NPE 2019 and the outcome thereof.

### **Reply of the Government**

Following three Schemes have been notified under the aegis of National Policy on Electronics 2019 (NPE 2019) to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports:

*(i) Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing*

The PLI Scheme notified vide Gazette Notification No.CG-DL-E-01042020-218990 dated April 01, 2020 offers a production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units. It is expected that the Scheme would tremendously boost the electronics manufacturing landscape and establish India at the global level in electronics sector.

- The Scheme shall extend an incentive of 4% to 6% on incremental sales (over base year) of goods manufactured in India and covered under target

segments, to eligible companies, for a period of five (5) years subsequent to the base year as defined.

- The Scheme is open for applications for a period of 4 months initially which may be extended. Support under the Scheme shall be provided for a period of five (5) years subsequent to the base year

*(ii) Scheme for Promotion of manufacturing of Electronic Components and Semiconductors (SPECS)*

The SPECS Scheme notified vide Gazette Notification No.CG-DL-E-01042020-218992 dated April 01, 2020 shall help offset the disability for domestic manufacturing of electronic components and semiconductors in order to strengthen the electronics manufacturing ecosystem in the country.

- The Scheme shall provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods, all of which involve high value added manufacturing.
- The Scheme shall be applicable to investments in new units and expansion of capacity/ modernization and diversification of existing units. Application under the Scheme can be made by any entity registered in India.
- The capital expenditure will be total of expenditure in plant, machinery, equipment, associated utilities and technology, including for Research & Development (R&D).
- The Scheme is open for applications initially for 3 years from the date of its notification. Incentives under the Scheme will be applicable from the date of acknowledgment of the application. The incentives will be available for investment made within 5 years from the date of acknowledgement of application.

*(iii) Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)*

Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme has been notified vide Gazette Notification No.CG-DL-E-01042020-218991 dated April 01, 2020 with the objective to address the disabilities, by providing support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in these clusters.

- This Scheme shall fortify the linkage between domestic and international market by strengthening supply chain responsiveness, consolidation of suppliers, decreased time-to-market, lower logistics costs, etc.
- The EMC 2.0 Scheme shall provide financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country.
- Financial assistance under EMC 2.0 Scheme for Electronics Manufacturing Clusters will be provided for 50% of the project cost subject to a ceiling of Rs.70 crore for every 100 acres of land. For larger areas, pro-rata ceiling would apply with the overall commitment from Government of India not exceeding Rs. 350 crore per project.
- For EMC projects, there should be a commitment from Anchor Unit(s) or industry for taking (purchase or lease) at-least 20% of the saleable / leasable land area and a minimum investment commitment of Rs. 300 crore.
- Ready Built Factory (RBF) Sheds / Plug and Play facility should be provided in at least 10% of the saleable / leasable land within the proposed electronics manufacturing cluster.
- The Scheme is open for receipt of applications for a period of 3 years from the date of notification. Further period of 5 years is available for disbursement of funds to the approved projects.

### **Cyber Security Projects (NCCC & Others)**

#### **(Recommendation Sl. No. 13)**

The Committee note that Cyber Security Projects (NCCC & Others) is a sub scheme of the Digital India Programme. During 2018-19, as against the proposed Rs. 325 crore, the scheme was allocated Rs. 110 crore and the actual utilization was Rs. 107.48 crore. Despite almost full utilization in 2018-19, in 2019-20, as against the proposed amount of Rs. 586.05 crore, the scheme has been allotted a meagre amount of Rs. 120 crore which is approximately 20% of the proposed amount. The Committee wonder as to how the requirements for cyber security projects will be met with this paltry sum. Recent reports of security breaches in the Kudankulam nuclear plant, as well as to the social media accounts of individuals, point to the urgency of cyber security needs in our country today.

## **Reply of the Government**

It may be noted that NCCC is a project in the area of national cyber security to scan the cyberspace at the meta data level to generate a near real time situational awareness of the macroscopic view of the cyber security threats in the country. This entails data collection from several locations and, therefore, requires high-end hardware and software for all the sites to be covered. These cannot, therefore, be procured in piecemeal manner as compatibility issues arise. Though the budget allocated in the CFY is less than requirement, the efforts would be made to make the funds available at RE 2020-21 stage and the procurement of Hardware and Software will, accordingly, be made. Based on available funds projects like NCCC are planned to be implemented in phased manner.

### **Pradhanmantri Gramin Digital Saksharta Abhiyaan (PMGDISHA)**

#### **(Recommendation Sl. No. 15)**

The Committee note that PMGDISHA is a sub scheme of the Digital India Programme. During 2018-19, out of the proposed Rs. 1551 crore, the scheme was allocated Rs. 400 crore which was increased to Rs. 438 crore at RE stage and the actual utilization was Rs. 438 crore. Despite full utilization in 2018-19, in 2019-20, out of the proposed Rs. 1175.69 crore, the scheme has been allotted Rs. 518 crore which is approximately 44% of the proposed amount. 60 The Committee are disappointed to note that cumulative target of the PMGDISHA Scheme was digital literacy training of 6 crore persons. However, due to reduced fund allocation in FY 2017-18 (Rs 100 Cr) and FY 2018-19 (Rs. 438 crore), the target of FY 2017-18 and FY 2018-19 had to be redistributed to subsequent year(s). During the current F.Y. 2019-20, the Ministry propose to achieve a target of providing digital literacy training to 1.75 crore beneficiaries subject to availability of funds. Keeping in view the importance of digital literacy to transform India into a digitally empowered society and knowledge economy, the Committee recommend that adequate funds are allocated to the Pradhan Mantri Gramin Digital Saksharta Abhiyaan (PMGDISHA) scheme under the Digital India Programme so that the targets are not deferred due to want of funds. The Committee may also be informed as to how many Gram Panchayats or Districts have been covered under PMGDISHA scheme. Further, since it has been three years since the scheme was launched, the Committee recommend the Ministry to carry out an evaluation of the scheme to ascertain its success and outreach and Committee be apprised of the same.

## **Reply of the Government**

**Under the Pradhan Mantri Gramin Digital Saksharta Abhiyaan**

**(PMGDISHA) scheme, as** on 19.02.2020, a total of around 3.42 crore beneficiaries have been enrolled; 2.76 crore have been trained and out of which 2.03 crore have been duly certified by authorized 3rd party Assessment Agencies. These achievements are in line with funds allocation, so far to the scheme.

So far, 2,11,152 Gram Panchayats are covered under the PMGDISHA scheme. The State-wise details of Gram Panchayats covered under the Scheme is as given below:

| <b>S. No</b> | <b>State Name</b>         | <b>No. of Gram Panchayats covered</b> |
|--------------|---------------------------|---------------------------------------|
| 1            | Uttar Pradesh             | 56323                                 |
| 2            | Maharashtra               | 25220                                 |
| 3            | Madhya Pradesh            | 21376                                 |
| 4            | Gujarat                   | 12262                                 |
| 5            | Tamil Nadu                | 9716                                  |
| 6            | Rajasthan                 | 9520                                  |
| 7            | Chhattisgarh              | 9081                                  |
| 8            | Bihar                     | 8401                                  |
| 9            | Odisha                    | 7799                                  |
| 10           | Andhra Pradesh            | 7044                                  |
| 11           | Punjab                    | 7016                                  |
| 12           | Haryana                   | 6319                                  |
| 13           | Karnataka                 | 5813                                  |
| 14           | Jharkhand                 | 4581                                  |
| 15           | Telangana                 | 4196                                  |
| 16           | West Bengal               | 3092                                  |
| 17           | Uttarakhand               | 2905                                  |
| 18           | Himachal Pradesh          | 2714                                  |
| 19           | Assam                     | 2615                                  |
| 20           | Jammu & Kashmir           | 2198                                  |
| 21           | Kerala                    | 766                                   |
| 22           | Tripura                   | 753                                   |
| 23           | Meghalaya                 | 467                                   |
| 24           | Arunachal Pradesh         | 223                                   |
| 25           | Manipur                   | 198                                   |
| 26           | Mizoram                   | 114                                   |
| 27           | Puducherry                | 97                                    |
| 28           | Nagaland                  | 91                                    |
| 29           | Delhi                     | 72                                    |
| 30           | Goa                       | 60                                    |
| 31           | Sikkim                    | 44                                    |
| 32           | Andaman & Nicobar Islands | 40                                    |

|    |                      |                 |
|----|----------------------|-----------------|
| 33 | Dadra & Nagar Haveli | 15              |
| 34 | Chandigarh           | 12              |
| 35 | Daman & Diu          | 7               |
| 36 | Lakshadweep          | 2               |
|    | <b>Total</b>         | <b>2,11,152</b> |

An impact assessment/feedback study on PMGDISHA scheme has been carried out by IIT Delhi with a sample size of around 20,000 respondents. The highlights of their report are as follows:

- After receiving training, the respondents felt more aware about their educational needs (93%).
- 78.94% of the participants know how to use a computer
- 89.65% claimed to gain confidence to learn new things easily
- 97.53% also say that they can help their family members to study better
- 85.5 % respondents felt happy to reach anyone they want through computer and internet.
- 67.35% respondents are able to search for job using Internet because of this training.
- 59.96% beneficiaries are able to learn new knowledge online to get promotion/better job/ earn more.

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

#### **(Recommendation Sl. No. 16)**

The Committee note that 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 an Aadhaar number (a twelve-digit random number) to all residents of India. From September 2015 onwards, UIDAI has been shifted under Ministry of Electronics and Information Technology. As on 30th September 2019, over 124.48 crore residents of India have been issued Aadhaar. It is estimated that of these about 120.91 crore are LIVE against an estimated population of 135.39 crore (Projected 2019). More than 35,000 enrollment centers are operational across the country in post offices, bank branches and Government offices 61 providing Aadhaar enrollment and updation services. During 2018-19, as against the proposed Rs. 1965 crore, the scheme was allocated Rs. 1375 crore and the actual utilization was Rs. 1344.99 crore. For 2019-20, against the proposed Rs. 1650 crore, UIDAI has been allocated Rs. 1227 crore. The targets for the financial year 2019-20 include issuing Unique Identification Number to every resident, provide robust, ubiquitous and cost-

effective online authentication services, provide updation services, aid financial inclusion and continue with Aadhaar enrolment of residents to achieve universal enrolment. Besides acting as a unique identification for every resident of the country, Aadhaar finds tremendous application in Digital Payments space and e-KYC. Aadhaar acts as financial address, when it has been seeded/linked with a bank account. As on 30th Sept. 2019, 67.26 crore individuals have linked their Aadhaar to over 100 crore bank accounts against an estimated 110+ crore active bank accounts. Aadhaar is used for Direct Benefit Transfer (DBT) using Aadhaar Payment Bridge (APB). As on 30th Sept 2019, 549.21 crore successful remittances have been done to disburse over Rs. 2,37,381 crores since its inception. Presently, about 14 crore such transactions are happening every month paying out DBT of about Rs.9000 crores. Aadhaar is also being used for doing merchant transactions to electronically pay merchants directly from the bank account using BHIM Aadhaar Pay. Aadhaar is also used to provide last mile basic banking services (Balance enquiry, Mini statement, Account opening, Cash withdrawals and Cash deposits) to Account holders using Aadhaar Enabled Payment Services (AEPS). As on 30th Sept.2019, over 748.04 crore such e-KYCs have been successfully transmitted to such service providers. Out of this over 41.18 crore eKYCs have been done at about 108 Banks to either open Aadhaar linked bank accounts or link Aadhaar to existing bank accounts.

From the aforesaid observation, it is clear that the initial task of Aadhaar enrolment is reaching saturation levels and with this, online authentication and updation service requests are going to increase multifold, which would require significant infrastructure support. 62 Keeping in view the widespread adoption of Aadhaar and its varied uses in financial transactions and authentication services, the Committee recommend that the budgetary allocation to UIDAI should correspond to the activities being carried out by the Authority. Awareness programs need to be launched and carried out at frequent intervals for Aadhaar based applications such as AEPS, Aadhaar Pay and Pay-to-Aadhaar to increase their popularity and to facilitate digital payments using the Aadhaar platform.

### **Reply of the Government**

AEPS, Aadhaar Pay, BHIM Aadhaar Pay are products of National Payment Corporation of India (NPCI). At present, following three Aadhaar based payments products are active:

1. Aadhaar Enabled Payment System (AEPS) – for delivering banking services at last mile through Business Correspondents also known as Bank Mitras
2. BHIM Aadhaar Pay – enabled for merchants to collect payments digitally
3. Aadhaar Payment Bridge (APB) – a remittance bridge to make payments directly to Aadhaar linked bank accounts via bulk payments.

Volumes for the month of April 2020 on each of the products are as under:

1. AEPS – about 40.33 crore successful transactions across 22.62 lakh micro ATMs (bank mitras)
2. BHIM Aadhaar Pay – about 21 lakh successful transactions across 81,000+ merchant locations
3. APB – about 23crore successful transactions to pay out about Rs. 18,600 crore in government subsidies.

MeitY has been entrusted with the responsibility of leading the 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. 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.

**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 Committee note that National Informatics Centre (NIC), which was established in 1976, has set-up State-of-the-Art Digital 47 Infrastructure to support electronic communication among different establishments of the Government across the country to facilitate implementation of various Government Programmes/Schemes. It also facilitates the Government in providing a large number of citizen centric services online. This infrastructure comprises of high-speed communication network connecting almost all the important institutions of Central Government/State Governments including District Administrations, National Data Centres (NDCs), Video Conferencing, National Cloud, Mail and Messaging etc. National Data Centres are critical and integral part of this infrastructure. Over 10,000 eGovernance applications/websites as well as large number of citizen centric services are hosted in these Data Centers to deliver information and services to citizens at large. Existing data centres of NIC at Shastri Park, New Delhi, Hyderabad and Pune are almost completely utilised. Another National Data Centre at Bhubaneswar was launched during 2018 and augmentation of National Data Centre at Hyderabad is underway. More than 10000 web applications/sites are hosted in these data centres and with number of users planning to use the infrastructure, their capacity will be fully utilised in next two years. Therefore, an urgent need has emerged to expand the data centre facilities. Bhopal being located in one of the safest seismic zones of the country has been selected for establishment of new National Data Centre. An SFC proposal for establishing NDC at Bhopal, Madhya Pradesh has been approved by the Competent Authority at a cost of Rs.490.44 crores for which, funds are required to start the work. Also, to provide impetus to increasing usage of e-Governance services and all inclusive growth of the North East region, NE Regional Data Centre with an outlay of 348.66 crore is proposed to be established which will also act as Disaster Recovery site to the existing State Data Centres. The proposal is under appraisal by MeitY. The Committee express their concern that despite the important role of NIC as key ICT infrastructure provider of the Government, addressing their own infrastructure needs has always been a grey area. Another issue which needs urgent attention is the manpower in NIC. It is a matter of great concern that 48 as against sanctioned strength of 4839, the staff of at NIC at present is 3999. The proposal for creation of 1407 posts across different levels of Scientific and Technical Officers and Administrative officers in NIC which was initiated way back in the

year 2014 is still pending. The Committee are surprised to note that the issue has not been resolved in last 5 years and the reply of the Ministry that they are still compiling clarifications on the issues raised by Ministry of Finance is beyond their comprehension.

Keeping in view the fact that with proliferation of e-Governance services as part of Digital India programme and the requirement on NIC's resources has steadily grown, there is an urgent need to expand the existing data centre facilities at NIC. The Committee recommend that all the aforesaid projects be completed as per schedule and infrastructure of NIC be upgraded urgently. The Committee express their strong objection to inordinate delay in the proposal for creation of 1407 posts across different levels of Scientific and Technical Officers and Administrative officers in NIC. In view of the critical role played by NIC in providing ICT infrastructure in the country, the Committee strongly recommend the Ministry to address manpower and infrastructure constraints at NIC at highest level which have been pending for a long time. The Ministry should also take steps to ensure adequate training of officials entrusted with tasks requiring frequent upgrading of technological skills.

### **Reply of the Government**

The proposal for creation of 1407 posts (reworked now to 1392) in NIC was initiated in 2014. The proposal was approved by the Hon'ble Minister (E&IT) after due deliberations at all levels and submitted to the Ministry of Finance for concurrence. The proposal received back from Ministry of Finance seeking clarifications on some points was examined by a duly constituted Internal Committee and the detailed clarifications were resubmitted to Ministry of Finance for further consideration in February, 2020.

#### **National Data Centre, Bhopal:**

The 1500 racks Rating-IV National Data Centre shall be established in a phased manner including infrastructure for complete operational and management support. The project was approved by Hon'ble Minister (E&IT). 5 acres of land in IT-Park, Bhopal for the project was allotted to NIC by Science & Technology Department, Government of Madhya Pradesh in March 2015 for establishment of State of Art Data Centre at Bhopal. In the first phase of the project, 250 Rack State of Art rated IV Data Centre will be set up with an expansion capability to 500 Racks. Subsequent phases shall be taken up later as per the demand. The project is likely to be commenced soon and is expected to be completed in two and half years.

Approval has been accorded to NIC in January 2020 to execute the project from its own budget. Approximately Rs.50-60 crore may be required in FY 20-21 for execution of the project.

**National Data Centre in North Eastern region (NDC NER):**

There has been considerable thrust by the Government of India in the recent times to bring a digital transformation in the North-Eastern region. The vision document 'Digital North Eastern India– Vision 2022' envisages that the Digital North East India will play an integral role in Digital India. It has also brought to the focus, the key areas of strategic importance for meeting the requirements of the region. Digital infrastructure, including connectivity infrastructure is one of the nine thrust areas that need to be strengthened in order to realize the objectives of the Digital North East India 2022. In line with this vision a State of Art Rated III National Data Centre has been planned at Guwahati, Assam at an estimated cost of Rs.350 crore. The establishment of 200 Rack NE Regional Data Centre is likely to be started soon and is expected to be completed in two and half years. State Government of Assam has already allotted three Bigha of land for the said purpose. Delegated Investment Board (DIB) has recommended the project. The recommendations of Delegated Investment Board (DIB) have been submitted for approval of competent authority. The fund for the project shall be made available by MeitY from annual 10% GBS of MeitY and additional requirement may be met through re-appropriation mechanism.

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

**Promotion of Electronics and IT Hardware Manufacturing**

**(Recommendation Sl. No. 11)**

The Committee note that the demand of Electronics System Design and Manufacturing (ESDM) is expected to rise rapidly to about USD 400 billion by the year 2025. Several policy initiatives under the 'Digital India' and 'Make in India' programmes 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 2018-19, the BE allocation for the scheme was Rs. 864.22 crore which was reduced to Rs. 844.22 crore at RE stage and the actual expenditure was Rs. 727.37 crore. For the year 2019-20, as against the proposed amount of Rs. 1600 crore, there has been an allocation of Rs. 986.00 crore.

The Committee note that the demand for electronics items in India is increasing at a fast pace and rose from Rs. 3,46,728 crore during 2014-15 to Rs. 4,26,057 crore during 2015-16 and stood at Rs. 5,10,258 crore during 2016-17. The demand reached Rs. 6,21,797 crore during 2017-18 and during the year 2018-19, the demand met through domestic production stood at 57% while the imports stood at 43% which translates to total electronics imports in India during

2018- 19 at a staggering figure of Rs. 2,98,939.01 crore. The Committee further note that while there has been a gradual decline in the percentage of demand met through imports, the overall increase in demand negates that effect since the volumes are huge and therefore despite a modest increase in domestic production, more and more foreign exchange reserves are being used up to procure electronics hardware from abroad. With the National Policy on Electronics (NPE 2019) in place, the Committee strongly feel that there is a need to adopt a holistic approach in Promotion of Electronics and IT hardware manufacturing in India with special focus on creating an eco-system of a group of industries in the manufacturing sector to form a supply chain of products as against the existing policy wherein the emphasis has been on promoting individual industries. Encouragement of private sector leadership in this effort, as well as exploration of public-private partnerships in manufacturing, are also essential. There is also a need to reorient the ongoing schemes under Promotion of Electronics and IT hardware manufacturing in India such as M-SIPS, EMC and EDF so as to bring them in tune with the new policy. The Ministry may inform the Committee of the concrete steps taken in this direction and the visible impact on the ground.

### **Reply of the Government**

Domestic electronics manufacturing has increased substantially over the last few years and is steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level of manufacturing on account of rationalization of tariff structure in accordance with the Phased Manufacturing Programme. However, domestic value addition continues to be low in the range of 10 - 30% only. This is due to the lack of electronic components manufacturing ecosystem in the country which go into manufacturing of all electronic products, majorly on account of the coverage of most of the electronic components in the Information Technology Agreement (ITA-1) of WTO, as a result of which there is no duty protection and these are imported at "Nil" Basic Customs Duty (BCD).

The vision of National Policy on Electronics 2019 (NPE 2019) notified on 25.02.2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

A vibrant electronic component manufacturing ecosystem is vital for the overall long-term and sustainable growth of electronics manufacturing in India and essential to achieve net positive Balance of Payments (BoP).

To attract and incentivize large investments in the electronics value chain and promote exports, following three Schemes have been notified under the aegis of National Policy on Electronics 2019 (NPE 2019):

(i) Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing notified on April 01, 2020 shall extend an incentive of 4% to 6% to eligible companies on incremental sales (over base year) involved in mobile phone manufacturing and manufacturing of specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) units.

(ii) Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) notified on April 01, 2020 shall provide financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods. The scheme will help offset the disability for domestic manufacturing of electronic components and semiconductors in order to strengthen the electronics manufacturing ecosystem in the country.

(iii) Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme notified on April 01, 2020 shall provide support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds/ Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country. The Scheme shall provide financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country.

Rationalization of tariff structure is an on-going exercise. Based on the recommendations of MeitY, following steps have been taken by Department of Revenue, Ministry of Finance, for the promotion of domestic electronics manufacturing:

- j. Basic Customs Duty (BCD) has been exempted on specified capital goods [falling under Chapter 82, 84, 85 and 90] for use in the manufacture of specified electronic goods such as Printed Circuit Board (PCB), Charger of cellular mobile phones, Display Panel, etc., subject to actual user condition, with the objective of increasing competitiveness of the industry.
- k. BCD on Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under HS 85219090 and CCTV camera/ IP camera falling under HS 852580 has been increased from 15% to 20% by increasing the tariff rate.
- l. BCD of 15% has been imposed on charger or adapter (falling under HS 850440) of Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under HS 85219090 and CCTV camera/ IP camera falling under HS 852580.

- m. BCD on Open Cell for use in the manufacture of panels of LCD/ LED TVs has been reduced to Nil from 5% vide Customs Notification No.30/2019 dated 17.09.2019, till September 2020.

Further, based on the recommendations of MeitY, tariff structure has been rationalized in Budget 2020-21 for the promotion of electronics manufacturing:

- a. BCD on Printed Circuit Board Assembly (PCBA) of cellular mobile phones (HS 85177010) has been increased from 10% to 20% with effect from 01.04.2020 by increasing the tariff rate.
- b. BCD@10% has been imposed on the Vibrator Motor/ Ringer for use in the manufacture of cellular mobile phones w.e.f. 01.04.2020.
- c. BCD@10% shall be levied on the Display Assembly, Touch Panel, Cover Glass Assembly w.e.f. 01.10.2020.
- d. BCD has been exempted on specified parts of Microphones (covered under HS 85181000) viz., (i) Microphone Cartridge; (ii) Microphone Holder; (iii) Microphone Grill; and (iv) Microphone Body, subject to actual user condition.
- e. BCD on charger or power adapter (except those covered in Information Technology Agreement-1) covered under HS 850440 has been increased from Nil/10%/15% to 20% by increasing the tariff rate on the items covered under HS 850440 from 10%/15% to 20%.

As a result of various initiatives taken by the Government and efforts of the Industry, India's electronics production increased from Rs.3,88,306 crore in 2017-18 to Rs. 5,46,550 crore in the year 2019-20.

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

**(Recommendation Sl. No. 14)**

The Committee also note that Government has proposed to set up the National Cyber Coordination Centre (NCCC) to generate near real time macroscopic views of the cyber security threats in the country and provide near real time situational awareness. NCCC will be a multi stakeholder body and will be implemented by Indian Computer Emergency Response Team (CERT-In) at Ministry of Electronics and Information Technology (MeitY). Phase-I of NCCC has been operationalised in July, 2017. CERT-In has engaged C-DAC, Trivandrum as execution partner for implementation of NCCC phase-II Stage 1. The Request for Proposal (RFP) for phase-II of NCCC is being prepared. The Phase-II Stage 1 is targeted to be operationalised during the year 2019-2020 aimed for collection and analysis of meta data from 15 remote sites.

While taking a strong note of the sharp reduction in allocation vis-à-vis the proposed amount in the Cyber Security Projects (NCCC & Others), the Committee recommend that the Ministry need to ensure adequate allocation of funds in this important scheme so that the cyber security needs of the country are not compromised. The provision of up-to-date technology and adequate human resources to pursue cyber security breaches expeditiously and ward off future threats is indispensable. The Ministry need to take this more seriously, particularly in the backdrop of constant increase in cyber crime and fraud cases. Since these affect ordinary citizens, it is indispensable for the Ministry to publicize widely how a citizen who has been the victim of cyber crime or cyber hacking may report the matter for urgent resolution. At the same time, the Committee welcome the decision of the Ministry for setting up of NCCC as a proactive agency in dealing with issues relating to cyber space and desire that the above centre may be set up in a time bound manner. The Committee wish to be apprised of the progress in setting up the NCCC.

### **Reply of the Government**

CERT-In is operating a 24x7 help desk for citizens and organisations to report cyber security incidents including cyber hacking. Challenges are faced in implementation of cyber security projects due to shortage of funds. The issue needs to be addressed with increased additional allocation of funds for these projects and expediting the recruitment of technical manpower. Based on available funds projects like NCCC are planned to be implemented in phased manner. In order to create the necessary situational awareness for taking proactive measures in the Indian cyber space against the emerging threats, it is imperative to implement the complete NCCC as well as enhance resources of CERT-In. If funds and the manpower are made available for the full scale implementation of NCCC, the project may be implemented in a time bound manner. Cases of Cyber Crime and Fraud are handled by the Ministry of Home Affairs (MHA) through a Citizen Reporting Portal set up <[cybercrime.gov.in](http://cybercrime.gov.in)>.

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

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

#### **(Recommendation Sl. No. 17)**

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 PayGov, Aadhaar, DigiLocker and Rapid Assessment System (RAS). About 490 services from 104 departments of Central/State Governments across 21 States/UTs through 93

different applications are already available on UMANG and the count is increasing every day. It supports around 12 Indian languages, in addition to English and has been hosted on cloud. The Committee have been apprised that since its launch on 23rd November, 2017 and till 28th October, 2019 i.e. in a span of approximately two years, the total number of downloads of the UMANG app have been a mere 1.93 Crore. While the Ministry were hopeful of reaching the target of 2 crore downloads by the end of 2018, the number of downloads has still not reached 2 crores even by the end of 2019.

While the Ministry's efforts in launching the UMANG Mobile App is laudable, it is disquieting to find tepid response to the UMANG Mobile App from the general public resulting in less than expected number of downloads. In other words, while the launching of app has been received well among the users, it has failed to sustain their interest in 63 the application. This certainly calls for an introspection as to why an App which now offers 490 services on a single platform is yet to achieve 2 crore downloads even after two years of its release in 2017. The Committee, therefore, recommend that an assessment and evaluation survey may be conducted to ascertain reasons for such tepid/lukewarm response to the App and lack of repeated use after download, prior to incurring any further expenditure on the project. The Committee further desire that a comprehensive user study of the UMANG Mobile App may be submitted to the Committee within three months.

### **Reply of the Government**

It is mentioned that a small **User and Integrated Department study** was conducted by Prof. Satya Bhushan Dash of **IIM Lucknow** on the following aspects of UMANG app:

- d. To understand the current and potential usage of the app among users.
- e. To understand the level of awareness and understanding of EPFO application (one of the most used services on UMANG) among users and non-users.
- f. To understand the barriers and facilitators in adoption and the usage of the app among users

The summary of the findings of the report; its recommendations and the action taken/ proposed for the recommendation are given below:

#### **4. Summary of the findings of the report**

The summary of the findings of the report on the facilitators and barriers in the adoption of app among users and Integrating Department is mentioned below:

##### **1.5. The facilitators for the adoption of the App among Users are the following:**

- f. The app helps in saving Time and Energy

- g. It can be used Anytime and Anywhere
- h. It is User friendly
- i. No documentation on paper has to be carried to avail services on the App
- j. Convenient to use and provides Peace of mind

1.6. The **barriers** for the adoption of the App among **Users** are the following:

- g. Lack of understanding to access the app
- h. Difficulty in verification of spelling errors in name and other details
- i. Performance gaps like OTP generation, app time out etc.
- j. Many things to read on app
- k. Lack of end to end online process for services
- l. Security

1.7. The **facilitators** for the adoption of the App among **Integrating Departments** (EPFO) are the following:

- e. It provides less human interference and greater transparency and accountability to users
- f. It has automated and streamlines the existing processes.
- g. Also, the documents which were handled physically are now available Online and hence the documents do not get misplaced.
- h. It has resulted in more productivity among employees.

1.8. The **barriers** for the adoption of the App among **Integrating Departments** (EPFO) are the following

- c. It has resulted in increased target due to greater productivity
- d. Lack of computer proficiency and disinterest among employees.

## 5. Recommendations of the Report

The recommendations of the Report with regards to UMANG app are as following:

2.4. Increase **Awareness and understanding** of the UMANG app for **Users** by:

- e. Conducting Digitally focussed awareness of UMANG app
- f. Advertising benefits and features of department services. E.g. for EPFO like pension status, PF withdrawal etc.
- g. Putting more focus on grey collar employees, security guards, labourers etc. to empower them as they are greatest beneficiaries of certain services
- h. Testimonial advertising, voice of current users should be spread to gray collar employees via videos, messages to build their self confidence.

2.5. Increase **Awareness and understanding** of the UMANG app for **Integrating Departments** (EPFO) by:

- d. Conducting more employee centric workshop
- e. More awareness in PF offices; special education to non users at EPF office

for effective use of app

- f. Arrange help desk at EPFO offices to guide people about how to use the EPFO services in UMANG

2.6. Improvement in **User journey** on UMANG app by doing the following:

- g. Initial entry experiences to be without hindrances and glitches; easy
- h. downloading, lite version of app, no time outs
- i. App look and feel should convey the sense of security and trust, much to
- j. learn from modern banking apps
- k. User authentication process like KYC, Date of Birth to be streamlined
- l. Improvement in usability

6. **Action taken/proposed** on the recommendations of the report:

- i. UMANG app has done limited promotion of its features and benefits among the users till now and as recommended in the report, a detailed media outreach programme for UMANG app has been prepared and was to be executed from March 2020 onwards but will now be executed in phases once the current COVID restrictions are lifted.
- m. In order to reach more and more residents of India, selected services of UMANG app are being made available on Feature Phones running on KaiOS Operating System (Jio phones). This will enable users who do not have smartphones to also avail services of integrated departments on UMANG.
- n. With regards to more awareness in PF offices, 25,000 targeted pamphlets were sent to various EPFO offices so as to increase awareness among users who visit PF offices. Also, CPFC, EPFO has been requested to arrange a Help desk at EPFO offices to guide people about how to use the EPFO app in UMANG. Apart from this, several training and Facebook sessions have been organized involving senior officials of departments (EPFO) to increase awareness of UMANG.
- o. To enhance the user Journey, UMANG app has already removed the 'so called' long registration process in the App. Now, the Users can register and login on the app quickly by just providing Mobile number and OTP/mPIN.
- p. UMANG app is being further revamped to smoothen the User journey and provide more personalized experience to the Users in next two months.
- q. In spite of having many services under its umbrella, UMANG app is lightweight and has an app size of less than 18 MB.
- r. Some of the suggestions mentioned such as KYC, DoB (Date of Birth) cannot be implemented as these are the mandatory requirements mentioned by the department to avail their services.
- s. There is already a Multilayer security implementation enabled in the app. However, the same may be conveyed to the user through look and feel.
- t. The aggregation of hundreds of services on UMANG platform has created a lot of value and the same UMANG platform will be used to provide services through Artificial Intelligence based Chat/Voice Assistants viz. Google assistant, Alexa, SIRI etc. An agency is being selected to provide the same.
- u. Even agencies which provide services through agent assisted mode like

CSC etc. have approached to enable UMANG services for their agents, so that such services may be provided in assisted mode.

- v. Even Amazon and Flipkart type of major Apps have approached to provide UMANG services through their apps

However, as recommended by the Standing committee on IT, a detailed assessment and evaluation survey, and a comprehensive user study of the UMANG Mobile App would be conducted soon. It is submitted that in view of the COVID-19 pandemic and the unprecedented lockdown, the same couldn't be carried out in the stipulated time period. It is, therefore, requested that the committee may provide some time relaxation in submitting the said reports.

Further, it is brought to the notice of the committee that a target of 2 crore downloads in 1 Year was not set for the project. However, UMANG is one of the most downloaded Government Apps. UMANG has already crossed the 2.35 crore download mark. It may also be noted that UMANG is not only a Mobile app but also used through Web. There has been a steady increase in Year to Year transactions on UMANG Platform and from 2018 to 2019 the growth rate in the number of transactions has been 80 %. As on date, the total transactions executed on UMANG Platform is ~ 88 crore.

**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;  
4 February, 2021  
15 Magha, 1942 (Saka)

DR. SHASHI THAROOR,  
Chairperson,  
Standing Committee on  
Information Technology.

**MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON  
INFORMATION TECHNOLOGY (2020-21) HELD ON 16<sup>th</sup> OCTOBER,  
2020**

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The Committee sat on Friday, the 16<sup>th</sup> October, 2020 from 1100 hours to  
1300 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. Shashi Tharoor – Chairperson**

**MEMBERS**

***Lok Sabha***

2. Shri Karti P. Chidambaram
3. Shri Santosh Pandey
4. Sanjay Seth
5. Shri L.S. Tejasvi Surya
6. Shri Bhanu Pratap Singh Verma

***Rajya Sabha***

7. Dr. Anil Agrawal
8. Shri Y.S. Chowdary
9. Shri Syed Zafar Islam
10. Shri Nabam Rebia

***Secretariat***

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

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened to consider and adopt four Draft Action Taken Reports on Demands for Grants (2019-20).....xxxxx.....xxxxx.....

3. The Committee took up the following draft Reports for consideration:-

(i) Draft Action Taken Report on Demands for Grants (2019-20) of Ministry of Communications (Department of Telecommunications),

(ii) ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....  
x...

(iii) ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx....., and

(iv) ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....

4. After due deliberations, the Committee adopted the above Reports with slight modifications.

5. The Committee, then, authorized the Chairperson to finalize the Draft and present the same to the House during the next session of Parliament.

(....xxxxx.....xxxxx.....)

6. ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....

7. ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....

8. ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....

9. ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....

10. ....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....xxxxx.....

....xxxxx.....xxxxx.....

*Verbatim proceedings of the sitting have been kept on record.*

**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 FOURTH  
REPORT**

**(SEVENTEENTH 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, 6, 7, 8, 9, 10, 12, 13, 15 and 16
- Total 13  
Percentage 76.47
- (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, 11, 14 and 17
- Total 04  
Percentage 23.53
- (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