24

STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2020-21)

SEVENTEENTH LOK SABHA

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

DEMANDS FOR GRANTS
(2021-22)

TWENTY-FOURTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

March, 2021/ Phalguna, 1942 (Saka)

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**DEMANDS FOR GRANTS
(2021-22)**

Presented to Lok Sabha on 10.03.2021

Laid in Rajya Sabha on 10.03.2021

LOK SABHA SECRETARIAT

NEW DELHI

March, 2021/ Phalguna, 1942 (Saka)

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CONTENTS

</div>

COMPOSITION OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2020-21)

Dr. Shashi Tharoor - Chairperson

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6.   Smt. Raksha Nikhil Khadse
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20. Shri Bhanu Pratap Singh Verma
#21. Smt. Sumalatha Ambareesh

Rajya Sabha

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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	-	Director
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

Abbreviations

AE	-	Actual Expenditure
ASEAN	-	Association of Southeast Asian Nations
BE	-	Budget Estimate
CCBT	-	Convergence Communications & Broadband technologies
C-DAC	-	Centre for Development of Advanced Computing
CERT-In	-	Indian Computer Emergency Response Team
CFCs	-	Common Facility Centres
C-MET	-	Centre for Materials for Electronics Technology
Covid-19	-	Corona Virus Disease 2019
CSCs	-	Common Services Centres
CSC-SPV	-	Common Services Centre - Special Purpose Vehicle
DBT	-	Direct Benefit Transfer
DIC	-	Digital India Corporation
DoCA	-	Department of Consumer Affairs
DPR	-	Detailed Project Report
DRSCs	-	Departmentally Related Standing Committees
EDF	-	Electronics Development Fund
EFC	-	Expenditure Finance Committee
EMC	-	Electronics Manufacturing Clusters
EMDC	-	Electronic Materials Developments Council
ERNET	-	Education and Research Network
ESDM	-	Electronics Systems Design and Manufacturing
FAB	-	Semiconductor Wafer Fabrication
GIMS	-	Government Instant Messaging System
ICT	-	Information and Communication Technology
IDS	-	Integrated Defense Staff
IEBR	-	Internal and Extra Budgetary Resource
ITA	-	Information Technology Agreement
ITeS	-	Information Technology enabled Services
MeitY	-	Ministry of Electronics and Information Technology
MHA	-	Ministry of Home Affairs
MLA	-	Media Lab Asia
MMPs	-	Mission Mode Projects
MoF	-	Ministry of Finance
M-SIPS	-	Modified Special Incentive Package Scheme
NCCC	-	National Cyber Co-ordination Centre
NCH	-	National Consumer Helpline
NeGP	-	National e-Governance Plan
NIC	-	National Informatics Centre
NIELIT	-	National Institute of Electronic and Information Technology
NKN	-	National Knowledge Network
NPCI	-	National Payments Corporation of India
NSCS	-	National Security Council Secretariat

PLI	-	Production Linked Incentive
PMGDISHA	-	Pradhan Mantri Gramin Digital Saksharta Abhiyaan
R&D	-	Research and Development
RE	-	Revised Estimate
RFP	-	Request for Proposal
PLI	-	Production Linked Incentive Scheme
RE	-	Revised Estimate
SAMEER	-	Society for Applied Microwave Electronics Engineering and Research
SDC	-	State Data Center
SEZs	-	Special Economic Zones
SIPS	-	Special Inventive Package Scheme
SPECS	-	Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors
SPV	-	Special Purpose Vehicle
STQC	-	Standardisation, Testing and Quality Certification
SWAN	-	State-wide Area Network
UCs	-	Utilisation Certificates
UMANG	-	Unified Mobile Application for New-Age Governance
WFH	-	Work-from-Home

INTRODUCTION

I, the Chairperson, Standing Committee on Information Technology (2020-21), having been authorized by the Committee to submit the Report on their behalf, present this Twenty-fourth Report on Demands for Grants (2021-22) of the Ministry of Electronics and Information Technology.

2.   The Standing Committee on Information Technology (2020-21) was constituted on 13th September, 2020. One of the functions of the Standing Committee, as laid down in Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, is to consider the Demands for Grants of the Ministry/Department concerned and make a Report on the same to the Houses.

3.   The Committee considered the Demands for Grants pertaining to the Ministry of Electronics and Information Technology for the year 2021-22 which were laid on the Table of the House on 9th February, 2021. The Committee took evidence of the representatives of the Ministry of Electronics and Information Technology on 10th February, 2021.

4.   The Report was considered and adopted by the Committee at their sitting held on 8th March, 2021.

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

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

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

New Delhi;   **DR. SHASHI THAROOR,**
8 March, 2021   **Chairperson,**
17 Phalguna, 1942 (Saka)   **Standing Committee on**
Information Technology.

Part-I
Report

1. **<u>Introductory</u>**

The Ministry of Electronics and Information Technology (MeitY) is responsible for formulation, implementation and review of national policies in the field of Information Technology, Electronics and Internet (all matters other than licensing of Internet Service Provider). The vision of the Ministry is e-Development of India as the engine for transition into a developed nation and an empowered society. The Mission is to promote e-Governance for empowering citizens, promoting the Inclusive and sustainable growth of the Electronics, IT & ITeS industries, enhancing India's role in Internet Governance, adopting a multipronged approach that includes development of human resources, promoting R&D and innovation, enhancing efficiency through digital services and ensuring a secure cyber space.

2. In order to operationalise the objectives of MeitY, schemes are formulated and implemented, either directly or through its Responsibility Centers (Organizations/ Institutions) under its jurisdiction. To make the technology robust and state-of-the-art, collaborations with the academia and the private / public sector is also sought.

3. MeitY has two Attached Offices (viz., NIC and STQC), six Autonomous Societies (viz., CDAC, CMET, NIELIT, SAMEER, STPI and ERNET India), three Section-8 companies (*viz.*, NICSI, NIXI and Digital India Corporation (DIC)), three Statutory Organizations (viz. CCA, ICERT and UIDAI) and One Company registered under Companies Act, 1956 (viz. CSC e-Governance Services India Ltd.) under its charge to carry out the business allocated to the Ministry.

2. Implementation status of the recommendations contained in the Fifth Report of the Committee on Demands for Grants (2020-21) of MeitY

2. The Fifth Report of the Standing Committee on Information Technology on the 'Demands for Grants' of MeitY for the year 2020-21 was presented to the Lok Sabha/laid in the Rajya Sabha on 13th March, 2020. Under Rule 34(1) of 'Rules of Procedure of Departmentally Related Standing Committees (DRSCs)', the Ministry/Department concerned is required to furnish a statement showing the action taken by them on the Observations/Recommendations contained in the Report of the Committee within three months from the date of the presentation of the Report. The Eighteenth Report on action taken by the Government on the Recommendations/Observations contained in Fifth Report on 'Demands for Grants (2020-21)' was presented to the Lok Sabha/laid in Rajya Sabha on 8th February, 2021. Out of the 17 recommendations made by the Committee, 12 were accepted. Replies to 05 recommendations were not accepted by the Committee and were reiterated in their Eighteenth Report. The final Action Taken Statement on the recommendations contained in the Eighteenth Report will be laid in Parliament in due course.

3. Budget Analysis

3.1 Demands for Grants No.26 of MeitY for the year 2021-22

4. The budgetary allocation to the Ministry for last two years and for the year 2021-22 is as under:

(Rs. in crore)

	Actuals (2019-20)	BE(2020-21)	RE(2020-21)	BE(2021-22)
Revenue	5531.70	6524.03	5197.00	9274.66
Capital	266.60	375.00	353.00	446.00
Total	**5798.30**	**6899.03**	**5550.00**	**9720.66**

5.   When asked about variation in Actuals (2019-20), BE & RE for 2020-21 & BE for 2021-22 and the reasons for substantial increase in BE(2021-22) as compared to BE(2020-21), the Ministry submitted as under:

"The actual expenditure in FY 2019-20 was Rs.5798.30 crore. The earmarked budget in BE 2020-21 was Rs.6899.03 crore. Hence, there was an increase of about Rs.1101 crore which was 19% of actual expenditure of FY 2019-20. The increase was mainly due to additional allocation in respect of 'Promotion of Electronics and Hardware Manufacturing', 'National Knowledge Network Programme' and 'R&D in Information Technology, Electronics & CCBT'. However, the difference between BE and RE of FY 2020-21 is due to imposition of a budgetary cut of Rs.1349.03 crore by Ministry of Finance, especially in view of COVID-19 pandemic. Further, there is an increase of about 41% amounting to Rs.2821 crore over BE 2021-22 in the budget allocation for the FY 2021-22. The increased allocation is mainly for Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing under 'Promotion of Electronics and Hardware Manufacturing' Scheme; for 'Promotion of Digital Payments' Scheme and National Language Translation Mission in view of the announcement made by the Hon'ble Finance Minister mentioned in her Budget Speech as follows:

(i)   For a USD 5 trillion economy, our manufacturing sector has to grow in double digits on a sustained basis. Our manufacturing companies need to become an integral part of global supply chains, possess core competence and cutting-edge technology. To achieve all of the above, PLI schemes to create manufacturing global champions for an Atma Nirbhar Bharat have been announced for 13 sectors. This initiative will help bring scale and size in key sectors, create and nurture global champions and provide jobs to our youth.

(ii)   There has been a manifold increase in digital payments in the recent past. To give a further boost to digital transactions, I earmark **₹1,500 crores** for a proposed scheme that will provide **financial incentive to promote digital modes of payment**.

(iii)   We will undertake a new initiative – National Language Translation Mission (**NTLM**). This will enable the wealth of governance-and-policy related knowledge on the Internet being made available in major Indian languages."

6. Plan allocations and utilization of the Ministry during last two years are as follows:

(Rs. in crore)

Financial Year	Proposed	BE	RE	Actual Utilization	%age Utilization w.r.t. RE	%age Utilization w.r.t. BE
2019-20	12059.39	6654.00	5839.46	5798.30	99.30	87.14
2020-21	11023.00	6899.03	5550.00	3652.94 (as on 31.01.2021)	65.82	52.95
2021-22	13886.00	9720.66				

7. The proposed budgetary support for the year 2020-21 was Rs.11023.00 crore and the amount allocated at BE stage was Rs. 6899.03 crore which was reduced to Rs. 5550.00 crore at RE stage. The actual utilisation till 31.01.2021 has been Rs. 3652.94 crore. During 2021-22, the proposed budgetary support was Rs. 13886.00 crore and the amount allocated at BE stage was Rs. 9720.66 crore. There has been a steep reduction in utilization (65.82%) during 2020-21 and subsequent reduction in budgetary support (30%) during the year 2021-22. However, there is a 40.90% increase year-on-year in BE from 2020-21 to 2021-22.

8. On the reasons for steep reduction in allocation from the proposed Rs. 13886.00 crore to Rs. 9720.66 crore at BE stage and the schemes/activities likely to be affected by this steep reduction, the Committee were informed as under:

"It is a fact that there remains a gap between the proposed amount and the actual allocation. It is also stated that Ministry of Finance (MoF) allocates funds to various Ministries/Departments after considering various factors involving budgetary exercise which mainly include:

(i) Demands of various Ministries/Dept (estimates of expenditure) and availability of funds with Govt. of India (based on anticipated gross revenue receipts)
(ii) Utilization of funds by various Ministries/Depts during the past three years and unspent balance lying with grantee organizations.
(iii) Committed expenditure and liabilities
(iv) Prioritisation of Flagship Programmes

It is further stated that MoF usually sticks to the policy of increasing the budgetary provision of ongoing schemes by 5-7%. However, there is an increase of about 41% amounting to Rs.2821 crore over BE 2020-21 in the budget allocation for the FY 2021-22. As of now, no Scheme/activity of MeitY is likely to be affected. Nevertheless, if situation warrants, MeitY may request Ministry of Finance for additional allocation for smooth implementation of a scheme or augmentation of funds under a scheme through reappropriation of savings/Supplementary Demand for Grants."

9. When asked to explain the shortfall in utilisation which stands at 65.82 percent with respect to RE and whether the Ministry are hopeful of achieving full utilization of allocated funds during 2020-21 by the end of March 2021, the Ministry submitted that the shortfall in utilization during the FY 2020-21 (as on 31.01.2021) is due to the following:

(i) MeitY had to restrict its monthly expenditure @ 5% of BE 2020-21 during the first seven months (April-October 2020) in view of Ministry of Finance, Department of Expenditure's OMs No. 12(13)-B(W&M)/2020 dated 08-04.2020, 23-06.2020 and 28.09.2020.

(ii) Relaxation for spending beyond 5% during the third quarter was received from Ministry of Finance after the Pre-Budget meeting vide OM No 2(17)-B(P&A)/2020 dated 29th October 2020.

(iii) The overall cut of Rs.1349.03 crore imposed at RE stage forced MeitY to review the expenditure estimates under various heads and reallocate the funds keeping in view the requirement of funds during the FY 2020-21 which further required reappropriation of funds with the approval of competent authority as per Delegation of Financial Powers Rules (DFPRs). Accordingly, a proposal for reappropriation of funds amounting to Rs.487.08 crore was submitted to Ministry of Finance for obtaining approval of Parliament through 2nd and Final batch of Supplementary Demands for Grants 2020-21. The approval is likely to be received in March 2021 after which necessary expenditure would be made.

MeitY are, therefore, hopeful of spending the allocations in RE 2020-21 completely by the end of March 2021."

10. Scheme-wise details of BE, RE and Actual Expenditure from 2018-19 to 2020-21 and BE for 2021-22 are as under:

S. No.	Scheme/Non-Schemes	2018-19			2019-20			2020-21			
		BE	RE	Actual	BE	RE	Actual	BE	RE	Actual*	BE
1	**Secretariat (MeitY)**	100.00	100.00	105.31	110.24	110.00	95.64	116.03	99.18	74.50	109.33
2	**National Informatic Centre (NIC)**	1100.00	1207.36	1209.11	1150.00	1257.91	1269.03	1285.00	1300.00	989.24	1400.00
3	**Regulatory Authorities**	**157.00**	**148.83**	**142.47**	**170.00**	**163.00**	**146.51**	**274.00**	**212.00**	**149.65**	**345.00**
3.1	STQC Programme	110.00	110.00	107.47	120.00	120.00	109.50	125.00	114.00	84.37	120.00
3.2	Cyber Security (CERT-In & NCCC)	40.00	31.83	29.90	42.00	35.00	29.98	140.00	90.00	61.22	216.00
3.3	Controller of Certifying Authority (CCA)	7.00	7.00	5.10	8.00	8.00	7.03	9.00	8.00	4.06	9.00
	SCHEMES										
4	**Digital India Programme**	**3073.00**	**3352.81**	**3328.54**	**3750.76**	**3212.52**	**3191.09**	**3958.00**	**3044.82**	**1724.47**	**6806.33**
4.1	Electronic Governance(incl. EAP)	425.00	425.00	421.65	450.00	402.87	402.06	425.00	415.82	257.21	425.00
4.2	Manpower Development	300.00	300.00	300.00	400.75	338.00	337.97	430.00	190.00	68.60	400.00
4.3	National Knowledge Network	150.00	320.00	320.00	160.00	274.64	274.64	400.00	584.00	399.40	500.00
4.4	Promotion of Electronics & IT Hardware mfg. (MSIPS, EDF and Manufacturing Clusters)	864.22	844.22	727.35	986.00	690.00	655.08	980.00	700.00	245.97	2631.32
4.5	Promotion of IT & ITeS Industries	50.00	43.81	64.77	100.00	90.00	90.00	170.00	100.00	14.61	150.00
4.6	Cyber Security Projects (NCCC & Others)	110.00	110.00	107.48	120.00	102.00	92.07	170.00	80.00	24.07	200.00
4.7	R&D in IT/Electronics/CCBT	178.00	180.00	179.00	416.00	435.00	427.74	762.99	425.00	375.65	700.00
4.8	PMGDISHA	400.00	438.00	438.00	518.00	400.00	400.00	400.00	250.00	150.00	300.00

4.9	Promotion of Digital Payments	595.78	691.78	770.29	600.00	480.00	511.53	220.00	300.00	188.96	1500.00
4.10	Champion Service Sector Scheme	0.00	0.00	0.00	0.01	0.01	0.00	0.01	0.00	0.00	0.01
5	**Assistance to Autonomous and Other Bodies**										
5.1	Centre for Dev. of Advanced Computing (C-DAC)	100.00	100.00	100.00	120.00	120.00	120.00	127.00	127.00	127.00	200.00
5.2	Centre for Materials for Electronics Technology (C-MET)	20.00	24.71	24.71	30.00	33.25	33.25	50.00	40.00	37.50	80.00
5.3	Society for Applied Microwave Electronics Engg & Research (SAMEER)	70.00	97.29	97.29	90.00	100.00	100.00	98.00	88.00	88.00	120.00
5.4	Unique Identification Authority of India (UIDAI)	1375.00	1345.00	1344.99	1227.00	836.78	836.78	985.00	613.00	459.58	600.00
5.5	Bhaskaracharya National Institute for Space Applications and Geo-Information (BISAG-N)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	0.00	50.00
5.6	Digital India Corporation (DIC)	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	3.00	10.00
	Grand Total	**6000.00**	**6381.00**	**6357.42**	**6654.00**	**5839.46**	**5798.30**	**6899.03**	**5550.00**	**3652.94**	**9720.66**

*As on 31.01.2021

11.	Details of Proposed allocation, BE, RE, Actual Expenditure and percentage utilization w.r.t. RE of MeitY since 2017-18 is given at Annexure-1.

12.	Regarding increase in budget, Secretary, MeitY submitted during evidence as under:

> "The Budget has gone up significantly from Rs. 6,899 crore to Rs. 9,720 crore. So, that is an increase of about 40.9 per cent and it has been a significant increase. The increase has been primarily in the scheme part which is the Digital India Programme. The entire increase -- from Rs. 3958 crore last year to Rs. 6806 crore this year -- in fact, has come in that. One of the two areas that have absorbed all of this increase, is electronic manufacturing, which has gone up from Rs. 980 crore last year to Rs. 2631 crore. So, it is Rs. 1651 crore over and above the last year's allocation. In another area, last year, the promotion of digital payments

was Rs. 220 crore. This year, it is Rs. 1500 crore. So, Rs. 1280 crore is extra in that. If we count these two items where the Budget has increased significantly, they account for the overall increase. In fact, the Budget for all the 10.02.2021 Committee On Information Technology 5 remaining items is about Rs. 110 crore, less than what we were allocated last year. So, that is the broad position of the Budget this year vis-à-vis what we had received last year."

13.   On shortfall in utilization, the Secretary further submitted as under:

"Our Budget was curtailed and that is understandable because of the resource crunch at the level of the Government during the pandemic. There was also a stipulation that not more than 15 per cent of the allotted Budget would be spent in the first two quarters and that spilled over also into the third quarter. That primarily resulted in our not being able to achieve expenditure beyond what we have already achieved. At this point, all our programmes are now in full swing and we are fairly confident that we will be able to spend the curtailed Budget that is allocated to us in the RE."

Position of Outstanding UCs and unspent Balances with States' implementing agencies

14.   The Ministry have furnished the following information on outstanding UCs and unspent Balances as on 31st December 2020:-

	Amount (Rs. in crore)	No. of UCs
Utilisation Certificates due	485.95	170
Unspent Balances for which UCs are not due	2638.52	589
Total Unspent Balance with States/implementing Agencies	**3124.47**	**759**

15.   The status of pending UCs as on 1.4.2020 and 03.02.2021 is as under:

	As on 01.04.2020	As on 03.02.2021	Difference/ Liquidated	% of Liquidation
Number of pending UCs	372	151	221	59%
Pending Amount	1171.60	406.58	765.02	65%

16. The Ministry further submitted that the number of pending UCs have been reduced from 372 to 151 and the corresponding amount has also been substantially reduced (by 65% amounting to Rs.765.02 crore) during the last ten months. Hence, the measures taken by MeitY to liquidate the pending UCs are proving to be fruitful as the unspent balance with grantee institutions for any particular period is continuously reducing. MeitY is monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects which further ensures that the grants released by MeitY are being utilised. Besides, Secretary and SS&FA (MeitY) review the UC status from time to time to ascertain utilization status of released grant to various agencies. In this way, MeitY are making efforts towards zero pending UC and minimum unspent balance with the grantee institutions.

17. Regarding the exact number of UCs which will become due in March, 2021, the Ministry informed that since liquidation of UCs is a continuous process, the exact number of UCs which would become due in March 2021 may be ascertained only on 1st April 2021. However, if it is hypothetically presumed that no further UC is received during the period 03.02.2021 to 31.03.2021, then the exact number of UCs that would become due on 01.04.2021 is as under:

As on 03.02.2021	Amount (Rs. in crore)	No. of UCs
UCs already due as on date	406.58	151
UCs that would become due on 01.04.2021	1394.55	259
Total	**1801.13**	**410**

Internal and Extra Budgetary Resources (IEBR)

18.   Regarding the position of IEBR in respect of Autonomous societies/bodies under the jurisdiction of the Ministry for the years 2019-20 and 2020-21 along with the proposed IEBR, IEBR at BE and RE stage and the position of actual IEBR, the Ministry have submitted the following information:

(Rupees in crore)

Name of the Society	2019-20			2020-21		
	Proposed/ BE	RE	Achievement	Proposed/ BE	RE	Achievement (As on 31.12.2020)
NIELIT	373.14	384.60	330.64	410.95	319.87	190.41
ERNET	90.00	70.00	60.00	85.00	60.00	38.31
STPI/EHTP	194.50	214.57	201.91	224.13	219.20	157.09
C-DAC	500.00	500.00	1246.45	800.00	800.00	354.05
SAMEER	60.00	60.00	63.80	65.00	65.00	35.65
C-MET	31.25	31.25	31.56	34.00	34.00	18.41
Total	**1248.89**	**1260.42**	**1934.36**	**1619.00**	**1498.07**	**793.92**

The IEBR achievements w.r.t. Target in RE for the FY 2019-20 and 2020-21 (till Dec 2020) are 153% and 47%, respectively. The shortfall during the FY 2020-21(as on 31.12.2020) is due to COVID-19 pandemic.

National Informatics Centre (NIC)

19.   Established in the year 1976, National Informatics Centre has emerged as a promoter of digital opportunities for sustainable development. NIC has rich experience in providing ICT & eGovernance support in last 4 decades. By establishing the ICT Network, "NICNET", NIC has facilitated the institutional linkages with all the Ministries/ Departments of the Central Government, 37 State Governments/Union Territories, and about 720+ District Administrations of India. NIC has aligned itself with mission and vision of Digital India Programme. Generic, configurable e-Governance products/applications have been developed using cutting edge technologies including mobile, cloud, data analytics, BI and advanced GIS. Various centres of excellence have been created to strengthen the nationwide digital

infrastructure and services playing catalytic role in the country's road to digital transformation in the next decade. The data centres of NIC host more than 8,000+ websites of the Government in the secured environment. The NIC National Cloud (Meghraj) is presently hosting a number of critical applications on over 20,000 virtual servers supporting over 1200 e-Governance projects/User Departments under Digital India. NIC's video conferencing service is helping Government officials to connect remotely and effectively with each other. In present post pandemic scenario of increasing remote working, work from home culture and demand for more online services, NIC is providing smart e-Governance solutions to cater these requirements. NIC has successfully created a digitally enabled ecosystem for the Government in carrying out essential services during the lockdown as well in post pandemic time. NIC products and Services have also been recognized internationally with many countries showing keen interest in taking NIC's support in IT & e-Governance.

20.   The BE provided for the year 2021-22 is Rs. 1400 crore. The details of BE, RE and actual expenditure in respect of National Informatics Centre (NIC) is as under:

(Rs. in crore)

Financial Year	BE	RE	AE
2019-20	1150.00	1257.91	1269.03
2020-21	1285.00	1300.00	989.24 (as on 31.01.2021)
2021-22	1400.00		

21.   When asked about the constraints being faced by NIC in fulfilling its projected targets and executing its projects efficiently, the Ministry submitted that in the FY 2020-21, NIC has taken up various ICT initiatives for support & delivery of citizen centric services at all levels of governance – Centre, State and districts. Manpower is one of the constraints. Other major constraint is basic infrastructure across the country to match with its huge expansion of e-governance projects and activities.

22.   On specific challenges faced by NIC during the Covid-19 pandemic, the Ministry stated that the Pandemic has been an unfortunate unique experience for all of us. National Informatics Centre (NIC) managed to provide its un-interrupted seamless services during such difficult times. Some of the challenges faced by NIC are as under:

- Primary challenge was to keep the critical services up and running. It was challenging to keep the services like video conferencing, web portals, IT domains and citizen centric applications up and running with zero downtime.
- To sustain seamless functioning of critical government applications, it was imperative for Data Centre facilities to be up and running all the time. The second major challenge was 24x7 functioning of the Data Centre and associated IT infrastructure.
- There were increased cyber attack attempts from foreign countries especially China and Pakistan. There was an increased demand for Antivirus and Vulnerability Assessment for hosting new applications and services related to Pandemic and lockdown.
- It was also a challenge to provide endpoint security during Work from Home. An increase was seen in Application layer attacks during pandemic period.
- NIC and its employees had to continue to work in the peak and post pandemic days. Another challenge for NIC was to ensure that this was made possible in Safest way while omitting the possibilities of any spread.
- Another challenge was purchase of new equipment and spare parts for the replacement against the wear and tear of the hardware because the warehouses and vendor outlets were closed due to COVID-19 restrictions.

23.   Asked as to what steps were taken to overcome the challengesl, the Ministry informed that NIC have been at the forefront of reimagining the way of doing things during the pandemic times. As NIC infrastructure is critical for 24x7 digital operations, it was recognized by MHA and Government of India as an essential service. The following steps were taken to overcome the above challenges:-

- It was critical for NIC to continue its services and sustain the government's IT operations during the crisis, for accelerating the digital enablement, employees were provided with laptops and data cards in shortest possible times, and employees were motivated to increase the use of VCs, e-filing, digital signatures, etc.
- It is worth noting that NIC had quickly and effectively adopted technologies for video conferencing and other forms of digital collaboration were adopted by the NIC to minimize the impact of crisis on our work. NIC has been successful in ensuring the 24X7 runtime and manpower availability. With the deformation

in concept of 'work together', individuals were digitally empowered to carry out all critical works, seamlessly.

- To sustain seamless functioning of critical government applications, it was imperative for Data Centre facilities to be up and running all the time. To ensure this NIC had made a round-robin (circulating roster) arrangement for staff to be deployed at data centres in Bhubaneswar, Hyderabad and Delhi. At some point the stay and food arrangements for technical staffs were made at the data centre facilities.

- Additional security controls were deployed for monitoring and blocking of attack attempts from these countries. Additional resources were deployed in shifts to meet these requirements round the clock. Security Audit initiated and completed using trusted networks (VPN) and restricted required port access was opened for Audit. Required Audit resources from NICHQ and CoE-AppSec centres were used for provisioning Code review and black box testing audit activity.

- In order to providing endpoint security during Work from Home, roaming client of Antivirus solution were provisioned.

- NIC had rolled out guidelines and rosters, in line with guidelines from Ministry of Health, for all the employees commuting to office.

- NIC worked on facilitating special passes for the emergency staff deployed across the country and developed an application for inter-state border transit for key government staffs.

- NIC employees were also provided with the commute/travel facility while the public transport was locked down during peak of the crisis. Some of the NIC officers across the including SIOs and DIOs were provided the financial support to implement immediate safety provisions at workplace at the onset of the pandemic.

- NIC had planned the safer user journeys for all its employees and extended staffs.

- The facilitation of key infrastructure (spares, UPS, equipment, etc) was done through the technology partners, and service providers when their warehouses and support centers were closed during the lockdown. Special permissions were requested from the MHA for such instances where the inter-city and intra-city transports were required.

- During COVID-19 period, there has been sudden surge in the hosting requirements as number of applications developed to tackle pandemic at various levels viz. PMO, Central & State Governments their subordinate organisations, etc required immediate hosting for 24x7 basis operations. These included COVID-19 and other related applications/portals like PM Dashboard, RT-PCR Testing, ICMR Data, COVID Warrior/Volunteer, Migrant Information Portals, Kisan Rath for transportation of agriculture produce, e-Pass, etc.

24.   When the Committee desired to know the updated status of the manpower /technologists /Engineers required/currently working in the NIC alongwith the required number which is in short, the Ministry stated that the problem of manpower in NIC has not been resolved completely. Presently, NIC has 3396 Manpower/ Technologists / Engineers against the sanctioned strength of 4212.

25.   Regarding the current status of creation of 1407 posts (subsequently reworked to 1399) in NIC, the Ministry further informed that the proposal for creation of 1407 (reworked now to 1392) posts in NIC was initiated in 2014. The proposal was approved by the Hon'ble Minister, E&IT after due deliberations at all levels and submitted to the Ministry of Finance for concurrence. The proposal received back from Ministry of Finance for seeking clarifications on some points have been examined by a duly constituted Internal Committee and the detailed clarifications have been resubmitted to Ministry of Finance through MeitY for further consideration in February, 2020. M/o Finance have made some observations and sought additional information, which is being compiled for submission to Ministry of Finance through Administrative Ministry.

26.   When asked about the steps taken for the year 2021-22 so as to have adequate staff in NIC and the status of recruitment for filling up of approximately 500 posts at the level of Scientist-B and Scientific/Technical Assistant-A, it was informed that the written examination for 207 posts of Scientific / Technical Assistant have been completed and result is likely to be declared shortly. The recruitment process for 288 posts of Scientist-B is an advance stage where the written examination has been concluded and process of Interview is likely to begin shortly by NIELIT.

27.   The Ministry further informed that for overcoming the long pending issues of manpower, NIC is also mooting a proposal for recruitment of S&T official at Group-A (Scientist-C to Scientist-F), for which Recruitment Rules are being framed.

Development of Indigenous Instant Messenger - GIMS

28.   During the examination of Demands for Grants (2020-21), the Ministry had informed that NIC was working on Government Instant Messaging System (GIMS) which is open source, cloud enabled, End to End encrypted open source platform and hosted on Government of India Data Centre. It is an indigenous platform developed by NIC for instant and secured messaging amongst Government and citizens. The Mobile App, the Portal and the Gateway are the three major components of GIMS. The App can be configured to manage messaging and is integrated with other Government Apps. The management portal is for the organisation and employee on-boarding, group management, employee verification, broadcasting messages, dashboard and analytics. The messaging gateway manages the messaging and integration with other Government Apps. GIMS is presently hosted at NDC Shastri Park and the Android and iOS versions are available at https:// gims.gov.in. Around 50,000 users of 150 Organisations have participated in the POC of the App.

29.   Highlights of GIMS include email and mobile based selfregistration, one to one messaging, group messaging supporting official, casual and list groups, file and media sharing, audio/video call, profile and contact management, message broadcasting and chatbot enabled dashboard. The use of pluggable E2EE algorithm, secure OTP and secure backup makes GIMS a secure platform for instant communication. GIMS Web version enables a user to send and receive messages from the web browser. Audio/video conference facility, enhanced chatbot and option for remote backup and wipeout of data are some of the major milestones in the future roadmap.

30.   Asked about the progress of development of Government Instant Messaging System (GIMS) the Ministry submitted that the System is ready with registration through Mobile and Email. It may be used with the people in the Government and the people associated with the Govt. POC is done by more than 150 organizations including Niti Aayog, MeitY, CBI, MEA, Indian Railways, Indian Navy, Indian Army, National Security Council Secretariat (NSCS), IB, BSF, CRPF, DOT, DRDO,

Integrated Defense Staff (IDS), MHA, DDW&S, DGT etc. and various State Govt. Depts. GIMS is already integrated with NIC email and DigiLocker. The Integration with eOffice also exists at some level. Further integration will be explored.

31. On being enquired as to whether the GIMS App will be available only for use by Government officials/entities or will it also be available for use by the general public, the Committee were informed that GIMS App will be made available for general public also. Any user can download and use the GIMS app for Instant messaging service.

Digital India Programme

32. Digital India Programme is an umbrella programme which amalgamates all the ongoing schemes/programmes/projects being implemented by MeitY. 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. Each individual element stands on its own, but is also part of the entire Government.

33. The vision of Digital India is centred on three key areas, *viz*., (i) Digital Infrastructure as a Utility to Every Citizen (ii) Governance and Services on Demand and (iii) Digital Empowerment of Citizens. Digital India aims to provide the much needed thrust to the nine pillars of growth areas, *viz*., (i) Broadband Highways (ii) Universal Access to Mobile Connectivity (iii) Public Internet Access Programme (iv) e-Governance – Reforming Government through Technology (v) e-Kranti-Electronic Delivery of Services (vi) Information for All (vii) Electronics Manufacturing-Target NET ZERO imports (viii) IT for Jobs and (ix) Early Harvest Programmes.

34.   Allocation to Digital India Programme over the years is as under:

Schemes/Non-Schemes	2018-19			2019-20			2020-21			2021-22
	BE	RE	Actual Expn	BE	RE	Actual Expn	BE	RE	Actual Expn (as on 31.01.2021)	BE
Digital India Programme	**3073.00**	**3352.81**	**3328.57**	**3750.76**	**3212.52**	**3191.09**	**3958.00**	**3044.82**	**1724.47**	**6806.33**
Manpower Development	300.00	300.00	300.00	400.75	338.00	337.97	430.00	190.00	68.60	400.00
Electronic Governance (incl. EAP)	425.00	425.00	421.66	450.00	402.87	402.06	425.00	415.82	257.21	425.00
Promotion of Electronics & IT Hardware Manufacturing	864.22	844.22	727.37	986.00	690.00	655.08	980.00	700.00	245.97	2631.32
Promotion of IT & ITeS Industry	50.00	43.81	64.77	100.00	90.00	90.00	170.00	100.00	14.61	150.00
National Knowledge Network (NKN)	150.00	320.00	320.00	160.00	274.64	274.64	400.00	584.00	399.40	500.00
R&D in IT/Electronics/CCBT	178.00	180.00	179.00	416.00	435.00	427.74	762.99	425.00	375.65	700.00
Cyber Security Projects (NCCC & Others)	110.00	110.00	107.48	120.00	102.00	92.07	170.00	80.00	24.07	200.00
Promotion of Digital Payments	595.78	691.78	770.29	600.00	480.00	511.53	220.00	300.00	188.96	1500.00
PMGDISHA	400.00	438.00	438.00	518.00	400.00	400.00	400.00	250.00	150.00	300.00
Champion Service Sector Scheme				0.01	0.01	0.00	0.01	0.00	0.00	0.01

35.   When asked about the details of challenges being faced in Digital India programme and measures being taken for 2021-22 to achieve further milestones in the programme, the Ministry informed as under:

> "Due to the tremendous growth digital transaction under Digital India Programme and associated aspect of security of data during the data transmission and reception and emerging data privacy aspects, cyber security plays pivotal role in protecting data during the data transmission, reception and storage processes. The technical innovations have taken a faster rate involving AI, Machine Learning, Big Data and IOT and 5G paradigm. However, cyber attackers becoming more and more sophisticated, it is necessary that, indigenous cyber security solutions and products need to be develop to counter such unexpected threats in cyber-space.

> Cyber Security R&D Program has created a critical mass of technology development in the cyber security technology areas, which needs to be sustained. It is also necessary that , concerted effort may be necessary to evolve and implement time bound research and development in new and emerging areas of technology such as AI based Cyber Threat intelligence , 5G Security , IoT Security , Network Security , Cloud Security and Cyber Forensics.

> Further, COVID-19 pandemic has resulted in complete shift of working and Work-from-Home (WFH) has become one of the preferred mode of operation. In view of this,under Cyber Security R&D Programme of MeitY, National Centre of Excellence in Cyber Security , innovations through start-up eco-system are promoted to develop cyber security solutions for WFH scenario.

> Most of the existing R&D funding gets consumed in sustaining the ongoing projects leaving thereby no funds for taking up projects to address the new Cyber Security challenges.

> Therefore to address the challenges of emerging areas of cyber security total Budgetary Support for the Cyber R&D scheme needs to be significantly augmented.

> Electronic Governance:The primary challenges faced for implementation of Digital India programme are digital literacy and digital connectivity. Government has already taken necessary measures to tackle these challenges through implementing "Pradhan Mantri Gramin Digital

Saksharta Abhiyan (PMGDISHA)" to usher in digital literacy in rural India with the objective of covering 6 crore rural households and BharatNet project with the aim to connect all 2,50,000 Gram Panchayats (GPs) in the country with 100 Mbps connectivity.

Apart from above, the major factors affecting rollout of CSC-2.0 project under pillar-3 of Digital India are reliable connectivity, reliable power supply, self-sustainability due to population footfall & difficult terrain. The effective measures have been taken so far to mitigate it, while, to achieve the milestones in FY20201-22, the nearby CSC center will provide offline services in those areas wherein CSCs are not available due to aforesaid reasons. Also, the implementing agency is identifying the interested & educated individuals who want to become a VLE for CSC allotment, which is subjected to availability of connectivity by any mean.

In order to build open and interoperable digital platform to enable seamless service delivery across government silos and enable quick and transparent software integration with other e-Governance applications and systems; a project 'Implementation of National Data Highway (NDH) has been initiated. Under the project, a platform https://apisetu.gov.in has been developed wherein 150 publisher/consumer organizations have been on-boarded with 718 APIs available. Key APIs include driving license, vehicle registration, PAN, CBSE, LIC, e-Hospital APIs to NIC etc."

36.   When the Committee desired to know as to how the increased allocation is likely to be utilized, the Ministry informed that the increased allocation is mainly towards the three new schemes notified under National Policy of Electronics 2019. The Ministry would utilize the increased allocation for the financial year 2021-22 for the existing schemes as well as schemes as mentioned above. Similarly, there has been a five-fold increase in allocation to the scheme from Rs.300 crore in 2020-21 at RE stage to Rs.1,500 crore in 2021-22 at BE stage. The increased allocation will be utilized for the following purpose:

  a.   Incentive schemes for acquiring banks (similar to MDR)
  b.   Digitization of supply chain across various sectors
  c.   Strengthening of acceptance infrastructure
  d.   Pan India promotional and awareness campaign towards financial literacy and promotion in local languages
  e.   In order to promote innovation & research and development for promotion of FinTechs

f. Promotion of Digital Payments and Acceptance Infrastructure with focus on NER, Ladakh, J&K and Rural areas.

National e-Governance Plan (NeGP)

37. National e-Governance Plan (NeGP) was approved by the Government on 18th May 2006 with a common vision, implementation methodology and management tructure. NeGP has led to establishment of necessary digital infrastructure namely State Data Centre (SDC for application development hosting), State-wide Area Network (SWAN for connectivity), State Portal, State Service Delivery Gateway (for integrated service in a State), MeghRaj (Government of India's Cloud for on demand infrastructure) and Common Services Centres (CSCs for services near locality) across the country. The portfolio of MMPs under e-Kranti (formerly called National e-Governance Plan) was further increased to 31 MMPs in 2011 and then to 44 MMPs in 2015. The rollout of mission mode projects and e-Governance initiatives under NeGP has led to delivery of 3700+ services as on date. The Passport, Income Tax, Road and Transport, Indian Railway Ticketing, MCA21, etc showcased the transformational capability of ICT and improved the service delivery significantly. E-District Mission Mode Project and Common Services Centres have resulted in the bouquet of basic services becoming available to common citizens in their locality in rural areas and in villages.

Common Services Centre Special Purpose Vehicle (CSC-SPV)

38. Common Services Centre Special Purpose Vehicle (CSC-SPV) was set up by the Ministry of Electronics & IT (MeitY) to oversee implementation of the CSC scheme across the country as part of the scheme. As per the scheme approval for strengthening the functioning of CSC eco-system, CSC-SPV registered was as independent company under Company Act 1956 and incorporated on 16th July 2009 with MeitY having one Golden share in CSC SPV and two directors on the Board with necessary administrative control. Secretary, MeitY is the ex-officio Chairman of the company. CSC eGovernance Services India Limited performs and supports MeitY in implementation of the CSC scheme and enables delivery of various

services to the citizens. The Board of Directors and list of Shareholders in CSC eGovernance Services India Limited are given at Annexure 2 & 3.

39.   On being asked as to whether CSC e-Governance Services India Limited is a Government owned company and the composition of its Board of Directors, the Ministry stated that the GOI has two Directors on the Board with necessary administrative control with Veto Power. Secretary, MeitY is the ex-officio chairman of the company, as per the Article of Association of CSC eGovernance Services India Limited. Thus, by Virtue of Shareholding & Control - it is company under the administrative control of MeitY. List of Directors is attached (Annexure-2).

40.   On the difference between a Section 8 company and a company Registered under the Companies Act, 1956 and whether CSC e-Governance Services India Limited is a Section 8 company or a Company Registered under the Companies Act 1956, the Ministry stated that a Section 8[1] Company is a Not for Profit Company registered under the Companies Act, 2013 for promotion of Sports, commerce, art, science, education, research, social welfare, religion, charity etc. Companies registered under any other Section of the Companies Act, 2013 are companies which are incorporated for a purpose other than "Not for Profit". CSC eGovernance Services India Limited is a Company Registered under the Companies Act 1956.

41.   Asked as to whether the Companies Act 1956 have any provision for allowing the holding of the 'Golden Share', the Ministry stated that as per the Companies Act, Shares can be issued with differential Rights. Thus, this Golden share is issued with various administrative rights and Veto Power to Govt. of India.

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[1] In the old Companies Act, 1956, the concept of Not for profit Companies was defined in Section 25.

42.   When the Committee desired to know whether there is any other precedence of Government of India holding the veto power by way of a 'Golden Share' in a private company, the Committee were apprised as under:

> "As per overall approval within the CSC Scheme, CSC eGovernance Services India Limited was incorporated with veto power to oversee implementation of the CSC scheme across the country for delivery of bouquet of services - Government to Citizen (G2C) and Business to Citizen (B2C) to rural India. This arrangement is ensuring last-mile delivery of services to the rural citizens and to provide all the Government services accessible to the common man in his locality especially in rural areas, through common service delivery outlets, by ensuring efficiency, transparency & reliability of such services at affordable costs to realize the basic needs of the common man."

43.   When asked if private entities are allowed to make use of 'gov.in' domain name in India, the Ministry stated that major flagship scheme /programme/projects can be facilitated for promotion and implementation of any scheme which is important to rural citizens for accessing the various services. This would ensure last-mile delivery of services to the rural citizens and to provide all the Government services accessible to the common man in his locality especially in rural areas, through common service delivery outlets, by ensuring efficiency, transparency & reliability of such services at affordable costs to realise the basic needs of the common man. That in order to achieve the aforesaid objectives of the CSC Scheme and to enable CSC SPV to successfully implement the CSC Scheme across India uniformly, the MeitY has so enabled the CSC SPV to use the Government of India infrastructure in concurrence with the objective to be achieved of the scheme.

44.   On the governance structure and functioning of Common Services Centre Special Purpose Vehicle (CSC-SPV), Secretary, MeitY submitted during evidence as under:

> "The structuring is a bit unusual. It does have more than 50 per cent equity from Government entities, but some of those entities are banks, public sector banks, and other entities. Private sector also has shareholding in that. So, it is not one of our scientific societies…..xxx….. It was established as a company after taking it to the Cabinet. One unusual thing in that is that the Government holds one golden share, which means

that the Government has the right to veto certain kinds of decisions taken by the Board….xxx… There is no parallel to this. Across the length and breadth of the Government, there is no other instrument that gives so much traction in one go….xxx… We do follow all the procedures that are prescribed."

Promotion of Electronics & IT Hardware Manufacturing

45.   The Government has been taking several initiatives on continuous basis for promotion of electronics manufacturing in the country to provide an enabling environment for the industry to compete globally. Electronics manufacturing is one of the important pillars of Digital India Programme and target to achieve net zero imports is a striking demonstration of intent. The National Policy on Electronics 2019 (NPE 2019) envisions positioning 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.

46.   Allocation to the Promotion of Electronics & IT Hardware Manufacturing scheme during 2019-20, 2020-21 and 2021-22 is as under:

Financial Year	Proposed	BE	RE	Actual Expenditure
2019-20	1600.00	986.00	690.00	655.08
2020-21	1545.00	980.00	700.00	245.97 (as on 31.01.2021)
2021-22	4200.00	2631.32		

47.   The budget estimate in 2020-21 was Rs. 980 crore which was reduced to Rs. 700 crore at RE stage. The budget estimate in 2021-22 is Rs. 2631.32 crore which is 2.69 times the budget estimate during the previous year.

48.   When asked about the Actual Expenditure for 2020-21 and the reasons for reduction from Rs. 980 crore at BE stage to Rs. 700 crore at RE stage in 2020-21, the Committee were informed that as on 05.02.2021, financial sanction orders for release of Rs. 262.24 crore have been issued in the Scheme for Promotion of Electronics & IT hardware manufacturing. A sizable portion (51%) of the budget of the scheme was allocated to incentivize companies to provide subsidy for capital

expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. Due to pandemic, the companies remained in lockdown for some period that has delayed their investments and affected their operations. Further, as a result of such disruption in activities due to pandemic, companies were given time till 31.01.2021 to finalize their books of accounts and submit their annual returns for FY2019-20. Thus, the procedure forpreferring claims of investment after verification and audit were kept in abeyance by them. This has led to considerable delay by the companies in filing their claims for incentives. Thus, the budgetary provision was reduced from Rs. 980 crore to Rs. 700 crore at RE stage in respect of Scheme for Promotion of Electronics & IT hardware manufacturing.

49.   On being asked as to how the increased allocation for 2021-22 is likely to be used, the Ministry submitted that apart from the existing scheme, the increased allocation will be utilized for new schemes that were launched this year. Incentive claims and other disbursals under such schemes will be required to be done from next financial year 2021-22. The details of such schemes are as under:

(i)   Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing   provides 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) provides financial incentive of 25% on capital expenditure for the identified list of electronic goods that comprise downstream value chain of electronic products, i.e., electronic components, semiconductor/ display fabrication units, ATMP units, specialized sub-assemblies and capital goods for manufacture of aforesaid goods.

(iii) Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme provides 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.

The Ministry are hopeful of utilizing the full budgetary allocation of Rs. 2631.32 crore for the scheme in the FY 2021-22.

50.   Annual demand for Electronics and IT Hardware in India over the years and its percentage breakup into demand met through imports and demand met through domestic production is as under:

Year	Annual demand of Electronics and IT Hardware in India (in Rs. crore)	Percentage of demand met through imports (%)	Percentage of demand met through Domestic production (%)
2016-17	5,10,258	45.6%	54.4%
2017-18	6,21,797	44.2%	55.8%
2018-19	6,95,207	43.0%	57.0%
2019-20	7,30,520	38.3%	61.7%
2020-21 (Estimated)	7,75,000	38%	62%

*   Imports include finished electronic goods
** Domestic production figure excludes exports

51.   On the major impediments in growth of Electronics & IT Hardware manufacturing sector in India, the Committee were informed as under:

   (i)   "International Agreements and Zero Duty Regime: As a signatory to the Information Technology Agreement (ITA-1) at the World Trade Organization (WTO), India has implemented a zero-duty regime on 217 tariff lines. In addition, the import of electronics hardware is allowed at concessional rates under the Free Trade Agreements (FTAs) and Preferential Trade Agreements (PTAs) with various countries.

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

   (iii)   Diversity and velocity of technology change: Electronics is pervasive and spans all sectors. Convergence between different technologies, applications, devices, systems, and software, is constantly driving technology changes. In addition, the half-life of

technologies has been continuously reducing and is estimated to be even less than six months in certain verticals."

52.   When asked about the impact of the Covid19 pandemic on the electronics manufacturing sector in India and the major threats and opportunities foreseeable in this sector due to the emergent Covid19 situation, the Ministry stated as under:-

"The virus outbreak in early part of the year 2020 manifested itself as disruption in global supply chains of electronics that are dependent on a single country to a large extent. There was depletion of inventories of electronics manufacturers in India in the month of January and February to the extent of 40% as per industry estimates that led to shortfall in production. As the severity of the pandemic increased in end of March, discussions were being held to explore sources of import of such components from other countries. Industry associations were advised to organize buyer-seller meets to explore such avenues.

MeitY was in constant touch with the ESDM industry and feedbacks were being taken to understand the impact of pandemic on the electronics hardware sector in India and take appropriate measures to mitigate the adverse impact on the electronics hardware sector in India. Based on this understanding, a range of measures from short to medium term and long term were taken to mitigate the impact of pandemic on electronics hardware sector.

As short to medium term measures, it was decided to take steps to broad base the sources of electronics hardware imports in India while promoting indigenous production at the same time to reduce dependency on a single market/geographical region.

As long-term measures, steps are being taken to promoting indigenous production as well as attracting the global electronics supply chain to India. In this regard, it is submitted that MeitY has notified three new schemes, viz., Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, Scheme for Promotion of manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports.

Further, alternate supply lines are also being explored in coordination with Indian Embassies, Industry Associations and local industry. Electronics industries are also being encouraged to take advantage of the new Schemes to strengthen the electronics sector.

The pandemic, with all its adverse effects, has brought out an opportunity through the realization among all manufacturing economies that the global manufacturing ecosystem and supply chain (including ESDM) are heavily dependent on one country. It is the right time to leverage this realization and act to make India AtmaNirbhar and self-reliant and exploit the global sentiment of diversification and make India a global manufacturing hub for the whole world."

Modified Special Incentive Package Scheme (M-SIPS)

53.   In order to promote large-scale manufacturing in the country to offset disability and attract investment in ESDM sector, Modified Special Incentive Package Scheme (MSIPS) was announced by the Government in July, 2012. The scheme has been amended twice - in August, 2015 and in January, 2017. The scheme mainly provides CapEx subsidy of 20-25%. The policy provides for an Inter-Ministerial Appraisal Committee to evaluate investment applications. Based on the recommendation of Appraisal Committee, approval of Competent Authority is obtained. The Scheme has been closed on 31st December, 2018 to receive new applications. The salient features of the Scheme are as under:

- Provides Capital Subsidy-20%for investments in Special Economic Zones (SEZs) and 25% in non-SEZs.

- Provides incentives for both new units and expansion units.

- Provides incentives for a period of 5 years from the date of approval of application.

- Provides incentives for 44 categories/verticals across the value chain (raw materials including assembly, testing, packaging and accessories, chips, components).

- Minimum investment threshold for each product category/vertical (from Rs.1 crore for manufacturing of accessories to Rs.5,000 crore for semiconductor wafer fabrication unit).

- Unit to be, in Industrial Area notified by Central/State Government.

54.   Total applications received, approved and inventives disbursed under M-SIPS since 2012-13 is as under:

Total Applications Received*			Total Applications Approved			Incentives disbursed	
Financial Year	No. of Applications Received	Proposed Investment of all phases (Rs. Cr.)	No. of Applications Approved	Proposed Investment of all phases (Rs. Cr.)	Incentives Committed (Rs. Cr.)	Number of eligible units to which incentives issued/disbursed under M-SIPS**	Incentives Released (Rs. Cr.)
2012-13	5	1066	-	-	-	-	-
2013-14	15	4053	8	1129	298	-	-
2014-15	26	5835	25	6084	481	2	12.04
2015-16	79	18582	35	9570	843	3	4.78
2016-17	55	8992	26	3143	292	3	16.13
2017-18	37	11984	60	11447	1378	15	135.89
2018-19	117	46822	43	20049	1961	53	318.67
2019-20	-	-	63	21568	2009	33	463.67
2020-21	-	-	35	8135	1331	26	120.84
Total	334	97333	295	81126	8593	135	1072.03

*This data is related to application which are under consideration under the Scheme(i.e. excluding the applications which have been closed due to incomplete documents/not meeting eligibility criteria).
**These disbursement claims are disbursed to 85 MSIPS applicants.

55.   The Ministry have informed that under the MSIPS scheme, Rs 120.81 crore incentives have been disbursed so far against 26 claim applications. Further incentives of Rs 105 crore against 20 claims have been recommended by IFCI Ltd (the verification agency). These claims are in the process of approval. Further, claims with incentives of Rs 90 crore are in advance stages of verification with IFCI Ltd. By the end of the current FY, an expenditure of Rs 315 crore is likely to be

achieved. The expenditure this year has been low mainly due to disruption caused by the pandemic. This has delayed their investments and affected their operations. Further, as a result of such disruption in activities due to pandemic, companies were given time till 31.01.2021 to finalise their books of accounts and submit their annual returns for FY 2019-20. Thus, the procedure for preferring claims of investment after verification and audit were kept in abeyance by them. This has led to considerable delay by the companies in filing their claims for incentives. Post lockdown period, there is a spurt in industrial activity and disbursement is expected to rise in the remaining part of this financial year as more companies file their claims for disbursement. Workshops are being organized on fortnightly basis to assist the companies in filing such claims.The target under MSIPS for FY2021-22 is Rs. 700 crore.

Cyber Security Projects (NCCC & others)

56.   The objective of the scheme is to adopt a holistic approach towards securing the cyber space of the country by pursuing multiple initiatives like Security Policy, Compliance and Assurance, Security, Incident-Early warning & Response, Security Training, Security specific R&D, Enabling Legal Framework and Collaboration. The details of allocation to the Cyber Security Projects (NCCC & others) scheme during 2019-20, 2020-21 and 2021-22 are as under:

(Rs. in crore)

Financial Year	BE	RE	AE
2019-20	120.00	102.00	92.07
2020-21	170.00	80.00	24.07 (as on 01.02.2021)
2021-22	200.00		

57.   Asked about the reasons for significant drop in allocation during 2020-21 from Rs. 170.00 crore at BE stage to Rs. 80.00 crore at RE stage and where the increased allocation for 2021-22 is likely to be utilized, the Ministry informed that due to COVID-19 pandemic and lockdown situation implementation of NCCC project got affected which resulted in less utilization of funds during the first 2 quarters of the F.Y. 2020-21. This resulted in reduction in allocation at the RE stage from Rs.

170.00 crore to Rs. 80.00 crore. Budget in the next year will be required primarily on the procurement of capital IT infrastructure items (hardware, software and networking) and space requirement including Data Centre co-location services.

58.	When asked to provide an overview of National Cyber Coordination Centre (NCCC), the current status of establishment of NCCC and time by which it is expected to be fully operational, the Ministry submitted as under:

> "Government has set up the National Cyber Coordination Centre (NCCC) to generate near real time macroscopic views of the cyber security threats in the country. The centre scans the cyberspace in the country at metadata level and generates near real time situational awareness. NCCC is a multi stakeholder body and is being implemented by Indian Computer Emergency Response Team (CERT-In) at Ministry of Electronics and Information Technology (MeitY). The Centre provides a structured system and facilitate coordination among different agencies by sharing with them the metadata from cyberspace for taking action to mitigate the cyber security threats.
>
> The project for setting up of NCCC has been approved with an outlay of Rs. 770 Crores for a period of 5 years and was initiated in April 2015 after approval of competent authority.
>
> In the phase-I, the project on Threat and Situational Awareness (NCCC Test bed) has been implemented.
>
> Phase-I of NCCC has been operationalised in July, 2017. In this phase metadata from 20 sites of ISPs and organisations is being analysed. Additional 15 remote sites are targeted to be operationalised by August, 2021.
>
> Steps have been taken for implementation for the remaining 250 metadata collection sites. Renoation of office space is currently underway. Data Centre co-location services is being hired for Primary as well as Disaster recovery site for NCCC.
>
> A total of 65 posts (60 S&T and 5 non-S&T) were sanctioned in yr. 2016 out of which 57 posts have been filled (54 S&T and 3 non-S&T), recruitment for remaining posts is currently going on. A proposal for creation of remaining 59 posts (S&T and non-S&T) as per the NCCC Detailed Project Report (DPR) is under consideration with Department of Expenditure, Ministry of Finance.
>
> The full-fledged NCCC will be implemented within a period of one year if requisite funds are provided."

Promotion of Digital Payments

59.   The details of allocation to the Promotion of Digital Payments scheme during 2019-20, 2020-21 and 2021-22 are given as under:

(Rs. in crore)

Financial Year	Proposed	BE	RE	AE
2019-20	860.00	600.00	480.00	511.53
2020-21	320.00	220.00	300.00	188.96 (as on 31.01.2021)
2021-22	300.00	1500.00		

60.   There has been a five-fold increase in allocation to the scheme from Rs. 300.00 crore in 2020-21 at RE stage to Rs. 1500.00 crore in 2021-22 at BE stage. On the steep five-fold increase in allocation to this scheme *vis-a-vis* the proposed amount during the year 2021-22, the Ministry informed that Promotion of digital payments ecosystem is an essential aspect of Digital India programme. Digital payments transactions have steadily been increasing since last few years. The total transaction volume has increased from 2,071 crore in FY 2017-18 to 4,572 crore in FY 2019-20. As on January 2021, around 3,950 crore digital payment transactions have been achieved in this financial year.

61.   BHIM-UPI appears to be the most preferred payment mode during FY 2020-21.The number of transactions done through BHIM UPI crossed 230 crore in January 2021 with value of Rs. 4.31 lakh crore and transactions will continue to increase manifold in the coming years. Banks need to scale up the infrastructure to handle high volumes of Digital transactions and invest significantly in merchant/customer onboarding, awareness, protection and acceptance infrastructure for maintenance and expansion of a sustainable Digital Payment ecosystem.

62.   Government has also waived-off MDR on UPI and RuPay card transactions w.e.f. 1st January 2020 which has reduced the investment by Banks and Fintechs into infrastructure growth. They have been requesting Government to incentivize banks and other stakeholders so that they can continue to work towards increasing

merchant acceptance footprint and faster migration from cash to Digital especially in Tier 3 and below cities. Though there has been an unprecedented growth in digital payments, the potential is still huge. Cash continues to dominate Indian markets. It is, therefore,necessary to continue to push adoption of digital payments, targeting untapped markets/segments/sectors with special focus on North East Region and Rural areas through incentive and awareness programmes. Presently, Major technology player (Fintechs) play a vital role in expansion of digital payments. Promotion of Fintech sectors would be another key focus area of Government.

63.   Digital payments in India are expected to grow multifold by 2025 due to growing Fintech ecosystem, COVID-led changes in consumer behavior and Government policies around financial inclusion. The decade to follow will witness a revolutionary shift in the way Indian citizens use digital payment options and will also empower them with an e-payment experience that will be exceptionally safe, secure and truly world class.

64.   When asked about details of activities undertaken under the scheme and specific measures taken during 2020-21 for promotion of Digital Payments, the Ministry stated that the Government in the Union Budget for 2017-18, announced the setting up of a Mission for promotion of digital payments with a target of 2,500 crore digital transactions. DIGIDHAN Mission was set up at MeitY in June 2017 for promotion of digital payments.

65.   The Mission has been primary catalyst to promote the digital payment ecosystem in India. Digital payments transactions have steadily been increasing since last few years. The total transaction volume has increased from 2,071 crore in FY 2017-18 to 4,572 crore in FY 2019-20. The DIGIDHAN Mission aims to achieve a target of 5,500 crore digital payment transactions in the current FY 2020-21. As on 13th February 2021, around 4,306 crore digital payment transactions have been achieved.

66.   The Mission has been coordinating with all the stakeholders including Banks, Payment Service Providers (PSPs), Ministries/ Departments and States/UTs for enabling various digital payment modes and strengthening payment acceptance infrastructure across the country. A three-pronged approach has been taken under the Mission to promote digital payments:

    i.   Development of convenient digital payment modes and digital payment acceptance infrastructure to enable seamless digital payments and wider adoption of digital payments by the citizens, across the country

    ii.   Provisioning of incentives for merchants and citizens for adoption of digital payments

    iii.   Awareness creation about benefits of digital payments through promotional campaign, training and education

67.   The Mission has taken numerous steps to promote digital payment ecosystem in the country such as Coordination with Banks and Ministries/ Departments/ States for promotion of digital payments, On-boarding of Billers on BBPS, Enablement of NCMC ecosystem etc. Besides these, launch of numerous Incentive Schemes such as BHIM Cashback schemes for Individuals & Merchants, BHIM Aadhaar Merchant Incentive Scheme, BHIM-UPI Merchant On-boarding Scheme and MDR Reimbursement Scheme have also been undertaken. Besides these initiatives, development of Digital Payments Dashboard, Promotion of indigenous payment solutions BHIM-UPI & RuPay globally and Campaigns to Promote Digital Payments have also been undertaken.

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68.   Regarding Security Measures for Digital Payments, the Ministry have submitted that while the customers are rapidly shifting to the non-cash modes of payments, at the same time, number of frauds in digital transactions are also increasing. Various measures have been taken to ensure increased efficiency, uninterrupted availability of safe, secure, accessible and affordable payment systems.

    i.   RBI has issued various circulars/ guidelines related to security and risk mitigation measures for securing electronic/ digital payment transactions as well as for ensuring customer protection.

ii. Indian Computer Emergency Response Team (CERT-In)issues alerts and advisories on regular basis, regarding latest cyber threats and countermeasures. A nodal sectoral CSIRT-Fin (Computer Security Incident Response Team-Finance) has been established under the umbrella of CERT-In and is operational since 15thMay 2020 for strengthening cyber security in the financial sector in close coordination with all financial sector regulators.

69. The Ministry have further submitted that a strong grievance redressal mechanism is essential to increase trust of customers in digital payments. MeitY has integrated Digital Payment Grievances along with Ministry of Consumer Affairs (MoCA) for utilizing it with National Consumer Helpline (NCH) platform of Department of Consumer Affairs (DoCA). All the major banks and financial service institutions have been on-boarded on NCH Platform. The platform is live and receiving Digital Payment related grievances.

70. When the Committee desired to know whether any centralized helpline for victims of cyber crime pertaining to online Digital Payments and security of data, the Ministry stated that National Cyber Crime Reporting Portal cybercrime.gov.in is operationalized by MHA with helpline number 155260. The portal is an initiative of Government of India to facilitate victims/ complainants to report cyber crime complaints online.

71. The portal also caters to complaints pertaining to online financial frauds, Cryptocurrency, ransomware crimes in addition to its primary subject of online Child Pornography (CP), Child Sexual Abuse Material (CSAM) or sexually explicit content such as Rape/Gang Rape (CP/RGR) content. Other cybercrimes are mobile crimes, online and social media crimes, hacking, and online cyber trafficking.

72. Further, MeitY has integrated Digital Payment Grievances along with National Consumer Helpline (NCH) platform of Department of Consumer Affairs (DoCA) in addition to the existing Grievance Redressal Mechanism of digital

payments of the respective banks and NPCI. The Platform is live and is handling Digital Payment related grievances.

Covid Related Initiative: Co-Win App

73.   Co-Win App has been a major Covid-19 related initiative through which lakhs of people are getting vaccinated for Covid-19 everyday. In this background, the Committee desired to know details of Co-Win App and Ministry's comments to the recently reported global phishing campaign targeting the Covid-19 vaccine cold chain. To this, the Ministry informed that COWIN portal and application has been developed by M/o Health and Family Welfare. Only Technical Guidance was provided by NIC as and when desired by the ministry.

74.   Regarding the Co-Win initiatives of the Ministry, Secretary, MeitY submitted during evidence as under:-

> "….On CoWIN App, there is now a Committee headed by Shri R.S. Sharma which has been going on with a lot of support provided by MeitY organization by NIC, National E-governance division etc. which have gone and helped the Ministry of Health and Family Welfare in strengthening the CoWIN App. I think it is functioning quite nicely at this point of time. For the next round where the vaccination will start covering the general population, first it will start covering the frontline personnel other than health personnel and then it will start covering the general population. For that, we have prepared Aarogya Setu which has been downloaded by 16.92 crore users so far. We have also prepared a frontend for the citizens on Aarogya Setu itself. So, Aarogya Setu will already have information on vaccination that is going on and the progress happening. Soon, we will open up services on Aarogya Setu to help individuals register themselves if they are above 50 years of age. When it gets opened up then individuals will also be able to use Aarogya Setu to register themselves to generate the health ID and to get session scheduled for providing them vaccination. The CoWIN App will work more as the backend application, which is for facilitating smooth conduct of session in a location where vaccination is happening whereas Aarogya Setu App will serve as the frontend citizen-facing application. We have taken note of the cold-chain phishing attack. There were also some attacks on some prominent pharmaceutical companies in India. CERT-in has been at the forefront in detecting this; responding to those issues; and helping the concerned organizations to ramp-up their security as well. ….."

Unified Mobile Application for New-Age Governance (UMANG)

75.   UMANG has been developed as a single mobile platform to deliver major Government services. Hon'ble Prime Minister has dedicated UMANG to the nation on 23rd November, 2017 UMANG has been developed as a single mobile platform to deliver major Government services with Core Platform integrated with DigiLocker, PayGov, Rapid Assessment System (RAS) etc.

• UMANG supports 12 Indian languages, in addition to English and has been hosted on cloud. UMANG aims to bring power to the finger tips of citizens.

• Till 31st October, 2020, UMANG has about 2039 services (860 – Central and State Government services; 1179 –Bill Payment services) from 189 Departments of Central Government Departments and Government Departments of 27 States/UTs and many more are continuously being on-boarded.

• Revamped UMANG Android app was launched with a new UI/UX providing more personalized and secure experience.

• UMANG International app will also be made available very soon which will allow access of Government services from other countries.

76.   When asked about the achievement and performance of UMANG app the Ministry submitted the details of growth across various Key indexes of the app since launch of the project as under:

Timeframe	Year	No. of Services on-boarded	No. of registered users (Crore)	No. of Transactions (Crore)
Launch	Nov 2017	163	0.18	2.64
1st Year	Nov 2018	161	0.73	24.02
2nd Year	Nov 2019	236	0.76	44.55
3rd Year	Nov 2020	1525	0.81	50.49

*Above figure is non-cumulative.

- UMANG's updated version was launched by Hon'ble Minister on 1st July 2020, on the Digital India day.
- UMANG has grown to provide 1,051 services from Central and State Government departments and 19,474 bill payment services

- User registration on UMANG has reached **~2.61 crore** with daily increase of 20,000 to 25000. The no. of transactions so far is **~132 crore**.
- **UMANG's international version** was launched on 23rd Nov 2020. It will help Indian international students, NRIs and Indian tourists abroad, to avail Government of India services, anytime. It will also help in taking India to the world through 'Indian Culture' services available on UMANG and create interest amongst foreign tourists to visit India.
- UMANG app services were made available in assisted mode through Common Service Centres (CSCs). Around 480 selected services of UMANG are available to citizens through **3.75 lakh CSCs**.
- In order to reach more and more residents of India, around 150 suitable services of UMANG have been enabled on Feature Phones running on **KaiOS Operating System (Jio phones).** This will enable users having Jio phones to also avail services of integrated departments on UMANG.
- As on Jan'21, average user rating of around **4.3** on Play Store from more than **145,000 +** user reviews.
- UMANG Call Center resolves/addresses more than **1500 users queries** daily (in 13 languages) with regards to different department services (queries received through Calls/Chats and eMails).
- Around **140 DBT** (Direct Benefit Transfer) **schemes** have been also made live on UMANG since April 2020.
  In addition, several departments had only android presence; UMANG has enabled them on iOS and KaioS as well.

77.   During the examination of Demands for Grants (2019-20), the Committee had recommended that an assessment and evaluation survey/user study may be conducted to ascertain reasons for tepid/lukewarm response to the UMANG App. In this background, the Committee desired to know whether any study or user survey has been conducted to ascertain the reasons behind low usage/penetration of the UMANG App. To this, the Ministry stated 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

78.   Further, an RFP was floated to analyze the overall impact assessment of UMANG Project with details on realized benefits in terms of outputs and outcomes, gap assessment, challenges, improvements and the way forward:

a. for individuals and
b. for providers (Departments/ Ministries)

Currently 4 bids have been received and are being evaluated.

PART-II

OBSERVATIONS/RECOMMENDATIONS

Budget Analysis – Need for adequate allocation

1.   The Committee note that as against the proposed allocation of Rs. 13,886.00 crore, the Budget allocation to the Ministry for the year 2021-22 is Rs. 9720.66 crore which is 30% less than the amount proposed by the Ministry. The budget allocation of Rs. 9720.66.00 crore includes Rs. 9274.66 Crore under Revenue section and Rs. 446.00 crore under Capital section. During the last year, as against proposed allocation of Rs. 11,023.00 crore, the budget allocation stood at Rs. 6899.03 crore which had a reduction of 37.41%. However, despite reduction of almost 30% in the proposed amount, there is a 40.90% increase in actual allocation for the year 2021-22 as compared to the year 2020-21. Regarding substantial increase in BE(2021-22) as compared to the previous year i.e. 2020-21, the Ministry have informed that there is an increase of 40.90% amounting to Rs.2821 crore over BE 2020-21 in the budget allocation for the financial year 2021-22. This increased allocation is mainly for Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing under 'Promotion of Electronics and IT Hardware Manufacturing' Scheme; for 'Promotion of Digital Payments' Scheme and National Language Translation Mission in view of the announcements made by the Hon'ble Finance Minister in her Budget Speech for financial year 2021-22. The Committee observe that though the budgetary allocation has improved for the current year still it does not match with the expectations of the Ministry. The gap of proposed allocation and amount actually sanctioned by the MoF continues year after year. It was 37.41% in 2020-21 and this year it is 30.00%. Keeping in view the vast mandate of the Ministry and ever increasing role of MeitY in various IT based services, steep reduction in the budgetary allocation is definitely a cause for concern.   In fact, during the ongoing Covid-19 pandemic when the Ministry's activities have increased manifold, the budget of the Ministry during the current year should have matched their

expectation in terms of amount proposed. The Committee feel the Ministry need to impress upon the Ministry of Finance about the financial requirement in various heads and the gap in the amount proposed and actual is avoided to the extent possible. The Committee recommend that adequate budgetary resources are allocated to the Ministry commensurate to their requirements so that range of schemes/programmes of the Ministry both new and ongoing do not suffer due to shortage of funds.

<u>Budget Analysis – Underutilization due to restrictions imposed by MoF</u>

2.   The Committee note that in 2020-21, the budget allocation stood at Rs. 6899.03 crore which was reduced to Rs. 5550.00 crore at RE stage and the actual expenditure has been Rs. 3652.94 crore (as on 31.01.2021). In terms of percentage, the utilisation in 2020-21 stood at 65.82% (w.r.t. RE). During the past few years, while the Ministry have been able to achieve near full utilization of the allocated funds, the year 2020-21 has been marked with under utilization of the allocated funds. The Ministry have submitted that the shortfall in utilization during the FY 2020-21 (till 31.01.2021) is largely attributed to spending restrictions imposed by MoF in the wake of Covid-19 pandemic which *inter-alia* included restricting MeitY's monthly expenditure @ 5% of BE 2020-21 during the first seven months (April-October 2020). As a result of the expenditure restriction, relaxation for spending beyond 5% during the third quarter was received from Ministry of Finance after the Pre-Budget meeting. An overall cut of Rs.1349.03 crore imposed at RE stage forced MeitY to review the expenditure estimates under various heads and reallocate the funds keeping in view the requirement of funds during the FY 2020-21 which further required re-appropriation of funds with the approval of competent authority as per Delegation of Financial Powers Rules (DFPRs). Accordingly, a proposal for re-appropriation of funds amounting to Rs. 487.08 crore was submitted to Ministry of Finance for obtaining approval of Parliament through 2nd and Final batch of Supplementary Demands for Grants 2020-21. The Ministry have further submitted that the expenditure has now picked up and they are hopeful of spending entire allocation made at RE stage by the end of March 2021. The

Committee are disturbed to note that in spite of good track record in spending, the Ministry had to face restrictions and spill over of resources to the third quarter which they are now trying their best to cover up. The Committee, while taking note of the constraints of the Ministry due to MoF stipulation, are hopeful that the Ministry will be able to expend the allocations fully. The Committee recommend that the allocations made at BE 2021-22, particularly the enhanced allocations under Promotion of Electronics & IT Hardware Manufacturing and Promotion of Digital Payments are utilized optimally so that Ministry of Finance do not reduce the funds at RE stage and objectives of both schemes are achieved.

Position of Outstanding Utilization Certificates (UCs)

3.   The Committee note that as on 31st December 2020, a total of 170 Utilization certificates amounting to Rs. 485.95 crore were due. The Ministry further informed that it has taken several initiatives for reducing the number of pending UCs and the measures taken by MeitY to liquidate the pending UCs are proving to be fruitful as the pending UCs amount for any particular period is continuously on a decreasing trend. The Ministry further added that during the period from 01.04.2020 to 03.02.2021, Utilization Certificates amounting to Rs. 765.02 crore have been liquidated. In order to reduce the quantum of pending UCs as well as holding the implementing agencies more accountable, the Ministry are monitoring/reviewing implementation status of schemes/projects from time to time to ensure smooth implementation of various projects and to ensure that the grants released by MeitY are being fully utilised. UC status is also reviewed from time to time to ascertain utilization status of released grant to various agencies and aim towards zero pending UC and minimum unspent balance with the grantee institutions. While appreciating the efforts of the Ministry in liquidation of Utilization Certificates amounting to Rs. 765.02 crore during the period from April 2020 to January 2021, the Committee desire that efforts shall continue in future also to ensure that release of subsequent grants to important Government schemes/projects

is not adversely affected and gradual buildup of pendency in Utilization Certificates is strictly avoided.

Internal and Extra Budgetary Resources (IEBR)

4.   The Committee note that during the year 2019-20, an IEBR target of Rs.1248.89 crore had been set by the Ministry at BE stage which was increased to Rs.1260.42 crore at the RE stage. Against this, Autonomous Societies under MeitY had achieved an IEBR target of Rs.1934.36 crore which is about 153.47% of the target set at RE stage. However, during the year 2020-21, as against the target of Rs. 1619.00 crore fixed at BE stage which was reduced to Rs. 1498.07 crore at RE stage, the achievement has been Rs. 793.92 crore (as on 31.12.2020). This is about 53% of the target set at RE stage. While the IEBR achieved by the Autonomous Societies was 153.47% of the target set for 2019-20, for the year 2020-21, the achievement has reduced to 53% (upto 31.12.2020). The reason for shortfall in achievement of targets during 2020-21 has been attributed to the Covid-19 pandemic. The Committee note that Ministry of Electronics and Information Technology have several notable Autonomous Societies under their aegis such as C-DAC, NIELIT, STPI, ERNET, SAMEER and C-MET which are working in niche areas such as R&D in IT, Electronics and associated ICT technologies and have huge potential for revenue generation, more so in the wake of the Covid-19 pandemic when demand for ICT tools and their usage for business continuity is at an all time high. The Committee understand Covid-19 rendered lot of challenges, at the same time the pandemic was a booster year for IT services and innovations with accelerated deployment of ICT tools and associated technologies. There were opportunities for these Societies and autonomous bodies to explore and come up with new avenues of revenue generation. While expressing concern at the shortfall in IEBR targets during the year 2020-21 due to Covid-19 pandemic, the Committee recommend exploring potential linkages with industry and academia etc. and identification of avenues through which R&D activities at these Autonomous Societies can be effectively harnessed for revenue generation to reduce their dependence on Government Grants.

National Informatics Centre (NIC)- Business continuity during Covid-19 lockdown

5.   The Committee note that National Informatics Centre (NIC), which was established in 1976, has emerged as a promoter of digital opportunities for sustainable development. NIC has rich experience in providing ICT & eGovernance support in last 4 decades. By establishing the ICT Network, "NICNET", NIC has facilitated the institutional linkages with all the Ministries/ Departments of the Central Government, 37 State Governments/Union Territories, and about 720+ District Administrations of India. NIC has aligned itself with mission and vision of Digital India Programme. In FY 2020-21, NIC has taken up various ICT initiatives for support & delivery of citizen centric services at all levels of governance – Centre, State and districts. Lack of manpower and basic infrastructure are amongst the major constraints faced by NIC hampering expansion of e-governance projects and related activities. The Covid-19 pandemic and the associated challenges of business continuity while ensuring social distancing underscored the importance of digital infrastructure and connectivity. NIC rose to the occasion to provide its un-interrupted seamless services during such difficult times. Major Covid-19 challenges which confronted NIC included keeping the critical services such as video conferencing, web portals, IT domains and citizen centric applications up and running with zero downtime, sustain seamless functioning of critical government applications, Vulnerability Assessment for hosting new applications and services related to Pandemic and lockdown, providing endpoint security during Work from Home and purchase of new equipment and spare parts for the replacement against the wear and tear during Covid-19 induced lockdown etc. In order to continue with their mission, NIC require constant support and encouragement. While appreciating the critical role played by NIC as a provider of digital infrastructure and connectivity delivering un-interrupted seamless services during such difficult times thereby ensuring business continuity during Covid-19 induced lockdown, the Committee recommend that the Ministry are sensitive to NIC's

requirements and address the challenges faced by them, particularly infrastructure related concerns so that their ability to provide the critical IT infrastructure backbone during times of crisis such as the Covid-19 induced lockdown gets strengthened.

National Informatics Centre (NIC)- Manpower constraints

6.   The Committee note that NIC provides the key backbone infrastructure for ICT requirements of the Government. With proliferation of e-Governance services as part of Digital India programme, the requirement on NIC's resources has grown steadily. Presently, NIC has 3396 Manpower / Technologists / Engineers against the sanctioned strength of 4212. A proposal for creation of 1407 (reworked now to 1392) posts in NIC was initiated way back 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. After addressing certain clarifications, the proposal was resubmitted to Ministry of Finance through MeitY for further consideration in February, 2020. The proposal has been received back from Ministry of Finance on 10th February 2021 seeking additional information which is being compiled. Recruitment for filling up of approximately 500 posts at the level of Scientist-B and Scientific / Technical Assistant-A which was to be completed during 2020-21 is in process and NIC is also mooting a proposal for recruitment of S&T officials at Group-A (Scientist-C to Scientist-F), for which Recruitment Rules are being framed. Despite the important role played by NIC as key IT infrastructure provider for the Government particularly during the Covid-19 pandemic , the Committee are concerned to find lackadaisical attitude of the Ministry in addressing the manpower constraints at NIC. The proposal for creation of 1407 (reworked now to 1392) posts at NIC is pending since 2014. Recruitment to fill up approximately 500 posts at the level of Scientist-B and Scientific / Technical Assistant-A which was to be completed during 2020-21 is in process and Recruitment Rules are being framed for S&T officials at Group-A (Scientist-C to Scientist-F) at NIC. Taking a strong view of

the shortage of manpower at NIC which has been pending since long and the recruitment process which is progressing at a slow pace, the Committee recommend the Ministry to undertake a comprehensive review of the manpower requirements at NIC with concrete follow up action in all pending recruitments in a time-bound manner. The Committee may be apprised of the action taken in this regard.

Common Services Centre Special Purpose Vehicle (CSC-SPV)

7.   The Committee note that Common Services Centre Special Purpose Vehicle (CSC-SPV) was set up by the Ministry of Electronics & Information Technology to oversee implementation of the CSC scheme across the country. As per Annual Report 2016-17, CSC-SPV was categorized as a Section 8 Company and in the successive years as a Company registered under the Companies Act, 1956. The Ministry have clarified that as per the scheme approval, CSC-SPV was registered as an independent company under Company Act 1956 and incorporated on 16th July 2009 with MeitY having one Golden share in CSC SPV and two Directors on the Board with necessary administrative control. Secretary, MeitY is the ex-officio Chairman of the company. The Committee have been informed that by virtue of shareholding & control - it is company under the administrative control of MeitY. The Committee are given to understand that the Companies Act does not have any such provision. The Committee also note that MeitY have enabled the CSC SPV to use the Government of India infrastructure which includes the use of 'gov.in' domain name in concurrence with the objective of the scheme to be achieved. CSC eGovernance Services India Limited performs and supports MeitY in implementation of the CSC scheme and enables delivery of various services to the citizens. When the Committee desired to know the true nature of the entity, the Secretary informed the Committee that 3,37,000 Common Services Centres are run by this entity and this is a company that was brought into existence after taking proposal to the Cabinet around ten years ago.

The Committee note that the structuring of the entity is a bit unusual with 50 percent equity from Government entities and private sector companies including banks are also its share holders. CSC-SPV is indeed a unique entity with quasi-governmental attributes.   The Committee also take note of Secretary's submission that there is no parallel to this, there is no other instrument that gives so much traction in providing services. At the same time, the Committee observe that they are 'for profit' entity getting substantial Government business without any competitive bidding. The Committee would like to know the number of Government projects allocated to CSC-SPV on nomination basis and the reasons for allocating these projects without floating tender for inviting bids. The Committee feel that the composition and functioning of the CSC-SPV need to be reviewed. The Committee would like to know under what provisions of law or Act, the concept of Golden Share has been introduced with respect to CSC-SPV. The Committee desire that further details on functioning of CSC-SPV may be furnished to them.

Government Instant Messaging Service (GIMS)

8.   The Committee note that GIMS is an open source based, secure, cloud enabled, and indigenous platform developed by NIC for instant and secured messaging amongst Government and citizens. The Mobile App, the Portal and the Gateway are the three major components of GIMS. Highlights of GIMS include email and mobile based self registration, one to one messaging, group messaging supporting official, casual and list groups, file and media sharing, audio/video call, profile and contact management, message broadcasting and chatbot enabled dashboard. GIMS is presently hosted at NDC Shastri Park and the Android and iOS versions are available at https:// gims.gov.in. Around 50,000 users of 150 Organisations have participated in the Proof-Of-Concept of the App. GIMS has been integrated with NIC email and DigiLocker. GIMS Web version enables a user to send and receive messages from the web browser. Amidst the emerging concerns relating to data security and privacy, there was a strong need for an indigenous messaging App which could cater to secure communication needs of Government officials and general public

alike without relying on servers or data centers hosted abroad and/or owned by foreign entities which fall outside the purview of Indian laws. While taking note of Ministry's efforts in developing GIMS which is an indigenous Messaging App designed, developed and governed by Indian policies and hosted on Government Infrastructure wherein the strategic control remains firmly with the Government of India, the Committee feel that the bigger challenge that lies ahead of the Ministry is to ensure widespread adoption of the indigenously developed GIMS App so that its true potential can be achieved and it does not meet the same fate like Digilocker and UMANG App initiatives. The Committee, therefore, recommend that due publicity within all branches of the Government may be given to GIMS App to ensure that it reaches a minimum critical mass of users in order to make an impact in the already saturated instant messaging App space. The Ministry may also explore the option of integrating it with the already existing platforms such as NIC email and eOffice etc. to ensure a seamless adoption by the existing users of these platforms. The Committee would like to be apprised of the progress made in this regard.

Digital India Programme – Need for higher allocation of funds

9. The Committee note that Digital India Programme is an umbrella programme which amalgamates all the ongoing schemes/programmes/projects being implemented by Ministry of Electronics and Information Technology. 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 Committee also note that in 2019-20, the Ministry had proposed Rs. 7931.14 crore and the BE allocation was Rs. 3750.76 crore which was reduced to Rs. 3212.52 crore at RE stage and the actual utilization was Rs. 3191.09 crore. In 2020-21, as against the proposed amount of Rs. 6940.00 crore, the Ministry were allocated BE of Rs. 3958.00 crore which was reduced to Rs. 3044.82 crore at RE stage and the actual utilization (as on 31.01.2021) stood at Rs. 1724.47 crore. The year 2020-21 witnessed lower utilization owing to budgetary constraints imposed by

Ministry of Finance in view of the Covid-19 scenario. In 2021-22, as against the proposed amount of Rs. 9527.00 crore, the Ministry have been allocated a reduced amount of Rs. 6806.33 crore. The Committee are surprised to find that despite good utilization of allocation by the Ministry in the Digital India Programme, the Ministry of Finance have not been considerate to the requirement of funds as proposed by MeitY. Barring two schemes viz. Cyber Security Projects (NCCC & Others) and Promotion of Digital Payments all the other schemes have been allocated less than the proposed amount for 2021-22. Even amongst the two schemes which have been allocated bulk of the funds i.e. Promotion of Electronics and IT Hardware Manufacturing and Promotion of digital Payments, the former got Rs. 2631.32 crore which is 62.65% of the proposed amount of Rs. 4200.00 crore. In view of the importance of the flagship Digital India Programme which weaves together all the sub-schemes of the Ministry, the Committee recommend that adequate allocation of funds to Digital India Programme may be taken up with the Ministry of Finance so that implementation of the sub-schemes which form part of the Digital India Program do not get delayed due to paucity of funds.

<u>Promotion of Electronics and IT Hardware Manufacturing</u>

10.   The Committee note that the demand for Electronics and IT hardware in India is increasing at a fast pace and rose from Rs. 5,10,258 crore in 2016-17 to Rs. 7,75,000 crore in 2020-21. However, the percentage of this demand which is met through imports has been reducing steadily from 45.60% in 2016-17 to 38.00% in 2020-21. 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 percentage increase in domestic production, more and more foreign exchange reserves are being used up to procure electronics hardware from abroad. Keeping this in view, the Government has been taking several initiatives for promotion of electronics manufacturing in the country and to provide an enabling environment for the industry to compete globally. During the year 2021-22, the budgetary allocation for the scheme Promotion of

Electronics & IT Hardware Manufacturing has been enhanced significantly. As compared to 2020-21 when an allocation of Rs.980 crore had been made under the scheme, this year an allocation of Rs.2631.32 crore has been made under the scheme which is 2.68 times the allocation made during the last year. The Ministry have informed that the enhanced allocation will be utilized for three new schemes launched this year *i.e.* Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme. Incentive claims and other disbursals under these schemes will need to be done from the FY 2021-22 onwards. Production Linked Incentive Scheme provides for incentive of 4% to 6% to eligible companies on incremental sales in mobile phone manufacturing and manufacturing of specific electronics components. The Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors will provide for financial incentive of 25% on capital expenditure for identified list of electronics goods. On the other hand Modified Electronics Manufacturing Cluster (EMC 2.0) aims at providing support for creation of world class infrastructure. It will provide financial assistance for setting up of both EMC projects and Common Facility Centres (CFCs) across the country. While appreciating the efforts of the Ministry in providing renewed thrust to promotion of electronics and IT hardware manufacturing in India, which is evident from substantial increase in budgetary allocation and introduction of three new schemes, the Committee recommend the Ministry to adopt a holistic approach and ensure synergy amongst ongoing and new schemes to create a healthy eco-system for supporting electronics and IT hardware manufacturing in the country. The Committee also desire the Ministry to work out and finalize guidelines and other specific details of these schemes and apprise them of the progress in these schemes.

Promotion of Electronics and IT Hardware Manufacturing – Impact of Covid-19

11.   The Committee note that the virus outbreak in early part of the year 2020 manifested itself as disruption in global supply chains of electronics that are dependent on a single country to a large extent. There was depletion of inventories of electronics manufacturers in India in the month of January and February to the extent of 40% as per industry estimates that led to shortfall in production. As the severity of the pandemic surfaced in March 2020, discussions were being held to explore sources of import of such components from other countries. Industry associations were advised to organize buyer-seller meets to explore such avenues. Consequently, a range of measures from short to medium term and long term were taken to mitigate the impact of pandemic on electronics hardware sector. As part of short to medium term measures, it was decided to take steps to broad base the sources of electronics hardware imports in India while promoting indigenous production at the same time to reduce dependency on a single market/geographical region. As long-term measures, steps are being taken to promoting indigenous production as well as attracting the global electronics supply chain to India. In this regard, MeitY has notified three new schemes, viz., Production Linked Incentive (PLI) Scheme for Large Scale Electronics Manufacturing, Scheme for Promotion of manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports. Beside these measures, alternate supply lines are also being explored in coordination with Indian Embassies, Industry Associations and local industry and Electronics industries are also being encouraged to take advantage of the new Schemes to strengthen the electronics sector. The Committee observe that the Covid-19 pandemic has indeed brought consciousness among all that the global manufacturing ecosystem and

supply chain (including ESDM) are heavily dependent on one country and there is a need to broad base electronic hardware imports while at the same time promote indigenous manufacturing. The Committee exhort the Ministry to leverage this sentiment and take necessary steps to make India self-reliant and exploit the global sentiment of diversification to promote indigenous Electronics and IT Hardware Manufacturing and transform India into a global manufacturing hub.

Modified Special Incentive Package Scheme (MSIPS)

12.   The Committee note that Modified Special Incentive Package Scheme (MSIPS) was announced by the Government in July, 2012 to promote large-scale manufacturing in the country and to offset disability and attract investment in the ESDM sector. The scheme provides subsidy for capital expenditure - 20% for investments in Special Economic Zones (SEZs) and 25% in non-SEZs. The incentives are available for 44 categories / verticals of electronic products and components covering entire electronics manufacturing value chain. It has been amended in August, 2015 to extend the period of the scheme, enhance scope of the Scheme by including 15 more product verticals, and attract more investment. The scheme was further amended in January, 2017 to expedite the investments. The scheme provides for an Inter-Ministerial Appraisal Committee to evaluate investment applications. Based on the recommendation of Appraisal Committee, approval of Competent Authority is obtained. M-SIPS scheme was open to receive applications till 31st December 2018 and is now in implementation mode. The incentives are available under the scheme for a period of 5 years from the date of approval of the application. Under the MSIPS scheme, Rs 120.81 crore incentives have been disbursed so far against 26 claim applications. The expenditure this year has been low mainly due to disruption caused by the pandemic. This has delayed the investments and affected operations of the companies. Further incentives of Rs 105 crore against 20 claims have been recommended by IFCI Ltd (the verification agency). These claims are in the process of approval. Further, claims with incentives of Rs 90

crore are in advance stages of verification with IFCI Ltd. By the end of the FY 2020-21, an expenditure of Rs 315 crore is likely to be achieved under the scheme. The target under MSIPS for FY 2021-22 is Rs. 700 crore. The Committee are concerned to note the extremely slow pace of disbursement of incentives under the scheme. The scheme was open to applicants till 31st December 2018 and since 2012-13 had received a total of 334 proposals. However, out of the committed incentives of Rs. 8593.00 crores, incentives released so far stands at a mere 1072.03 crore which is just about 12.47% of the committed incentives. If this is going to be pace during 2021-22 then the objective of making India an electronic manufacturing hub will remain a distant dream. The Ministry need to fast track the scheme so that it achieves the intended objectives. The Committee recommend the Ministry to take appropriate measures so that disbursement of incentives under the scheme picks up.

Cyber Security Projects (NCCC & Others)

13.   The Committee note that the objective of the scheme is to adopt a holistic approach towards securing the cyber space of the country by pursuing multiple initiatives like Security Policy, Compliance and Assurance, Security, Incident-Early warning & Response, Security Training, Security specific R&D, Enabling Legal Framework and Collaboration. Due to COVID-19 pandemic and lockdown situation, implementation of NCCC project got affected which resulted in less utilization of funds during the first two quarters of the F.Y. 2020-21. This resulted in reduction in allocation at the RE stage from Rs. 170.00 crore to Rs. 80.00 crore. The project for setting up of NCCC had been approved with an outlay of Rs. 770 Crores for a period of 5 years and was initiated in April 2015 after approval of competent authority. In the phase-I, the project on Threat and Situational Awareness (NCCC Test bed) has been implemented. Phase-I of NCCC has been operationalised in July, 2017. In this phase metadata from 20 sites of ISPs and organisations is being analysed. Additional 15 remote sites are targeted to be operationalised by August, 2021. A total of 65 posts (60 S&T and 5 non-S&T) were sanctioned in year 2016 out

of which 57 posts have been filled (54 S&T and 3 non-S&T), recruitment for remaining posts is currently going on. A proposal for creation of remaining 59 posts (S&T and non-S&T) as per the NCCC Detailed Project Report (DPR) is under consideration with Department of Expenditure, Ministry of Finance. The full-fledged NCCC will be implemented within a period of one year if requisite funds are provided. The Committee note with concern that the project for setting up of NCCC which was initiated way back in April 2015 with an outlay of Rs. 770 Crores spread over a period of 5 years began to get budget allocation only from FY 2017-18 onwards and its implementation has been delayed citing shortage of funds. Incidents of cyber attacks on critical IT infrastructure in the country have become commonplace and the urgency of setting up NCCC to ensure cyber security of critical IT infrastructure cannot be overemphasized.   The country can hardly afford the sluggish approach of the Ministry in setting up of NCCC as a pro-active agency in dealing with issues relating to cyber space. The Committee desire that Detailed Project Report which is under consideration of Department of Finance be expedited and the Ministry make adequate provision of funds for Cyber Security Projects (NCCC & Others) scheme so that the project of setting up of NCCC is not delayed any further.

<u>Promotion of Digital Payments</u>

14.   The Committee note that budgetary allocation for Promotion of Digital Payments scheme under the Digital India Programme has been significantly enhanced for the year 2021-22. As against the proposed amount of Rs. 300 crore, the scheme has been allocated Rs. 1500 crore for the year 2021-22. Regarding the steep five-fold increase in allocation to this scheme *vis-a-vis* the proposed amount during the year 2021-22, the Ministry have informed that Promotion of digital payments ecosystem is an essential aspect of Digital India programme. Digital payments transactions have been steadily increasing since last few years. The total transaction volume has increased from 2,071 crore in FY 2017-18 to 4,572 crore in FY 2019-20. As on 13th February, 2021, around 4,306 crore digital payment transactions have been achieved.

Government has also waived-off MDR on UPI and RuPay card transactions w.e.f. 1st January 2020 which has reduced the need of investment by Banks and Fintechs into infrastructure growth. Though there has been an unprecedented growth in digital payments, the potential is still huge since cash continues to dominate Indian markets. There is a constant need to push adoption of digital payments, targeting untapped markets/segments/sectors with special focus on North East Region and Rural areas through incentive and awareness programmes. The Ministry have also informed that the DIGIDHAN Mission announced in 2017 has been primary catalyst to promote the digital payment ecosystem in India. The approach and steps taken by the Mission include BHIM Cashback schemes for Individuals & Merchants, BHIM Aadhaar Merchant Incentive Scheme, BHIM-UPI Merchant On-boarding Scheme, MDR Reimbursement Scheme, creation of Digital Payments Dashboard, Promotion of indigenous payment solutions BHIM-UPI & RuPay globally and sustained campaigns to promote Digital Payments etc. Digital payments are expected to grow manifold by 2025 due to growing Fintech eco-system, Covid-19 led changes in consumer behavior and Government policies around financial inclusion. The Committee also feel that there is going to be drastic increase in digital payments and the increase in the budget for this scheme is a move in the right direction. While appreciating the initiatives taken by MeitY in promotion of Digital Payments, the Committee recommend sustained efforts to promote adoption of digital payments platforms in order to achieve the goal of a less-cash economy. The Committee also desire that apart from promotion of digital payments, the enhanced allocation is utilized effectively for developing robust security mechanisms for digital payments. The details of initiatives undertaken may be furnished to the Committee.

<u>Promotion of Digital Payments – Security measures and Grievance redressal</u>

15.   The Committee note that while the customers are rapidly shifting to the non-cash modes of payments, at the same time, number of frauds in digital transactions is also increasing. Various measures such as issuance of periodic circulars/guidelines by RBI and issuance of alerts and advisories by

CERT-In are taken for information dissemination and to spread awareness about cyber security. Apart from the information and education campaign, a strong grievance redressal mechanism is essential to increase trust of customers in digital payments. MeitY has integrated Digital Payment Grievances along with Ministry of Consumer Affairs (MoCA) for utilizing it with National Consumer Helpline (NCH) platform of Department of Consumer Affairs (DoCA). All the major banks and financial service institutions have been on-boarded on NCH Platform. The platform is live and receiving Digital Payment related grievances. When asked about any centralized helpline for victims of cyber crime pertaining to online Digital Payments and security of data it was informed that National Cyber Crime Reporting Portal cybercrime.gov.in is operationalized by MHA with helpline number 155260. The portal is an initiative of Government of India to facilitate victims/ complainants to report cyber crime complaints online. The portal also caters to complaints pertaining to online financial frauds, Cryptocurrency, ransomware crimes. While promotion of digital payments is a focus area for the Government, the Committee feel that having adequate security measures and grievance redressal mechanisms in place are equally important aspects in promotion of digital payments. The Committee are concerned to note that there is a lack of unified approach in dealing with cases pertaining to digital payments and with increasing digital/online transactions, there is an urgent need to adopt a unified approach by way of having a centralized nodal agency/helpline to deal with all the cases pertaining to digital/online transactions which would not only help the victims of payments related cyber crimes but also help in faster resolution of such cases. Arrangements should also be made to provide insurance coverage to the victims of cyber crime. The Committee recommend the Ministry to enhance their cooperation with the Ministry of Home Affairs and the Ministry of Finance on these aspects and devise mechanisms to make the digital payments eco-system more safe, secure and trustworthy for the citizens. The Committee may be informed of the steps taken in this direction.

Co-Win App

16.   The Committee note that Co-Win App has been a major Covid-19 related initiative through which lakhs of people are getting vaccinated for Covid-19 everyday. CoWIN portal and application has been developed by M/o Health and Family Welfare and only Technical Guidance was provided by NIC as and when desired by that Ministry. CoWIN App will work in conjunction with Aarogya Setu App which has been downloaded by 16.92 crore users so far. MeitY have also prepared a frontend for the citizens on Aarogya Setu itself. Aarogya Setu App will already have information on the progress in Covid-19 vaccination. Recently registration services for individuals over 50 years of age have also been opened up on Aarogya Setu App. Thereafter, those individuals will also be able to use Aarogya Setu App to register themselves to generate the health ID and to get session scheduled for providing them vaccination. The CoWIN App will work more as the backend application, which is for facilitating smooth conduct of session in a location where vaccination is underway and Aarogya Setu App will serve as the frontend citizen-facing application. While appreciating the Ministry for development of technology initiatives such as CoWin and Aarogya Setu Apps in the fight against Covid-19, the Committee would stress upon the need to ensure synchronization between the two Apps since they have been developed separately by Ministry of Health and Family Welfare and Ministry of Electronics and Information Technology respectively but both have to work in conjunction with each other in order to be effective in the fight against Covid-19. As the Covid-19 vaccination progresses, both the Apps are likely to garner huge user-base which makes them susceptible and   lucrative targets for attacks originating from the cyber space like the recently reported global Phishing attack targeting the Covid-19 vaccine cold-chain. The Committee, therefore, recommend that adequate security arrangements are put in place to ensure that both Aarogya Setu App and Cowin App do not fall prey to attacks emanating from cyber space.

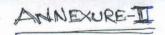**Unified Mobile Application for New-Age Governance (UMANG)**

17.   The Committee note that Unified Mobile Application for New-Age Governance (UMANG) was released on 23rd November, 2017 and has been developed as a single mobile platform to deliver major Government services with Core Platform integrated with DigiLocker, PayGov and Rapid Assessment System (RAS). Till 31st October, 2020, UMANG has about 2039 services (860 – Central and State Government services; 1179 –Bill Payment services) from 189 Departments of Central Government Departments and Government Departments of 27 States/UTs and many more are continuously being on-boarded. It supports around 12 Indian languages, in addition to English and has been hosted on cloud. The Committee note 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 UMANG app stood at a mere 1.93 Crore. By January 2021, this number has reached 3.83 crore i.e. during the next 15 months, the downloads have increased by 1.93 crore. However, even at 3.83 crore, it covers a miniscule percentage of the Indian population. As on 31st January, 2021, UMANG has grown to provide 1,051 services from Central and State Government departments and 19,474 bill payment services. Out of these, around 18,000 services of the Billers were added in the month of December, 2020 only. Keeping in view a very tepid response to the App, the Committee in their Fourth Report on Demand for Grants (2019-20) had recommended for an assessment and evaluation survey/user study to ascertain reasons for tepid/lukewarm response to the UMANG App. The Ministry have informed that a small User and Integrated Department study was conducted by Prof. Satya Bhushan Dash of IIM Lucknow covering a few aspects of the App and an RFP has been floated to analyze the overall impact assessment of UMANG Project with details on realized benefits in terms of outputs and outcomes, gap assessment, challenges, improvements etc. covering the individual users of the App and the providers (Departments/

Ministries). Currently, 4 bids for the same have been received and are under evaluation. The Committee are concerned to find lukewarm response to the UMANG Mobile App from the general public resulting in less than expected number of downloads. The Ministry's efforts to increase the number of available services to 1051 apart from the bill payment services is certainly laudable, but at the same time, availability of a high number of services is futile unless these manage to attract sufficient number of users towards the App. The Committee are surprised to find such low subscription of an App that offers so many services to its users at their fingertips in a fast, secure, easy and cost-effective manner. In this backdrop, it is all the more necessary that Ministry conducts an impact assessment study to find the reasons where things are going wrong. The Committee, therefore, recommend that reasons for lukewarm response to the Mobile App may be ascertained and the RFP floated to analyze the overall impact assessment of UMANG Project be fast tracked so that remedial action can be taken in time.

New Delhi;   DR. SHASHI THAROOR,
 8 March, 2021   Chairperson,
17 Phalguna, 1942 (Saka)   Standing Committee on
                                                                              Information Technology.

Ministry / Department: Ministry of Electronics and Information Technology

(Rupees in crore)

Schemes/ Programmes	Annual Budget 2017-18					Annual Budget 2018-19					Annual Budget 2019-20					Annual Budget 2020-21					Annual Budget 2021-22	
	Proposed	BE	RE	Actual Exp.	% of utilisation w.r.t. RE	Proposed	BE	RE	Actual Exp.	% of utilisation w.r.t RE	Proposed	BE	RE	Actual Exp.	% of utilisation w.r.t RE	Proposed	BE	RE	Actual Exp. (as on 31.01.2021)	% of utilisation w.r.t RE	Proposed	BE
1	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	17	18	19	20	21	27	28
Secretariat- Economic Services	115.00	105.00	86.50	85.15	98	110.00	100.00	100.00	105.31	105	120.00	110.24	110.00	95.64	87	121.00	116.03	99.18	74.50	75	125.00	109.33
National Informatic Centre (NIC)	990.00	1040.00	1040.00	1076.16	103	1493.00	1100.00	1207.36	1209.11	100	1650.00	1150.00	1257.91	1269.03	101	1700.00	1285.00	1300.00	989.24	76	1700.00	1400.00
Regulatory Authorities	177.45	167.48	133.11	122.07	92	222.00	157.00	148.83	142.47	96	237.75	170.00	163.00	146.51	90	268.00	274.00	212.00	149.65	71	708.00	345.00
Standardisation Testing and Quality Certification (STQC)	123.00	120.00	100.63	93.21	93	160.00	110.00	110.00	107.47	98	180.00	120.00	120.00	109.50	91	200.00	125.00	114.00	84.37	74	200.00	120.00
Cyber Security (including CERT-In)	46.45	40.48	26.48	22.92	87	50.00	40.00	31.83	29.90	94	49.75	42.00	35.00	29.98	86	60.00	140.00	90.00	61.22	68	500.00	216.00
Controller of Certifying Authorities (CCA)	8.00	7.00	6.00	5.94	99	12.00	7.00	7.00	5.10	73	8.00	8.00	8.00	7.03	88	8.00	9.00	8.00	4.06	51	8.00	9.00
Digital India Programme	1498.55	1672.76	1425.63	1451.59	102	5880.00	3073.00	3352.81	3328.54	99	7931.14	3750.76	3212.52	3191.09	99	6940.00	3958.00	3044.82	1724.47	57	9527.00	6806.33
Manpower Development	401.00	306.76	256.76	256.58	100	500.00	300.00	300.00	300.00	100	702.53	400.75	338.00	337.97	100	550.00	430.00	190.00	68.60	36	500.00	400.00
Electronic Governance (incl. EAP)	570.00	261.00	257.00	277.28	108	371.00	425.00	425.00	421.65	99	1072.17	450.00	402.87	402.06	100	850.00	425.00	415.82	257.21	62	750.00	425.00
Promotion of Electronics & IT Hardware Manufacturing	77.00	745.00	484.87	460.37	95	1800.00	864.22	844.22	727.35	86	1600.00	986.00	690.00	655.08	95	1545.00	980.00	700.00	245.97	35	4200.00	2631.32
Promotion of IT & ITeS Industry (incl. CST Reimbursement)	9.00	9.00	6.00	42.65	711	80.00	50.00	43.81	64.77	148	165.00	100.00	90.00	90.00	100	200.00	170.00	100.00	14.61	15	200.00	150.00
National Knowledge Network (NKN)	275.00	150.00	135.00	135.00	100	500.00	150.00	320.00	320.00	100	1000.00	160.00	274.64	274.64	100	500.00	400.00	584.00	399.40	68	785.00	500.00
R&D in IT/Electronics/CCBT	136.00	101.00	101.00	100.93	100	450.00	178.00	180.00	179.00	99	769.70	416.00	435.00	427.74	98	1300.00	762.99	425.00	375.65	88	2200.00	700.00
Cyber Security Projects (NCCC & Others)	30.55	100.00	60.00	55.69	93	325.00	110.00	110.00	107.48	98	586.05	120.00	102.00	92.07	90	400.00	170.00	80.00	24.07	30	92.00	200.00
Promotion of Digital Payments	0.00	0.00	25.00	23.08	92	303.00	595.78	691.78	770.29	111	860.00	500.00	480.00	511.53	107	320.00	220.00	300.00	188.96	63	300.00	1500.00
PMGDISHA			100.00	100.00	100	1551.00	400.00	438.00	438.00	100	1175.69	518.00	400.00	400.00	100	1175.00	400.00	250.00	150.00	60	400.00	300.00
Champion Service Sector Scheme												0.01	0.01	0.00	0	100.00	0.01	0.00	0.00	#DIV/0!	100.00	0.01
Autonomous and Other Bodies	1253.00	1053.76	1353.76	1303.55	96	2254.00	1570.00	1572.00	1571.99	100	2120.50	1473.00	1096.03	1096.03	100	1994.00	1266.00	894.00	715.08	80	1826.00	1060.00
Centre for Development of Advanced Computing (C-DAC)	95.00	92.00	92.00	92.00	100	162.00	100.00	100.00	100.00	100	300.00	120.00	120.00	120.00	100	300.00	127.00	127.00	127.00	100	300.00	200.00
Society for Applied Microwave Electronics Engineering & Research (SAMEER)	42.00	42.00	42.00	42.00	100	85.00	70.00	97.29	97.29	100	120.00	90.00	100.00	100.00	100	140.00	98.00	88.00	88.00	100	150.00	120.00
Centre for Materials for Electronics Technology (C-MET)	14.00	14.00	14.00	13.95	100	30.00	20.00	24.71	24.71	100	44.50	30.00	33.25	33.25	100	48.00	50.00	40.00	37.50	94	70.00	80.00
Bhaskaracharya National Institute for Space Applications and Geo-Information [BISAG-N]	6.00	0.00	0.00	0.00	0	6.00	0.00	0.00	0.00	0	0.00	0.00	0.00	0.00	0	0.00	0.00	20.00	0.00	0	100.00	50.00
Digital India Corporation (erstwhile Media Lab Asia)	6.00	5.76	5.76	5.60	0	6.00	5.00	5.00	5.00	100	6.00	6.00	6.00	6.00	100	6.00	6.00	6.00	3.00	50	6.00	10.00
Unique Identification Authority of India (UIDAI)	1090.00	900.00	1200.00	1150.00	96	1965.00	1375.00	1345.00	1344.99	100	1650.00	1227.00	836.78	836.78	100	1500.00	985.00	613.00	459.58	75	1200.00	600.00
TOTAL	4034.00	4039.00	4039.00	4038.52	100	9959.00	6000.00	6381.00	6357.42	99.6	12059.39	6654.00	5839.46	5798.30	99	11023.00	6899.03	5550.00	3652.94	65.8	13886.00	9720.66

25

LIST OF DIRECTORS – CSC SPV

S.No	Name and Designation	DIN
1.	Shri Ajay Prakash Sawhney Secretary at Ministry of Electronics & Information Technology	03359323
2.	Sh. Dinesh Kumar Tyagi Managing Director	00685817
3.	Smt. Smita Bhagat Representative – HDFC Bank Limited	08445343
4.	Sh. Yogendra Kumar Representative – IFFCO	07589061
5.	Shri Anuj Tyagi Representative – HDFC Ergo	07505313
6.	Sh. Rushabh Ashwin Gandhi Representative – Indiafirst Life Insurance Company Limited	08406332
7.	Shri Alok Pandey Independent Director	07854503
8.	Sh. Shankar Aggarwal Independent Director	02116442

1

Capital Structure of the Company-CSC SPV

SI No.	Name of Shareholders	No. of Shares Subscribed	% in Subscribed Share
1	Punjab National Bank	55000	9.44
2	Andhra Bank	10000	1.72
3	Bank of India	10000	1.72
4	Bank of Baroda	10000	1.72
5	United Bank of India	5000	0.86
6	Central Bank of India	25000	4.29
7	State Bank of India	5000	0.86
8	NABARD	55000	9.44
9	MeitY	1	0.00
10	West Bengal State Rural Development Agency	13879	2.38
11	Tamilnadu E-Governance Agency	6248	1.07
12	Arunachal Pradesh State Council for Science &	894	0.15
13	Haryana State Electronics Development Corporation	2781	0.48
14	Government of Andhra Pradesh-Information Technology &	9726	1.67
15	Tripura State Computerisation Agency	785	0.13
16	Department of Information Technology, Government of	476	0.08
17	Government of Meghalaya Information Technology	900	0.15
18	Punjab State e-Governance Society	4657	0.80
19	Himachal Pradesh Society for Promotion of IT & e-	7126	1.22
20	Madya Pradesh State Electronics Development	18172	3.12
21	Jammu & Kashmir e-Governance Agency	2683	0.46
22	Setu Maharashtra	20000	3.43
23	JAPAIT	8980	1.54
24	IndiaFirst Life Insurance Company Limited	34165	5.86
25	J & K Bank Limited	18000	3.09
26	HDFC Ergo	30000	5.15
27	AISECT	10000	1.72
28	Bhartiya Samrudhhi Investments & Consulting Services	100	0.02
29	Mukesh Hajela (On behalf of NICT)	602	0.10
30	SREI SAHAJ E-VILLAGE LIMITED	10000	1.72
31	Spanco Limited	1100	0.19
32	AID	500	0.09
33	Vakarangee Softwares Limited	2500	0.43
34	HDFC Bank Limited	37993	6.52
35	NEC Technologies India Private Limited	50000	8.58
36	CSC E- Governance Services India Limited ESOP trust	10354	1.78
37	IFFCO	47245	8.11
38	Axis Bank Limited	57743	9.91
	NO. OF SHARES SUBSCRIBED	582610	100.00

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON INFORMATION TECHNOLOGY (2020-21) HELD ON 10th FEBRUARY, 2021

The Committee sat on Wednesday, the 10th February, 2021 from 1400 hours to 1555 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Dr. Shashi Tharoor – Chairperson

MEMBERS

Lok Sabha

2.   Smt. Locket Chatterjee
3.   Shri Karti P. Chidambaram
4.   Shri Sunny Deol
5.   Ms. Mahua Moitra
6.   Shri P.R. Natarajan
7.   Shri Santosh Pandey
8.   Col. Rajyavardhan Singh Rathore
9.   Dr. Gaddam Ranjith Reddy
10.   Shri Sanjay Seth
11.   Dr. T. Sumathy (A) Thamizhachi Thangapandian
12.   Shri Bhanu Pratap Singh Verma
13.   Smt. Sumalatha Ambareesh

Rajya Sabha

14.   Shri Y.S. Chowdary
15.   Shri Suresh Gopi
16.   Shri Md. Nadimul Haque
17.   Shri Syed Nasir Hussain
18.   Shri Syed Zafar Islam

SECRETARIAT

4.   Shri Y.M. Kandpal   -   Joint Secretary
5.   Shri H. Ram Prakash   -   Director
6.   Dr. Sagarika Dash   -   Additional Director

Representatives of the Ministry of Electronics and Information Technology

	Name	Designation
1.	Shri Ajay Prakash Sawhney	Secretary
2.	Shri Pankaj Kumar	CEO, UIDAI
3.	Smt. Jyoti Arora	Special Secretary & Financial Advisor
4.	Dr. Rajendra Kumar	Additional Secretary
5.	Smt. Neeta Verma	Director General, NIC
6.	Shri Saurabh Gaur	Joint Secretary
7.	Shri Jaideep Kumar Mishra	Joint Secretary
8.	Shri Abhishek Singh	CEO, My Gov.
9.	Dr. Sanjay Bahl	DG, CERT-In
10.	Shri Arvind Kumar	Scientist 'G' & Group Coordinator
11.	Shri Rakesh Maheshwari	Scientist 'G' & Group Coordinator

2.   After the welcome address by the Chairperson, the Secretary in the Ministry of Electronics and Information Technology made a power-point presentation covering aspects such as mandate of the Ministry, key organizations, the journey so far under Digital India initiative, initiatives taken in 2020-21 & new initiatives for 2021-22 and key features of Budget 2021-22. The Ministry highlighted prominent achievements under Digital India Programme, digital infrastructure, digital services, digital payments and digital empowerment. The Ministry informed about initiatives in ICT research and Electronics Manufacturing, technology initiatives taken during the Covid-19 pandemic such as Co-Win App, Aarogya Setu App, Sanjeevani OPD and UMANG App etc.

3.   Thereafter, Members sought clarifications on issues such as reduced allocation *vis-à-vis* proposed amount, under-utilization of the budget allocation during the last year, impact of reduced allocation to UIDAI and to other ongoing schemes such as Manpower Development, Promotion of IT & ITeS, R&D in IT/Electronics/CCBT, PMGDISHA, job creation in the electronics manufacturing sector in India, delay in setting up of National Cyber Coordination Center (NCCC) and slow pick up of UMANG App etc.

4.   Members also raised queries relating to cyber security implications and cyber security measures taken for Co-Win App used for vaccination against Covid-19, issues surrounding the CSC e-Governance Services India Limited and measures

taken to promote R&D and Startup ecosystem in India etc. which were responded to by the representatives of the Ministry.

5.　　Replying specifically on under spending and underutilization of funds during 2020-21, the representative of the Ministry informed that they were allowed to spend only 5 percent of the budget which means till December they were supposed to utilize only 45 percent of the budget. The budget was curtailed due to 5 percent expenditure cap imposed by the Ministry of Finance. The Ministry got a special dispensation in the month of December which they are trying to make best use of. Hon'ble Chairperson directed the Ministry to provide some report on the embargo by Department of Expenditure and consequent impact on utilization of funds.

6.　　The Chairperson, then, thanked the representatives of the Ministry for deposing before the Committee.

<div align="center">The witnesses then withdrew.</div>

<div align="center">Verbatim Proceedings of the sitting have been kept on record.</div>

<div align="center">**The Committee, then, adjourned.**</div>

STANDING COMMITTEE ON INFORMATION TECHNOLOGY
(2020-21)

MINUTES OF THE TWENTY FIRST SITTING OF THE COMMITTEE

The Committee sat on Monday, the 8th March, 2021 from 1400 hours to 1530 hours in Committee Room no. 3, Extension to Parliament House Annexe, New Delhi.

PRESENT
Dr. Shashi Tharoor -Chairperson

MEMBERS

Lok Sabha

15.   Shri Santosh Pandey
16.   Ms. Mahua Moitra
17.   Shri P. R. Natarajan
18.   Col . Rajyavardhan Singh Rathore
19.   Shri Sanjay Seth
20.   Shri Bhanu Pratap Singh Verma

Rajya Sabha

21.   Shri Y. S. Chowdary
22.   Shri Shaktisinh Gohil
23.   Shri Syed Nasir Hussain
24.   Shri Syed Zafar Islam

SECRETARIAT

1.   Shri Y.M. Kandpal   -   Joint Secretary
2.   Dr. Sagarika Dash   -   Additional Director
3.   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 Draft Reports on Demands for Grants (2021-22) relating to the Ministries/Departments under their jurisdiction.

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

(i)   xxxx….xxxx….xxxx….xxxx

(ii)   xxxx….xxxx….xxxx….xxxx

(iii) Draft Report on Demands for Grants (2021-22) of the Ministry of   Electronics and Information Technology

(iv)   xxxx….xxxx….xxxx….xxxx

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

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

6.   The Committee also decided to undertake a study visit to the Southern and Western States during the last week of April, 2021.

The Committee, then, adjourned.