

EXECUTIVE SUMMARY

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

In order to operationalise the objectives of the Department, schemes are formulated and implemented by the Department. The schemes are implemented directly by the Department and through the organisations/institutions under its jurisdiction. To make the technology robust and state-of-the-art, collaboration of the academia and the private/public sector is also obtained. The Department has two Attached Offices, four Statutory Organizations and seven Autonomous Societies besides three section 25 companies under its control to carry out the business allocated to the Department.

Chapter I of this document highlights the functions of the Department, organizational set up and major schemes/programmes being implemented by the Department. Chapter II depicts the schemes/programmes of the Department, financial outlays, physical outputs, projected outcomes, etc. for the financial year 2010-11; Chapter III details the reform measures and policy initiatives; Chapter IV reviews past performance of the schemes/programmes; Chapter V portrays financial analysis of various schemes/programmes; and Chapter VI reviews the performance of Statutory and Autonomous Bodies.

Overview

Indian IT-ITeS Industry-Growth Performance

The economic recession in the US and the Europe – the leading export destinations of the Indian software and service industry – has adversely impacted the financial performance of the Indian IT companies. The Indian software and services exports including ITES-BPO exports is estimated at US \$ 46.3 billion in 2008- 09, as compared to US \$40.4 billion in 2007-08, an increase of 14.6 per cent, whereas the growth was 29.9 per cent in 2007-08. The annualized increase of 14.6 per cent in 2008-09 is the net effect of a growth of 35.35 per cent in the first six months (April to September 2008) and a decline of 1.87 per cent in the next six months (October 2008 to March 2009). The negative growth trend continued in the first half of 2009-10 as well.

Though the IT-BPO sector is export driven, the domestic market is also significant. The revenue from the domestic market (IT Services and ITES-BPO) is also expected to grow to about US \$12.5 billion in the year 2008-09 as compared to US \$11.7 billion in 2007-08 an anticipated growth of about 6.8 per cent, whereas the growth was 42.7 per cent in 2007-08. The total IT Software and Services employment is expected to reach 2.2 million in 2008-09 (excluding employment in Hardware sector), as against 2.0 million in 2007-08, a Year on Year (YoY) growth of 10 per cent, whereas the YoY growth was 23.46 per cent in 2007-08. The IT-ITeS industry's contribution to the national GDP is estimated to have increased from 5.5 per cent in 2007-08 to 5.8 per cent in 2008-09.

Major Policy Initiatives & Programmes

e-Governance

A major initiative of the Government for ushering in e-Governance on national scale, the National e-Governance Plan (NeGP) was approved on 16 May 2006. Broadly NeGP consists of 27 Mission Mode Projects (MMPs) encompassing 9 central MMPs, 11 state MMPs and 7 integrated MMPs that span multiple backend Ministries/ departments. It also includes 8 program support components aimed at creating the right governance and institutional mechanisms, core infrastructure, policies & standards and the necessary legal framework for adoption of e-Governance in the country. It is implemented at the Central, state and Local Government levels.

The Information Technology (Amendment) ACT 2008

Information Technology (Amendment) Act, 2008 has been enforced and rules of important sections have been notified in October, 2009 which addresses the needs of National Cyber Security. The Act upgrades the existing legal framework to instill confidence of the users and investors in the area of Information Technology in the country. This Act inter-alia adds provisions to the existing Information Technology Act, 2000 to deal with new forms of cyber crimes like publicizing sexually explicit material in electronic form, video voyeurism and breach of confidentiality and leakage of data by intermediary and e-commerce frauds.

Industry Promotion

Electronics Hardware Manufacturing continues to be a thrust area for the Government. The Special Incentive Package Scheme (SIPS) that was announced on 21st March 2007 to encourage investments for setting up Semiconductor Fabrication and other micro and nano technology manufacture industries in India has received very positive response from prospective investors. DIT has received 18 applications under SIPS, involving an investment of about Rs.1, 60,000 crore, over a period of next 10 years. "In- principle" approval has been issued to 12 applications. A Task force to suggest measures to stimulate the growth of IT, ITES and Electronics Hardware Manufacturing Industry has been set up.

National Knowledge Network (NKN)

Government had decided to establish a National Knowledge Network with scalable multi gigabit capabilities which will connect 1000 nodes covering all universities, research institutions, libraries, laboratories, hospitals and agricultural institutions across the country. This will also act as a backbone for the e-governance. By facilitating the flow of information and knowledge, the network will address the critical issue of access, create a new paradigm of collaboration and enrich the research efforts in the country. The initial phase of the National Knowledge Network was inaugurated by the Hon'ble President of India on 9th April 2009.

Skill Development in Information Technology

Government of India announced the National Skill Development policy which has set a target of skilling 500 million people by 2022. DIT has been listed as a part of the Skill Development initiative and has been given a target of 10 million people by the year 2022 for providing IT skills.

Promoting Innovation and Research & Development

DIT however has been consistently supporting creation of R&D infrastructure in emerging areas like Nanotechnology. Application oriented mission mode projects for Industrial Applications, Microelectronics and other projects on Photonics, Medical Electronics/Telemedicine and Components & Materials are also supported to enhance our design capability in Electronics Hardware. Through the Nanotechnology Programme, R&D capacity and infrastructure is being built up at Indian Institute of Science and IIT-Bombay. These centers of Nanoelectronics have also undertaken research projects in specific areas of Nanoelectronics such as Nanomaterials and Nanodevices. The Microelectronics Development Programme supports manpower development and design capability in the area of VLSI design.

Through application-oriented projects, specific users/industries are benefited by way of technology demonstration and/or technology transfers. Such projects are mostly carried out by R&D Societies of DIT like CDAC and SAMEER with active collaboration of academics. Centre for Development of Advanced Computing (C-DAC) commissioned a High Performance Computing (HPC) system called PARAM “Yuva”, having Peak Performance of 54.01 Tera Flops (TFs). PARAM “Yuva” is targeted to support a number of critical applications in Science and Engineering such as Weather Forecasting, Climate Modelling & Earth sciences, Bioinformatics & Molecular Modelling, Computational Fluid Dynamics (CFD) & Computer Aided Engineering, Genetic algorithms & Material sciences etc., with partner institutes within academia and research labs.

Creating Digital Opportunity

To enable wide proliferation of ICT in Indian languages, DIT has taken a major initiative to make available Software tools & fonts in various Indian languages freely to the general public. Software tools & fonts for 22 constitutionally recognized Indian Languages have been released in public domain for free mass usage.

Controller of Certifying Authorities (CCA)

The Information Technology Act 2000 provides for promoting the use of Digital Signatures for e-Governance and e-Commerce through legal recognition to electronic records and treats Digital Signatures at par with hand written signatures. The Certifying Authorities (CAs) licensed by CCA have issued more than 14,00,000 Digital Signature Certificates. These are being used in applications such as Real Time Gross settlement System & Electronic Fund Transfer (EFT) of the RBI, email, e-Procurement, share trading and issue of import/export licenses by DGFT and filing of company returns with the Ministry of Corporate Affairs.