

## **CHAPTER – III**

### **REFORMS MEASURES AND POLICY INITIATIVES**

#### **1. Decentralization**

- Department of Electronics and Information Technology (DeitY) 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.

#### **2. Simplification & Transparency**

- E-file & E-Office are implemented in DeitY as pilot projects. Conveyance / IT / account information / personal / Tour Leave Details / Employee Directory Module was developed.
- An enhanced version of the Intra-DIT portal for the G2G and G2E services is implemented in the Department with new features and applications as per user requirement.
- Application for generating the security pass for the employee and visitor's pass (for meetings after office hours) is developed and implemented. Visitor pass system is hosted on DeitY website <http://mit.gov.in>.
- An upgraded version of the File Tracking System (FTS) is implemented with various additional features.
- Government e-Procurement: To consider measures to tackle corruption and ensure transparency, a project is being implemented by NIC for setting up a Central Public Procurement Portal (CPP Portal). The primary objective of the portal is to provide a single point access to the information on procurements made across various Ministries and the line Departments. It will be mandatory for all Ministries/Departments of the Central Government, Central Public Sector Enterprises (CPSEs) and Autonomous and Statutory Bodies to publish all their tender enquiries on the CPP Portal.
- NIC has developed a generic e-Procurement system (GePNIC), which is being implemented progressively in several Central Government Departments/Institutions and 23 states as the part of MMP (Mission Mode Project).

#### **3. Monitoring Mechanism of the Projects/ Schemes**

- Department of Electronics and Information Technology is a Scientific Department mandated for Development and Promotion of Information Technology through out the country. It undertakes a large number of R&D projects and provides financial support to various implementing agencies viz., autonomous societies/R&D institutions/universities, etc., for implementation

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of the projects. To ensure that the projects/programmes become “outcome oriented” the EFC/SFC formats include the “outcome para” in the memorandum.

- The projects, which are funded by this Department, are first scrutinized in terms of its relevance by the Working Group which is composed of national level experts in different areas. Once it is recommended by the Working Group the same is considered for appraisal by competent authority in the Department. Depending on the cost of the project, proposals are routed through the Standing Finance Committee (SFC)/Expenditure Finance Committee (EFC) route.
- To ensure that the programmes are implemented in right direction Project Review & Steering Group (PRSG) is constituted for each of the project to review the progress and utilization of funds released. The PRSG examines the utilization of funds released for the intended purpose with the desired outcomes to the project, utilization of physical assets and manpower and suggests to improve project management and programme implementation. On reviewing the progress/achievements of the project the PRSG recommends for the next installment of grant. The second and the subsequent installments of grant is released by the Department only after obtaining the utilization certificate of earlier release. This mechanism is working well and is putting emphasis on “outcome”.

#### 4. **Accountability**

- Outlays and outcomes for each programme are being fixed and monitored.
- Time frame and intermediate milestones are fixed and being monitored.

#### **National Policy on Electronics (NPE)**

A draft National Policy on Electronics (NPE) was released for public consultation in October 2011 and after taking into consideration the comments from various stakeholders, the Union Cabinet has approved the National Policy on Electronics (NPE) 2012 on October 25, 2012.

**NPE Vision:** *“To create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market”*

The policy is expected to create an indigenous manufacturing eco-system for electronics in the country. It will foster the

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manufacturing of indigenously designed and manufactured chips creating a more cyber secure ecosystem in the country. It will enable India to tap the great economic potential that this knowledge sector offers. The increased development and manufacturing in the sector will lead to greater economic growth through more manufacturing and consequently greater employment in the sector. ESDM is of strategic importance as well. Not only in internal security and defence, the pervasive deployment of electronics in civilian domains such as telecom, power, railways, civil aviation, etc. can have serious consequences of disruption of service. This renders tremendous strategic importance to the sector. The country, therefore, cannot be totally dependent on imported electronic components and products. The policy is available at [http://deity.gov.in/sites/upload\\_files/dit/files/NPE\\_Notification.pdf](http://deity.gov.in/sites/upload_files/dit/files/NPE_Notification.pdf).

#### **Inputs on National Policy on Information Technology, 2012**

The National Policy on IT envisions to strengthen and enhance India's position as the Global IT hub and to use IT as an engine for rapid, inclusive and sustainable growth in the national economy. The focus of the IT policy is on deployment of ICT in all sectors of the economy and providing IT solutions to the world.

The National Policy on IT aims to maximally leverage the power of ICT to help address the monumental economic and developmental challenges the country faces. The policy is rooted in the conviction, based on concrete evidence that ICT has the power to transform India and improve the lives of all Indians.

The key thrust areas of the policy include: Consolidate India's position as global IT & ITES hub, Create sustainable ecosystem for R&D and Innovation, Leverage ICT for enhancing competitiveness and productivity of key economic and strategic sectors, Provide ubiquitous, affordable access to information and public services, Be the leading human resource base for domestic & global markets, Ensure secure cyber space, Transform India into a Knowledge and Service Society.

#### **Electronics Manufacturing Clusters (EMC) Scheme**

Electronics Manufacturing Clusters (EMC) Scheme is to offset disabilities faced by Electronics Systems Design and Manufacturing (ESDM) units and to attract investments in the sector. The EMC Scheme offers financial support for the development of Electronics Manufacturing Clusters (EMCs) it is expected that these EMCs would aid the growth of the ESDM sector, help development of entrepreneurial ecosystem, drive innovation and catalyze the economic growth of the region by increasing employment

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opportunities and tax revenues. EMC Scheme has been approved by the Cabinet and notified vide Notification No.252 dated 22.10.2012 in Part-I, Section 1 of the Gazette of India (Extraordinary)

#### **Modified Special Incentive Package**

Manufacturing base of electronics products in the country is grossly inadequate in comparison to demand of such goods. Even in cases where products are manufactured in India, the extent of domestic value addition is low. The main impediments in indigenous manufacturing of Electronics Products are disabilities like high cost of power and finance, high transactional costs and poor base of supply-chain. India has strength in chip-designing and manufacturing. So, in order to attract investments into the ESDM sector, by providing a level-playing field and achieve competitiveness in the global market and to partly offset the disabilities being faced by ESDM industry in India like high transactional costs, complex administrative processes and infrastructural deficiencies, Govt of India has offered a package of Incentives for ESDM units within Electronics Manufacturing Clusters by way of Modified Special Incentive Package Scheme( M-SIPS). M-SIPS scheme is notified in Gazette of India in July 2012 and the Guidelines for operation of M-SIPS have also been released.

#### **Financial incentives:**

MSIPS is investment based scheme and the financial incentives are as under:

- 25% of capital expenditure if the ESDM unit is in non-SEZ and 20 % of capital expenditure if the ESDM unit is within SEZ. This capex subsidy is available for investments made within 10 years from the date of approval of the project.
- Reimbursement of CVD/excise on capital equipment for non-SEZ units
- Reimbursement of central taxes and duties (like custom duties, excise duties and service tax) for 10 years in select high-tech units like fabs, Semiconductor Logic and Memory chips, LCD fabrication.

#### **Setting up Semiconductor Wafer Fabrication Units**

The Government intends to attract investment for setting up of two semiconductor wafer fabrication units. With the approval of Union Cabinet, an Empowered Committee has been setup to identify the technology and investors for setting up the fabs and recommending nature and quantum of incentive to be provided by the Government. Global responses were sought in the form of an

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Expression of Interest (EOI) from companies to set up fabs. The Government is at an advanced stage in evaluating the responses received and the procedure is expected to be completed shortly.

#### **Preference to Domestically Manufactured Electronic Goods (Preferential Market Access)**

With a view to increasing share of domestically manufactured electronic products which includes telecom equipment also, the Government, vide Notification No. 8(78)/2010-IPHW dated 10th February 2012, has laid down the policy for providing preference to domestically manufactured electronic products (including telecom equipment) in procurement of those electronic products which have security implications for the country and in Government procurement. The extent of Government procurement from domestic manufacturers will not be less than 30% of the total procurement value of that electronic product or products. The policy is expected to strengthen the cyber security ecosystem in the country as well as provide a boost to the domestic manufacturing.

#### **Mandating Standards in Electronics & IT goods and Implementation/Regulation thereof**

In accordance with the Cabinet's National Policy on Electronics, 2012 (NPE 2012), "Electronics and Information Technology Goods (Requirements for Compulsory Registration) Order, 2012" had been notified through the Gazette of India on 03 Oct. 2012 under the provision of compulsory Registration Scheme of BIS Act, 1986. This order becomes effective from 03 April 2013. The order necessitates creation of institutional mechanism for developing and mandating standards and certification for electronic products to strengthen Quality Assessment infrastructure nationwide in accordance with enshrined objective of the NPE 2012.

With this perspective in the background, Department of Electronics and Information Technology (DeitY) has initiated the process for creating a suitable framework in the country for ensuring compliance of Electronics & IT goods to Standards of Safety.

#### **National Cyber Security Policy**

In order to create a framework for comprehensive, collaborative and collective response to deal with the issue of cyber security at all levels within the country, "National Cyber Security Policy – 2012" has been prepared in consultation with all relevant stakeholders, user enteritis and public. This policy is expected to serve as a long-term template for continuous evaluation, guided actions and measurement of effectiveness of such actions, besides facilitating creation of secure computing environment and enabling adequate trust and confidence for the IT users in the country. In addition, the series of technical and operational measures have been pursued to enhance the status of cyber security. Several training programmes have been conducted to

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improve the cyber security awareness among the enterprises and IT users, with regard to latest threats and trends in cyber security.

#### **7. Other Reform Measures/Policy Initiatives**

##### **STQC**

###### **i) Certification scheme for Bio-metric devices**

To provide end-to-end assurance of enrolment and authentication process of UIDAI, STQC intends to expand the scope of Biometric Device Certification including Client Software, Software Design Kit, Data Centre Security assurance and Data Quality. This will provide better confidence to the stakeholders on the quality of information available with the Central Database of UIDAI.

##### **National Informatics Centre(NIC)**

NIC is developing e-Governance applications and ICT infrastructure for National, State and Grass root level. It also facilitates ICT services such as e-mail, videoconferencing, Data Centre, website development and hosting for government at various levels. The highlights of NIC's programme for 2013-14 are as follows:

###### **i) Counselling for Admissions**

“e-Counselling” is a web based tool for on line counselling for the students desirous of taking admission in various Academic and Technical courses being offered by National and State Academic & Technical Institutions in the country. The system facilitates end-to-end support towards streamlining the admission processes in all phases like Examination, Counseling and post Counseling operation.

###### **(ii) Immigration, Visa, Foreigners Registration & Tracking (IVFRT) System (IVFRT)**

IVFRT Project is a Central Government Mission Mode Project under the NEGP. The project aims at developing an integrated system across the functions of immigration, visa and foreigner's registration and tracking as part of a broader emphasis on

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immigration control. IT infrastructure and services are being set up at 77 Immigration check posts, 170 Indian Missions abroad, 7 Foreigners Regional Registration Offices (FRROs) and about 600 Foreigners Registration Offices (FROs).

#### **(iii) Open Government Platform (OGPL)**

The National Data Sharing and Accessibility Policy (NDSAP) has been notified by the Government. According to this policy, all Government Departments shall release their databases in open format for citizens & other stakeholders to freely use it. NIC has developed a technology solution for establishing an Open Data Portal (<http://data.gov.in>) for Government Departments. It facilitates access and use of Government data to foster innovation and promote transparency.

#### **(iv) Co-operative Core Banking Solution(CCBS)**

NIC has launched a Co-operative Core Banking Solution (CCBS) for co-operative banks. It is being offered as 'Application As a Service' and is hosted at National Data Centre of NIC. It caters to the requirements of the co-operative banks at various levels (State Cooperative Banks, District Cooperative Central Banks and Primary Agriculture Credit Societies). It enables co-operative banks the facility of core banking solution at affordable cost and in a faster manner. It is expected to help the Co-operative banks to provide payment services from their branches and PACS located in rural areas. There are around 1 lakh PACS in the rural areas of the country which can avail this service and play an important role in direct payment to the accounts of the beneficiaries residing in rural areas with respect to various social sector schemes such as MGNREGA, National Old Age Pension, etc.

#### **(v) Dial.Gov Common Man Interface for Government benefits**

The Dial.Gov service is a Common Man's Interface for information delivery, on Government benefits, available to various sections of society. It will facilitate a direct flow of information to citizens about various schemes and welfare services provided by the Central and State Government, thus empowering the interested citizen to search for welfare benefits based on his/ her eligibility. The information is proposed to be disseminated through different channels including a web portal, Call Centre, SMS gateway, Kiosks/CSCs.