CHAPTER-III
Reforms Measures and Policy Initiatives

1. **Decentralization**

- The Department of Electronics & 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 Department of Electronics & Information Technology (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 DIT 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**

- The Department of Electronics & Information Technology (DeitY) is a Scientific Department mandated for Development and Promotion of Information Technology throughout 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 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.

Policy Initiatives and other measures for promotion of electronics and IT Hardware manufacturing in the Country-regarding

Indian electronics hardware production constitutes only around 1.3% of the global production. Moreover, the value addition in domestically produced electronic goods continues is also low. It is estimated that demand of electronics products and systems in India would grow to USD 400 Billion by 2020 at Compound Annual Growth Rate (CAGR) of 22%. At the conventional rate of growth of domestic production, it would only be possible to meet demand of about USD 100 Billion by 2020. The Government attaches high priority to electronics hardware manufacturing.

There have been concerted efforts for rapid growth of the electronics (including telecom) hardware manufacturing sector in the past like 100% FDI permitted under automatic route, no Industrial license requirement, payment of technical know-how fee and royalty for technology transfer under automatic route etc. However, these efforts have not led to a substantial impact, partly because of India becoming a signatory to the Information Technology Agreement (ITA-1) of WTO that resulted in zero duty regimes on import of the goods covered under the Agreement.

National Policy on Electronics 2012

 The Union Cabinet has approved the National Policy on Electronics (NPE) 2012 on October 25, 2012. With the 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 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.

There are about 50 strategies enunciated in the NPE for promotion of ESDM and action had already been initiated on some of them, which are as follows:

<u>**Setting up Semiconductor Wafer Fabrication Units**</u>

The Government intends to attract investment for setting up of two semiconductor wafer fabrication units.   The Cabinet has accorded an approval on 20th April 2011 for setting up of an Empowered Committee with the mandate to, inter-alia, for identifying technology and investors for two Semiconductor Wafer Fabrication (Fab) manufacturing facilities in the country to assess and recommend the nature and quantum of Government support that may be required to translate the interest into investment.

The Empowered Committee (EC) has submitted its Report containing the recommendations.   Based upon the recommendations of the Empowered Committee, the Union Cabinet in its meeting held on 12.9.13, accorded '*in principle*' approval to the recommendations of the EC, inter- alia proceeding with further steps in respect of both the proposals received for establishing Fabs. Further to that, 'In principle' approval letters were issued after obtaining requisite approvals. Thereafter, the Union Cabinet in the meeting held on 12/2/14 has considered the Cabinet Note dated 10/2/14 and has approved setting up of semiconductor wafer fabrication (FAB) manufacturing facilities in the country.

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 had comes into effect from 03rd July 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. The various elements of this initiative are as under:-

A   Support for Upgradation of Labs
B   Portal Creation and Management
C   Sampling and Collection
D   Awareness and Communication
E   Governance Mechanism
F   Up-gradation of Standards etc.

Electronics Manufacturing Clusters (EMC) Scheme

Electronics Manufacturing Clusters (EMC) Scheme 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 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) [F.No.8 (50) –IPHW].

The EMC scheme will attract flow of investment and technology in the ESDM sector in the country and will lead to greater employment opportunities.The incentive under the scheme is available to all regions of the country and all applicants fulfilling the requirements, without discrimination. The financial incentives for setting up of EMCs would be provided in a transparent manner and will be subject to oversight as per Government system. The proposed package of incentives will stimulate investment in research, development, innovation and manufacturing in the ESDM sector, especially those having mass consumption and required for meeting the demand of rural segment. The financial assistance for setting up is for both Greenfield EMCs and Brownfield EMCs. The scheme addresses largely the infrastructure and logistics requirements of the ESDM units within the cluster.

Modified Special Incentive Package

Modified Special Incentive Package Scheme is one of the important policy initiatives under the National Policy on Electronics 2012 to offset disabilities and attract domestic and global investments into the Electronic Systems Design and Manufacturing sector within Electronic Manufacturing clusters. The scheme was notified in July 2012. The guidelines were issued in November 2012. The scheme is applicable to investments into the Electronics Systems Design and Manufacturing sector. The scheme provides subsidy in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. It also provides for reimbursement of CVD/Excise for capital equipment for the non-SEZ units. The scheme is available for both new projects and expansion projects. For high technology and high capital investment units, like fabs, reimbursement of central taxes and duties is also provided.The incentives are available for investments made in a project within a period of 10 years from the date of approval. Initial applications under MSIPS can be made within a window of three years (27th July 2012 to 26th July 2015). The incentives under MSIPS are available to units located in Brownfield or Greenfield EMCs.

2. To consider the applications under M-SIPS and submit its recommendations to the Government for approval, the Department has constituted an Appraisal Committee (AC) headed by Additional Secretary , DeitY. The Appraisal Committee has members of Joint Secretary level from various Government Departments like Expenditure, Revenue, Economic Affairs, Planning Commission, Commerce, DIPP, MSME, NMCC etc.

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 dated 23rd December 2013 has laid down the policy for providing preference to domestically manufactured electronic products (including telecom equipment) 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.

Development of Indian Conditional Access System

The Department of Electronics and Information Technology (DeitY) is taking steps to promote indigenous manufacturing of Set Top Box (STB) for Cable / DTH TV, keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcast sector. The Core Advisory Group for Research and Development (R&D) in Electronics Hardware (CAREL), the empowered group formed under the auspices of the Office of the Principal Scientific Adviser has identified six products for design, development and manufacture indigenously and one of the products is Set Top Box.

A major impediment in design and development of domestic Set Top Boxes is the license of Conditional Access System (CAS) players. Therefore, the need as well as an opportunity was felt to develop indigenous CAS for boosting the development of Set Top Boxes in the country. Based on the recommendations of a Committee of Experts, DeitY released an Expression of Interest (EOI) for the Development of Indian Conditional Access System (CAS). Based on the RFP process, the bidder has been shortlisted for the development and implementation of the Indian Conditional Access System (CAS).

Domestically manufactured "Aakash" Tablet

The Aakash –IV specifications were finalized with the expectation to provide impetus to domestic manufacturing industry. The tender for procurement of Aakash tablet was released by DGS&D.

STQC

1. **Establishing Test and Calibration infrastructure at Ajmer**

New Test & calibration infrastructure for Solar Photo-voltaic panels and telecom products is being established at Ajmer as a `Greenfield` project.
It will offer services in the following areas-
*   Testing services
*   Product Development Assistance services
*   Metrology services
*   Capacity building

2.   Establishing Common Criteria (CC) Test labs

Presently, Indian Common Criteria Certification Scheme (IC3S) has one government lab at ERTL (E), Kolkata. It is planned to empanel more CC Test labs in public and private sector. The procedure for empanelment of CC Test lab with Indian Certification Scheme have been finalized and awaiting approval of the competent authority and it is expected to be launched for inviting applications from May, 2014.

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 2014-15 are as follows:

i)   **eGov ApplStore**

National level common repository of customizable and configurable applications.

(ii)   SPARROW

- Smart Performance Appraisal Report Recording online Window(SPARROW)

- Online performance appraisal dossier maintained for each member of Service by State Government/Central Government.

- Electronic filing of APAR.

(iii)   mFMS

- Step towards facilitating "Direct Transfer of Fertilizer Subsidy to Farmers".

- Centralized System with Web, Mobile and Point of sale device access channels for Companies, wholesalers and Retailers.

- Retailers Registered:2,24,416; Wholesalers Registered:24,545

- 1st Point (Company) Sales Acknowledgement: 98.5%;

- 2nd Point (Wholesalers) Sales Acknowledgement : 98.9%

National Knowledge Network

A high speed Data Communication Network is being established in the country. National Knowledge Network (NKN) is to inter-connect all knowledge institutions across the country through high speed data communication network to encourage sharing of resources and collaborative research. These would cover about 1500 Institutions comprising of all Universities, Institutions of Higher Learning, and Research. NKN will facilitate creation, acquisition and sharing of Knowledge resources among the large participating Institutions; collaborative research; countrywide classrooms (CWCR) etc. and help the country to evolve as Knowledge Society. As on March 2014 about 1226 institutions have already been connected to NKN (this includes **336** links to institutions under NMEICT, which have been migrated to NKN) which include: IITs, IIMs and premiere research institutions such as AIIMS, CSIR, IISc, etc. A total of 66 virtual classrooms have been created till date.

STPI

1. A non-profit linked incentive scheme for STP registered units is being formulated to ensure accelerated growth of IT/ITES exports and the dispersal of IT/ITES industry to the Tier II and Tier III cities across the country. Based on the format of the scheme, requirement of funds would be worked out.

2. The present incubation programme of STPI would be further strengthened for innovation led Business Incubation and entrepreneurial development for start up units. This programme would be designed to provide venture, infrastructural and mentoring support to the entrepreneurs. In addition to the existing infrastructure available at 53 STPI centres, STPI is in process of creating additional incubation space at Mohali, Allahabad, Bhilai, Bhubaneswar, Hyderabad etc. STPI would explore creating more and more incubation space in Tier II and Tier III cities across the country.

3. STPI is working with DeitY for establishment of a National Productivity Network which would create capacity and necessary IT infrastructure across STPI centres to provide support primarily to SMEs across the country. For this, the data centres at major STPI centres having excellent data communication and cloud computing resources would be created.

4. SMEs in India are facing unprecedented challenges necessitating the need for ICT adoption in their business processes and integrating into globalized economic environment. With ICT tools, the SME sector can improve upon the way it is doing businesses currently and become more vigilant in the finer details in its day-to-day operations thereby increasing its own competeveness. The ICT adoption in manufacturing sector can change the way the organizations conduct their business which will enable them to compete in the

national and international markets. The major objective of ICT application is the cost-effective and efficient improvement in business activities.

5.   STPI would promote and assist the start-up companies in innovation/research & development. Further, STPI would also create awareness & encourage the start-up companies to register the IPR of their innovative products.

National Policy on Universal Electronic Accessibility

The Cabinet had approved the National Policy on Universal Electronic Accessibility on 3-10-2013. The policy facilitates equal and unhindered access to Electronics and ICTs products and services by differently abled persons. This policy recognizes the need to eliminate discrimination on the basis of disabilities as well as to facilitate equal access to Electronics and ICTs. It also recognizes need for ensuring that accessibility standards, guidelines and universal design concepts are adopted and adhered to.

The policy covers technological aspects including access to Electronics and ICTs (both hardware and software) by differently abled persons including areas of universal design, assistive technology and independent living aids.

The following strategies have been envisaged for the implementation of the policy:

1. Creating awareness on universal electronics accessibility and universal design
2. Capacity building and infrastructure development
3. Setting up of model Electronics & ICTs centres for providing training and demonstration to special educators and physically as well as mentally challenged persons
4. Conducting Research & Development, use of innovation, ideas, technology etc. whether indigenous or outsourced from abroad
5. Developing programme and schemes with greater emphasis for differently abled women/children
6. Developing procurement guidelines for Electronics & ICTs for Accessibility and Assistive needs.

National Cyber Security Policy

A National Cyber Security Policy was put in place on 02 July 2013 for public use and implementation by all relevant stakeholders. Its stated mission is "to protect information and information infrastructure in cyber space, build capabilities to prevent and respond to cyber threats, reduce vulnerabilities and minimize damage from cyber incidents through a combination of institutional structures, people, processes, technology and cooperation". It seeks to do so by creating a secure cyber ecosystem and an assurance framework, encouraging open standards, strengthening the regulatory framework, vulnerability management, promotion of research and development in cyber security and enhancing our technical skill sets and human resources.