

17

**STANDING COMMITTEE ON COMMUNICATIONS
AND INFORMATION TECHNOLOGY
(2024-25)**

EIGHTEENTH LOK SABHA

MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY

**[Action Taken by the Government on the Observations/Recommendations of the
Committee contained in their Ninth Report (Eighteenth Lok Sabha) on 'Demands
for Grants (2025-26)']**

SEVENTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025/ Sravana, 1947 (Saka)

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(2024-25)**

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**[Action Taken by the Government on the Observations/Recommendations of the
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for Grants (2025-26)']**

Presented to Lok Sabha on 19.08.2025

Laid in Rajya Sabha on 19.08.2025



**LOK SABHA SECRETARIAT
NEW DELHI**

August, 2025/ Sravana, 1947 (Saka)

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**Composition of the Standing Committee on Communications and
Information Technology (2024-25)****

**Dr. Nishikant Dubey - Chairperson
Lok Sabha**

2. Shri C.N. Annadurai
3. Shri Anil Baluni
4. Dr. Rabindra Narayan Behera
5. Shri Anup Sanjay Dhotre
6. Shri Gurmeet Singh Meet Hayer
7. Shri Sanjay Haribhau Jadhav
8. Shri S. Supongmeren Jamir
9. Shri Appalanaidu Kalisetti
10. Smt. Poonamben Hematbhai Maadam
11. Ms. Mahua Moitra
12. Shri G. Kumar Naik
13. Shri Shafi Parambil
14. Dr. M.K. Vishnu Prasad
15. Ms. Kangna Ranaut
16. Shri Radheshyam Rathiya
17. Shri Ramasahayam Raghuram Reddy
18. Shri Arun Kumar Sagar
19. Shri Devesh Shakya
20. Shri Vishnu Datt Sharma
21. Shri Rajesh Verma

Rajya Sabha

22. Shri Saket Gokhale*
23. Smt. Priyanka Chaturvedi
24. Shri Ilaiyaraaja
25. Shri Amar Pal Maurya
26. Dr. Sasmit Patra
27. Shri V. Vijayendra Prasad
28. Shri S. Niranjan Reddy
29. Shri Kartikeya Sharma
30. Shri Lahar Singh Siroya
31. Shri K.T.S. Tulsi

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri Y.M. Kandpal | — | Additional Secretary |
| 2. | Smt. A. Jyothirmayi | — | Director |
| 3. | Shri Amrish Kumar | — | Deputy Secretary |
| 4. | Shri Salil Saroj | — | Under Secretary |

****Committee constituted w.e.f. 26th September, 2024 vide Para No.833 of Bulletin Part-II dated 26th September, 2024.**

*** Shri Saket Gokhale has been nominated vide Para No. 853 of Bulletin Part –II dated 03rd October, 2024.**

INTRODUCTION

I, the Chairperson, Standing Committee on Communications and Information Technology (2024-25), having been authorized by the Committee, present this Seventeenth Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Ninth Report (Eighteenth Lok Sabha) on 'Demands for Grants (2025-26)' relating to the Ministry of Electronics and Information Technology.

2. The Ninth Report was presented to Lok Sabha and also laid on the Table of Rajya Sabha on 21st March, 2025. The Ministry of Electronics and Information Technology furnished their Action Taken Notes on the Observations/Recommendations contained in the Fourth Report on 16th June, 2025.

3. The Report was considered and adopted by the Committee at their Sitting held on 11th August, 2025.

4. For facility of reference and convenience, Observations/Recommendations of the Committee have been printed in bold in Chapter-I of the Report.

5. An analysis of Action Taken by the Government on the Observations/Recommendations contained in the Ninth Report of the Committee is given at Annexure-II.

NEW DELHI;
11 August, 2025

20 Sravana, 1947 (Saka)

DR. NISHIKANT DUBEY,
Chairperson,
Standing Committee on
Communications and Information Technology.

CHAPTER I

REPORT

This Report of the Standing Committee on Communications and Information Technology (2024-25) deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Ninth Report (Eighteenth Lok Sabha) on the 'Demands for Grants (2025-26)' relating to the Ministry of Electronics and Information Technology.

2. The Ninth Report was laid in Rajya Sabha on 20th March, 2025 and presented to Lok Sabha on 21st March, 2025. It contained 12 Observations/Recommendations.

3. Action Taken Notes in respect of all the Observations/Recommendations contained in the Report have been received from the Ministry of Electronics and Information Technology and are categorized as under:

(i) Observations/Recommendations which have been accepted by the Government:—

Rec. Sl. Nos.: **1, 3, 4, 5, 8, 10, 11 and 12.**

Total: **08**

Chapter:II

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:—

Rec. Sl. No.: NIL

Total: NIL

Chapter:III

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration:—

Rec. Sl. No.: NIL

Total: NIL

Chapter:IV

(iv) Observations/Recommendations in respect of which the replies of the Government are of interim in nature:—

Rec. Sl. Nos.: **2, 6, 7 and 9.**

Total: **04**

Chapter:V

4. The Committee trust that utmost importance would be given to the implementation of the Observations/Recommendations accepted by the Government. In case where it is not possible for any reasons to implement the recommendations in letter and spirit, the matter shall be reported to the Committee with reasons for non-implementation. The Committee further desire that Action Taken Statement on the Observations/Recommendations contained in Chapter-I and final action taken replies to the Observations/Recommendations contained in Chapter-V of this Report be furnished to them at an early date.

5. The Committee will now deal with action taken by the Government on some of their Observations/Recommendations that require reiteration or merit comments.

Budget Overview and Demands for Grants (2025-26)

Recommendation (Sl. No. 2)

6. The Committee, in their Original Report, had recommended as under:—

“About the overall impact of reduced allocation of funds to important schemes, the Ministry has stated that the schemes under Digital India Programme, except National Knowledge Network (NKN), have been allocated funds keeping in view the Ministry’s requirement of funds projected by its Programme Divisions, status of various projects under the scheme, pace of expenditure in previous years etc. Since NKN scheme is closing in March 2025, a token sum has been earmarked for this scheme for FY 2025-26 so that funds could be supplemented under this scheme, if the project duration is extended. As MoF has recently approved extension of the project duration of this scheme, MeitY would approach MoF for allocation of additional funds for this scheme through Supplementary Demands for Grants in FY 2025-26. The primary reason for under/suboptimal utilization of allocated funds is mainly due to less expenditure under incentive schemes being implemented by MeitY. The Ministry has submitted that the focus areas during FY 2025-26 would be to boost the global competitiveness of AI start-ups and researchers of India; enhance domestic manufacturing and attract large investments in mobile phones, specified electronic components and IT hardware; and provide attractive incentive support to companies or consortia that are

engaged in Silicon Semiconductor Fabs, Display Fabs, Compound Semiconductors, Silicon Photonics, Sensors, including MEMS, Fabs, Discrete Semiconductor Fabs, Semiconductor Packaging, ATMP or OSAT and Semiconductor Design. As the Ministry has submitted that it distributes the allocated funds under various schemes keeping in view the priority areas and unavoidable/committed expenditure under various schemes, the Committee hope that the allocated funds are distributed properly and used judiciously so as to make our Nation world's production centre of semiconductors and a leader in Artificial Intelligence.”

7. In their Action Taken Reply, the Ministry of Electronics and Information Technology submitted as under:–

“It is submitted that Ministry of Finance (Department of Economic Affairs) has been requested to allocate additional funds to the tune of Rs.664.75 crore for National Knowledge Network (NKN) Programme as MeitY has extended the project duration of this programme and enhanced its overall outlay on the recommendation of Department of Expenditure.

So far as proper distribution of allocated funds and its judicious utilization is concerned, it is stated that MeitY has distributed funds in respect of various schemes having committed liabilities as per the discussions held in the Pre-Budget meeting under the Chairmanship of Secretary (Expenditure) and in the presence of Secretary(MeitY) and JS&FA(MeitY) on the scheme-wise estimated expenditure for FY 2025-26 submitted by the Programme Divisions. Regular meetings are being taken by Secretary(MeitY) and JS&FA(MeitY) with the Group Coordinators to monitor execution of projects/schemes and ensure optimum and judicious utilisation of allocated funds.”

8. The Ministry had apprised the Committee that since National Knowledge Network (NKN) scheme was closing in March 2025 a token sum had been earmarked for this scheme for FY 2025-26 so that funds could be supplemented under this scheme, if the project duration was extended. The Ministry has further explained that as the Ministry of Finance (MoF) had recently approved extension of the project duration of this scheme, it would approach MoF for allocation of additional funds through Supplementary Demands for Grants in FY 2025-26. The Ministry in their Action Taken Notes has submitted that Ministry of Finance (Department of Economic Affairs) had been requested to allocate additional funds

to the tune of Rs.664.75 crore for National Knowledge Network (NKN) Programme as it had extended the project duration of this programme and enhanced its overall outlay on the recommendation of Department of Expenditure. The Committee would therefore like to be apprised of the current status of allocation of additional funds of Rs. 664.75 crore for NKN Programme. To ensure optimum and proper utilization of these additional funds, the Committee hope that the Ministry would put in place a robust Project Monitoring Mechanism and encourage partnerships amongst stakeholders for effective use of NKN resources.

Further, the Committee had hoped that the allocated funds are distributed properly and used judiciously so as to make our Nation World's production centre for Semiconductors and a leader in Artificial Intelligence. The Ministry, in this regard has submitted that it has distributed funds in respect of various schemes having committed liabilities as per the discussions held in the Pre-Budget meeting under the Chairmanship of Secretary(Expenditure) in the presence of Secretary (MeitY) and JS&FA (MeitY) on the scheme-wise estimated expenditure for FY 2025-26 submitted by the Programme Divisions. Regular meetings were being conducted by Secretary (MeitY) and JS&FA (MeitY) with the Group Coordinators to monitor execution of projects/schemes and ensure optimum and judicious utilization of allocated funds. The Committee desire that the Ministry may apprise them about the outcomes of these meetings and the effectiveness of these meetings in ensuring timely completion of projects/ schemes. The Committee may be enlightened about various stages of completion of different ongoing projects under the National Knowledge Network Scheme and the guide map for making our country world's production centre of Semiconductors and a leader in Artificial Intelligence at the earliest.

Standardisation, Testing & Quality Certification (STQC) – Establishment and Manpower

Recommendation (Sl. No. 6)

9. The Committee, in their Original Report, had recommended as under:—

“STQC supports quality assurance of small and medium scale Electronics Industries. Under STQC Directorate 4 Electronics Regional Test Laboratories (ERTLs) and 11 Electronic Test and Development Centres and one Centre for

Reliability (CFR) are functioning pan India. The Committee observe that the funds allocated to STQC has come down from Rs. 175.00 crore in 2024-25 to Rs. 170.00 crore in FY 2025-26. The Committee have been informed by the Ministry that Rs. 4.5 Crore was allocated under Building and Structures Head to STQC. Letter of Authorization was issued to CPWD for executing renovation works of Lab/Centres namely ETDC, Hyderabad, ERTL(East), ETDC, Solan, ETDC, Agartala, ERTL(South) and ERTL(North). The Ministry has stated that under ICT Head, from the allocation of Rs. 7.0 crore for the current FY, administrative approval for implementation of Lab Automation Process has been obtained from Competent Authority for an amount of Rs. 3.0 crore and work order has been issued to Implementing Agency i.e. CDAC, NOIDA. Phase I roll out is expected in July, 2025. Similarly, construction of STQC building in NOIDA is expected to be completed by February, 2026. In addition to this, procurement of Application, Security Testing Tool for an amount of Rs.1.4 crore and Source Code Analysis tool for an amount of Rs.1.6 crore is also in progress. The Committee observe that STQC plays a crucial role in supporting Ministry of Electronics & Information Technology's initiatives in the key areas like e-Government, e-Industry, e-Innovation / R&D, e-Learning, e-Security, e-Inclusion, Internet Governance through Quality & Security evaluations of IT systems and other projects of national importance. In view of this, the Committee also like the Ministry to update about the status of work of STQC Building in different parts of the country. Further, the status of procurement of Application, Security Testing and Source Code Analysis tool may also be furnished. The Committee would also like to suggest the Ministry to approach the Ministry of Finance for additional funds, if any required, for completion of these important projects timely and money should not be a constraint for the same."

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

"1. As regards to the status of work of STQC buildings is concerned, it is submitted that the reconstruction work of STQC Noida building is in progress through CPWD and it is anticipated to be completed in the FY 2025-26 and 80% of the scheduled renovation works in the FY 2024-25 at ETDC Hyderabad & Solan, ERTL (E), (N) and (S) got completed through CPWD. The remaining work will be completed in the FY 2025-26.

II. As regards to the status of procurement of Application Security Testing tool is concerned, it is submitted that procurement of the same has been completed successfully for 9 STQC labs and in addition procurement towards renewal of licenses of already existing Application Security Testing tools pertaining to other 6 STQC Labs was also carried out during the FY 2024-25.

III. As regards to procurement of Source Code Analysis Tool is concerned, it is submitted that the procurement could not be materialised in FY 2024-25 due to the failure of Proof of Concept (POC) demonstration of the said tool by the prospective vendors shortlisted through GEM. However, this task is expected to be completed during the first half of the current Financial Year 2025-26.”

11. The Committee in their Original Report had desired the Ministry to provide the latest status of work completion of Standardisation, Testing & Quality Certification (STQC) Buildings in different parts of the Country and status of procurement of Application, Security Testing and Source Code Analysis tool. The Committee had also suggested the Ministry to approach the Ministry of Finance for additional funds, if any required, for completion of these important projects timely and money should not be a constraint for the same. The Ministry in its reply has submitted that reconstruction work of STQC, Noida building is in progress through CPWD and it is anticipated to be completed in the FY 2025-26. Further, 80% of the scheduled renovation works in the FY 2024-25 at ETDC Hyderabad & Solan, ERTL (E), (N) and (S) had been completed through CPWD. It has been also submitted that the remaining work would be completed in the FY 2025-26. So far as procurement of Source code Analysis Tool is concerned, the Ministry has submitted that the procurement could not materialize in FY 2024-25 due to the failure of Proof of Concept (POC) demonstration of the said tool by the prospective vendors shortlisted through GEM. The Ministry further conveyed that this task is expected to be completed during the first half of the current Financial Year 2025-26.

The Committee are surprised to note the reply submitted by the Ministry on 16.06.2025 that they are expecting to complete the STQC buildings during the first half of FY 2025-26 even though the said period is about to be completed. The Committee find that the pendency as well as uncertainty in completion of STQC Buildings and delay in procurement of Source Code Analysis Tool apart from non-operationalisation of STQC buildings are hindering the deployment of prospective

primary jobs of e-Government, e-Industry, e-Innovation / R&D, e-Learning, e-Security, e-Inclusion, Internet Governance, which could have been generated by STQC through Quality & Security evaluations of IT Systems and execution of other projects of national importance. The Committee call upon the Ministry to ensure that the remaining works of these projects are completed during this financial year itself and that in no case further delayed. The Ministry may furnish an updated status report in this regard to the Committee at the earliest.

Cyber Security Projects (NCCC & Others)

Recommendation (Sl. No. 10)

12. The Committee, in their Original Report, had recommended as under:—

“The Ministry informed the Committee that in FY 2024-25 funds amounting Rs. 759.00 crore was allocated under NCCC projects in BE 2024-25, which has been revised at RE Stage to Rs. 322.00 crore. The Ministry further stated that reduction of Rs. 437.00 crore in allocation at RE stage was due to the delay in implementation of project on Collection, Storage and Analysis of Traffic Flows (1:1) data from Internet Service Provider (ISP) Gateways. Among the major impediments faced in this project, the Ministry stated that due to dependency on facilitating site readiness by remote organisations, integration of meta-data sites with NCCC has been delayed. Respective organisations are being pursued to provide support to the project team for completion of integration. The Ministry further informed the Committee that hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, and Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider under National Cyber Coordination Centre (NCCC) Phase-III – Request for Proposals (RFPs) are under process and completion of NCCC Phase-II for integration of remote sites – Data centre and Disaster Recovery centers are operationalized and integration of remote sites targetted to be completed by March 2025. The Committee are given to understand that the implementation of NCCC project is closely monitored at senior levels in CERT-In and MeitY. Work for meeting the targets has been assigned to Project Execution Agency which is working in close coordination with CERT-In team. The Committee recommend that the Ministry may explore the feasibility of taking help of the emerging technologies like AI and successful systems in the world to provide solutions for timely readiness of sites by remote

organisations and take concrete steps, after assessing the reasons of delay in integration of meta-data sites with NCCC, to timely reach the goal. The Committee maybe apprised of the updated status of hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, and Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider under NCCC Phase-III and the completion of NCCC Phase-II as the target is set to be achieved by March, 2025. The Committee may be enlightened about recent measures taken by Project Execution Agencies so that deadlines in each of the project under this scheme are met and inordinate delays are plugged.”

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

“NCCC phase II:

With the thorough understanding of challenges being faced at remote organisations and ISPs, site readiness and organisation on-boarding processes have been streamlined. Primary Data centre and Disaster Recovery Centre are operationalised. Further, real-time monitoring and effective co-ordination has resulted in significant reduction in pendency of site integration. At present, 92% of the targeted 250 sites as part of NCCC Phase-II have already been successfully integrated and integration of remaining sites are likely to be completed by June 2025.

NCCC phase III:

Both CERT-In and Project Execution agencies have been working in close-coordination to address the challenges, minimise the delays and meet the timelines. For hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, RFP evaluation through Government e-Marketplace (GeM) is under process. After completion of Technical and Commercial evaluations, the contract will be awarded to the successful L1 bidder which is likely to be completed within Q1 of FY 2025-26.

As regards to the status of Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider, it is submitted that the contract has been awarded to the L1 bidder through GeM on 11.03.2025.”

14. The Committee in their Original Report had recommended that the Ministry may explore the feasibility of taking help of the emerging technologies like AI and successful systems in the world to provide solutions for timely readiness of sites by remote organisations and take concrete steps, after assessing the reasons for delay in integration of meta-data sites with NCCC, to timely reach the goal. The Committee had also desired to be apprised of the updated status of hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, and Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider under NCCC Phase-III and the completion of NCCC Phase-II as the target was set to be achieved by March, 2025. Further, the Committee sought to be enlightened about recent measures taken by Project Execution Agencies so that deadlines in each of the project under this scheme are met and inordinate delays are plugged. In its reply, the Ministry has submitted that 92% of the targeted 250 sites as part of NCCC Phase-II have already been successfully integrated and integration of remaining sites was likely to be completed by June 2025. Regarding progress made in NCCC phase III, the Ministry has submitted that both CERT-In and Project Execution agencies had been working in close-coordination to address the challenges, minimise the delays and meet the timelines. For hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, RFP evaluation through Government e-Marketplace (GeM) was under process. Further, after completion of Technical and Commercial evaluations, the contract would be awarded to the successful L1 bidder which was likely to be completed within Q1 of FY 2025-26.

The Committee note from the submissions made by the Ministry of Electronics and Information Technology that all the assignments in NCCC phase II and III were expected to be completed within Q1 of FY 2025-26. The Committee also note that completion of these assignments involved multifaceted steps like bidding, awarding of contracts, integration of sites and Technical and Commercial evaluations. The Committee, therefore urge the Ministry of Electronics and Information Technology to take effective measures to ensure seamless completion of the crucial projects as Cyber Security Projects have gained enormous significance and are impacting the common man and even highly educated people in one way or the other on a daily basis. The Committee call upon the Ministry to ensure that these projects are completed in right earnest without any further delay

and take all necessary steps to expedite hiring of System Integrator (SI) for ICT infrastructure, including skilled Cyber Security professionals for making NCC, an effective body.

CHAPTER II
OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN
ACCEPTED BY THE GOVERNMENT

(Recommendation SI. No. 1)

BUDGET OVERVIEW AND DEMANDS FOR GRANTS (2025-26)

The Ministry of Electronics & Information Technology, under Demand No.27, has been allocated a total outlay of Rs. 26,026.25 crore for the Financial Year (FY) 2025-26 against the proposed budgetary support of Rs. 28,223.78 crore. A comparative analysis of the Budget Estimate (BE) of the Ministry from FY 2020-21 to FY 2025-26 shows that for the Financial Year 2025-26, there has been around 14% decrease at the Budget Estimates stage in comparison with the BE of FY 2024-25. The Financial Year-wise allocation percentage increase w.r.t Previous Year has been 41% in 2021-22, 47% in 2022-23, 16% in 2023-24, 33% in 2024-25 and 19% in 2025-26. While submitting reasons for increased allocation in FY 2021-22, the Ministry stated that more funds were allocated for incentive schemes viz promotion or Digital Payments and Promotion of Electronics and IT Hardware Manufacturing. With the launching of PLI scheme in FY 2022-23 the percentage increase was even more as Rs. 5300 crore was allotted to this scheme. While furnishing details of Budget allocation in FY 2025-26, the Ministry has stated that the overall increase in budget is about Rs. 4000 crore which is about 19% increase over the previous FY. Further, the Ministry has submitted that MEITY would manage with the allocation as per the Scheme-wise distribution of funds and in case of requirement of additional funds; the same would be taken up with Ministry of Finance at RE stage or through Supplementary Demands for Grants. The Committee hope that the Ministry would be able to utilise the allocated funds as envisaged and if need be, with proper monitoring, the requirements may be assessed periodically and necessary action be taken timely. Noting the increased allocations made, the Committee observe that allocation to 'Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India' and 'AI Mission' is to be fully utilised and implemented in right earnest. In this regard, the Committee urge the Ministry to periodically review the sufficiency of funds *vis-a-vis* execution of Programmes/Missions and take necessary steps to ensure that funds are adequate for implementation of the schemes.

Reply of the Government

The esteemed comments of the Committee have been noted for compliance. It is informed that MeitY has been reviewing scheme-wise expenditure on regular basis to ensure proper and optimum utilisation of allocated funds and adequacy of availability of funds under each scheme as well as to monitor the progress of execution of schemes/projects.

Ministry of Electronics and Information Technology
OM No. 2(1)/2025-Budget(Vol. II) Dated: 16.06.2025

(Recommendation Sl. No. 3)

BUDGET OVERVIEW AND DEMANDS FOR GRANTS (2025-26)

The Ministry has stated that as on 24.02.2025, there are 3 pending Utilization Certificates (UCs) amounting to Rs.28.76 crore pertaining to Governments of Chhattisgarh and West Bengal. The concerned State Governments and the implementing agencies are being pursued regularly for the settlement of these UCs. The Committee note that as on 24.02.2025, 54% of pending amount in UCs has been liquidated and yet a large percentage remains to be liquidated. The Committee, therefore, urge the Ministry to hold regular meetings with the concerned State Governments so as to ensure clearance of the pendency at the earliest. The Committee may be apprised of the outcome of the same.

Reply of the Government

MeitY has been monitoring the progress of liquidation of pending UCs on regular basis and following it up with concerned grantee institutions and States for settlement of the pending UCs.

**Ministry of Electronics and Information Technology
OM No. 2(1)/2025-Budget(Vol. II) Dated: 16.06.2025**

(Recommendation Sl. No. 4)

NATIONAL INFORMATICS CENTRE (NIC)

NIC has been playing an instrumental role in executing key IT projects, in close collaboration with the Government, making the last-mile delivery of Government services to the citizens a reality, through a variety of digital solutions such as eShram, eWay Bill, National Scholarship Portal, Jeevan Pramaan Portal, e-Challan, PM Kisan etc. Understanding the significant role played by NIC across the Country in providing technology-driven solutions across key areas including core ICT infrastructure, whole of Government oriented digital services, cyber and information security, sectoral applications, and propagation of emerging technologies, the Committee note that funds to the tune of Rs. 149 crore has been decreased in allocation to NIC during FY 2025-26. Since the slashing of funds would jeopardise the working of NIC which undertakes design and development of IT systems for the Government; provide ICT infrastructure to the Government; explore and advise on the use of emerging technologies, the Committee sought to know how NIC would be able to fulfil its mandate of e-governance and ICT infrastructure and achieve the targets. Replying to the query, the Ministry stated that NIC will achieve its mandate of e-Governance ICT Infrastructure with the allocated budget of Rs. 1600.00 crore during the FY 2025-26. Since the funds allocated to NIC are mainly for establishment related expenses, any shortfall in budget requirements would be considered at RE stage. The Committee call upon the Ministry to ensure that the decreased allocation of funds to NIC ought not affect its mandate and targets. Realistic assessments may be made and adequate funds may be obtained at RE stage or through Supplementary Demands for Grants to meet additional requirements.

Reply of the Government

The total Budget allocated by MeitY to NIC during the financial year 2025-26 is Rs. 1600.00 crore which is about 16% increase over the actual expenditure incurred by NIC during FY 2024-25 (Rs.1379.59 crore). NIC is likely to meet its establishment-related expenses as well as its mandate of e-Governance and ICT Infrastructure with the allocated budget during the current FY 2025-26. However, if NIC requires any additional budget during the FY 2025-26, the same will be taken up with MoF at the RE Stage

**Ministry of Electronics and Information Technology
OM No. 2(1)/2025-Budget(Vol. II) Dated: 16.06.2025**

(Recommendation Sl. No. 5)

NATIONAL INFORMATICS CENTRE (NIC)

The Committee reiterate their earlier recommendation that Ministry should look into the possibility of creating a separate IT cadre under it for effective supervision and implementation of the Schemes and also to augment skilled IT professionals who can develop and manage ICT projects and support Digital initiatives of the Government. Taking note of the fact that NIC not only provide ICT infrastructure to Central and State Governments but it also explore and advise on use of Emerging Technologies, the Committee are of considered view that the funds and work allocated to NIC under IndiaAI Mission should be given the utmost priority to achieve the set targets. To achieve its mandate, the Committee feel that NIC should have adequate funds to support emerging technologies and sufficient human resources to strengthen our cyber system so as to ward off cyber security threats. The Committee, therefore, suggest that the funds allocated to NIC may be reviewed periodically and additional need of fund, if any, taken up timely with the Ministry of Finance so that IndiaAI Mission under its ambit becomes a successful Mission.

Reply of the Government

NIC will achieve the set targets to support emerging technologies and IndiaAI Mission as well as deploy sufficient human resources to strengthen its cyber system so as to ward off cyber security threats with the budget allocated to it and the funds available under the respective schemes. Moreover, review of budget allocation and expenditure in respect of schemes and non-schemes of MeitY and expenditure thereof are being done by Secretary(MeitY) regularly. Additional requirement of funds for NIC, if any, to fulfil its mandate during the FY 2025-26, will be taken up with MoF at appropriate Stage.

**Ministry of Electronics and Information Technology
OM No. 2(1)/2025-Budget(Vol. II) Dated: 16.06.2025**

(Recommendation SI. No.8)

STANDARDISATION, TESTING & QUALITY CERTIFICATION (STQC) – ESTABLISHMENT AND MANPOWER

The Committee were given to understand that the Ministry, with NASSCOM, NIELIT and other institutions like AICTE, is working across the country on 11 major technologies, which include setting up of AI Labs and also big data analytics. The Committee are of considered view that the Ministry should provide adequate handholding to NIELIT in the matter of adequate Budgetary Support to fulfil their mandate so that proper training could be imparted to the experts, engineers, scientists, technicians and other organisations/institutions engaged in AI development, who would be undertaking the projects under IndiaAI Mission. Having noted the fact that NIELIT provide training in Capacity Building and Skill Development in the areas of IECT and courses at Degree/Diploma Levels as well as Skilling Courses and its presence over 50+ locations across the country, the Committee desire the Ministry to provide adequate infrastructure, manpower and the funds to them so that demands for trained human resources to be deployed in IndiaAI Mission be met both qualitatively and quantitatively so that they would be able to contribute economically and efficiently.

Reply of the Government

Over the past several years, India has taken concrete steps to encourage the adoption of AI in a responsible manner and build public trust in the use of this technology, placing the idea of 'AI for All' at its very core.

India has taken major, formative steps towards facilitating the creation of a world-leading ecosystem for Trustworthy Artificial Intelligence (AI). India is a major hub of skilled workforce in AI, with a vibrant Startup ecosystem that has mushroomed from the established research networks that have been building AI applications that can be leveraged for enhanced public service delivery.

The success of the government's initiatives and approach is evident from India's rising position in global AI rankings and indices.

In March 2024, the Government of India approved the IndiaAI Mission with the aim to build a precise and cohesive strategy for bridging the gaps in the existing AI ecosystem. The IndiaAI mission will establish a comprehensive ecosystem catalyzing AI innovation through strategic programs and partnerships across the public and private sectors. By democratizing computing access, improving data quality, developing indigenous AI capabilities, attracting top AI talent, enabling industry collaboration, providing startup risk capital, ensuring socially impactful AI projects and bolstering ethical AI, it will drive responsible, inclusive growth of India's AI ecosystem.

The IndiaAI Mission comprises of 7 pillars namely- IndiaAI Compute, IndiaAI Innovation Center, IndiaAI Dataset platform, IndiaAI Application development initiatives, IndiaAI FutureSkills, IndiaAI Startup Financing, and Safe & Trusted AI.

The FutureSkills pillar is a cornerstone initiative under the IndiaAI Mission that focuses on building India's AI talent ecosystem and democratizing access to AI education nationwide. This comprehensive program aims to create a robust pipeline of AI-skilled professionals through strategic interventions at various educational levels - from undergraduate to doctoral studies. The initiative has been allocated a budget to establish specialized Data and AI Labs across Tier 2 and Tier 3 cities, provide fellowships to students from AICTE-recognized institutions, and develop industry-aligned curriculum and training programs. The pillar addresses the critical need for AI expertise by breaking down entry barriers, expanding AI education infrastructure, and fostering partnerships between academia and industry. Through its fellowship program, it supports students working on practical AI applications across sectors like agriculture, healthcare, education, and finance, while simultaneously focusing on important aspects like AI ethics and responsible AI development.

IndiaAI FutureSkills will coordinate with existing efforts in this sector to make AI education holistic and inclusive.

- a) Data and AI Labs: A data and AI lab in partnership with an industry partner has been established in Karkardooma, Delhi, and is considered the model lab for the setup of other such labs. Establishment of 27 AI and Data labs across India in collaboration with NIELIT has been initiated, which are set to be operational from the end of June 2025. Another 3 labs in Nagaland, Madhya Pradesh, and Mohali in collaboration with the industry partner are being established. Further, 174 ITIs/Polytechnics have been approved for the setting up of the labs across various States and UTs.
- b) AI and Data Courses: IndiaAI will be delivering foundational level Data & AI courses in IndiaAI Data Labs to be established in NIELIT and ITIs centers in Tier 2 and Tier 3 cities across, course curricula for 120-hour courses for the roles of Data Annotator and Data Curator, along with two 30-hour courses focusing on sectors such as Healthcare, Education, Manufacturing and Agriculture has been developed. The courses are NCVET approved.

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(Recommendation Sl. No. 10)

BUDGET OVERVIEW AND DEMANDS FOR GRANTS (2025-26)

CYBER SECURITY PROJECTS (NCCC & OTHERS)

The Ministry informed the Committee that in FY 2024-25 funds amounting Rs. 759.00 crore was allocated under NCCC projects in BE 2024-25, which has been revised

at RE Stage to Rs. 322.00 crore. The Ministry further stated that reduction of Rs. 437.00 crore in allocation at RE stage was due to the delay in implementation of project on Collection, Storage and Analysis of Traffic Flows (1:1) data from Internet Service Provider (ISP) Gateways. Among the major impediments faced in this project, the Ministry stated that due to dependency on facilitating site readiness by remote organisations, integration of meta-data sites with NCCC has been delayed. Respective organisations are being pursued to provide support to the project team for completion of integration. The Ministry further informed the Committee that hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, and Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider under National Cyber Coordination Centre (NCCC) Phase-III – Request for Proposals (RFPs) are under process and completion of NCCC Phase-II for integration of remote sites – Datacentre and Disaster Recovery centers are operationalized and integration of remote sites targetted to be completed by March 2025. The Committee are given to understand that the implementation of NCCC project is closely monitored at senior levels in CERT-In and MeitY. Work for meeting the targets has been assigned to Project Execution Agency which is working in close coordination with CERT-In team. The Committee recommend that the Ministry may explore the feasibility of taking help of the emerging technologies like AI and successful systems in the world to provide solutions for timely readiness of sites by remote organisations and take concrete steps, after assessing the reasons of delay in integration of meta-data sites with NCCC, to timely reach the goal. The Committee may be apprised of the updated status of hiring of System Integrator (SI) for Information Communication Technology (ICT) infrastructure, and Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider under NCCC Phase-III and the completion of NCCC Phase-II as the target is set to be achieved by March, 2025. The Committee may be enlightened about recent measures taken by Project Execution Agencies so that deadlines in each of the project under this scheme are met and inordinate delays are plugged.

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Reply of the Government

NCCC phase II:

With the thorough understanding of challenges being faced at remote organisations and ISPs, site readiness and organisation on-boarding processes have been streamlined. Primary Data centre and Disaster Recovery Centre are operationalised. Further, real-time monitoring and effective co-ordination has resulted in significant reduction in pendency of site integration. At present, 92% of the targeted 250 sites as part of NCCC Phase-II have already been successfully integrated and integration of remaining sites are likely to be completed by June 2025.

NCCC phase III:

Both CERT-In and Project Execution agencies have been working in close-coordination to address the challenges, minimise the delays and meet the timelines. For hiring of System Integrator (SI) for Information Communication Technology (ICT)

infrastructure, RFP evaluation through Government e-Marketplace (GeM) is under process. After completion of Technical and Commercial evaluations, the contract will be awarded to the successful L1 bidder which is likely to be completed within Q1 of FY 2025-26.

As regards to the status of Multiprotocol Label Switching/ Internet Leased Line (MPLS/ILL) service provider, it is submitted that the contract has been awarded to the L1 bidder through GeM on 11.03.2025.

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Comments of the Committee

(Please see Para No. 14 of Chapter I)

(Recommendation Sl. No. 11)

MODIFIED PROGRAMME FOR DEVELOPMENT OF SEMICONDUCTORS AND DISPLAY MANUFACTURING ECOSYSTEM IN INDIA

The Committee note that there has been a reduction of funds at BE stage to the tune of Rs. 1000.00 crore *vis-à-vis* the amount proposed for the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India and this reduction is almost equal to BE for Promotion of Electronics & IT Hardware mfg. (MSIPS, EDF and Manufacturing Clusters) scheme and R&D in IT/Electronics/CCBT scheme. The Committee are given to understand that as per the Cabinet approval of the projects under the Programme, the companies have to furnish the necessary documents to India Semiconductor Mission before signing of Fiscal Support Agreement (FSA), and disbursement of funds. The Ministry further stated that these are complex projects requiring intensive planning for pilot and project sites and most of the approved companies are in various stages of implementation, including obtaining various statutory clearances. However, they have not yet claimed the funds so far from India Semiconductor Mission (ISM) and ISM is regularly monitoring the progress of the approved projects and providing necessary support in this regard. The Committee were enlightened that during FY 2025-26, it is targeted that investments to the tune of Rs. 13,000 crore will be made by the 05 approved companies under different schemes of the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India. Under the DLI scheme, 20 companies are expected to support for design and development of semiconductor IP Cores. The Committee understand that Semiconductor and Display manufacturing is a complex as well as technology driven initiatives which require intensive R&D and demands huge capital investments along with high risk, long gestation and payback periods, and need for absorption of rapid changes in technology. The Committee note that the programme for Development of Semiconductors and Display Manufacturing Ecosystem in India has further been modified in view of the aggressive incentives offered by countries already having established semiconductor ecosystem and limited number of companies owning the

advanced node technologies. Further, the modified programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem. The Committee, in view of the submissions of the Ministry, recommend that they should ensure adequate funds for such programmes which will pave the way for India's growing presence in the global electronics value chains. The Committee may be apprised of the progress of the approved projects under ISM and also about the investment to be done by 05 approved companies under different schemes of the Modified Programme for Development of Semiconductors and Display Manufacturing Ecosystem in India and 20 companies under the DLI scheme supporting for design and development of semiconductor IP Cores.

Reply of the Government

The recommendation of the committee regarding ensuring adequate funds for this programme is noted. The funds allocation under the Programme for a particular year, is generally based on the projections submitted by approved companies regarding their investments to be done in that year. In case of the requirement of additional funds, the same may be requested at the stage of RE 2025-26.

Government has approved Five (5) Semiconductor Manufacturing units and Seventeen (17) Semiconductor design companies under the programme. The approved companies are under various phases of implementation. Following are the investment details of the approved projects:

- Micron Technology Inc.'s proposal for setting up an ATMP facility in Sanand, Gujarat, India with an investment of Rs. 22,516 crore was approved in June 2023. Micron's facility in India will enable assembly and test manufacturing for both DRAM and NAND products and address demand from domestic and international markets with a production capacity of around 40 million per week. The revenue shipment has already started from the mini pioneer site. As of 31st March, 2025, Rs. 1168.03 crore has been disbursed by the nodal agency.
- Tata Electronics Private Limited (TEPL)'s proposal for setting up a Semiconductor Fab facility in Dholera, Gujarat, India with an investment of Rs. 91,526 crore was approved in February 2024. The fab facility will be set up in technology partnership with PSMC, Taiwan. PSMC is an established semiconductor company having 6 semiconductor foundries in Taiwan. The production capacity of the project would be around 50,000 wafer starts per month (WSPM).
- Tata Electronics Private Limited (TEPL)'s proposal for setting up of OSAT facility in Morigaon, Assam, India with an investment of Rs. 27,120 crore was approved in February 2024. The facility will use indigenous semiconductor packaging technologies with a production capacity of 48 million per day.

- CG Power and Industrial Solutions Limited's proposal for setting up OSAT facility in Sanand, Gujarat, India with an investment of Rs 7,584 crore was also approved in February 2024. The facility will be set up as joint venture partnership with Renesas Electronics America Inc., USA, and STARS Microelectronic, Thailand. The Technology would be provided for this facility by Renesas Electronics Corporation, Japan and STARS Microelectronic, Thailand. The production capacity would be around 15.07 Million Units per day.
- Kaynes Technology India Limited (KTIL) proposal of for setting up of Outsourced Semiconductor Assembly and Test (OSAT) facility at Sanand, Gujarat for Wire bond Interconnect, Substrate Based Packages was approved in September, 2024. The Technology would be provided by ISO Technology Sdn. Bhd. and Aptos Technology Inc. This facility will be setup with an investment of Rs 3,307 crore. The facility will have the capacity to produce more than 6.33 million chips per day.

Under the Design Linked Incentive (DLI) Scheme, 67 companies have been approved for centralized access of the Electronic Design Automation (EDA) tool. Out of these, 17 companies have been approved for financial support for design and development of semiconductor designs for automotive, mobility and compute areas with expected investment of Rs. 556.85 Crore with approved funding commitment from the DLI Scheme of Rs. 203.21 Crore. About 39 Crore of financial incentives have been disbursed and Rs. 72 Crore of design infrastructure support (including EDA tools and IP Cores) have been enabled under the DLI Scheme. These companies have raised about Rs 265 Crore of Venture Capital investment and are at advanced stage of design semiconductor Application-Specific Integrated Circuit (ASICs) and System on Chips (SoCs).

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(Recommendation Sl. No. 12)

IndiaAI Mission

The Committee note that "IndiaAI Mission" aims to propel innovation and build domestic capacities to ensure the tech sovereignty of India. It aims to create highly skilled employment opportunities to harness the demographic dividend of the Country. IndiaAI Mission will help India demonstrate to the world how this transformative technology can be used for social good and enhance its global competitiveness. Observing the gaps between Central and State Governments with respect to functioning in Digital Governance and AI Mission, the Committee sought to know whether the Ministry had any plan under IndiaAI Mission to proactively engage with State Governments for a unified approach and coherence towards achieving targets in Digital Governance and Artificial Intelligence.

While making their submissions, the Ministry stated that given the critical role that AI will play in shaping the future, the Government of India launched the IndiaAI Mission, a comprehensive national-level program with an outlay of over INR 10,371 crore to

democratize and catalyze the AI innovation ecosystem in the country. The IndiaAI Mission will be implemented through seven key pillars:- i) IndiaAI Compute Capacity; ii) IndiaAI Innovation Centre; iii) IndiaAI Datasets Platform; iv) IndiaAI Application Development Initiative; v) IndiaAI FutureSkills; vi) IndiaAI Startup Financing; and viii) Safe & Trusted AI.

The Committee were given to understand the risks and challenges in the implementation of AI i.e. issues of anomaly & fraud detection, security case selection, TDS applications, enhancing AI in Data Analytics and Risk Assessment, Optimizing AI and ML for seamless user interactions and expanding accessibility with a Multilingual interface, increasing correlation due to widespread use of similar AI models leading to financial stability risks, lack of interpretability of AI models and data quality concerns; issues of Data privacy, cyber security, spread of disinformation in the Financial Sector; and growing third-party dependencies and market concentration, skill gaps and requirement of huge amount of power for

setting up of AI data centres in the field of New and Renewable Energy. In view of the above, the Committee recommend that AI Safety Institute's (AISI's) five safety projects such as real-time deep fake detection, AI-generated content water-marking, ethical AI frameworks and red teaming AI models should be adopted without any further delay. The Committee also suggest that projects like machine unlearning, synthetic data generation for bias mitigation, AI bias mitigation in healthcare systems and AI algorithm audition tools should be developed as early as possible in consultation with all the stakeholders so that India can enrich each sector with aplomb options which will put India at the forefront in use of AI technology for the welfare of humanity. Further, the Committee opine that young talents of premier institutions across the Country may be roped in for exchange of technological know-how and for effective and coordinated outcomes. The Committee may be apprised of the developments in this project.

Reply of the Government

1. Funds pertaining to the first quarter have been duly disbursed for all 8 projects selected against the First Expression of Interest (EOI) issued under the 'Safe & Trusted AI' Pillar of the IndiaAI Mission.
2. All implementing agencies have been requested to submit Utilisation Certificates (UCs) along with fund requirements for the upcoming financial year (FY 2025-26). A detailed breakup of projected fund requirements for the ensuing 6 months may also be furnished separately.
3. The Project Review and Steering Group (PRSG) for monitoring and evaluation of the aforementioned projects has been duly constituted. The first project review meeting was convened on the 1st and 2nd of May 2025. Detailed technical progress reports have been solicited from all project leads as a follow-up to the deliberations held therein.

Project-Wise Details:

1. Project Name: Development of Responsible Artificial Intelligence for Bias Mitigation in Health Care Systems

Theme: AI Bias Mitigation Strategy

Project Participant(s): National Institute of Technology (NIT) Raipur

Duration of Project: 2 years

Total Budget (Lakhs): Rs 22,94,112

Funds Released Thus Far: Rs 1,30,980

Budget Spent (Lakhs): Rs 92,940

Technical Progress: Literature survey of various AI Bias mitigation techniques, current softwares used, performance metrics

2. Project Name: Design and Development of Method for Generating Synthetic Data for Mitigating Bias in Datasets and Framework for Mitigating Bias in Machine Learning Pipeline for Responsible AI

Theme: Synthetic Data Generation

Project Participant(s): Indian Institute of Technology (IIT) Roorkee

Duration of Project: 2 years

Total Budget (Lakhs): Rs 75,96,000

Funds Released Thus Far: Rs 1,50,000

Budget Spent (Lakhs): Rs 1,50,000

Technical Progress: Development of the algorithm that generates synthetic data for the IVL (Intelligent Virtual Laboratory) model, which reduces training dataset bias

3. Project Name: Enabling Explainable and Privacy Preserving AI for Security and Surveillance

Theme: Explainable AI Framework

Project Participant(s): Defence Institute of Advanced Technology (DIAT) & Mind graph Technologies

Duration of Project: 1 year 6 months

Total Budget (Lakhs): Rs 34,28,100 (DIAT) + Rs 55,35,000 (Mind graph Technologies)

Funds Released Thus Far: Rs 7,38,525 (DIAT) + Rs 5,52,745 (Mind graph Technologies)

Budget Spent (Lakhs): Rs.2,52,771 (DIAT) + Rs 11,76,363 (Mind graph Technologies)

Technical Progress:

DIAT:

- a) Study of existing AI models for Human Activity Recognition (HAR) for Video data.
- b) Selection of Data parameters and its impact on outcomes.
- c) Evaluate the performance parameters.
- d) Progress Report Writing and Evaluation.

Mind graph Technologies:

- a) Initial Privacy Preserving Framework.
- b) Data Collection Framework Documents.
- c) Initial UI.

4. Project Name: NishPaksh: Tools for assessing fairness of AI models

Theme: AI Ethical Certification

Project Participant(s): Indraprastha Institute of Technology (IIT) Delhi & Telecommunications Engineering Centre (TEC)

Duration of Project: 2 years

Total Budget (Lakhs): Rs 32,92,704

Funds Released Thus Far: 0 (due to delays pertaining to the bank account at the institutional level)

Budget Spent (Lakhs): 0

Technical Progress: Basic design of NishPaksh

5. Project Name: Machine Unlearning in Generative Foundation Models

Theme: Machine Unlearning

Project Participant(s): Indian Institute of Technology (IIT) Jodhpur

Duration of Project: 2 years

Total Budget (Lakhs): Rs. 57,05,700

Funds Released Thus Far: Rs 5,00,000

Budget Spent (Lakhs): Rs 4,33,654

Technical Progress:

- a) Problem Formulation: Literature review in image and audio domain.
- b) Data Scraping and curation: Generated initial datasets for image domain.

6. Project Name: Robust Privacy-Preserving Machine Learning Models

Theme: Privacy Enhancing Strategy

Project Participant(s): Indian Institute of Technology (IIT) Delhi, Indraprastha Institute of Technology (IIIT) Delhi, Indian Institute of Technology (IIT) Dharwad, Telecommunications Engineering Centre (TEC)

Duration of Project: 2 years

Total Budget (Lakhs): Rs. 74,62,944 (for all institutions)

Funds Released Thus Far: Rs 1,50,000 (IIT Delhi) + Rs 85,000 (IIT Dharwad)

Budget Spent (Lakhs): Rs 25,000 (IIT Delhi)

Technical Progress:

- a) Completed literature survey for developing robust distributed learning protocols.
- b) Developed a new algorithm for robust aggregation strategies.

7. Project Name: "Track-LLM", Transparency, Risk Assessment, Context & Knowledge for Large Language Models

Theme: AI Governance Testing Framework

Project Participant(s): Amrita Vishwa Vidyapeetham & Telecommunications Engineering Centre (TEC)

Duration of Project: 2 years

Total Budget (Lakhs): Rs 98,92,800

Funds Released Thus Far: Rs 6,70,000

Budget Spent (Lakhs): Rs. 6,59,067

Technical Progress:

- a) Literature Survey.
- b) Evaluation metrics and measures for gender bias detection.
- c) Initial Implementation of gender bias evaluation.
- d) Implementation on multiple LLMs to calculate performance.

8. Project Name: Parakh AI: An Open-Source Participatory Algorithmic Auditing Framework

Theme: AI Algorithm Auditing Tool

Project Participant(s): Civic Data Labs

Duration of Project: 1 year 6 months

Total Budget (Lakhs): Rs. 1,05,00,000

Funds Released Thus Far: Rs. 24,75,000

Budget Spent (Lakhs): Rs. 24,75,000

Technical Progress:

- a) Internal Kick off and team alignment.
- b) 1st Public Stakeholder Consultation for Enabling AI Auditing.
- c) Comparative analysis of Global Legislation framework for defining High-Risk and AI auditing.
- d) AI Auditing Landscape.
- e) Working Group Initiation.

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CHAPTER III

**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO
PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT**

-Nil-

CHAPTER IV
OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE
AND REQUIRE REITERATION

-Nil-

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

(Recommendation Sl. No. 2)

BUDGET OVERVIEW AND DEMANDS FOR GRANTS (2025-26)

About the overall impact of reduced allocation of funds to important schemes, the Ministry has stated that the schemes under Digital India Programme, except National Knowledge Network (NKN), have been allocated funds keeping in view the Ministry's requirement of funds projected by its Programme Divisions, status of various projects under the scheme, pace of expenditure in previous years etc. Since NKN scheme is closing in March 2025, a token sum has been earmarked for this scheme for FY 2025-26 so that funds could be supplemented under this scheme, if the project duration is extended. As MoF has recently approved extension of the project duration of this scheme, MeitY would approach MoF for allocation of additional funds for this scheme through Supplementary Demands for Grants in FY 2025-26. The primary reason for under/suboptimal utilization of allocated funds is mainly due to less expenditure under incentive schemes being implemented by MeitY. The Ministry has submitted that the focus areas during FY 2025-26 would be to boost the global competitiveness of AI start-ups and researchers of India; enhance domestic manufacturing and attract large investments in mobile phones, specified electronic components and IT hardware; and provide attractive incentive support to companies or consortia that are engaged in Silicon Semiconductor Fabs, Display Fabs, Compound Semiconductors, Silicon Photonics, Sensors, including MEMS, Fabs, Discrete Semiconductor Fabs, Semiconductor Packaging, ATMP or OSAT and Semiconductor Design. As the Ministry has submitted that it distributes the allocated funds under various schemes keeping in view the priority areas and unavoidable/committed expenditure under various schemes, the Committee hope that the allocated funds are distributed properly and used judiciously so as to make our Nation world's production centre of semiconductors and a leader in Artificial Intelligence.

Reply of the Government

It is submitted that Ministry of Finance (Department of Economic Affairs) has been requested to allocate additional funds to the tune of Rs.664.75 crore for National Knowledge Network (NKN) Programme as MeitY has extended the project duration of this programme and enhanced its overall outlay on the recommendation of Department of Expenditure.

So far as proper distribution of allocated of funds and its judicious utilisation is concerned, it is stated that MeitY has distributed funds in respect of various schemes having committed liabilities as per the discussions held in the Pre-Budget meeting under the chairmanship of Secretary(Expenditure) and in the presence of Secretary(MeitY) and JS&FA(MeitY) on the scheme-wise estimated expenditure for FY 2025-26 submitted by

the Programme Divisions. Regular meeting are being taken by Secretary(MeitY) and JS&FA(MeitY) with the Group Coordinators to monitor execution of projects/schemes and ensure optimum and judicious utilisation of allocated funds.

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**Comments of the Committee
(Please see Para No. 8 of Chapter I)**

(Recommendation Sl. No. 6)

**STANDARDISATION, TESTING & QUALITY CERTIFICATION (STQC) –
ESTABLISHMENT AND MANPOWER**

STQC supports quality assurance of small and medium scale Electronics Industries. Under STQC Directorate 4 Electronics Regional Test Laboratories (ERTLs) and 11 Electronic Test and Development Centres and one Centre for Reliability (CFR) are functioning pan India. The Committee observe that the funds allocated to STQC has come down from Rs. 175.00 crore in 2024-25 to Rs. 170.00 crore in FY 2025-26. The Committee have been informed by the Ministry that Rs. 4.5 Crore was allocated under Building and Structures Head to STQC. Letter of Authorization was issued to CPWD for executing renovation works of Lab/Centres namely ETDC, Hyderabad, ERTL (East), ETDC, Solan, ETDC, Agartala, ERTL(South) and ERTL(North). The Ministry has stated that under ICT Head, from the allocation of Rs. 7.0 crore for the current FY, administrative approval for implementation of Lab Automation Process has been obtained from Competent Authority for an amount of Rs. 3.0 crore and work order has been issued to Implementing Agency i.e. CDAC, NOIDA. Phase I roll out is expected in July, 2025. Similarly, construction of STQC building in NOIDA is expected to be completed by February, 2026. In addition to this, procurement of Application, Security Testing Tool for an amount of Rs.1.4 crore and Source Code Analysis tool for an amount of Rs.1.6 crore is also in progress. The Committee observe that STQC plays a crucial role in supporting Ministry of Electronics & Information Technology's initiatives in the key areas like e-Government, e-Industry, e-Innovation / R&D, e-Learning, e-Security, e-Inclusion, Internet Governance through Quality & Security evaluations of IT systems and other projects of national importance. In view of this, the Committee also like the Ministry to update about the status of work of STQC Building in different parts of the country. Further, the status of procurement of Application, Security Testing and Source Code Analysis tool may also be furnished. The Committee would also like to suggest the Ministry to approach the Ministry of Finance for additional funds, if any required, for completion of these important projects timely and money should not be a constraint for the same.

Reply of the Government

- I. As regards to the status of work of STQC buildings is concerned, it is submitted that the reconstruction work of STQC Noida building is in progress through CPWD and it is anticipated to be completed in the FY 2025-26 and 80% of the scheduled renovation works in the FY 2024-25 at ETDC Hyderabad & Solan, ERTL (E), (N) and (S) got completed through CPWD. The remaining work will be completed in the FY 2025-26.
- II. As regards to the status of procurement of Application Security Testing tool is concerned, it is submitted that procurement of the same has been completed successfully for 9 STQC labs and in addition procurement towards renewal of licenses of already existing application Security testing tools pertaining to other 6 STQC Labs was also carried out during the FY 2024-25.
- III. As regards to procurement of Source code Analysis Tool is concerned, it is submitted that the procurement could not be materialised in FY 2024-25 due to the failure of Proof of Concept (POC) demonstration of the said tool by the prospective vendors shortlisted through GEM. However, this task is expected to be completed during the first half of the current Financial Year 2025-26.

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Comments of the Committee

(Please see Para No. 11 of Chapter I)

(Recommendation Sl. No. 7)

STANDARDISATION, TESTING & QUALITY CERTIFICATION (STQC) – ESTABLISHMENT AND MANPOWER

The Committee observe that the major impediment being faced by STQC is shortfall in the Human Resources due to retirements. Approximately 102 vacant Group “B” positions have been identified for recruitment through NIELIT up to 31.12.2025. Further, the majority of Test/Calibration facilities as well as the IT Test Tools are not available in “Make in India” Scheme and for this STQC has been consolidating a list of Test/Calibration facilities and IT tools for getting “Make in India” exemption from the competent authority. At the outset, the Committee would like to know why the staff requirement due to retirements was not factored into earlier as it has become one of the persistent problems for the functioning of STQC. The Committee would like to be apprised whether the vacant 102 Group ‘B’ posts and Group ‘A’ posts became vacant in December, 2025 and how STQC intends to achieve the set targets without adequate human resources. The Committee, therefore, desire that the matter may be continuously followed up with NIELIT for recruitments.

Reply of the Government

As regards to staff requirement / recruitment is concerned, it is submitted that due diligence was paid by STQC in the identification of vacant posts arising out of superannuation and the recruitment process was completed well in time. Accordingly, STQC has completed recruitment process of '63' group B in the FY 2022-23 and '45' group A posts in the FY 2023-24 and 80 group C posts during the FY 2024-25 through NIELIT. However, the higher attrition rate of new recruits at group B, over and above the superannuation in the year 2024 has contributed to the creation of such vacancies and STQC has taken up recruitment process these vacancies through NIELIT and is expected to be complete the same before the end of the FY 2025-26.

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(Recommendation Sl. No. 9)

NATIONAL KNOWLEDGE NETWORK (NKN)

The Committee understand that in FY 2025-26, NKN has been allocated merely Rs. 0.25 crore which is abysmally low in comparison with the allocation of Rs. 240.26 crore in FY 2024-25. Though, the Ministry had proposed estimated outlay of Rs. 665.16 crore in FY 2025-26 allocation has been only to the tune of Rs. 0.25 crore. MeitY has submitted that NKN has been subsumed under the Digital India Programme and it would allocate funds from the savings under any of the seven Digital India Programme components and is taking up requirement of funds to the tune of Rs. 665.16 crore for NKN through First Supplementary Demand for Grants in FY 2025-26. The Committee note that NKN fulfils the needs of the Government network [National Government Network (NGN)], and the Research & Education Network (REN). NKN carries the digital-traffic of National/State Data Centres (NDCs/SDCs), State-Wide Area Networks (SWANs) and provides connectivity to various Digital India initiatives, and carry digital-traffic of various G2G (Government to Government) and G2C (Government to Citizen) services, District Connectivity, etc. The Committee were apprised that the overall financial outlay for NKN project now stands enhanced to Rs. 7188 crore and Department of Expenditure suggested MeitY may use the savings under any of the seven Digital India Programme components to make funds available up to Rs. 665.16 crore for NKN up to 31.03.2026. The Committee were further informed that the Integrated Finance Division, MeitY is taking up the requirement of funds to the tune of Rs. 665.16 crore for NKN through first Supplementary Demand during FY 2025-26. The Committee would like to know what kind of savings and extra funds would be allocated to NKN in order to ensure smooth and efficient continuity of the project. The Committee suggest that the Ministry should review all the components of Digital India Programme thoroughly so that the scope of savings from these components is met and those savings could be judiciously utilized for NKN. The Committee desire the Ministry to take up First Supplementary Demand with the Ministry of Finance in right earnest as NKN inter-connects all knowledge institutions across the country through high-speed data

communications network to encourage sharing of resources and collaborative research; and India cannot wait to grab the opportunity to be a Digital Hub due to paucity of funds.

Reply of the Government

Cabinet Committee had approved Rs.14903.25 crore for Digital India Umbrella Programme for the XVth Finance Commission cycle (2021-22 to 2025-26). Since NKN is a part of this umbrella programme and have already consumed its allocated budget, MeitY has identified the likely overall savings in respect of this umbrella programme after taking into consideration the expenditure incurred during the last four years and the funds allocated in the Budget Estimates for the current financial year 2025-26. MoF has also been requested to provide additional funds for NKN Programme without breaching the approved outlay of Rs.14903.25 crore in respect of Digital India Umbrella Programme for the XVth Finance Commission cycle.

**Ministry of Electronics and Information Technology
OM No. 2(1)/2025-Budget(Vol. II) Dated: 16.06.2025**

**NEW DELHI;
11 August, 2025
20 Sravana, 1947 (Saka)**

**DR. NISHIKANT DUBEY,
Chairperson,
Standing Committee on
Communications and Information Technology.**

**STANDING COMMITTEE ON COMMUNICATIONS AND
INFORMATION TECHNOLOGY (2024-25)**

MINUTES OF THE TWENTY- FIRST SITTING OF THE COMMITTEE

The Committee sat on Monday, the 11th August, 2025 from 1530 hours to 1550 hours in Committee Room No. 'B, Parliament House Annexe, New Delhi.

PRESENT

DR. NISHIKANT DUBEY- Chairperson

MEMBERS

Lok Sabha

2. Shri C.N. Annadurai
3. Shri Anup Sanjay Dhotre
4. Shri S. Supongmeren Jamir
5. Shri Appalanaidu Kalisetti
6. Smt. Poonamben Hematbhai Maadam
7. Shri G. Kumar Naik
8. Dr. M.K. Vishnu Prasad
9. Ms. Kangna Ranaut
10. Shri Ramasahayam Raghuram Reddy
11. Shri Arun Kumar Sagar
12. Shri Devesh Shakya

Rajya Sabha

13. Smt. Priyanka Chaturvedi
14. Shri Amar Pal Maurya
15. Dr. Sasmit Patra
16. Shri V. Vijayendra Prasad
17. Shri Kartikeya Sharma
18. Shri Lahar Singh Siroya

SECRETARIAT

- | | | | |
|----|---------------------|---|----------------------|
| 1. | Shri Y.M. Kandpal | - | Additional Secretary |
| 2. | Smt. A. Jyothirmayi | - | Director |
| 3. | Shri Amrish Kumar | - | Deputy Secretary |

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee convened to consider and adopt one draft Subject Report relating to Ministry of Communications (Department of Posts) and four draft Action Taken Reports on Demands for Grants (2025-26) relating to the Ministries/Departments under the jurisdiction of the Committee.

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

(i) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX.

(ii) Draft Report on Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Ninth Report (18th Lok Sabha) on “Demands for Grants (2025-26)” relating to the Ministry of Electronics and Information Technology.

(iii) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX.

(iv) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX.

(v) XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXXXX..... XXXX.

4. The Committee adopted the Reports without modifications.

5. The Committee authorized the Chairperson to finalize the draft Reports and present the same to the House during the current Session of Parliament.

The Committee, then, adjourned.

XXXX- Matter not related to this Report.

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THEIR
NINTH REPORT
(EIGHTEENTH LOK SABHA)**

[Vide Paragraph No. 5 of Introduction]

(i)	Observations/Recommendations which have been accepted by the Government:–	
	Recommendation S.I No. 1,3,4,5,8,10,11 and 12	08
	Percentage of total:	66.67%
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:–	
	Recommendation Sl. No.: NIL	NIL
	Percentage of total:	0%
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and require reiteration:–	
	Recommendation Sl. Nos.: NIL	00
	Percentage of total:	0%
(iv)	Observations/Recommendations in respect of which the replies of the Government are of interim in nature:–	
	Recommendation Sl. Nos.: 2,6,7 and 9.	04
	Percentage of total:	33.33%