

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 114**  
TO BE ANSWERED ON: 07.12.2022

**PMGDISHA**

**114. SHRI PRADYUT BORDOLOI:**

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the total funds sanctioned, allocated, and spent on Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) for financial years 2020-21 and 2021-22;
- (b) the reasons for reduction in allocation to PMGDISHA inspite of uptick in digitalisation due to several Central/State schemes and the pandemic;
- (c) the measures and standards taken to ensure the better quality of training under PMGDISHA;
- (d) the current status of projects undertaken through schemes for the Promotion of Electronics and IT HW Manufacturing including MSIPS, EDF and Manufacturing Clusters; and
- (e) whether any impact evaluations have been conducted on the above schemes and if so, the details thereof ?

**ANSWER**

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY  
(SHRI RAJEEV CHANDRASEKHAR)

(a): Total funds sanctioned, allocated and spent on Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) Scheme, for the FY 2020-21 and 2021-22 is as below:

Year	Funds sanctioned (INR) (BE)	Funds Allocated(INR) (RE)	Funds) released/spent (INR)
2020-21	400 Cr	250 Cr	250 Cr
2021-22	300 Cr	300 Cr	300

(b): Due to Covid-19 pandemic, the physical training activities could not be held during lockdown and resumed as per the guidelines issued by Central, state governments, local authorities. So far, as against a total target of covering 6 crore beneficiaries, more than 6.59 crore candidates have been enrolled and 5.66 crore have been trained, out of which 4.20 crore candidates have been duly certified under the PMGDISHA Scheme across the country.

(c): The measures taken to ensure the quality of training under PMGDISHA scheme are as under:

- The scheme implementation is continuously reviewed through central as well as state teams of the implementing agency under the overall supervision of the Ministry.

- Standardized multimedia content in 22 Languages has been made available and accessible in multimodal format for all candidates.
- Only those who possess prescribed educational qualifications are engaged as Trainers.
- Requisite/prescribed IT infrastructure is ensured at the Training Centres.
- The training centres are monitored, trained and re-trained for maintaining quality.

(d) and (e): The details of projects undertaken through schemes for the Promotion of Electronics and IT Hardware manufacturing viz. MSIPS, EDF and Electronics Manufacturing Clusters and the findings of the impact evaluation report of these schemes are at **Annexure-I**.

The findings of the impact evaluation report of the PMGDISHA Scheme are at **Annexure-II**.

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## Annexure-I

The details of projects undertaken through schemes for the Promotion of Electronics and IT Hardware manufacturing viz. Electronics Manufacturing Clusters, MSIPS and EDF and findings of the impact evaluations report of these schemes are as under:

- i. **Electronics Manufacturing Clusters (EMC) scheme was launched in October, 2012** to provide support for creation of world-class infrastructure along with common facilities and amenities for attracting investments in the electronics sector. The scheme extends financial assistance for development of Greenfield Electronics Manufacturing Cluster and Common Facility Centre (CFC) across the country. The scheme was closed for receipt of applications from 21<sup>st</sup> October, 2017. Under the scheme, 19 Greenfield EMCs and 3 Common Facility Centres (CFCs) accorded approval covering an area of 3,464 acres with project cost of Rs. 3,639 crore including Central Grant-in-aid of Rs. 1,503 crore in 15 states across the country. As on Nov. 2022; Grant-in-aid amount of Rs. 834.34 crore has been released. About 369 companies have booked manufacturing space with their proposed investment of Rs. 55,336 crore. About 9,120 crore have been mobilized and generated 28,577 employments.

A third-party evaluation of the scheme was done through an independent agency M/s Indian Institute of Public Administration (IIPA) in year 2019 wherein considering the infrastructure requirement of the electronics industry delivered through the scheme, agency recommended for continuation of the scheme in modified form. Consequent upon the evaluation and approval of Union Cabinet, **Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme** was notified on 1<sup>st</sup> April, 2020 which provides support for creation of world class infrastructure along with common facilities and amenities, including Ready Built Factory (RBF) sheds / Plug and Play facilities for attracting major global electronics manufacturers along with their supply chain to set up units in the country. As on Nov. 2022, 3 applications covering an area of 1,337 acres have been approved with a project cost of INR 1902.69 crore including Central financial assistance of INR 889.02 crore which is poised to attract an investment of INR 20,910 crore and having potential to generate 51,520 employment opportunities. An amount of INR 205.24 crore has been released for scheme execution.

- ii. **MSIPS:** Under the Scheme, 320 applications with proposed investment of Rs 89,194 crore are under consideration. Out of these 320 applications, 315 applications with proposed investment of approximately Rs. 86,904 crore have been approved, 3 applications with proposed investment of approximately Rs. 197 crore have been recommended by the Appraisal Committee for approval, 2 applications with proposed investment of Rs 2,093 crore are under appraisal. Incentives amounting to Rs 1917.09 crore have been disbursed under this Scheme.

Out of 315 approved applicants, 271 applicants have started incurring investment on their projects and have made investment of ₹ 33,506 crore. 242 applicants have commenced commercial production with reported turnover of ₹ **6,63,274** crore, which includes exports to the tune of ₹ 1,06,740 crore. These units have given employment opportunities (Direct & Indirect) to over **3,45,571** persons and given revenue of about ₹ **85,697** crore to the Government.

The impact evaluation of the Scheme was done by National productivity Council and report was submitted in June, 2022. The key data points of the report are as under:

- In the state-wise context, Maharashtra has the highest applications (64) approved yet could generate a moderate employment (direct + indirect) of 18776, whereas, Uttar Pradesh has 40 approved applications could generate an employment of over 1.26 lakh. This indicates that labour-intensive sectors are located relatively more in Uttar Pradesh.
- In the sector-wise context, Automotive Electronics related Approved Applications were found to be the highest at 49, the employment generated was at moderate level of 10,000 plus personnel whereas the Mobile & Accessories sector with a middle range approved application of 24 beneficiary units generated an employment of over 1.13 lakh as of June 2021.
- In the context of employment generation vis a vis investment made in the sector, it is found that the LED sector has achieved the highest employment generation per Crore rupees of investment at a value of 25 personnel per Crore of investment while on the contrary around 10 sectors have reported employment generation per Crore of investment in a single digit of 9 or below.
- The achievement regarding proportion of Exports to Sales has been found to be significant during 2018-19 at a level of 41 percent. However, thereafter companies focused more on the growing domestic market which led to the declining trend in this ratio to 13 percent in 2019-20 but increased in the subsequent year to 27 percent.
- Regarding the sector-wise Exports distribution per applicant, the Solar sector has exhibited an impressive average performance of exports as Rs. 411.60 Cr per applicant. The second highest exporter per applicant has been found to be Mobile & Accessories with Rs.295.7 Cr. Whereas the lowest in this range was Printed Circuit Board with Rs.9.46 Cr of exports per applicant.

- iii. **Electronics Development Fund:** Electronics Development Fund (EDF) is set up as a “Fund of Funds” to participate in professionally managed “Daughter Funds” which in turn are providing risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT). As on 30.10.2022, EDF has invested Rs. 240.31 crore in eight Daughter Funds, which in turn have made investments of Rs. 1229.40 crore in 128 Ventures/Startups. These Daughter Funds have exited from 25 investments and written off 8 investments. The cumulative returns received in EDF from the proceedings of these exits is Rs 90.68 crore.

The third-party impact assessment of EDF was done in year 2020. The major highlights of the impact assessment of EDF are as follows:

- **Financial Performance:**
  - a. EDF backed portfolio companies cumulatively generated ~INR 2,000 Cr revenue in FY20.
  - b. IT companies have generated 4x revenues (~INR 1,650 Cr) in FY20 than ESDM companies (~INR 350 Cr)
  - c. ~25 (out of 72) portfolio companies are in their product development stage and hence had revenues less than INR 1 Cr in FY20
  - d. ~26 (out of 39) ESDM companies have revenues between INR 1-10 Cr in FY20

- e. While majority of the portfolio companies are yet to breakeven, seven companies were EBITDA profitable in FY20
- f. Six portfolio companies have ceased operations and hence have been written down by daughter funds
- **Fund Raising and Valuations:**
  - a. ~50+ (out of 72) portfolio companies have had subsequent rounds of financing post investment from DFs
  - b. Daughter funds have made follow on investments in 40+ (out of 72) portfolio companies
  - c. ~45+ (out of 72) portfolio companies fair value has increased post investment from daughter funds as of March'20
  - d. Overall, average investments raised by portfolio companies per INR investment by EDF is ~INR 40
  - e. Average investment raised by ESDM & IT companies per INR investment by EDF is ~INR 18 and ~INR 54 respectively
- **Company Operations:**
  - a. Overall, ~13,500 jobs have been created by EDF backed companies as on Sep'20
  - b. ~3,200 and ~10,300 jobs have been created by ESDM & IT companies respectively
  - c. ~70% companies have generated employment for more than 20 people and ~40% companies have generated employment for more than 50 people
  - d. Portfolio companies have a diverse customer / user base and few companies also have expanded their operations outside India
- **Technology Development:**
  - a. ~70% (28 out of 39) ESDM companies have at least 1 IP
  - b. Overall, portfolio companies have filed/acquired 189 IPs as of Sep'20
  - c. ESDM & IT companies have filed/acquired 174 and 15 IPs respectively as of Sep'20
  - d. ~40% portfolio companies have their IPs registered outside India; ~75% IT companies have IPs registered only in India
- **Ecosystem Contribution:**
  - a. ~40 (out of 72) portfolio companies export their products / services outside India
  - b. ~28 (out of 72) ESDM and IT companies products/services contribute to import substitution
- **Impact of Covid-19:**
  - a. Based on the survey responses from 75 portfolio companies, 38 portfolio companies reported negative impact, 14 companies reported positive impact and 23 companies reported neutral/no impact of covid-19 on their business.

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## Annexure- II

**PMGDISHA Scheme:** The PMGDISHA scheme has been assessed by three agencies till date namely IIT Delhi, Council for Social Development (CSD) and Indian Institute of Public Administration (IIPA). The last Impact Assessment study of the PMGDISHA scheme has been conducted by the Indian Institute of Public Administration (IIPA). The findings of IIPA study report are given below:

- PMGDISHA is an unique scheme due to its mass scale and use of remotely proctored examination.
- 18% fund used in SCSP, 12% for TSP and 11% for NER have made sure the empowerment of weaker sections.
- Women participation is very large and their inclusion at the rural level will open up the path for the learning of the whole family.
- More than 55% of respondents cited a direct benefit to their livelihoods after PMGDISHA training.
- Almost 50% respondents stated that PMGDISHA helped them get a better Job.
- More than 40% of respondents empowered 1-5 people, 22.8% were able to help 6-10 people, 12.9% were able to help 10-20 people with the knowledge from PMGDISHA.
- PMGDISHA training has had a formidable impact on the use of ICT and other forms of digital media.
- PMGDISHA has served the beneficiaries by facilitating their access to a wide range of information points and services for multitude of purposes. It has helped to decrease the overall digital divide in the country.
- COVID 19 has put an unprecedented situation of uncertainty even in rural India. Digital initiatives have made a lot of things function even in the time of complete lockdown. Right from the banking systems, e-governance systems and PDS were aided immensely because of the availability of online processes. People in the rural areas have continued with their livelihood with the help of digital systems helping procure their produce, doorstep financial services, information gathering among other thing using digital technologies. The need of programs like PMGDISHA has become a necessity in times of such paradigm shifts in new environments. Understanding digital tools & ICT and using them effectively is the need of the hour and has proved as the saviour for the current crisis in supporting economic and social activities.

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