

SIXTEENTH REPORT

STANDING COMMITTEE ON LABOUR

(2015-16)

(SIXTEENTH LOK SABHA)

**MINISTRY OF SKILL DEVELOPMENT AND
ENTREPRENEURSHIP**

DEMANDS FOR GRANTS

(2016-17)

Presented to Lok Sabha on 26th April, 2016

Laid in Rajya Sabha on 26th April, 2016



LOK SABHA SECRETARIAT

NEW DELHI

April, 2016/Chaitra, 1938 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2015-16)

DR. VIRENDRA KUMAR-CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Hariom Singh Rathore
17. Shri Y.S. Avinash Reddy
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Shri Dayakar Pasunoori

Rajya Sabha

22. Shri Nazir Ahmed Laway
23. Shri Aayanur Manjunatha
24. Shri P.L. Punia
25. Shri Rajaram
26. Haji Abdul Salam
27. Ms. Dola Sen
28. Shri Tapan Kumar Sen
29. Shri R.K. Sinha
30. Shri Ravi Prakash Verma
31. Shri N. Gokulkrishnan

SECRETARIAT

- | | | |
|---------------------------|---|----------------------|
| 1. Shri K. Vijayakrishnan | - | Additional Secretary |
| 2. Shri N.C. Gupta | - | Joint Secretary |
| 3. Shri Ashok Sajwan | - | Director |
| 4. Shri D.R. Mohanty | - | Additional Director |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2015-16) having been authorized by the Committee do present on their behalf this Sixteenth Report on 'Demands for Grants (2016-17)' of the Ministry of Skill Development and Entrepreneurship.

2. The Committee considered the Demands for Grants (2016-17) pertaining to the Ministry of Skill Development and Entrepreneurship which were laid on the Table of the House on 16th March, 2016. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Skill Development and Entrepreneurship on 21st March, 2016.

3. After the establishment of the Ministry on 9th November, 2014, it came under the purview of this Committee on 5th May, 2015. This is the first Demands for Grants of the Ministry that have been examined by the Committee. Subsequent to detailed scrutiny, the Committee have given their considered opinion on the fund requirement, allocation and utilisation and the achievements made and planning for some of the major ongoing and new Schemes like Pradhan Mantri Kaushal Vikas Yojna (PMKVY), Skill Development Initiative Scheme (SDIS), Craftsmen Training Scheme, Apprenticeship Training Scheme, Enhancing Skill Development Infrastructure in the North-Eastern States and Sikkim etc. The Committee considered and adopted the Report at their sitting held on 18th April, 2016.

4. The Committee wish to express their thanks to the officers of the Ministry of Skill Development and Entrepreneurship for tendering oral evidence and placing before the Committee the detailed written notes and post evidence information as desired by the Committee in connection with the examination of the Demands for Grants.

5. For ease of reference, the Observations and Recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
19th April, 2016
30th Chaitra, 1938 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

REPORT

PART-I

INTRODUCTORY

In order to bridge the gaps in the capacity and quality of training infrastructure as well as outputs, insufficient focus on workforce aspirations, lack of certification and common standards and a pointed lack of focus on the unorganised sector, besides recognising the need and urgency of quickly coordinating the efforts of all stakeholders concerned in the field of skill development and entrepreneurship according to the needs of the Industry, the Government of India notified on 31st July, 2014 the formation of the Department of Skill Development and Entrepreneurship which was subsequently upgraded to a full fledged Ministry on 9th November, 2014. In short, the Ministry of Skill Development and Entrepreneurship (MSDE) were created to lead and steer the Skill India agenda and impart employable skills to India's growing workforce over the next few decades.

2. The core mandate of the Ministry includes coordinating with key stakeholders, bridging the gap between demand and supply of skilled manpower through vocational and technical training, skill upgradation and building of new skills, aligning skilling efforts with industry's requirements and expanding youth entrepreneurship education by forging partnerships between educational institutions, business and other community organisations.

3. MSDE is a unique Ministry in the entire Government of India set up as it is mandated to monitor and co-ordinate more than 70 plus Skill Development Schemes and programmes being implemented by more than 20 Central Ministries / Departments. The Ministry are responsible for implementation of Common Norms which seek to rationalise the whole spectrum of skill development processes and systems, including inputs, outputs, funding/cost norms, third party certification and assessment, monitoring/tracking mechanisms, and empanelment of training providers, etc. across all Ministries. The National Skill Development Mission (NSDM) will have a three-tiered, high powered decision making structure. At its apex, the Mission's Governing Council,

chaired by the Prime Minister, provides overall guidance and policy direction. The Steering Committee, chaired by the Minister in Charge of Skill Development, reviews the Mission's activities in line with the direction set by the Governing Council. The Mission Directorate, with Secretary, Skill Development as Mission Director, will ensure implementation, coordination and convergence of skilling activities across Central Ministries/Departments and State Governments. Skill Development Sub-missions would be required to be headed by DS / Director Level Officers.

4. The Ministry are aided in their initiatives by their functional arms, *viz.* Directorates General of Training (DGT) with a network of over 13,000 Industrial Training Institutes (ITIs) / Private Industrial Training Centres, National Skill Development Corporation (NSDC) with over 250 training partners and 4000 training centres, National Skill Development Agency (NSDA), National Institute for Entrepreneurship and Small Business Development (NIESBUD), Indian Institute of Entrepreneurship (IIE), Guwahati, National Skill Development Fund (NSDF), and Sector Skill Councils (SSCs).

5. The allocation of Business to the Ministry is as under:

- i) Coordination with all concerned for evolving an appropriate skill development framework, removal of disconnect between the demand for and supply of skilled manpower through vocational and technical training, skill up-gradation, building of new skills, innovative thinking and talents not only for existing jobs but also for jobs that are to be created.
- ii) Mapping of existing skills and their certification.
- iii) Expansion of youth entrepreneurship education and capacity through forging strong partnership between educational institutions, business and other community organisations and set national standards for it.
- iv) Role of coordination relating to skill development.
- v) Doing market research and devising training curriculum in important sectors.
- vi) Industry-Institute linkage.

- vii) Bringing Public Private Partnership element in this activity - partnership with the industry who need the skilled manpower.
- viii) Making broad policies for all other Ministries/Departments with regard to market requirements and skill development.
- ix) To frame policies for soft skills.
- x) Large scale Skill Development related to Information Technology and computer education.
- xi) Academic equivalence of skill sets.
- xii) Work relating to Industrial Training Institutes.
- xiii) National Skill Development Corporation.
- xiv) National Skill Development Agency.
- xv) National Skill Development Trust.
- xvi) Skilling for entrepreneurship development for Science and Technology.
- xvii) National Institute for Entrepreneurship and Small Business Development, NOIDA.
- xviii) Indian Institute of Entrepreneurship, Guwahati.

6. The Ministry presented their detailed Demands for Grants (Demand No. 81) for the year 2016-17 to Parliament on 16th March, 2016. The details of the Plan and Non-plan Budget allocations to the Ministry for the financial year are as under:

Rs. in Crore

BUDGET ESTIMATES FOR 2016-17			
	PLAN	NON-PLAN	TOTAL
MSDE	1400.00	41.00	1441.00
DGT	300.00	63.28	363.28
GRAND TOTAL	1700.00	104.28	1804.28

II. PROPOSED AND APPROVED ALLOCATIONS FOR 2016-17

7. As mentioned above, the Ministry have been allocated Rs. 1804.28 crore which includes Rs. 1700 crore under Plan expenditure and Rs. 104.28 crore under Non-plan expenditure during the year 2016-17. The

following programmes/projects are proposed to be taken up during 2016-17:

- i. Pradhan Mantri Kaushal Vikas Yojana
- ii. Technical Assistance Scheme of the National Skill Development Corporation
- iii. Government of India Equity in NSDC
- iv. Skill Development and Entrepreneurship Programme
- v. Assistance to Training Institutes
- vi. International Cooperation
- vii. Diversification, Upgradation & Expansion of Training to Women/Establishment, Operation, Maintenance & Upgradation of DGE&T Institutes (Umbrella Scheme)
- viii. National Instructional Media Institute, Chennai
- ix. e-Learning Program & distance Learning Program
- x. Re-engineering of NCVT & Establishment of National Board for Skill Assessment & Certification
- xi. Setting up of ATIs
- xii. Setting up of new RDATs
- xiii. Setting up of National Workers Technical University (Estt. of National Instt. for Skill Development)

8. The Committee desired to know the details of the proposed amount for each Scheme by the Ministry for the year 2016-17 and what was actually approved by the Finance Ministry. In response, the Ministry furnished the following information in a tabular form:

(Rs. in crore)

S. No.	Name of the Scheme	Proposed BE 2016-17			Allocated BE 2016-17		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total
1	Secretariat – Social Service		42.70	42.70		33.45	33.45
2	PradhanMantriKaushalVikasYojana	4078.00		4078.00	1100.00		1100.00
2.01	National Skill Development Agency		50.00	50.00		14.66	14.66
2.02	Technical Assistance Scheme for NSDC	1401.00		1401.00	250.00		250.00
2.03	National Board for Skill Certification	50.00		50.00	20.00		20.00
2.04	Multi Skill Training Institute	750.00		750.00	50.00		50.00
2.05	Apprentiship and Training	1368.00	82.65	1450.65	230.00	56.17	286.17
2.06	Skill Development and Entrepreneurship	240.00		240.00	50.00		50.00
	Total	7887.00	175.35	8062.35	1700.00	104.28	1804.28

9. As would be seen from the above information, against the Ministry's proposal of Rs. 8062.35 cr, *i.e.* Rs. 7887.00 cr for Plan expenditure and Rs. 175.35 cr for Non-plan expenditure, the Ministry of Finance have allocated Rs. 1804.28 cr only, *i.e.* Rs. 1700 cr for Plan expenditure and Rs. 104.28 cr for Non-plan expenditure during 2016-17.

10. Asked to state the reasons given by the Ministry of Finance for such huge reductions in the proposals, the Ministry of Skill Development and Entrepreneurship (MSDE) stated that no reasons were communicated to them for reduction in the budgetary proposals by the Ministry of Finance.

11. The Committee then desired to know the extent of adverse impact on the implementation of the projected Schemes due to the above said reductions in the budgetary proposals. In reply, the Ministry stated as under:

"(a) Skill Development in 34 Districts Affected by Left Wing Extremism:

- Keeping in view the proposed revision in the scheme for inclusion of 13 new LWE districts, additional funds will be required apart from release of funds to the States as per allocation after getting UCs for the released funds.

(b) Enhancing Skill Development Infrastructure in NE States & Sikkim:

- Additional funds will be required to release as per allocation to the States for remaining part of construction activities as well as procurement of equipment for the new / upgradation of existing ITIs.

(c) EAP-VTIP

The Vocational Training Improvement Project (VTIP), *inter-alia*, envisages upgradation of 400 Government ITIs. 34 State Governments/UTs are participating under the project. The scheme objective also includes enhancement of knowledge and skills of ITI instructors, strengthening facilities in 14 central institutes, strengthening curriculum development, reforms, capacity building, etc. The project started in Dec. 2007 and its closing date has been extended as September 2016. The funding pattern between Center and State is 75:25 (90:10 for NE States). Under the project, total allocation to the States/UTs is Rs. 1906 crore, including equivalent central and State share. Against this allocation, Rs. 1770 cr. has been released to the States and centrally funded institutes and Rs. 1643 cr. has been utilised till December 2015, which is about 85% utilization against allocation. Balance central funds of Rs. 95 cr. is yet to be released to the States/UTs against approved allocation and the same could not be released. As per conditional approval conveyed by DEA, Ministry of Finance, for signing of second phase of the Project with World Bank assistance, 95% of the total fund is to be utilised. Additional fund would be required to complete the envisaged target.

(d) Skills Strengthening for Industrial Value Enhancement (STRIVE):

The Screening Committee of the Department of Economic Affairs (DEA) has recommended proposal from this Ministry for World Bank assistance of US\$ 268.75 million for a project on 'Skills and Employability Enhancement Project (SEEP)'. The design of the project [renamed as 'Skills Strengthening for Industrial Value Enhancement (STRIVE)'] is under preparation as per observations of Screening Committee and in consultation with the State/UT Governments. The total proposed outlay for the Project is Rs. 3225 crore. The fund sharing between Center and State is 70:30. Project document, including EFC memo, is under preparation. Additional funds will be required after getting approval for implementation of the scheme."

12. On the issue of fund constraints, the Secretary, MSDE, submitted in evidence that Rs. 1700 cr as allocated by the Ministry of Finance for Plan expenditure during 2016-17 would perhaps be inadequate to achieve and implement the targeted Schemes. The Secretary, MSDE, specifically pointed out that for the Pradhan Mantri Kaushal Vikas Yojna (PMKVY), they needed approximately Rs. 4000 cr. whereas Rs. 1100 cr only has been allocated for the purpose. He requested the Committee to look into the matter and recommend for higher allocation of funds to MSDE in order to enable them to achieve the projects/schemes earmarked during 2016-17.

III. BUDGETARY ALLOCATION & UTILISATION DURING 2014-15 AND 2015-16

13. As regards the Budget Estimate & Revised Estimate for 2015-16 for both Plan and Non-Plan expenditure and the Actual utilisation thereof, the following information was furnished to the Committee:

Rs. in crore

	Budget Estimates 2015-16			Revised Estimates			Actual Expenditure 2015-16 (Feb 2016)		
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
MSDE	1500.00	43.46	1543.46	1000.00	37.59	1037.59	500.00	31.27	531.27
DGT	380.41	59.95	440.36	252.00	56.39	308.39	114.97	51.58	166.55
Total	1880.41	103.41	1983.82	1252.00	93.98	1345.98	614.97	82.85	697.82

14. Asked to furnish the details of Scheme-wise Plan Budget for 2014-15 and 2015-16 and expenditure made, the following information was submitted to the Committee:

Rs. in crore

S. No.	Name of the Scheme	BE 2014-15	BE 2015-16	RE 2015-16	Expenditure up to 19 Feb 2016
1	Pradhan Mantri Kaushal Vikas Yojana	-	1000.00	900.00	500.00
2	Skill Development and Entrepreneurship Programme	-	500.00	100.00	0.00

3	Diversification , Upgradation & Expansion of Training to Women/Establishment, Operation, Maintenance & Upgradation of DGE&T Institutes (Umbrella Scheme)	87.00	258.00	119.64	57.54
4	National Instructional Media Institute, Chennai	4.00	3.00	3.00	2.25
5	e-Learning Program & distance Learning Program	0.05	10.00	0.00	0.00
6	Re-engineering of NCVT & Establishment of National Board for Trade Testing & Certification	0.20	3.00	0.01	0.01
7	International co-operation in skill development	0.80	0.10	0.00	0.00
8	Setting up of ATIs	22.00	12.00	0.04	0.01
9	Setting up of new RDATs	1.00	2.00	0.00	0.00
10	Setting up of National Workers Technical University (Estt. of National Instt. for Skill Development)	0.10	2.00	0.00	0.00
11	Skill Development Mission-General (Umbrella Scheme) (a) to (f)				
a	Skill Development initiative	147.50	50.45	60.87	41.48
b	Enhancing Skill Development Infrastructure in NE States & Sikkim	71.70	4.18	20.65	0.00
c	Skill Development for 34 Dist. Affected by Left Wing Extremism	24.50	4.55	7.30	0.00
d	Upgradation of 1396 Govt. ITIs through Public Private Partnership (PPP)	4.00	0.95	0.70	0.43
e	Setting up of Multi Skill Development Center	4.00	0.64	0.00	0.00
f	Upgradation of existing ITIs into Model ITIs	-	9.54	19.77	12.76

12	Externally aided Project (EAP) for Reforms and improvement in Vocational Training services rendered by Central and State Governments).	198.00	20.00	20.00	14.14
	Total	564.85	1880.41	1252.00	614.97

15. As would be seen from the above data furnished by the Ministry, the Plan Budgetary allocation during 2014-15 was Rs. 564.85 crore. The Budget Estimate 2015-16 for both Plan and Non-Plan expenditure was Rs. 1983.82 crore which was reduced to Rs. 1345.98 crore at the Revised Estimate stage. The actual expenditure upto February, 2016 has been Rs. 697.82 crore.

16. In the above context, the Committee desired to be apprised of the Actual Expenditure incurred *vis-a-vis* the Plan Budgetary allocation made during 2014-15. In reply, the Ministry stated as under:

"The Ministry of Skill Development and Entrepreneurship (MSDE) is a new Ministry which came into existence on 9th November, 2014...Earlier, there is a Department of Skill Development and Entrepreneurship which is created on 31st July, 2014 as part of the Ministry of Youth Affairs and Sports and Skill Development & Entrepreneurship. As the Department as well as the Ministry for Skill Development and Entrepreneurship were created after finalisation of the budget for the Financial Year 2014-15, there is no separate Demands for Grants for the Ministry. As a stop gap arrangement, the essential functional expenditure of MSDE was met from the Demand of Ministry of Youth Affairs and Sports. Therefore, the expenditure for 2014-15 may be treated as 'Nil' for this Ministry."

17. On being asked to state the reasons for reduction in the 2015-16 provisions by more than Rs.600 crore *vis-a-vis* the BE amount, especially in important schemes like Skill Development and Entrepreneurship Programme under the PMKVY, the Ministry submitted as follows:

"PMKVY was launched by the Hon'ble Prime Minister only on 15th July 2015, *i.e.* after three and a half months of the commencement of the FY-2015-16. Keeping in view the fact that the training would take place at ground level through the approved training partners of NSDC and the selection of such training partners involves a detailed due diligence process requiring

considerable amount of time. Further, the payment under PMKVY is back ended with reward money being released only after successful completion of the training and certification of the students. In view of this, the allocation at BE level was reduced at RE stage from Rs.1500 crore to Rs.1000 crore. However, this would not recur in subsequent years. In respect of other schemes under Directorate General of Training (DGT) for which the budget provision exists under the Ministry of Labour and Employment, there is a variation of Rs.128.41 crore."

18. Asked to furnish the reasons for variation of Rs. 128.41 cr in respect of other schemes under the Directorate General of Training (DGT) for which the budget provision existed under the Ministry of Labour and Employment during 2015-16, the Ministry furnished the following information in a tabular form:

S. No.	Name of The Scheme	BE-2015-16 INR in crores	RE 2015-16 INR in crores	Reason for saving at RE level in budget
1	Estt. Operation, maintenance & Upgradation of DGT Instts. (Umbrella Scheme)	258.00	119.64	<ul style="list-style-type: none"> The component Apprenticeship Protsahan Yojana (APY) of the scheme could not take up under which the BE allocation was Rs. 146.13 crore.
2	National Instructional Media Institute Chennai	3.00	3.00	
3	E-learning & Distance learning program	10.00	0.00	<ul style="list-style-type: none"> It was proposed to make the expenditure of this scheme for expanding the scheme to various ITIs under World Bank Project VTIP.
4	Re-engineering of NCVT & development of national board for trade testing and certification	3.00	0.01	<ul style="list-style-type: none"> Scheme is yet to be approved; only token amount is kept.
5	International cooperation in skill development, including foreign training	0.10	0.00	<ul style="list-style-type: none"> Scheme is yet to be approved.
6	Setting up of ATIs & RVTIs/Setting up of ATIs	12.00	0.04	<ul style="list-style-type: none"> Token Amount and expenses for consultants kept. The scheme is under process of

				implementation.
7	Setting up of National Worker Technical Univ.	2.00	0.00	• Scheme is yet to be approved.
8	Setting up of new RDATs	2.00	0.00	• Work of establishment of 3 new RDATs is under progress.
9	SKILL DEVELOPMENT INITIATIVE/ Skill Development Mission - General	70.31	109.30	
a	Skill Development Initiative	50.45	60.87	
b	Upgradation of 1396 Govt. ITIs through PPP	0.95	0.71	
c	Skill Development for 34 Dist. affected by Left Wing Extremism	4.55	7.30	
d	Enhancing Skill Development Infrastructure in NE States & Sikkim	4.18	20.65	
e	Setting up of MSDC at Gulbarga & Bangalore	0.64	0	
f	Upgradation of Govt ITIs into Model ITIs	9.54	19.77	
10.	Externally Aided Projects for Reforms & Improvement in Vocational Training services rendered by Central & State Governments	20.00	20.00	
TOTAL		380.41	252.00	

19. The Committee then desired to know the reasons for lower expenditure during 2015-16 (upto February, 2016) as against the RE provision. In reply, the Ministry submitted as under:

"Training expenses are reimbursed at the end of the training under Pradhan Mantri Kaushal Vikas Yojana (PMKVY). 24 lakh trainees would be trained in this financial year and the entire allocation under PMKVY and out Rs. 1000 crore at RE stage Rs. 975 crore has already been released till date.

Under scheme for NE States and LWE affected areas, fund was available under Grants-in-aid General whereas requirement was under Grants-in-aid for Capital Assets. Token supplementary has been sought and re-appropriation is

under process. Entire funds would be exhausted under these schemes by the end of this financial year. Token of Rs. 8 crore has been granted in 2nd Supplementary Demands for Grants under Grants-in-aid General under VTIP. Re-appropriation proposal is under process and the entire fund would be utilized. Re-appropriation of Rs. 30.76 crore has been approved by M/o Finance on 10.03.2016 and another re-appropriation proposal of Rs. 23.58 crore is under process. Token amount for Rs. 16.5 Crore has been granted by M/o Finance in the 2nd batch of supplementary demands for grant. The anticipated expenditure of the Ministry during this financial year is the same as provided at the stage of Revised Estimates."

20. The Secretary, MSDE, while deposing before the Committee, submitted that the Ministry were established in November, 2014, but the process of transfer of responsibilities was done in three phases which continued till May, 2015. He elaborated that in the first phase NSDC and NSDA, which were under the Finance Ministry, were transferred to MSDE at the time of its establishment. In the second phase, training and apprenticeship under the Directorate General of Training (DGT) which was under the Ministry of Labour and Employment was transferred to the MSDE in April, 2015. In the third phase, entrepreneurship which was under the Ministry of Micro, Small and Medium Enterprises (MSME) was transferred to the MSDE in May, 2015. The Secretary, MSDE, reasoned that since the Budget proposals and allocations thereof involved three Ministries/Departments during the year 2015-16, the utilisation of the allocated funds was around fifty percent till January/February, 2016.

21. In view of 'nil' expenditure for Skill Development and Entrepreneurship Programme under PMKVY during 2015-16, the Committee sought an explanation from the Ministry which submitted that out of Rs. 100 crore earmarked for the SDE Programme, Rs. 75 crore had subsequently been sanctioned to NSDC for setting up of Model Training Centres.

22. The Secretary, MSDE, clarified in evidence that actually Rs. 75 crore had already been spent under the Skill Development and Entrepreneurship Programme, but since the expenditure had not been booked, the relevant column was shown as 'nil'.

23. The Committee then enquired whether the Ministry would be able to utilise the remaining amount by 31st March, 2016 given the fact that the trend of utilisation of the 2015-16 provision in the first eleven months was around 50 percent only. In response, the Ministry submitted as under:

"Training expenses are reimbursed at the end of the training under Pradhan Mantri Kaushal Vikas Yojana (PMKVY). 24 lakh trainees would be trained in this financial year and the entire allocation under PMKVY and out Rs. 1000 crore at RE stage Rs. 975 crore has already been released till date.

Under scheme for NE States and LWE affected areas, fund was available under Grants-in-aid General whereas requirement was under Grants-in-aid for Capital Assets. Token supplementary has been sought and re-appropriation is under process. Entire funds would be exhausted under these schemes by the end of this financial year. Token of Rs. 8 crore has been granted in 2nd Supplementary Demands for Grants under Grants-in-aid General under VTIP. Re-appropriation proposal is under process and the entire fund would be utilized. Re-appropriation of Rs. 30.76 crore has been approved by M/o Finance on 10.03.2016 and another re-appropriation proposals of Rs. 23.58 crore is under process. Token amount for Rs. 16.5 Crore has been granted by M/o Finance in the 2nd batch of supplementary demands for grant. The anticipated expenditure of the Ministry during this financial year is the same as provided at the stage of Revised Estimates."

24. The Secretary, MSDE, elaborated in evidence that against the 2015-16 RE of Rs. 1252 crore, the Ministry had already utilised Rs. 850 crore. A proposal to utilise Rs. 250 crore more had been sent to the Ministry of Finance on 16th March, 2016 by the Financial Advisor, MSDE, as a special request in view of the Finance Ministry's instructions not to exceed 15 percent expenditure in the month of March by the Ministries/Departments. The Secretary, MSDE, further submitted that he had also personally requested the Finance Secretary and he was hopeful that the MSDE would get the requisite amount. Since it was a committed expenditure for which the Ministry had already incurred liabilities, the Secretary, MSDE, exuded confidence that the Ministry would be able to spend hundred percent of the 2015-16 RE allocations.

25. Asked to spell out the concrete measures proposed to optimally utilise the 2016-17 BE provision of Rs. 1804.28 crore, the Ministry stated as under:

"Under the scheme Apprenticeship Training and Training, some proposals are already available from the States and for remaining regular follow up & meetings will be done with State Governments. Under the components VTIP, upgradation of 1396 ITIs & Model ITI, regular follow up & meetings will be done with States & other stake holders to ensure full utilisation of funds. Under the World Bank Project – STRIVE, process for approval of scheme will be expedited. For the schemes being implemented in Central Field Institutes regular review meetings would be conducted and regularly monitored. Process of initiation of EFC/SFC for the project for Establishing National Board for Certification and setting up of 1500 Multi Skill Training Institutes has already been initiated.

Expenditure Finance Committee (EFC) proposal for PMKVY 2016-19 is already due for consideration of EFC on 01.04.2016. As it is an ongoing scheme, the implementation structure is already in place. The scheme will be monitored online and necessary intervention taken, wherever required. The scheme of Model Skill Centres is already under implementation and would easily lead to expenditure of Rs.250 crore under BE 2016-17. Moreover, proposals for Udaymita and Umang Scheme are also at different stages of approval and will be implemented immediately after approval of the scheme."

26. When the Committee desired to be apprised of the specific attention being contemplated towards important Schemes like PMKVY, SDE Programme, Development of Infrastructure in the North-Eastern States, Skill Development in Left Wing Extremist affected Districts, etc. for maximum utilisation of earmarked funds during 2016-17, the Ministry submitted as under:

"Special focus would be given for North Eastern Region as well as 34 districts affected by Left Wing Extremist during 2016-17 for various skill development programmes, including PMKVY.

The training partner would be given annual target instead of quarterly target for training. Earlier, the fund was being released after completion of the programmes and certification of students. But funds would be released in accordance with Common Norms to the training partner. Earlier, training partners had the freedom to set up training centres in place of their choice. But now, they would have to establish training centres in each and every district of any region, including those affected by Left Wing Extremism."

IV. PHYSICAL TARGETS AND ACHIEVEMENTS

(i) Pradhan Mantri Kaushal Vikas Yojna (PMKVY)

27. The Pradhan Mantri Kaushal Vikas Yojna (PMKVY) is the flagship outcome-based skill training scheme of the Ministry of Skill Development & Entrepreneurship (MSDE). The objective of this skill certification and reward Scheme is to enable and mobilize a large number of Indian youth to take up outcome based skill training and become employable and earn their livelihood. Under the Scheme, monetary reward would be provided to trainees who are successfully trained, assessed and certified in skill courses run by affiliated training providers. The Scheme was approved by the Cabinet on 20th March 2015. The Scheme has an outlay of Rs. 1500 crore and aims to impart skill/training to 24 lakh persons (14 lakh fresh training; 10 lakh RPL). It is being implemented through the National Skill Development Corporation (NSDC).

Key features of PMKVY

- Demand-driven: Targets based on assessment of skill demand from 'Skill Gap Studies', Feedback from Central Ministries / Departments, Sector Skill Councils, State Government, industry and businesses
- Mobilise youth for skill training through local camp-based approach ('Skill Melas'): Involving the State Governments, Local Bodies, Members of Parliament and Citizen Service Centres (CSCs)
- Skill training under PMKVY is focused on first time entrants to labour market, mostly school drop-out students after class 10 and class 12.
- Provision of mentorship to trainees who have successfully completed the training programme and are in the process of looking for employment opportunities. Incentives for mentorship and placements will be provided to training providers.
- Focus on North Eastern States through 10% dedicated allocation of funds
- Inclusion of 50,000 persons with disabilities

- Regime for registration of training providers has been made more robust under PMKVY; even the government affiliated training providers would undergo due diligence as per the process manual.
- Improved curricula, better pedagogy and trained instructors: All skill training would include soft skill training, personal grooming, behavioural change for cleanliness, and good work ethics as a part of the training curricula.
- Enhanced monitoring: SSCs are tasked with verifying and recording details of all training centres on Skill Development Management System (SDMS), and ascertain quality of training locations and courses through certified assessors during the time of assessments.
- Evaluation: Trainee feedback based on validated standard format obtained at the time of assessment will become the key element of the evaluation framework to assess the effectiveness and scale up of PMKVY in future.
- Grievance redressal: A proper grievance redressal mechanism would be put in place. Online Citizen's Portal would be set up to disseminate information about PMKVY.
- Indicative reward amount of fresh skill training ranges from Rs. 5000 to Rs. 12,500 with higher reward amount for Manufacturing, Plumbing and Construction sectors.
- Indicative reward for Recognition of Prior Learning (RPL) amounts to Rs. 2,500 for Manufacturing, Plumbing and Construction sectors and Rs. 2,000 for other sectors.

28. The Committee were informed that the PMKVY Scheme has a target of imparting training to 14 lakh youth throughout the Country besides 10 lakh persons through Recognition of Prior Learning (RPL). As on 8th March, 2016, 17.82 lakh youth have been enrolled in 29 States and 6 UTs out of whom 9.07 lakh youth have completed the trainings. Results have been uploaded in the case of 5.34 lakh youth and 2.44 lakh youth have been certified out of whom placement has been given to 52,209 youth.

29. In this context, the Committee enquired whether the targets for imparting training to the youth were fixed annually. In reply, the Ministry stated that targets were decided on the basis of Skill Gap Studies, Past Performance Readiness of the Sector Skill Councils (SSCs) and thereafter allocated to the SSCs who, in turn, allocated the targets to the training partners at different intervals of the Scheme.

30. The Committee then asked about the targets and achievements during 2015-16 and measures taken/proposed to optimally achieve the targets fixed for 2016-17. In reply, the Ministry stated that a total of 25,80,194 targets were distributed to 33 SSCs and as on 22nd March, 2016, 17,89,169 students have been enrolled under the Scheme. The Ministry further stated that a target to skill one crore youth under the Scheme has been fixed for three years, i.e. from 2016-17 to 2018-19. For the financial year 2016-17, the target has been tentatively set at 28 lakh.

31. Asked to state whether any assessment study has been done so as to ascertain the reasons for only 50 percent youth completing the training *vis-a-vis* the actual enrolments, the Ministry submitted as under:

"Possible reasons for a gap between trainings completed viz-a-viz enrolments:

- Currently the gap between enrolments and trainings completed is 6,02,222 as of 22nd March'16.
- The minimum course duration is 30 days. The gap between enrollments and training completed is attributable to the candidates currently undergoing training.
- There are 1111 candidates who have dropped out of Training post-Enrolment."

32. The Committee queried about the measures taken/ contemplated to ensure maximum enrolled youth completing the training. In reply, the Ministry stated as under:

"Less than 0.1% of the Candidates have dropped out in the scheme

Measures taken to improve the gap between enrolments and trainings completed:

- For PMKVY 2.0, we are planning to incentivize candidates at various stages of training to have more and more candidates meet the milestones and complete training.

As on date 11.86 lakh candidates have completed trainings, of the 17.89 lakh candidates enrolled, the remaining 6 lakh candidates have been enrolled in last 20 days. As minimum duration of training under PMKVY is 1 month a rise in number of candidates completing training in the months of April & May 2016 will be observed."

33. The Committee asked for the reasons for uploading the results in case of 5.34 lakh youth only when 9.07 lakh youth had already completed the training. In response, the Ministry stated as under:

"Once a batch completes the training, the candidates are assessed by a third party referred to as Assessment Agency (AA) within 7 working days after the batch end date; post-assessment, assessor uploads results of the assessed candidates post-verification within next 3-5 working days; thus a gap of about 10-12 working days can be observed between candidates who completed trainings and the result uploaded. However, the Sector Skill Council may choose to reschedule the Assessments based on requests received from the Assessment Agency or the Training Partner.

There is a Turnaround Time and hence a time gap between Training Completed and Assessments Conducted

As on date, results of more than 7.67 lakh candidates have been uploaded, To expedite all, 77 AAs have been directed to upload results of all candidates as soon as they are assessed."

34. Asked to state the rationale for certifying 2.44 lakh youth only, the Ministry submitted as under:

"There are certain pre-requisites before a candidate can be certified as per scheme guidelines

1. Candidates have passed Assessments
2. Assessments are approved by the Assessment Agency and SSCs
3. Candidate has submitted a Government ID that has been validated.

The average Pass % of the candidates who have been assessed is 70%.

As on date, out of 7.67 lakh results uploaded, 4.45 lakh candidates have passed and have a valid (status as "yes") Adhaar/Alternate ID of which 3.70 lakh candidates have been certified; the SSC CEOs have been requested to certify all eligible candidates at the earliest."

35. The Committee then enquired about the reasons for giving placement to 52,209 trained youth only and no placement in almost all

the North-Eastern States, Andaman & Nicobar Islands and Daman and Diu. In reply, the Ministry stated as follows:

"The PMKVY scheme guidelines did not initially mandate placement at the start of the scheme. The guidelines for placement were put into effect from December 2015 after which the Training Partners did not have sufficient time to align themselves and create capacity for placing the youth being skilled under PMKVY. However, the training partners are constantly being encouraged to promote placements by suitable incentives."

36. The Ministry further submitted as under:

"There are a total of 108 Training Partners as of 22nd March 2016 across the North Eastern States, Andaman & Nicobar and Daman & Diu, etc. As of 28th March, 2016, a total number of 17.90 lakh candidates have been enrolled for training across the country out of which 14.27 lakh candidates have completed their training and 55,712 candidates have been placed which is close to 4% of training completed candidates. So far as North Eastern States, including Andaman & Nicobar Islands and Daman & Diu are concerned, 52,839 candidates have been enrolled for training under PMKVY out of which 44,798 candidates have completed their training and 1367 candidates have been placed which is close to 3% of training completed candidates."

37. On being asked to spell out the procedure followed for giving placement to the trained youth, the Ministry apprised as under:

"The Training Partner is responsible for the placement of a candidate. Training Partner then updates the status of candidate on the system as Placed. It also inputs the type of placement of the Candidate and other relevant Employment details. The candidates for a Training Partner are then validated by the Monitoring Team on a statistical sampling basis. The Training Partner is requested to submit proofs of the candidate placed by them. Call Validation of candidates may also be employed to verify placement status of the candidate."

38. In response to a specific query regarding the mechanism put in place to ensure maximum placement to the youth trained under PMKVY, the Ministry apprised the Committee as under:

"A number of Placement Incentives were proposed in PMKVY as follows:

Placement incentive plan for the TPs: The plan was proposed based on the cumulative placement ratio performance achieved by each TP at the end of every quarter of the Scheme

Reward Slabs	Placement Ratio	Placement incentive in Rupees (Rs) per placed candidate
Slab 1	50% to 70%	700
Slab 2	Above 70%	800

Placement incentive plan for the SSCs: The incentive plan for SSCs, based on the cumulative placement ratio as achieved by the SSCs, was also presented by NSDC to the Committee.

Reward Slabs	Placement Ratio	Placement incentive in Rupees (Rs) per placed candidate
Slab 1	50% to 70%	50
Slab 2	Above 70%	100

The placement ratio is a factor of consideration while designing the final incentive structure for the SSCs.

Incentive for Job Melas: A scheme for incentivising the concerned TPs/ SSCs for organising job melas to place the candidates was proposed by NSDC. The incentive amount proposed was Rs. 1 lakh per job mela."

39. The Committee then desired to know the mechanism for seamless integration of the entire process of enrolment, training, certification, placement and reward disbursement. In reply, the Ministry stated as under:

"We have a Skill Development Management System, which is the technology backbone on which the scheme is implemented. Every candidate, in a batch getting trained in a Training Centre under a Training Partner, for a specific Job Role of a Sector Skill Council is tracked on this system through his/her entire lifecycle."

40. Asked to state the procedure adopted to choose/select the Training Partners, the Ministry submitted that the Training Partners might be NSDC Training Partner or SSC affiliated Training Partner. NSDC Training Partners were chosen after a thorough process of due-diligence, proposal evaluation and approval whereas SSCs had their own norms for selecting Training Partners and Training Centre Approval.

41. The Committee desired to know the measures taken to encourage the Training Partners for opening Training Centres in those States/UTs where the coverage was relatively low. In reply, the Ministry stated as under:

"In PMKVY, Certain amount of targets were allotted at the Constituency Level to encourage Training Partners to set up Training Centers in States and UTs where coverage is relatively low.

In PMKVY 2.0, Over and above the Base Cost, an additional amount equal to 10% of the Base Cost is permitted for Skill Development programmes conducted in the North Eastern States, Jammu & Kashmir, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands, Lakshadweep and districts affected by Left Wing Extremism (LWE).

Incentives are also being provided to candidates in special areas to help increase demand for the courses as well apart from augmenting the supply side through more Training Partners and Training Centers."

42. Asked to state the steps taken to create an increased awareness amongst the youth regarding the importance of undergoing training courses for skill development, the Ministry stated that with a view to creating increased awareness amongst the youth of the country about PMKVY, the scheme was being widely publicized through advertisement in both print and electronic media including local and national newspapers, websites, online media, public relation campaigns and social media. Besides, the scheme was also being popularised through Kaushal Melas.

43. The Committee enquired about the reasons for Recognition of Prior Learning (RPL) training not spreading to all the States/UTs. In response, the Ministry submitted as under:

"As per PMKVY scheme various sector skill councils affiliate training partners and assessment agencies for various job roles under the sector and approved under the scheme. There is no restriction from PMKVY scheme perspective on the geographical spread and outreach of training partners across the nation. While fresh training component of the PMKVY scheme picked up the performance of RPL had remained minimal. Several meetings and feedback sessions were held with sector skill councils to understand the challenges faced, current models adopted, evaluate potential alternate models to boost performance, and necessary interventions/ approvals required from NSDC and MSDE that may help the SSCs and their affiliated partners and agencies to mobilize and enroll candidates under RPL component of PMKVY scheme."

44. Asked to state the targets fixed for RPL training during 2016-17 and measures taken/proposed to encourage more persons opting for the training programme, the Ministry submitted as under:

"NSDC is in the process to design the next version of the PMKVY scheme, i.e., PMKVY 2.0 based on the learning from the current version which is proposed to have a larger scope and scale in terms of the targets as well as execution. The proposed target for RPL is 25 lakh youth over 3 years. Various alternate models and successful current models adopted by certain SSCs have been evaluated and note was put up to MSDE for approval. Order has now been issued to implement certain measures such as:

- (a) Direct transfer of pay out to Training Partners,
- (b) Increase of reward amount to candidate for service sector job roles thereby irrespective of the job role candidate will get the same reward amount,
- (c) Assessment fees have been decreased in RPL ,
- (d) There is now possibility for Assessment agencies to also double up as a Training partner and participate in candidate mobilization and enrolments,
- (e) Reward money along with a marksheet is given to candidates who do not pass/qualify for certification but score above 25% on the Job Role."

45. Asked to state the mechanism put in place to gauge the quality of training imparted under PMKVY, the Secretary, MSDE, submitted in evidence that they were inspecting 200 Training Centres where training was being imparted under PMKVY. He further apprised that there was an in-built safety mechanism under PMKVY where quality of training was being assessed by a third party independent agency. The Secretary, MSDE also submitted that recently upon inspection two Vocational Training Centres had been blacklisted and the Ministry were making efforts to physically inspect each and every Vocational Training Centre so as to ensure that they were conforming to the prescribed standards.

(ii) Skill Development Initiative Scheme (SDIS)

46. The Committee were informed that the Directorate General of Training (DGT) under the MSDE is implementing the Skill Development Initiative Scheme (SDIS) to provide vocational training to people to develop skilled manpower for the industry since May, 2007 through a network of Vocational Training Providers (VTPs) located across the country. During the Eleventh Plan period, 13.67 lakh persons were trained or directly tested under the Scheme. During the Twelfth Plan period, the target is to train 25 lakh persons who would be awarded the National Council for Vocational Training (NCVT) Certificate.

47. In the above context, when the Committee enquired about the Vocational Training Providers (VTPs) and their selection process, the Ministry apprised as under:

"Vocational Training Providers (VTPs) are an entity having training infrastructure (machinery, equipment, instructional Staff, power, Workshops, etc.) as per the specification prescribed in the course curriculum approved by the NCVT for conducting training under SDI scheme. They may be under Central Government, State Governments, Public and Private Sector and Industrial establishments/Institutes, etc.

The selection of VTP under SDI scheme shall follow the following steps:

- Entity has to apply online on the SDI portal.
- Receipt of filled online application from the entity by the State directorate for registering as VTP under SDI.

- Online Acknowledgement to the entity from the State directorate.
- Physical inspection by inspecting officer to inspect training infrastructure and amenities (space, power norms and tools & equipment, etc.) and submission of report online for consideration of Director/Commissioner.
- Scrutiny of the application and related documents by the Director/Commissioner after consideration of the recommendation of inspecting officer.
- Rejection of application of the entity in case of any deficiencies in the application or as a result of the physical inspection.
- Remedy of the deficiencies by the entity and reapplication online.
- Intimation to the applicant for signing of contract and issue of registration number."

48. Asked to differentiate the characteristics of training programme conducted under SDIS from that of the RPL, the Ministry provided the following information:

Skill Development Initiative Scheme (SDIS)	RPL training programme under PMKVY
<ul style="list-style-type: none"> • Skill Development Initiative Scheme (SDIS) to provide vocational training to people to improve their employability. • The Scheme provides opportunities to persons to upgrade existing skills or acquire new skills to improve employability. • Training is imparted through a network of Vocational Training Providers (VTPs) in each State. • Existing skills of the persons can also be tested and certified under the scheme. • Courses are also available for persons having completed 5th Standard or have functional literacy and numeracy skills. • No fee for training and assessment. • Testing of skills of trainees by independent assessing bodies, 	<ul style="list-style-type: none"> • Recognition of Prior Learning (RPL) is a platform to provide recognition to the informal learning or learning through work to get equal acceptance as the formal levels of education. • It aims to appreciate prior learning, irrespective of the medium of achieving it. • Under PMKVY, special focus is given to RPL by recognizing prior competencies of the assessed candidates and provides a certificate and monetary reward on successful completion of assessments. • Average monetary reward under RPL would be around Rs.2,200 per candidate. • The Training Partner (TP) or any other authority as prescribed by the Steering Committee will identify and counsel candidates eligible for RPL through mobilization camps & advertisements, etc. • The mobilized candidates can be counseled, oriented about the standardized NSQF framework and based on their existing competency will be mapped against

<p>which are not involved in training delivery, to ensure impartiality.</p> <ul style="list-style-type: none"> • After assessment, successful candidates are awarded certificates issued by NCVT (National Council for Vocational Training), which is recognized for employment. • The payment towards all reimbursement claims is done by the respective State/UT Govt. 	<p>the suitable level of the concerned Job role for assessments.</p> <ul style="list-style-type: none"> • Candidates may be mobilized with the help of SSC's Industry (clusters) connect, associations and MSME connect. These will be in the form of Kaushal Melas, Registration camps in clusters and active marketing through local media such as Radio, Newspapers and hoardings. • TPs will also be required to provide orientation training to candidates covering the following aspects. This training will form as a part of pre-screening and bridge orientation of a candidate. <ul style="list-style-type: none"> • The candidates enrolled will be assessed by the Assessment Agency affiliated with the Sector Skill Council on the basis of assessment criteria decided by Sector Skill Council(SSC). The candidate will need to pass in the minimum assessment criteria of a particular QP decided by the SSC. • The assessment could include a theory and practical component with a 20:80 weightage, respectively. This will be the prerogative of the SSC basis the sector and participating QP. • Assessment is carried out at the Training Centre. • Successfully assessed candidates with a valid Aadhaar or alternate ID (as per process) will be eligible for either "Full Qualification" or "Partial Qualification – NOS based Certification" as described above under Overall Approach of RPL. The reward in both cases will be the same (as per Sector, QP and NSQF Level). • There will be weekly tracking of the progress of assessment and certification by MSDE through SDMS.
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49. The Committee then asked whether any monetary benefits were being granted to the trainees under the SDIS as was being done under PMKVY. In reply, the Ministry submitted as under:

"There is no monetary award directly granted to the trainees under SDIS as like PMKVY scheme. However, training cost @ Rs. 30/- per trainee per hour and Rs.25/- per trainee per hour depending upon the module are reimbursed to the VTPs and assessment fee of Rs. 800/- per trainee is reimbursed to Assessing Bodies by the government. Hence the training is almost free for the trainee."

50. The Committee were given to understand that the SDI Scheme was extended to XII Plan period with some changes. In this context, the Committee desired to be apprised of the specific changes/improvements effected in the Scheme and the extent to which such changes would facilitate smooth implementation of the Scheme. In reply, the Ministry submitted as under:

"The changes/ improvements effected in the Scheme during the XII Plan period for smooth implementation of the scheme are:

- (i) The scheme be continued in 12th plan period with an outlay of Rs. 2000 crore as 100% Centrally Sponsored Scheme like it was implemented during 11th plan period.
- (ii) The scheme approved in May, 2007 allowed expenditure at the rate of Rs. 15 per hour per trainee under the scheme. This amount is now proposed to be changed as given below:
 - (a) Rs. 25 per hour per candidate appearing for assessment after the training for modules involving higher capital or recurring expenditure, including engineering modules, etc.
 - (b) Rs. 20 per hour per candidate appearing for assessment after the training for modules involving lesser capital or recurring expenditure.
 - (c) 10% additional expenditure per hour per candidate appearing for assessment after the training for modules run in North Eastern States, including Sikkim, Left Wing Extremism (LWE) affected districts, Jammu and Kashmir, Special Category States, Andaman and Nicobar and Lakshadweep Islands.
 - (d) Per trainee per hour expenditure under the scheme be increased by a rate of Rs. 2.50 per person at the start of every financial year starting from financial year 2014-15.
- (iii) Authorising Secretary, Ministry of Skill Development and Entrepreneurship (MSDE), to decide as to which modules involve higher capital or recurring expenditure and which modules involve lower capital or recurring expenditure.

- (iv) Encourage pooling of funds available under various schemes including fund flow through Corporate Social Responsibility, Building and Other Construction welfare Cess, etc. to allow candidates to take up courses involving cost higher than the expenditure allowed under the scheme.
- (v) To allow expenditure at the rate of Rs. 300/- per day per trainee on boarding and lodging and up to Rs.5000/- per trainee for to and fro transportation for trainees living in areas mentioned at (ii)(c) of this note, when they undergo training outside these areas.
- (vi) To allow payment of incentive to VTPs to meet cost related to placement, handholding, etc. at the rate of Rs. 3000 per placed candidate provided wage employment of at least 70% of the candidates trained in a batch is ensured at minimum salary of Rs. 6000 per month within 3 months of training & for a period of at least six months.
- (vii) To allow at the start of a batch, payment of 40% of amount due, calculated on the basis of trainees enrolled against the bank guarantee to VTPs which are willing to assure required level of placement as at (vi) above.
- (viii) To discontinue practice of collecting training and assessment fee from candidates first and then reimbursing it back to them.
- (ix) To encourage States and UTs to adopt better monitoring like adoption of biometric attendance system, tracking of candidates post training and outcome linked payment systems and also allow variations in this regard, wherever needed.
- (x) To revise the composition of Apex Committee chaired by Secretary, Ministry of Skill Development and Entrepreneurship (MSDE), to consider and approve required changes in procedure, etc. under the Scheme and set up National & State level monitoring committee to monitor the implementation of the scheme.

To allow States/UTs to use up to 4% of the expenditure subject to a minimum of Rs. 25 lakh per annum as administrative cost on items like Information, Education & Communication (IEC), mobilization of candidates, deployment of personnel for timely inspection of VTPs' premises, timely registration, etc. and to Directorate General of Training up to 3% of the expenditure as administrative cost on items like tracking & monitoring, developing and running required IT system and deploying necessary personnel for management of the scheme, etc."

51. The Committee then asked about the number of persons getting employment out of the 13.67 lakh persons who were either trained or directly tested and had been awarded NCVT certificate during

the XI Plan. In reply, the Ministry stated that during the XI Plan, providing employment to the trainees by VTPs was not made mandatory and there was no mechanism available for tracking the candidates for employment.

52. In response to another specific query, the Ministry replied that till date, a total number of 25.25 lakh persons had been trained/directly tested under the Scheme during the XII Plan period. The Ministry further submitted that no action plan had been framed for future to train/directly test more people as no funds had been provided during 2016-17 fiscal for the SDI Scheme.

53. In response to a specific query regarding MOUs with foreign countries, the Secretary, MSDE, submitted in evidence that MOUs for skill development had been signed with a number of countries like Germany, UK, China, etc. to adopt their best practices. He further submitted that the Ministry were planning to sign MOUs with Dubai where many Indian workers were migrating.

54. The Secretary, MSDE, also apprised that under the MOUs, the Indian trainers would be trained by the overseas trainers and the expertise so obtained would be passed on to the Indian students. He further stated that the overseas curriculum would also be adopted so as to enable the Indian trained manpower getting suitable employment there. The Secretary specifically pointed out that they were trying to adopt the training standard prevalent in Australia and Canada which was recognised as the best world over.

55. On the issue of appropriate placement of the trainees, the Secretary, MSDE, submitted that ultimately employment was a function of economic performance. He elaborated as under:

"We know that industry is still struggling and as a result, even when it is doing very well, it might not be giving good employment. I was seeing the statistics. Between 2004 and 2011, industry growth was at the highest at 9.5 per cent but employment in industry grew only by 1.3 percent. This only shows that industry is growing for labour displacing high technologies. Therefore, if we train people only for industry, we might not be able to provide employment to the people.

Now, people will have to move to other sectors where there is employment. There are sectors like construction which, unfortunately, is not at this moment doing well but it has a potential of providing a lot of employment to people.

A new sector that has come up very fast is logistics. Because of the growth of e-commerce which has not been foreseen a couple of years back, suddenly we see a spurt of activities in e-commerce. Logistics has become extremely important as providing employment to a large number of people.

Similarly beauty awareness has become a big industry suddenly. It was not foreseen five years back that it will happen like this. But today it is one of the fastest growing industries and even in villages, people are now going to beauty parlors. In marriage season and other times, people want to look good. So, there is a huge line of people who want to get trained in this sector.

Hospitality service is growing very well in this country. Tourism is expanding and, therefore, hospitality is another area where people will be able to get jobs. We thought that the age of IT is over. But because of the revival of e-commerce and of certain high end things, IT is back. So, now we have got cloud computing. We have got networking in any case which is important. We have got cyber security. We have got data analytics, virtual reality, augmented reality and other things which we have not heard five years back and just two years back, they are suddenly becoming important. So, boys are going to get absorbed in these unconventional areas. The conventional areas like Government jobs, PSU jobs, industry jobs will gradually dry up and people will have to move to unconventional areas...Entrepreneurship should be developed in a big way. A person should be able to establish his own business. A plumber need not go and work for any one. An electrician need not go and work for anyone. He can establish his own shop. A person who repairs a phone need not go and work for anyone. He could set up a small shop on his own. There is a large amount of economic activity taking place in this country and I think we have got to plan in such a way that we should direct our youth towards that."

56. When the Committee desired to be apprised of the concrete measures taken/proposed to check labour exploitation, the Secretary, MSDE, submitted as under:

"We are equally concerned about what you are saying that there is always a border line case that labour can be misutilised and can be

exploited. If the industry has wrong intentions, it can very well do it. So, to protect the labour from this sort of a situation, in 2014 when the law was amended, it was made mandatory that in the first year of training, he will be paid 70 per cent of the minimum wages, in the second year, he will be paid 80 per cent of the wages and in the third year, he shall be paid 90 of the wages and after that, apprenticeship has got to come to an end. Earlier, it was Rs. 1000, Rs. 2000 and Rs. 3000. As a result, there was a great incentive. The difference was so big that there is a great incentive to exploit these boys. Now at least some respectability has been provided and some protection has been provided to the labourer and it has been made mandatory that after three years, he cannot continue. So, some care has been taken. But there is always a possibility and obviously, all of us will have to be vigilant against the misuse of these liberal decisions that the Government has taken."

(iii) Craftsmen Training Scheme

57. The Committee were informed that training courses under the Craftsmen Training Scheme were being offered through a network of 2,293 Government ITIs and 10,182 Private ITIs located all over the country with total seating capacity of 18.65 lakh persons with the objective to provide skilled work force to the industry in 126 trades. The Craftsmen Training Scheme was launched way back in the year 1956 with 50 ITIs.

58. In the above context, the Committee desired to know the number of persons already trained by both Government and Private ITIs since the inception of the Scheme and the quantum of skilled workforce provided to the industry. In reply, the Ministry apprised as under:

"Vocational Training is a concurrent subject under the Constitution (entry 23). The Central Government is entrusted with responsibility of formulation of policy, laying down training standards, norms, conduct of examinations & certification, etc. whereas day to day administration is under the domain of respective State/UTs.

Industrial Training Institutes play a vital role in economy of the country, especially in terms of providing skilled manpower. Properly trained skilled manpower is the demand of the industry. ITIs are in service to the nation in terms of providing training since 1956. At present, a total number of 13,105 Industrial Training Institutes (Government 2293 & Private 10812) are affiliated to National Council for Vocational Training (NCVT) in the country with a total seating capacity 18.65 Lakh (Govt. 5.05 Lakh + private 13.6 Lakh)."

59. The Ministry further stated as under:

"Trainees after passing out from ITIs have option either to go for regular employment or self-employment and now option of further training like Diploma in Engg. in polytechnics. There is no concrete data available.

There are 126 trades (73 Engg. + 48 Non-Engg. + 05 for Divang) under NCVT. Out of which top popular trades in ITIs are:

- Electrician, Fitter, Computer Operator and Programming Assistant, Electronic Mechanic, Welder, Mechanic Diesel, Draughtsman (Civil), Mechanic (Motor Vehicle), Wireman and Mechanic (Refrigeration and Air-Conditioner).

Some trades are area specific, traditionally like 1. trade Plumber in the State Punjab who after training in ITIs opt for abroad, especially for Canada & Australia, etc. 2. Trade Draughtsman (Civil) in the State of Kerala who after training in ITIs opt for abroad, especially for Gulf countries & make a brand name of India with earning of foreign exchange also."

60. Asked to state the target fixed for the Craftsmen Training Programme during the 2016-17 fiscal and measures taken/proposed to encourage maximum participation in the programme, the Ministry submitted as under:

"Prime Minister Office (PMO) has given mandate of opening of 7000 ITIs across the country to enhance seating capacity to the tune of 25 lakh from existing 18.65 lakh. Accordingly, Directorate General of Training (DGT), Ministry of Skill Development & Entrepreneurship, has initiated following action for opening of ITIs:

- Floated public notice in leading newspapers on 19.1.2016 for opening of 7000 new ITIs over one year.
- In response to public notice, a total of 6500+proposals has so far been received on 'Quality Council of India' portal in current session for opening of new ITIs as well as addition of trades/Units in existing ITIs .
- At present, there are nearly 1500 ITIs running under State Council for Vocational Training (SCVT) in different States. The process of upgradation of such institutes into National Council for Vocational Training (NCVT) is in progress.

- Utilization of infrastructure of existing colleges/Polytechnics across the country to run 'Craftsman Training Scheme' in their spare capacities.

Closed Engineering Colleges /Polytechnics have also been offered to start 'Craftsmen Training Scheme'."

(iv) Apprenticeship Training Scheme

61. Regarding the genesis, reforms, monitoring, etc. of the Apprenticeship Training Scheme, the Committee were apprised as under:

"The Apprentices Act, 1961 was enacted with the objective of regulating the programme for apprentices in the industry by utilizing the facilities available therein for imparting on-the-job training. There are four categories of apprentices, namely: trade apprentice, graduate, technician and technician (vocational) apprentices. Only trade apprentices fall under the purview of DGT. Department of Higher Education in the Ministry of Human Resource Development is responsible for implementation of the Act in respect of Graduate, Technician & Technician (Vocational) Apprentices. This is done through four Boards of Apprenticeship Training located at Kanpur, Kolkata, Mumbai & Chennai. Qualifications of trade apprentices vary from class VIII pass to XII pass (10+2) system. However, B.Sc. pass can also go for apprenticeship training in certain trades. Period of training varies from 6 months to 4 years.

Government of India has recently introduced several seminal reforms in apprenticeship regime after careful examination of problems faced by the industry. Radical amendments have been carried out in the Apprenticeship Act as recently passed by both Houses of Parliament. We are moving towards a self regulated regime that would hopefully result into an appreciable increase in the number of apprentices in India.

DGT under MSDE monitors the implementation of the scheme of apprenticeship training in respect of Trade Apprentices. Six Regional Directorates of Apprenticeship Training (RDATs) located at Kolkata, Mumbai, Chennai, Hyderabad, Kanpur and Faridabad monitor the implementation of apprenticeship training in Central Government Undertakings & Departments. State Apprenticeship Advisers control the Scheme in State Government Undertakings/ Departments and Private Establishments. 3.95 lakh seats have been located in 259 designated

trades for trade apprentices in 28,500 establishments out of which 2.20 lakh seats are utilized.

Training of Trade Apprentices

- Minimum age is 14 years.
- Qualifications vary from Class VIII pass to XII class pass (10+2) system.
- Period of training varies from 6 months to 4 years.
- Training comprises Basic Training and Practical Training followed by Related Instructions as per prescribed syllabus for each trade.
- Basic Training & Related Instructions are conducted in Basic Training Centres (BTCs) or Related Instruction Centers (RICs) set up within the establishments or in a BTC or RIC set up by the Government.
- 259 trades in 39 trade groups have been designated.
- Seats for trade apprentices are located by the Apprenticeship Adviser on the basis of prescribed ratio of Apprentices to Workers and availability of training facilities.
- Every apprentice and employer has to enter into a contract of apprenticeship training, which is registered by the Apprenticeship Advisers.
- Employers and apprentices have to fulfill their obligations under the Act."

62. The Secretary, MSDE, while deposing before the Committee, submitted that it was a common practice in foreign countries that sixty to seventy percent students, after completing their school education, would prefer to go to vocational/professional Colleges/Institutes, get some training there and attached themselves to the industry for whom it would become compulsory to train and provide stipends to them. But in India, the system has been so complicated that the industry does not evince interest to groom the Apprentices.

63. The Secretary, MSDE, further apprised that in order to encourage the industry, the Government had embarked upon a liberal policy since November 2014 whereby the industry had been given a number of incentives/autonomies, including the option to appoint the Apprentices in any post. Two and half percent induction of the Apprentices has been made compulsory but the industry could induct upto 10 percent if they so desired. The Secretary, MSDE, clarified that there would be no incentive for the industry if they inducted the mandatorily prescribed two and half percent Apprentices, but above that there would be certain incentives for the industry.

64. Highlighting the performance of the Ministry in the last one year, the Secretary, MSDE, submitted that during the last fifty years, on an average 10,000 Apprentices were coming up annually whereas during the last year approximately 40,000 Apprentices had been added under the National Skill Development Mission.

65. Apprising the Committee of the initiatives taken by the Ministry towards bringing in uniformity in the various programmes conducted by different Central Ministries/Departments, the Secretary, MSDE, submitted that as per the Cabinet decision of 1st July, 2015, there would be a Common Norm w.e.f. 1st April, 2016 for imparting training for equal number of days with equal stipends. The Secretary, MSDE further submitted that though such uniformity had not been made mandatory upon the State Governments, the Ministry were making efforts to convince the State Governments to adopt the Common Norms for the training programmes.

(v) Enhancing Skill Development Infrastructure in North Eastern States and Sikkim

66. The Committee were informed that the Scheme 'Enhancing Skill Development Infrastructure in North Eastern States and Sikkim' which was formulated in 2011 at a total cost of Rs. 57.39 crore has been slated to be continued upto 31st March, 2017 at a revised cost of Rs. 298.13 crore with the aim to establish 22 new ITIs in the seven North Eastern States and Sikkim, besides upgradation of 20 ITIs and supplementing

infrastructure development in 28 ITIs. So far around Rs. 97 crore has been released for establishment of 22 new ITIs.

67. In the above context, the Committee desired to know the latest status of establishment of 22 new ITIs and upgradation and infrastructure development of 20 and 28 ITIs, respectively, in the seven North Eastern States and Sikkim. In response, the Ministry furnished the following detailed information:

Enhancing Skill Development Infrastructure in NE States & Sikkim
Status of construction of new ITIs

Sl	State	Sl	Covered District	ITI Name	Status
1	Arunachal Pradesh (4)	1	Papum Pare	New Sagalee	Building construction completed
		2	Ziro (Lower Subansiri)	Manipoliang	Construction yet to be started
		3	East Siang	Mipang	Construction yet to be started
		4	Longding	Kanubari	Construction yet to be started, Fund yet to be released
2	Nagaland (2)	1	Peren	Peren	Construction started
		2	Dimapur	Dimapur	Construction yet to be started
3	Assam (5)	1	Nalbari	Nalbari	Construction started
		2	Bongaigaon	Abhayapuri,	Construction in advanced stage
		3	Jorhat	Jorhat	Construction yet to be started, Fund yet to be released
		4	Tinsukia	Kakopathar, Tinsukia	Construction nearing completion
		5	Nagaon	Nagaon	Construction nearing completion
4	Manipur (2)	1	Imphal East	Sekmai	Construction started
		2	Senapati	Kangpokpi	Fund yet to be released.
5	Mizoram (3)	1	Serchhip	Serchhip	Construction started.
		2	Champhai	Champhai	Construction completed
		3	Thingdwal	Thingdwal	Land identified, fund yet to be released.
6	Sikkim (1)	1	South District	Kewzing	Construction started
7	Tripura (3)	1	North Tripura	Kanchanpur	Construction started
		2	Dhalai	Gandacherra	Construction started
		3	South Tripura	Santirbazar	Construction started

8	Meghalaya (2)	1	South West Garo Hills	Ampati	Construction started
		2	South West Khasi Hills	Mawkyrwat	Fund yet to be released

Latest status of infrastructure development of 20 ITIs under Upgradation:

State	ITIs covered	Status
Meghalaya	Sohra	90% completed
	Resubelpara	Under construction
	Nongstoin	Land Acquisition under process
	Nongpoh	Land Acquisition under process
Manipur	Phaknung	Under construction
	Senapati	Under construction
	Takyel(W)	Under construction
Assam	Jorhat	Under construction
	Srikona	Under construction
	Majuli	Under construction
	Guwahati	Under construction
	Nagaon	Under construction
	Silchar(W)	Under construction
Tripura	Indra Nagar	Complete
Arunachal Pradesh	Balinong	Under construction
	Yupia	Under construction
	Dirang	Complete
Nagaland	Kohima	Complete
	Dimapur	Complete
Mizoram	Aizawl	Complete

68. Asked to state the amount released so far and the utilisation thereof for all the three purposes, the Ministry furnished the following State-wise break-up:

S 1	State	Upgradation & SDI*				New ITI		SPMU		Total	
		Upgradation	SDI*	Total	UC	Released	UC	Released	UC	Released	UC
1	Arunachal Pradesh	401.96	355.07	757.03	664.02	723.15	0.00	36.18	0.00	1516.33	664.02
2	Nagaland	209.14	980.33	1189.47	837.67	551.55	0.00	36.98	15.40	1778.00	853.07
3	Sikkim	0.00	308.20	308.20	230.40	342.70	0.00	29.80	11.28	680.70	241.68
4	Manipur	298.44	630.02	928.46	928.46	241.05	241.05	8.68	8.68	1178.19	1178.19
5	Mizoram	113.28	370.20	483.48	483.48	839.30	829.30	22.94	22.94	1345.72	1335.72
6	Meghalaya	126.08	130.28	256.36	241.96	241.05	0.00	6.18	0.00	503.59	241.96

7	Assam	369.03	66.32	435.35	354.30	964.20	235.06	21.58	0.00	1421.13	589.36
8	Tripura	229.68	61.70	291.38	164.25	932.10	0.00	21.58	0.00	1245.06	164.25
	Total	1747.61	2902.1 2	4649.7 3	3904.5 4	4835.10	1305.4 1	183.92	58.3 0	9668.72	5268.2 5

* Supplementary Deficient Infrastructure

69. When the Committee desired to know the monitoring mechanism put in place to ensure timely release of funds and optimal utilisation thereof, the Ministry submitted that the following monitoring mechanism had been put in place for the purpose:

- Quarterly progress report as per format sought from States.
- Visit to project sites along with officials from Internal Finance Division.
- Letters to States requesting for timely implementation & UC.
- Meetings and follow up with States for expediting UC.

70. In response to a specific query regarding achievement of targets for establishing, upgrading and supplementing deficient infrastructure in the ITIs, the Ministry Stated that the targets were not likely to be achieved by March, 2017.

71. Asked to state the reasons for likely non-achievement of targets and measures taken to expedite the projects, the Ministry submitted that the reasons for likely shortfalls for meeting the targets were as under:

- The proposals were not received from States in time and in some cases, required hand-holding.
- Hard location of site and materials for construction are supplied from Assam.
- Shortened time for construction work in a year due to heavy and prolonged rain.
- Selection of proper construction agency took longer time due to remote location.
- Release of fund took time due to non-availability of fund in proper object head.
- Funds were not available in BE in first two years (2010-11 & 2011-12). Fund arranged from savings of other schemes later. In 2012-13, 2013-14 and 2014-15 fund was provided in MH 2552 and had to be re-appropriated. All these reasons caused delay in release.
- In current FY 2015-16, fund provided in 'Grant – in – Aid General', while requirement is in 'Grants for creation of Capital assets'. Token for re-appropriation has been received in 2nd supplementary.

72. The Ministry further stated that the following measures were contemplated to expedite the completion of projects:

- It has been observed that site visit has resulted in increased speed of work. Frequency of visit to sites to be increased.
- More meetings/follow up with States will be taken up.
- To ensure funds in proper object head.

(vi) Skill Development in 34 Districts Affected by Left Wing Extremism

73. The Committee were informed that the Scheme of 'Skill Development in 34 Districts Affected by Left Wing Extremism' was approved in March, 2011 at a cost of Rs. 241.65 crore and to be operated till 31 March, 2016 for skill training programme for the youth of the affected areas as well as creation of infrastructure. So far approximately Rs. 118 crore had been released to the nine affected States whereas the utilisation had been Rs. 50 crore approximately.

74. In the above context, the Committee desired to be apprised of the quantum of infrastructure created and number of youths trained in the 34 Districts of the 9 States. In response, the Ministry furnished the following State-wise information:

Sl.	State	District Covered	No. off. ITI	ITI Name	Status	No. off SDC	SDC Name	Status
1	Telangana(1)	Khammam	1	ITI, Kothagudem	Yet to start	1	SDC, Bhadrachalam	Yet to start
						2	SDC, Wazedu	Yet to start
2	Bihar(6)	Jamui	1	ITI, Jamui	Yet to start	1		Yet to start
						2		Yet to start
		Gaya	2	ITI, Gaya	Yet to start	1		Yet to start
						2		Yet to start
		Aurangabad	3	ITI, Aurangabad	Yet to start	1		Yet to start
						2		Yet to start
		Rohtas	4	ITI, Rohtas	Yet to start	1		Yet to start
						2		Yet to start
		Jehanabad	5	ITI, Jahanabad	Yet to start	1		Yet to start
						2		Yet to start
		Arwal	6	ITI, Arwal	Yet to start	1		Yet to start
						2		Yet to start
3	Chhattisgarh (7)	Dantewada	1	ITI Konta	Work in progress	1	SDC - Dantewada	Complete
						2	SDC – Bhanupratappur	Work in progress
		Baster	2	ITI Bakawand	Work in progress	1	SDC- Kondagaon	Complete
						2	SDC- Darbha	Work in progress
		Kanker	3	ITI Narharpur	Work in progress	1	SDC - DurgKondul	Work in progress
						2	SDC - Narharpur	Work in

								progress
		Surguja	4	ITI Sitapur	Work in progress	1	SDC - Mainpat	Work in progress
						2	SDC-Ramanujganj	Complete
		Rajnandgaon	5	ITI AmbagarhChaoki	Work in progress	1	SDC- Ranjandgaon	Work in progress
						2	SDC- Dongargaon	Work in progress
		Bijapur	6	ITI Bhairamgarh	Work in progress	1	SDC- Bijapur	Complete
						2	SDC- Bhairamgarh	Complete
		Narayanpur	7	ITI Narayanpur	Work in progress	1	SDC - Adaka	Work in progress
						2	SDC – Sukma	Complete
4	Jharkhand	Chatra	1			1		Work in progress
						2	SDC- Patharia	Work in progress
		West Singhbhum	2	ITI, Khuntpani	Yet to be start	1	SDC- Lupungutu	Yet to start
						2	SC- Patraposi	Yet to start
		Palamau	3	ITI, Bishrampur	Completed	1	SDC- Chainpur	Work in progress
						2	SDC- Hariharganj	Work in progress
		Garhwa	4	ITI, Chinia	Work in progress	1	SDC- Bhavnathpur	Complete
						2	SDC- Ramna	Complete
		East Singhbhum	5	ITI, Ulda	Yet to start	1	SDC- Masabani	Yet to start
						2	SDC - Jorsholan	Yet to start
		Bokaro	6	ITI, Nawadih	Yet to start	1	SDC- Gomia	Yet to start
						2	SDC- Jaridih	Yet to start
		Lohardaga	7	ITI, Kairo	Yet to start	1	SDC- Senha	Yet to start
						2	SDC- Kisko	Yet to start
Gumla	8	ITI, Polro	Yet to start	1	SDC- Tirra	Complete		
				2	SDC - Chainpur	Complete		
Latehar	9	ITI Akhra	Work in progress	1	SDC- Gari	Work in progress		
				2	SDC- Auratand	Work in progress		
Hazaribagh	10	ITI, Churchu	Yet to be start	1	SDC- Barkagaon	Work in progress		
				2	SDC- Bishnugarh	Complete		
5	Madhya Pradesh(1)	Balaghat	1	ITI, Paldogari, Lanjhi	Work in progress	1	SDC- Kedatola, Birsa	Work in progress
						2	SDC- Kumungaon, Paraswada	Work in progress
6	Maharashtra (2)	Gadchiroli K	1	ITI Jambiya	Yet to start	1	SDC- Kasansur, Tal Etapalli	Yet to start
						2	SDC - Godulwahi, Tal Dhanora	Yet to start
		Gondia	2	ITI, Palandur	Work in progress	1	SDC - Darekasa, Tal Salekasa	Yet to start
						2	SDC - Borgaon Bazar, Tal Deori	Yet to start
7	Odisha (5)	Gajapati	1	ITI Rayagada, Bissam – Cuttack	Completed	1	SDC- Nuagarh	Completed
						2	SDC- Shyangaintha, Gumma	Completed
		Malkangiri	2	ITI, Matheli	Completed	1	SDC, Chittrakond, Korkonda	Completed
						2	SDC- Moto, Luchhipeta	Completed
		Rayagada	3	ITI, Gajabahal		1	SDC- Gumma,	Completed

							Rayagada	
						2	SDC- Jimidipeta	Completed
		Deogarh	4	ITI Barkote		1	SDC- Reamal	Completed
						2	SDC- Teleibani	Completed
		Sambalpur	5	ITI Rasanpur		1	SDC- Rengali	Completed
						2	SDC, Sahaspur	Completed
8	Uttar Pradesh (1)	Sonebhadra	1	ITI, Ghorawal	Work in progress	1	SDC, Chakaria, Nagwa	Work in progress
						2	SDC, Piparkhand, Chopan	Work in progress
9	West Bengal (1)	Paschim Midnapur (Lalgarh Area)	1	ITI, Ranjibanpur, Binpur – I	Work in progress	1	SDC- Silda, Binpur- II	Yet to start
						2	SDC- Lalgarh, Binpur- I	Yet to start
	Total	ITI	Yet to start	15	SDC	Yet to start	28	
			Work in progress	13		Work in progress	21	
			Completed	6		Completed	19	
			TOTAL	34		TOTAL	68	

State-wise details of trainees trained

State	Short Term	Long Term	Instructor Training	Total
Telengana	40	37	0	77
Chhattisgarh	120	257	34	411
Uttar Pradesh	178	202	0	380
Maharashtra	0	0	20	20
West Bengal	120	30	10	160
Jharkhand	511	288	70	869
Bihar	120	0	0	120
Odisha	600	150	50	800
Madhya Pradesh	120	30	0	150
Total	1809	994	184	2987

75. Asked to state the reasons for such a low percentage of utilisation of funds, as mentioned above, and measures taken for better utilisation of earmarked funds, the Ministry attributed the following main reasons for the shortfall:

- Difficulty faced by States to find construction agency due to insurgency sensitive area. Repeated re-tendering done in many cases.
- Identifying trainee for skill training took time in order to maintain transparency in selection. In many districts of Jharkhand and Chhattisgarh, identified trainees did not turn up.

76. As regards measures taken, the Ministry submitted that States had been requested repeatedly to enhance the pace of implementation and the Ministry were taking recourse to more follow up and meetings with the States.

77. In response to another specific query, the Committee were informed that a revised list of 35 worst affected Districts had been received from the Ministry of Home Affairs. Out of that, 22 Districts were earlier there and 13 new Districts had been added. The Committee were also apprised that the duration of the Scheme was proposed to be extended for further period of three years.

V. NEW SCHEMES

(i) Setting up of 27 Advanced Training Institutes (ATIs) in PPP mode and 08 Central Institutes exclusively for women

78. As regards the details and current status of setting up of 27 Advanced Training Institutes (ATIs) and 08 Central Institutes exclusively for women, the Committee were apprised as under

"The 27 new Advanced Training Institutes (ATIs) approx. @ Rs. 20 crore per ATI in PPP mode will be set up on public land for training of vocational training instructors as per Craft Instructors Training Scheme (CITS) course and will adhere to the NCVT norms. The total Capacity of each ATI will be 800 trainees per year (400 for North-East).

Measures taken:

- SFC has approved the scheme for setting of 12 ATI in PPP with total project cost of Rs. 478.32 Crore with **Govt. expenditure Rs. 184.89 crore.**
- DEA, Ministry of Finance, has given In-Principle Approval for grant of VGF for Setting up of ATI in PPP in 12 States in 1st phase.
- Identification of land: State Govts. of Gujarat, Madhya Pradesh, Odisha, Bihar, Rajasthan, Goa, Kerala, Chhattisgarh, Assam, Punjab, Jharkhand, Karnataka have identified land.
- Bidding started: RFQ issued for 12 ATIs, 19 organizations have responded to the RFQ.

Current Status:

- Bids against RFQ received and are under evaluation
- Appointment of new Transaction Advisor is under process.

08 Central Institutes exclusively for women

Under Central sector, eight new women training institutes (Regional Vocational Training Institutes) are being set up, one each in the States of Tamil Nadu, Punjab, Himachal Pradesh, Tripura, Bihar, Goa, Telangana and Jammu & Kashmir. For setting up these institutes, land measuring about 4-7 acres has been/to be provided by the respective State Governments. To initiate training activities, State Governments have been requested to make available temporary accommodation till the construction of permanent buildings of these RVTIs.

Training in 5 new institutes, viz. RVTIs at Shimla, RajPura, Patna, Trichy and Agartala has already commenced w.e.f August, 2015 in temporary accommodations provided by State Government. RVTIs at Goa, Telangana and Jammu & Kashmir are likely to start functioning from next session, i.e. August, 2016

New posts have been sanctioned (144 posts @ 18 posts per Institute) and action is being taken to fill up the posts."

The latest status in respect of 08 Central institutes exclusively for women, is detailed below:-

S. N.	State & location of land.	Temporary Accommodation	Status of Land	Training
1.	Bihar, Patna, DighaGhat	Govt. ITI for Women Campus, Dighaghat, Patna	<ul style="list-style-type: none">• Land Lease Deed has already been signed. Registration of land is pending with State Govt. of Bihar.	Training activities have already been started w.e.f. August, 2015.
2.	Punjab, Mohali, Balongi	Govt. ITI for Women Campus, Rajpura	<ul style="list-style-type: none">• Land Lease Deed has already been signed.• Registration of land done .• State Govt. has been requested to complete the formalities.	Training activities have already been started w.e.f. August, 2015.
3.	Himachal Pradesh, Shimla, Jhundla,	SIEMAT Building, adjacent to DIET Campus, Shamlaghat, Shimla- 11	<ul style="list-style-type: none">• Land Lease Deed has already been signed.• Registration of land done• CPWD is in the process of preparing drawings of the new building.	Training activities have already been started w.e.f. August, 2015.
4.	Tamilnadu, Trichy	CoE Building, Govt. ITI Campus, Trichy	<ul style="list-style-type: none">• Identified land at Govt. ITI campus, Trichy.	Training activities have already been

			<ul style="list-style-type: none"> • Process for Transfer of Land is pending with Directorate of Employment & Training, Chennai 	started w.e.f. August, 2015.
5	Tripura, Agartala , Anandnagar	Old building of ICD, Nehru Complex, GurkhaBasti, Agartala	<ul style="list-style-type: none"> • Identified land at Anandnagar and transfer of land is pending with State Government. 	Training activities have already been started w.e.f. August, 2015.
6.	Goa, (Farmagudi, Ponda)	CoE Building, Govt. ITI Building, Farmagudi, Ponda	<ul style="list-style-type: none"> • Identified land at Ponda and transfer of land is pending. 	Training activities would start after taking over temporary building.
7.	Telangana (ATI Campus, Vidyanagar)	Advanced Training Institute Campus, Vidyanagar	<ul style="list-style-type: none"> • Land in the ATI Campus at Vidyanagar has been found suitable. • Preliminary drawings prepared. • CPWD is in the process of preparing preliminary estimates. 	Training activities would start after taking over temporary building.
8.	Jammu & Kashmir	-	<ul style="list-style-type: none"> • DT (WT) inspected the land and temporary accommodation identified by State Govt. State Govt. has been requested to identify other suitable accommodation. • State Govt. has been requested that adequate filling of land may be carried out and an appropriate access may be provided before handing over the identified land. 	-

(ii) Setting up of 1500 Multi Skill Training Institutes (MSTIs) in the unserved Blocks

79. Regarding the current status of the Scheme for setting up of 1500 MSTIs in the unserved Blocks, the Committee were informed as follows:

"The scheme is to set up 1500 Multi Skill Training Institutes(MSTIs) in Central Sector through active participation of industries/private partners in unserved blocks/areas with emphasis on imparting technical skills to the youth from under-privileged, economically backward and disadvantaged categories in order to improve their prospects for gainful employment.

Current Status :

- The EFC Memo has been circulated to various Ministries and Departments for inter-ministerial consultation on 30.12.2015.
- Comments received from various Ministries/Departments have been compiled, clarifications and replies prepared and EFC Memo modified accordingly.
- EFC Meeting for appraisal of schemes to be held shortly.
- Exercise for identification of unserved blocks has been completed by State Governments.
- Consultation with banks for modalities of loan disbursement is underway."

80. The Secretary, MSDE, supplemented in evidence that the Ministry had a very ambitious programme of opening 1500 MSTIs, viz. 750 each through Governments and Private Sectors under PPP mode in the first phase in 2500 Blocks of 200 Districts where ITIs did not exist. For the purpose, the Ministry needed Rs. 5400 crore as a whole. In the first-phase, i.e. to establish 1500 MSTIs, each within a radius of eight kilometers, the Ministry required Rs. 750 crore, but they had been allocated Rs. 50 crore only.

81. The Secretary, MSDE, further submitted that a revolutionary decision had been taken to open up 7000 new ITIs during 2016-17 under 'Make in India' programme to provide technicians and skilled manpower. The Secretary, MSDE, further apprised that during the last 65 years, 13,000 ITIs had been opened whereas during 2015-16 alone, the Ministry were determined to establish 7,000 new ITIs for which advertisements had been made and 6,300 applications had already been received. The Ministry were contemplating to extend the dates so as to receive more applications for opening up of the targeted 7,000 new ITIs. The Secretary, MSDE, also apprised that they were tying up with the HRD Ministry to convert those Engineering colleges, which had been either closed or not getting adequate students, into ITIs.

(iii) Upgradation of 1396 Government ITIs through PPP mode

82. As regards the object and current status of the Scheme for 'Upgradation of 1396 Government ITIs through PPP mode', the Committee were apprised as under:

"The scheme of Upgradation of 1396 Government ITIs through PPP was launched in the XI Plan period (2007-08 to 2011-12) and has already been

implemented in 1227 Government ITIs. To each of the 1227 Government ITIs covered, an interest free loan of Rs. 2.50 Crore was released directly to the Institute Management Committee (IMC) of the respective ITIs. The scheme is currently under implementation by the IMCs. A total of Rs. 3067.50 Crore was released to the 1227 IMCs.

The salient features of the scheme are as below:

An Industry Partner (IP) is associated with every ITI covered under the scheme. An Institute Management Committee (IMC) is constituted in each ITI and is headed by the Industry Partner. The IMC is registered as a Society.

Interest free loan of Rs. 2.50 crore per ITI was released by the Central Government directly to the IMC Society of the ITI.

Financial and academic autonomy has been given to the IMC society. The interest free loan is repayable by the IMC with a moratorium of 10 years and thereafter in equal annual installments over a period of 20 years.

Out of Rs. 3067.50 crore released as interest free loan, about Rs. 700 crore was kept as seed money during the start of the implementation of the scheme by the IMCs. The remaining amount has been earmarked for upgrading the ITIs. Against the fund earmarked for upgradation, the IMCs have spent nearly Rs. 1032 crore. Keeping the trend in expenditure, to make the IMCs extend further more activities in the ITI, revised guidelines have been issued on 21.07.2014 to downsize the seed money kept upto 20% of the Principal loan amount, enhance expenditure on civil works (upto 40% of the principal loan amount of Rs. 2.50 crore, i.e. Rs. 1.00 crore) and manpower (Upto Rs. 50.00 lakh).

Further, to have more responsible role of the IMCs, the tri-partite Memorandum of Agreement (MoA) under the scheme has been revised. The States have been asked to sign the revised Memorandum of Agreement with the Industry Partners and also submit a revised Institute Development Plan on the basis of the revised guidelines."

(iv) Vocational Training Improvement Project (VTIP) with World Bank assistance.

83. Regarding the details and latest status of the Scheme for Vocational Training Improvement Project (VTIP), the Committee were informed as under:

"The Vocational Training Improvement Project (VTIP), *inter-alia*, envisages upgradation of 400 Government ITIs. 34 State Governments/UTs are participating under the project. The funding pattern between Center and State is 75:25 (90:10 for North-Eastern States). The scheme objective also includes enhancement of knowledge and skills of ITI instructors, strengthening facilities in 14 central institutes, strengthening curriculum development, reforms, capacity building, etc. Key institutional reforms introduced under the project are constitution of Institute Management Committee (IMC) at ITI level with chairperson from the industry. Physical component consisted of setting up of new classrooms, workshops and modernization of tools, equipment and machinery, training of trainers and ensuring congenial environment.

The project started in Dec. 2007 and its closing date is September 2016. Under the project, total allocation to the States/UTs is Rs. 1906 crore, including equivalent central and State share. Against this allocation, Rs. 1770 cr. has been released to the States and centrally funded institutes and Rs. 1643 cr. has been utilised till December 2015, which is about 85% utilization against allocation.

Regular follow up is being done with States/UTs. An end-term Tracer study has been commissioned to a third party and is being conducted. The report of the study would be shortly submitted by the Consultant. Technical Assistance (TA) component has been proposed during this extended period of the Project to cover activities, viz. rollout of recent initiative taken including documentation of good practices and success stories and preparation of Implementation Completion Report."

VI. CONSTRAINTS OF THE MINISTRY

(i) Staff Constraint

84. The Committee were informed that apart from fund constraints, as mentioned elsewhere, the MSDE was also facing acute shortage of manpower even to meet the basic requirements of the Ministry and

particularly when viewed against the ambitious mandate of the Ministry. The Ministry further stated as under:

"Forty five (45) posts in various cadres have been sanctioned for the Ministry so far. This includes Secretary (1), Joint Secretary (3), Director/DS (4), Under Secretary (4), Section Officers (4), Asst. Director-OL (1), Accounts Officer (1), PPS/PS (7), Assistants (7), Accountants (2) and MTS/Staff Car Driver (7). These posts were created in three stages in October, 2014 (21+3 posts), in February, 2015 (19 posts) and in April, 2015 (3). Filling up of posts took several months thereafter and 13 posts are yet to be filled up. One Senior Economic Advisor and one Assistant Director from Indian Economic Service (IES) have recently been posted in the Ministry. Thus, the Ministry is currently functioning with merely 34 regular officers/staff. Some staff/consultants have been engaged on contractual basis."

85. The Ministry elaborated that a proposal for creation of 145 additional posts was prepared recently on careful assessment of the actual workload of the Ministry and taking into account common services and secretarial staff that was transferred along with the Training and Apprenticeship verticals from the Ministry of Labour & Employment. On advice of the IFD, this number has been further optimized and brought down to 102 additional posts as stated below:

Sanctioned Posts and Additional Posts Required for the Ministry (Main Secretariat) As on 27-03-2016

<i>Sl. No.</i>	<i>Name of the post</i>	<i>Sanctioned post</i>	<i>Persons posted/In position</i>	<i>Additional Posts required</i>
1.	Secretary	01	01	00
2.	Joint Secretary	03	01	00
3.	Director / DS	05	03	05
4.	Under Secretary	09	04	06
5.	Section Officer / Desk Officer	10	02	10
6.	Assistant Section Officers	17	14	13
7.	Sr PPS/ Staff Officers	00	00	01

8.	PPS	01	01	03
9.	Private Secretary	06	03	07
10.	PA /Grade-C	01	01	10
11.	Grade-D Steno /UDC	02	02	15
12.	Staff Car Driver	02	00	05
13.	MTS	05	00	15
	Sub-total-A	62	32	90
14.	Dy Director (OL)	00	00	01
15.	Asst Director (OL)	01	00	01
16.	Hindi Translator	01	00	03
	Sub-total-B	02	00	04
17.	CCA	00	00	01
18.	Dy CA	00	00	01
19.	Accounts Officers	01	01	02
20.	Asst AO	00	00	03
21.	Accountant	02	01	01
	Sub-total-C	03	02	08
	Grand Total (A+B+C)	67	34	102

Notes: This includes proposal for staffing for Mission and seven Sub-missions. Two PPS are needed for Senior Adviser & AS & FA. 24 Sections /Desks are proposed. One Senior Adviser and One Asst Director from IES have also been posted recently.

86. The Ministry, comparing its lower requirements of staff *vis-a-vis* other Ministries in the social sector, furnished the following comparative data:

Name of Ministry/Department	Sanctioned Posts
1. Human Resources Development	1909
2. Women and Child Development	698
3. Rural Development	653
4. Social Justice and Empowerment	645
5. Youth Affairs and Sports	458
6. Tribal Affairs	307
7. Minority Affairs	249

Source: 7th CPC Report (as on 1-1-2014)

As seen from table 1 above, the requirement of the Ministry is significantly lower than the posts in other Ministries in the social sector, even though some of these Ministries do not have similar broad mandate like that of this Ministry. Thus, more staff and officers may be required in due course which may be reviewed after one year.

(ii) Inadequate and scattered office space

87. Highlighting the inadequate and scattered office space allotted, the Ministry submitted as under:

"This Ministry is currently having its offices in several locations. While, the main office is located on the 2nd floor, Shivaji Stadium Annexe in Connaught Place (on rent from NDMC), Senior Economic Advisor and Pay & Accounts Office function from Nirman Bhawan and AS&FA from SAI Building in Nehru Stadium. Ministry's attached office, the Directorate General of Training (DGT) functions from its earlier office in Shram Shakti Bhawan. MSDE is negotiating with NDMC to take another 2490 sq. ft. on the ground floor of Shivaji Stadium Annexe building. With this, the Ministry would now be able to accommodate its sanctioned regular/contractual staff, but the same would be spread over several locations. Further, additional office space would be needed to accommodate 115 staff / officers that the Ministry has proposed to be created. For additional staff / officers and some consolidation, it is estimated that an office space of about 20,000 sq. ft. (including circulation area) would be required immediately. In the interest of efficiency, all wings of the Ministry should be located in one place. That would require about 50,000 sq. ft. in one office building. Allotting 50,000 sq. ft. of office space for the Ministry in one place would help in efficient and smooth functioning and also reduce administrative time and cost for logistics, etc."

(iii) Bringing Apprenticeship under one Umbrella

88. Underlining the import of bringing Apprenticeship under one umbrella, the Ministry submitted as under:

"With the transfer of apprenticeship vertical to the Ministry of Skill Development & Entrepreneurship, this Ministry is now the 'Administrative Ministry' for the Apprentices Act, 1961. The policy, regulation and rules for all category of apprenticeship fall under the domain of MSDE. However, in

terms of actual implementation, while this Ministry's responsibility is limited to trade apprentices that account for 75% of all apprentices, the Department of Higher Education under the Ministry of HRD is responsible for the other three categories of apprentices, namely graduate, technician and technician (vocational) apprentices. These 3 categories account for the balance 25%, about 64,000 only at present. There are 6 Regional Directorates of Apprenticeship Training (RDATs) at Chennai, Kanpur, Kolkata, Mumbai, Faridabad and Hyderabad for trade apprentices under MSDE while the Ministry of HRD works through 4 Boards of Apprenticeship Training (BOATs) at Chennai, Kanpur, Kolkata and Mumbai. "

89. The Ministry further submitted as below:

"In the meeting on 23-11-2015, the Ministry has been asked to develop an action plan to reach a target of 10 lakh apprentices from 2.84 lakh at present by incentivizing industry to hire apprentices. This can only be achieved by working closely with industry in a coordinated manner. Currently industry finds it difficult to interact with multiple agencies for separate category of apprentices. Sometimes, this duality creates anomalous situation. For instance, currently, stipend paid to graduate apprentices is less than that to trade apprentices. Therefore, there is a strong rationale to bring all types of apprentices under this Ministry so that there is a single implementation framework (as decided in meeting on 23-11-2015). Further, all resources under the two apprenticeship verticals could be consolidated to achieve better outreach and outcomes. Industry would also have a seamless interface with a single government agency. It may be noted here that all 4 BOAT offices are located in the same cities as RDAT offices and these offices could eventually be integrated and expanded in other unserved areas to promote apprenticeship. Industry led Sector Skill Councils could also be involved in increasing the outreach of apprenticeship programme so as to achieve target of 10 lakh apprentices given in meeting on 23-11-2015."

PART-II

OBSERVATIONS/RECOMMENDATIONS

The Ministry of Skill Development and Entrepreneurship (MSDE) was created on 9th November, 2014. to address the need and urgency of an effective coordination of the efforts of all stakeholders in the field of skill development and entrepreneurship, as per the needs of the industry, removal of disconnect between demand and supply of skilled manpower, building new skills through vocational and technical training framework, and upgrading skills, The primary purpose is to help create an appropriate ecosystem that would facilitate imparting employable skills to India's growing workforce over the next few decades. The Ministry of Skill Development and Entrepreneurship (MSDE) was brought under the purview of Parliamentary Standing Committee on Labour w.e.f. 5th May, 2015. This is the first Demands for Grants of MSDE that has been examined in detail by this Committee and their considered views on the performance and requirements of the Ministry have been enumerated in the succeeding paragraphs.

2. The Committee note that the Ministry have been allocated Rs. 1804.28 crore i.e. Rs. 1700 crore for Plan expenditure and Rs. 104.28 crore for Non-Plan expenditure during the year 2016-17. The Committee are deeply concerned to observe that against the Ministry's budgetary proposal of Rs. 8062.35 crore, i.e. Rs. 7887 crore towards Plan expenditure and Rs. 175.35 crore towards Non-Plan expenditure during 2016-17, the Ministry of Finance , without assigning any reasons, have pruned down the MSDE's proposal and allocated Rs. 1804.28 crore only, as mentioned above. What is more

worrisome is the huge reduction made in the Ministry's flagship and ambitious programmes like the Pradhan Mantri Kaushal Vikas Yojna (allocation of Rs. 1100 crore against the proposal of Rs. 4078 crore), Technical Assistance Scheme for NSDC (allocation of Rs. 250 crore against the demand of Rs. 1401 crore), Multi Skill Training Institutes (allocation of Rs. 50 crore against the proposal of Rs. 750 crore), Apprentice and Training Programmes (allocation of Rs. 286.17 crore against the proposal of Rs. 1450.65 crore) and Skill Development and Entrepreneurship (allocation of Rs. 50 crore against the proposal of Rs. 240 crore). No wonder, the Ministry have expressed their apprehension in achieving the targets set under the abovementioned Schemes/Programmes during 2016-17. In view of the large and ambitious mandate conferred on the Ministry to provide skill training to fresh entrants to the workforce and up-skilling or re-skilling of those already in the workforce through creation of various new institutional arrangements for skill development and entrepreneurship, the Committee are of the considered opinion that there is a justifiable case for significant increase in the Plan Outlay for the Ministry. The Committee, therefore, desire that the Secretary, MSDE, should earnestly take up the matter with his counterpart in the Ministry of Finance and also at other appropriate fora so that the MSDE's Plan Outlay is substantially increased at the RE stage in order to enable them to achieve the ambitious targets set for 2016-17 fiscal.

3. The Committee note that during 2014-15, the Ministry were allocated an amount of Rs. 564.85 crore towards Plan expenditure. But, there was no separate Demands for Grants for the Ministry as it was created after finalisation of the Budget for the financial year

2014-15. As a stop gap arrangement, the essential functional expenditure of the Ministry was met from the Demands of the Ministry of Youth Affairs and Sports and as such there was no Plan expenditure by MSDE. While appreciating the impediments on the part of the Ministry in utilizing the earmarked Plan Outlay during 2014-15, the Committee, however, are of the view that Plan allocations to a newly created Ministry and that too after finalisation of the Budget approvals make little sense as such allocations could have been gainfully utilised elsewhere.

4. The Committee note that during 2015-16, the Budget Estimate for both Plan and Non-Plan expenditure by the Ministry was Rs. 1983.82 crore, i.e. Rs. 1880.41 crore for Plan expenditure and Rs. 103.41 crore for Non-Plan expenditure which was reduced to Rs. 1345.98 crore, i.e. Rs. 1252 crore for Plan expenditure and Rs. 93.98 core for Non-Plan expenditure at the RE stage. The Actual Expenditure by the Ministry as on February 2016 was Rs. 697.82 crore i.e. Rs. 614.97 crore towards Plan expenditure and Rs. 82.85 crore towards Non-Plan expenditure. The Secretary, MSDE, while deposing before the Committee, reasoned that since the process of transfer of responsibilities to MSDE was done in three phases which continued till May, 2015 and as the Budget proposals and allocations involved three Ministries/Departments during the year 2015-16, the utilisation of the RE allocations was around 50 percent till February, 2016. Updating the Committee during evidence, the Secretary, MSDE, submitted that against the RE of Rs. 1252 crore during 2015-16, the Ministry had already utilised Rs. 850 crore and a proposal to utilise Rs. 250 crore more has been sent to the Finance Ministry in view of their instructions not to exceed 15

percent expenditure during the month of March. While taking note of the initial constraints faced by the Ministry as well as the confidence exuded by the Secretary, MSDE, that they would be able to utilise hundred percent of the 2015-16 RE allocations, the Committee, are constrained to observe that mere 50 percent utilisation of the Budgetary allocations in the first eleven months of a financial year does not project a very good picture, irrespective of the efforts made to optimally utilise the remaining amount in the last one month. The Committee, therefore, impress upon the Ministry, that as they have now settled to a great extent, the imperative need of utilisation of Budgetary allocations evenly in the coming years has to be taken care of so that there is a strong ground not only for getting the proposed amount of allocations but also for not pleading with the Finance Ministry for exceeding the prescribed expenditure limit in the month of March.

5. The Committee note that the Ministry are taking a number of measures which *inter-alia* include regular follow ups, meetings, reviews, on-line monitoring of the Scheme/Programmes, etc. for optimal utilisation of funds during 2016-17. The Committee particularly appreciate the assurance of the Ministry that specific focus would be given for the North-Eastern Region as well as 34 Districts affected by Left Wing Extremism for various skill development programmes, including PMKVY, during 2016-17. The Committee are of the view that these are steps in the right direction and should be followed up in right earnest with special focus on priority areas and monitoring of the implementation of the Schemes/ Programmes right from the beginning so as to enable the

Ministry to utilise the earmarked funds to the maximum extent during 2016-17 and get additional requirement at the RE stage.

6. The Committee note that the Prime Minister Kaushal Vikas Yojna (PMKVY), approved on 20th March, 2015 with the objective to enable and mobilise a large number of Indian youth to take up outcome based skill training and become employable, has a target of imparting training to 14 lakh youth throughout the country, besides 10 lakh persons through Recognition of Prior Learning (RPL). The Committee find that as on 22nd March, 2016, 17.89 lakh youth have been enrolled in 29 States and 6 UTs out of whom 11.87 lakh youth have completed the training. Results have been uploaded in case of 7.67 lakh youth and 4.45 lakh youth have been certified and placement has been given to 55,712 youth. The Committee further note that a target to skill one crore youth under the Scheme has been fixed for three years, i.e. 2016-17 to 2018-19. For the financial year 2016-17, the target has been tentatively set at 28 lakh. As regards measures taken to bridge the gap between enrolments and training completed, the Ministry are planning to incentivise candidates at various stages of training so that more and more candidates could meet the milestones and complete their training. The Committee feel that as the objective of the Scheme is to train as many youth as possible, there should be, as far as possible, no gap between the number of candidates enrolled and those who actually complete their training. The Committee, therefore, impress upon the Ministry to make region-specific assessment studies/surveys, besides incentivising candidates at various stages of training, so that requisite corrective measures are taken to motivate the maximum number of enrolled candidates to complete

the training. The Committee further desire that once a batch completes training and candidates are assessed, there should not be any delay in uploading the results either by the Sector Skill Councils or the Assessment Agencies.

7. Another disquieting aspect that has engaged the serious attention of the Committee is the placement given to the candidates all over the country, including in the North-Eastern States, Andaman Nicobar Islands and Daman & Diu *vis-a-vis* the number of candidates who have completed the training under PMKVY. To illustrate, out of the total number of 14.27 lakh candidates across the country who have completed their training, 55,712 candidates have been placed which is around four percent of the trained candidates. Similarly, in the North-Eastern States, Andaman and Nicobar Islands and Daman & Diu, out of the 44,798 trained candidates, placement has been given to 1367 candidates which is around three percent. In this context, the Committee find that the PMKVY Scheme guidelines did not initially mandate placement which was later on put into effect from December, 2015 after which the Training Partners did not have sufficient time to align themselves and create capacity for placing the youth being skilled under PMKVY. The Committee further note that the Training Partners and Sector Skill Councils are now constantly being encouraged, through monetary incentives, to promote placements to the trained candidates under PMKVY. As the entire process of enrolment, training and certification of the youth should logically conclude in their suitable placement, more so when the PMKVY guidelines have now categorically prescribed so, the Committee urge the Ministry to make more concerted efforts and ensure a leverage

in the percentage of placement *vis-a-vis* the trained youth all over the country, with special focus on the North-Eastern Region and other remote areas.

8. The Committee appreciate that the National Skill Development Council (NSDC) Training Partners are chosen after a thorough process of due diligence, proposal evaluation and approvals. The Committee, however, are concerned to observe that the Sector Skill Councils (SSCs) have their own norms for selecting Training Partners and Training Centre Approval. In view of possible mismatch in the quality of training imparted because of selecting the Training Partners through different methods, the Committee recommend that a uniform mechanism should be put in place to choose the Training Partners after exercising utmost care.

9. The Committee are pleased to note that the Ministry are making efforts to encourage the Training Partners through various incentives to open Training Centres in those States and UTs where the coverage is relatively low. The Committee also note that the PMKVY Scheme is being widely publicised through Print, Electronic and Social Media as well as through Public Relations Campaigns and Kaushal Melas in order to generate awareness amongst the youth regarding the advantages of undergoing skill development trainings. The Committee feel that these are steps in the right direction and the momentum ought to be maintained uninterrupted so as to encourage both the Training Partners and the trainers to participate in a big way in the training programmes for skill development under the PMKVY Scheme.

10. The Committee note that while the fresh training component of the PMKVY Scheme has picked up, performance in the Recognition of Prior Learning (RPL) training programme has remained minimal and has not spread to all the States and UTs while a target of training 25 lakh persons over a period of three years has been fixed under RPL. In order to mobilise and enroll more candidates for the RPL training, the Ministry are reportedly taking a number of measures which *inter-alia* include direct transfer of pay out to the Training Partners, increase and uniform reward amount irrespective of the job role, reductions in assessment fees and reward money along with a mark-sheet to the candidates who score above 25 percent, even if they do not pass/qualify for certification. As training under RPL is as beneficial as training courses conducted for the freshers, the Committee recommend that the measures initiated by the Ministry be intensified and additional innovative measures be explored to motivate and enroll more and more candidates for RPL training programmes so that the target to train 25 lakh persons in three years is achieved and the objective fulfilled.

11. The Committee further appreciate that the Ministry, with a view to gauging the quality of training being imparted by the Training Centres under PMKVY, have inspected 200 such Centres as a result of which two Centres have been blacklisted. The Ministry are reportedly making efforts to physically inspect each and every Training Centre. The Committee impress upon the Ministry to chalk out a phase-wise inspection programme of all the Training Centres at the earliest so as to ensure that they conform to the prescribed quality norms. The Committee further desire that the in-built safety

mechanism under PMKVY for assessing quality of training by third party independent agency should be persisted with so that requisite corrective measures as and when required, are enforced for ensuring high quality training.

12. The Committee note that under the Skill Development Initiative Scheme (SDIS), which has been in vogue since May, 2007 to provide vocational training to people through a network of Vocational Training Providers located across the country, 13.67 lakh persons were trained or directly tested during the XI Plan. A target to train 25 lakh persons under the Scheme has been fixed for the XII Plan with some specific changes/improvements to facilitate smooth implementation of the Scheme. Till date, a total number of 25.25 lakh people have already been trained. What is a matter of concern to the Committee is the fact that during the XI Plan, providing employment to the trainees by VPTs under the Scheme was not mandatory and no mechanism is available with the Ministry for tracking employment given to the persons out of the 13.67 lakh persons trained/directly tested during the earlier Plan period. In view of the fact that providing training to lakhs of persons without keeping track of their employment/placement defeats the very purpose of the SDI Scheme, the Committee call upon the Ministry to develop a robust mechanism to maintain and update the data on the number of trained/directly tested persons getting placements. The Committee further desire that providing employment to the trained persons by the VTPs under the SDI Scheme be made mandatory, if it has not done so far, with requisite incentives and safeguards.

13. The Committee are deeply concerned to note that no action plan has been framed for future to train/directly test more people under the SDI Scheme as no funds have been provided during 2016-17 fiscal for the purpose. The Committee are surprised that on one hand the Government are publicizing and popularising the skill development initiatives whereas on the other no fund has been allocated to impart skill training under the SDI Scheme. The Committee firmly suggest that the Secretary, MSDE should take up the matter at the appropriate level so that the Ministry's fund requirement is catered to and the Scheme gathers further momentum to provide vocationally trained skilled manpower for the industry.

14. The Committee take note of the statement of the Secretary, MSDE, that between 2004 and 2011, industry growth at the highest was 9.5 percent but employment in industry grew only by 1.3 percent which shows that the industry is growing for labour displacing high technologies. In order to neutralise the decline in the employable feasibility of trained labours in the conventional sectors, the Ministry are focusing on unconventional areas like construction, e-commerce, beauty awareness, hospitality services, etc. The Committee concur with the intent and efforts of the Ministry and desire that an effective action plan be put in place to encourage and guide the trained persons to move to unconventional areas for getting self-employed rather than depending upon conventional industry jobs which tend to gradually dry up.

15. The Committee are glad to note that the Ministry have already signed and also planning to sign MOUs with a number of countries

like Germany, UK, China, UAE, Australia and Canada to adopt their curriculum and best practices for skill development, besides imparting training to the Indian Trainers by them. The Committee would like to encourage the Ministry to endeavour towards signing more such MOUs with other countries and adopt the best practices prevalent there so as to increase the overseas employment opportunities for the trained and skilled Indian entrepreneurs.

16. The Committee note that training courses under the Craftsmen Training Scheme, which were launched way back in 1956 through 50 ITIs, are now being offered through a network of 2,293 Government ITIs and 10,182 Private ITIs located all over the country and affiliated to the National Council for Vocational Training (NCVT) with a total seating capacity of 18.65 lakh persons and with the objective to provide skilled workforce to the industry in 126 Trades. The Committee also note that the Prime Minister's Office (PMO) has given a mandate to the MSDE for opening 7,000 new ITIs across the country to enhance the seating capacity to 25 lakh persons. Accordingly, Tender notices have been issued and so far around 6,500 proposals have been received, but the Ministry are planning to extend the date so as to receive more applications for opening the targeted 7,000 new ITIs. Since Industrial Training Institutes play a vital role in the nations economy, especially in terms of providing skilled manpower to the industry, the Committee urge the Ministry to expedite the completion of the formalities within a definite time-line and embark upon concrete measures to establish the proposed 7,000 new ITIs within one year. The Committee would also like to encourage the Ministry to go ahead with their proposal of tying up with the HRD Ministry so that those

Engineering Colleges/Institutes, where infrastructure exists but are not running due to one reason or the other, are converted into ITIs.

17. The Committee note that 3.95 lakh seats have been located in 259 designated trades for Trade Apprentices in 28,500 establishments out of which 2.20 lakh seats are utilised. Though the earmarked seats for Trade Apprenticeship training courses are not being optimally utilised, the Committee appreciate that approximately 40,000 Apprentices have been added in the last one year only under NSDM, whereas during the last 50 years, on an average, 10,000 Apprentices were coming up annually. The Committee are also happy to note that in order to encourage the industry to evince interest in the Apprentices, the Government of India have embarked upon a liberal policy since November, 2014 whereby the industry has been given a number of incentives/autonomies, including the option to appoint Apprentices in any post. The Committee are of the considered view that encouraging the industry through incentives to induct Apprentices for on-the-job training is a step in the right direction which would hopefully result in an appreciable increase in the number of Trade Apprentices in the country. The Committee would simultaneously like to caution the Ministry and Directorate General of Training (DGT) to remain more vigilant and ensure provision of effective safeguards so as to check misuse of the Government's forward looking policy, leading to the exploitation of Trade Apprentices by the Industry.

18. The Committee note that the MSDE have been asked in November, 2015 to develop an action plan to reach a target of 10

lakh Apprentices from the existing 2.84 lakh Apprentices. In this context, the Committee are concerned to find that though the policy, regulation and rules for all categories of Apprentices fall under the domain of MSDE, in terms of actual implementation, MSDE's responsibility is limited to Trade Apprentices that account for 75 percent of all apprentices whereas the Department of Higher Education under the HRD Ministry is responsible for the other three categories of Apprentices, viz. Graduate, Technician and Technician (Vocational). The Committee are of the firm view that sometimes such duality of responsibilities might create an anomalous situation besides causing inconveniences for the industry to interact and coordinate with multiple Government agencies for different categories of Apprentices. The Committee, therefore, desire that the Secretary, MSDE should initiate urgent requisite action so that all types of Apprentices are brought under MSDE for ensuring a single implementation framework and the industry's seamless interface with a single Government agency to achieve the target of 10 lakh Apprentices.

19. The Committee appreciate to note that as per the Cabinet decisions of 1st July, 2015, there would be a 'Common Norm' w.e.f. 1st April, 2016 for imparting training courses conducted by various Ministries/Departments of the Government of India. Under such norm, there would be uniformity in the duration of training courses and stipend paid to the Trainees. While acknowledging the commendable efforts made by the Union Government for bringing in the much desired uniformity in the training patterns, the Committee impress upon the MSDE to continue their endeavour in coordinating and convincing the State Governments to follow suit.

20. The Committee note that the Scheme 'Enhancing Skill Development Infrastructure' which was formulated in 2011 at a total cost of Rs. 57.39 crore has been extended upto 31st March, 2017 at a revised cost of Rs. 298.13 crore with the aim to establish 22 new ITIs in the seven North-Eastern States and Sikkim, besides upgradation of 20 ITIs and supplementing infrastructure development in 28 ITIs. But the Committee are deeply concerned to find that out of the proposed 22 new ITIs, only in two cases construction of building has been completed whereas in the remaining cases, construction has either started or is yet to start. Similarly, so far as upgradation and infrastructure development is concerned, work relating to five ITIs has been completed whereas in the remaining cases, either land acquisition is under process or buildings are under construction. The Ministry have reasoned that due to non-receipt of timely proposals from the State Governments, fund constraints, difficult terrains, etc., the progress of work is lagging behind. The Committee apprehend that at such a slow pace, the earmarked targets for establishment and upgradation of ITIs in the North-Eastern States and Sikkim are unlikely to be achieved by March, 2017, a fact which has also been corroborated by the Ministry. Now that the Ministry are taking some corrective measures like increase in the frequency of site visits, more meetings and follow up with the State Governments and ensuring requisite funds in proper object head, the Committee exhort the Ministry to further intensify the measures and resort to vigorous monitoring so as to ensure that there is minimal time overrun beyond March, 2017 in completion of the targeted projects intended towards skill development of the people of the North-Eastern Region and Sikkim.

21. The Committee note that the Scheme of 'Skill Development in 34 Districts Affected by Left Wing Extremism' was approved in March, 2011 for a period of five years at a cost of Rs. 241.65 crore to impart skill training courses to the youth of the affected areas as well as to create requisite infrastructure there. But the Committee are perturbed to note that out of the projected creation of 102 infrastructure in the affected Districts, only 25 projects have been completed, 34 projects are under progress whereas as many as 43 projects are yet to take off. Similarly, out of the 2987 persons trained in the nine States, not a single person has been trained in Maharashtra under Short Term and Long Term category. Moreover, no instructor training has been imparted in the States of Telangana, Uttar Pradesh, Bihar and Madhya Pradesh. Though the Ministry are repeatedly requesting the State Governments to enhance the pace of implementation of the programme, as reported, the Committee are not satisfied with the outcome. Now that the Scheme is proposed to be extended by another three years, i.e. upto March, 2019, the Committee impress upon the Ministry to look into the matter with a sense of urgency, find out ways to remove the impediments and regularly interface with the State Governments so that the intended benefits are actually delivered to the affected youth in the said Districts/States.

22. The Committee observe that the Ministry are embarking upon some new Schemes like setting up of 27 Advanced Training Institutes (ATIs) under PPP mode, eight Central Institutes exclusively for women, upgradation of 1396 Government ITIs through PPP mode and Vocational Training Improvement Projects (VTIPs) with World Bank assistance. The Committee find that the

implementation of these new Schemes are in different stages of formulation/realisation. The Committee urge the Ministry to make concerted efforts to implement these new Schemes in a time bound manner so that the Government's intent of developing skill and entrepreneurship is translated into concrete outcomes.

23. Another new Scheme contemplated by the Ministry that merits attention is the establishment of 1500 Multi Skill Training Institutes (MSTIs) in the Central Sector through active participation of industries/private partners in unserviced blocks/areas with emphasis on imparting technical skills to the youth from the under privileged, economically backward and disadvantaged categories in order to improve their prospects of gainful employment. But the Committee are deeply concerned to find that against a total requirement of Rs. 5,400 crore and immediate requirement of Rs. 750 crore during 2016-17 to implement the first phase, a sum of Rs. 50 crore only has been allocated to the Ministry. Expressing their serious displeasure over such a meagre allocation of fund towards the highly ambitious Scheme intended to benefit the under privileged and economically backward sections of the society, the Committee urge the Secretary, MSDE, to take up the matter with the Ministry of Finance so that MSDE are able to execute the establishment of the projected MSTIs.

24. The Committee are also concerned to note that apart from fund constraints, the MSDE are facing acute shortage of manpower particularly when viewed against the ambitious mandate conferred upon them. Against the sanctioned strength of 67 staff, only 34 personnel are in position whereas the Ministry's additional

requirement is 102 more posts. Not only that, the Ministry are currently having their offices at several scattered locations. As a centralised office building and adequate and qualified manpower are an essential requirement of any Ministry/ Department to function efficiently, the Committee impress upon the Secretary, MSDE, to take up the matter at the appropriate fora so that the Ministry get the requisite staff and office space in order to deliver effectively.

New Delhi;
19th April, 2016
30th Chaitra, 1938 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

COMMITTEE ON LABOUR
(2015-16)

Minutes of the Fourteenth Sitting of the Committee

The Committee sat on 21st March, 2016 from 1445 hrs. to 1630 hrs. in Committee Room `C', Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar – Chairperson

MEMBERS
LOK SABHA

2. Shri Rajesh Kumar Diwakar
3. Shri Satish Chandra Dubey
4. Shri Devajibhai Govindbhai Fatepara
5. Shri Satish Kumar Gautam
6. Dr. Boora Narsaiah Goud
7. Shri Bahadur Singh Koli
8. Dr. Arun Kumar
9. Shri Kaushalendra Kumar
10. Shri Hari Manjhi
11. Shri Hariom Singh Rathore
12. Shri Dayakar Pasunoori

RAJYA SABHA

13. Shri Nazir Ahmed Laway
14. Shri Aayanur Manjunatha
15. Shri Rajaram
16. Shri Tapan Kumar Sen
17. Shri Ravi Prakash Verma

SECRETARIAT

1. Shri K. Vijaykrishnan - Additional Secretary
2. Shri N.C. Gupta - Joint Secretary
3. Shri Ashok Sajwan - Director
4. Shri D.R. Mohanty - Additional Director
5. Smt. Archana Srivastva - Under Secretary

**REPRESENTATIVES OF THE MINISTRY OF SKILL DEVELOPMENT AND
ENTREPRENEURSHIP**

1.	Shri Rohit Nandan	Secretary
2.	Ms. Kiran Soni Gupta	AS & FA
3.	Ms. Jyotsna Sitling	Joint Secretary
4.	Shri Rajesh Agarwal	Joint Secretary
5.	Shri Jayant Krishana	CEO, NSDC

2. At the outset, the Chairperson welcomed the representatives of the Ministry of Skill Development and Entrepreneurship to the sitting of the Committee convened to take evidence of the Ministry on Demands for Grants (2016-17). Impressing upon the witnesses to keep the proceedings of the Committee "Confidential", the Chairperson asked the Secretary, Ministry of Skill Development and Entrepreneurship, to give an overview of the Budgetary provisions for the year 2016-17 for various programmes/activities/schemes and the plan of action on the part of the Ministry for optimal utilization of the earmarked funds.

3. The Secretary, accordingly, briefed the Committee *inter-alia* highlighting the Budgetary allocations for various activities for the year 2016-17, the measures taken/proposed/to be taken for maximum utilization during the ensuing year. He also apprised the Committee of the actual expenditure vis-à-vis allocations made during the previous fiscal year and achievements made in a short span of period of the Ministry's inception towards various subjects schemes/projects/ programmes announced by the Government. The Secretary and other representatives of the Ministry also responded to various queries raised by the Members.

4. As some points required detailed reply, the Chairperson asked the Secretary, Ministry of Skill Development and Entrepreneurship to furnish written replies thereon within a week. The Secretary assured to comply.

5. The Chairperson thanked the Secretary and other representatives of the Ministry for furnishing valuable information on the subject and responding to the queries of the Members.

(The witnesses then withdrew)

[A copy of the verbatim proceedings was kept on record]

The Committee then adjourned.

STANDING COMMITTEE ON LABOUR

(2015-16)

Minutes of the Seventeenth Sitting of the Committee

The Committee sat on 18th April, 2016 from 1100 hrs. to 1145 hrs. in Room No. '131' (Chairperson's Chamber), Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar - Chairperson

MEMBERS

LOK SABHA

2. Shri Rajesh Kumar Diwakar
3. Shri Ashok Dohare
4. Shri Satish Kumar Gautam
5. Dr. Boora Narsaiah Goud
6. Shri C.N. Jayadevan
7. Shri Bahadur Singh Koli
8. Dr. Arun Kumar
9. Shri Kaushalendra Kumar
10. Shri Naba Kumar Sarania
11. Shri Dayakar Pasunoori

RAJYA SABHA

12. Shri Nazir Ahmed Laway
13. Shri Aayanur Manjunatha
14. Shri P.L. Punia
15. Shri Rajaram

SECRETARIAT

1. Shri K. Vijaykrishnan - Additional Secretary
2. Shri N.C. Gupta - Joint Secretary
3. Shri Ashok Sajwan - Director
4. Shri D.R. Mohanty - Additional Director
5. Smt. Archana Srivastva - Under Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the draft Report on 'Demands for Grants (2016-17)' of the Ministry of Skill Development and Entrepreneurship. Giving an overview of the main/important Recommendations contained in the draft Report, the Chairperson requested the Members to give their suggestions on them, if any.

3. The Committee, then, took up the draft Report for consideration and adopted the same after some discussions. The draft Report was adopted without any modifications.

4. The Committee then authorised the Chairperson to finalise the Report in the light of consequential changes that might arise out of factual verification of the draft Report and to present the same to both the Houses.

The Committee then adjourned.