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**STANDING COMMITTEE ON LABOUR
(2019-20)
(SEVENTEENTH LOK SABHA)**

**MINISTRY OF SKILL DEVELOPMENT &
ENTREPRENEURSHIP**

**DEMANDS FOR GRANTS
(2019-20)**

THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

November, 2019/Agrahayana, 1941 (Saka)

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(2019-20)

Presented to Lok Sabha on 29.11.2019

Laid in Rajya Sabha on 29.11.2019



LOK SABHA SECRETARIAT

NEW DELHI

November, 2019/Agrahayana, 1941 (Saka)

CONTENTS

PAGE No.

COMPOSITION OF THE COMMITTEE (iv)

INTRODUCTION (v)

REPORT

PART-I NARRATIVES

I. INTRODUCTORY	1
II. PROPOSED AND APPROVED ALLOCATIONS FOR 2019-20	2
III. BUDGETARY ALLOCATION & UTILISATION DURING 2016-17, 2017-18 AND 2018-19	7
IV. PHYSICAL TARGETS AND ACHIEVEMENTS (PRADHAN MANTRI KAUSHAL VIKAS YOJANA - (PMKVY))	10
V. CONVERGENCE BETWEEN PMKVY AND MUDRA LOAN SCHEMES	19
VI. PRADHAN MANTRI KAUSHAL KENDRAS (PMKKS)	21
VII. PM - YUVA YOJANA	22
VIII. SETTING UP OF NATIONAL COUNCIL FOR VOCATIONAL EDUCATION	24
IX. PERIODIC LABOUR FORCE SURVEY (PLFS)	24
X. INDUSTRIAL TRAINING INSTITUTES (ITIs)	25

PART-II OBSRVATIONS/RECOMMENDATIONS 28-38

APPENDICES

*Appendix I- Minutes of the Second Sitting of the Committee held on 27 th September, 2019	39
*Appendix II- Minutes of the Tenth Sitting of the Committee held on 27 th November, 2019	41

*** Note appended with this cyclostyled copy.**

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2019-20)

Shri Bhartruhari Mahtab - Chairperson

MEMBERS LOK SABHA

2. Shri Subhash Chandra Baheria
3. Shri John Barla
4. Shri Raju Bista
5. Shri Pallab Lochan Das
6. Shri Pasunoori Dayakar
7. Shri Feroze Varun Gandhi
8. Shri Satish Kumar Gautam
9. Shri B.N. Bache Gowda
10. Dr. Umesh G. Jadhav
11. Shri Dharmendra Kumar Kashyap
12. Dr. Virendra Kumar
13. Adv. Dean Kuriakose
14. Shri Sanjay Sadashivrao Mandlik
15. Shri K. Navaskani
16. Shri Khalilur Rahaman
17. Shri D. Ravikumar
18. Shri Nayab Singh Saini
19. Shri Ganesh Singh
20. Shri Bhola Singh
21. Shri K. Subbarayan

RAJYA SABHA

22. Shri Husain Dalwai
23. Shri Ram Narain Dudi
24. Shri Oscar Fernandes
25. Shri Elamaram Kareem
26. Dr. Raghunath Mohapatra
27. Dr. Banda Prakash
28. Shri Rajaram
29. Ms. Dola Sen
30. Shri M. Shanmugam
31. *Vacant*

SECRETARIAT

1. Shri T.G. Chandrasekhar - Joint Secretary
2. Shri P.C. Choulda - Director
3. Shri D.R. Mohanty - Additional Director
4. Shir Kulvinder Singh - Deputy Secretary

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2019-20) having been authorized by the Committee do present on their behalf this Third Report on 'Demands for Grants (2019-20)' of the Ministry of Skill Development & Entrepreneurship.

2. The Committee considered the Demands for Grants (2019-20) of the Ministry of Skill Development & Entrepreneurship which were laid on the Table of the House on 15th July, 2019. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Skill Development & Entrepreneurship on 27th September, 2019. The Committee considered and adopted the Report at their sitting held on 27th November, 2019.

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

4. 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;
27th November, 2018
6th Agrahayana, 1941 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

REPORT

PART-I

INTRODUCTORY

India is paving the way towards becoming the Skill Capital of the world. With one of the youngest populations in the world, India can realise its demographic dividend through a workforce that is trained in ‘employable’ skills and is industry-ready. Harnessing this potential into a positive force for development, the Ministry of Skill Development and Entrepreneurship (MSDE), has collaborated with Central Government Ministries, State Governments, Industry, Non-Profits and Academia to synergize and accelerate the skilling efforts across geographies. The collective efforts by all stakeholders has reportedly steered positive outcomes with substantial growth in skill training. Annually, more than One Crore youth, have been joining and benefitting from the Skill India program, a mission under the Ministry to equip the youth with skills for better livelihood.

2. Over a period of time, MSDE has taken up several additional roles through multiple organizations and skilling schemes, namely Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Pradhan Mantri Kaushal Kendra (PMKK), National Skill Development Corporation (NSDC), National Council for Vocational Training (NCVT), National Institute for Entrepreneurship and Small Business Development (NIESBUD), Institute of International Education (IIE), Directorate General of Training (DGT). As a need was felt to expand the scope in services sector and to integrate training courses with apprenticeship, the Apprenticeship Act was reformed in December 2014 and subsequently National Apprenticeship Promotion Scheme (NAPS) was launched in August 2016 to incentivize the employers to take on more apprentices.

3. Keeping in view the mandate of MSDE, entrepreneurship orientation module has been integrated under the Employability, Entrepreneurship and life Skills as one of the NOS (National Occupational Standard) in the PMKVY courses. In ITI courses, the module on Entrepreneurship is already integrated as a section in the employability skills. To promote a culture of entrepreneurship among youth, the Ministry instituted National Entrepreneurship Awards (NEA) in 2016 to recognise and honour outstanding entrepreneurs and ecosystem builders. The award seeks to highlight model of excellence for others to emulate and improve upon. The third edition of NEA was held in New Delhi on 4th January, 2019.

4. The Ministry presented their detailed Demands for Grants (Demand No. 90) for the financial year 2019-20 to Parliament on 15th July, 2019. The BE of the Ministry for the financial year is ₹2,989.21 crore. The details are as under:-

(₹ in crore)

Expenditure Head	Budget Estimate
Revenue	2926.11
Capital	63.10
Total	2989.21

II. PROPOSED AND APPROVED ALLOCATIONS FOR 2019-20

5. As mentioned above, the Ministry have been allocated ₹2,989.21 crore for the year 2019-20. The major schemes which are being implemented by the Ministry include Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Skills

Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP), Jan Shikshan Sansthan (JSS), National Apprenticeship Promotion Scheme, Pradhan Mantri Yuva Udymita Abhiyan, Skill Strengthening for Industrial Value Enhancement (STRIVE), Enhancing Skill Development Infrastructure in NE States and Sikim, Skill Development for 47 Districts Affected by Left wing Extremism and Upgradation of existing ITI into Model ITIs Indian Institute of Skill. These schemes have been categorized into the six umbrella schemes of (i) Development of Skill (ii) Promotion of Apprenticeship (iii) Development of Entrepreneurship (iv) Strengthening of Infrastructure for Institutional Training (v) Strengthening of Skill Institutions (vi) Support to Regulatory Institutions.

6. The Committee desired to know the details of the proposed amount for each scheme by the Ministry for the year 2019-20 and the amount actually approved by the Finance Ministry alongwith the comments of the Ministry. In response, the Ministry furnished the following information in a tabular form:

(₹ in crore)

Name of Scheme	BE 2019-20 (Proposed)	BE 2019-20 (Allocated)	Comments
Secretariat	460.01	312.56	Establishment expenditure has been rationalized by shifting the Establishment, Operation and Maintenance component from “Strengthening of Infrastructure for Institutional Training to Establishment Head. ₹100.00 crore additional fund is required for construction of Kaushal Bhawan at ChankyaPuri and ₹7.45 crore for payment of arrear towards Rent, Rate and Taxes and committed liabilities towards Domestic Travel ,Medical treatment reimbursement etc.
Development of Skill	3894.00	2400.00	An additional fund of ₹1494 crore is required primarily for implementation of flagship scheme of Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and

			World Bank assisted SANKALP project.
Promotion of Apprenticeship	101.25	61.25	Part of Apprenticeship and Training. An amount of ₹40.00 crore is required to meet the committed liabilities for payments to State Government and national skill Development Corporation.
Development of Entrepreneurship	37.25	37.25	Not applicable.
Strengthening of Infrastructure for Institutional Training	425.15	125.15	Part of Apprenticeship and Training scheme relating to I.T.Is RDATs etc. and scheme of Polytechnic have been merged in the new scheme. An amount of ₹255.10 crore out of ₹380.25 crore (BE – 2019-20) has been transferred to Establishment Expenditure for NSTI. An additional fund of ₹300.00 crore is required for World Bank Assisted STRIVE project and implementation of scheme for North-East.
Strengthening of Skill Institutions	58.00	33.00	An additional fund of ₹20.00 crores is required primarily to meet committed liabilities towards payments to national Building Construction Corporation (NBCC) for construction of new Indian Institute of Skills at Kanpur and ₹5.00 crore for NIMI.
Support to Regulatory Institutions	20.00	20.00	Regulator for Skill India has been approved by the Cabinet on 10.10.2018. This scheme has been formed by merger of the two schemes namely National Skill Development Agency and National Board for Skill Certification.
Grand Total	4995.66	2989.21	

7. On being asked about the reasons for drastic cut by the Ministry of Finance in the proposed BE of ₹4,995.66 crore to ₹2,989.21 crore only, the Ministry of Skill Development & Entrepreneurship submitted that the Ministry of Finance approved the budgetary allocation on the basis of funds availability and expenditure trends in the last financial year.

8. In view of the drastic cut by the Ministry of Finance in the proposed BE of the MSDE, the Committee desired to be apprised of the impact it would have on the schemes being implemented by the Ministry and steps proposed/ initiated to get adequate funds. In reply the Ministry submitted that efforts would be made to increase the allocation by means of supplementary grant/RE other-wise due to drastic cuts the targets for skilling under various schemes would have to be scaled down.

9. Asked about the reasons for the increase in budgetary allocation of the Ministry of Skill Development & Entrepreneurship (MSDE) for the current fiscal *i.e* ₹2,989.21 crore as compared to ₹2,820.06 crore for last year and the steps taken to ensure optimum utilisation of allocated funds during the current fiscal, the Ministry in a written note submitted as follows:-

"The Budgetary allocation of MSDE has been increased from ₹2,820.06 crore in the year 2018-19 to ₹2,989.21 crore in the year 2019-20 due to Pradhan Mantri Kaushal Vikas Yojana (PMKVY), the flagship scheme of the Ministry which was launched during the year 2016-20 with the objective to impart skilling to 10 million youth of the country with an outlay of ₹12,000 crores. Although, this is less compared to BE at ₹3,400.00 crores in 2018-19. The Budget allocation for Pradhan Mantri Kaushal Vikas Yojana (PMKVY) scheme has been increased from ₹1,984.34 crore in the year 2018-19 to ₹2,116.00 crore in the year 2019-20. In the current financial year, the Ministry has already spent more than 61% of the allocated budget in the first two quarters. The maximum disbursement of the fund is accounted for by the flagship scheme of the Ministry *i.e.* PMKVY with about 71% of allocated fund being disbursed".

10. The Ministry further stated as under:

"All the Divisions of the Ministry have been instructed to incur expenditure under the Schemes administered by them as per Monthly Expenditure Plan and Quarterly Expenditure allocation indicated in the Detailed Demands for Grants. The Secretary, MSDE monitors regularly the expenditure under various Schemes in the Weekly Senior Officers meeting. Besides, Additional Secretary & Financial Adviser, MSDE is also monitoring Scheme-wise expenditure *viz-a-viz* budget provision under the various schemes".

11. When asked about the reasons for BE for the FY 2019-20 *i.e* ₹4,995.66 being higher than the BE for the FY 2018-19 which was ₹3,400 crore and the actual expenditure of the FY 2018-19 being only ₹2,617.32 crore, the Ministry submitted that an additional fund of ₹1,494 crore was required primarily for implementation of flagship scheme of Pradhan Mantri Kaushal Vikas Yojana and World Bank assisted SANKALP project, an additional fund of ₹300 crore was required for World Bank assisted STRIVE project and implementation of scheme for North East. Further, an amount of ₹65 crore was required to meet the committed liabilities for payment of State Government, construction of new building at Kanpur. An additional amount of ₹100 crore was required for construction of Kaushal Bhawan at Chankyapuri and ₹7.45 crore for arrear payment towards Rent, Rate and Tax etc.

12. The Committee drew the attention of the Ministry that during the year 2018-19 that the proposed BE of ₹3,400.00 crore was reduced to ₹2,820.06 crore at RE stage and out of that ₹2,617.32 crore could be utilised. Asked to state the reasons for shortfall in utilisation of funds during 2018-19 despite an assurance given to the contrary, the Ministry deposed that due to slow speed expenditure in the initial months and large unspent balance available with implementing agencies, the

allocation for the Ministry was reduced to ₹2,820.06 crore by the Ministry of Finance. The Ministry further submitted that savings were due to non-receipt of utilisation certificates, non-receipt of physical and financial progress, non-receipt of complete proposals for grants from the State Governments and non-implementation EAT Module by the State Governments.

13. Asked to state the measures taken to optimally utilise the BE of ₹2,989.21 crore for the year 2019-20, the Ministry submitted as follows:-

"In BE, 2019-20 of MSDE, there was an allocation of ₹2,989.21 crore. Against this allocation, an expenditure of ₹1,833.38 crore (61.33%) has been incurred till date. During the current financial year, the Ministry has already spent more than 61% of the allocated budget in the first two quarters. The maximum disbursement of the fund is accounted for by the flagship scheme of the Ministry *i.e.* PMKVY with about 71% of allocated fund being disbursed".

III. BUDGETARY ALLOCATION & UTILISATION DURING 2016-17, 2017-18 AND 2018-19

14. As regards the Budget Estimate (BE) & Revised Estimate (RE) from 2016-17 to 2018-19 and the Actual utilisation thereof, the following information was furnished to the Committee:

15. The BE, RE and Actual Expenditure for the past three years of the MSDE are as follows:

(₹ in Crore)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
BE	1804.28	3016.14	3400	2989.21
RE	2173	2356.22	2820.06	--
Actual Expenditure	1553.09	2198.02	2617.32	1833.38 (till date)

16. As may be seen from the above, the actual expenditure has been less than the RE for three consecutive years. Asked to explain the reasons for the same the Ministry *inter-alia* submitted as follows:-

"This Ministry got its first budgetary allocation during the financial year 2015-16. One of the flagship programmes of the Government being Implemented by this Ministry is Pradhan Mantri Kaushal Vikas Yojana (PMKVY) which was launched by Hon'ble Prime Minister on 15th July, 2015. The scheme envisaged that payment to individual candidates would be released only after successful completion of skill training and certification subject to Aadhar based validation through their bank account. Further, it is added that this Ministry did not have the minimum required staff to man essential functions. Therefore, the expenditure under the scheme got delayed.

During FY 2016-17, budget for 'Upgradation of existing Government Industrial Training Institute (ITI) into Model ITI scheme' was allocated under MH-2230 only. No funds were provided under MH-3601/3602 whereas the scheme on Model ITI is a centrally sponsored scheme. Funds were requested in first supplementary and the case was referred to Department of Expenditure (DoE), Ministry of Finance for advice. DoE advised to release funds for Model ITI under functional head MH-2230 through Society/funds to set up Skill Development.

During 2017-18 under the fourth and final batch of supplementary, token supplementary was sought to re-appropriate funds from saving of Apprenticeship & Training Scheme to Development of Skills scheme. Fourth and final batch was approved by the competent authority on 29th March, 2018. Thereafter, 30th and 31st March being public holidays, many proposals for release of grant could not be materialised due to problems in their administrative/financial approval.

The schemes of MSTI could not be approved by the competent authority during the financial year.

Due to late finalisation of agreement with implementation partner of PM-YUVA. The fund supposed to be utilised for the first year *i.e.* 2016-17 would be utilised the second year *i.e.* 2017-18. A total expenditure under the scheme for FY 2017-18 was met out from the unspent balance of FY 2016-17. Therefore, an amount of ₹71.86 crore actually allocated for the BE 2017-18 had to be surrendered".

17. As regards concrete measures taken for optimal utilisation of funds the Ministry stated as under:

"All Divisions of the Ministry have been instructed to incur expenditure under the Schemes administered by them as per Monthly Expenditure Plan and Quarterly Expenditure allocation indicated in the Detailed Demands for Grants. The Secretary, MSDE is monitoring the expenditure under various Schemes in the Weekly Senior Officers meeting. In order to ensure optimum utilisation of allocated fund, Additional Secretary & Financial Adviser, MSDE is also monitoring Scheme-wise expenditure *viz-a-viz* budget provision under the Scheme. Due to strict mechanism at the highest level, the expenditure for the financial year 2018-19 is ₹2,617.32 crore against an expenditure of ₹2,198.02 crore during the financial year 2017-18, which is 20% increase from the last financial year. The utilization of fund as percentage to BE during the current financial year is very high in comparison to the previous four years".

(IV) PHYSICAL TARGETS AND ACHIEVEMENTS

Pradhan Mantri Kaushal Vikas Yojana – (PMKVY)

18. The Committee were informed that the PMKVY was launched as a pilot in 2015, as a reward based scheme providing entire cost of training as reward to successful candidates. During its pilot phase, PMKVY trained over 19 Lakh candidates in 375 job roles. Owing to its successful first year of implementation, the Union Cabinet has approved the Scheme for another four years (2016-2020) to impart skilling to one crore youth of the country with an outlay of ₹12,000 crore.

19. The PMKVY 2015-16 was designed as a skill certification and reward scheme with an aim to enable and mobilize a large number of Indian youth to take up skill training and become employable for sustainable livelihood. Monetary reward was provided to successfully trained candidates and approved for the FY 2015-16 only. The scheme was implemented by MSDE through National Skill Development Corporation, Sector Skill Councils, Training Providers and 19.85 lakh candidates were trained.

20. The PMKVY (2016-2020) is a grant based scheme, providing free of cost skill development training and skill certification and was launched on 2nd October 2016 with the following objectives:

- i. Provide fresh skill development training to school dropouts, college dropouts and unemployed youth through short courses of 200 - 300 hours
- ii. Recognise the skill available of the current work force through skill certification
- iii. Engage States in the implementation of the scheme leading to capacity development of the states
- iv. Improved quality of training infrastructure along with alignment of training with the needs of the industry
- v. Encourage standardization in the certification process and initiate a process of creating a registry of skills

21. The component consist of 75% of the PMKVY (2016-2020) targets and are implemented centrally through National Skill Development Corporation (NSDC). It constitutes the following:

- i. Short Term Training - Provision of 200 to 500 hour long skill-oriented training, both core and soft, at PMKVY affiliated and accredited training centres to school/college dropouts or unemployed .
- ii. Recognition of Prior Learning - Recognition of existing skills after a 12 to 80 hours orientation cum bridge course by provision of PMKVY certificate to candidates.
- iii. Special Projects - Provision of skill-oriented training, in special areas, jobs where employment is ensured or job roles with undefined Qualification Packs such as training in Jail, Juvenile centres or training with employment guarantee with textile associations and mortgage firms.

22. Under CSCM component of PMKVY 2016-20, as on 31.07.2019, fund amounting to ₹3,987.44 Cr. has been disbursed to implementing agency (*i.e.* NSDC). The progress under CSCM component is provided below (as on 31.07.2019):

Component	Sector	Job Role	Target Allocated	Enrolled	Trained	Assessed	Certified	Reported Placed
Short Term	33	251	42,71,513	31,45,272	29,21,317	26,68,460	23,47,682	12,32,996
RPL	36	562	65,02,445	24,80,585	24,10,700	18,76,098	17,28,617	NA
Special Projects	31	137	3,02,209	1,35,713	1,14,958	88,778	72,214	29,842
Total			1,10,76,167	57,61,570	54,46,975	46,33,336	41,48,513	12,62,838

23. The Centrally Sponsored State Managed (CSSM) component of PMKVY was launched with release of State engagement guidelines on 09.11.16. Funds and corresponding physical targets have been allocated to the States/UTs under CSSM component of PMKVY 2016-20. Under this component, after evaluation of proposal received from of 36 States/UTs, Ministry has given in-principle approval of a total target of 20.18 lakh candidates and corresponding financial allocation of ₹3,050 Cr. for FY 2016-20. However, due to slow performance of States/UTs and keeping in the mind that the scheme is going to end by March 2020, the financial allocation was rationalised to ₹2,419 crore (approx.). Out of which, as on 31.07.2019, fund amounting to ₹782.31 Cr. has been already disbursed to State Governments / SSDMs (State Skill Development Missions). The SSDMs are required to provide quality skill training programmes to youth and ensure that they are gainfully employed post trainings. The role of the States / UTs includes;

Mechanism for Continuous Monitoring

24. In order to monitor PMKVY, various methodologies as mentioned in the *Skills Ecosystem Guidelines*, such as Self-Audit Report (SAR), call validations, surprise visits, and monitoring through SDMS shall be used. The States shall also be empowered to monitor the Scheme, the details of which shall be defined in the Monitoring Framework of PMKVY.

25. A representative of the Ministry deposed in evidence as under:

"Sir, PMKVY has three major components. The first component is that it is a centrally-sponsored and State-managed scheme, wherein of the total target of one crore that we have set out for ourselves, 75 per cent of the target is to be implemented by the Central Ministry and 25 per cent of the target have been allocated to the States, which we call centrally sponsored, but State-managed component. The third component is the Recognition of Prior Learning. The Recognition of Prior Learning is a very important and critical component of the Pradhan Mantri Kaushal Vikas Yojana. In this country, where we have a huge informal economy, there are a large number of people who already are working in the labour market. They have their skill sets. But as their skill sets have not been certified or tested, they are not able to get the right remuneration for that. Through the recognition of prior learning under the Pradhan Mantri Kaushal Vikas Yojana, we are certifying these people who are already in the labour market. They have their certain skill sets. We assess them, test them and certify them so that they can move forward and they can have a much better remuneration post their certification".

26. As regards the Physical Targets and Achievements of the PMKVY during 2016-20 the Committee were apprised as follows:-

PMKVY (Physical Target and Achievement) Figures in Lakhs										
Particulars	FY 2016-17		FY 2017-18		FY 2018-19		*FY 2019-20		FY 2016-20	
	Targets	Achievement	Targets	Achievement	Targets	Achievement	Targets	Achievement	Targets	Achievement
Short Term Training – Trained	8.89	0.50	8.89	15.94	8.89	8.42	8.89	5.83	35.55	30.65

Recognition of Prior Learning – Oriented	10.00	1.73	10.00	5.30	10.00	9.94	10.00	10.90	40.00	27.65
Special Projects – Trained	0.99	0.01	0.99	0.31	0.99	0.58	0.99	0.41	3.95	1.30
Sub-total CSCM	19.88	2.24	19.88	21.55	19.88	18.94	19.88	17.14	79.50	59.59
Sub-total CSSM	5.13	0.00	5.13	0.01	5.13	2.05	5.13	2.14	20.50	4.20
Grand Total	25.00	2.24	25.00	21.56	25.00	20.99	25.00	19.28	100.00	63.79

27. As would be seen from above, under the Short Term Training Programme the targets for the FY 2016-2020 was to train 35.55 lakh persons but the achievement was 30.65 lakh only. Under the recognition of Prior Learning - Oriented the target was 40.00 lakh but the achievement remained at 27.65 lakh. Similarly, under Special Projects- Trained the target was 3.95 lakh and the achievement was 1.30 lakh and the cumulative target of CSCM and CSSM components during the years 2016-20 was one crore but the achievement was 63.79 lakh. The Committee therefore desired to know whether the targets were very ambitious. In reply, the representative of the Ministry submitted as follows:-

"I think we have some shortfalls in centrally-sponsored state-managed component. Otherwise, we have tried to achieve. As far as the PMKVY is concerned, I think, we are quite close to the target, compared to what was given to us initially in total numbers. Even as we progress, we have been learning and there has been course correction at the request of MSD which also requires systemic changes. We operate centrally. So, there are a lot of changes and system upgrades, which delays us at times. We also have fee-based training. We skill about 25 to 50 lakh people annually on an average. Of these, 25 lakhs are fee based and there are approximately 25 lakhs which often come through PMKVY. Therefore, in terms of capacity, we do have that capacity".

28. The Committee then observed that under the PMKVY, against the target of providing training to 42.71 lakh candidates, 31.45 lakh people were enrolled, assistance was given to 26.6 lakh people, certification was given to 23.47 lakh people and final placement was given to 12.32 lakh people. The Committee therefore desired to know the reasons for declining figures and whether the PMKVY would be able to train 40 crore people, as envisaged.

29. In response, the Ministry submitted that the PMKVY 2016-20 was being implemented with an objective of providing skilling to one crore prospective youth of the country. Out of which, as on 18.10.2019, 66.44 lakh candidates have already been trained/oriented which was 66.44 % of the total target.

30. With respect to placement, the Ministry further submitted that the placement of candidate was not mandatory in the scheme, however, the scheme promoted / encouraged the placement of the candidates through various provisions. Under PMKVY 2016-20, there have been provisions for increasing the placement of the trained candidates. Training Centers / Training Providers (TCs / TPs) were required to have dedicated mentorship-cum-placement cells for industry linkage and placement of candidates. TPs were mandated to organize Placement/Rozgar Melas every six months with support from the Sector Skill Councils (SSCs) and to ensure the participation of local industry, the Ministry further apprised that the scheme also incentivized TCs/TPs for facilitating placement of the trained candidates. Further, the reimbursement of last 20% of training payout to TCs was linked with the placement (wage employment or self employment) of the candidate. Moreover, the Ministry has reportedly undertaken various measures to encourage greater participation of industry in skilling ecosystem to improve employment outcomes. Employer led skill development was also being promoted to further improve placements rates under PMKVY 2016-20. Under STT component, out of a total of 29.4 lakh certified candidates, 15.05 lakh candidates were reported to be placed in various sectors which was 51.2 % of the certified candidates.

31. The details of physical achievements under PMKVY were as under:

Component		Enrolled	Trained / Oriented	Assessed	Certified	Reported Placed
CSCM	STT	34,79,038	32,62,026	29,82,818	26,23,407	14,14,244
	RPL	29,54,771	29,32,958	23,03,948	20,91,298	NA
CSSM	STT	5,55,370	4,49,684	3,67,714	3,17,848	90,884
Total		69,89,179	66,44,668	56,54,480	50,32,553	15,05,128

32. As regards the financial allocation and actual utilisation, the Ministry submitted as under:

"Scheme has the budget outlay of ₹12,000 crore. out of which, ₹7,035.63 crore (Revised Estimate of 2016-17, 17-18 & 18-19 and Budget Estimate of 2019-20) are actually allocated to this Ministry till date. The actual expenditure under the PMKVY, as on 18.10.2019, is ₹5,835.50 crore which is approx. 83% of BE/RE. If we calculate the percentage of actual expenditure with respect to total outlay of PMKVY *i.e.* ₹12,000 cr., it is approx. 49 %". The FY-wise details of financial allocations and achievements are as under:

(₹ In crore.)			
FY	Budget Estimate	Revised Estimate	Actual Expenditure
2016-17	1100	1249.99	699.99
2017-18	1300	1723.19	1723.19
2018-19	1984.34	1946.45	1909.19
2019-20	2116	3569.98 (proposed)	1503.13
Total	6500.34	8489.61	5835.5

33. Asked to state the steps taken by optimal utilisation of funds, the Ministry submitted that MSDE alongwith NSDC and State machineries were very confident that they would be able to utilize the committed financial allocation of ₹8,489.61 crore (inclusive of proposed RE 2019-20) and achieve more than 90 % of the target envisaged in scheme till March 2020.

34. The Ministry elaborated as under:

"Till now, MSDE and State Government jointly have been successful in endeavoring to resolve policy/operational and technical issues pertaining to slow progress of PMKVY. The inspections right has been given to States for expeditious on-boarding of empanelled training providers under Smart Eco-system. Most of the operational/technical issues have been sorted out with the support of highly trained technical team of NSDC. As a result, rate of enrollment of candidates under CSSM-PMKVY is increasing with satisfactory pace. Under the collaborative efforts of the States Governments and NSDC, MSDE will be able to utilize the committed financial allocation of ₹8,489.61 crore (inclusive of proposed RE 2019-20) and will achieve more than 90 % of the target envisaged in scheme till March 2020".

35. On being asked whether PMKVY would require additional funds at RE stage, the Ministry submitted as follows:-

"Additional funds amounting to ₹1,454 crore during 2019-20 are required under RE stage for the effective implementation of PMKVY.

The CSCM component is being implemented by NSDC under the aegis of MSDE. As per the total physical achievement under this component, the committed liability under this component till March 2020 is ₹7,832 crore. Out of which, ₹5,034.44 crore has been already disbursed to NSDC (FY 2016-17:

550 Cr.; FY 2017-18: 1132.48 Cr.; FY 2018-19: 1887.96 Cr.; FY 2019-20: 1434 cr.). Accordingly, ₹2,798 crore are additionally required for the implementation of the scheme, out of which committed liability of NSDC for the implementation of the CSCM component for the remaining period of current financial year is ₹1,700 crore.

Further, CSSM component is being implemented by respective SSDMs of the States/UTs. As per the total physical achievement under this component, the committed liability till March'20 is ₹494 crore. However, the release of committed liabilities of States/UTs is subject to the 80% expenditure of earlier funds. Till now, most States have not submitted the Utilization Certificates (UCs) under this component. Thus, no additional fund is required. Moreover, a proposal of re-appropriation of ₹246 crore to MH 2230 for CSCM component is under submission.

(₹ in crore)

Scheme/ Component	Budget Estimate 2019-20	Revised Estimate 2019-20	Additional Fund required
MH 2230 Grants in Aid General (CSCM)	15,02,51,00,000	32,02,51,00,000	1700,00,00,000
MH 2552 NE region	2,12,00,00,000	2,12,00,00,000	NA
MH 3601 Grants in Aid General (CSSM - States)	3,96,29,00,000	1,50,29,00,000	(246,00,00,000) *
MH 3602 Grants in Aid General (CSSM – UT of Puducherry)	5,20,00,000	5,18,96,000	NA
TOTAL	2116,00,00,000	35,69,98,96,000	14,54,00,00,000 0

[*re-appropriation of this amount of fund from MH 3601 is being requested to MH 2230]

36. On being asked about the reasons for shortfall under PMKVY during the previous fiscal, the Ministry in their written note submitted as follows:

"The shortfall in target achievements of PMKVY (2016-20) during previous fiscal years was due to the delay in launching of the scheme (2nd October, 2016). During FY 2016-17, the target achievement of the scheme was only about 11%. However, in subsequent financial years, the pace of implementation of the scheme has picked up from initial FY 2016-17 and has achieved target allocation to 87%, 78% and 73% during 2017-18, 2018-19 and 2019-20, respectively. Some of major factors hindering the progress of the scheme are:

- a) Slow Progress of CSSM Component of PMKVY
 - Delay launching of CSSM-PMKVY (Nov, 2016)
 - Slow formation / strengthening of SSDMs in most States/UTs.

- Long cyclical mechanism for granting approval / release of funds to the proposal submitted by States (submission of proposals - Proposal scrutiny - approval by Project Approval Committee (PAC) – sanctioning of funds after concurrence of Integrated Finance Division (IFD))
- Delay release of funds from State's treasury to SSDM.
- Additional conditions for Training Providers / Training Centres (TP/TC) empanelment such as bank guarantee and different payment process followed by States/UTs.
- Slow clearance of technical / operational impediment with regard to on-boarding on SMART, SDMS, AEBAS, Skill India Portal.

b) Slow Progress of RPL

- RPL 1,2,3 was put on hold to reform progress
- Introduction and slow execution of RPL---4 in 2018 for Best in Class Employers
- Slow empanelment of Government Agencies in RPL 1,2,3
- Late introduction of Demand Based RPL 5 in 2018

c) High turnaround time for aligning SSC Courses, Traditional and Other Market Relevant Job Roles with NSQF".

37. Asked to state whether the Ministry of Skill Development & Entrepreneurship proposed to extend PMKVY beyond 2020 alongwith the reasons for the same, the Ministry in their written note submitted as follows:-

"As PMKVY 2016-20 is coming to an end on March'2020, MSDE is working on the upgraded and modified version of PMKVY 2016-20. It is required to reorient the scheme to be in sync with the present scenario of policy changes and changing priority in different sectors. Further, in order to boost employability, productivity of youth and making skill development aspirational with wide geographical and sectoral focus, there is need to revamp PMKVY 2016-20 for five years (2020-2025) *i.e.* coterminous with the 15th Finance Commission period".

38. Asked to provide State-wise number of youths imparted skill training and got placement after training under PMKVY, the following information was submitted:

S. No.	State	Enrolled	Trained	Assessed	Certified	Reported Placed
1.	Andaman and Nicobar Island	1,644	964	757	677	0
2.	Andhra Pradesh	1,83,620	1,74,685	1,55,739	1,38,924	70,324
3.	Arunachal Pradesh	15,784	12,621	11,153	10,241	2,394
4.	Assam	1,91,261	1,79,492	1,46,595	1,33,351	30,061
5.	Bihar	3,07,634	2,90,205	2,59,847	2,26,475	71,456
6.	Chandigarh	15,262	13,267	11,435	9,968	2,905
7.	Chhattisgarh	98,554	93,065	77,755	65,796	20,596
8.	Dadra and Nagar Haveli	2,950	2,950	2,631	2,314	681
9.	Daman and Diu	4,607	4,122	3,522	3,080	1,083
10.	Delhi	2,66,672	2,57,312	2,22,077	1,98,633	56,791
11.	Goa	6,097	5,474	3,572	3,221	646
12.	Gujarat	2,38,069	2,15,302	1,82,268	1,64,644	34,783
13.	Haryana	4,26,944	4,15,869	3,67,328	3,33,664	1,26,966
14.	Himachal Pradesh	83,189	74,808	66,757	59,396	15,143
15.	Jammu and Kashmir	1,46,802	1,40,641	1,21,748	1,09,901	38,764
16.	Jharkhand	1,23,285	1,14,242	99,224	88,991	18,815
17.	Karnataka	3,04,847	2,92,949	2,27,416	2,04,297	40,886
18.	Kerala	1,65,965	1,59,228	1,28,977	1,17,144	14,880
19.	Madhya Pradesh	4,91,515	4,68,273	4,24,098	3,66,296	1,40,563
20.	Maharashtra	6,11,893	5,91,011	4,22,727	3,63,155	41,359
21.	Manipur	34,713	30,005	26,929	24,779	4,752
22.	Meghalaya	21,193	19,297	17,685	15,331	3,486
23.	Mizoram	13,852	11,850	9,424	8,213	1,847
24.	Nagaland	10,662	8,434	6,665	5,605	1,677
25.	Odisha	2,92,803	2,76,287	2,26,894	1,94,913	43,444
26.	Puducherry	15,184	13,941	12,536	11,525	4,760
27.	Punjab	2,43,462	2,23,993	2,02,153	1,82,031	76,514
28.	Rajasthan	5,55,920	5,36,417	4,47,278	4,08,291	1,23,085
29.	Sikkim	7,458	6,668	5,549	4,733	542
30.	Tamil Nadu	4,08,497	3,95,162	3,41,568	3,08,909	1,05,858
31.	Telangana	2,19,422	2,12,525	1,85,151	1,66,135	72,703
32.	Tripura	39,802	35,702	31,084	27,903	6,246
33.	Uttar Pradesh	10,33,889	9,91,307	8,77,994	7,82,839	2,26,762
34.	Uttarakhand	1,19,269	1,08,335	95,227	82,979	29,845
35.	West Bengal	2,86,459	2,68,265	2,32,717	2,08,199	74,511
Total		69,89,179	66,44,668	56,54,480	50,32,553	15,05,128*

[*The placement figure is against the certified candidates in STT component of PMKVY i.e 29.4 Lakh]

V. CONVERGENCE BETWEEN PMKVY AND MUDRA LOAN SCHEMES

39. The Committee desired to know whether any institutional convergence was being worked upon for convergence of PMKVY and MUDRA loan schemes. In response, a representative of the Ministry submitted in evidence as follows:-

"Sir, every PMKK has been linked up with the Mudra loan. Actually, there is a person who has been trained to facilitate Mudra loan. There are 10,000 people who are trying to get that. I can get back to you with the exact number of people who have actually been able to get it. We also try to connect them to some private sector individuals like the Asra Foundation in case of Pune which is actually helping in getting loans for anybody who has been skilled. So, we try both Mudra method as well as private sector methods to enable people to get loans".

40. On being asked as to whether around 10 thousand people have been identified asking for loans, the representative of the Ministry replied in the affirmative. Further asked to state the number of people actually getting the loans, the representative submitted that it would be around 10% .

41. As regards convergence of PMKVY and PMMY for Mudra Loans, the Ministry submitted the following detailed note:-

" a) Dedicated entrepreneurship cells are now being established at each PMKK. These Entrepreneurship Cells at PMKKs would serve as a hub/nodal point for facilitating entrepreneurship in the district for all NSQF/MES/NCVT candidates within the larger skill eco-system. The cell would be responsible for extending all necessary handholding support to candidates who wish to become self -employed or entrepreneurs.

- These PMKK will converge (PMKVY WITH PMMY) the efforts of SIDBI, DFS, RSETI, Fintech companies and other partners such as local MSMEs, mentoring and handholding organizations to provide a 360-degree support to entrepreneur.
- SIDBI has on-boarded 463 PMKKs (out of the 505 established) on its Udyamimita Portal as “handholding agencies”. This enables PMKKs to upload and track applications under Mudra. Over the time, these Entrepreneurship cell would equip themselves with dedicated individual(s) who have the appropriate background to facilitate entrepreneurship development and credit linkage.

- These PMKKs are also now being connected to “local lead/ nodal banks” in those districts through Department of Financial Services (DFS). The banks would be responsible for expediting the cases of the proposals submitted under PMKKs. The banks would also be responsible for providing feedback on the gaps/anomalies in the proposals submitted to them, so that the same could be incorporated in proposals submitted in the future.
- a) NSDC – NACER Partnership for 1 Lac Entrepreneurs: Additionally, at district level, PMKKs have also been mapped with Rural Self Employment Training Institutes (RSETIs) for conducting the 10 day Entrepreneurship Development Program (EDP) of the current/alumni PMKK/PMKVY 2.0 candidates. Post this program, whoever is interested, would be assisted by the RSETI staff for Mudra Loans. The success rates in the past have been very promising due to the inherent linkage of RSETI’s with the district banks.
 - b) Standardised Loan Proposals: NSDC has created & compiled a repository of standardised loan proposal templates and are available on its website for ready access. There are 34 proposal templates co-created with the help of deAsra Foundation. Templates available on the MUDRA and SIDBI websites have also been added in the list. Due to the lack of connect of PMKKs with the banks, the applications are either rejected or not considered deficient in respect to paper work or sustainability model.
 - c) English, Employability & Entrepreneurship (EEE) Module: A module on entrepreneurship, life skills, financial literacy and digital literacy is imparted to all candidates undergoing short term trainings under PMKVY to increase their entrepreneurship potential. The duration of this 40-hours module has now been revised to approximately 160 hours depending on job role, with dedicated blended learning facility to increase quality of learning.
 - d) As on date, the details of MUDRA loan given are as below:
 - 9,558 Candidates trained and certified under PMKVY 2016-20, applied for Mudra Loan through offline and online channels
 - Total Mudra Loans Sanctioned to PMKVY 2.0/PMKK Candidates: 191

- Out of the 9558 applications, 557 applications were traced by SIDBI- 84 Sanctioned (14 specific under MUDRA)
 - 143 more loans were verified by NSDC via calling
 - Bank of India facilitated 24 MUDRA loans across several districts
- Total Loans Sanctioned (Stand up, MSME, MUDRA): 270"

42. Observing an anomaly between the physical targets (26 percent) actually achieved (26 percent) *vis-a-vis* the financial achievement (90 percent) as claimed by the Ministry, the Committee sought an explanation in this regard. In reply, the representative of the Ministry submitted as follows:-

"Sir, on the PMKVY, finance is linked to certification. We do not pay anybody if he does not get certified to the training partner. What happens is that there will be about 10-15 per cent droppage because the student realizes that he probably does not want to continue with that course. So, that is one area where we find reduction occurs from the initial figure of enrolment. Secondly, when assessment is done, not everybody who attended actually qualifies because when assessee goes from market testing, they have their own methods of ensuring that the certification is strong enough to create a market signal and there is another failure of 10-15 per cent. Eventually what we pay to the training partner and what happens to the government as an outflow, it is only for these certified candidates and not for others".

VI. Pradhan Mantri Kaushal Kendras (PMKKS)

43. As regards PMKK the Committee have been informed that Soft loan has been provided by NSDC to selected training partners to establish Model Skill Centers and such Centers have been set up as per defined establishment, branding and operation guidelines. As regard to Budgetary Allocation of PMKKs the Committee has been informed as follows:-

Technical Assistant (TA scheme of NSDC (PMKK)* (in cr.)				
FY	BE	RE	Actual	PMKK established
2016-17	250	157.75	157.75	56
2017-18	105	21.99	0	274
2018-19	10	1	0	192
2019-20	0	--	--	120
Total PMKK established				642
[* funds under this component are for PMKK and World Skills, 4 PMKK were closed /relocated/reallocated]				

44. In reply to a specific query regarding PMKKs, the Ministry in a written note has submitted that as on 31st July, 2019, 810 PMKKs have been allocated across the country covering of 703 districts and 528 Parliamentary constituencies and 614 PMKKs have already been established. Asked to state the likely time of establishing the remaining 196 PMKKs, the Ministry submitted that as on 26th Sep'19, 813 PMKKs have been allocated/planned across 707 districts and 540 constituencies and 638 PMKKs is have been established. Site has been identified for 51 PMKKs and location sign-off done for 124 PMKK centres. The Ministry expected that all PMKK Centres would be accomplished before March 2020.

VII. PM - YUVA YOJANA

45. Regarding PM - Yuva Yojana, the Ministry submitted that to have better monitoring and coverage of the Pradhan Mantri Yuva Udyamita Vikas Abhiyan (PM-YUVA) scheme, it has been decided by the Ministry in June, 2018 to change the implementation strategy of the scheme. Earlier, the scheme was implemented through Institutes of Higher Learning (HILs) and now it has been decided to implement the revamped scheme (PM-YUVA 2.0) through the Institutes existing in Skill Eco-System i.e. Industrial Training Institutes (ITIs), Polytechnics, Institutes of Recognition of Prior Learning (RPL), Jan Sikshan Sansthan (JSS) and Pradhan Mantri Kaushal Kendras (PMKKs). As per the suggestion received from Ministry of Finance (Department of Expenditure), the revamped version *i.e.* PM-YUVA 2.0 is to be launched in the 15th Finance Commission commencing from the financial year 2020-21 with the approval of the Competent Authority.

46. The objective of the Scheme is stated to be Entrepreneurship education and training, advocacy and easy access to entrepreneurship support network. Promoting social entrepreneurship. The scheme has (i) Project cost: ₹ 450 Crore. Duration: 5 years 2016-17 to 2021-22. (ii) Programme launched for 239 Institutes for Higher Learning. (iii) Scheme is to be restructured and implemented through ITIs, Polytechnics, PMKK, JSS and RPL Centres. (iv) A Pilot Project at an estimated cost of ₹12 crore is to be run on revised PM YUVA Scheme. (v) Implementation of Pilot Project is being launched in October, 2019. (vi) The project is likely to create 600 new and 1000 scale-up enterprises over a period of 8 months (*i.e.* by

March, 2020) and (vii) Based on experience gained from Pilot Project PM YUVA scheme would be revised.

47. Asked to state whether the Ministry of Skill Development & Entrepreneurship was proposing Public Private Partnership in the PMYY and for social entrepreneurship, the Ministry submitted that it was proposed to launch a revamped version of PM-YUVA 2.0 (Pradhan Mantri Yuva Udyamita Vikas Abhiyan) Yojana from the financial year 2020-21 to 2024-25 with the approval of the Competent Authority. The consultative process was already ongoing in this regard. The Ministry of Finance has advised to run a Pilot Programme in this regard before finalizing the revamped Scheme. The Government has not so far taken a view about Public Private Partnership in the proposed Scheme.

48. The Ministry further submitted that earlier the PM YUVA Scheme (PM YUVA 1.0) was implemented during the period April, 2017 – May, 2018 in association with Wadhvani Operating Foundation (WOF). As per Memorandum of Understanding with WOF, the latter was to provide contents and technical support in the implementation of the scheme.

49. The Ministry elaborated that the scheme aimed to create an enabling ecosystem for Entrepreneurship Development through entrepreneurship education and training across the country. Target for the first year was to cover 510 Institutes but only 239 Institutes could be selected through tendering process. Further, it was observed that the contents of WOF was more higher education centric and could not accommodate Institutes like ITIs and such other Institutes like Polytechnics, PMKKs, JSSs, RPL from Skilling ecosystem. Besides, the WoF started changing contents too frequently. Therefore, the Ministry reviewed the existing arrangement in June 2018 and decided to terminate the existing arrangement and launch a modified scheme from the FY-2020-21. Consequently, the Contribution Agreement and Licensing Agreement with WOF was terminated on 13.03.2019.

VIII. SETTING UP OF NATIONAL COUNCIL FOR VOCATIONAL EDUCATION

50. The Committee desired to know the current status of setting up of National Council for Vocational Education and Training as a new regulatory body. in reply the Ministry submitted that the establishment of National Council for Vocational

Education and Training (NCVET) was approved by the Cabinet on 10th October 2018 & was subsequently notified by Ministry of Skill Development & Entrepreneurship (MSDE) on 5th December, 2018. NCVET was in the process of being set up as an overarching skills regulator by merging the existing regulatory bodies- National Skill Development Agency (NSDA) & National Council for Vocational Training (NCVT).

51. The Ministry further apprised that the NCVET would regulate the functioning of entities engaged in vocational education and training, both long & short-term, and establish minimum standards for the functioning of such entities. The major functions of NCVET would be recognition and regulation of Awarding Bodies, Assessment Agencies and Skill related Information Providers; approval of Qualifications; monitoring and supervision of recognized entities and grievance Redressal.

IX. PERIODIC LABOUR FORCE SURVEY (PLFS)

52. The Periodic Labour Force Survey (PLFS) in 2018 had stated that the unemployment rate among the urban population, 15 to 29 years of age, was 23.7 per cent. However a recent survey highlights that 48 per cent of Indian employers report difficulties in filling jobs or vacancies due to talent shortage. The Committee desired to know the steps proposed by the Ministry to address this issue. In reply the Ministry submitted that Employment generation together with improving employability of the youth was the priority of the Government. Therefore, most Skill Development programs laid emphasis on placements. The PMKVY 2.0 (2016-2020) mandated Training Providers (TPs) to facilitate placements of certified candidates. TPs were required to organize Placement/Rozgar Melas every six months with support from the Sector Skill Councils and to ensure the participation of local industry along with awareness building in aspiring youth. National Skill Development Corporation (NSDC) has also empanelled placement partners, with the objective of ensuring placement opportunities to PMKVY certified candidates not placed by TPs within 90 days from date of certification.

53. The Ministry further apprised that as per the Common Norms, the reimbursement of 20% of training cost to training centres was made only after wage employment or self employment was assured to at least 70% of the certified candidates. There has also been a provision to provide post placement support to

candidates belonging from special areas/ special groups in order to enable the newly skilled persons to settle into their jobs/vocations.

54. MSDE has also launched National Apprenticeship Promotion Scheme (NAPS) in 2016 to make available industry reliable job related work force in manufacturing, services and other sectors. Till October 2019, 70,691 establishments have been registered on the portal and 23,246 are engaging apprentices in designated and optional trades. At present 2,08,955 apprentices are undergoing training in 23246 establishments out of which 85,217 apprentices have been enrolled this year.

55. Further for promoting apprenticeship, MSDE has signed MoUs with States (24 States), Central Public Sector Undertakings (9), Industry Bodies (3) and with Third Party Aggregators (21) for facilitating Apprenticeship throughout the country.

X. INDUSTRIAL TRAINING INSTITUTES (ITIs)

56. The Committee were also apprised that despite the employer’s efforts, 1,40,000 skilled technicians could not be recruited, which implied that requirement/demand was there but people could not be imparted the requisite skill. The Committee were also informed that the Government has made a commitment to set up 1500 new ITIs and 50,000 skill development centers. Asked to throw light on the issues mentioned above, the Ministry submitted as follows:

"Directorate General of Training (DGT) is the nodal agency for implementation of Craftsmen Training Scheme being implemented in ITI, Apprenticeship Training (Designated trades)and Crafts Instructor Training Scheme for Instructors. The details of the trainees passouts, year wise and trainees enrolled as per ncvtmis portal under:

Year	Trainees Enrolled (Lakhs)	Trainees Trained (Lakhs)	Remarks
2014-15	9.42	6.44	*
2015-16	11.01	10.77	
2016-17	11.39	10.04	
2017-18	12.17	9.84	
2018-19	14.48	Result awaited for the batch admitted in 2018-19	* & **

* Trainees get 1+4 attempts to pass the exam and

from the session August 2019, attempts have been reduced as 1+3.

** A total of 23.14 lakh trainees were enrolled during the session 2018-19 in trades of one year and of two years. Admissions for the session 2019-20 are likely to be completed by 21.10.2019.

Regarding inability of recruitment of 1.4 lakh skilled technician, it is proposed to forward the details of 1.4 lakh skilled technicians to figure out and analyze the real problems. However, It may be worth mentioning that the pass-outs from ITIs in various Trades may require orientation/job specific training/ Apprenticeship training for proper execution of assigned task by the Establishments."

57. As regard setting up of 1500 ITIs / Multi Skill Training Institutes (MSTIs), the Ministry deposed as follows:

"The scheme of Setting up of 1500 ITIs / MSTIs in unserved blocks/ underserved areas with active participation of Industry/ Private Partners was formulated to impart technical skills to the local youth from under-privileged families in order to improve their prospects of gainful employment. By formation of the Ministry in the year 2015, the NSDC/NSDA/Sector Skill Council have been constituted, wherein multi models of trainings have been developed for the country. A large no. of centres are imparting short term skill courses under PMKVY and PMKK across country, reflecting aforesaid scheme unviable/unfeasible.

New affiliation norms w.e.f. August 2018 session have been implemented with provision of relaxation(minimum land criteria and No. of units) for setting up of ITIs in unserved blocks. ITIs, setting up in unserved blocks have been termed as Multi Skill Training Institutes (MSTIs).

A total of three MSTIs (02 in Bihar and 01 in UP) have been granted affiliation for session 2019. Moreover, 22 applications from Bihar & 3 applications from UP are under process."

58. The Ministry further stated as under:

"Affiliation and De-affiliation of ITIs is regular process. The status of ITIs, granted affiliation from the year 2014-15 to 2019-20 is as follows:

Years	Number of ITIs			Seating capacity			Increase		Trainees admitted (in lakh)
	Govt ITIs	Pvt ITI	Total	Govt ITIs	Pvt ITI	Total ('000)	ITIs	Seating capacity ('000)	
2014-15	2159	9688	11847	498754	1195474	1694.23	1218	17053	9.42

2015-16	2165	10812	12977	505618	1360002	1865.62	1130	171.39	11.01
2016-17	2166	11562	13728	546508	1543002	2089.51	751	223.89	11.39
2017-18	2174	11811	13985	587398	1726606	2314	257	224.49	12.17
2018-19	2876	11618	14494	1107467	2290551	3398	509	1084	14.48
2019-20	3309	12201	15510	1145115	2399271	3544.38	1016	146.38	Under process

59. Regarding Setting up of 50,000 Skill Development Centre (SDC), the Ministry submitted as follows:

"It was decided in a meeting held in the then Planning Commission (now NITI Aayog) first to set up only 1500 ITIs in unserved blocks. However, proposal of 50,000 SDCs is not relevant now as NSDC has started short term training courses at a large number of locations. Also more than 20 Ministries are offering courses at various locations across the Country, and these courses are increasingly being aligned to NSQF."

Part-II

Recommendations/ Observations

PROPOSED AND APPROVED ALLOCATION FOR 2019-20

1. The Committee note that the Ministry of Skill Development & Entrepreneurship have been allocated ₹2,989.21 crore for the current fiscal *i.e* 2019-20 against their proposal of ₹4,995.66 crore for implementation of various scheme, the major schemes being Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP), Jan Shikshan Sansthan (JSS), National Apprenticeship Promotion Scheme (NAPS), Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Skill Strengthening for Industrial Value Enhancement (STRIVE) etc., which have been categorised into six umbrella schemes of Development of Skill; Promotion of Apprenticeship; Development of Entrepreneurship; Strengthening of Infrastructure for Institutional Training; Strengthening of Skill Institutions and Support to Regulatory Institutions. The Committee further note that for Development of Skill, the Ministry of Skill Development & Entrepreneurship proposed an amount of ₹3,894 but were allocated only ₹2,400 crore whereas according to the Ministry an additional fund of ₹1,494 crore is required primarily for implementation of flagship scheme of PMKVY and World Bank assisted SANKALP project. Similarly, for promotion of Apprenticeship the Ministry proposed ₹101.25 crore but were allocated ₹61.25 crore only and for Strengthening of Infrastructure for Institutional Training the proposed amount was ₹425.15 crore but the actual allocation was a meagre amount of ₹125.15 crore. According to the Ministry themselves one of the main reasons for drastic reduction in the BE proposal for 2018-20 was the expenditure trends in the

last financial year. The Committee recall that for the years 2017-18 and 2018-19, the Ministry fell short of utilising the RE allocation by more than ₹200 crore last year. The Ministry have reasoned that under utilisation of funds was due to the 'Savings'/ large unspent balances available with the implementing agencies, non-receipt of physical and financial progress, non-receipt of complete proposals for Grants from the State Governments and non-implementation of EAT module by the State Governments etc. The Committee are not convinced with such oft repeated reasons because on earlier occasions too, the Committee had impressed upon the Ministry to take requisite and effective measures for overcoming the impediments so as to ensure optimal utilisation of the annual fund allocations. But it seems that the Ministry have not been successful in completely ironing out the bottlenecks for which there was under performance in 2018-19 too. However, the 61 percent utilisation of funds during the year 2019-20 (as on September, 2019) is an encouraging trend and the Committee hope that the Ministry would maintain the momentum so as to achieve maximum utilisation of funds. Taking into account the Ministry's submission that curtailment of the BE proposal for 2019-20, would seriously affect the implementation of schemes, the Committee are of the considered opinion that should the Ministry continue to exhibit their so far impressive financial performance during the remainder of 2019-20 too, they will be on a stronger footing to get the requisite amount at the supplementary Grants stage, as also during future BE proposals.

BUDGETARY ALLOCATION & UTILISATION DURING 2016-17, 2017-18 AND 2018-19

2. The Committee note that the BE of the Ministry for the year 2016-17 was ₹1,804.28 crore and was revised upward to ₹2,173 crore whereas the actual expenditure was ₹1,553.09 crore only. Similarly, during the year 2017-18 the BE was ₹3,016.14 crore which was revised downwards to ₹2,356.22 crore and the actual expenditure was ₹2,118.02. For the year 2018-19 the BE of ₹3,400 crore was scaled down at RE stage to ₹2,820.06 crore and the actual expenditure stood at ₹2,617.32 only. Thus it can be seen that for three consecutive years the MSDE could neither fix realistic BE nor could fully utilise the RE funds. The MSDE has cited various reasons for non-utilisation of funds which *inter-alia* include release of payment to individual candidates under the PMKVY after successful completion of skill training & certification; lack of staff to man essential function; non-approval of the scheme of MSTI; late finalisation of agreement with implementation partner of PM- YUVA Yojana and delay in release to State under the PMKVY due to non-submission of utilisation certificate etc. In order to address these impediments, the Ministry are reportedly taking a number of measures such as instruction to incur expenditure under the schemes as per the monthly expenditure plan and quarterly expenditure allocation indicated in the Detailed Demands for Grants; monitoring of the expenditure by the Secretary, MSDE besides monitoring by the Additional Secretary and Financial Advisor etc. In view of the fact that consistent under utilisation of funds has proved to be a deterrent on the part of the Ministry in getting requisite and adequate funds according to their own estimates, the Committee opine that the measures initiated for optimal utilisation of funds are steps in right direction and should be persisted with uninterruptedly with more

emphasis on strengthening the monitoring mechanism so as to reverse the detrimental trend of under utilisation of funds and establish a robust financial management system.

PHYSICAL TARGETS AND ACHIEVEMENTS

3. The Committee note that the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is one of the flagship scheme of the MSDE, mandated to impart skilling to one crore youth of the Country during 2016-20 with an outlay of ₹12,000 crore and is being implemented by the Centre alongwith the States. The PMKVY has three major components viz Centrally Sponsored Centrally Managed (CSCM), Centrally Sponsored State Managed (CSSM) and Recognition of Prior Learning (RPL). The CSCM component consists of 75% of the PMKVY targets and an amount of ₹3,987.44 crore has been disbursed to the NSDC which is the implementing agency. However, as on 31.7.2019 against the allocated target to train 1,10,76,167 people only 57,61,570 could be enrolled out of which 54,46,975 could be trained. Out of the trained people only 41,48,513 could be certified, and finally 12,62,838 people could be placed. In CSCM component, out of a cumulative target to train 79.50 lakh people, only 59.54 could be trained. The Ministry's submission that out of the targeted one crore people to be trained during 2016-20 under all components, 66.44 lakh candidates have already been trained as on 18.10.2019, does not convince the Committee in view of the meagre number of candidates certified and given placement. In view of the fact that the PMKVY has been designed as a skill certification and reward scheme with an aim to enable and mobilise a large number of Indian Youth to take up skill training and become employable for sustained livelihood, the Committee impress upon the Ministry to ensure that

there is no gross mismatch between the number of candidates trained/certified and those actually got placement.

4. The Ministry have submitted that the placement of candidates is not mandatory under the scheme though it promotes/encourages placement of the trained candidates through various provisions like establishing and incentivising Training Centres (TCs) and Training Providers (TPs). The Committee do not agree with the Ministry's contention, as meagre placement of trained candidates defeats the very purpose of imparting training to the school/college dropouts enabling them to learn a sustainable livelihood. Moreover, when the Ministry are reportedly taking a number of measures to encourage greater participation of industry to improve employment outcomes besides mandating the TPs to organise placement/ Rozgar Melas with support from the Sector Skill Councils (SSCs), the Committee find enough reasons to leverage the number of placement of the trained candidates to a substantial extent. The Committee, therefore, exhort the Ministry to further strengthen the measures already initiated besides resorting to other innovative steps so that a sizeable number of candidates get placement and the objective of the scheme is well served.

5. As mentioned earlier, another component of the PMKVY is the Centrally Sponsored State Managed (CSSM) which was launched with the release of State engagement Guidelines on 9th November, 2016 with the responsibility of implementing the remaining 25 percent target of the scheme. But the Committee are deeply concerned to note the below par performance of almost all the State Governments in both financial and physical terms. To illustrate, the initial financial allocation of ₹3,050 crore (2016-20) for the States was curtailed to ₹2,419 crore out of which the actual utilisation was

₹783.21 crore only as on 31st July, 2019. Similarly, out of the 50,32,553 certified candidates, only 15,05,128 could be given placement. Such under achievement on the part of the State Government has been attributed to delayed launching of CSSM, slow formation of State Skill Development Missions (SSDMs), long cyclical mechanism for granting approval/ release of funds, slow clearance of technical/ operational impediments, additional conditions for TCs and TPs etc. The Ministry are reportedly taking a number of measures to overcome the impediments and have extended confidence that under the collaborative efforts of the State Governments and NSDC, they will be able to achieve more than 90 percent of the target envisaged under the Scheme. In view of the fact that the scheme is coming to an end in March, 2020, it becomes incumbent and imperative on the part of the Ministry to act in unison with the State Governments so that the procedural rigmaroles are addressed expeditiously and the envisaged financial and physical targets achieved optimally by the end of March, 2020.

6. Another areas under PMKVY which has engaged the attention of the Committee is the Recognition of Prior Learning (RPL) where the Ministry's performance has not been up to the mark reportedly due to slow execution of the programme, slow empanelment of Government agencies, late introduction of demand based RPL etc. The Committee observe that the RPL is a very important and critical component of the PMKVY where the Ministry are certifying a large number of labour force having certain skills in the huge informal economy sector so as to enable them to get the right remuneration for their job. Because of such unique and distinct nature of the appreciable RPL programme the Committee impress upon the Ministry to take expeditious measures to sort out the Administrative/ technical / operational issues that have been impeding the RPL programme so that the skills

possessed by the huge labour force in the informal sectors are timely assessed, tested and certified empowering them to move forward and get much better remuneration.

7. According to the Ministry, there is a need to revamp the PMKVY (2016-20) for five more years *i.e* 2020-25 in coterminous with the 15th Finance Commission period. The Committee are in agreement with the Ministry that it is required to reorient the scheme to be in sync with the present scenario of changing priority in different sectors. The Committee therefore, call upon the Ministry to make concerted efforts towards reorienting and revamping the PMKVY beyond 2020 so as to enhance employability, leverage productivity of the youth and make skill development more aspirational with wider geographical and sectoral focus.

8. The Committee also recommend that the various skill development Schemes being run by the Ministry solely and also in association with other Ministries/Departments be brought under one Umbrella so as to avoid duplicity and ensure accountability.

CONVERGENCE BETWEEN PMKVY AND MUDRA LOANS SCHEMES

9. The Committee have been informed that every PMKK has been linked with the Mudra Loan. However, the number of Mudra Loans sanctioned is on a very lower side. Under PMKVY (2016-20) as many as 9,558 trained and certified candidates applied for Mudra Loan through offline and online channels but loan was sanctioned to 270 candidates only. Thus, it can be seen that Mudra Loan sanctioned has remained just 2.02 percent of the total number of candidates who applied for loan through various channels. However, during oral evidence the Committee were appraised that the Mudra

loans are being sanctioned to around 10 percent of the Candidates seeking loan. Still, the Committee are not satisfied with the percentage of disbursement of Mudra Loan under PMKVY and desire that the process be streamlined further so as to ensure that all eligible applicants are given requisite loan under PMKVY.

10. The Committee note that as on 26.9.2019 out of the 813 Pradhan Mantri Kaushal Kendras (PMKKs) allocated across the country covering 703 Districts and 528 Parliamentary constituencies, 638 PMKKs have been established so far. Further site has been identified for 51 PMKKs and location sign-off done for 124 PMKKs. Taking into cognizance the Ministry's assurance that all the 813 PMKKs would be accomplished before March, 2020, the Committee trust that earnest efforts would be made to establish all the PMKKs as per the defined guidelines and within the stipulated time frame.

PM-YUVA YOJANA

11. The Committee note that the PM-Yuva Yojana was launched with a project cost of ₹450 crore with a duration of 5 years in association with Wadhawani Operating Foundation (WOF) and aimed to create an enabling ecosystem for entrepreneurship development through entrepreneurship education and training across the country. The target for the first year was to cover 510 Institutes, however, only 239 Institutes could be selected through tendering process and contents of WOF are stated to be more higher education centric and therefore could not be accommodated in Institutes such as ITIs and other Institutes like Polytechnics, PMKKs, JSSs, RPL from Skilling ecosystem. The Committee have been informed that the WOF started changing contents too frequently. As a result, the Ministry reviewed the

existing arrangement in June 2018 and decided to terminate the existing arrangement and launch a modified scheme from the FY-2020-21. Consequently, the Contribution Agreement and Licensing Agreement with WOF was terminated on 13.03.2019 and the Ministry now propose to launch a revamped version of PM-YUVA 2.0 from the financial year 2020-21 to 2024-25 for which the consultative process is already ongoing. Here, the Committee would like to caution the Ministry to make their preliminary exercises robust and foolproof so as to avoid the WOF experience where precious time and money were lost and the scheme remained a non-starter. As advised by the Finance Ministry, the Committee would also like that initially a pilot programme be run before finalising the revamped scheme so that the objectives *viz* entrepreneurship education and training and advocacy and easy access to entrepreneurs support network are truly achieved.

NATIONAL COUNCIL FOR VOCATIONAL EDUCATION AND TRAINING

12. The Committee observe that the National Council for Vocational Education and Training (NCVET) is in the process of being set up as an overarching skills regulator by merging the existing Regulatory Bodies *viz.* National Skill Development Agency (NSDA) and National Council for Vocational Training (NCVT). In view of the fact that NCVET will regulate the functioning of entities engaged in vocational education and training and establish minimum standards for the functioning of such entities, the Committee recommend that the establishment of NCVET be expedited so that the purpose of vocational education and training is well served in the best interest of the trained candidates.

PERIODIC LABOUR FORCE SURVEY (PLFS)

13. According to the Periodic Labour Force Survey (PLFS), the unemployment rate among the urban population between 15 and 29 years of age was 23.7 percent in 2018. The Committee are deeply concerned to find that 48 percent of Indian employers report difficulties in filling jobs or vacancies due to talent shortage, as highlighted in a recent survey. Here, the moot question arises about the quality of training being imparted to the unemployed youth. In other words, had requisite skill development training been given to the sector wise and region wise identified candidates, the employers would have no hesitations or difficulties in engaging them. It, therefore, becomes imperative on the part of the Ministry to look into the matter with a sense of urgency and priority so as to ensure appreciable reduction in the unemployment percentage of Indian youth.

14. The Committee are deeply concerned to note that 1,40,000 skilled technicians could not be recruited despite the requirements of the employers. The Ministry are reportedly in the process of figuring out and analyzing the real problems. Taking into account the Ministry's own submission that the pass-outs from ITIs in various Trades may require job specific training by the Establishments, the Committee call upon the Ministry to take up the matter with the Industries/ Establishments to impart orientation and job specific trainings to the ITI pass-outs so that they are able to get requisite employment and properly execute the assigned task.

SETTING UP OF ITIs AND MSTIs

15. The Committee note that during 2018-19, 14494 ITIs were set up out of which 2876 were Government ITIs and 11618 were private ITIs. The Corresponding figures for 2019-20 were 15510 ITIs (total) out of which 3309 and 12201 are Government and Private ITIs respectively. Since the number of

Private ITIs are more than four times of the Government ITIs and in view of the large number of trained candidates remaining unemployed, the Committee desire that due diligence be exercised while allowing private parties to set up and run ITIs and special thrust be given for continuously monitoring the quality of training imparted there so as to bridge the gap between trained candidates and unemployment.

16. Setting up of ITIs in the unserved blocks has been termed as Multi Skill Training Institutes (MSTIs). In this context, the Committee find that three MSTIs (two in Bihar and One in U.P) have been granted affiliation for 2019 session and 422 applications from Bihar and three from UP are under process for affiliation. As MSTIs are critical components in imparting training in the unserved blocks, the Committee impress upon the Ministry to expedite the pending affiliation process for Bihar and UP besides finding ways to encourage and involve other States too to set up MSTIs in their respective unserved blocks.

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6th Agrahayana, 1941 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR