

**7**

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

**MINISTRY OF SKILL DEVELOPMENT &  
ENTREPRENEURSHIP**

**DEMANDS FOR GRANTS  
(2020-21)**

**SEVENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**March, 2020/Phalguna, 1941 (Saka)**



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\* Not 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. 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 Seventh Report on 'Demands for Grants (2020-21)' of the Ministry of Skill Development & Entrepreneurship.

2. The Committee considered the Demands for Grants (2020-21) of the Ministry of Skill Development & Entrepreneurship which were laid on the Table of the House on 11<sup>th</sup> February, 2020. After obtaining the Budget Documents, Explanatory Notes, etc., the Committee took evidence of the representatives of the Ministry of Skill Development & Entrepreneurship on 19<sup>th</sup> February, 2020. The Committee considered and adopted the Report at their sitting held on 12<sup>th</sup> March, 2020.

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;**  
**12<sup>th</sup> March, 2020**  
**22<sup>nd</sup> Phalguna, 1941 (Saka)**

**BHARTRUHARI MAHTAB**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON LABOUR**

## **REPORT**

### **PART-I**

#### **BACKGROUND ANALYSIS**

##### **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.

2. Skill development is one of the essential ingredients for India's future economic growth as the country transforms into a diversified and internationally competitive economy. Skill development is going to be the defining element in India's growth story. For this purpose, 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). An analysis of the performance of various schemes implemented by Ministry of Skill Development & Entrepreneurship and its Attached and Subordinate Organisations has been carried out in the later part of the report.

3. Skill development alone is not going to matter, unless it is complemented with employment generation. Therefore, there is a need for the government to generate enough employment. And, to this end, it has to focus on industries that are labour intensive and not merely capital-intensive or technology-driven.

4. Supporting the growth and development of the SME sector can play a pivotal role in creating the additional employment opportunities required to absorb and engage the entire workforce.

5. As indicated in the Annual Report of the Ministry (2019-20), 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 4<sup>th</sup> January, 2019.

6. The Ministry presented their detailed Demands for Grants (Demand No. 46) for the financial year 2020-21 to Parliament on 07<sup>th</sup> February, 2020. The BE of the Ministry for the financial year is ₹3,002.21 crore. The details are as under:-

(₹ in crore)

<b>Expenditure Head</b>	<b>Budget Estimate</b>
Revenue	2,923.03
Capital	79.18
<b>Total</b>	<b>3,002.21</b>

## **II. PROPOSED AND APPROVED ALLOCATIONS FOR 2020-21**

7. As indicated in the table, the Ministry have been allocated ₹3,002.21 crore for the year 2020-21. To recall, 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 North Eastern (NE) States and Sikkim, Skill Development for 47 Districts Affected by Left wing Extremism and Upgradation of



existing ITIs 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.

8. The Committee desired to know the details of the proposed amount for each scheme by the Ministry for the year 2020-21 and the amount actually approved by the Ministry of Finance alongwith the comments of the Ministry. In response, the Ministry furnished the following information in a tabular form:

(₹ in crore)

Sl. No.	Name of Scheme	BE 2020-21 (Proposed)	BE 2020-21 (Allocated)	Comments
1.	Secretariat	520.79	276.18	For construction of Kaushal Bhawan at Chankyapuri ₹100.00 crore additional fund is required and arrear payment towards Rent, Rate and Taxes and committed liabilities towards Domestic Travel, Medical treatment reimbursement etc.
2.	Centrally Sponsored Schemes			
2.01	<b>Development of Skill</b>	<b>1989.01</b>	<b>1590.50</b>	An additional fund of ₹1,494 crore is required primarily for implementation of flagship scheme of Pradhan Mantri Kaushal Vikas Yojana.
(i)	Pradhan Mantri Kaushal Vikas Yojana	1198.00	1350.50	
(ii)	Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP)			
(iii)	International Co-operation	3.00	4.00	
(iv)	Jan Shikshan Sansthan (JSS)	235.50	235.00	
(v)	National Skill Development Fund	1.00	1.00	



2.02	<b>Development of Entrepreneurship</b>	<b>178.00</b>	<b>39.01</b>	N.A -
(i)	Pradhan Mantra YuvaUdyamita Abhiyan	50.00	19.01	
(ii)	Hand holding of Mentoring of Perspective Entrepreneurship	1.00	1.00	
(iii)	National Entrepreneurship Award Scheme	127.00	19.00	
2.03	<b>Promotion of Apprenticeship</b>	<b>501.00</b>	<b>73.02</b>	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.
(i)	National Apprenticeship Promotion Scheme (NAPS)	500.00	73.00	
(ii)	Central Apprenticeship Council and Award of Prizes under Apprenticeship Act, 1961	0.75	0.01	
(iii)	National Council for Apprenticeship Training / National Apprenticeship Council	0.25	0.01	
2.04	<b>Strengthening of Infrastructure for Institutional Training</b>	<b>81.09</b>	<b>86.00</b>	Part of Apprenticeship and Training scheme relating to
(i)	Skill Strengthening for Industrial Value Enhancement (STRIVE)			
(ii)	Enhancing Skill Development Infrastructure in NE States and Sikkim	18.27	15.00	

				I.T.Is RDATs etc. and scheme of Polytechnic have been merged in the new scheme.
(iii)	Skill Development for 47 Distt. Affected be Left Wing Extremism	13.62	15.00	
(iv)	Upgradation of existing ITIs into Model ITIs	15.60	5.00	
(v)	Upgradation of 1396 Govt. it is through Public Private Partnership (PPP)	0.00	1.00	
(vi)	Setting up of RDATs	0.00	6.00	
(vii)	RDSDE Hqrs.	3.60	12.00	
(viii)	Scheme of Polytechnics	30.00	30.00	
(ix)	ISO Certification for ITIs	0.00	0.05	
(x)	Skill Development Initiative (SDI)	0.00	1.95	
2.05	<b>Strengthening of Skill Institutions</b>	<b>42.69</b>	<b>17.50</b>	IIS, NIMI and CSATRI. An additional fund of ₹20.00 crore 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.
(i)	Indian Institute of Skill	24.00	6.50	
(ii)	National Instructional Media Institute	6.00	3.00	
(iii)	CSTARI	12.69	8.00	
2.06	<b>Support to Regulatory Institutions</b>	<b>20.00</b>	<b>20.00</b>	Regulator for Skill India 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.

2.07	<b>EAP- Acquisition Knowledge Awareness for Livelihood Promotion (SANKALP)</b>	<b>Skills and for</b>	<b>551.51</b>	<b>500.00</b>	To implement the scheme of SANKALP with World Bank Assisted project and implementation of scheme.
2.08	<b>EAP- Strengthening Industrial Enhancements (STRIVE)</b>	<b>Skill for Value</b>	<b>458.70</b>	<b>400.00</b>	To implement the scheme.
	<b>Grand Total</b>		<b>3,791.28</b>	<b>3,002.21</b>	

9. On being questioned about the reasons for drastic cut by the Ministry of Finance in the proposed BE of ₹3,791.28 crore to ₹3,002.21 crore only, the Ministry of Skill Development & Entrepreneurship submitted that the gap in funding is *inter-alia* due to the non-availability of funds, overall priorities of Government and pattern of fund utilisation by the Ministry.

10. 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 due to the cuts in allocation, targets for skilling under the schemes may have to be scaled down. It has also been added that efforts would be made to increase the allocation by measures of supplementary grants.

11. When pointed out that the increase in budgetary allocation to ₹3,002.21 crore of the Ministry of Skill Development & Entrepreneurship (MSDE) for the current fiscal *i.e.* 2020-21 was higher, as compared to ₹2,989.21 crore for last year (2019-20), the Ministry, in a written reply submitted that the higher support of ₹3,791.28 crore was proposed for F.Y. 2020-21 on the ground of substantial increase in requirements of funds for World Bank assisted projects of SANKALP and STRIVE, construction of Kaushal Bhavan at Chanakyapuri and NSTI Kanpur and increase under the Salary head.

12. Asked to specify the reasons for under-utilization of allocated funds in 2019-20, the Ministry, in a written reply submitted that the 'Shortfall in utilization of the allocated

budget is due to multiple factors which include the fact that a few proposed schemes of the Ministry like PM Yuva could not take off. The allocated budget had provisions for these schemes which could not be utilized, non-receipt of complete proposals for grants from the State Governments, non-implementation of EAT module by the State Governments, non-receipt of physical and financial progress of the project earlier sanctioned, non-receipt of utilization certificates from implementing partners for further release of funds', low capacity utilization of funds in North Eastern States.

13. Elaborating the reasons for under-utilization of allocated funds during the year, the Secretary, while tendering evidence stated as follows:-

*"The hit we have taken is mainly in two areas. One is Apprenticeships. हमने उसे 500 करोड़ रुपये से 73 करोड़ रुपये कर दिया। When we decided ₹500 crore, it was more of an ambition because the new scheme had come. If you see the previous year also the BE was ₹500 crore and the final achievement was ₹40 crore to ₹50 crore. So, we reduced that in the Apprenticeship. If the Apprenticeships picks off as we desire, then we can ask for reallocation at the RE stage and change it. The Entrepreneurship is also a new scheme which is in the pilot mode and the pilot mode would not require that much. Based on the pilot mode, the new scheme will be launched. By the time it gets launched, the draw of funds in budget may not be much. So, we reduced that from ₹179 crore to ₹39 crore. We are banking on a big amount to come to us at the RE stage for the PMKVY-3 which will become operational at that point of time... If we take the current year, the total pending amount is only ₹327 crore. Of that, pending on the North-East is ₹160 crore. That is a problem area. One is a systematic problem. The youth population in the North East is only four per cent of the total working population. We are supposed to allocate 10 per cent. So, we are trying to go beyond 4 per cent. Actually, demand should be 4 per cent only but since it is 10 per cent, we are trying to work out. Savings may be around ₹115 crore in the North East budget. That is the only saving which will be there. Still we are trying to see what we can do this year. But for the next year, we are planning a long-term kind of infrastructure for North-East so that next year, there is no savings in that. As far as other schemes are concerned like, PMKVY, JSS, and NAPS, we will be spending the entire money..."*

14. Asked to state the measures taken for optimally utilising the BE of ₹3,002.21 crore for the year 2020-21, the Ministry submitted that 'they are taking various remedial actions like monitoring the fund also and expenditure of funds through PFMC, physical visits, video conferencing etc. The efforts are being made to enhance the capacity utilization of funds in Northern States by creating training infrastructure by the program implementing partners. Secretary, MSDE and Additional Secretary and Financial Adviser



are taking Review Meetings and monitoring the expenditure under various schemes in the weekly Senior Officers Meeting (SMG)'.

**III. BUDGETARY ALLOCATION & UTILISATION DURING 2017-18, 2018-19 AND 2019-20**

15. As for the Budget Estimate (BE) & Revised Estimate (RE) from 2017-18 to 2018-19 and 2019-2020 and the Actual utilisation thereof, the following information was furnished to the Committee:

Year	Budget (BE) (₹ in crore)	Budget (RE) (₹ in crore)	Total Utilisation (₹ in crore) (% of utilization w.r.t RE)
2017-18	3016.14	2356.22	2198.02 (93.28%)
2018-19	3400.00	2820.06	2618.98 (92.87%)
2019-20	2989.21	2531.04	2204.98* (87.12% as on 12.02.2020)

16. It is seen from the above that the actual expenditure has been less than the RE for the last three consecutive years. Asked to explain the reasons for the same the Ministry *inter-alia* submitted as follows:-

“The Budgetary allocation has increased from ₹1,543.46 crore in the year 2015-16 to ₹3,400 crore in the year 2018-19. The budget allocation for MSDE is ₹2,989.21 crore (BE 2019-20) and ₹3,002.21 crore (BE 2020-21). The actual expenditure against these budget allocations have increased from ₹1,007.47 crores in the year 2015-16 to ₹2,617.32 in the year 2018-19. The Ministry has already spent an amount of ₹2,204.98 crore as on 12.02.2020 for the current financial year which is 87.12% of RE 2019-20. Notwithstanding the pace of expenditure, the budget allocation of the Ministry was reduced by the Ministry of Finance at RE stage to ₹2,531.04 crore against ₹2,989.21 crore (BE 2019-20) keeping in view the availability of the fund and priority of the Government. CSCM component of PMKVY has been completely exhausted. Further releases to State under PMKVY are stopped to pre-empt blocking of resources.

17. In reply to yet another question posed by the Committee in this regard, it was submitted:

“The Ministry of Skill Development and Entrepreneurship (MSDE) was set up in the year 2014. The first budgetary support for the Ministry was provided in the financial year 2015-16. The Budgetary allocation since then has increased from

₹1,543.46 crore in the year 2015-16 to ₹3,400 crore in the year 2018-19. The budget allocation for MSDE is ₹2,989.21 crore (BE 2019-20) and ₹3,002.21 crore (BE 2020-21).

.....The major shortfall *vis-à-vis* expenditure targets are primarily due to short fall in spending mandatory allocation for NER, among others”.

18. When asked further whether the Ministry would be able to utilize the remaining amount of ₹423.85 crore allocated for 2019-20 by March 2020 and likely Expenditure by 31<sup>st</sup> March, 2020, the Ministry informed that they have “already spent an amount of ₹2,204.98 crore as on 12.02.2020 for the current Financial year which is 87.12% of RE 2019-20. The remaining funds are likely to be utilized by March 31<sup>st</sup> 2020 except the part mandatory allocation for NER”.

19. Responding to a question on specific areas where savings are anticipated by the end of 31<sup>st</sup> March, 2020 and the precise reasons thereof the Ministry, in a written response *inter-alia* stated that it was making all efforts to utilise the full allocated budget by the end of 31<sup>st</sup> March, 2020. However, as per the present trends of utilization of funds under PMKVY a sub-scheme of Development of Skills, there could be savings under major head 2552 (mandated for NER).

20. Details of expenditure of funds in specific schemes incurred in 2019-20, as furnished by the Ministry are shown in the following table:

**IV. EXPENDITURE OF FUNDS BY MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP (FINANCIAL YEAR 2019-20)**

	BE	RE	AE	Reasons for low expenditure
<b>Promotion of Apprentices</b>	<b>61.25</b>	<b>50.98</b>	<b>35.67</b>	Under NAPS, no funds were surrendered during last FY, and for current FY i.e. 2019-20 the balance fund would be released during Feb/March 2020. The main reason for slow expenditure is non receipt of Utilization Certificate from State Government.
(i) National Apprenticeship Promotion Scheme(NAPS)	60.00	50.98	35.67	
(ii) Central Apprenticeship Council and Award of Prizes under Apprenticeship act, 1961	0.25	0.00	0.00	
(iii) National Council for Vocational Training/ National Apprenticeship Council	1.00	0.00	0.00	
<b>Strengthening of Infrastructure</b>	<b>125.15</b>	<b>92.28</b>	<b>61.00</b>	For Upgradation of ITIs into



<b>for Institutional Training</b>				Model ITIs UCs not received from State.
(ii) Enhancing Skill Development Infrastructure in North Eastern States and Sikkim	10.00	9.00	9.28	

21. Asked to state the reasons for the low utilisation of funds for the afore-mentioned schemes, and the measures taken/ proposed to be taken for overcoming the impediments encountered during 2019-20 so as to maximize utilization of funds during 2020-21 the Ministry in response, stated *inter-alia*

“..... remedial actions like monitoring fund also and expenditure of funds through PFMC, physical visits, video conferencing etc. are being taken. The efforts are being made to enhance the capacity utilization of funds in Northern States by creating training infrastructure by the program implementing partners. Secretary, MSDE and Additional Secretary and Financial Adviser are taking Review Meetings and monitoring the expenditure under various schemes in the weekly Senior Officers Meeting (SMG).”

Touching upon the issue of under-utilization of funds in successive years, the Secretary, while deposing before the Committee stated:

*“...Regarding the previous year, it is some specific schemes where we have not performed well. In the previous year also, there have been savings again in the NAPS – the apprenticeship scheme, where the high amount has been allocated, that is, ₹500 crore, but pending is only ₹40 crore. PMKVY has always performed well, either 100 per cent utilization is there or even more than 100 per cent utilization is there for one or two years. Apprenticeship Scheme and North-East are the two areas where we have failed. That is basically the position for the last three years”.*

#### **V. PRADHAN MANTRI KAUSHAL VIKAS YOJANA (2016-2020)**

22. The Committee were informed that PMKVY (2016-2020) is a grant based scheme, providing free of cost skill development training and skill certification in 371 job roles to increase the employability of the youth. The scheme was launched on 2<sup>nd</sup> 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

### **23. (i) Approach**

The PMKVY (2016-2020) Scheme is being implemented by the Centre along with the States. The distribution of targets among various components of PMKVY is provided below:

#### **(ii) Centrally Sponsored Centrally Managed (CSCM)**

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

- a. **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
- b. **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
- c. **Special Projects** - PMKVY Special project is a component of PMKVY, wherein PMKVY short/fresh term trainings are provided to candidates in NSQC approved job roles. Special Projects are different from short term training component of PMKVY by the virtue of it being a project/need based with more flexibility in terms of compliances which are hard to be met for successful training of target beneficiaries in remote areas.

The progress under CSCM component is provided below (as on 31.12.2019):

Component	*Sector	*Job Role	Target Allocated	Enrolled	Trained	Assessed	Certified	Reported Placed
Short Term	35	252	47,36,834	34,00,299	32,97,244	30,38,747	27,00,358	14,77,822
RPL	37	647	83,95,327	33,26,231	32,78,515	27,44,742	25,53,221	NA
Special Projects	34	183	3,46,372	1,71,511	1,59,092	1,27,105	1,06,162	45,349
<b>Total</b>			<b>1,34,78,533</b>	<b>68,98,041</b>	<b>67,34,851</b>	<b>59,10,594</b>	<b>53,59,741</b>	<b>15,23,171</b>

\*Values are basis where enrolment has been done on SDMS

### (iii) Centrally Sponsored State Managed (CSSM)

The CSSM component of PMKVY was launched with release of State engagement guidelines on 09.11.16. This component is being implemented by State Skill Development Missions / State Governments. 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 crore 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.) with the corresponding physical target of 12.43 lakh.

The update under the CSSM component is provided below (as on 31.12.2019):

S. No.	Particulars	Achievement So far
1	Proposals received from States/UTs	36
2	Proposals evaluated and approved by the Project Approval Committee under scheme	36
3	Physical training target approved for 2016-20	INR 20.18 lakh
4	Funds approved for 2016-20*	INR 2419 Cr.
5	Funds Disbursed by MSDE	INR 808.96 Cr.
6	States Started training	35
7	Total Enrolment	6,27,192
8	Total Trained	5,21,614

[\* Funds rationalized and revised]

24. In regard to the PMKVY, the Secretary, while deposing before the Committee stated as follows:

“...we have allocated less for PMKVY because PMKVY-2 is coming to an end. The demand is only for the spillover of the PMKVY-2. PMKVY-3 is under the process of approval. Once it gets approved by the Cabinet, we will go for the additional amount in the RE. That is why allocation for PMKVY has come down. We will take care of the contingency. PMKVY-2 will be extended so that we will continue with the PMKVY-2 till the PMKVY-3 comes in. PMKVY-3 will come by June. The structure of PMKVY is different. So we are already preparing for PMKVY-3. PMKVY-3 is demand driven अभी हम रेसिंग प्रोवाइडस को सेलेक्ट करतPMKVY-3 is demand driven. The District Skilling Committee will decide as to how much skilling and what kind of skilling will be done. उसके पैरले ल हमने काम को शुरु कर दिया है, स्जससे स्क जैसे ही यह प्रूव हो, we will already have the people ready and we can launch it straightaway. As a contingency, we have taken the PMKVY-2, जो पी.एम.के .वी.वाई-॥ है, क्योस्क स्वतंत्र मंत्रालय ने ककीम्पस के एक्सटेंशन को माचच के आगे के स्लए भी प्रूव कर दिया है, so, we will be extending it beyond March 2020. जो गैप है, वह गैप बीच में न रहे, इसके स्लए हम कोस्थाश कर रहे हैं।”

25. On being asked about the reasons for huge gap between persons trained/persons certified and persons under CSCM placed in PMKVY the Ministry informed through a written note that Pradhan Mantri Kaushal Vikas Yojana (2016-2020) is the flagship outcome-based Skill Training Scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) which aims to train 10 million youth by 2020. There are three kinds of training routes under PMKVY 2016-2020- Short term Training for fresh skilling of school/college drop outs and unemployed youth, Recognition of Prior Learning to recognize the existing skills and Special Projects to address skilling requirements of the vulnerable groups and permit certain flexibility in conduct of Short-Term Training. RPL only provides orientation to the already skilled workforce, and hence does not mandate placements.

26. Under PMKVY 2016-2020, Placement performance is calculated on successful certification of a candidate. Since inception of PMKVY 2016-2020, the scheme under STT and Special Projects reports the placement of 15.72 lakh youth as against 28.68 lakh certified, accounting to 55% reported placed out of certified as on 31 January 2020. The summary is given below:



<b>PMKVY 2016-20 CSCM Data as per SDMS Reports dated 31-Jan-2020</b>			
Component	Trained/Oriented	Certified	Reported Placed
Short Term Training	33,52,324	27,55,979	15,23,066
RPL	33,24,907	26,27,138	NA
Special Projects	1,64,964	1,12,073	48,956
<b>Total</b>	<b>68,42,195</b>	<b>54,95,190</b>	<b>15,72,022</b>
Note: RPL only Orients the candidates who are already working and doesn't train them hence placements are not objective of RPL. Its objective is to increase their income from their present wage.			

27. The total targets for the PMKVY scheme 2016-20 was 1 crore. Out of this, 40 Lakhs was to be done under Recognition of Prior Learning. A total of 60 Lakh candidates was to be imparted training under short term training component – 39.5 Lakhs under central component and 20.5 lakhs under state component. The scheme is projected to achieve a certification of a total of 90 lakh candidates by the end of the scheme, around 90% achievement. The projections are based on the past scheme performance and trends and on ground capacity created during the implementation of the scheme.

28. Under PMKVY 2016-2020, Training Centres take all efforts to facilitate placements of certified candidates through multiple initiatives like Rojgaar Mela, collaboration with industries and Sector Skill Council. In order to ensure facilitation of placement opportunities placement partners were empanelled with the aim of providing employment to PMKVY Certified candidates unplaced by Training Provider till 90 days from date of certification. In addition, candidates can also avail benefit of placement through 'Yuva Sampark' portal which brings both candidate and potential employer on IT platform to find potential match between two (employer and candidate). Demand aggregation received from employers by NSDC is also circulated to relevant training providers which aid the facilitation of placement opportunities.

The scheme lays focus on employer led models to ensure improved placement performance of the scheme. Targets under Employer led model were allocated to the proposals submitted either by employers or other organizations in consortium with employers, stressing on captive employment.

29. Questioned whether it would not be appropriate to add PMKVY to DISHA so as to give an idea about the scheme, as being executed in the district concerned as it is felt that there should be some room for the district administration in regard to the programme, it was informed that PMKVY has been added to the list of programs covered under District level Disha meetings.

30. Asked whether the Ministry was imparting training in traditional cottage and home-based crafts with a view to avoiding import of hand and machine-made items such as candles, statuettes etc., the Ministry replied in the negative.

31. Also asked whether the Ministry has proposed to impart training to the people of specific regions renowned for handicraft works such as those relating to embroidery etc., the Ministry informed that presently, such region specific works were not included in the National Qualification Register (NQR) though other similar skills such as 'Hand embroiderer' has been included for creating design with tracing to the fabric.

32. When asked whether the Ministry propose to impart training/skilling programmes at school level itself, the Ministry answered in the affirmative. Asked to give details of the steps the Ministry may have taken to link traditional work/art with the skill development in the Country like 'brass work' in Moradabad, Handloom and Shawl work in Kashmir etc. the Committee were informed that NSDA encourages the States to develop National Skills Qualifications Framework (NSQF) aligned traditional work qualifications. If required, NSDA also organizes workshops at the State level on NSQF alignment process and formulate guidelines. Two Qualifications namely, Basholi painting and Kani Shawl Weaver were approved in 22<sup>nd</sup> NSQC. These two Qualifications are identified and marked as traditional skills of Jammu & Kashmir.

33. Asked further about the existing and possible job roles in the handicraft sector pertaining to bamboo work, weaving etc. the Ministry submitted that there were 14 job roles, under Handicraft and Carpets sector, which are NSQF aligned.



Further, it was also added that through Pradhan Mantri Kaushal Vikas Yojana (PMKVY), traditional job roles are of focused, and Bamboo being one of the important resources available, is being covered under all components of the scheme. The skill development for Bamboo related trades are being conducted in three job roles namely:–

- a) Bamboo Mat Weaver
- b) Bamboo Basket Maker
- c) Bamboo Utility Handicraft Assembler

**(iv) Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 3.0**

34. Asked to state about the PMKVY 3.0, the Ministry appraised that in order to make the upcoming PMKVY 3.0 demand-driven, Ministry is assisting for the formulation of District Skill Committees at every district of the country. DSCs would be providing support for mobilization of candidates, counseling of candidates, monitoring and supervision at the district level, provide post training support including handholding for placements/self-employment, verification of placements, grievance redressal, skill gap across the district, facilitate training of trainers of ITIs across the district, mentor new ITIs in the district by extending support in industry connect and representation in governing committees, facilitating placement and job melas at the district leveraging their industry connect, implementation of various apprenticeship scheme (such as NAPs, STRIVE etc.) across the district, implementing and ensuring compliance with various central and state schemes, etc.

35. The Ministry further submitted that in order to make the upcoming PMKVY 3.0 demand-driven, Ministry has involved District Skill Committees. The Skill Gap analysis has to be done by DSCs. Further, DSCs would be providing support for mobilization of candidates, counseling of candidates, Monitoring and Supervision at the district level.

36. Under PMKVY 3.0, States are additionally entrusted with the counseling, mobilization, validations of the candidates. The training is going to be implemented in both the components *i.e.* Central and State as currently going on in PMKVY 2.0. In the first year of implementation, 25% of the targets would be allocated to States which would be rationalized for subsequent years based on the performance of the States.

**VI. PRADHAN MANTRI KAUSHAL KENDRAS (PMKKs):**

37. Under the “Skill India Mission”, Ministry of Skill Development and Entrepreneurship (MSDE) has initiated the establishment of state of the art, visible and aspirational model training centres in every district of India, ensuring coverage of all the parliamentary constituencies (PCs). These model training centres are referred to as “Pradhan Mantri Kaushal Kendra” (PMKK).

- a. Under this project, the private training partners selected through RFP, can avail a secured loan of up to Rs 70 lakhs per PMKK at a subsidized interest rate to procure and setup labs, training-relevant machinery, training aids, etc.
- b. PMKK centres will also be given a dedicated training mandate for three years under PMKVY Scheme, till the time the scheme exists
- c. As on 31-Dec-2019, 812 PMKKs have been allocated covering 707 districts and 540 PCs. Out of the 812 allocated PMKKs, 710 PMKK’s centers have been established across 36 States /Union territories.

<b>Categories</b>	<b>Achievement</b>
Allocated PMKKs	812*
Allocated Districts	707
PCs Covered	540
PMKKs Established	710
States/UTs covered	36

\* inclusive of closed and Re-allocated PMKKs.

38. The updated Financial Year wise targets and achievements in regard to establishment of PMKKs as on 10.02.2020, as furnished by the Ministry is as given below:-

<b>FY</b>	<b>Cumulative Targets (total no. of PMKKs envisaged to be established)</b>	<b>Achievements</b>	
		<b>PMKKs Allocated*</b>	<b>PMKKs established (total no. of PMKKs envisaged to be established in each FY)</b>
<b>2016-17</b>	--	399	124
<b>2017-18</b>	450	132	326
<b>2018-19</b>	600	279	150
<b>2019-20</b>	More than 700 PMKKs	-	123

	(establishment of 800 PMKKs – all allocated to be established in this financial year)*		
<b>Total</b>		<b>810*</b>	<b>723</b>

*\*excluding deallocated/surrendered/closed PMKKs.*

39. During the year 2016-17 399 PMKKs were allocated out of which 124 PMKKs could only be established. For the year 2017-18, the total number of PMKKs envisaged was 450 out of which only 132 PMKKs were allocated and 326 PMKKs were established and for the year 2018-19, a total number of 600 PMKKs were envisaged out of which 279 were allocated and 150 only were established. Similarly, for the Financial Year 2019-20 the target is to establish 800 PMKKs out of which 723 PMKKs have been established.

#### **VII. NATIONAL SKILL DEVELOPMENT AGENCY (NSDA)/ NATIONAL COUNCIL FOR VOCATIONAL EDUCATION AND TRAINING (NCVET)**

40. National Skill Development Agency is a central autonomous body of the Ministry of Skill Development and Entrepreneurship (MSDE), Government of India that anchors the National Skill Qualifications Framework (NSQF) and allied quality assurance mechanism for synergizing skill initiatives in the country.

41. Further, the Government has notified the establishment of a new regulator called “National Council for Vocational Education and Training” (NCVET) vide Notification dated 05.12.2018 and NSDA is to be subsumed in this new regulator.

42. The National Council for Vocational Education and Training (NCVET) was notified on 5<sup>th</sup> December, 2018 as an overarching skills regulator to be set up by merging the existing skill regulatory bodies- National Skill Development Agency (NSDA) & National Council for Vocational Training (NCVT).

43. The NCVET will regulate the functioning of entities engaged in Vocational Education & Training, both long & short-term, and establish uniform standards for the functioning of such entities. The major functions of NCVET would be recognition and regulation of Awarding Bodies and Assessment Agencies; approval of Qualifications;

monitoring and supervision of recognized entities involved in skill training activities & grievance redressal.

44. The Council would be headed by a Chairperson and will have Executive & Non-Executive Members and a Nominated Member. Members will be selected based on recommendation of a Search-cum-Selection Committee headed by the Cabinet Secretary. A General Body to be chaired by Minister, SDE would be constituted with representatives from Central Ministries, States and industry, for providing overall guidance to the NCVET.

45. When asked as to how NCVET would prove to be an effective regulator *vis-à-vis* National Skill Development Agency (NSDA), the Ministry had informed the Committee that:

‘The NCVET is in the process of being set up. To facilitate its operationalization, the then Secretary and the Senior Economic Advisor, MSDE assumed additional charge as Chairperson and Executive Member, NCVET respectively on 4<sup>th</sup> November 2019’.

46. The following steps have been taken to make NCVET functional- “process of dissolution of the National Skill Development Agency (NSDA) has been completed and the agency would be dissolved by 31.03.2020; merger of NCVT with NCVET would be completed by 02.05.2020; guidelines and processes for recognition of Awarding Bodies are being formulated; stakeholders consultations have been initiated”.

47. The process of selection of regular Chairperson and 2 Executive Members is underway. Final decision of the Search-cum-Selection Committee headed by Cabinet Secretary is awaited.

48. On being asked as to how NCVET would be helpful in providing quality and timely training to the youth it was submitted that:

‘The NCVET will enable integration of fragmented regulatory system and infuse quality assurance across the entire training value chain. It will set minimum and uniform standards for entities engaged in skill training such as awarding bodies, assessment bodies, and training providers, leading to improvement in training outcomes. Moreover, it will ensure robust and effective monitoring of these entities thus ensuring quality and timely training. This monitoring would further be supported by an independent rating mechanism to foster competition between



different entities. Also, a one-window grievance redressal mechanism would infuse transparency and accountability in the training value-chain’.

### **VIII. JAN SHIKSHAN SANSTHAN (JSS)**

49. Jan Shikshan Sansthan (JSS) is designed to cater the skill development/upgradation needs of disadvantaged groups. Since its inception, JSS has been making efforts to implement initiatives which have been instrumental in promoting skills and enhancing livelihoods opportunities for the women and youth, needing special attention, especially for adult neo-literates/semi-literates, SC and ST, women/girls, oppressed, migrants, slum/pavement dwellers and adolescent. During this passage, it has covered 28 States and two UTs and many untouched segments. As part of its innovation strategy for evolving exclusivity in the skilling process, focus is on identifying new areas and empowers the underprivileged section. The objectives and functions of the scheme are deeply aligned with National Development Priorities and international commitments. It majorly covers the three Sustainable Development Goals (SDGs) i.e. Gender Equality, Decent Work and Economic Growth and Reduced Inequality through its approach.

50. Jan Shikshan Sansthan (JSS) was formerly known as Shramik Vidyapeeth (SVP), focused on polyvalent (multifaceted) approach, to provide knowledge and impart skills simultaneously and in an integrated manner to the industrial workers and urban slum dwellers. The first Shramik Vidyapeeth was established in Mumbai (Worli) in March 1967 and was commissioned by the Bombay City Social Education Committee, a voluntary organization engaged in the field of Adult Education for several years. After the success of the project, the Govt. of India developed a scheme for setting up a network of Shramik Vidyapeeths (SVPs) in the country in a phased manner. The SVPs were renamed as Jan Shikshan Sansthan [JSS] *w.e.f.* 2000. The number of SVPs/JSS gradually increased to 17 up to 1983, to 271 by 2008-09 during the 11th Plan Period and covering 28 States and 02 UTs. By July, 2018, Jan Shikshan Sansthan component of scheme of support to voluntary agencies for adult education and skill development has been transferred from Ministry of Human Resource Development (MoHRD) to Ministry of Skill Development & Entrepreneurship (MSDE).

## **JAN SHIKSHAN SANSTHAN (FUTURE COURSE OF INTERVENTIONS):**

51. At present 248 JSSs are functional and selection process of new Jan Shikshan Sansthan in 83 districts of the country are in advance stage. The vision of the Ministry to expand the JSS network to every district of this country in a phased manner in next 5 years this number will be increased to 728 resulting in increase in current training capacity from 4.15 lakh to 10 lakh by 2024.

52. On being asked about the steps taken by the Ministry of Skill Development & Entrepreneurship for smooth functioning of the scheme, it was informed that the subsequent to transfer of JSS Scheme to MSDE, a number of steps have been taken by the Ministry for smooth functioning of the scheme. Some of the major steps taken by the Ministry are as under:

- ▶ The Guidelines for Planning, Management and Programme Implementation of JSS for Skill Development has been revamped to ensure the smooth implementation of the Scheme;
- ▶ Guidelines for assessment and certification of beneficiaries has also been formulated;
- ▶ Fee for SC, ST, Divyangjan & BPL categories of beneficiaries completely waived;
- ▶ Fee from general category of beneficiaries restricted to ₹100/- per month;
- ▶ Age limit of beneficiaries revised from 15-35 years to 15-45 years;
- ▶ Board of Management of JSSs re-structured to give more participation to women and active participation of State Government;
- ▶ Each JSS has been given a target of 1800 beneficiaries during 2019-20;
- ▶ JSSs allowed to undertake fee based NSDC course after achieving their assigned targets;
- ▶ One course on local traditional skill in each JSS made mandatory;
- ▶ JSS logo and Unique Branding has been created;
- ▶ Creation of Livelihood Cells in all JSSs for linkage with self & wage employment made mandatory;
- ▶ To add quality in training, 3% of budget earmarked for training of trainers/up-gradation of tools & equipment;
- ▶ Ministry has decided to expand the JSS network to each districts of the country in the next five years;
- ▶ Process for selection of 83 new JSSs particularly in Hilly/tribal areas and aspiration districts is in its final stage;
- ▶ Financial & Performance Audits of all JSSs underway by CAG empanelled audit firms;
- ▶ Strong web-based central monitoring mechanism put in place.



53. In response to yet another query of the Committee on the adequacy of staff/officers to run the scheme, it was submitted that the scheme was transferred to this Ministry with a scant number of officers and staff. To man the Directorate of JSS, some officers and staff-members were transferred from Directorate of Adult Education of Ministry of Human Resource Development (MoHRD). As informed, the posts transferred by MoHRD with the transfer of JSS Scheme, is not sufficient for the smooth implementation of the Scheme and Ministry has taken up the matter with the Cabinet Secretariat & MoHRD.

**IX. NATIONAL APPRENTICESHIP PROMOTION SCHEME (NAPS):**

54. National Apprenticeship Promotion Scheme (NAPS) was launched on 19th August 2016 by Government of India to provide financial incentives to establishments undertaking the apprenticeship training under the Apprentices Act 1961(amended 2014).The scheme is to provide financial support by

- (i) Sharing of 25% of prescribed stipend subject to a maximum of ₹1,500/- per month per apprentice to all apprentices with the employers; and
- (ii) Sharing of cost of basic training in respect of fresher apprentices (who come directly for apprenticeship training without formal training) limited to ₹7,500/- per apprentice for a maximum duration of 500 hours/3 months.

**X. SETTING UP OF THE NATIONAL SKILL TRAINING INSTITUTES**

55. Asked about the progress regarding setting up of the National Skill Training Institutes (NSTI), including the NSTI in Barang, Odisha and the Budgetary allocation for the same in the current year, the Ministry has submitted that foundation stone for construction of the permanent campus of the National Skill Training Institute (NSTI) was laid on 16<sup>th</sup> July, 2018 in Barang near Bhubaneswar by the former Minister of Skill Development and Entrepreneurship for which the Government of Odisha has already allotted 5 acres of land free of cost. Pending construction of the permanent campus, the Institute has been functioning in a hired building of National Small Industries Corporation (NSIC) at Mancheswar, Bhubaneswar.

Further Foundation stones have been laid for new NSTI(s) namely at Agartala, Shimla, Patna, Mohali and Hyderabad. In the current financial year *i.e.* 2019-20 the status is shown as given below:

- NSTI (W) Patna: Due to paucity of funds, no funds allocated.
- NSTI(W) Mohali: ₹2.50 Lakh issued for soil testing, digital site survey of land etc. initially but no funds allocated in the current F.Y.
- NSTI(W) Shimla: Approval of ₹27.95 crore obtained. Funds proposed ₹12.00 Crore in the current F.Y. but due to paucity of funds, ₹1.00 Crore allocated.
- NSTI(W) Tripura: Approval of ₹16.90 crore obtained, proposal for ₹5.20 Crore forwarded but due to paucity of funds, no funds allocated in the current F.Y.
- NSTI (W) Hyderabad: Approval of ₹19.96 crore obtained, ₹13.07 crore spent up to 11/2019.

## PART-II

### RECOMMENDATIONS/ OBSERVATIONS

#### BUDGETARY ALLOCATION FOR 2020-21

1. The Committee note that while the Ministry of Skill Development & Entrepreneurship proposed a BE of ₹3,791.28 crore for the Financial Year 2020-21, an amount of ₹3,002.21 crore has been allocated, implying thereby a huge cut of ₹789.07crore. As for the likely implications of the cut in allocation on various programmes and schemes, as per the Ministry's own submission, the targets for 'skilling' under the various schemes being implemented may have to be scaled down. It has also been added that efforts would be made to have the allocation increased by way of seeking supplementary grants. As for the specific reasons that prompted the Ministry of Finance to cut the proposed BE of ₹3,791.28 crore, the Committee have been informed that this is *inter-alia* owing to the pattern of utilization of funds by the Ministry in the previous years. Further, as regards the under-utilization of allocated funds by the Ministry being witnessed year after year, and more specifically in 2019-20, it has been submitted that this is on account of multiple factors which include, non-receipt of complete proposals for grants from the State Governments, non-implementation of EAT module by the States, non-receipt of physical and financial progress reports of the projects sanctioned earlier, non-receipt of utilization certificates from implementing partners for further release of funds etc. The low pace of utilization of funds appears to be a significant contributory factor for lowering of the allocation of funds to the Ministry for 2020-21 by the Ministry of Finance. The Committee are of

the view that the reasons cited for under-utilisation of the earmarked funds such as, non-receipt of complete proposals for grants from State Governments, utilization certificate etc. are well within the administrative control of the Ministry for being addressed. The Ministry can easily overcome these impediments by initiating concrete remedial measures.

2. The Committee, in this regard, also take note of the submission of the Secretary that of the total unspent amount of ₹327 crore for 2019-20, as much as ₹160 crore is on account of low capacity of utilisation of funds intended for the North Eastern Region. The Committee cannot help noting the fact that the unspent budget allocation for 2019-20 is likely to be substantial. The Committee, therefore, strongly recommend that concerted efforts be made for gainfully utilising the budgeted funds; and special attention paid to the 'North-East', *inter-alia* by focusing and laying emphasis on promoting skill development programmes such as those related to the hospitality industry for which there is a substantial demand in the region. The Committee desire to be kept apprised of the administrative measures initiated and taken for gainfully utilising the budgeted funds earmarked for various schemes.

#### UTILISATION OF BUDGETARY ALLOCATION DURING 2017-18, 2018-19& 2019-20

3. The Committee note with concern that there has been a shortfall in utilising the budgeted resources year after year by the Ministry. For the Financial Year 2017-18, the BE amount of ₹3,016.14 crore was revised to ₹2,356.22 crore, with the actual utilization of funds being to the extent of ₹2,198.02 crore, thereby

leaving an unutilized amount of ₹158.2 crore; and for 2018-19, the BE amount of ₹3,400 crore was scaled downwards to ₹2,820.06 crore with the actual utilization being to the tune of ₹2,618.98 crore, thereby leaving unutilized funds totaling to ₹201.08 crore. Again, for the Financial Year, 2019-20 the BE amount of ₹2,989.21 was scaled down to ₹2,531.04 crore, with the actual utilization of funds totaling to ₹2,204.98 crore (as on 12.02.2020), which would leave substantial amount of shortfall. These facts show that the Ministry is not being able to utilize the allocated funds year after year. Cumulatively, the unutilized funds of the Ministry for the last three Financial Years total to ₹686.28 crore so far.

4. The Committee, in this regard recall that while examining the Demands for Grants (2019-20), the Ministry had submitted that they had initiated some measures towards effective utilisation of resources such as formulating instructions for incurring expenditure under the schemes as per the monthly expenditure plan, monitoring of expenditure by the Secretary of the Ministry, monitoring by the Additional Secretary and Financial advisor etc. In the current year too, the Ministry has apprised the Committee of the steps initiated towards tackling the problem of under-utilization of funds and ensuring optimal utilization. These include, monitoring the flow of funds through PFMS, physical visits, video conferencing with the implementing agencies including State Governments, review meetings by the Secretary, MSDE, Additional Secretary and Financial Adviser, monitoring the expenditure under various Schemes in the weekly meetings of Senior Officers (SMG) etc. However, it is evident from the data made available on utilisation of allocated funds that the steps taken by the Ministry



have proved to be ineffective and under-utilisation of funds continues unabated. As for the shortfall in utilising the budgeted funds for the current year, 2019-20, the Committee note from the submission of the Secretary that two areas where the Ministry has failed to properly utilise the budgeted funds pertain to the Apprenticeship Scheme and programmes intended for the North-East. As also touched upon in the earlier part of the report, the Committee, in this regard, express the view that concerted efforts need to be made towards identifying the contributory factors for under-utilisation of funds earmarked for various programmes and schemes and appropriate remedial measures be taken. Earlier too, while examining the Demands for Grants (2019-20), the Committee had recommended establishing a 'robust financial management system'. However, it appears that the Ministry has not been able to take appropriate measures to this end. The Committee, therefore, strongly recommend that foolproof measures be initiated urgently so that for the Financial Year, 2020-21 the Ministry is able to fully utilise the allocated funds of ₹3,002.21 crore and the various programmes are implemented in right earnest. The Committee would like to be apprised of the steps taken in this regard.

#### **PRADHAN MANTRI KAUSHAL VIKAS YOJANA (PMKVY)**

5. The Committee note that the target for the PMKVY (2016-20) was to train one crore youth. The programme has two components, namely the CSCM component and the CSSM component. As for the CSCM component, the Committee feel concerned to note that as on 31.01.2020, out of the 33,52,324 candidates trained under the Short Term Training programme, only 15,23,066



have reportedly been placed, which is just 45% of the candidates trained; and in the Special Projects Component, of the 68,42,195 candidates trained, only 48,956 could find placement, which amounts to only 0.71% of the candidates trained. As regards the CSSM component, the PMKVY has been found lagging, as out of the total target of training 20.18 lakh candidates, only 6,27,192 could be enrolled, of whom only 5,21,614 candidates could be trained. The Ministry has informed that under the PMKVY placement performance is calculated on the basis of successful certification of a candidate. The Committee are not convinced with this contention of the Ministry as the actual placement of the candidates in the job market should be the ideal criteria for evaluating the success of the programme.

6. The Committee have also been informed that Under PMKVY 2016-2020, Training Centres take all efforts to facilitate placement of certified candidates through multiple initiatives like Rojgar Mela, collaboration with industries and Sector Skills Council. In order to ensure facilitation of placement opportunities placement partners are empanelled with the aim of providing employment to PMKVY Certified candidates. In addition, candidates can also avail the benefit of placement through 'Yuva Sampark' portal which brings both the candidate and potential employer on IT platform to find potential match between two (employer and candidate).The Committee are of the considered view that these measures should be rigorously implemented so as to bridge the gap between the candidates enrolled and finally placed in the remaining phase of PMKVY(2016-20).The Committee also note in this regard that the Ministry has made a request

to the DoPT for amending the recruitment rules for ensuring that skill trained persons are employed; and has also emphasised that 25% of labourers under any project should be NSQF certified which will increase the job opportunities for those having NSQF certification. The Committee would like to be apprised of the outcome in regard to these measures which have been taken up by the Ministry with a view to increasing the placement opportunities for the trained candidates. In this regard, the Committee would also like to recall their observation made earlier impressing upon the Ministry to ensure that there is no gross mismatch between the number of candidates trained/certified and those actually getting a placement.

7. The Committee have also expressed the need for adding PMKVY to DISHA, as the District Administration concerned needs to be in the picture in regard to aspects relating to implementation of the scheme. The Committee have been informed in this regard that PMKVY has since been added to the list of programmes covered under District Level DISHA meetings. As regards PMKVY3 which is in the envil, the Committee note that with a view to making the upcoming 'Programme' demand-driven, the Ministry is contemplating formation of District Skill Committees (DSCs) in each district which would be providing support for mobilization, counseling, monitoring and supervision of candidates at the district level, provide post training support, including handholding for placements/self-employment, verification of placements, grievance redressal, skill gap across the district etc. The Committee, in this regard, emphasise on the need for ensuring that the shortcomings of PMKVY 2.0 are properly addressed while formulating

PMKVY 3.0 so as enable in imparting appropriate and meaningful skills and placement in the job market to a large number of youth of the country.

8. With reference to PMKVY, the Committee while also noting that some traditional crafts find place in the training programmes listed, nevertheless emphasise upon laying stress on designing and formulating training programmes aimed at imparting skills in various forms of traditional crafts that different regions of the country are well known for. Also, emphasis needs to be laid on imparting 'skilling' from the school level itself.

9. The Committee also reiterate the need expressed earlier (2019-20) on ensuring that the skill development schemes being run by various Ministries be brought under one Umbrella with a view to avoiding duplicity and ensuring accountability. The Committee wish to be apprised of the measures taken to this end.

#### **PRADHAN MANTRI KAUSHAL KENDRAS (PMKKS)**

10. Setting up of PMKKS is intended to be an initiative for creating visible and inspirational model training centres in all the districts, evenly covering all Parliamentary constituencies. The Committee, however, note that the Ministry could not achieve the target of establishing the desired number of PMKKS during the Financial Years 2016-17 to 2019-20. As on January, 2020, out of 731 districts of India, allocation of PMKKS could be completed for 707 districts and 540 Parliamentary constituencies. Allocation for 24 districts is pending as on date. The Committee have been apprised in this regard that initially, the mandate was

to cover 640 districts in the Country which was later increased to 718 districts in July, 2018 and further to 731 districts in January, 2020. Establishment of PMKKs being intended to create a visible and inspirational model training centres, the Committee once again reiterate that the matter of establishing the 'Kendras' in the districts that remain to be covered be given utmost priority. The Committee desire to be apprised of the progress made in this direction.

### **NATIONAL APPRENTICESHIP PROMOTION SCHEME (NAPS)**

11. The Committee note that for the Financial Year 2019-20, for 'Promotion of Apprentices', which includes National Apprenticeship Promotion Scheme (NAPS), Central Apprenticeship Council and Award of Prizes under Apprenticeship Act, 1961 and National Council for Vocational Training/National Apprenticeship Council, the BE of ₹ 60.00 crore was scaled down to ₹50.98 crore and the Ministry could utilise ₹35.67 crore only. Specifically for the Central Apprenticeship Council and Award of Prizes under the Apprenticeship Act, 1961 and National Council for Vocational Training/National Apprenticeship Council, the BE of ₹0.25 crore and ₹1.00 crore respectively was totally done away at the stage of RE.

12. The Committee further note that for strengthening of Infrastructure for Institutional Training the BE of ₹125.15 was reduced to ₹92.28 crore and the Ministry could utilise only ₹61.00 crore which amounts to 66 percent of the RE. The main reason attributed by the Ministry for the shortfall in utilisation of funds is non-receipt of Utilisation Certificates from the State Governments, which, in the

view of the Committee is not a tenable or sound enough reason. The Committee, in this regard, express the need for taking up the matter at the highest level in the States concerned from where Utilisation Certificates are awaited with a view to expediting furnishing of such Certificates. The Committee would also like to be furnished with the list of States that have failed to submit the Certificates in time despite being requested to do so. The Committee, in this regard, are also of the considered view that allocated funds should not be allowed to remain idle just because of non-receipt of Utilisation Certificates.

#### **JAN SHIKSHAN SANSTHAN (JSS)**

13. The Committee note that the JSS scheme has been primarily designed to cater to the skill development/upgradation of the disadvantaged groups. The focus of the Scheme is to enable in welfare of the women/girls, SC and ST oppressed sections, migrants, slum dwellers etc. to supplement their income by imparting skill to them in different skill sets etc. As on date, only 248 JSSs are functional throughout the country and the Ministry is contemplating expanding the network of JSS to cover every district of the country during the Financial Year 2019-20. The Ministry is also reportedly in the process of establishing 83 new JSSs and priority has been given to cover aspirational districts, tribal districts and districts in hilly and border areas. Further, during the Financial Year 2020-21 the Ministry propose to cover all the aspirational districts. The Committee desire that appropriate measures be taken for expediting the expansion process. The Committee emphasise upon this aspect in the larger interest of the women/girls, and the downtrodden sections, including migrants.



14. The Committee also note that the JSS scheme was earlier implemented by the Ministry of Human Resource Development. It has been informed that although the scheme has been transferred to the Ministry of Skill Development, sufficient number of posts have not been created, or transferred from the Ministry of Human Resource Development, as a consequence of which implementation of the scheme is being hampered. The Committee understand that the matter has been taken up with the Cabinet Secretariat and the Ministry of Human Resource Development. The Committee desire that the matter be vigorously pursued both with the Cabinet Secretariat as well as with the Ministry of Human Resource Development so that the problem of shortage of staff is addressed and the implementation of the scheme is not hampered. The Committee further desire that the guidelines for implementing the JSS Scheme which *inter-alia* include waiver of fee for SC, ST, Divyangjan & BPL categories be implemented in letter and spirit for the betterment of the beneficiaries.

**NATIONAL COUNCIL FOR VOCATIONAL EDUCATION & TRAINING (NCVET):**

15. The Committee note that the National Council for Vocational Education and Training (NCVET) was notified on 5<sup>th</sup> December 2018 as an overarching skills regulator to be set up by merging the existing skill regulatory bodies- National Skill Development Agency (NSDA) & National Council for Vocational Training (NCVT). The Committee have been informed that NCVET is in the process of being set up. According to the Ministry, the NCVET will enable integration of fragmented regulatory system and infuse quality assurance across the entire training value chain. It will set minimum and uniform standards for entities

engaged in skill training such as awarding bodies, assessment bodies, and training providers, leading to improvement in training outcomes. The Committee have been informed that the process of dissolution of the National Skill Development Agency (NSDA) has been completed and the agency would be dissolved by 31.03.2020; merger of NCVT with NCVET would be completed by 02.05.2020; guidelines and processes for recognition of Awarding Bodies were being formulated; and stakeholders consultations have been initiated. The Committee trust that the Ministry would be able to complete the process within the stipulated time.

16. The Committee would also recall that while examining the Demands for Grants (2019-20) of the Ministry of Skill Development & Entrepreneurship, they had recommended 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. The Committee reiterate their earlier recommendation and once again emphasise on ensuring that the setting up of NCVET be expedited.

#### **SETTING UP OF THE NATIONAL SKILL TRAINING INSTITUTES**

17. As regards setting up of the National Skill Training Institutes (NSTI) in the Country, the Committee note that the foundation stone for construction of the permanent campus of the NSTI, Barang near Bhubaneswar was laid in July, 2018 and 5 acres of land has also been allotted by the State Government of Odisha. Presently, the NSTI is functioning from a rented building. Further, though foundation stones for setting up five more NSTIs at Agartala, Shimla, Patna, Mohali and Hyderabad have also been laid, no budgetary allocation has been

made in the current Financial Year for construction of the institutes. As any undue delay in setting up the NSTIs would defeat the intended purpose, the Committee recommend that the issue of ensuring adequate budget allocation and completion of the construction of the institutes be taken up in right earnest. The Committee wish to be kept apprised of the progress in setting up these institutes.

**New Delhi;**  
**12<sup>th</sup> March, 2020**  
***22<sup>nd</sup> Phalguna, 1941 (Saka)***

**BHARTRUHARI MAHTAB**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON LABOUR**

**STANDING COMMITTEE ON LABOUR**  
**(2019-20)**

**Minutes of the Twentieth Sitting of the Committee**

The Committee sat on Wednesday, the 19<sup>th</sup> February, 2020 from 1100 hrs. to 1400 hrs. in Committee Room No. '2', Parliament House Annexe-Extension Building, New Delhi.

**PRESENT**

**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 Satish Kumar Gautam
7. Dr. Umesh G. Jadhav
8. Shri Dharmendra Kumar Kashyap
9. Dr. Virendra Kumar
10. Shri K. Navaskani
11. Shri Nayab Singh Saini
12. Shri Bhola Singh

**RAJYA SABHA**

13. Shri Husain Dalwai
14. Shri Ram Narayan Dudi
15. Shri Elamaram Kareem
16. Dr. Banda Prakash
17. Ms. Dola Sen
18. Shri M. Shanmugan

**SECRETARIAT**

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

**Witnesses**

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

<b>Sl. No.</b>	<b>Name</b>	<b>Designation</b>
1.	Shri Praveen Kumar	Secretary
2.	Ms. Juthika Patankar	Addl. Secretary
3.	Ms. Sibani Swain	AS&FA
4.	Ms. Sunita Sanghi	Senior Adviser
5.	Ms. Vinita Aggarwal	DG
6.	Shri K.C. Gupta	Joint Secretary
7.	Ms. Anuradha Vemuri	Joint Secretary
8.	Dr. Ajay Shanker Singh	Chief Controller of Accounts
9.	Shri Deepankar Mallick	DDG
10.	Shri R. Senthil Kumar	DDG
11.	Shri Raj Kumar Pathak	DDG
12.	Shri Manish Kumar	CEO, NSDC

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for examination of Demands for Grants (2020-21) of the Ministry of Skill Development & Entrepreneurship. Before the representatives of the Ministry were called in, the Chairperson apprised the Members that 34 Memoranda from various Stakeholders/ Organisations/ Unions had been received as on 19<sup>th</sup> February, 2020 on the 'Industrial Relations Code, 2019' which had been forwarded to the Ministry for their comments. The Chairperson solicited the suggestions of the Members to shortlist the Organisations/ Individuals/ Associations etc. which may be invited for tendering oral evidence on 27<sup>th</sup> February, 2<sup>nd</sup> March and 3<sup>rd</sup> March,



2020. Accordingly, the Members suggested some Organisations/ Individuals/ Associations/ State Governments for the purpose.

3. After some discussions, the Committee decided to call 12 Trade Unions, Employees Federations, Tea Associations, and some other stakeholders on 27<sup>th</sup> February, 2020 and 2<sup>nd</sup> March, 2020.

4. The Committee also decided to call three/ four State Governments should they evince interest to appear before the Committee on 3<sup>rd</sup> March, 2020. The evidence of the representatives of the Ministry of Labour & Employment was also scheduled for 4<sup>th</sup> March, 2020.

5. The representatives of the Ministry of Skill Development & Entrepreneurship (MSDE) were then called in and the Chairperson welcomed them to the Sitting of the Committee. Drawing the attention of the representatives of the Ministry to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Parliamentary Committees, the Chairperson asked the Secretary, Ministry of Skill Development & Entrepreneurship to give an overview of the actual expenditure incurred during the previous year 2019-20 and the Budgetary provisions for the year 2020-21 for various programmes/activities/schemes, and the plan of action on the part of the Ministry for ensuring optimal utilisation of the earmarked funds and maximum achievements in physical targets.

6. The representative of the Ministry, accordingly, briefed the Committee through a PowerPoint Presentation *inter-alia* highlighting the Budgetary allocations for various activities for major plan Schemes, *viz.* Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Pradhan Mantri Kaushal Kendra (PMKK), National Skill Development Corporation, Pradhan Mantri Yuva Yojana, etc. for the year 2020-21 and the measures taken/proposed for optimal utilization of funds during the current financial year and also the steps taken towards achieving the physical targets set. The representative also apprised the Committee of the actual expenditure vis-à-vis allocations made during the

previous fiscal and the physical performance of various schemes/projects/programmes announced by the Government.

7. The representatives of the Ministry also responded to various queries raised by the Members which *inter-alia* included. Reasons for variations in Budget Estimates; Convergence between PMKVY and Pradhan Mantri Mudra Yojana (PMMY); Reasons for decline in target(s) set for enrollment of students under PMKVY; Steps taken to bring under one Umbrella the various Skill Development schemes being run by the MSDE solely and also in association with other Ministries/ Departments so as to avoid duplicity and ensure accountability; The number of youths imparted Skill training and found placement after training under PMKVY; Steps taken to give wide publicity about skill development centres; Difficulty in getting Mudra Loan by eligible persons; Training according to area specific local needs; Shortcomings in implementation of various schemes of the Ministry; etc.

8. As some points required detailed and statistical reply, the Chairperson asked the Secretary, Ministry of Skill Development and Entrepreneurship to furnish written replies on them within a week from date of the Sitting. The Secretary assured to comply.

9. 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.**