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**STANDING COMMITTEE ON LABOUR, TEXTILES AND SKILL
DEVELOPMENT**

(2022-23)

(SEVENTEENTH LOK SABHA)

MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP

**Action Taken by Government on the Observations/
Recommendations of the Committee contained in their Thirty-
Second Report (Seventeenth Lok Sabha) on Demands for Grants
(2022-23) of the Ministry of Skill Development & Entrepreneurship**

FORTIETH- REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2022/ Agrahayana, 1944 (Saka)

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(2022-23) of the Ministry of Skill Development & Entrepreneurship**

Presented to Lok Sabha on 20.12..2022

Laid in Rajya Sabha on 20.12.2022



LOK SABHA SECRETARIAT

NEW DELHI

December, 2022/ Agrahayana, 1944 (Saka)

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* Not appended with this cyclostyled copy.

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR, TEXTILES AND
SKILL DEVELOPMENT**

(2022-23)

Shri Bhartruhari Mahtab - Chairperson

MEMBERS

LOK SABHA

2. Shri Subhash Chandra Baheria
3. Kunwar Pushpendra Singh Chandel
4. Shri Pallab Lochan Das
5. Shri Feroze Varun Gandhi
6. Shri Satish Kumar Gautam
7. Shri Bache Gowda B.N.
8. Dr. Umesh G. Jadhav
9. Shri Dharmendra Kumar Kashyap
10. Adv. Dean Kuriakose
11. Shri Pakauri Lal
12. Prof. Sanjay Sadashivrao Mandlik
13. Shri Dayakar Pasunoori
14. Shri Khalilur Rahaman
15. Dr. D. Ravikumar
16. Shri Naba (Hira) Kumar Sarania
17. Shri Bhola Singh
18. Shri Ganesh Singh
19. Shri Nayab Singh
20. Shri K. Subbarayan
21. Shri Giridhari Yadav

RAJYA SABHA

22. Shri Naresh Bansal
23. Shri Neeraj Dangi
24. Shri R. Dharmar
25. Prof. Manoj Kumar Jha
26. Shri Elamaram Kareem
27. Ms. Dola Sen
28. Shri M. Shanmugam
29. Shri Shibu Soren
30. Shri Vijay Pal Singh Tomar
31. Shri Binoy Viswam

SECRETARIAT

1. Shri T.G. Chandrasekhar - Additional Secretary
2. Shri D.R. Mohanty - Director
3. Shri Aditya Runthala - Assistant Executive Officer

INTRODUCTION

I, the Chairperson, Standing Committee on Labour, Textiles and Skill Development (2022-23) having been authorized by the Committee, present on their behalf this Fortieth Report on Action taken by Government on the Observations/ Recommendations of the Committee contained in their Thirty-Second Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) of the Ministry of Skill Development & Entrepreneurship.

2. The Thirty-Second Report was presented to Lok Sabha and laid in Rajya Sabha on 15th March, 2022. The Ministry of Skill Development & Entrepreneurship furnished their replies on 19th July, 2022 indicating Action Taken on the Observations/ Recommendations contained in the Thirty-Second Report. The Committee considered and adopted the Draft Report at their sitting held on 19 December, 2022.

3. An analysis of the action taken by the Government on the Observations/ Recommendations contained in the Thirty-Second Report (Seventeenth Lok Sabha) is given at Appendix-II.

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

New Delhi;
19 December, 2022
28 Agrahayana, 1944 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT

CHAPTER- I

REPORT

This Report deals with the action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Second Report (Seventeenth Lok Sabha) on Demands for Grants (2022-23) of the Ministry of Skill Development and Entrepreneurship.

2. The Thirty-Second Report was presented to Lok Sabha/ laid in Rajya Sabha on 15th March, 2022. It contained 31 Observations/Recommendations. Replies of Government in respect of all the Recommendations have been received and are categorized as under:-

(i) Observations/Recommendations which have been accepted by the Government – Rec. Para Nos. 1, 3, 4, 6, 7, 8, 10, 11, 14, 15, 16, 17, 18, 20, 21, 23, 24, 25, 27, 28, 29, 30 & 31	Chapter II Total:23 Percentage:74.19
(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – Rec. Para. No. 12	Chapter III Total:01 Percentage:03.23
(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Rec. Para Nos. 2, 19, 22 and 26	Chapter IV Total:04 Percentage:12.90
(iv) Observations/Recommendations in respect of which replies of the Government are interim in nature - Rec. Para Nos. - 5, 9 and 13.	Chapter V Total:03 Percentage:09.68

3. The Committee desire that Action Taken Notes in respect of Observations/ Recommendations contained in Chapter-I and final action

taken replies to the Observations/Recommendations contained in Chapter – V, be furnished to them at the earliest.

4. The Committee will now deal with some of their earlier Observations/Recommendations which either require reiteration or merit further comments.

I. BUDGETARY ALLOCATION & UTILISATION DURING 2021-22

(Recommendation Para No. 2)

5. In their earlier Report, the Committee had noted that the BE and RE for 2021-22 was the same ie. Rs. 2785.23 crore whereas the actual expenditure had been Rs. 1700.53 crore as on 31.01.2022 constituting 61.05 % fund utilization leaving 38.9 % of allocation to be utilized in the last two months of the financial year 2021-22. The Committee were of the view that the expenditure rush towards the end of the financial year would invariably lead to savings in multiple areas resulting in insufficient allocation and shortfalls in achievement of physical targets. The Committee had therefore recommended that the Ministry make earnest efforts to strictly follow the expenditure control guidelines issued by the Finance Ministry and proportionately utilize the earmarked amount in every quarter.

6. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:-

"The recommendation / observation of the Committee has been noted. Further, it is also stated that against the BE/RE of Rs. 2785.23 crore, the total expenditure of the Ministry was Rs. 2125.15 crore which was 76.30% of BE/RE. Due to the non-receipt or late submission of UCs, from States/UTs, the expenditure in some of the schemes could not be carried out as expected. The Ministry is, however, taking measures to tackle this problem by vigorously pursuing the issue with States/UTs. The officers will be delegated the responsibility of personally visiting the States/UTs. Following the expenditure control guidelines, Ministry will take the Monthly and Quarterly reviews of expenditure under each scheme as per the Monthly Expenditure Plans (MEP) and Quarterly Expenditure Plans (QEP) of each scheme and take corrective action where necessary. Further, real time monitoring of fund flows under the Centrally Sponsored Schemes (CSS) through the newly launched Single Nodal Account (SNA) Dashboard, will enable better utilization of funds."

7. The Committee are concerned to note that against the 2021-22 BE/RE of Rs. 2785.23 crore, the total expenditure of the Ministry was only Rs. 2125.15 crore which was 76.30% of BE/RE. According to the Ministry, the earmarked expenditure in some of the schemes could not be carried out due to non-receipt or late submission of UCs from States/UTs. In order to remove the bottlenecks, the Ministry are reportedly taking a number of measures which *inter-alia* include delegation of responsibility on officers to personally visit the States/UTs; Quarterly reviews of expenditure under each scheme as per the Monthly Expenditure Plans (MEP) and Quarterly Expenditure Plans (QEP) of each scheme according to expenditure control guidelines and real time monitoring of fund flows under the Centrally Sponsored Schemes (CSS) through the newly launched Single Nodal Account (SNA) Dashboard etc. As non-receipt or late submission of UCs by States/UTs has remained a perennial problem in maximum utilisation of the earmarked funds, the Committee impress upon the Ministry to intensify their review and monitoring mechanisms so as to ensure timely receipt of Utilisation Certificates from the States/UTs and real time assessment of fund allocation and utilisation which in turn would secure optimal annual expenditure as per planning.

II. JAN SHIKSHA SANASTHAN (JSS)

(Recommendation Para No. 15)

8. In their earlier Report, the Committee had noted that 304 JSSs were functional which included 70 new JSSs sanctioned during 2021-22. The Committee had also observed that the vision of the Ministry was to expand the JSS network to every District in the Country by establishing 741 JSSs and increasing the extant training capacity from 5.4 lakh candidates to 13.33 lakh candidates by 2024. Taking into consideration the consistently low budget allocation for the scheme, the Committee had called upon the Ministry to seek requisite fund allocation in a convincing and persuasive manner so that the targeted 741 JSSs were established within the time line for promoting skills and enhancing livelihood opportunities for the women, youth, SCs/STs, migrants, pavement dwellers etc.

9. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:-

" It is once again reiterated that the vision of the Ministry is to expand the network of Jan Shikshan Sansthan to all the districts of the country in a phased manner subject to the availability of funds. The Ministry of Finance is being persuaded to allocate adequate funds for the expansion of the Scheme of Jan Shikshan Sansthan in all the districts."

10. The Committee endorse the vision of the Ministry to expand the Jan Shikshan Sansthan (JSS) network to every District in the Country in a phased manner. As the expansion of the JSS network depends upon the availability of the funds, the Ministry of Finance is being persuaded to allocate adequate funds. The Committee urge the Ministry to vigorously pursue the matter to get the requisite funds from the Finance Ministry so that the JSS network is established in a phased manner in every district by 2024 for promoting skills and augmenting livelihood opportunities for the women, youth, migrants, downtrodden etc.

III. INCREASED FUND DISBURSAL AND UTILISATION UNDER SANKALP

(Recommendation Para No. 18)

11. In their earlier Report, the Committee had noted that SANKALP is an externally aided project with assistance from World Bank and approved by CCEA with a total outlay of 4455 crore with implementation period till March, 2023. The BE for the scheme was reduced from Rs. 500 crore to Rs. 185 crore at the RE Stage while the AE was Rs. 156.95 crore for the financial year 2020- 21. Similarly, the BE of Rs. 271 crore was reduced to Rs. 153.47 crore at RE stage while AE was only Rs. 72.97 crore (as on 31.12.2021) for the financial year 2021-22. The Committee while acknowledging the impact of Covid-19 pandemic on the implementation of the scheme were, however, concerned to note the consistent low level of fund utilisation. The Ministry had informed that review meetings were being conducted with implementing agencies and the States/UTs to track implementation and fund disbursements. The Committee recommended that the Ministry step up the review meetings and deepen the monitoring mechanism so as to ensure increased fund disbursement and utilisation to effectively meet the approaching deadline of the project.

12. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:-

"The recommendations of the Committee are noted for compliance. The Ministry has been actively engaging with the States/ UTs for the utilization of funds sanctioned under SANKALP. Further, for the effective and expeditious utilization of funds by the States/UTs, the Ministry has also empowered the States/UTs to re-appropriate activities/ re-distribute funds across Result Areas of SANKALP within the funds sanctioned/ approved under SANKALP."

13. The Committee appreciate that the Ministry have been actively engaging with the States/UTs and allowing them to re-appropriate activities/ re-distribute funds across Result Areas of SANKALP within the funds sanctioned/ approved under SANKALP. The Committee are of the considered opinion that these are steps in the right direction and exhort

the Ministry to continue the momentum for effective and expeditious utilization of funds under the Scheme.

IV. EXPEDITIOUS SUBMISSION OF PROPOSALS FOR PROJECTS UNDER SANKALP

(Recommendation Para No. 19)

14. In their earlier Report, taking into consideration the submission of the Ministry that they had requested the aspirational and backward districts across the Country to submit proposals for special projects to be funded under SANKALP, the Committee had recommended that the Ministry fortify the coordination mechanism with the State Governments concerned to provide the requisite assistance to the backward and aspirational districts for expeditious submission of proposals so that the special projects under SANKALP could be timely initiated and achieved. The Committee had further desired that the Ministry might consider engaging NGOs and other organisations working in such districts to come forth with innovative projects in collaboration with the District Machinery to target the large section of marginalised population of such districts.

15. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:-

" The Ministry has requested the State Skill Development Missions for supporting districts in designing special project that cater to the skill requirements, aspirations of the youth in the districts and cater to the marginalized population. Further, MSDE has engaged Mahatama Gandhi National Fellows to support the district in designing these special projects. MSDE has also undertaken workshops with the Fellows orienting them on the technical know-how for designing projects and has also undertaken discussions to showcase them on the successful models in the skill and entrepreneurship ecosystem. In addition, a roundtable has also been scheduled to be held with NGOs and other organizations, partner IIMs and MGNFs for designing these innovative projects."

16. While taking note of the efforts made by the Ministry for helping districts design special projects under SANKALP, the Committee would, however, like to reiterate that aspirational and backward districts require special assistance, given the distinct and extraordinary challenges faced in these areas. Accordingly, focussed efforts need to be intensified for handholding the agencies concerned in partnership with NGOs and other social service organisations, in the backward and aspirational districts so that special projects could be designed effectively and expeditiously to cater to the skill requirements of the youth and the marginalised population.

V. CREATION OF NEW/SCALE-UP ENTERPRISES UNDER PM-YUVA

(Recommendation Para No. 22)

17. Observing creation of a very few new/scale up enterprises in promoting sectors such as handloom, LED Bulbs, farming, travel and tourism etc., the Committee in their Thirty-Second Report had recommended that the Ministry should collaborate with other Ministries/Departments to motivate the trainees/candidates of skill training institutes to set up new/scale up enterprises in these sectors.

18. In their Action Taken Notes furnished to the Committee, the Ministry have submitted as under:-

" The selection of beneficiaries for the pilot project was on the basis of their interest of setting up or scaling up their organisation and was not sector specific. However, the number of new and scale up enterprises created under the Pilot Project (PM YUVA) in sectors like Handloom and handicraft, LED Bulbs and Electrician, Farming, Travel and Tourism are as below:

Sector	New	Scale-up	Total
Handloom & Handicraft	29	13	42
Led Bulbs and Electrician	24	29	53
Farming	8	2	10
Travel & Tourism	27	26	53
Grand Total	88	70	158

19. The Committee note that 88 new and 70 scale-up enterprises have been created under the Pilot Project (PM YUVA) in sectors like Handloom and Handicraft, LED Bulbs and Electrician, Farming, Travel and Tourism. The Ministry have contended that the selection of beneficiaries for the Pilot Project is on the basis of their interest of setting up or scaling-up their organisation and is not sector specific. This is precisely why the Committee in their earlier Report had impressed upon the MSDE to collaborate with other Ministries/Departments to motivate the trainees/candidates of skill training institutes to set up new/scale up

enterprises in these sectors. The Committee once again reiterate that it is imperative on the part of Ministry of Skill Development and Entrepreneurship to make concerted efforts in collaboration with other stakeholders to encourage/motivate the trained persons in evincing interest for setting up new and scale-up enterprises in the aforesaid promising and potential sectors.

VI. EXPANSION OF PM-YUVA TO ALL THE STATES/UTs

(Recommendation Para No. 24)

20. In their original report the Committee had observed that the PM-YUVA Scheme covered 10 States and 2 UTs and no fixed timeline had been fixed for the expansion of the project to the other States and UTs. The Ministry had submitted that the third party evaluation of the Pilot Project was being conducted for the purpose. The Committee had stressed that the evaluation process be expedited and a timeline fixed for expanding the Scheme to other States/UTs for the welfare of the beneficiaries.

21. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:-

"The third party evaluation work of PM-YUVA Yojana had been awarded to the organization selected through bidding process. The evaluation work has been completed and accordingly special projects for entrepreneurship development are being envisaged."

22. Now that the third party evaluation work has been completed and special projects for entrepreneurship development are being envisaged, the Committee urge the Ministry to come up with a definite timeline to expand the Scheme to all the States/UTs for the aid and assistance of the targeted beneficiaries.

VII FACULTY SHORTAGES IN ITIs

(Recommendation Para No. 26)

23. In their earlier Report, the Committee were concerned to find that out of the 1,99,387 number of sanctioned posts for professionals, across all the ITIs, 1,29,805 were lying vacant as per the NCVT portal (as on 21.02.2022). Expressing displeasure at such huge number of vacancies of professionals, that existed in the ITIs, the Committee had impressed upon the Ministry to take urgent steps to address the shortage of professionals in ITIs so as to ensure efficient and high quality training delivery.

24. In their Action Taken Note furnished to the Committee, the Ministry of Skill Development & Entrepreneurship have stated as follows:-

" As on 13.05.2022 , out of 1,99,577 number of sanctioned posts for professionals across all the ITIs, 1,29,583 are shown vacant as per the NCVT MIS portal. In order to address the shortage of professionals in ITIs, and to ensure efficient and high-quality training delivery, Directorate General of Training (DGT) under MSDE has taken the following initiatives:

- DGT has mandated CITS as essential qualifications for recruitment of Vocational Instructors in ITIs so that uniform, standardized and systematic training can be delivered to ITI students.
- States / Union Territories were advised to revise the Recruitment Rules for Vocational Instructors in ITIs in their States / UT by including the CITS qualification as an essential qualification to bring qualitative improvement in the Vocational training across the country. In this regard, D.O. Letter No. MSDE(DGT)-19/07/2020-CD dated 2nd February 2022 was also issued to all the Chief Secretaries of all states by the DG/AS, DGT .
- For issuance of National Craft Instructor Certificate (NCIC) to in-service ITI Instructors (including long term contract) with at least 03 years' experience in teaching from an institute, DGT has revised RPL Guidelines vide DGT Letter No. DGT-11012/5/2022-O/o Dir (CFI) dated 26th April 2022.
- DGT has issued letter to all State / UT Directors for affiliation of CITS trades by converting their ITIs into IToTs (Institute for Training of Trainer) vide DGT letter No. CITS-001 (01)/3/2022-O/o DIR (CFI) dated 28th March 2022. DGT has approved conversion of Government Model ITIs into IToTs for imparting CITS (Instructor training) training from the year 2022.

25. The Committee are deeply concerned to note that as on 13th May, 2022, out of 1,99,577 number of sanctioned posts for professionals across all the ITIs in the Country, as many as 1,29,583 posts are lying vacant as per the National Council for Vocational Training (NCVT) MIS Portal. In order to address the shortage of professionals in ITIs and to ensure efficient and high quality training delivery, the Director General of Training (DGT) under the Ministry of Skill Development and Entrepreneurship are reportedly taking a number of initiatives. As acute shortage of professionals and vocational instructors defeats the very purpose of setting up of ITIs, the Committee impress upon the Ministry to leverage their coordination mechanism with the States/UTs and vigorously reinforce the measures initiated to recruit requisite number of Professionals/Instructors in the ITIs so that uniform, standardized, systematic and high quality training are imparted to the ITI students.

New Delhi;
19 December, 2022
28 Agrahayana, 1944 (Saka)

BHARTRUHARI MAHTAB
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT

APPENDIX-II**(Vide Para No. 3 of the Introduction)****ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/
RECOMMENDATIONS CONTAINED IN THEIR THIRTY-SECOND REPORT
(SEVENTEENTH LOK SABHA) OF THE STANDING COMMITTEE ON LABOUR,
TEXTILES AND SKILL DEVELOPMENT**

	Total	Percentage
I. Total number of Recommendations	31	
II. Observations/Recommendations which have been accepted by the Government (Rec. Para. Nos. 1, 3, 4, 6, 7, 8, 10, 11, 14, 15, 16, 17, 18, 20, 21, 23, 24, 25, 27, 28, 29, 30 & 31)	23	74.19%
III. Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – (Rec. Para. No. 12)	01	03.23%
IV Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – (Rec. Para Nos. 2, 19, 22 and 26)	04	12.90%
V Observations/Recommendations in respect of which replies of the Government are interim in nature- (Rec. Para Nos. - 5, 9 and 13)	03	09.68%
		100%