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**STANDING COMMITTEE ON LABOUR**

**(2017-18)**

**(SIXTEENTH LOK SABHA)**

**MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP**

**[INDUSTRIAL TRAINING INSTITUTES (ITIs) AND SKILL  
DEVELOPMENT INITIATIVE SCHEME]**

**THIRTY-THIRD REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**January, 2018/Pausha, 1939 (Saka)**

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*Presented to Lok Sabha on 4th January, 2018*

*Laid in Rajya Sabha on 4th January, 2018*



***LOK SABHA SECRETARIAT***

***NEW DELHI***

**January, 2018/Pausha, 1939 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR**  
**(2017-18)**

**DR. KIRIT SOMAIYA - CHAIRPERSON**

**MEMBERS**

**Lok Sabha**

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

**Rajya Sabha**

22. Dr. K. Chiranjeevi
23. Shri Ram Narain Dudi
24. Shri N. Gokulkrishnan
25. Shri Nazir Ahmed Laway
26. Shri P.L. Punia
27. Shri Rajaram
28. Shri Amar Shankar Sable
29. Ms. Dola Sen
30. Shri Tapan Kumar Sen
31. *Vacant*

**SECRETARIAT**

- |                        |   |                     |
|------------------------|---|---------------------|
| 1. Ms. Rhimjhim Prasad | - | Joint Secretary     |
| 2. Smt. Anita B. Panda | - | Director            |
| 2. Shri Dhiraj Kumar   | - | Additional Director |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Labour (2017-18) having been authorized by the Committee do present on their behalf this Thirty-third Report on 'Industrial Training Institutes (ITIs) And Skill Development Initiative Scheme' pertaining to the Ministry of Skill Development & Entrepreneurship.

2. The Committee took evidence of the representatives of the Ministry of Skill Development & Entrepreneurship on 9<sup>th</sup> June, 30<sup>th</sup> June and 21<sup>st</sup> November, 2017. The Committee considered and adopted the Draft Report at their sitting held on 3<sup>rd</sup> January, 2018. 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.

3. 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;**  
**3<sup>rd</sup> January, 2018**  
**13<sup>th</sup> Pausa, 1939 (Saka)**

**DR. KIRIT SOMAIYA**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON LABOUR**

## **GIST OF OBSERVATIONS/RECOMMENDATIONS AS CONTAINED IN THIS REPORT**

Vocational training to youth in the country was initiated in the year 1950 through 'Craftsmen Training Scheme' under which Industrial Training Institutes (ITIs) were established, for imparting skills in various vocational trades to meet the skilled manpower requirements for technology and industrial growth of the country. Later, several private ITIs were established. In the year 1980, there were 831 ITIs, which rose to 6906 in 2009. In the last decade, the number has reached 13,353 ITIs, of which 11,000 are Private, while growing at the rate of 15%. Hence, there has been a huge expansion in the ITI system. Concerned with certain issues in the accreditation of the ITIs, the Standing Committee on Labour had decided to examine the subject "Industrial Training Institutes and Skill Development Initiative" on priority and held evidences of the representatives of the Ministry of Labour and Employment. Some of the major observations/recommendations of the Committee pertain to following issues:

1. The Committee have appreciated the Government's plans to develop 500 ITIs as world class and the initiative for star rating & grading of ITIs to bring further credibility to skill training, which is need of the hour. However, the Committee have felt that the star rating should not be left to be voluntarily adopted by an Institute but should be applicable on all ITIs so as to improve the overall quality of skill training.
2. The Committee have appreciated that the Craftsmen Training Scheme (CTS), under which at present around 13,353 ITIs are operational in various States, to meet the Country's skilled manpower requirement, was being run by the Government during the period 1950-2012. The Committee have further noted that in 2012, the Government changed their policy and the Quality Council of India (QCI) was assigned, for a period of four years, the task of scrutinising, verifying and accrediting the ITIs before sending to DGT for forwarding onwards to NCVT granting affiliations to them to run various vocational schemes. QCI had accredited about 6729 cases. The Committee are concerned to note that while on one hand during the period 1950-2012, 6624 ITIs

were set up, the QCI, on the other hand, in a period of four years i.e. 2012-2016, accredited 6729 ITIs, but those could not function in the desired manner. Hence, the present report on ITIs is bringing this issue into focus, among other things.

3. The Committee have expressed serious concern over the issue of QCI compromising with the quality of affiliation and accreditation process and not following set norms in respect of ITI's buildings, infrastructure, facilities, safety, machinery, equipment, faculty, etc., thus defeating the very purpose of providing quality skills to youth. The non-compliance of norms by QCI had resulted in several derelictions found in ITIs in various States. The Committee have found that during the period 2014-16, there were a huge volume of public grievances/complaints regarding accreditation of ITIs by QCI. Currently QCI is not playing any role and 183 cases are pending in High Court.
4. Expressing their serious concern over the non-transparency in accreditation process, the Committee have also pointed at the flaws in the inspection mechanism set by the Ministry of Skill Development & Entrepreneurship. Even the new steps implemented by QCI like videography of site visit etc. did not seem credible in view of the serious nature of complaints received by DGE&T. Also despite having the power of inspection, there was hardly any inspection conducted by QCI. It was only after the persistence of the Committee and the Ministry of Skill Development & Entrepreneurship that special inspections were conducted and several accredited cases were found to have serious shortcomings. Thus, the Committee have suggested that apart from examining the 263 cases, on which complaints were received, the Ministry need to conduct a compulsory review of all 6729 cases which QCI had forwarded for accreditation.
5. DGT in the last five years owing to serious complaints found in their functioning after inspections. However, de-affiliation has a direct impact on the future of the students of the institute. Hence, the Committee have desired that it must be ensured that the future of the

trainees is not impacted adversely and recommended for alternative arrangements to be made.

6. The Committee further note that CTS is not initiated through law. As the scheme is showing a phenomenal growth in the last two decades, the Committee have opined that time has come to monitor and regulate this growth, particularly in the wake of serious complaints of corruption received with regard to accreditation of some ITIs. Hence they have recommended the Ministry of Skill Development & Entrepreneurship, to initiate necessary procedures to provide legal teeth to CTS. A suitable legislation would not only bring credibility to the skill training programmes but would also strengthen its regulation and monitoring in the desired manner.
7. Regarding the participation of State Governments, the Committee are sad to learn that requisite support from them is not forthcoming. They feel that if the skill development target of 40 crore youth in the coming 7 years is to be realised, the Government requires 100% support from the State Governments. The Government would also be inspecting around 3500 ITIs through the State Governments before August, 2018. The Committee have desired the Ministry to chalk out an action plan for the complete involvement of State Governments in reaching the skill development target.
8. The Committee have noted that only 2.30 lakh trade apprentices are undergoing apprenticeship training in 30,165 establishments throughout the country under the Apprentices Act, 1961 . There is a huge potential in apprenticeship training which remains untapped. The Committee thus have recommended that comprehensive efforts should be made by involving all the stakeholders including the State Governments and private industry to tap this unused huge potential available in apprenticeship training in the Country.
9. The Committee have noted that a new scheme 'NAPS' has been launched to encourage establishments by incentivizing them to engage



more numbers of apprentices. Target under the scheme is 10 lakh apprentices for 2017-18, 15 lakh apprentices for 2018-2019 and 20 lakh apprentices for 2019-20. The Committee have expressed hope that Ministry will be able to achieve the target fixed for fresher apprentices and have desired that greater impetus must now be given to implementation of this scheme in the right earnest.

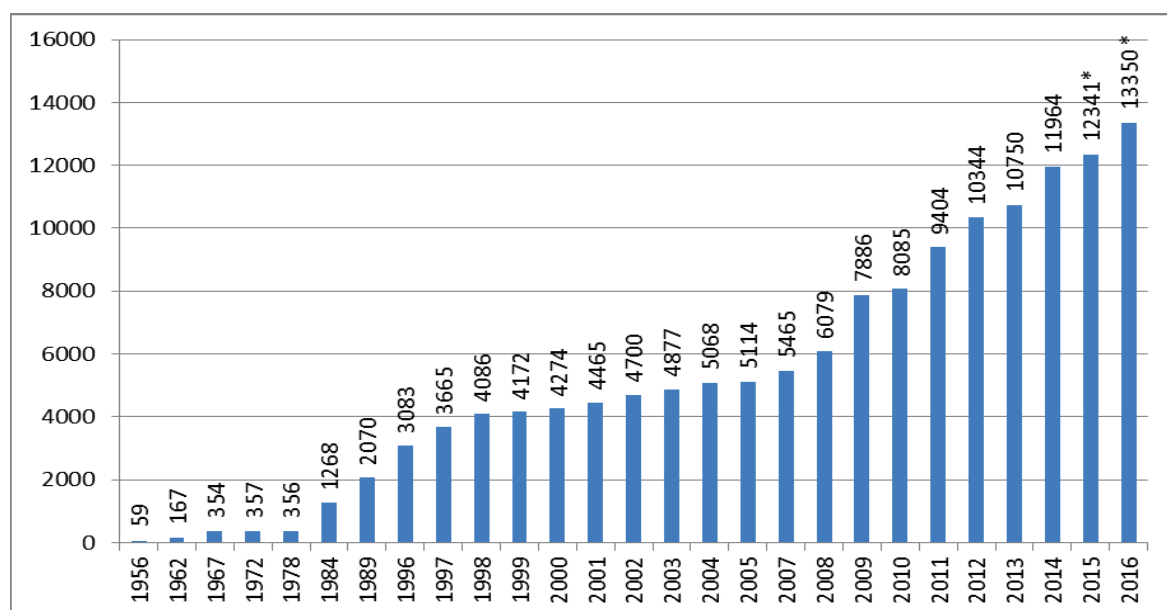
10. To improve the industry connect, Directorate General of Training (DGE&T), M/o Skill Development & Entrepreneurship has adopted the German model of Vocational Education system in India by introducing Dual System of Training (DST). Dual System combines practical training in the industry and theoretical training along with foundation practical in ITI(s) which leads to better ITI – Industry linkage. Under this, ITIs are required to enter into a Memorandum of Understanding (MoU) with industries under information to the respective State. So far 16 MoUs have been signed in the States of Odisha, Jharkhand and Rajasthan and 20 MoUs are in pipeline. The Committee have felt that such initiative will enhance employability of the ITI trainees and availability of trained manpower for the industry along with projecting future trends in manpower requirements and have recommended that the Ministry needs to encourage local industry participation vigorously so that they come forward and sign MoUs with ITIs situated in the areas of their operation.

## Report

### *Introductory*

With a view to imparting skills in various vocational trades and to meet the requirement of skilled manpower for fuelling industrial growth in the country, in 1950 the Government initiated the Craftsmen Training Scheme (CTS) and about 50 Industrial Training Institutes (ITI) had been set up in the country. In the 1980 several private ITIs were setup in Kerala, Karnataka and Andhra Pradesh, which helped trained craftsmen of the region get gainful employment in the Gulf countries.

2. In 1980 there were about 831 ITIs in the country, which rose to 1887 by 1987. During the last two decades there has been a phenomenal rise in the setting up of Government and Private ITIs which is growing at the rate of 15 per cent annually. At present (upto May 2017) there are around 13,353 Government and Private ITIs in the country (2,152 Government and 11,201 private). These ITIs provide a seating capacity of 21.94 lakh. A chart indicating the growth of setting up of ITIs in the last five decades is as follows:-



Source: Annual Report & NCVT portal information updated May 2017

### **Structure of Craftsmen Training Scheme:**

3. The Committee desired to know about the structure of the Craftsmen Training Scheme (CTS) under which the ITIs are managed in the country and the role the Government played regarding setting up of ITIs. The Ministry of Skill Development and Entrepreneurship (MSDE) informed that the erstwhile Directorate General of Employment and Training under M/O Labour and Employment and now Directorate General of Training under MSDE is the nodal agency to coordinate Craftsmen Training Scheme at the national level. Directorates dealing with Craftsmen Training Schemes are responsible to implement CTS through Government and Private ITIs of their respective States. It was further informed that the responsibilities of the Central & State Governments have been clearly identified for smooth implementation of CTS. The Directorate General of Training is responsible for the following:

- (i) Framing overall policies, norms, and standards for affiliation of Industrial Training Institutes
- (ii) Granting affiliation to Industrial Training Institutes
- (iii) Development/ revision of course curriculum of various trades
- (iv) Introduction and deletion of obsolete trades
- (v) Trade testing (supplying question papers & certification)
- (vi) Conducting instructor training course for serving & potential instructors of ITIs
- (vii) Conducting courses for skill up-gradation of instructor in specialized/new areas
- (viii) Expansion of training infrastructure as per demand
- (ix) Formulation of schemes for up-gradation of ITIs, as well as overall improvement of CTS
- (x) Formulation and implementation of quality assurance mechanism to ensure high standards of training in ITIs
- (xi) Bilateral agreements and cooperation in the field of vocational training, to make training at par within international standards
- (xii) Hosting and maintaining NCVT MIS portal

The State Directorates of the respective states deal with the following:-

- (i) Day-to-day administration of Industrial Training Institutes
- (ii) Actual conducting of training programmes in ITIs
- (iii) Setting up new institutes, addition of trade units in the existing institute as per the requirement of local industries
- (iv) Conducting Theory and Practical Exams for All India Trade Test
- (v) Implementation of Central Schemes for up-gradation of ITIs
- (vi) Deputation of instructors for training at DGE&T institutes.

4. The Committee desired to know about the regulatory framework under which the ITIs in the country function/are managed/regulated. The MSDE in a note informed that the CTS was not initiated through Law. The document “Training Manual of Industrial Training Institutes/Centres”, available in DGE&T reveals that CTS was introduced by Govt. of India in 1950. It has further been informed that the day-to-day administration of ITIs under the CTS was transferred to the respective State Governments/Union Territory administration with effect from the year 1956. From 1<sup>st</sup> April, 1956, the financial control of the ITIs in the State as well as in the Union Territories was transferred to the respective State Governments/UTs. The Financial assistance was granted to them in the form of bulk grant in consultation with the erstwhile Planning Commission and the Ministry of Finance.

5. The Committee further desired to know about the role and functioning of the National Council of Vocational Training (NCVT) vis-a-vis the management of ITIs in the country. The MSDE informed that the NCVT was set up in 1956, as a tripartite advisory body with a view to ensure and maintain uniformity in standards of training all over the country. The Council acts as a central agency to advise the Government of India in framing the training policy and co-coordinating vocational training throughout India. It was setup through a resolution by the Ministry of Labour in 1956, under the

Chairmanship of the Hon<sup>ble</sup> Union Labour & Employment Minister, to advise the Government on issues relating to “vocational training”, including Craftsmen Training Scheme such as designing of curricula, maintaining quality standards, deciding norms for affiliation, granting affiliation to instate, trade, testing and certification. The Council consists of representatives of Central Ministries, State Directors, Employers Organizations, Employees’ Organisations, Professional Learned Bodies, Experts and representatives of SC/ST. The Council is reconstituted after every three years. It has further been added by the MSDE that the Directorate General of Training is functioning as Secretariat to the NCVT. The Council meets regularly to review the norms and standards of training programme offered in the ITIs. According to the MSDE the NCVT has successfully discharged its duties and since its inception in year 1956 and created a „Brand Name” in the area of skill training. When asked about the major areas of functioning of the NCVT, the MSDE also apprised the Committee that the major areas of functioning of the NCVT are to:-

- a) Establish and award National Trade Certificates in engineering and non-engineering trades and such other trades as may be brought within its scope by the Government of India;
- b) Prescribe standards with respect to syllabi, equipment, and scale of space, duration of courses and methods of training;
- c) Arrange trade tests in various trade courses and lay down standards of proficiency required for a pass in the trade test leading to the award of National Trade Certificate;
- d) Arrange for ad-hoc or periodical inspections of training institutions in the country to ensure that the standards prescribed by the council are being followed;
- e) Recognize training institutions run by government or by private agencies for purposes of the grant of National Trade Certificates and lay down conditions for such recognition;
- f) Prescribe qualification for the technical staff of training institutions;

- g) Prescribe the standards and conditions of eligibility for the award of National Trade Certificates;
- h) Award National Trade Certificates;
- i) Recommend the provision of additional training facilities wherever necessary and render such assistance in the setting up of additional training institutions or in the organisation of additional training programmes as may be possible;
- j) Perform such other function as may be entrusted to it by the Government of India;
- k) Perform such functions as are assigned by or under the Apprentices Act, 1961

6. The Committee has been informed that in pursuance of the Cabinet Secretariat Order No. 1/21/9/2014-Cab dated 16<sup>th</sup> April, 2015 & Ministry of Labour & Employment Order No. DGE&T-A-22020/01/2015-Adm-II dated 21.04.2015, two verticals of Directorate General of Employment & Training (DGE&T) working under Deputy Director General (Training) & Deputy Director General (Apprenticeship Training) along with their support system have been transferred to Ministry of Skill Development & Entrepreneurship (MSDE). Consequently, NCVT has been partially re-constituted under the Chairmanship of Hon<sup>ble</sup> Minister of State(IC), Skill Development and Entrepreneurship, *w.e.f.* 13.05.2015.

7. The Committee desired to know about manner in which issues relating to granting affiliation to ITIs is handled. The MSDE informed that earlier, i.e. before 2012, State Directorates(s) used to invite applications from the stake holders on yearly basis and the applications received were scrutinised. Those found in order (alongwith fees payable to state), were inspected by a committee constituted by the state directorate (preliminary inspection ) to physically ascertain the basic infrastructure in the institute with hand holding of these ITIs as per NCVT norms. These Preliminary Inspection Reports (PIRs) vetted by the State Directorates were forwarded to RDATs alongwith proposal for Standing Committee Inspection (SCI) of these Institutes. The

State Directors constituted the Standing Committee with the NCVT nominee as a member, State Govt. representatives from Industry & Labour , and one or two trade(s) experts as co-opted members. The recommendations of these SCIs conducted (for opening of new ITI/increase in Trade/Units of existing ITIs) i.e. Standing Committee Inspection Reports (SCIRs), were forwarded by the State Directorates to the DGE&T for consideration in the NCVT sub committee dealing with affiliation. The ITIs found conforming to NCVT norms were granted Affiliation with NCVT and those not as per norms were rejected. In the same note the MSDE also informed that, however, due to huge workload of affiliation and shortage of staff, it was decided to engage the Quality Council of India (QCI) in the 40<sup>th</sup> NCVT meeting held on 16.12.2011. An MoA was signed between DGET and QCI in 2012 and QCI was engaged from September 2012 for a period of four years. The Committee was keen to know about reasons which prompted the Government to consider awarding the important task of accreditation to an outside agency. To this, the MSDE informed that due to issues relating to conflict of interest in assessment of ITIs, delay in completing the process of affiliation and to streamline the process of affiliation through technology, the QCI was awarded the work of independent assessment vide MoA dated 17.09.2012.

8. As the Committee desired to know about the Quality Council of India, the MSDE informed as under:

"The QCI is a non-profit organization registered under the Societies Registration Act and works as a National Accreditation body, supported by the Government but independent in its functioning. QCI has been established to create a mechanism for independent third party assessment of products, services and processes. The Department of Industrial Policy and Promotion Ministry of Commerce and Industry has been the nodal point for all matters connected with quality and QCI. It has also been informed that the QCI operates its quality assurances activities in areas related to industry, education, environment, health care etc. The vision statement of QCI is to create an eco-system for quality and the mission statement is to lead

nationwide quality movement in India by involving all stakeholders for emphasis on adherence to quality standards in all spheres of activities primarily for promoting and protecting interest of the nation and its citizens."

### **Procedure regarding scrutinizing & Accreditation by QCI**

9. On being asked about the manner in which the QCI was required to handle matters relating to accreditation of new ITIs, the Committee was informed that In the said MOA, QCI was mandated to create a comprehensive portal to ease the operations regarding processing of ITI applications, to do an independent assessment of ITIs and send the reports to the DGE&T for further decision on the ITI application. The MoA also stipulated QCI to develop an accreditation criteria which shall be used for verification of infrastructure and training facilities in ITI in accordance with standards set by NCVT. Further, QCI shall grant accreditation to the institutes on the basis of fulfillment of all requirements of accreditation criteria agreed between NCVT and QCI. The adherence to NCVT norms with respect to the accredited applications is scrupulously checked by the DGE&T before giving orders for affiliation.

10. The MoA also stipulated the following mutually agreed upon activities to be undertaken by QCI during the period of existence of MoA (i.e. for 4 year w.e.f 1<sup>st</sup> September 2012):

- (i) Desktop review
- (ii) Physical verification
- (iii) Annual surveillance after affiliation with NCVT.
- (iv) Besides the above MoA also required QCI to develop and implement mechanism for Rating & help ITIs to meet with ISO 29990 standard.

11. The Committee desired to know about the action taken by the QCI after signing of the MoA for scrutiny of applications and granting accreditations. The Ministry apprised that in accordance with the terms & conditions of MoA,



QCI developed an online mechanism (at its own cost) thereby enabling the ITI applicants to submit their application in the online portal (thus, dispensing with the existing hard copy of applications). This was done to make the system more transparent, user friendly and less time consuming. Further, as per the mutually agreed upon terms, the ITIs are accredited by QCI following the well laid down process comprising of following activities:

- (i) Online submission of Applications
- (ii) Desktop Assessment(DA)
- (iii) DA Non-Conformities(NCs) closure by ITI applicants
- (iv) Site Assessment (SA)
- (v) SA NC closure by ITI applicants
- (vi) Verification of cases which have closed their SV NCs at NABET secretariat level,
- (vii) Placing the eligible applications before the Accreditation Committee consisting of DGE&T representative (Accreditation Committee is an independent committee which after ensuring all quality parameters accredits the ITI case).
- (viii) Forwarding of the accredited files to the DGE&T
- (ix) Thus, QCI accreditation process ensures sanctity of evaluation at four levels: i) Desktop Assessment ii) Onsite assessment iii) Verification at NABET Secretariat iv) Rechecking and ensuring homogeneity of evaluation through Experts in the Accreditation Committee.
- (x) In addition to above, after the assessment is completed, the files of accredited ITIs (that contain the site assessment CD, recommendation sheet by assessor and Approved building plan of ITI only-all the remaining documents are available on portal) are forwarded to DGE&T.
- (xi) The file of accredited ITI submitted to DGE&T is further scrutinized at DGE&T end to ensure its conformity to NCVT

norms. In case of any discrepancy these are referred back to QCI for further clarification (sample communication received from DGE&T in this respect and the reply submitted to this effect).

12. Further, the Committee were informed that for ensuring the transparency in the system, QCI had implemented following new steps, which did not exist earlier:

- (i) No submission of hard copy of documents, all the documents pertaining to society/Trust registration, land, building, approved building plan, machinery, tools & equipments, instructor staff etc., are to be uploaded on the portal.
- (ii) At the level of Desktop Assessment (DA) when documents are verified by a team, deficiencies observed and Non conformities (NCs) are made available on the portal.
- (iii) The ITI applicant is required to submit documents and close its DA NCs on the portal itself.
- (iv) Once the DA NCs are closed successfully, a system generated communication is sent to ITI intimating it to pay the Site visit fee for further processing of its application on the portal.
- (v) Allotment of site visit date is then reflected on the ITI portal
- (vi) Deficiencies observed at the Site Visit (SV) are again uploaded on ITI portal
- (vii) The ITI is asked to upload the relevant documents in order to close the SV NCs on ITI portal
- (viii) Submission of any additional required documents on the portal
- (ix) The applicants can view the day-to-day progress of its application processing at any time on the portal
- (x) During site visit, a video recording of the entire site assessment process is also done and the site visit CD is

submitted to DGE&T for its review while submitting the file of the ITI to DGE&T for affiliation.

13. The Committee has also been informed that the above system of processing ITI application is totally secure since it operates on Login credentials of the ITI and only those who are authorized by the ITI concerned can enter into the portal where ITI has uploaded its documents. Further, as per the agreed terms of MoA QCI accredits the ITIs based on the NCVT guidelines/norms. The Accreditation manual prepared by QCI is sent for approval to DGE&T. In case any modification/clarification is required with respect to any norm/guideline, the same is forwarded to DGE&T. After the approval of NCVT, only the concerned norm/guideline is implemented by QCI. NABET/QCI conducts training programs to make the ITI owners aware of the norms of DGE&T to open a new ITI. NABET has also prepared a CD which is freely distributed to ITI to understand the entire process of filing an application, as well as the norms. NABET also conducts webinars to disseminate all information to the ITI about various questions they may face. QCI has been carrying out the ITI accreditation activity since 2012 and as mentioned above about 6729 cases have been accredited by QCI and were forwarded to DGE&T for further consideration.

### **Deficiencies found in the functioning of QCI**

14. In a document furnished to the Committee the MSDE informed that it had been noticed that the QCI had compromised with the quality of affiliation and accreditation process. The QCI had not followed the proscribed NCVT norms in respect of building infrastructure, machinery and equipment, faculty/staff and also the general safety norms had not be adhered to. The trainees" from these institutes with poor level of skills are not as per the industry standards. Taking a serious note of such serious lapses, the Committee desired to know the details of the norms for process to be

followed for reporting, internal checks, final approval of the process, implementation and final accreditation to be granted to ITIs by the QCI under the MoA that had been signed between DGE&T and the QCI.

15. The Ministry replied in affirmative and stated that provision had been made in the MoA at Section B – Role of Second Party i.e. QCI (a) Second Party shall develop accreditation criteria which shall be used for verification of infrastructure and training facilities in ITI in accordance with the standards set by NCVT, and (b) The Second Party shall grant accreditation to the Institutes on the basis of fulfilment of all requirements of accreditation criteria agreed between DGE&T and QCI.

16. The Committee then asked whether these norms were same as was being followed by the State Directorates before the matter of accreditation had been assigned to the QCI. In reply of the Ministry stated that The norms were same for State Directorates before the matter of accreditation had been assigned to the QCI. However, QCI has not followed the process in right earnest and these derelictions were found during inspection of few ITIs. DGE&T has inspected few ITIs which were accredited by QCI and found the following:

- (i) Institutes were accredited without completion of buildings, though the civil works were going on. Maa Bhagwati Pvt. ITI, Gaya Bihar.
- (ii) Deficiencies in machine and equipment. Vishal Pvt. ITI, Bihar
- (iii) Machines were found uninstalled during inspection. Chaitanya Bhartiya ITI"s, Sant Kabir Nagar ITI.(U.P.)
- (iv) At one premises two ITIs have been accredited. Dr. RDY ITI and Dr. B.R. Ambedkar ITI, Gaya, Bihar& also MaharanaPratap& New MaharanaPratap ITI at Gorakhpur at UP.
- (v) Institutes have been accredited in buildings already pre-occupied for other activities viz. schools, colleges etc
- (vi) Institutes accredited even do not exist at the address provided in record.

- (vii) The assessment work was conducted by single assessor without involving the member of State Government which was a condition of MoA.
- (viii) Though the MoA/letter to be issued to QCI was insisting for technical qualification of Assessor viz. degree/diploma holder with experience on page-3 (e) & (f) but list of Assessors of QCI shows that number of Assessors are non-technical with other back ground experience.
- (ix) The QCI Assessor has not taken proper due diligence for safety norms viz. earthing of entire building and fire safety etc. Chaitanya Bhartiya ITI's, Sant Kabir Nagar ITI. (U.P.).
- (x) Proper/ dedicated electric connection was not existent and safety aspects completely ignored. Gurukul ITI, Gaya, Bihar.
- (xi) Classrooms were made by sub dividing large rooms by putting temporary partitions, resulting in interference with the training activities in adjacent classrooms/workshops- Anand ITI, Bhopal M.P. and Vishal ITI, Gaya, Bihar.

17. The Ministry also informed that all the above facts have already been narrated in the affidavit submitted by DGE&T against QCI in Hon"ble High Court. The QCI was informed in various ways of the specific parameters to be inspected by Assessor. Deviation of stipulated norms noticed by sub-committee during meeting in year 2013 and clarifications were asked from QCI which are about 30% of total cases.

18. The Committee then desired to know whether the DGE&T/Ministry had retained powers of inspection/oversight over the scrutiny process being followed by the QCI before granting of accreditation. The MSDE in a written reply stated that the work of accreditation of ITIs was entirely assigned to QCI. As per the approved procedure DGE&T did not have the rights to reject the application. The proposals accredited by QCI, submitted to DGE&T for placing before the sub-committee are scrutinised for the documents only. In

case, the documents are found non-satisfactory as per NCVT prevailing norms, the deficiencies are communicated back to QCI seeking clarification. The MSDE also informed that however, as per MoA page-3 section A (f) provision of 5% of inspection for verification on random basis is available.

19. The Committee desired to know as to when the MSDE came to the conclusion that the QCI had compromised with the quality of affiliation and accreditation process and whether such conclusion was based on any complaints received. The Ministry in reply submitted that as per the provision relating to inspection given in MoA, few ITIs were inspected and during the inspection it was found that QCI had compromised with quality of inspection and accreditation of process. Also, a huge volume of public grievances and court cases drew the attention that QCI is not functioning in a proper manner.

20. However, during the examination of the matter, two contrary statements emerged in the response to the Committee given by the Ministry of the QCI accreditation process. While in one hand the Ministry, in their responses, had admitted to lapses in the matter, on the other hand in one reply it was submitted that the DGE&T has not pointed out any lapses in the prevailing system of accreditation. When a clarification was sought for giving two divergent and contrary views to the Committee in these same matter, the Ministry replied as under:

"QCI was asked to respond against the lapses during the accreditation process done by them. The response from QCI has been inadvertently communicated to the Parliamentary Standing Committee as the reply of the Government and the response of the Government was inadvertently omitted..."

21. The Committee then desired to know whether any detailed inquiry into the matter has been initiated, including vigilance inquiry. In response the Committee was informed that in view of the deficiencies observed in the complaints of individual institutions/associations received against accreditation of ITIs by QCI, the Government decided to involve an

independent third party agency in order to evaluate the task of ITI accreditation. Accordingly, letter dated 15.04.2015 by Director (T) was issued to Director, IIPA (Indian Institute of Public Administration). The draft study report from IIPA had been received during October, 2017. After scrutiny, the same shall be shared with Secretary, Department of Industrial Policy and Promotion (DIPP) for taking appropriate action against QCI.

22. The Committee then queried that between 2012 to 2016 i.e. the period when the QCI handled the work relating to ITI accreditation what was the nature of complaints that had been received in the Ministry regarding the appointment of the QCI for the accreditation of ITIs and the functioning/ performance of the QCI while handling the work of affiliation and accreditation process of ITIs and the manner in which such complaints were processed and handled by the Ministry. In reply the Committee was informed that at the time of assigning the work of ITI accreditation to QCI, existing DGE&T staff association and private ITIs association separately met the then Hon"ble Minister, the then Secretary, the then Director General and expressed strong resentment against assigning the ITI accreditation work to QCI citing that QCI does not have an expertise in accreditation of ITIs. In the year 2014 onwards, similar specific complaints on functioning of QCI were received. Details of some of the complaints are as given below:

- (i) Letter received from the State President of private ITI's association written to honourable Prime Minister in August 2014 in which he has given intimation about malfunctioning of QCI and corruption involved in their day to day work, specifically put charges on the CEO, QCI.
- (ii) Letter dated 09/06/2014 written to honourable PM received from Secretary, Pvt. ITI association, Central Zone stating corrupt activity of QCI and two of their officers.

- (iii) Letter dated 09/06/2017, addressed to honourable PM by the President – Shri Ramdeo Pvt. ITI Lahari district Basti, U.P.) charging corruption on entire team of QCI.

23. The Ministry added that in line with observations made in the various complaints regarding malpractices by QCI in accrediting ITIs, already a letter had been written by Secretary, MSDE to Secretary, Department of Industrial Policy and Promotion (copy enclosed). MSDE further added that, specific reports on complaints mentioned above would be forwarded to Secretary, DIPP to initiate suitable action against QCI at their end.

24. The Committee then desired to know the view of the Ministry on such complaints on the appointment of QCI to handle the work of affiliation and accreditation process of ITIs. The MSDE in reply stated that as the work was assigned by the Ministry to QCI, it had been decided to continue the work and keep close monitoring of their functioning. Due to this, number of complaint received against functioning of QCI were forwarded to them for finding out the facts of complaint, their rectification at their end and further improvement in function of QCI. Even regular meetings were also held between DGE&T and QCI official in which all the deficiencies viz. qualification of assessors etc. were pointed out and QCI assured for taking immediate corrective measures at their end. The Ministry has added that a letter was also issued by the then DG/JS Mr. Alok Kumar on 21.11.2014 to all State Directors with an advisory to them for carrying out inspection of ITI's accredited by QCI in case of complaints received. (copy enclosed). Some of the points was informed to QCI during discussions are:

- (i) QCI to allow the assessors with post graduate qualification in Science Computer and Management (i.e. MCA, MBA & M.Sc) with 10 years of industry experience in engineering field.
- (ii) QCI will send revised MIS reports in proper format as discussed and monthly age analysis of Non-Conformities (NCs) to be presented with more clarity by including some additional columns.



- (iii) Existing system of feedback to CEO, QCI from ITIs with completed site assessment will be put online for transparency.
- (iv) Data pertaining to infrastructure of ITIs will be on public domain.
- (v) Proposal may be cross checked at QCI platform against check list before forwarding to DGE&T.
- (vi) Information about non-conformities (NCs) should be conveyed within 48 hours of inspection by email, mobile by SMS alert to ensure communication to management of the institute.
- (vii) Helpline system of QCI requires to be strengthened & invigorated in tune with demands of time, set system of call back for unattended calls. Possibility to explore to make system efficient & intelligent to minimize enquiry on phone.
- (viii) Based on the observations regarding poor infrastructure of ITIs, QCI was directed to seek Building Completion Certificate (BCC) from institutes applying for accreditation. The decision has been implemented successfully.
- (ix) Also, while reviewing the videos of inspection it was observed that QCI officials ignored safety aspects. Therefore, ITIs affiliated during December, 2017 were subjected to safety inspection by the respective State Directorates.

25. On being asked as to when did the Government/DGE&T start receiving complaints on the affiliation and accreditation process by the QCI, the Committee were informed that in the year 2013, few complaints are received. However in the year 2014, 2015 & 2016, with increase of volume of accreditation cases, such complaints increased. Then the Committee desired to know whether the Government had issued any advisory to the QCI after the complaints had been received to caution it regarding the alleged deficiency in its work regarding affiliation and accreditation process of ITIs. The MSDE in reply stated that as complaints received from various corners, an advisory were forwarded to QCI on case to case basis only.

26. The Committee desired to know whether during the period 2012 to 2016, the Ministry had sent teams to various areas/States to visit and prepare field report on the status of the private ITI including in UP, Bihar, MP etc. The Ministry in a note replied in affirmative and stated that as per MOA, several DGE&T officers have inspected number of ITIs as 5% sampling of ITI's accredited by QCI from 2013-2014 onwards as per letter issued on 08/10/2014 by DT for inspection of ITIs in West Bengal, Bihar, Jharkhand, Andhra Pradesh, Karnataka, Haryana, Himachal Pradesh, Rajasthan, Punjab, Uttar Pradesh, Uttarakhand, Chhattisgarh, Gujarat, Madhya Pradesh and Maharashtra. Further, during November, 2016 of the period 2012 to 2016 High Power Joint Inspection Teams headed by DDG and Directors including the representative from State Government inspected ITIs at Gaya, Bhopal & Durg whereas a committee constituted by DGE&T inspected the other ITIs at Gorakhpur, UP (Total 58 ITIs). Based on the findings of this committee, Show Cause notices were issued to the ITIs and the reply to the show cause received from these ITIs were examined with the respect to the NCVT norms. Subsequently, 4 ITIs in District Gaya in Bihar were de-affiliated with the approval of competent authority and Sub-Committee, NCVT dealing with affiliation. 4 ITIs from MP had also been earmarked for de-affiliation which is under consideration. Major deficiencies noticed by this high power committee (HPC) listed below:

a. **Accreditation was granted despite the building being incomplete.**

A case in point is Maa Bhagvati Private ITI situated in Gaya, Bihar wherein the accreditation was granted by QCI on 10.10.2016, however the building was incomplete till about a few months back and might still not be complete. Moreover, the building is not even approachable.

b. **Some of the ITIs were running in tin sheds.**

An instance of the same is Ramdhari Gupta Memorial Pvt. ITI at Kushinagar, UP wherein tin sheets have been deployed by the ITI, situated in a residential area, in an attempt to demonstrate somehow that the structure is in place, however the ITI was still accredited. The use of residential area for an educational/training institute is violation of building norms, this fact has been ignored.

c. **ITIs were functioning out of basements.**

In the case of Pooja ITI in Uttar Pradesh, it was found that not only the ITI was constructed out of a commercial complex but was in fact was also situated in the basement of the building which was quite a shock.

d. **Machinery/Equipment were lying scattered incapable of being put to any use.**

In Chaitanya Bharat ITI at Sant Kabir Nagar, Uttar Pradesh, most of the machineries/equipments were lying around in a completely haphazard manner and were in a bad condition, incapable of being put to any use. It was inconceivable that such machineries/equipments can be used to impart any sort of training. It was also noticed from the photographs that the ITI building is in poor condition i.e. the structure is supported by bamboos, endangering the safety of students and the staff. This aspect was ignored by the assessor from QCI during the inspection/site visit.

e. **No arrangement made for safety earthing.**

In several ITIs, no arrangement whatsoever had been made for any safe earthing of machines. It is evident from the photographs that the electrical safety aspects have been totally ignored as

loose and naked cable connections from the electricity meter have been connected. Besides none of the machines had been earthed, putting the safety of students at risk in case of any incident due to current leakage.

27. That DGE&T subsequently, in the month of November, 2016 and February, 2017 also constituted special Joint Inspection Teams/Committee (JITC) which visited the site of various ITIs across the country, including Bihar, Madhya Pradesh and Chhattisgarh, to probe the issue and was indeed shocked to observe glaring deficiencies in physical infrastructure of even those ITIs, which had been cleared by the QCI in the past, and on that basis, affiliation was granted by the DGE&T. On the basis of the JITC's findings, de-affiliation notices were thereafter issued to 14 ITIs out of 33 ITIs visited by the JITC for non-compliance with NCVT norms. It is noteworthy that the said JITC was constituted pursuant to the discovering of the above discrepancies wherein it was pointed out that the NCVT norms were being flouted and ITIs were hoodwinking the system leading to not only the dilution of training standards eventually but also endangering the safety of trainees and the staff. That an illustrative list of further deficiencies noted by the Committee during the inspection are as under:

I. **Two ITIs accredited at the same premises and on the same physical infrastructure.**

The Committee during the inspection on 11.12.2016 and 12.12.2016 in Gaya, Bihar found out that from the same premises, two ITIs, namely Dr. R.D.Y. ITI and Dr. B.R. Ambedkar ITI were running which is a total contravention of NCVT norms.

II. **Major machineries and equipments were found missing and the ones existing were found to be of poor quality.**

The JITC noted during its visit to Vishal Private ITI at Gaya, Bihar that major machineries and equipments were missing and the ones existing were of poor quality.

III. **Buildings in many cases were found to be in poor and dangerous conditions**

In the case of Vishal Private ITI at Gaya, Bihar the JITC found the structure housing the ITI to be in a dilapidated condition i.e. flooring was damaged, plaster and walls were having cracks etc. and make shift structures had been erected using tins held together with the help of bamboo shafts. The accreditation had thus been done by compromising with the safety of students. Similar contraventions were brought to the notice of DGE&T earlier regarding Chaitanya Bharat ITI at Gorakhpur in Uttar Pradesh also.

IV. **Proper/Dedicated electric connection was non-existent and safety aspect completely ignored.**

The JITC learnt during the inspection that the safety aspect, fire and electric safety, had been totally ignored by the assessors. The JITC found that in some cases, temporary connection by wire hooking was available. A case in point is Gurukul ITI at Gaya Bihar. Further, the electric connection meant for ITI was shared for commercial activities. As per NCVT norms, electric connection must be dedicated only for particular ITI. In large number of cases wiring to the machine/ equipment were found loose/hanging and proper earthing was not done for machinery and equipment, thereby endangering the lives of trainees/staff. It

is noteworthy that the deficiencies were noted by the meeting of the affiliation committee of NCVT held on 15.12.2016 as well and it was contemplated that even the affiliated ITIs should be re-inspected by the respective State Governments before admissions are made for the coming academic session i.e. 2017-18. In this regard, DGE&T also issued a letter to all States exhorting them to follow all safety norms pertaining to electric connections/wiring and earthing prior to admission in 2017-18 academic session. It is further significant to mention that prior to the execution of aforesaid MOA with the QCI, it was the State Governments only that had a considerable role to play in the accreditation process.

- V. Classrooms were made by subdividing large rooms by putting temporary partitions, resulting in interference with the training activities in adjacent classroom/workshops. A case in point is Anand ITI in MP and Vishal ITI, Gaya Bihar whereupon during inspection the above mentioned violation was noted.
- VI. One institute, Khunkhun ITI in Bhopal was having buildings separated by public road.
- VIII. ITIs were also found functioning under low tin sheds. In one ITI, at Bhopal the workshops were built in a cycle stand i.e. having a shed height of 8'3" which is not suitable for training/working. ITI in Bhopal was found by the JITC to be functioning in a tin shed and an old cycle stand had been labelled as the workshop.

28. The Committee then desired to know about the details of the year-wise number of applications for accreditation received in the QCI, the number of applications which were processed and the number of applications which had been carried forwarded to the next year. The MSDE in reply furnished the year wise number of accredited applications received from QCI and affiliated there to by DGE&T/NCVT is given below:

Sl. No.	Year	Cases Received	Total cases for processing	Cases Carried forward from previous year balance	Total Cases Accredited	Total ITIs affiliated	
						New	Old
A	B	C	D	E	F	G	H
1	2012	78	78				0
2	2013	1027	1105	78	469	406	63
3	2014	2213	2849	636	1651	1214	437
4	2015	2557	3755	1198	1713	377	1336
5	2016	4441	6483	2042	2689	1012	1677
6	2017				207	557	-350
	<b>Total</b>				<b>6729</b>	<b>3566</b>	<b>3163</b>

29. The Committee desired to know about the reasons due to which the applications could not be processed and accreditation could be granted in the same year and had to be carried forward to the next year. The Ministry stated as under:

"There had indeed been quite a departure from the accreditation criteria due to which majority of cases are not accredited by NABET in turn resulting less number of ITIs getting affiliated. The assessors of QCI were not experienced and deviated from the laid down procedure due to which even the cases processed by the QCI could not get accredited. It was creating pendency of cases which were bound to be carried forward next year. These were further compounded due to deficiencies requiring manpower and resources at QCI to clear out all pendency. To resolve the stalemate of further processing of pending application from QCI which were left midway after the expiry of MoA with QCI in September, 2016, a meeting was convened by Hon<sup>ble</sup> MoSDE in which it was decided that QCI will process about 1252 (later on revised by QCI to 1259 ) eligible pending applications within stipulated time by 10.07.2017 (revised to 31.07.2017 as per

request of QCI) to bring them to logical conclusion. Accordingly, QCI further processed these applications and could forward only 225 duly accredited proposals to DGE&T. Now it has been made mandatory that no affiliation will be granted without physical verification. These applications were processed as per the accreditation norms followed by QCI was instructed to complete the pending work upto stipulated period of time i.e. 31<sup>st</sup> July 2017 and allowed to conclude individual case in single site visit."

30. When asked about the fate of the pending cases, the Ministry added that the process for affiliation of balance 640 applications has been initiated, the State Directors have been directed to inspect for the reasons/NCs for which the applications were rejected by QCI and send the report by 23.11.2017. As such all the eligible pending applications shall be processed to bring them to logical conclusion by second week of January, 2018.

31. The Committee then desired to know that after the conclusion of the mandate of the QCI, whether the Government has stopped accepting applications for accreditation of ITIs and the reasons for the same. The MSDE in response stated that after expiry of MoA since 1.9.2016, DGE&T has not called any new applications for accreditation/affiliation as the DGE&T was in process of modifying civil and procedural norms for ITIs. In addition to this even 1259 eligible pending applications were with QCI which needs to be processed. After expiry of MoA QCI forwarded 358 cases after accreditation since January, 2017 to August, 2017 which are considered in three different NCVT meetings dated on 25.7.2017 for 128 cases on 11.8.2017 on 23 cases and 8.11.2017 for remaining cases. Before conducting last NCVT meetings on 8.11.2017 a flash inspection was done by DGE&T officials for verification and overcome any deficiencies left during QCI inspection. To resolve the remaining pending cases approximately 663, which were rejected by QCI as the NCs were not cleared by the institutes due to shortage of time given to them and revisit could not done by QCI. It was decided by the competent



authority to get review of all these cases with the help of respective State Directors. It has been made mandatory that no affiliation will be granted without physical verification. After receiving the reports from States, meeting of NCVT Sub-Committee for affiliation will be conducted to affiliate these cases.

32. The Committee then asked that after expiry of QCI mandate whether fresh applications had been received and the manner in which they were being processed. In reply, the Ministry informed that no new applications for affiliation have been received by DGE&T after expiry of MoA of QCI. However, the web-portal of DGE&T was found to be displaying an outdated information in their public domain stating that QCI has been assigned the work accreditation/inspection of ITIs.

33. Taking strong exception to the serious lapses committed by the QCI the Committee desired to know about the details of the reforms that the Government has carried out in the NCVT norms so that only genuine and fully compliant ITIs are received, processed and granted accreditation obviating the deficiency left by QCI. In reply the Ministry stated that the Government has taken an initiative to review existing Civil Infrastructure norms and affiliation procedure for setting of new ITIs in future. These include civil infrastructural norms Building Completion Certificate (BCC) and Occupancy Certificate, fire and safety norms and greater involvement of State Government. Continuous efforts to improve the quality of training include:

- (i) Prescribing new Affiliation Norms for ITIs for quality training.
- (ii) Regular inspection of ITIs and de-affiliation of ITIs to weed out ITIs not conforming to the NCVT norms & standards.
- (iii) ISO 29990 Certification of ITIs to raise the overall quality and standards.
- (iv) Grading of ITIs to evaluate their performance.

- (v) Introduction of new trades & removal of obsolete trades for industry relevance.
- (vi) Regular up-gradation of training content of ITI curriculum as per industrial requirement
- (vii) Aligning the course of CTS to National Skills Qualification Framework (NQSF)
- (viii) Implementation of „Dual System of Training“ in ITIs leading to better ITI – Industry linkage.

34. The MSDE further clarified that the Flaws/ Deficiencies in Previous Affiliation procedure included issues like:

- (i) With introduction of QCI, the role of State Government was peripheral. The applications were processed by QCI even if the NoC from the State Government was not received.
- (ii) QCI assessor never cared for verifying the ownership documents of the building and just followed to check the available documents in digital form. This resulted in mushrooming of ITIs in small shop, godowns, shopping complexes and even non-existent ITIs or two ITIs existing at same address.
- (iii) In the NCVT sub-Committee meetings held in the last two years, Building Completion Certificate (BCC), occupancy certificates and such other documents pertaining to infrastructural existence with reference to Local building bye-laws were enforced.
- (iv) Fire & safety norms which were not being emphasised earlier were introduced, taking cue from the judgement of Hon“ble Supreme Court in the matter.
- (v) Focusing on prime concerns of safety and security of training infrastructure, a Strategy to formulate new norms was proposed during 2015-16. Major emphasis was laid on to examine the existing Affiliation norms and to draft new Affiliation norms in perspective of civil infrastructure, affiliation procedural norms, tools equipment and machinery infrastructure. Further, even in civil infrastructure norms essential and desirable standards were

proposed. For this a committee was formed to examine the existing Affiliation norms and to draft new Affiliation norms. Simultaneously consultations were held with Technical Associations like IEEMA, ITMA, AEM, QCI, SPA. Parallel consultations were also held with representatives from State Directorates and Pvt. ITI Associations to consider their view points with reference to their experience with QCI and the earlier existing NCVT norms. After taking their view point, Draft norms were vetted by Technical Advisory Committee headed by eminent persons from IIT- New Delhi, NAC, Delhi University, NTPC and Maruti Suzuki etc. These Draft norms were published on DGE&T portal in order to bring them in public domain and to receive suggestions, thereby ensuring involvement of all these stakeholders. To augment it further, all State Governments were again asked to send their views and suggestions for which DGE&T sent letters/emails communications to all the States/UTs.

- (vi) The revised affiliation process is now a 3 stage process. New Civil Norms (Building Norms) were prepared after study of affiliation norms of AICTE, CBSE, and NTT etc.
- (vii) To firm up the above reforms, consultation with Stake holder would be carried out in the meeting proposed to be held on 30.11.2017. After consideration of the comments/opinions/suggestions of the stakeholders it would be ensured that all the loopholes in the existing norms are taken care of and the new norms would be notified.

35. A very concerned Committee then asked that in view of the fact that the QCI has been found to have compromised with the quality of affiliation and accreditation process, what action has the Government taken against such ITIs. The MSDE stated that about 251 no of ITIs were communicated, in the form of show cause notices, about the deficiencies as per the NCVT

standards and were given time to rectify the deficiencies. ITIs which could not rectify the deficiencies will be de-affiliated. This process is still going on for remaining ITIs new as well as existing. The MSDE further clarified that QCI has accredited about applications till the expiry of MoA. Out of these only 3,566 are the new ITIs. DGE&T has conducted inspection of 842 ITIs which majority of the ITIs accredited by QCI which are being scrutinized at DGE&T level. Some of the glaring findings of the inspections are given below:

- (i) ITIs were situated in commercial, residential housing complex.
- (ii) ITI Buildings were shared by other Institutes.
- (iii) Majority of the institutes were without boundary walls.
- (iv) Workshops and classrooms found to be situated at far distance separate buildings.
- (v) Workshops were in tin sheds and having Low Shed height.
- (vi) Flooring of workshops found depleted/damaged.
- (vii) Shortage of Workshops space.
- (viii) In one case, Institute was not traceable.
- (ix) Loose Electric connections to machinery and equipment.
- (x) Machinery not grounded on foundation and Electric Earthing was not provided.
- (xi) Heavy shortage of machinery, tools and equipment of work.
- (xii) Machinery was old and not in running condition.
- (xiii) Computers in IT lab were not connected in LAN/without server
- (xiv) Principals and Instructors were found less Qualified and under Experienced.
- (xv) Heavy shortage of Instructors.
- (xvi) High Absenteeism of Trainees.

### **Future Action Proposed by the Ministry**

36. In this context the MSDE also informed that the Government proposes to give opportunity to the institutes for improvement where minor deficiencies have been found by the inspection committee. However, for those institutes where major deficiencies in terms of civil infrastructure/machine equipment and other operational parameter are found, such ITIs would be de-affiliated after observing de-affiliation process.

37. Expressing its concern on the fate of the students who had enrolled in such deficient ITIs as well as for the trainees of such institutes which have now been found to possess poor level of skills are not as per the industry standards, the Committee desired to know about the action the Government proposed to take for safeguarding the interests of such students. The MSDE in reply has stated that the trainees already enrolled in such ITIs would be allowed to complete the course of training in the same ITI. However, no new admission would be allowed in such ITI. State Govt. will be requested to get these ITI"s inspected based on the report. The State Govt will be asked to take decisions accordingly.

38. The Committee further desired to know the court cases that have been filed regarding deficient ITIs/against ITI affiliation and accreditation process. In reply the Ministry informed that various steps have been taken to overcome the deficiencies in the accreditation process followed by QCI. 1173 number of court cases have been filed in different High courts. However, out of that 990 cases have been disposed of without any adverse judgement. Remaining 183 cases are pending in various courts.

39. The Committee desired to know about the number of ITIs which had been de-affiliated in the last five years. In reply the Ministry stated that as per records available, 385 ITIs have been de-affiliated by DGE&T in last 5 years.

40. In this context the Committee desired to know whether no prior inspection of such ITIs had been carried out earlier in such ITIs, if these were inspected earlier, what was the outcome, and whether any advisory/notice had been issued to them to improve their facilities. The MSDE has informed that as such records of earlier inspection of these ITIs are not readily available in DGE&T. Though earlier to few years there was a provision for joint inspection by RDATs and State Directorates in their States/region.

41. The Committee then desired to know whether any of the 6729 cases which had been accredited by QCI and now have been found to be deficient have also been de-affiliated. The NSDE in reply stated that all the cases are not de-affiliated and so far only 42 cases (38 in MP+ 4 in Bihar) are only de-affiliated.

42. The Committee then asked whether the Government has drawn up any timeline and action plan to inspect/scrutinize the 6729 cases which had been accredited by QCI. The MSDE informed the Committee that in the first phase, Government is going to inspect new ITIs which are around 3500 in number through State Governments. This exercise is expected to be completed before August, 2018. In the remaining cases where ITIs are already running and only new trades/units were added, it will be inspected in the second phase.

### **Grading/Star Rating of ITIs**

43. The Committee then took up the matter of grading and star rating system, inspection and third parties and certification assessment of ITIs being carried by the Government. The Committee was informed that the objective of conducting grading exercise for ITIs is to provide “Star Rating” to the performing institutes and give an opportunity to the institutes lagging behind in some of the parameters, to improve upon. The scoring shall be done against each of the defined parameters. Composite score of the

institute shall determine its current performance level and shall enable them to find out the key areas where they can improve further, so as to get higher rating during next grading process. The MSDE also informed that it aims to identify at least 500 ITIs to become “World Class” training institutes which are recognized for their training standards and practices, not just in India but abroad. These ITIs will act as model institutes for others to emulate and will provide strategic direction to industrial training in India. In addition, students of such ITIs shall be given preference for training opportunities outside India through various collaborative efforts of Government of India with other countries. The rating of these best institutes will be declared and displayed separately to support their improved positioning in skills ecosystem. The Committee was informed that the following incentives shall accrue to ITIs who opt for grading and preferably score rating of 3\* and above:

- (i) ITIs will be allowed to add new trades/units.
- (ii) Eligible to receive financial support under Government schemes including STRIVE (New World Bank Project).
- (iii) Principals and Instructors of private ITIs will be provided training in central institutes in India and also will be given opportunity for training abroad, wherever possible.
- (iv) Awards for best ITI and best Principal on “Skill Day” and other relevant skill development platforms.
- (v) Flexibility in charging higher course fee from trainees.
- (vi) No re-affiliation will be required if an ITI continuously score 3+ rating and there is no change in affiliation norms for the trades in ITI.
- (vii) Grading would be displayed on final NCVT certificates of trainees. For ITI not opting for grading, it will be indicated as “Ungraded ITI”.

44. The Committee then desired to know about the norms which the Government has adopted for star rating system, inspection and third parties and certification assessment of ITIs. The MSDE in reply stated that the grading process shall be voluntary in nature and only those ITIs desirous of obtaining

rating under this framework shall be required to submit/upload information/data for the purpose. However, ITIs opting out of grading process shall be denied benefits/incentives. Comprehensive framework has been designed to detail out the key parameters on which the performance of each of the institutes shall be evaluated and graded accordingly. The primary purpose of this framework is to galvanize ITIs towards a competitive environment so as to improve their current operational performance. Clear definition and identification of key parameters shall help ITIs to work candidly towards maintaining the highest level of performance standards and further improving their rating. These parameters are strong pointers of “quality of training” being imparted at ITIs across the country. The salient features of the Scheme '**Grading of ITIs**' are as follows:-

- (i) Grading of ITI is voluntary in nature.
- (ii) The parameters (total 43) for ITI Grading are grouped under 10 heads such as civil work, trades, industry connect, outcome, instructors, production center, capacity utilization, key compliances, special achievement, and miscellaneous.
- (iii) The grading exercise shall be conducted after every 2 years.
- (iv) Grading would be displayed on final NCVT certificates of trainees. For ITI not opting for grading, it will be indicated as “Ungraded ITI”.
- (v) Grading methodology consists of following steps:-
  - a) **Self-rating by ITIs**: - ITIs rate themselves using assigned User ID/ Password through NCVT MIS portal ([www.ncvtmis.gov.in](http://www.ncvtmis.gov.in)) and submit data & comments. There is provision for Rating by stakeholders like Central Govt. / State Dte officers, trainee, parent, faculty, employer, visitor etc. through NCVT MIS portal.
  - b) **Validation through external auditor**: - Third party External auditor (selected through competitive bidding) will visit ITI, validate data, rate ITI.
  - c) **Final rating**: - Based on report of third party auditor, the core grading committee to provide final rating



45. The Committee then asked as to when was such exercise for star rating system, inspection and third parties and certification assessment of ITIs was initiated by the Government. Beta version (Trial version) of ITI grading for software testing and bug fixing was carried out in November, 2016. About 200 ITIs participated in the exercise from 22 States. Based on the feedback and analysis, the parameters were slightly modified and ITI Grading was launched in Jan 2017.

**46. The Committee note that with a view to meet the growing need of skilled manpower the Government initiated Craftsmen Training Scheme (CTS) in 1950, under which 50 Industrial Training Institutes were established in the Country. The Committee are happy to note that growing at the rate of 15 percent annually today, there are about 13,353 ITIs in the Country with a seating capacity of 21.94 lakh.**

**47. The Committee further note that the Ministry of Skill Development and Entrepreneurship has a very elaborate set-up in coordination with the State Government for implementing the CTS, where under Government and Private ITIs are set-up and run in different parts of the Country. At the Centre, the Directorate General of Training is responsible for broad issues concerning the Scheme which *inter-alia* includes framing overall policies, norms and standards for affiliation of Industrial Training Institutes and granting affiliation to Industrial Training Institutes. The State Directorates of the respective States *inter-alia* are responsible for the day to day administration of the ITIs etc.**

Thus, a conducive mechanism has been evolved between the Centre and States for implementing the Craftsmen Training Scheme. The Committee are of the view that the ITIs play a vital role in the growth of the Nation, by providing skilled manpower for the industry and recommend that the Ministry of Skill Development and Entrepreneurship should play a proactive role and in collaboration with the States, ensure that more ITIs are opened in different parts of the Country including in States where currently less number of ITIs are in operation so that each State in the Country gets the opportunity to develop a skilled workforce for the local industry.

48. The Committee note that the CTS has not been initiated through any Law and that it was introduced by the Government in the 1950. Further, the day-to-day administration of ITIs and financial control is with the States. The Committee further note that the National Council of Vocational Training (NCVT) is the central agency to advise the Government of India in framing the training policy and for coordinating vocational training throughout India. The NCVT was setup through a resolution of the Ministry of Labour in 1956. The Committee also note that the Directorate of Training functions as Secretariat to NCVT. The Committee further note that *inter-alia* the major areas of functioning of the NCVT includes arranging for ad-hoc or periodical inspection of training institutions in the Country to ensure that the standards

prescribed by the Council are being followed and that to recognize training institutions run by the Government or by private agencies for purpose of the grant of National Trade Certificates and lay down conditions for such recognition. The Committee are pleased to note that the efforts of the NCVT are aimed to create a 'Brand Name' in the area of skill training. However, the Committee are of the considered view that the NCVT should be further empowered by bringing its powers under the ambit of Law since this would help it to perform better regulatory functions and oversight over the ever increasing number of ITIs in the Country. The Committee are of the view that empowering the NCVT with statutory powers will help it to play the role of a regulator in the field of skill education as is being played by statutory bodies like the UGC and the AICTE. Such move will empower the NCVT to not only enforce the norms set by it for vocational training in the Country but also help it to ensure compliance and act against the alleged defaulters, apart from adding further credibility to the skill training by ITIs.

49. The Committee further note that prior to 2012 the State Directorates used to play a vital role in inviting applications, scrutinizing them, carrying out inspections and forwarding recommendations to the Directorate General of Training at the central level for granting final affiliation to such ITIs which were confirming to the NCVT norms. It is pertinent to note here that the NCVT could also

reject ITIs who were not confirming to the norms set by them. However, in 2012 due to huge work load of affiliation and shortage of staff, NCVT decided to engage the Quality Council of India (QCI) for handling work pertaining to invitation of applications, scrutinizing, inspection and giving accreditation based upon which the NCVT would grant affiliation to ITIs for which a comprehensive portal was created for processing of ITI applications to independent assessment and sending reports to the DGE&T for decisions on the ITI applications. An MoA was signed between DGE&T and QCI in 2012 in this regard. As per the MoA, the QCI would accreditate ITIs after following the well laid down process which included online submission of applications, desktop assessment, site assessment, placing eligible applications before the Accreditation Committee (consisting of DGE&T representative, this was an independent Committee, which, after ensuring all quality parameters, accredited the ITI cases). Thereafter, these files were forwarded to DGE&T. The files were then scrutinized at the DGE&T to ensure that they confirm to the NCVT norms. In case any discrepancies were noticed, they were referred back to the QCI for further clarification. The Committee also note that during the site visit a video recording of the entire site assessment process was also being done and the site visit CD being submitted to the DGE&T for its review, while forwarding the case to the DGE&T for affiliation.

50. The Committee are concerned to note that the QCI had compromised with the quality of accreditation and affiliation process and that it had not followed the prescribed NCVT norms in respect of building infrastructure, machinery, equipment and faculty/staff including general safety norms. At the persistence of the Committee, the Ministry stated to have sent teams for inspection and reports thereof made certain shocking revelations. The derelictions of the QCI included cases where the institutes were accredited without completion of the buildings while civil works were still being carried out, deficiency in machinery equipment, two ITIs accommodated in the same small premises and separated by temporary gates, institutes in buildings preoccupied for other purposes, institutes which did not even exist at the addresses provided in records, ITIs functioning in small rooms, some of the assessors of QCI having non-technical background, failure by QCI assessors in assessing safety norms like electricity connection etc, deficient infrastructure, etc. Such derelictions of QCI have also been taken note of by the Hon'ble High Court in a case pending before it. The Committee take serious note of the derelictions committed by the QCI despite detailed procedures and norms of the NCVT as well as norms contained in the MoA signed between the QCI and DGE&T. The Committee are further surprised to note that even the DGE&T failed to take note of such serious deficiencies despite the fact

that the QCI was required to submit CDs containing video recording of the site assessment process. The Committee are of the considered view that the deficiencies committed by QCI could not have taken place without the knowledge of DGE&T officials, thus hinting towards the complacency and perhaps, connivance of DGE&T and QCI officials. The Committee therefore desire that this aspect needs to be thoroughly enquired into by an appropriate authority so that the guilty could be brought to book, apart from taking explanation of and action against QCI in a time-bound manner.

51. The Committee are further aghast to note that despite the fact that the DGE&T had the powers of 5% inspection for verification on random basis, it was not utilised by the DGE&T for verification of applications being forwarded by the QCI. Therefore, the Committee do not accept the argument that the work of accreditation of ITI was entirely assigned to the QCI and that as per procedure, the DGE&T did not have rights to reject an application forwarded by them and it appears that the DGE&T had abdicated its responsibilities.

52. The Committee are further constrained to note that in a reply furnished through the Ministry, it was submitted to them that the DGE&T had not pointed out any lapses in the prevailing system of accreditation. According to the Ministry, this was the response from the QCI inadvertently sent to the Committee. The Committee are of the view

that such response of the QCI depicts nothing but an attempt to shift its responsibilities to the DGE&T which is a matter of serious concern. It is further a clear failure on the part of DGE&T that they allowed such derelictions to continue without any check, whatsoever.

53. The Committee further note that the DGE&T was shaken only after it started taking up inspections in the wake of a huge volume of public grievances/complaints during 2014-2016 and court cases which drew their attention to the fact that the QCI was not functioning in the desired manner. The Committee are of the view that this is a sorry commentary on the casual manner in which the DGE&T attended to affiliation of the ITIs, as accredited and recommended by the QCI was at a very later stage in April, 2015 that it was decided to involve a third party evaluation of ITI accreditation by the IIPA. The Committee are of the view that since the MoA had been signed between the DGE&T and the QCI which is an autonomous body under the Societies Registration Act XXI of 1860, therefore, any action against QCI should have been directly suggested by the DGE&T whose decision was to be final and binding on both the parties following any complaint or representation, as per clause (j) of Section C of the MoA, instead of just forwarding the report of IIPA regarding evaluation of the accreditation work of the QCI to the Department of Industrial Policy and Promotion, which is an overall supervisory department to promote quality. The Committee therefore

recommend that appropriate action be straight away decided by the DGE&T against the QCI for not adhering to the provisions of the MoA while forwarding the matter to DIPP and the guilty should be brought to book by initiating appropriate vigilance proceedings. The Committee further observe that management of several bogus private ITIs have gone to court against the Government. Hence, they recommend that if need be, the Ministry should consult the Ministry of Law/experts/institutions/agencies while initiating action against such ITIs.

54. From the material furnished to them, the Committee further note that at the time of assigning the work of ITI accreditation to QCI, the then staff of DGE&T staff association and the private ITI association had flagged the issue that the QCI did not have expertise in accreditation of ITIs. The fears expressed at that time appear to have come true and the QCI has miserably failed in adhering to not only the norms of the NCVT but also the provisions contained in the MoA signed by it with the DGE&T. The Committee are further constrained to note that despite the fact that a large number of complaints, serious deficiencies and malpractices by QCI in accrediting ITIs were received, the DGE&T failed to take suitable action and in its stead, resorted only to hold meetings with QCI officials and forwarded such complaints to them. The Committee feel that had the DGE&T taken strong action and issued



strict advisories by putting the QCI under notice, the problem could have been timely resolved.

55. It is also a matter of concern for the Committee that the QCI has not timely processed the cases of accreditation and there was huge pendency of applications from 2013 to 2016. The reasons attributed for the huge pendency was that the assessors of QCI were not experienced and deviated from the laid down procedure due to which even the cases processed by QCI could not get accredited thereby creating a big pendency of cases, which had to be carried forward to the next year. The Committee are not convinced that the pendency was due to laxity only on the part of QCI assessors. The DGE&T too had failed to monitor and ensure efficiency on part of the QCI. The Committee have now been informed that the State Directorates have been asked to clear the pending cases. In this backdrop the Committee cannot but conclude that the system prevailing before 2012, whereby the State Directorates played a vital role in ensuring the NCVT norms for affiliation of ITIs, appears to be effective as compared to the one involving by the QCI. As the Government is targeting to achieve skill training of 40 crore youth in the next 7 years, the Committee feel that involving all State Governments would be vital. The Committee, therefore, desire to be apprised of the action plan by the Ministry to realise the target of training 40 crore youth in future.

**56. The Committee were surprised to note that the website of DGT, which showed last updation as on 12.01.2015, i.e., two years back, still announces that the QCI is entrusted with the responsibility of accreditations of ITIs and refers to their web-portal for all details regarding opening of new ITIs as well as addition of new trades/units in existing ITIs. As complaints against QCI are under scrutiny and the same is no longer doing the accreditation of ITIs, the Committee find the information on DGT website is misleading. They desire that such content must be revised urgently.**

**57. The Committee further note that about 385 ITIs have been de-affiliated by the DGE&T in the last 5 years. Further, the DGE&T have de-affiliated 42 cases out of 6729 cases which had been accredited by the QCI. The Committee also note that the Government would be inspecting around 3,500 ITIs through the State Governments before August, 2018. They would desire that the Ministry/DGE&T must inspect maximum number of ITIs possible including the ones which had been granted accreditation by the QCI, so that the quality of infrastructure and training being provided through them can be properly assessed. At the same time, the Committee are of the view that de-affiliation of seriously deficient ITIs would seriously impact the future of innocent students and compromise their employment prospects. Therefore, the Committee recommend that the DGE&T exercise ample caution before**

de-affiliating any deficient ITI keeping in view the future of the students undergoing training in the same and find alternate means of accommodating them in other functional ITIs.

58. The Committee are pleased to note that the Government has initiated the process of granting star rating system, inspection and third party certification of ITIs. They further note that the Government plans to identify atleast 500 ITIs to become world class training institutes. However, the Committee also note that the grading process shall be voluntary in nature and only those ITIs desirous of obtaining rating under this framework shall be required to submit, upload information/data for the purpose and that ITIs opting out of the grading process shall be denied benefits/incentives. The Committee support this initiative but are of the view that star rating of ITIs should not be left to be a voluntary one only. They feel that the ITIs provide training for employability of people belonging to the socially and economically weaker sections of the society, hence all ITIs functional in the Country should be brought into the ambit of star rating so that the perception of society about skill training is enhanced in the desired manner. Further, ITIs, which have lower star rating should not be left to fend for themselves, as such a move would affect the employability prospects of the students training in these institutions. Nonetheless the Government's aim at creating world class ITIs is laudable. However, it is

**also the responsibility of the Government to support and nurture those other ITIs which for one reason or another, are unable to participate in the star rating process.**

### **IMPACT OF TRAINING PROVIDED BY ITIs ON EMPLOYABILITY**

59. The Committee enquired as to whether the Ministry/Department has undertaken any independent study to examine the impact of training provided by ITIs and employment prospects of the trainees. The Ministry in response stated that:

"As per the study conducted during the year 2015-16, total 63.53% were found employed".

60. The Committee further desired to know as to whether the Training Centre maintained data regarding number/ percentage of trainees getting gainfully employed after passing out of the respective ITIs. The Ministry replied in affirmative and stated:

"Yes, ITIs under VTIP schemes are maintaining data regarding number and percentage of trainees getting gainful employment after passing out of the institutions. Many of the non VTIP ITIs are not maintaining the said data and they have been advised to maintain the same".

61. The Committee then asked whether any study had been conducted on the job prospects of trainees passing out of Government and private ITIs. The Ministry in response stated as under:

"As per the study conducted in 400 Govt. ITIs and 100 Private ITIs, it is observed that 63.53% graduate from Govt. ITIs are wage employed or self-employed, against 53.2 % graduate from Private ITIs".

62. The Committee then desired to know whether the training centre or Skill Development centres also organise periodic „Rozgar Mela“ to help bring close the trainees and prospective. In response the Ministry stated that:

"Rozgar Melas are organised by respective State Government at regular intervals in routine manner".

## **ADMISSION IN ITIs**

63. As per documents furnished to the Committee, it has been noted that the total trainee count comes to 19,37,790 as against seating capacity of 21,94,391 in the ITIs. In this backdrop, the Committee desired to know whether there was any regulatory authority to oversee the progress made regarding admission etc viz-a-viz the vacancies in various trades being offered in the different ITIs. The Committee also asked for the reasons for under utilisation of seating capacity in the ITIs and asked for the steps taken by the Ministry to ensure full utilisation of seating capacity of seats. The MSDE in response stated that:

"The total trainee count is 19.44 Lakh against the seating capacity of 21.94 Lakh which comes to more than 88 % seat utilization.

64. Further, as regards utilization of seating capacity, the Committee were informed as under:-

- (i) Administrative & Financial control of ITIs lies with the State Governments/UT Administrations. The admissions in ITIs are done by respective State Directorates/UT administrations. The admitted trainee data is linked to NCVT MIS Portal created by DGE&T & managed by SPIU/CPIU. In the recent past, there has been improvement in admission of trainees in ITIs. There is no regulatory authority for admission.
- (ii) The admission in ITIs has increased in recent past with school pass-outs opting for these skill training programmes over other courses. Some trades which are more popular, have more seat utilisation compared to other trades, remaining under utilised. However, the overall cut-off percentage for admission to ITIs has shown a considerable rise. After creation of NCVT MIS Portal, the admitted trainee data has become transparent and consolidated in respect of all ITIs existing in the country.
- (iii) Due to differential preferences of trades among trainees, there are trades which are more popular compared to others. In order to address this issue, rationalisation of trades has been taken up by DGE&T. Some States do not admit trainees in third shift as a

State Government policy. Due to this seats generally lie vacant in third shift. In order to utilize such spare capacity, Dual System of Training has been introduced which will also improve connect between Industry & ITIs".

65. The MSDE has also provided State wise details of ITI & Seating Capacity which are as follows:-

Sl. No.	State/UT	Total No. of ITI(s)	Govt. ITIs	Pvt. ITIs	Seating capacity Total	Seating capacity (excluding 30% supernumery)	Trainee Count Total
1	Andaman & Nicobar Islands	3	2	1	699	538	509
2	Andhra Pradesh	479	72	407	128140	98569	92619
3	Arunachal Pradesh	6	5	1	1477	1136	776
4	Assam	30	24	6	6948	5345	4271
5	Bihar	1030	24	1006	216557	166582	168856
6	Chandigarh	2	2	0	1322	1017	1236
7	Chhattisgarh	186	83	103	30398	23383	22775
8	Dadra & Nagar Haveli	1	1	0	221	170	208
9	Daman & Diu	2	2	0	410	315	345
10	Delhi	57	15	42	19299	14845	12778
11	Goa	14	10	4	5042	3878	2964
12	Gujarat	397	163	234	102598	78922	87680
13	Haryana	317	98	219	83382	64140	59905
14	Himachal Pradesh	231	86	145	44488	34222	28330
15	Jammu and Kashmir	38	37	1	4749	3653	2255
16	Jharkhand	246	14	232	80839	62184	57073
17	Karnataka	1421	145	1276	179503	138079	132389
18	Kerala	594	80	514	99597	76613	46764
19	Lakshadweep	1	1	0	94	72	93
20	Madhya Pradesh	919	122	797	163360	125662	106082
21	Maharashtra	883	417	466	291295	224073	178025
22	Manipur	1	1	0	288	222	132

23	<b>Meghalaya</b>	7	5	2	1192	917	728
24	<b>Mizoram</b>	3	3	0	1018	783	589
25	<b>Nagaland</b>	2	2	0	267	205	178
26	<b>Odisha</b>	631	49	582	165533	127333	92181
27	<b>Puducherry</b>	15	8	7	2382	1832	1604
28	<b>Punjab</b>	379	111	268	86337	66413	49586
29	<b>Rajasthan</b>	1820	127	1693	339078	260829	228001
30	<b>Sikkim</b>	3	3	0	809	622	343
31	<b>Tamil Nadu</b>	625	63	562	118697	91305	65527
32	<b>Telangana</b>	286	55	231	75685	58219	59511
33	<b>Tripura</b>	15	13	2	2867	2205	1941
34	<b>Uttar Pradesh</b>	2337	119	2218	500856	385274	374267
35	<b>Uttarakhand</b>	145	67	78	26735	20565	17701
36	<b>West Bengal</b>	227	123	104	70546	54266	39568
<b>Total</b>		<b>13353</b>	<b>2152</b>	<b>11201</b>	<b>2852708</b>	<b>2194391</b>	<b>1937790</b>

\*Status at NCVT MIS Portal March 2017

66. After perusal of the above figures the Committee then drew attention toward the fact that the seating capacity in the ITIs was only 21.94 lakh, both in the Government and private ITIs, and desired to know the manner in which the Ministry proposed to achieve the target of training 40 crore youth in 7 years. The MSDE in response stated that:

"The target of achieving training of 40 crore youth in 7 years is set to be attained through combined training capacities of 21 Central Ministries and National Skill Development Corporation (NSDC) involved in Skill Development through various schemes being implemented by them".

67. The Committee desired to know about the efforts made during the last three years to increase the number of ITIs in States/ UTs, where only one or two centers existed. In response the MSDE stated that:

" There has been a considerable increase in the number of ITIs in the last three years (from 10,750 in July 2014 to 13353 at present). The outcome is a result of a number of initiatives taken in the recent years including a National Campaign for Skilling launched, inviting applications from PSUs, companies registered under Act, Public &

Private limited establishments, Societies & Trusts, SEZs, Universities (Private & Deemed), Engineering Colleges, Polytechnics & existing Training institutes (not covered under NCVT) to setup ITIs.

68. The Ministry also informed that the following activities were simultaneously undertaken to achieve the above said objective:

- (i) Up-gradation of SCVT ITIs to NCVT ITIs (Identifying ITI(s) running under SCVT to bring them under NCVT).
- (ii) QCI was asked to create a special window at their portal for SCVT to NCVT ITIs alongwith LWE affected areas and Polytechnics to run ITI in their spare capacity
- (iii) Relaxation in norms for the Tool, Equipment, Machinery purchase bills to the extent of two years.
- (iv) Opening of ITIs in Polytechnics/Deemed Universities/Engineering Colleges/ approved by AICTE & Private Engineering Colleges not under the domain of AICTE.
- (v) A scheme titled "Enhancing Skill Development Infrastructure in NE States & Sikkim" has been formulated where the component for establishment of 14 new ITIs was added during the Financial year 2013-14 and revised to 22 new ITIs in financial year 2014-15".

69. The Committee observe that, as per the study conducted during the year 2015-16, it has been found that in 400 Government ITIs, 63.53 per cent trainees have found either wage employment or self employment whereas in 100 Private ITIs, 53.2 per cent achieved wage or self employment. They have also been informed that Rojgar Melas are organised by respective State Governments at regular intervals in routine manner. The Committee are of the view that more efforts are required to enhance employability of trainees by reviewing and augmenting the skills imparted in the various skills trades being offered in the ITIs. Further, in order to arrange more employment for these trainees, arrangement should be made for regular campus placement (Rojgar Melas) in each ITIs at regular intervals. The Committee also recommend that special recruitment drives may be conducted in the ITIs, which could be in contact with the various Employer Associations/Industry representatives.



**70. The Committee are concerned to note that the total trainee count in the ITIs is 19.44 lakh as against the seating capacity of 21.94. This comes to about 88% utilization of available seats. This, the Committee feel is an under-utilization of available capacity. Although, the Ministry have taken various steps for improvement in admission of trainees in the ITIs, yet the Committee feel that there should be a mechanism in place to assess the popularity of courses and divert resources towards them rather than keeping the capacity idle. Further, where it is felt that courses are not gaining popularity amongst prospective trainees, but such courses offer prospects of gainful employment, the Ministry should arrange for counselling sessions for the trainees so that they are sensitized and make informed choices in selecting the intended trade for availing skill training in the ITIs.**

**71. The Committee are of the view that the target of training 40 crore youth in 7 years is laudable, if the Country is to enter into the league of developed nations. However, with the current seating capacity of only 21.94 Lakh in both including Government and Private ITIs, the Committee feel that a lot more needs to be done to achieve such targets. As per the Ministry they intend to achieve the target of training of 40 crore youth in 7 years through augmenting the combined training capacities of 21 Central Ministries and National Skill Development Corporation (NSDC) involved in Skill Development through various schemes. The Committee support the move, but feel that better coordinated efforts, implemented in a time bound manner would be required. The Committee recommend that a comprehensive action plan for achieving the said target may be drawn and be intimated to them.**

72. The Committee further note that the Government has taken number of measures to increase the number of ITIs in the country which includes steps like the National Campaign for Skilling launched, inviting applications from PSUs, companies registered under Act, Public & Private limited establishments, Societies & Trusts, SEZs, Universities (Private & Deemed), Engineering Colleges, Polytechnics & existing Training institutes (not covered under NCVT) to setup ITIs. The Committee would like to know the progress of these initiatives at the action taken stage.

**APPRENTICESHIP TRAINING SCHEME" AND NATIONAL APPRENTICESHIP PROMOTION SCHEME.**

73. The Committee desired to know about the salient features of the Apprenticeship Training Scheme (ATS)" and National Apprenticeship Promotion Scheme (NAPS). The MSDE has apprised as follows:-

- (i) Skill Training imparted through formal institutions alone is not sufficient to make the labour force fully skilled. This needs to be supplemented by training in the actual work place. The Apprentices Act, 1961 was enacted and came into force on 01.03.1962 to fulfill this and it extends to whole of India. An Act to provide for regulation and control of training of apprentices and for matters connected therewith.
- (ii) Under the Act, an apprentice is a person who has entered into a contract of apprenticeship with the employer for apprenticeship training. Apprenticeship Training consists of Basic Training and On-the-Job-Training/Practical Training at workplace in the industry.
- (iii) The Act makes it obligatory for employers having manpower strength 40 or more to engage apprentices in designated trades and in optional trades. Employers having 6 or more workers can also engage apprentices.
- (iv) Initially, the Apprentices Act, 1961 covered the apprenticeship training for trade apprentices (ITI pass outs, 8th, 10th & 12th pass

outs). The Act was amended in 1973 to include training of graduates and diplomas in engineering streams as graduate and technician apprentices respectively under its purview. The Act was also amended in 1986 to include 10+2 vocational course certificate holder as technician (vocational) apprentices under its purview. The Act was amended in 1997 and 2007 to amend various sections of the Act as regards definition of “establishment”, “worker”, and reservation for candidates belonging to Other Backward Classes, etc. Comprehensive amendments made in Act in 2014 to make more friendly to industry and youth.

74. The Committee then desired to know about fields in which the apprenticeship training is being provided. The Ministry in response informed that the Apprenticeship training can be provided to apprentices both in designated and optional trades. Further clarifying the Ministry added that designated trade means any trade or occupation or any subject field in engineering or non-engineering or vocational course as notified in official gazette by the Central Government. As regards optional trade the Ministry informed that any trade or occupation or any subject field in engineering or non-engineering or vocational course as decided by employer falls under such category.

75. The Committee then asked about the different categories of apprentices. The Ministry informed that there were five categories of apprentices viz. (i) Trade apprentices (ITI pass outs, 8th, 10th & 12th pass outs and undergoing apprenticeship training in designated trades). 260 trades have been designated for this category of apprentice.(ii) Graduate apprentices (Graduates in engineering or non-engineering stream and undergoing apprenticeship training in designated trades). 163 courses have been designated for graduate and diploma in engineering stream. (iii). Technician apprentices (Diploma in engineering or non-engineering stream and undergoing apprenticeship training in designated trades). (iv) Technician (Vocational) apprentices (10+2 course certificate holders and undergoing

apprenticeship training in designated trades). 137 courses have been designated and (v). Optional trade apprentices (5th class pass and above and undergoing apprenticeship training in optional trades). Trades/courses decided by employer.

76. On being asked about the Period of Apprenticeship Training, the Ministry informed that the period of apprenticeship for trade apprentices varies from trade to trade. It varies from 3 months to 2 years. Period of apprenticeship training for graduate, technician and technician (vocational) apprentices is one year. Period of apprenticeship for optional trade apprentices varies from 6 months to 2 years.

### **Current status**

77. When asked about the number of apprentices who were undergoing training, the Ministry informed that only 2.30 lakh trade apprentices were undergoing apprenticeship training in 30,165 establishments throughout the country under the Apprentices Act, 1961 which is minuscule as compared to the total number of establishments in the country. Out of these, 36,000 apprentices are in Central Public Sector Undertakings/Central Government and 1.94 lakh apprentices are in State Public Sector Undertaking/State Government Departments and Private Sector.

78. On being asked about the reasons as to why despite large number of establishments in the country, the training facilities could not be utilized, the MSDE informed that there are a large number of establishments where training facilities are available but these facilities have not be utilized because such establishments express their inability to come under the Act citing lack of support from Government. Compared to the size and rate of growth of economy of India, the performance of Apprenticeship Training is not

satisfactory and a large number of training facilities available in the industry are going unutilized depriving unemployed youth to avail the benefits of Apprenticeship Training. The Ministry further informed that there are about 50 lakh employees in Central Public Sector Undertaking, Central Government and Banking Sector. If these establishment engage apprentices even up to the mandatory minimum limit of 2.5% of the total manpower strength, the number could reach 1,25,000. According to the fifth Economic Census, there are 20,62,124 MSMEs having 6 or more workers. If each establishment engages even one apprentice, the number could be 20 lakh. Therefore, there is a huge potential in apprenticeship training which remains untapped.

79. On being asked about steps taken to incentivizing employers, the Ministry informed that Apprenticeship training provides for an industry-led, practice-oriented, effective and efficient mode of formal training and as such strengthening of apprenticeship training needs to be given a high priority. Although On-the-Job-Training/Practical Training facilities are available with the employers but they are not able to engage apprentices as they do not have basic training facilities. Employers are not interested to outsource apprentices for basic training to other training providers, as they have to bear the basic training cost to be paid to the basic training providers and the stipend payable to apprentices during the basic training period.

80. The Committee then asked about the remedial steps proposed to be taken by the Government in this regard the Ministry informed that keeping in view the importance of Apprenticeship Training, the scheme for “Promoting Apprenticeship Training” was placed before the Cabinet for its approval and the Cabinet approved “National Apprenticeship Promotion Scheme”, which inter-alia would include a new scheme „NAPS” which has been notified on 19th August, 2016 to encourage establishments by incentivizing them to engage more numbers of apprentices under the Apprentices Act, 1961.

81. According to the this Scheme provides for

- (i) Reimbursement of 25% of prescribed stipend subject to a maximum of ₹1,500/- per month per apprentice to all apprentices to employers.
- (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.

82. When asked about the targets of the said scheme, the Ministry informed that target under the scheme is 10 lakh apprentices for 2017-18, 15 lakh apprentices for 2018-2019 and 20 lakh apprentices for 2019-20. The engagement of fresher apprentices shall be 20% of total annual target. The indicative outlay for the scheme is ₹10,000 crore to incentivize employers and to provide apprenticeship training to 50 lakh youth by 2020.

**83. The Committee note that only 2.30 lakh trade apprentices are undergoing apprenticeship training in 30,165 establishments throughout the country under the Apprentices Act, 1961, which is minuscule as compared to the total number of establishments in the country. Out of these, 36,000 apprentices are in Central Public Sector Undertakings/Central Government and 1.94 lakh apprentices are in State Public Sector Undertaking/State Government Departments and Private Sector. There are about 50 lakh employees in Central Public Sector Undertaking, Central Government and Banking Sector. The Committee agree with the view of the Government that if these establishment engage apprentices even up to the mandatory minimum limit of 2.5% of the total manpower strength, the number could reach 1,25,000. Hence, there is a huge potential in apprenticeship training which remains untapped. The Committee recommend that comprehensive efforts should be made by involving all the stakeholders**

including the State Governments and private industry to tap this unused huge potential available in apprenticeship training in the Country.

84. The Committee observe that there are a large number of establishments where training facilities are available but these facilities have not been utilized because such establishments express their inability to come under the Act, citing lack of support from Government. The Committee have been informed that employers are not interested to outsource apprentices, as they have to bear the basic cost and stipend payable during training period. Thus, compared to the size and rate of growth of economy of India, the performance of Apprenticeship Training is not satisfactory and a large number of training facilities available in the industry are going unutilized depriving unemployed youth to avail the benefits of Apprenticeship Training. The Committee are of the view that Ministry should take initiative and design attractive schemes to encourage such employers to engage/ outsource more and more apprentices for basic training.

85. The Committee note that a new scheme 'NAPS' has been launched to encourage establishments by incentivizing them to engage more numbers of apprentices. Target under the scheme is 10 lakh apprentices for 2017-18, 15 lakh apprentices for 2018-2019 and 20 lakh apprentices for 2019-20. The engagement of fresher apprentices shall be 20% of total annual target. Indicative outlay is ₹10,000 crore to incentivize employers and to provide apprenticeship training to 50 lakh youth by 2020. The Committee hope that Ministry will be able to achieve the target fixed for fresher apprentices, however, they desire that greater impetus must now be given to implementation of this scheme in the right earnest.

## **CRAFTS INSTRUCTOR TRAINING SCHEME**

86. The Committee desired to know the detail about "Crafts Instructor Training Scheme" (CITS) including its achievements during last three years. The Ministry furnished about "Craft Instructor Training Scheme (CITS) as under:

- (i) Training of Craft Instructors is mandated responsibility of DGE&T and it is operational since the inception of the Craftsmen Training Scheme. Comprehensive training both in skills and training methodology is imparted to the instructor trainees to make them conversant with techniques of transferring hands-on skills, to train skilled manpower for the industry.
- (ii) In the current scenario, about 13,353 ITIs having seating capacity more than 22 lakhs need about 1,10, 000 instructors. But, only about 15% of these are currently trained under CITS. NCVT has mandated that all trainers in ITIs need to be CITS trained. Present capacity in central institutes (CFIs) for training of trainers is 5168 per annum with a the total seating capacity is 8648 (including private ITOTs). This year (2016-17) in CFIs a total of 3804 candidates have taken admission(70% seats filled).
- (iii) Under the CITS programme, the eligible candidates are those who possess NTC / NAC / Diploma /Degree qualifications. Training in 27 Engineering trades and 9 non-engineering trade is being offered in the Central Institutes.

87. The Committee then desired to know about the achievements (year wise for last 3 years) under this scheme. The Ministry has provided the following details.

<b>SI No.</b>	<b>Year</b>	<b>Candidates enrolled</b>
1.	2014-15	3399
2.	2015-16	8027
3.	2016-17	8490



88. The Committee then asked about the action initiated by the Government to meet the increasing demand of trainers/ faculty to train the aspirants/ participants. The Ministry informed that trainers are required for increasing number of ITIs and for other vocational training scheme. Accordingly, to enhance the capacity the Government has taken following new initiatives which would expand the capacity to 27,000:

- (i) 12 new Institute of Training of Trainers (ITOTs) in private sector have been granted affiliation by NCVT adding up 8000 seats
- (ii) 4 MITIs are upgraded to Advanced Training Institutes (ATIs)
- (iii) 5 new RVTIs for Women have been set up and CITS training has been introduced
- (iv) 4 Institutes of Training of Trainers (ITOTs) under VTIP with World Bank assistance
- (v) 1 ITOT has been set up State Government
- (vi) 27 ATIs in PPP to be set up under the proposed scheme

89. The Ministry has added that the above said initiatives have led to increase in the seating capacity for instructorship training from 1,600 to 8,648 and with additional admission for February session (yearly twice), the capacity can be extended to about 12,000".

90. The Committee further inquired about the Dual System of Training. In a written note the Ministry has informed that during the past few decades, industries have often expressed that the candidates lack job oriented skills or are not job ready. Industry has also proposed on lot of occasions that the gap could be filled by placing the candidates in the industry for hands on training. While the Industry used to mere express, the active participation of industry has been very low in the functioning of ITIs. The Ministry further informed that to improve the industry connect, Directorate General of Training (DGE&T), M/o Skill Development & Entrepreneurship has adopted the German model of Vocational Education system in India by introducing Dual

System of Training (DST). Dual System combines practical training in the industry and theoretical along with foundation practical in ITI(s) which leads to better ITI – Industry linkage. This will improve the exposure by providing better hands on practical's on latest/ updated technology as available in the industry. The Dual system is approved by National Council of Vocational Training (NCVT) for implementation *w.e.f.* August 2016 and is implemented in ITIs across the country. It is being presently offered in 16 popular trades. More courses will be added in the future and some courses which are capital intensive will be run only under this mode. The MSDE has added that under this, ITIs are required to enter into a Memorandum of Understanding (MoU) with industries under information to the respective state. Lot of industries have appreciated this unique initiative of DGE&T and so far 16 MoUs have been signed in the States of Odisha, Jharkhand and Rajasthan and 20 MoUs are in pipeline. This initiative will enhance employability of the ITI trainees and availability of trained manpower for the industry along with projecting future trends in manpower requirements.

**91. The Committee note that presently, 13,353 ITIs need about 1,10,000 instructors, but only about 15% of these are currently trained under CITS. NCVT has mandated that all trainers in ITIs need to be CITS trained. The present capacity in central institutes (CFIs) for training of trainers is 5168 per annum and total seating capacity including private ITOTs is 8648. This year (2016-17) in CFIs a total of 3804 candidates have taken admission (70% seats filled). The Ministry informed that to enhance the capacity, some new initiatives have been taken which would expand the capacity to 27000. The Committee would like to emphasise over the fact that there is need to for having adequate number of instructors and lack of adequate number of instructors will directly impact the quality of training imparted though ITIs. The Committee recommend that the Ministry should urgently take-up efforts**

to ensure that requisite infrastructure is created for instructor training and proper resources for the same need to be arranged in coordination with the states and if need be, private players may be encouraged in the field of training of trainers.

92. The Committee note that during the past few decades, industries have often expressed that the candidates lack job oriented skills or are not job ready. Industry has also proposed that the gap could be filled by placing the candidates in the industry for hands on training. To improve the industry connect, Directorate General of Training (DGE&T), M/o Skill Development & Entrepreneurship has adopted the German model of Vocational Education system in India by introducing Dual System of Training (DST). Dual System combines practical training in the industry and theoretical training along with foundation practical in ITI(s) which leads to better ITI – Industry linkage. This will improve the exposure by providing better hands on practical's on latest/ updated technology as available in the industry. Under this, ITIs are required to enter in to a Memorandum of Understanding (MoU) with industries under information to the respective state. So far 16 MoUs have been signed in the States of Odisha, Jharkhand and Rajasthan and 20 MoUs are in pipeline. The Committee feel that such initiative will enhance employability of the ITI trainees and availability of trained manpower for the industry along with projecting future trends in manpower requirements. However, the Committee recommend that the Ministry needs to encourage local industry participation vigorously so that they come forward and sign MoU with ITIs situated in the areas of their operation. The Committee also recommend that the Union Government should take up this matter with the State Governments so that they could also encourage the local industry to come forward and sign MoUs with the ITIs.

## **UPGRADATION OF ITI'S THROUGH PUBLIC PRIVATE PARTNERSHIP**

93. The Committee desired to know about the objective of the scheme on upgradation of it is through the PPP mode. The MSDE replied that the aim of this scheme is to improve the quality of training leading to better employability of graduates from the ITIs, by making design and delivery of training more demand responsive and involving the private sector in this endeavour in a big way. The Ministry informed that an Industry Partner (IP) is associated with every ITI covered under the scheme. An Institute Management Committee (IMC) is constituted in each ITI and is headed by the Industry Partner. The IMC is registered as a Society. Scheme also includes provision of:-

- (i) Interest free loan of Rs. 2.50 crore per ITI was released directly to the IMC Society of the ITI.
- (ii) Financial and academic autonomy has been given to the IMC society. The interest free loan is repayable by the IMC with a moratorium of 10 years and thereafter in equal annual instalments over a period of 20 years.
- (iii) 31 States/UTs have been covered under the scheme. Rs. 3067.50 crore has been released to 1227 Government ITIs throughout the country during the XI Plan period (i.e from FY 2007-08 to FY 2011-12).
- (iv) The monitoring and evaluation component of the scheme is continued during the 12th Five Year Plan (2012-13 to 2016-17).

94. On being asked about the present status of the scheme, the MSDE informed that upgradation of 1396 ITI's through Public Private Partnership (PPP) with an expenditure including seed money is ₹2,313.74 (75%) as against ₹3,067.50 crore fund had been released. The Committee desired to know the details of seed money (part of loan amount kept as FD) in respect of all State and reasons for under-utilisation of funds and steps taken to

ensure full utilisation of the allocated amount in time bound manner. The Ministry has provided the following details :-

S. No	State/UT	No. of ITIs covered	Fund released	Seed Money	Expenditure including seed money*
			Rs. in Cr	Rs. in Cr	Rs. in Cr.
1.	Andhra Pradesh	31	77.5	5.75	68.31
2.	Arunachal Pradesh	4	10	4.25	10.89
3.	Assam	17	42.5	10.74	27.94
4.	Bihar	13	32.5	11.37	25.31
5.	Chandigarh	1	2.5	0.90	1
6.	Chhattisgarh	42	105	22.67	72.9
7.	Dadra and Nagar Haveli	1	2.5	4.15	4.15
8.	Delhi	9	22.5	8.00	14.57
9.	Goa	1	2.5	0.45	1.2
10.	Gujarat	91	227.5	92.31	211.23
11.	Haryana	52	130	41.33	162.27
12.	Himachal Pradesh	33	82.5	20.14	120.94
13.	Jammu & Kashmir	34	85	24.30	62.44
14.	Jharkhand	8	20	4.50	10.45
15.	Karnataka	76	190	16.93	102.66
16.	Kerala	26	65	15.24	72.63
17.	Madhya Pradesh	74	185	43.24	63.27
18.	Maharashtra	250	625	145.77	311.09
19.	Meghalaya	1	2.5	1.25	2.95
20.	Mizoram	2	5	2.50	7.26
21.	Nagaland	7	17.5	4.75	16.01
22.	Odisha	14	35	14.70	24.51
23.	Puduchhery	4	10	3.00	5.36
24.	Punjab	76	190	63.81	184.15
25.	Rajasthan	105	262.5	71.30	171.61
26.	Tamil Nadu	32	80	21.19	61.06
27.	Telangana	30	75	3.30	53.43

S. No	State/UT	No. of ITIs covered	Fund released	Seed Money	Expenditure including seed money*
			Rs. in Cr	Rs. in Cr	Rs. in Cr.
28.	Tripura	7	17.5	3.15	16.81
29.	Uttar Pradesh	115	287.5	83.05	320.4
30.	Uttarakhand	43	107.5	22.03	58.67
31.	West Bengal	28	70	11.14	48.27
	Total	1227	3067.5	777.21	2313.74 (75%)

95. On being asked about the as to be the funds released for the above said purpose had not been fully utilized. The MSDE informed that the pace of fund utilization is slow by some IMCs/ ITIs due to various reasons such as non-performance of Industry partners, ITI located in remote area and has difficulty in finding industry partners, few ITIs are functioning from rented building etc. Also, as per scheme design, upto 50% of the loan amount was to be provisioned as seed money. The IMCs also keep fund provision for sustainability of the ITIs.

96. The Committee desired to know about the mechanism developed by the Government to monitor the progress of the Scheme. The MSDE informed that continuous follow up is done with the State officials including holding review meetings. The State Government has also been empowered to replace non-performing industry partners. Since most of the IMCs have earned interest for refund of loan, NSC has issued revised guidelines for seed money to be reduced to upto 20% of the loan amount. The change of ITI is also being considered where IMCs are not functioning. In addition to this, to evaluate the IMCs performance and scheme design on industry-connect in IMCs/ITIs, a review committee has been set up with representatives from the central government, state government, industry partner as IMC chairpersons and ex-professor from IIM Bangalore.

## **UPGRADATION OF EXISTING GOVERNMENT ITIs INTO MODEL ITIs**

97. The Committee then inquired about the scheme for upgradation of Existing Government ITIs into Model ITIs. The Ministry in a note informed that the objective of the scheme is that existing ITI in a State is upgraded as Model ITI which will be evolved as an institution showcasing best practices, efficient and high quality training delivery and sustainable and effective industry relationship. The efforts being made made under this scheme include:-

- (i) Institute Management Committee (IMC) is to be formed for each ITI in society mode with chairperson from Industry. All major trades are to be covered by the representatives of industry in IMC. IMC has been empowered for its efficient functioning.
- (ii) SFC approved the scheme in Dec 2014 for implementation till FY 2016-17. The funding per ITI is upto Rs.10 crore and funding pattern between center and state is 70:30 (90:10 for NE States).
- (iii) As per SFC minutes, 29 ITIs are to be identified on first come first serve basis, based on level of preparation and merit of proposal. So far, 25 ITIs have been identified in 24 States. The total allocation to these ITIs is Rs. 216.60 crore against which Rs. 88.83crore has been released (including State Share).
- (iv) Total budget of Rs. 20 crore has been allocated in BE 2017-18 under umbrella scheme „Training and Apprenticeship“.

98. The MSDE further informed that under the scheme "Upgradation of existing Government ITIs into model ITIs" total approved allocation for upgradation of ITIs in to model ITIs was ₹219.10 crore but only ₹88.78 crores were released. The Committee desired to know the reasons for slow release

of funds and the steps being taken for maximum release and utilisation of funds under the scheme. The Ministry replied as under:

"As per scheme design, the funds are released to the States government in installment. There was delay in furnishing of Implementation Plan by the States, formation of IMC Society and transfer of funds from the State treasury to the IMC Society. Funds are released in installments and there has been delay in submission of required information / documents by States for release of subsequent installment.

**99. The Committee note that under the scheme of upgradation of ITI's through "Public Private Partnership" that expenditure under the scheme including seed money is ₹2,313.74 (75%) crore as against ₹3,067.50 crore released. The Ministry itself has accepted that the pace of fund utilization is slow by some IMCs/ ITIs due to various reasons such as non-performance of Industry partners, ITI located in remote area and has difficulty in finding industry partners, few ITIs are functioning from rented building etc. Also, as per scheme design, upto 50% of the loan amount was to be provisioned as seed money. The IMCs also keep fund provision for sustainability of the ITIs. The Committee are of the view that this is an important scheme and steps need to be taken to improve fund utilisation so that the desired outcome can be achieved. The Committee also emphasize over the fact that Government ITIs operate under a social obligation especially in remote areas. Therefore, the Ministry needs to take up the matter with the State Governments and Industry so that they can come forward and adopt Government ITIs under the PPP mode in greater numbers. The Committee desire that the Government may take concerted efforts in this regard.**



100. The Committee note that another scheme for upgradation of existing Government ITIs in to model ITIs has been launched. Under the scheme total approved allocation for upgradation of ITIs in to model ITIs was ₹219.10 crore but only ₹88.78 crore were released. The Ministry informed that as per scheme design, the funds are released to the States government in instalments. There, however, was delay in furnishing of Implementation Plan by the States, formation of IMC Society and transfer of funds from the State treasury to the IMC Society, thereby impacting overall implementation. The Committee express their concern over poor utilisation of funds under this scheme and recommend that concerted effort should be made to obtain plans from the States for proper release of funds to expedite fund utilisation under the Scheme.

New Delhi;  
3<sup>rd</sup> January, 2018  
13<sup>th</sup> Pausha, 1939 (Saka)

DR. KIRIT SOMAIYA  
CHAIRPERSON,  
STANDING COMMITTEE ON LABOUR

**STANDING COMMITTEE ON LABOUR**  
**(2016-17)**

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

The Committee sat on Wednesday, the 9<sup>th</sup> June, 2017 from 1430 hrs. to 1620 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Ashok Kumar Dohrey
4. Shri Satish Kumar Gautam
5. Shri C.N. Jayadevan
6. Shri Bahadur Singh Koli
7. Shri Hari Manjhi
8. Shri Parthipan
9. Shri Hariom Singh Rathore
10. Shri Naba Kumar Sarania
11. Shri Kodikunnil Suresh
12. Shri Dayakar Pasunoori

**RAJYA SABHA**

13. Shri Rama Narayan Dudi
14. Shri Nazir Ahmed Laway
15. Shri P.L. Punia
16. Shri Rajaram
17. Ms. Dola Sen
18. Shri Tapan Kumar Sen
19. Shri Ravi Prakash Verma
20. Shri N. Gokulakrishnan

## **SECRETARIAT**

- |    |                        |   |                  |
|----|------------------------|---|------------------|
| 1. | Shri K.C. Pandey       | - | Deputy Secretary |
| 2. | Smt. Archana Srivastva | - | Under Secretary  |

## **Witnesses**

### **REPRESENTATIVES OF MINISTRY OF TEXTILES AND NTC**

Sl. No.	Name	Designation
1.	Dr. K.P. Krishnan	Secretary, MSDE
2.	Ms. Sunita Chhibba	Senior Adviser, MSDE
3.	Ms. Jyotsna Sitling	Joint Secretary, MSDE
4.	Shri Rajesh Agrawal	Joint Secretary, MSDE
5.	Shri Asheesh Sharma	Joint Secretary, MSDE

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of Skill Development and Entrepreneurship (MSDE) to the sitting of the Committee, convened to have briefing on the subject 'ITIs and Skill Development Initiative Scheme'. The Chairperson then drew attention of the representatives to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee during deposition before the Parliamentary Committees. He then asked Secretary, Ministry of Skill Development and Entrepreneurship to give an overview of the Subject matter.

3. The Secretary, MSDE accordingly briefed the Committee on various aspects of the subject which *inter-alia* included details of Responsibilities of Directorate General of Training, Flagship Courses of ITI, Growth of ITIs and Seating capacity, Strengthening of Affiliation Norms, Major schemes supported by GoI, Upgradation of ITIs through PPP, Skill Development in 47 districts affected by Left Wing Extremism, NISD, Multi Skill Training Institutes,

etc. Thereafter, the Members raised queries on various issues which, *inter-alia*, included efficiency of Multi skill training institutes over ITIs, Importance of agricultural based training courses in curricula of ITIs, Ratio of government *vis-a-vis* Private ITIs, coordination of MSDE with the state governments regarding ITIs, mobilisation of youth to make them technically trained, Blue print for how many youth to be trained, synchronized approach between ITIs and polytechnic trades, reality based training for youth, enhancement of ITIs role in Jammu and Kashmir, achieving the objective of setting up of ITIs; etc. The representatives of the Ministry of Skill Development and Entrepreneurship responded to other queries of the Members.

4. The Chairperson thanked the witnesses for appearing before the Committee and briefing them on the subject as well as responding to the queries raised. The Chairperson directed the Secretary, MSDE to furnish written replies within 10 days in respect of those queries, for which information was not readily available with them during the meeting as well as which required detailed and statistical information.

The witnesses then withdrew.

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

**The Committee then adjourned.**

**STANDING COMMITTEE ON LABOUR**  
**(2016-17)**

**Minutes of the Twenty-Second Sitting of the Committee**

The Committee sat on Friday, the 30<sup>th</sup> June, 2017 from 1400 hrs. to 1535 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ashok Kumar Dohrey
3. Shri Satish Chandra Dubey
4. Shri Satish Kumar Gautam
5. Shri C.N. Jayadevan
6. Shri Bahadur Singh Koli
7. Dr. Arun Kumar
8. Shri Kaushalendra Kumar
9. Shri Hari Manjhi
10. Shri R. Parthipan
11. Shri Hariom Singh Rathore
12. Shri Naba Kumar Sarania
13. Shri Dayakar Pasunoori

**RAJYA SABHA**

14. Shri Ram Narayan Dudi
15. Shri Nazir Ahmed Laway
16. Shri Rajaram
17. Shri Amar Shankar Sable
18. Ms. Dola Sen
19. Shri Tapan Kumar Sen
20. Shri Ravi Prakash Verma
21. Shri N. Gokulakrishnan

## **SECRETARIAT**

1. Ms. Rimjhim Prasad - Joint Secretary
2. Shri K.C. Pandey - Deputy Secretary
3. Smt Archana Srivastva - Under Secretary

### **PART - I**

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### **PART-II**

#### **Witnesses**

1. Dr. K.P. Krishnan Secretary, MSDE
2. Ms. Sunita Chhibba Senior Adviser, MSDE
3. Ms. Jyotsna Sitling Joint Secretary, MSDE
4. Shri Rajesh Agrawal Joint Secretary, MSDE
5. Shri Asheesh Sharma Joint Secretary, MSDE
6. Shri Deepankar Mallick DDG(T), DGT
7. Shri Manish Kumar MD&CEO, NSDC

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of Ministry of Skill Development and Entrepreneurship (MSDE) to the sitting, convened to have a briefing on the subject 'ITIs and Skill Development Initiative Scheme'. The Chairperson then drew attention of the representatives to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee during deposition before the Parliamentary Committees. He then asked the representatives of the Ministry to give an overview of the Subject matter.

3. The representatives of the Ministry of Skill Development and Entrepreneurship accordingly briefed the Committee on various aspects of the subject which *inter-alia* included training courses in ITIs, adoption of ITIs, vocational training programmes, apprenticeship for ITI trainees, affiliation, upgradation, linkage and network of ITIs, industrial partnership, association and support from various companies for skill development, number of training centres, interface with industries, dual training of trainees, etc. Thereafter, the Members raised queries on various issues which, *inter-alia*, included number of IT trainees trained, absorbed and their placement, training courses, observation and suggestions from ITIs, number of ITIs sponsored by PSUs, dual training, adjustment of period for releasing the ITIs result, system for conduction of examinations like annual vs. semester system, objective vs. descriptive in ITIs, etc. The representatives of the Ministry of Skill Development and Entrepreneurship responded to the queries.

4. The Chairperson thanked the witnesses for appearing before the Committee and briefing them on the subject as well as responding to the queries raised. The Chairperson directed the Secretary, MSDE to furnish written replies within 10 days in respect of those queries, for which information was not readily available with them during the meeting as well as which required detailed and statistical information.

The witnesses then withdrew.

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

**The Committee then adjourned.**

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XX Does not pertain to this Report.

**STANDING COMMITTEE ON LABOUR**  
**(2017-18)**

**Minutes of the Fifth Sitting of the Committee**

The Committee sat on Tuesday, the 21<sup>st</sup> November, 2017 from 1200 hrs. to 1330 hrs. in Committee Room No.4, Parliament House Annexe, Extension Building, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

1. Shri Rajesh Kumar Diwakar, MP
2. Shri Ashok Kumar Dohrey, MP
3. Shri Satish Chandra Dubey, MP
4. Shri Satish Kumar Gautam, MP
5. Dr. Boora Narsaiah Goud, MP
6. Shri C.N. Jayadevan, MP
7. Shri Bahadur Singh Koli, MP
8. Dr. Arun Kumar, MP
9. Shri Hari Manjhi, MP
10. Shri Hari Om Singh Rathore, MP
11. Shri Kodikunnil Suresh, MP
12. Shri Dayakar Pasunoori, MP

**RAJYA SABHA**

13. Shri Ram Narain Dudi, MP
14. Shri Nazir Ahmed Laway, MP
15. Shri Rajaram, MP
16. Shri Tapan Kumar Sen, MP
17. Shri N. Gokulakrishnan, MP
18. Ms. Dola Sen, MP



## **SECRETARIAT**

1. Smt. Anita B Panda - Director
2. Shri Dhiraj Kumar - Additional Director
3. Smt Archana Srivastva - Under Secretary

### **PART-I**

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### **Part -II**

#### **LIST OF WITNESSES**

#### **REPRESENTATIVES OF MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP**

<b>Sl. No</b>	<b>Name of the Officer</b>	<b>Designation</b>
<b>1.</b>	<b>Shri Vijay Kumar Dev</b>	<b>Additional Secretary &amp; DG(T)</b>
<b>2.</b>	<b>Shri R.P. Nijhawan</b>	<b>DDG (DGT)</b>
<b>3.</b>	<b>Shri S.D. Lahiri</b>	<b>DDG (DGT)</b>
<b>4.</b>	<b>Shri Deepankar Mallick</b>	<b>DDG (DGT)</b>

6. Then, the Chairperson welcomed the representatives of Ministry of Skill Development & Entrepreneurship to the sitting of the Committee for taking oral evidence of Ministry on the subject 'ITIs and Skill Development Initiative Scheme'. The Chairperson then drew attention of the representatives to Direction 58 of the 'Directions by the Speaker' regarding confidentiality of the proceedings of the Committee during deposition before the Parliamentary Committees He then asked the representatives of the Ministry to give an overview of the subject matter.

7. The representatives of the Ministry of Skill Development & Entrepreneurship accordingly briefed the Committee on various aspects of the subject matter viz. responsibilities of Directorate General of Training (DGT); National Council for Vocational Training and its functions; DGT

Institutes and its schemes; ITIs in the Country; initiatives to improve quality of training and employability of trainees and Quality Audit and Grading of ITIs, dual system of training in ITIs, upgradation of ITIs through Public Private Partnership (PPP), Skill Development in 47 Districts affected by Left Wing Extremism (LWE) and Skill Development initiative scheme; monitoring/ inspection and condition of ITIs; etc.

8. Thereafter, the Members raised queries on various issues which, *inter-alia*, included the initiatives and decisions taken by the Ministry during 2017-18 to make ITIs strong; the authority and process of recognition of ITIs; action taken against the institutions, which are not maintaining the requisite infrastructure and not running in good condition; logic behind taking only 266 cases out of the detected irregularities number of ITIs in the Country; details of Inspections; actions taken replies for queries raised by the Members in previous sitting; National policy on Skill Development guidelines for Sector Skill Councils (SSC) and Skill India; Agenda for Ministry of Skill Development & Entrepreneurship Budget and details of QCI etc.

9. The Chairperson then thanked the representatives of Ministry of Skill Development & Entrepreneurship for appearing before the Committee and responding to the queries raised. The Chairperson directed the representatives of Ministry of Skill Development & Entrepreneurship to furnish written replies within 10 days in respect of those queries, for which information was not readily available with them during the meeting.

The witnesses then withdrew.

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

**The Committee then adjourned.**

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XX Does not pertain to this Report.

**STANDING COMMITTEE ON LABOUR**  
**(2017-18)**

**Minutes of the Seventh Sitting of the Committee**

The Committee sat on Wednesday, the 3<sup>rd</sup> January, 2018 from 1030 hrs. to 1100 hrs. in Committee Room 'B', Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. Kirit Somaiya – CHAIRPERSON**

**MEMBERS**

**LOK SABHA**

2. Shri Ashok Dohare, MP
3. Shri Boora Narsaiah Goud, MP
4. Dr. Arun Kumar, MP
5. Shri Kaushalendra Kumar, MP
6. Shri R. Parthipan, MP
7. Shri Naba kumar Sarania, MP

**RAJYA SABHA**

8. Shri P.L. Punia, MP
9. Shri Amar Shankar Sable, MP
10. Ms. Dola Sen, MP

**SECRETARIAT**

- |    |                     |   |                     |
|----|---------------------|---|---------------------|
| 1. | Ms. Rimjhim Prasad  | - | Joint Secretary     |
| 2. | Smt. Anita B Panda  | - | Director            |
| 3. | Shri Dhiraj Kumar   | - | Additional Director |
| 4. | Shri C. Vanlalruala | - | Additional Director |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of draft Report on the subject 'Industrial Training Institutes (ITIs) and Skill Development Initiative Scheme'.

3. The Committee took up the Draft Report for consideration and adoption. Giving an overview of the Recommendations made in the Draft Report, the Chairperson requested the Members to give their suggestions on them, if any.

4. The Draft Report was adopted by the Committee with slight addition/modification.

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

6. XX XX XX XX

The witnesses then withdrew.

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

**The Committee then adjourned.**

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XX Does not pertain to this Report.