

STANDING COMMITTEE ON LABOUR

(2018-19)

(SIXTEENTH LOK SABHA)

MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP

**[Action taken by the Government on the Observations/
Recommendations of the Committee contained in their Thirty-Third
Report (Sixteenth Lok Sabha) on "Industrial Training Institutes
(ITIs)"]**

FORTY SIXTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

February, 2019/ Magha, 1940 (Saka)

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Recommendations of the Committee contained in their Thirty-Third
Report (Sixteenth Lok Sabha) on "Industrial Training Institutes
(ITIs)"]**

Presented to Lok Sabha on 07.02.2019

Laid in Rajya Sabha on 07.02.2019



LOK SABHA SECRETARIAT

NEW DELHI

February, 2019/ Magha, 1940 (Saka)

CONTENTS

PAGE No.

COMPOSITION OF THE COMMITTEE (iv)

INTRODUCTION (v)

CHAPTER I	Report.....
CHAPTER II	Observations/Recommendations which have been accepted by the Government.....
CHAPTER III	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply.....
CHAPTER IV	Observations/Recommendations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.....
CHAPTER V	Observations/Recommendations in respect of which replies of the Government are interim in nature.....

ANNEXURE

- I. State wise information regarding number of Govt. & Pvt. ITIs. their Seating Capacity & Trainees enrolled.

APPENDICES

- I. Minutes of the sitting of the Committee held on 06.02.2019.
- II. Analysis of the Action Taken by Government on the Observations/Recommendations contained in the Thirty-Third Report (Sixteenth Lok Sabha)

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2018-19)

DR. KIRIT SOMAIYA - CHAIRPERSON

MEMBERS

Lok Sabha

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

Rajya Sabha

22. Shri Ram Narain Dudi
23. Shri N. Gokulkrishnan
24. Shri Nazir Ahmed Laway
25. Shri P.L. Punia
26. Shri Rajaram
27. Shri Amar Shankar Sable
28. Ms. Dola Sen
29. Dr. Banda Prakash
30. Shri Akhilesh Prasad Singh
31. Shri Madanlal Saini

SECRETARIAT

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| 1. Ms. Rimjhim Prasad | - | Joint Secretary |
| 2. Shri P.C. Choulda | - | Director |
| 3. Shri C. Vanlalruata | - | Additional Director |
| 4. Shri Kulvinder Singh | - | Under Secretary |

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2017-18)

DR. KIRIT SOMAIYA - CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Kumar Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Govindbhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Dayakar Pasunoori
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SECRETARIAT

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|-------------------------|---|---------------------|
| 1. Ms. Rimjhim Prasad | - | Joint Secretary |
| 2. Smt. Anita B. Panda | - | Director |
| 3. Shri C. Vanlalruata | - | Additional Director |
| 4. Shri Kulvinder Singh | - | Under Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2018-19) having been authorized by the Committee do present on their behalf this Forty-Sixth Report on 'Action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Third Report (Sixteenth Lok Sabha) on "Industrial Training Institutes (ITIs)" pertaining to the Ministry of Skill Development and Entrepreneurship.

2. The Thirty-Third Report was presented to Lok Sabha and laid in Rajya Sabha on 04th January, 2018. The Ministry of Skill Development and Entrepreneurship furnished their replies indicating Action Taken on the Observations/ Recommendations contained in the Thirty-Third Report on 10th April, 2018. The Committee considered and adopted the Draft Report at their sitting held on 06th February, 2019.

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

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

New Delhi;
6th February, 2019
17th Magha 1940 (Saka)

DR. KIRIT SOMAIYA
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

CHAPTER-I

REPORT

This Report deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty -Third Report (Sixteenth Lok Sabha) on "Industrial Training Institutes (ITIs) and Skill Development Initiative Scheme" pertaining to the Ministry of Skill Development & Entrepreneurship.

2 The Thirty - Third Report was presented to Lok Sabha and also laid in Rajya Sabha on 4th January, 2018. It contained 24 Observations/ Recommendations. Replies of the Government in respect of all these Recommendations have been received and are categorized as under:-

(i)	Observations/Recommendations which have been accepted by the Government – Rec. Para Nos.46, 48, 49, 50, 51, 53, 54, 55, 56, 58, 69, 70, 72, 83, 84,85, 91, 92, 99 and 100	Total:20 Percentage: 83.33
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – 52	Total:01 Percentage:4.17
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – Rec. Para No. 47, 57 and 71	Total:03 Percentage:12.50
(iv)	Observations/Recommendations in respect of which replies of the Government are interim in nature - Nil	Total:00 Percentage:00

3. The Committee desire that Action Taken Notes in respect of Observations/Recommendations contained in Chapter I of this Report, may be furnished to them at the earliest.

I. Implementation of CTS

(Recommendation Para No. 47)

4. In their original recommendation, the Committee had observed as under:

"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."

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

"Opening of new ITIs is the responsibility of respective State/UT as per their felt needs & policy, However, DGT have issued advisory to State Governments. to accord priority to the opening of new ITIs in the un-served blocks including SC/ST and Minority concentration districts as also in the districts where less number of ITIs are in operation to bring them at par with national average."

- 6. The Committee appreciate that the Ministry has considered the opinion of the Committee about penetration of ITIs. Though education/technical education/ITI is the primary responsibility of States, the Committee feels that the Government of India and Ministry of Skill Development & Entrepreneurship may also take a lead and play an active role in opening of new ITIs in the backward zones/districts of various State in collaboration with the States keeping in mind to bring forward the backward districts of the country.**

II. Setting up of new ITIs

(Recommendation Para No. 49 & 50)

7. In their original recommendation, the Committee had observed as under:

"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 accredited 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."

"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 building while civil works were still being carried out, deficiency in machinery equipment, two ITIs accommodated in the same premises and separated by temporary gates, institutes in building preoccupied for other purpose, 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 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."

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

"Prior to engagement of QCI, States used to invite applications from interested organizations for setting up new ITIs/addition of trades/units in existing ITIs. The process included scrutiny of applications, carrying out inspections and forwarding recommendation to the NCVT for approval and services of officers of States and DGT were utilized. Due to paucity of staff at State and DGT, there used to be delay in completing the affiliation process. Sometimes this resulting in adversely affecting applicants who had invested in Machinery Equipment and Civil Infrastructure financially. There used to be 3000 to 4000 inspection every year and in order to avoid delay in affiliation process, it was decided to engage QCI being an Indian National Accreditation Body set up under the Cabinet decision. QCI is a non- profit autonomous body registered under the Societies Act and its main mandate is to support the Government initiative through establishing quality norms and accreditation mechanism.

Vide MoA with its validity from 1.10.2012 to 30.09.2016, QCI was given the work of accreditation of ITIs on the following terms and conditions:-

- Services of Quality Council of India shall be used for verification of availability of infrastructure and training facilities in ITIs against the parameters set by NCVT. QCI shall grant accreditation to the institutes. The accreditation of the QCI will be basis for affiliation by NCVT.
- A website will be developed with all the facilities and guidelines for affiliation. The institutes will be in position to enter their data online and upload all the necessary documents. The software will be intelligent to guide the institutes. If the data is not correctly entered application will not be accepted and advice will be given to the applicant.
- Application of ITIs will be available, online, to the State Government. The State government will give observation and comments within 15 days. If no comment is received, QCI will proceed with accreditation process.
- QCI accreditation process will include three stages-
 - a) Desktop review
 - b) Physical verification and
 - c) Annual surveillance.
- QCI will have overseeing mechanism at State level and Central level. Representative of Directorate General of Training will be one of the members in National Accreditation Committee (NAC). In addition to this DGT will make its own system for minimum 5% verification of recommendations made by QCI to ensure that there is no dilution of standards and no wrong doing. There will be proper grievance redressal mechanism.

As & when complaints were received relating to accreditation of ITIs by QCI, DGT used to forward to QCI for their comments and for corrective actions. It was not expected from organization of repute like QCI for undermining the quality of accreditation process. However, taking a note that QCI had compromised the quality of accreditations; the Memorandum of Understanding (MoU) with QCI was not renewed. A communication from the Secretary MSDE was also sent to Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India to take requisite action in respect of QCI. However, so far as connivance of DGE&T & QCI officials are concerned, it is stated that scrutiny of accredited proposals received at DGT/NCVT was based on documents/videos supplied by QCI and as such the poor quality of buildings, sub standards machinery and general safety assessment could not be carried out/judged on table, unless & until these were clearly brought out by their assessor in the reports received in DGT. QCI failed to bring out the said glaring shortcomings and hence misled the NCVT. Also, It is pertinent to mention that after learning of gross contravention of NCVT norms by ITIs despite which accreditation was granted, to them by QCI, DGT highlighted the glaring discrepancies before the court of law by way of filing counter affidavit in respect of numerous ITIs. Like in the counter affidavit filed in WP No. 3445/2017 – Vedanta Pvt. ITI vs DGT. DGT apprised the Hon'ble court about serious lapses on the part of QCI, based upon factual and physical observation. Taking note of the irregularities on the part of QCI, this Ministry also got re-verified the infrastructure and training facility of number of ITIs through State Governments. DGT took a firm stand in the meeting of sub-committee of NCVT held on 08.11.2017 that henceforth affiliation will be granted to only those ITIs which would satisfied all the norms after mandatory physical inspection by team of State Directorate and DGT and which will be expressly recommended by the State Govt. State Govt. had been here to before, kept out of the process of inspection. All the pending cases of QCI recommended to NCVT, hence, have been mandatorily physically inspected now. ITIs which are considered for affiliation by NCVT in last two meetings held on 8.11.2017 and 15.2.2018, were physically re verified by officers of DGT /State Govt. Affiliation was granted to only those ITIs, conforming the norms laid down by the NCVT and recommended by the respective State Governments.

Regarding the cases of affiliation done by NCVT on the recommendations of QCI form the year 2012 till the last NCVT sub-committee meeting held in July 2017, Ministry has setup a committee to go into the sequence of events resulting in affiliation of low quality ITIs and fixing responsibility within a strict time frame in respect of QCI/DGT officials."

9. Regarding the cases of affiliation done by NCVT on the recommendations of QCI from the year 2012 till the last NCVT sub-committee meeting held in July 2017, the Ministry is stated to have set up a Committee to go into the sequence of events resulting in affiliation of low quality ITIs and fixing responsibility within a strict time frame in respect of QCI/DGT officials. In this regard the Committee desire to be apprised of the time frame given to the said

Committee and the outcome in terms of fixing responsibility for granting accreditation to low quality ITIs so far, at the earliest.

III. De-affiliation of ITIs

(Recommendation Para No. 57)

10. In their next original recommendation, the Committee had observed as under:

"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."

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

"Action in this regard is being taken strictly as per the recommendations of the committee."

12. The Committee had observed that 385 ITIs had been de-affiliated by the DGE &T and another 42 cases out of 6729 cases have been de-affiliated, which were accredited by the QCI. The Committee had therefore, expressed their concern and recommended that the DGE&T should 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. The Committee had also noted that the Government would be inspecting around 3500 ITIs through the State Governments before August, 2018. However, despite grave concern of the Committee the Ministry of Skill Development & Entrepreneurship in their one-line reply has not provided any details on the progress so far regarding de-affiliation of ITIs, students being affected thereby and the inspection of ITIs, as

is evident in their action taken reply. Keen to be apprised of the progress on a very significant issue raised by them, the Committee, desire a detailed reply regarding the number of ITIs de-affiliated till date, the number of students affected and accommodated in other functional ITIs, the number of students yet to be accommodated, if any alongwith reasons thereof and the number of ITIs which were to be inspected before August, 2018 when inspections have been carried out so far and the outcome thereof, be furnished to them at the earliest.

IV. Trainee count in the ITIs

(Recommendation Para No. 70)

13. In their next original recommendation, the Committee had observed as under:

"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 counseling 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."

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

"DGT is consistently striving to revamp/ add /enrich curriculum. All the curriculum is being aligned with NSQF. Trades are being identified in view of their popularity. So far 50 trades have been aligned to NSQF. Trade like 'Soil Testing & Crop Technician' has been introduced."

15. In their original recommendation, the Committee were concerned to note an under utilisation of available capacity as the total trainee count in the ITIs is 19.44 lakh as against the seating capacity of 21.94 lakh, which comes to about 88%. The Committee had therefore recommended that there should be a mechanism in place to assess the popularity of courses and divert recourses towards them rather than keeping the capacity idle. In reply the Ministry of Skill Development & Entrepreneurship has informed that in order to revamp/add/enrich curriculum, all the curriculum is being aligned with NSQF and Trades are being identified in view of their popularity. So far 50 trades have been aligned to NSQF and new trades like 'Soil Testing & Crop Technician' has

been introduced. While noting the same, the Committee are of the considered view that the steps stated to have been taken should lead to optimal utilisation of the seating capacity of the ITIs and therefore, desire that the Ministry of Skill Development & Entrepreneurship should inform them about the total trainee count in the ITIs at present as against the seating capacity as on date.

V. Target of Training 40 crore youth in seven years

(Recommendation Para No. 71)

16. In their original recommendation, the Committee had observed as under:

"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."

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

"DGT is putting all out effort to enhance the seating capacity under CTS. DGT is encouraging the applicants to open new ITI and also providing opportunities to enhance the seating capacity in existing trades/units. DGT is geared up to play a pivotal role, if all the stake holders work in convergence to achieve the skilling target of 40 crore youth in next seven years."

18. As regard to the target of training 40 crore youth in 7 years, the Committee note that the Ministry of Skill Development & Entrepreneurship has informed that DGT is putting all out effort to enhance the seating capacity under CTS, encouraging the applicants to open new ITIs and also providing opportunities to enhance the seating capacity in existing trades/units. However, no concrete figures have been given to support the statement. It has also been stated that DGT is geared up to play a pivotal role, if all the stake holders work in convergence to achieve the skilling target of 40 crore youth in

the next seven years. In view of the Committee it is the Ministry of Skill Development & Entrepreneurship alone which has to ensure 'convergence' amongst the stakeholders in a pro-active role manner and initiate concrete steps to achieve the target of training 40 crore youth in seven years.

VI. National Apprenticeship Promotion Scheme (NAPS)

(Recommendation Para No. 85)

19. In their original recommendation, the Committee had observed as under:

"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."

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

"Ministry has taken the following initiatives to achieve the target under NAPS: Awareness campaigns in the form of meetings/ workshops are being conducted to apprise NAPS among stakeholders. Third Party Agencies have appointed to facilities candidates, apprentices and employers. Brand Ambassadors have been appointed to popularise NAPS among employers. 61 Brand Ambassadors on Apprenticeship Training" have been appointed. 57 new courses have been designed by employer as per their requirement and approved by Government in the category of "Optional Trades". Also apprenticeship training for short term courses is being started."

21. The Committee note that under the scheme 'NAPS' launched to encourage establishments by incentivizing them to engage more numbers of apprentices, targets have been fixed, that is 10 lakh apprentices for the year 2017-18, 15 lakh apprentices for the year 2018-19 and 20 lakh apprentices for the year 2019-20. In this regard the Committee would like to know whether the target fixed for the year 2017-18 could be achieved or not alongwith specific reasons and justification. While noting the initiatives taken by the Ministry in their reply, the Committee would also like to know the status of engagement of fresher apprentices as per the target fixed.

CHAPTER-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation Para No. 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.

Reply of the Government

Though this figure is dynamic owing to continuous affiliation and de-affiliation. Presently a total of 13,912 ITIs (Govt. ITIs 2161 + Pvt. ITIs 11751) with seating capacity 20.34 Lakh as on 30.10.2017 (excluding supernumerary) are affiliated to NCVT in the country. Statement indicating state wise no. of ITIs along with seating capacity affiliated to NCVT is at Annexure I.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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..

Reply of the Government

It is the fact that the NCVT was setup through a resolution of Ministry of Labour in 1956 considering the need to have legislation for regulation in the skilling domain. Necessary frame work has being envisaged by the Ministry transforming the NCVT into a regulatory authority in the country with statutory powers to develop and control skill and vocational training in the country at par with international standards.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

Comments of the Committee

For comments of the Committee please refer to Para No.9 of Chapter I of this Report.

(Recommendation Para No. 49 & 50)

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 accredit 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.

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 building while civil works were still being carried out, deficiency in machinery equipment, two ITIs accommodated in the same premises and separated by temporary gates, institutes in building preoccupied for other purpose, 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 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.

Reply of the Government

Prior to engagement of QCI, States used to invite applications from interested organizations for setting up new ITIs/addition of trades/units in existing ITIs. The process included scrutiny of applications, carrying out inspections and forwarding recommendation to the NCVT for approval and services of officers of States and DGT were utilized. Due to paucity of staff at State and DGT, there used to be delay in completing the affiliation process. Sometimes this resulting in adversely affecting applicants who had invested in Machinery Equipment and Civil Infrastructure financially. There used to be 3000 to 4000 inspection every year and in order to avoid delay in affiliation process, it was decided to engage QCI being an Indian National

Accreditation Body set up under the Cabinet decision. QCI is a non- profit autonomous body registered under the Societies Act and its main mandate is to support the Government initiative through establishing quality norms and accreditation mechanism.

Vide MoA with its validity from 1.10.2012 to 30.09.2016, QCI was given the work of accreditation of ITIs on the following terms and conditions:-

- Services of Quality Council of India shall be used for verification of availability of infrastructure and training facilities in ITIs against the parameters set by NCVT. QCI shall grant accreditation to the institutes. The accreditation of the QCI will be basis for affiliation by NCVT.
- A website will be developed with all the facilities and guidelines for affiliation. The institutes will be in position to enter their data online and upload all the necessary documents. The software will be intelligent to guide the institutes. If the data is not correctly entered application will not be accepted and advice will be given to the applicant.
- Application of ITIs will be available, online, to the State Government. The State government will give observation and comments within 15 days. If no comment is received, QCI will proceed with accreditation process.
- QCI accreditation process will include three stages-
 - a) Desktop review
 - b) Physical verification and
 - c) Annual surveillance.
- QCI will have overseeing mechanism at State level and Central level. Representative of Directorate General of Training will be one of the members in National Accreditation Committee (NAC). In addition to this DGT will make its own system for minimum 5% verification of recommendations made by QCI to ensure that there is no dilution of standards and no wrong doing. There will be proper grievance redressal mechanism.

As & when complaints were received relating to accreditation of ITIs by QCI, DGT used to forward to QCI for their comments and for corrective actions. It was not expected from organization of repute like QCI for undermining the quality of accreditation process. However, taking a note that QCI had compromised the quality of accreditations; the Memorandum of Understanding (MoU) with QCI was not renewed. A communication from the Secretary MSDE was also sent to Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India to take requisite action in respect of QCI. However, so far as connivance of DGE&T & QCI officials are concerned, it is stated that scrutiny of accredited proposals received at

DGT/NCVT was based on documents/videos supplied by QCI and as such the poor quality of buildings, sub standards machinery and general safety assessment could not be carried out/judged on table, unless & until these were clearly brought out by their assessor in the reports received in DGT. QCI failed to bring out the said glaring shortcomings and hence misled the NCVT. Also, It is pertinent to mention that after learning of gross contravention of NCVT norms by ITIs despite which accreditation was granted, to them by QCI, DGT highlighted the glaring discrepancies before the court of law by way of filing counter affidavit in respect of numerous ITIs. Like in the counter affidavit filed in WP No. 3445/2017 – Vedanta Pvt. ITI vs DGT. DGT apprised the Hon'ble court about serious lapses on the part of QCI, based upon factual and physical observation. Taking note of the irregularities on the part of QCI, this Ministry also got re-verified the infrastructure and training facility of number of ITIs through State Governments DGT took a firm stand in the meeting of sub-committee of NCVT held on 08.11.2017 that henceforth affiliation will be granted to only those ITIs which would satisfied all the norms after mandatory physical inspection by team of State Directorate and DGT and which will be expressly recommended by the State Govt. State Govt. had been here to before, kept out of the process of inspection. All the pending cases of QCI recommended to NCVT, hence, have been mandatorily physically inspected now. ITIs which are considered for affiliation by NCVT in last two meetings held on 8.11.2017 and 15.2.2018, were physically re verified by officers of DGT /State Govt. Affiliation was granted to only those ITIs, conforming the norms laid down by the NCVT and recommended by the respective State Governments. Regarding the cases of affiliation done by NCVT on the recommendations of QCI form the year 2012 till the last NCVT sub-committee meeting held in July 2017, Ministry has setup a committee to go into the sequence of events resulting in affiliation of low quality ITIs and fixing responsibility within a strict time frame in respect of QCI/DGT officials.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

Comments of the Committee

For comments of the Committee please refer to Para No.12 of Chapter I of this Report.

(Recommendation Para No.51)

The committee are further aghast to note that despite the fact that the DGT&T had the powers of 5% inspection for verification on random basis, it was not utilized 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.

Reply of the Government

There is also a provision of 5% inspection for verification on random bases by DGT which however could not be implemented due to limited staff both at central as well as at the level of DGT field institutes/ state govt. However, after the findings of High power committees about poor quality of accreditation done by the QCI, DGT took up the inspections of affiliated ITIs accredited by QCI in 4 States *i.e* Bihar, UP, Orissa & Rajasthan there were 842 ITIs inspected of which 8 ITIs have been de-affiliated besides and action is under way for remaining ITIs for which the show cause notice have been issued. Besides DGT has de-affiliated 385 ITIs during last 4 year which were not conforming to NCVT norms. Physical inspection of ITIs by state Government Or DGT officials has been made mandatory from 08.11.2017 for grant of affiliation so that only high quality of ITIs with requisite infrastructure and manpower could be come up.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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 DGT&T that they allowed such derelictions to continue without any check, whatsoever.

Reply of the Government

QCI was asked to respond to the lapses during the accreditation process done by them. But the response from QCI was inadvertently communicated to Parliament Standing committee as the reply of Government and the same is once again regretted.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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.

Reply of the Government

DGT has denied further extension to MoA with QCI, in view of lapses observed. Further all the ITIs accredited with QCI during the period from 2012-2016 , are proposed to be verified by respective State Governments. Besides, action against QCI, as per law has now been initiated as the huge pendency of work left unattended by them in terms of thousands of pending applications and court cases now been handled with the required diligence. Action has also been initiated against DGT officials involved in the process with QCI.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 54 & 55)

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.

Para 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, therefore, desire to be apprised of the action plan by the Ministry to realize the target of training 40 crore youth in future.

Reply of the Government

As stated in foregoing Para, it is reiterated that MoA of QCI has not been renewed yet they were given one time extension to clear back log of 1259 eligible pending proposal for setting of new ITIs which was left mid way by due to expiry of MoA. Affiliation and procedural norms have now been revised which involves minimal human intervention. In the revised norms which will be applicable from the session 2018-19, primacy has been accorded to states, as before, and there clearance will be mandatory for infrastructure, machine & equipment etc.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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.

Reply of the Government

The Contents have been revised. The new norms for grant of affiliation of ITIs have been uploaded on DGT website.

(Recommendation Para No. 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 his 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 to 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.

Reply of the Government

The physical verification of 5090 self-graded ITIs has been undertaken by DGT through third party agency (M/S CRISIL Ltd.). The agency has completed physical visit/data validation of 4804 ITIs as on 28.2.2018 self-graded ITIs. The final grading after approval of core grading committee is to be completed by May 2018. As regards making ITI grading mandatory, the modalities for the same are being worked out in consultation with NCVT.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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 percent trainees have found either wage employment or self employment whereas in 100 Private ITIs, 53.2 percent achieved wage or self employment . They have also been informed that Rojgar Melas are organized 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.

Reply of the Government

In view of above recommendation, DGT would request state govt. to strengthen the training and placement cell in all ITIs. Training and placement cell of ITI to support the trainees by means of counseling, campus interview etc and thus ensure enhancement in employment percentage. It is also proposed to track the passed out trainees and support them in getting gainful employment. More over DGT is consistently striving to revamp/ add /enrich curriculum, so as to attract prospective employers and thus employment is bound to increase. We are also requesting states to device mechanism for regular/periodic conduction of Rojgar Melas.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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.

Reply of the Government

DGT is consistently striving to revamp/ add /enrich curriculum. All the curriculum is being aligned with NSQF. Trades are being identified in view of their popularity. So far 50 trades have been aligned to NSQF. Trade like 'Soil Testing & Crop Technician' has been introduced.

Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018

Comments of the Committee

For comments of the Committee please refer to Para No.18 of Chapter I of this Report.

(Recommendation Para No. 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.

Reply of the Government

A total of 779 new ITIs have since been affiliated during the year 2017-2018. Proposal of 663 ITIs are being processed in consultation with concerned State Directorates. Proposal for approval of competent authority has been under submission to rope in 1700 new ITIs in fold of NCVT which are presently functioning under SCVT.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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 miniscule 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 Government and private industry to tap this unused huge potential available in apprenticeship training in the Country.

Reply of the Government

The Government of India has made following efforts during the current financial year to tap the unused huge potential available in apprenticeship training in the Country:

- 12 Third Party Agencies (TPAs) have been appointed to catalyse the apprenticeship ecosystem.
- Advertisement published in leading newspapers about Apprenticeship Training.
- 61 Brand Ambassadors on Apprenticeship Training” have been appointed.
- 61 new courses have been designed by employer as per their requirement and approved by Government in the category of “Optional Trades”.
- 100 workshops on “Apprenticeship Training” have been conducted by Regional Directorates of Apprenticeship Training. Similar workshops are being conducted by respective States Apprenticeship Advisers.
- Advisory note to Managing Directors and Chief Executive Officers of all Public Sector Banks for implementing the Apprentices Act, 1961 in their respective Bank has been issued by Department of Financial Services.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 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.

Reply of the Government

On 19/08/2016, Government of India has notified an ambitious scheme titled “National Apprenticeship Promotion Scheme (NAPS)” wherein Government of India share the cost of basic training @ Rs. 7500 per apprentices for a maximum 500 hours/03 months with “Basic Training Providers (BTPs)” in respect of apprentices who come directly to undertake apprenticeship training without any formal training

(Fresher apprentices). Facility for online registration of Basic Training Provider have been provided on apprenticeship portal.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No.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.

Reply of the Government

Ministry has taken the following initiatives to achieve the target under NAPS: Awareness campaigns in the form of meetings/ workshops are being conducted to apprise NAPS among stakeholders. Third Party Agencies have appointed to facilities candidates, apprentices and employers. Brand Ambassadors have been appointed to popularise NAPS among employers.⁶¹ Brand Ambassadors on Apprenticeship Training" have been appointed. 57 new courses have been designed by employer as per their requirement and approved by Government in the category of "Optional Trades". Also apprenticeship training for short term courses is being started.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

Comments of the Committee

For comments of the Committee please refer to Para No.24 of Chapter I of this Report.

(Recommendation Para No. 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 through 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.

Reply of the Government

In CITS about 12000 trainees admitted for session 2017-2018. It is about 70%-75% of the total seating capacity. Out of which, nearly 2500 trainees are admitted in Institute of Training of Trainers (ITOTs). As per letter no MSDE-19/03 (8) 2015-CD circulated to all states Governments the preference should be given to the CTI trained participants in the recruitment of ITI instructors. This will help to popularize and provide cohesive composer to CITS training and also increase the no. of candidates willing to undertake CITS courses. The existing ATIs and NVTI/RVTIs would be permitted to run the second shift after arranging the required infrastructure and faculty from session 2018-19. This will double the number of CITS trainees and if the 100% seats are filled then the total no. of trainees in the CITS will be about 30000. In the next 3 years, the no. of trades and units in each of the above said institute should be increased in such a way, that the sanctioned strength/no. of trainees admitted would be increased up to 50000. In five states the ITOT institutes are also running under the administrative control of respective state government. (U.P., M.P., Karnataka, Odisha, Haryana.)

Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018

(Recommendation Para No. 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 and 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 trainee and availability of trained 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.

Reply of the Government

It is submitted that 16 popular courses have been approved by NCVT under Dual Training System and more courses would be developed in discussion with industries. The revised status on MoUs received and signed under the Dual Training Scheme is tabulated below: (As on 26.03.2018)

S. No.		MoUs approved and signed	MoUs in the pipeline
1	Odisha	15	
2	UP	8	
3	Jharkhand	1	
4	Rajasthan	2	
5	Gujarat	59	
6	Delhi	1	1
7	Karnataka	2	
8	Tamil Nadu	0	25
		88	26

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 99)

The Committee note that under the scheme of upgradation of ITIs through “Public Private Partnership” that expenditure under the scheme including seed money is Rs. 2,313.74 (75%) crore as against Rs.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 utilization 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.

Reply of the Government

The scheme progress is reviewed on regular basis during visit of senior officers of MSDE to the States. Review committee has been constituted to evaluate Industry-Institute connect under the scheme including role of State Governments. The findings/recommendations of the review committee would be forwarded to the States and leading industry chambers/ associations for compliance.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

(Recommendation Para No. 100)

The Committee note that another scheme for upgradation of existing Government ITIs in to model ITIs to be launched. Under the scheme total approved allocation for upgradation of ITIs in to model ITIs was Rs. 219.10 crore but only Rs. 88.78 crore were released. The Ministry informed that as per scheme design, the funds are released to the States government in installments. There, however, was delay in furnishing of implementation Plan by the State, 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 utilization of funds under this scheme and recommend that concerned effort should be made to obtain plans from the States for proper release of funds to expedite funds utilisation under the Scheme.

Reply of the Government

The implementation period of the scheme of 'Up-gradation of existing ITIs into Model ITIs' was till March 2017. The Standing Finance Committee (SFC), in its meeting for continuation of the scheme till March 2020, has decided to first have desk evaluation of the scheme through external agency and the same is being done.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

CHAPTER-III

OBSERVATIONS/ RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY

NIL

CHAPTER-IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

(Recommendation Para No.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 Directorate 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.

Reply of the Government

Opening of new ITIs is the responsibility of respective State/UT as per their felt needs & policy, However, DGT have issued advisory to State Govts. to accord priority to the opening of new ITIs in the un-served blocks including SC/ST and Minority concentration districts as also in the districts where less number of ITIs are in operation to bring them at par with national average.

Comments of the Committee

For comments of the Committee please refer to Para No.6 of Chapter I of this Report.

(Recommendation Para No.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 order functional ITIs.

Reply of the Government

Action in this regard is being taken strictly as per the recommendations of the committee.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

Comments of the Committee

For comments of the Committee please refer to Para No.15 of Chapter I of this Report.

(Recommendation Para No.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.

Reply of the Government

DGT is putting all out effort to enhance the seating capacity under CTS. DGT is encouraging the applicants to open new ITI and also providing opportunities to enhance the seating capacity in existing trades/units. DGT is geared up to play a pivotal role, if all the stake holders work in convergence to achieve the skilling target of 40 crore youth in next seven years.

(Ministry of Skill Development & Entrepreneurship O.M No. H-11013/1/2018 ICT dated /4/2018)

Comments of the Committee

For comments of the Committee please refer to Para No.18 of Chapter I of this Report.

CHAPTER-V

OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

NIL

**New Delhi;
6th February, 2019
17th Magha 1940 (Saka)**

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

Annexure-I										
State wise information regarding number of Govt. & Pvt. ITIs. their Seating Capacity & Trainees enrolled.										
SL. NO.	STATE / UT	Number of ITIs			Seating Capacity (excluding 30% supernumerary)			Trainees Count		
		Govt.	Pvt.	Total	Govt.	Pvt.	Total	Govt.	Pvt.	Total
1	A & N	2	1	3	393	145	538	511	44	555
2	A.P	72	414	486	16195	84012	100207	16707	75686	92393
3	AR. P	5	1	6	1039	97	1136	905	0	905
4	ASSAM	24	6	30	4578	766	5344	3443	726	4169
5	BIHAR	24	1061	1085	12478	160839	173317	7456	178156	185612
6	CHANDIGARH	2	0	2	1017	0	1017	1279	0	1279
7	CHHATTISGARH	83	107	190	11482	12652	24134	12322	12033	24355
8	D & N Haveli	1	0	1	170	0	170	210	0	210
9	DAMAN AND DIU	2	0	2	315	0	315	343	0	343
10	DELHI NCT	15	42	57	9503	5342	14845	8766	4194	12960
11	GOA	10	4	14	3415	463	3878	2866	162	3028
12	GUJARAT	165	238	403	56854	24890	81744	65281	24067	89348
13	HARYANA	98	229	327	28792	37422	66214	32663	32819	65482
14	H. P	86	145	231	17250	17181	34431	16871	13614	30485
15	J & K	37	1	38	3493	160	3653	3365	24	3389
16	JHARKHAND	14	241	255	4812	58885	63697	3001	54454	57455
17	KARNATAKA	145	1276	1421	28085	109978	138063	30109	103055	133164
18	KERALA	80	514	594	18481	57175	75656	18823	27386	46209
19	LAKSHADWEEP	1	0	1	72	0	72	87	0	87
20	M. P	122	876	998	19138	116006	135144	17918	79692	97610
21	MAHARASHTRA	417	474	891	150278	75349	225627	124587	57202	181789
22	MANIPUR	1	0	1	222	0	222	160	0	160
23	MEGHALAYA	5	2	7	643	274	917	650	140	790
24	MIZORAM	3	0	3	783	0	783	589	0	589
25	NAGALAND	2	0	2	205	0	205	184	0	184
26	ODISHA	49	582	631	22858	105396	128254	21982	70137	92119
27	PUDUCHERRY	8	7	15	1384	448	1832	1469	199	1668
28	PUNJAB	111	270	381	21372	45693	67065	18431	29346	47777
29	RAJASTHAN	128	1736	1864	24491	245730	270221	22674	205643	228317
30	SIKKIM	3	0	3	622	0	622	454	0	454
31	TAMILNADU	63	563	626	23883	63378	87261	23325	37685	61010
32	TELANGANA	55	231	286	11295	45880	57175	11710	46247	57957
33	TRIPURA	13	2	15	2125	177	2302	2005	136	2141
34	U. P	123	2529	2652	38774	400152	438926	39196	407150	446346
35	UTTRAKHAND	68	83	151	8123	13075	21198	6892	10536	17428
36	WEST BENGAL	124	116	240	36486	19559	56045	30496	15886	46382
	Total	2161	11751	13912	581106	1701124	2282230	547730	1486419	2034149*

*information based on NCVT MIS Portal status dated 30th Oct. 2017

STANDING COMMITTEE ON LABOUR

(2018-19)

Minutes of the Twelfth Sitting of the Committee

The Committee sat on Wednesday, the 6th February, 2019 from 1030 hrs. to 1100 hrs. in Room No. 95-A, Chairperson's Chamber, Parliament House, New Delhi.

PRESENT

Dr. Kirit Somaiya – CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Ashok Kumar Dohrey, MP
3. Shri Satish Chandra Dubey, MP
4. Shri Rama Chandra Hansdah, MP
5. Shri C. N. Jayadevan, MP
6. Shri Kaushalendra Kumar, MP
7. Shri R. Parthipan, MP
8. Shri Hariom Singh Rathore, MP

RAJYA SABHA

9. Shri Ram Narain Dudi, MP
10. Shri P.L. Punia, MP
11. Shri Amar Shankar Sable, MP
12. Shri N. Gokulakrishnan, MP
13. Shri Madanlal Saini, MP

SECRETARIAT

- | | | | |
|----|----------------------|---|---------------------|
| 1. | Ms. Rimjhim Prasad | - | Joint Secretary |
| 2. | Shri P.C. Choulda | - | Director |
| 3. | Shri C. Vanlalruata | - | Additional Director |
| 4. | Shri Kulvinder Singh | - | Under Secretary |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of the following draft Reports:

(i) Action Taken by the Government on the Observations/ Recommendations of the Committee contained in their 33rd Report on 'Industrial Training Institutes (ITI) and Skill Development Initiative Scheme' pertaining to the Ministry of Skill Development & Entrepreneurship;

(ii) XX XX XX XX

(iii) XX XX XX XX

(iv) XX XX XX XX

(v) XX XX XX XX

(vi) XX XX XX XX

(vii) XX XX XX XX

3. The Committee took up the Draft Reports one by one for consideration/ adoption and adopted the same without any addition/ modification.

4. The Committee then authorized the Chairperson to finalise the Report and present the same to both the Houses.

The Committee then adjourned.

XX Does not pertain to this Report.

(Vide Para No. 3 of the Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/
RECOMMENDATIONS CONTAINED IN THEIR THIRTY THIRD REPORT OF THE
STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

		Total	Percentage
I.	Total number of Recommendations	24	
II.	Recommendations/Observations which have been accepted by Government (Rec. Sl. Nos. 46, 48, 49, 50, 51, 53, 54, 55, 56, 58, 69, 70, 72, 83, 84, 85, 91, 92, 99 and 100)	20	83.33
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies- 52	01	4.17
IV	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – (Rec. Sl. No. 47, 57 and 71)	03	12.50
V	Recommendations/Observations in respect of which final replies of Government are of interim in nature NIL	00	00
			100%