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**STANDING COMMITTEE ON LABOUR
(2020-21)
(SEVENTEENTH LOK SABHA)**

MINISTRY OF SKILL DEVELOPMENT & ENTREPRENEURSHIP

**[Action taken by Government on the Observations/
Recommendations of the Committee contained in their Seventh
Report (Seventeenth Lok Sabha) on Demands for Grants (2020-21) of
the Ministry of Skill Development & Entrepreneurship]**

FIFTEENTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 2021/ Magha, 1942 (Saka)

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(2020-21)

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Report (Seventeenth Lok Sabha) on Demands for Grants (2020-21) of
the Ministry of Skill Development & Entrepreneurship]**

Presented to Lok Sabha on 03.02.2021

Laid in Rajya Sabha on 03.02.2021



LOK SABHA SECRETARIAT

NEW DELHI

February, 2021/ Magha, 1942 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2020-21)**

Shri Bhartruhari Mahtab - Chairperson

**MEMBERS
LOK SABHA**

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

RAJYA SABHA

22. Shri Dushyant Gautam
23. Shri Neeraj Dangi
24. Shri Oscar Fernandes
25. Shri Elamaram Kareem
26. Dr. Raghunath Mohapatra
27. Dr. Banda Prakash
28. Shri Rajaram
29. Ms. Dola Sen
30. Shri M. Shanmugam
31. Shri Vivek Thakur

SECRETARIAT

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

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2020-21) having been authorized by the Committee, present on their behalf this Fifteenth Report on Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Seventh Report (Seventeenth Lok Sabha) on Demands for Grants (2020-21) of the Ministry of Skill Development & Entrepreneurship.

2. The Seventh Report was presented to Lok Sabha and laid in Rajya Sabha on 13th March, 2020. The Ministry of Skill Development & Entrepreneurship furnished their replies on 19th May, 2020 indicating Action Taken on the Observations/ Recommendations contained in the Seventh Report. The Committee considered and adopted the Draft Report at their sitting held on 3rd November, 2020.

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

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

New Delhi;
2nd February, 2021
13 Magha, 1942 (Saka)

BHARTRUHARI MAHTAB
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 Seventh Report (Seventeenth Lok Sabha) on 'Demands for Grants (2020-21)' of the Ministry of Skill Development & Entrepreneurship.

2 The Seventh Report was presented to Lok Sabha and also laid in Rajya Sabha on 13th March, 2020. It contained 17 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. 1,2,3,4,5,7,8,9,11,12,13,14,15 & 16 | Total:14
Percentage:82.36% |
| (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – Nil | Total:00
Percentage:00 |
| (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. 10 and 17 | Total: 02
Percentage: 11.76% |
| (iv) Observations/Recommendations in respect of which replies of the Government are interim in nature -
Rec. Para No. 6 | Total:01
Percentage:5.88% |

3. The Committee desire that Action Taken Notes in respect of Observations/ Recommendations contained in Chapter I and final replies to Observations/ Recommendation contained in Chapter V may be furnished to them at the earliest.

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

I. BUDGETARY ALLOCATION AND UTILISATION

(Recommendations Para No.1)

5. In their Seventh Report the Committee had noted that while the Ministry proposed a BE of Rs. 3,791.28 crore for the Financial Year 2020-21, an amount of Rs. 3,002.21 crore was allocated, implying thereby a huge cut of Rs. 789.07crore. As for the likely implications of the cut in allocation on various programmes and schemes, as per the Ministry's own submission, the targets for 'skilling' under the various schemes being implemented might have to be scaled down. Regarding the specific reasons that prompted the Ministry of Finance to cut the proposed BE of Rs. 3,791.28 crore, the Committee had observed that this was *inter-alia* owing to the pattern of utilization of funds by the Ministry in the previous years. Further, as regards the under-utilization of allocated funds by the Ministry being witnessed year after year, and more specifically in 2019-20, the Committee had noted that it was on account of multiple factors which included, non-receipt of complete proposals for grants from the State Governments, non-implementation of EAT module by the States, non-receipt of physical and financial progress reports of the projects sanctioned earlier, non-receipt of utilization certificates from implementing partners for further release of funds etc. Opining that the reasons cited for under-utilisation of the earmarked funds such as, non-receipt of complete proposals for grants from State Governments, utilization certificate etc. were well within the administrative control of the Ministry, the Committee suggested the Ministry to initiate concrete remedial measures so as to overcome the impediments.

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

“The BE, RE and Expenditure during the last three years and BE for 2020-21 are given in the Table below:

Rs. in crore

2017-18			2018-19			2019-20			BE
BE	RE	Exp	BE	RE	Exp	BE	RE	Exp	2020-21
3016.1	2356.22	2198.02	3400.00	2820.06	2618.98	2989.21	2531.04	2408.01	3002.21

The budget allocation for the year 2017-18 was Rs. 3016.14 crore (BE) which was scaled down to Rs. 2356.22 crore (RE), for 2018-19 Rs. 3400.00 crore (BE) was cut down to Rs. 2820.06 crore (RE) and for 2019-20, the allocation of Rs. 2989.21 crore (BE) was cut down to Rs. 2531.04 crore at RE stage. During the years 2017-18 and 2018-19, the expenditure incurred by the Ministry was around 93% of RE, which increased to the extent of 95 % of RE during 2019-20. The total expenditure incurred during 2019-20 is Rs.2408.01 crore, thereby leaving an unutilized amount of Rs.123.03 crore which include unutilized amount of Rs.98.80 crore pertaining to NER. The Ministry has explained various reasons for under utilization of the budget during last 3 years which include, non-receipt of complete proposals for grants from the State Governments, non-implementation of EAT module by the States, non-receipt of physical and financial progress reports of the projects sanctioned earlier, non-receipt of utilization certificates from implementing partners for further release of funds etc. and also under-utilization of funds by the North East States due to various reasons.

2. The Ministry has initiated various remedial steps for full utilization of the allocated budget. All divisions of the Ministry have been instructed to incur expenditure under the Schemes administered by them as per Monthly Expenditure Plan and Quarterly Expenditure allocation. The Ministry has also initiated various steps towards tackling the problem of under-utilization of funds and ensuring optimal utilization. These include, monitoring the flow of funds through PFMS, physical visits, video conferencing with the implementing agencies including State Governments, review meetings by the Secretary, MSDE, Additional Secretary and Financial Adviser, monitoring the expenditure under various Schemes in the weekly meetings of Senior Officers (SMG) etc.”

7. The Committee appreciate that various remedial steps have been initiated by the Ministry for full utilisation of the allocated budget. Such initiatives *inter-alia* include instructions to all the divisions of the Ministry to incur expenditure as per monthly Expenditure plan and quarterly Expenditure Allocation; monitoring of the flow of funds through PFMS; Review meetings by the Senior Officers etc. While

taking note of the steps initiated by the Ministry, the Committee are of the considered opinion that monitoring aspect needs to be further strengthened and fortified so as to ensure that the measures are actually implemented at the ground level for optimal utilization of the earmarked budgetary allocations. The Committee further recommend that special and focused attention ought to be paid towards the North East Region, where there have been regular shortfalls in the utilization of funds, so that the bottlenecks are ironed out and fund utilization is maximized in the coming years.

II. SETTING UP OF PMKKs

(Recommendations Para No.10)

8. In their earlier Report, the Committee had noted that the target of establishing PMKKs in 731 districts during 2016-17 to 2019-20 could be achieved in 707 districts, leaving a shortfall of 24 districts. Stressing the importance of setting up of PMKKs in all the districts and Parliamentary Constituencies. The Committee had urged the Ministry to take requisite measures in that direction.

9. In their Action Taken Notes, the Ministry have submitted as under:-

“The Observation/Recommendation of the Committee has been noted.

As on 17.01.2020, 812 PMKKs have been allocated covering 707 districts. Out of the 812 allocated PMKKs, 723 PMKK have been established across 26 States and 7 Union territories. Action has been taken by the Ministry for coverage of all 734 districts in the country by PMKKs. However, in case of very small districts a PMKK may not be viable, and would not get enough number of candidates for training in multiple trades to be taken up. So a need may arise for combining two to three districts under jurisdiction of one PMKK. The same is being examined in the Ministry.”

10. The Committee note that as on 17 January, 2020, out of the 812 allocated PMKKs, 723 PMKKs have been established across 26 States and 7 Union Territories. The Ministry are examining the feasibility of combining two to three small districts under the jurisdiction of one PMKK in order to make it viable. The Committee exhort the Ministry to expedite the matter so that the remaining 89 PMKKs are established within a definite timeline for imparting training to the candidates in multiple trades and making them self dependent.

III. SETTING UP OF THE NATIONAL SKILL TRAINING INSTITUTES (NSTIs)

(Recommendation Para No.17)

11. As regards setting up of the National Skill Training Institutes (NSTI) in the Country, the Committee had noted in their earlier Report that the foundation stone for construction of the permanent campus of the NSTI, Barang near Bhubaneswar was laid in July, 2018 and 5 acres of land had also been allotted by the State Government of Odisha. Further, though foundation stones for setting up five more NSTIs at Agartala, Shimla, Patna, Mohali and Hyderabad has also been laid, no budgetary allocation had been made during 2020-21 for construction of the institute buildings. As any undue delay in setting up the NSTIs would defeat the intended purpose, the Committee had recommended that the issue of ensuring adequate budget allocation and completion of the construction of the institutes be taken up in right earnest.

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

“Regarding setting up of permanent NSTIs at Bhubaneshwar, Agartala, Shimla, Patna, Mohali and Hyderabad, it is informed that, except NSTI Hyderabad, other Institutes are run in the accommodation hired/ on rented building. As there was a huge cut in the Budgetary Provision in RE stage of FY 2019-20, enough allocation could not be made for the construction purpose under the Budget sub-head ‘Major Works’. In the present FY 2020-21, a Budget of Rs. 18 crores is only allocated under the Budget Head “Major

Works”. The said Budget shall be allocated to those NSTIs who are nearing completion/completed of construction activity. However, the Budget required shall be requested for, in the 1st Supplementary Budget to ensure that the construction activity is done/started.”

13. The Committee are deeply concerned to note that due to fund constraints, the construction of five permanent National Skill Training Institutes (NSTIs) at Bhubaneswar, Agartala, Shimla, Patna and Mohali has been adversely affected for which they are being run on hired/ rented buildings. As Rs.18 crore allocated during the Financial Year 2020-21 seems inadequate for the purpose, the Ministry are contemplating to request for more funds in the first supplementary Budget. In view of the fact that inordinate delay in the construction of permanent NSTIs would defeat the very purpose and objectives of setting up of such Institutes, the Committee impress upon the Ministry to take up the matter with the Ministry of Finance with a sense of urgency and commitment so that requisite allocations are made to facilitate and hasten the commencement and completion of the construction of the Skill Training Institutes in a time bound manner.

**New Delhi;
2nd February, 2021
13 Magha, 1942 (Saka)**

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

STANDING COMMITTEE ON LABOUR

(2020-21)

Minutes of the Third Sitting of the Committee

The Committee sat on Tuesday, the 3rd November, 2020 from 1430 hrs. to 1600 hrs. in Main Committee Room B, Parliament House Annexe, New Delhi.

PRESENT

Shri Bhartruhari Mahtab - CHAIRPERSON

MEMBERS

LOK SABHA

2. Shri Satish Kumar Gautam
3. Dr. Umesh G. Jadhav
4. Shri Dharmendra Kumar Kashyap
5. Dr. Virendra Kumar
6. Shri Ganesh Singh
7. Shri Bhola Singh

RAJYA SABHA

8. Shri Rajaram
9. Shri Neeraj Dangi
10. Shri Dushyant Gautam

SECRETARIAT

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

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee, convened to consider and adopt the following Action Taken Reports:

(i) XX XX XX XX

(ii) XX XX XX XX; and

(iii) Action Taken on Seventh Report on Demands for Grants (2020-21) of the Ministry of Skill Development & Entrepreneurship

3. The Committee then took up the draft ATRs for consideration one by one and adopted them without any modifications.

4. The Committee, then, authorised the Chairperson to finalise the Reports and present them to the House in the upcoming session.

5. XX XX XX XX.

(The witnesses then withdrew)

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

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 SEVENTH REPORT OF THE STANDING
COMMITTEE ON LABOUR (SEVENTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	17	
II. Recommendations/Observations which have been accepted by Government (Rec. Para. Nos. 1,2,3,4,5,7,8,9,11,12,13,14,15 & 16)	14	82.36%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies- NIL	00	00%
IV Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – (Rec. Para. Nos. 10 and 17)	02	11.76%
V Recommendations/Observations in respect of which final replies of Government are of interim in nature- (Rec. Para.No.6)	01	5.88
		100%