

GOVERNMENT OF INDIA
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP
LOK SABHA
UNSTARRED QUESTION NO. 151
ANSWERED ON 01.12.2025

GOVERNANCE ISSUES IN NSDC

151. SHRI K SUDHAKARAN:

Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:

(a) whether the Government has taken cognizance of the governance crisis in the National Skill Development Corporation (NSDC) including the police complaint filed in August 2025 against senior NSDC officials for alleged misappropriation of public funds and, if so, the details thereof;

(b) whether the Chief Executive Officer (CEO) of NSDC was removed in May 2025 following complaints of irregular appointments made without ministerial consultation, and if so, the reasons recorded for such action;

(c) whether multiple FIRs have been registered against training partners for falsifying attendance records under the Pradhan Mantri Kaushal Vikas Yojana resulting in the blacklisting of about 40 entities; and

(d) if so, the comprehensive measures taken by the Government for recovery of misappropriated funds, initiation of criminal prosecutions, structural and institutional reforms within NSDC, and any proposal for an independent inquiry to restore transparency, credibility and efficiency in the skilling ecosystem?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP

(SHRI JAYANT CHAUDHARY)

(a) & (b): National Skill Development Corporation (NSDC) is established as a not-for-profit public limited company under section 25 of the Companies Act, 1956 (now corresponding to section 8 of the Companies Act, 2013). It operates as a unique Public Private Partnership (PPP) model under the Ministry of Skill Development & Entrepreneurship (MSDE), with 49% of the share capital held by the government and 51% by the private sector. The apex authority for any administrative decisions of NSDC is the Board of Directors of NSDC. The Central Government appoints up to six Directors,

while private sector shareholders appoint up to nine Directors. NSDC Board, in its meeting held on 15th May, 2025, took a decision to remove the then-officiating CEO of NSDC, in accordance with the organization's governance framework and established procedures, which doesn't fall under the administrative control of MSDE.

(c) & (d): To enhance the quality, transparency, and uniformity in the implementation of PMKVY, the Government has undertaken several measures from time to time. Oversight mechanisms have been strengthened through technology-enabled systems such as Direct Benefit Transfer, registration process on Skill India Digital Hub (SIDH) ensures e-KYC compliance, Aadhaar based authentication of candidate credentials, mobile number authentication, attendance through Face-Authentication and Aadhaar Enabled Biometric Attendance System (AEBAS), maintaining of all Management Information System (MIS) through SIDH portal to check duplication of candidates, etc. A structured grievance redressal framework, performance audits, impact assessments, and third-party evaluations have been institutionalized to curb malpractices, including falsification of attendance records. Further, CAG has to conduct the Audit of NSDC, the implementing agency of PMKVY scheme for the year 2017-18 onwards.

Under PMKVY 4.0, training is being conducted only through accredited and affiliated Training Centres (TCs). These centres are monitored through both physical and virtual modes. Strict legal and administrative actions including filing of FIRs, blacklisting, suspension, and financial recovery are initiated against non-compliant TCs involved in activities such as falsification of attendance records. As on 31.10.2025, a total of 178 Training Centres have been blacklisted under PMKVY 4.0 for non-adherence to scheme guidelines. Further, 41 FIRs have already been registered in matters involving serious irregularities, including falsification of attendance records.

Additional reforms such as real-time call validations, surprise centre visits, virtual verification with geotagged evidence, and candidate feedback through the NIC-developed Central Communication Layer (CCL) have also been implemented.
