

# CAG Report Summary

## Skill Development under PM Kaushal Vikas Yojana

- The Comptroller and Auditor General (CAG) submitted a report on the ‘Skill Development under Pradhan Mantri Kaushal Vikas Yojana (PMKVY)’ on December 18, 2025. PMKVY was introduced in July 2015 to provide industry-relevant skill training and certification to youth. The audit report covers the three phases of the scheme launched between 2015 and 2022. These phases had a combined target of providing skill training and certifications to around 1.32 crore candidates. The scheme is implemented by the Ministry of Skill Development and Entrepreneurship. Key observations and recommendations of CAG include:
  - **Employment under PMKVY:** Out of 56 lakh candidates certified under the short-term training and special project components of the scheme (STT/SP trainings), 41% were placed (23 lakh). Special project component provides for training based on special needs in terms of geography, demography, and social groups. CAG observed that trainings under PMKVY during the first three phases were not in alignment with the skill-gap requirements in respective sectors under the national policy. It noted that while the national policy provides estimate of the required skilled workforce, it does not provide information on micro-level skill gaps, such as specific job roles in which these requirements exist. Selection of job-roles without any skill-gap analysis and assessment of market demands were primary reasons for low placements under PMKVY. CAG recommended aligning trainings with skill gaps identified in job roles and demand.
  - **Preparation of skill development plans:** CAG noted that the third phase of the scheme envisaged preparation of a national skill development plan. This plan was to be prepared by aggregating state-level and district-level plans. It observed that the national plan was not prepared. Out of eight selected states, two states had prepared state plans. The Ministry noted that due to short duration of the third phase and onset of the COVID-19 pandemic, the national plan could not be prepared. It also noted that for 2024-25, 27 state plans and 519 district plans were received. CAG recommended expediting preparation of the national plan and also adopting a long-term strategic plan to provide direction and continuity.
  - **Enrolment of candidates:** CAG observed that candidates were enrolled under the scheme by ignoring their age, education, and work experience-related criteria under the scheme guidelines. It also highlighted a lack of mechanism for onboarding and verifying targeted beneficiaries such as school or college dropouts and unemployed youths. It recommended expediting integration with the UDISE database of the Ministry of Education as a measure to address this.
  - **Unspent funds and non-payment of rewards:** Nearly 20% of the funds allocated to states for the 2016-24 period remained unutilised as of March 2024. CAG noted that for the first phase of the scheme, the Ministry could not appropriately estimate funds available with NSDC and funds to be sourced. It did not ensure timely transfer of unutilised funds from earlier schemes. This resulted in funds remaining parked and unutilised. The first three phases of the scheme also provided for payout of Rs 500 to each candidate through direct benefit transfer. Around 36% of the candidates are yet to receive this payout due to insufficient information about bank accounts.
  - **Implementation and monitoring:** CAG observed irregularities in the implementation and monitoring process. It noted that only 13% of batches under STT/SP trainings since 2018 were compliant with the requirement for Aadhaar-based attendance system for trainees. In 24 out of 86 training centres surveyed by CAG, required infrastructure for Aadhaar-based attendance was not available. CAG also highlighted certain irregularities with the RPL-BICE component of the scheme. This component provided for selecting large employers and certifying their uncertified workforce. It noted that documents produced by implementing agencies in support of training and monitoring were unreliable. For instance, same photos were used as evidence for different trainings. It also found instances of edited photo evidence. Same inspector was reported to have physically visited multiple locations in different states on the same day. In 84% of the on spot physical inspection cases, geotagging was not available.
  - **Coordination across governments:** CAG observed that even after completion of three phases of PMKVY, convergence between efforts of the central and state governments was not effective. CAG recommended that the Ministry should ensure mapping of all skill training initiatives across central and state governments. It recommended preparing a roadmap for their convergence and data integration.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research (“PRS”). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.