

**Alok Kumar**  
IAS



Director General  
Employment and Training  
Ministry of Labour and Employment  
Government of India  
Room No. 108, Shram Shakti Bhawan  
Rafi Marg, New Delhi-110001  
Phone : +91-11-23710446  
Fax : +91-11-23351878  
email : alokkumar@nic.in

D.O.No.DGE&T-35(1396)/SWG/2014/NIC

New Delhi, March 27, 2015

Dear

Directorate General of Employment and Training, Ministry of Labour and Employment is implementing scheme "Upgradation of 1396 Government ITIs through PPP" between 2007-08 to 2011-12 with the objective to improve the quality of the training leading to better employability of graduates from the ITIs, by making design and delivery of training more demand responsive and involving the private sector in this endeavour in a big way. In order to meet the objective, each ITI covered under the Scheme was released with a loan of Rs. 2.5 crore for strengthening the capacity of ITIs by the way of modernizing equipment and existing workshop, renovating existing buildings, provided equipment to support revised curricula etc.

2. As per the guidelines, upgradation of all such ITIs would have been completed within the five years of the release funds to the States but it has been found out from the reports received from States that progress in respect of upgradation in a majority of ITIs is not satisfactory which is a matter of concern. During the discussion with States, we have been given to understand that there are some issues which are impeding the process of upgradation and need to be resolved immediately for smooth implementation of the Scheme. In order to resolve such issues, a wide consultation with various Stakeholders was undertaken in association with CII on 8<sup>th</sup> August, 2014 in New Delhi and a good number of suggestions were received. To further work on the suggestions, a Special Working Group (SWG) comprising representatives of few States, Industry partners, Institute Management Committee (IMC) Chairpersons, Industry Associations, Principals and DGET was constituted and two meetings of the SWGs were held. Based on the discussions held in two meetings, recommendations have been framed which were later on circulated to the members of SWG for their comments. Subsequently, these recommendations were approved by the Competent Authority and same are enclosed herewith for smooth implementation of Scheme.

3. I, therefore, would like to request you to kindly make concerted efforts in implementing the recommendations immediately for smooth and effective implementation of the Scheme.

Yours sincerely,

  
(Alok Kumar)

The Principal Secretaries /Secretaries of all States as per list enclosed (except Manipur and Sikkim and Administrators of UTs of Andaman & Nicobar, Daman & Diu and Dadra & Nagar Haveli)

**Recommendations of the Special Working Group constituted under the scheme "Upgradation of 1396 Government ITIs through PPP"**

1. The IMC Chairman should be a person who is able to dedicate adequate time
2. If the IMC is headed by a large industry group, the group should depute a full time representative to discharge the functions of IMC Chairman with regular supervision of the industry group.
3. Regular participation of other industry members should be ensured in functioning of IMC.
4. In order to attain sustainability, the industry leading the IMC and other IMC members should be required to commit adequate share of their CSR spending for development of ITI.
5. It is clarified that Chairman be given higher protocol than Principal as latter is only Member-Secretary
6. Chairman/ Members of IMC may inspect classes in ITI and give their suggestions to Instructors
7. State Governments should necessarily permit IMCs to enroll 20% of seats including supernumerary, as provided in the MoA also.
8. State Governments to provide adequate autonomy to the IMCs in implementation of the scheme, in matters of procurement as per Govt. of India Guidelines
9. State Governments should withdraw all orders that bind the IMCs to construct the buildings through State PWD. IMCs should have autonomy to select a competent agency through competitive bidding process.
10. Professional agency may be hired by IMC(s) on need basis for transitional period of two years and a maximum amount of Rs. 10 Lakhs per IMC can be spent in two years for hiring a professional agency. Agency so hired should be capable to provide multi disciplinary support to a cluster of the IMCs. During transitional period of two years, capacity building of staff may be undertaken.
11. For taking up various promotional/revenue generation activities and sharing of best practices, a hub and spoke model of PPP ITIs is recommended. Such hub and spoke arrangements shall be done for group of ITIs in adjoining districts. ITIs other than PPP model can also be included in such activities on cost sharing basis. Such group to be notified by the State Governments within a period of two months from issue of this recommendation. Participating ITIs would share the cost on activity basis.

12. The various models of revenue generation recommended by the SWG for being implemented by IMCs are given below. It is informed that the IMCs may choose all or any of the following:

12.a. **Conduct of short term training programmes in SDI or other Government schemes:** IMC may run courses under SDI scheme etc. without affecting the regular training. If needed, IMC can set-up additional training infrastructure facilities for running courses under SDI keeping in view of the demand from local Industries. The IMCs should be allowed to be registered as a Vocational Training Provider (VTP) under SDI scheme. In case both the ITI and IMC are registered as VTP, ITI may be withdrawn from being a registered VTP. States while issuing Training Batch Numbers (TBNs) should give preference to IMCs registered as VTPs for starting training courses under Skill Development Initiative (SDI) scheme. The IMCs should be permitted to retain revenue generated from training to meet operating costs and also incentivize extra efforts by Instructors and other staff members.

12.b. **Sharing of ITI premises with other training providers selected through a transparent process (As being proposed in Punjab):** IMC of ITI may tie-up with Industries / training providers who could be able to bring their own machinery and manpower for conduct of training programmes. While having such tie-ups, the IMCs may claim a share of revenue. The electricity consumed may be calculated on actual basis by the IMC and claim the same from such Industries / Training providers. States may extend all necessary support to the IMCs in getting associated with pan India service providers like Apparel Training & Design Centre (ATDC), under the aegis of Apparel Export Promotion Council (AEPC) and VLCC.

12.c. **Conduct of additional units of Training on the basis of paid seats with due affiliation by NCVT (Himachal Pradesh /Rajasthan example)**

**12.c.(i). Himachal Pradesh model:** For optimum utilization of Infrastructure available with the Institute, the concept of running shifts on 'self financing basis' was introduced in all the ITIs covered under the scheme in the State. All expenditure involved in running these courses is to be met from the fee received from the trainees. IMCs have been permitted to collect fee against admission made in the self financing unit on the basis of the State prescribed fee structure. The fee prescribed is Rs. 7,825/- for engineering trades and Rs. 6,150/- for non-engineering trades. Self financing unit to be started in the Institute is selected by an IMC on the basis of demand of a trade. The proposal from the IMC for running a self financing unit is subsequently approved by the State Directorate and the detail of the self financing unit is included in the prospectus of the ITI for admission. All rules & regulation, counseling schedule, fee structure & seat detail are as per the notifications/directives of the State Government. Regular staff who is involved in running these payment seat courses is being given honorarium as per decision of the State Steering Committee.

**12.c.(ii). Rajasthan model:** For 'self financing model' under the scheme, candidates can pay admission fee in cash/bank draft. Admission fee is different for different trades as prescribed. ITI can ask higher fee than the prescribed fee subject to the condition that it has been approved by IMC before they start the process of admission. Fee are calculated on the basis of remuneration of Rs.10,000/- given to an Instructor.

To ensure achievability of revenue, the State Government desist the IMC to run a trade when the admission is less than 15 where the admission capacity of the particular trade is 21 and admission is less than 12 when the admission capacity of the particular trade is 16. In such circumstances, the IMC has to return back the fee back to the trainee except the registration fee.

**12.d. Production /Services related to training being conducted:** Revenue generation activity should be related to the trades available at ITI and should lead to capacity building of the trainees. The IMCs after deducting the direct costs, surplus from the revenue generated may be shared between IMC (50%), Trainees (25%) and Instructors and other staffs (25%) broadly on the basis of Maharashtra revenue sharing model. States should make efforts to include the goods produced/services offered by ITIs through its students as government or government controlled services sothat other departments can give work to ITIs without inviting tenders. Such an arrangement has been started by Madhya Pradesh. For pricing, ITI may add 15% overheads on the costs. It is further informed that the students sent outside the ITI for commercial work should be apprised about the safety measures during work and also they should be supplied with safety gears.

13. Maruti follows the practice of screening of leadership/motivational films to students during the time when faculty is busy with exam work etc. This may be adopted by all other IMCs also.
14. In respect of the KPIs listed in revised Memorandum of Association, the highest achievement targeted should be pegged at 90% excluding the supernumerary seats. Also, the targets for revenue generation may be re-set by SSCs in case of ITIs located in rural areas.
15. IMC may give awards to regular or contractual faculty who contribute in pass out percentage, placement percentage higher than 70% or preparing a trainee who wins a prize in skill competition at regional or national level. Rs. 40,000/- was recommended as total maximum award amount per year. IMC may decide number of persons to be awarded. The award money may be further increased by 20% of the revenue generation but within overall ceiling of Rs.1 lakh per annum. In addition, other awards may be instituted by the local industry to encourage staff of ITIs.

16. Capacity building of the staff in PPP ITIs may be undertaken on an annual basis at state level for which DGET will provide standard course curriculum and structure of the training. Such training should include capacity building of State Project Implementation Unit (SPIU) of the World Bank assisted VTIP project staff also. These courses could be organized in partnership with local industry associations and the concerned IMC should bear the training expenses for its staff.
17. State Governments to take concrete steps to fill up all vacant posts of Principals, regular teaching and non-teaching staff within one year of vacancy.
18. The problem of shortage of faculty should be primarily addressed through recruitment of regular faculty and in case some interim arrangement is required to be made, the model of engaging HR agencies being followed in Gujarat can be considered as it would avoid later litigations. In the process, it should be ensured that the HR agency pays the prescribed minimum wages to the faculty whose services are provided.
19. State Governments to take steps to create posts for the newly started trades after surrendering posts of obsolete trade(s), if any.
20. State Governments should desist transfer of Principals for atleast 3 years from the ITI; subject to SSC review.
21. If it becomes unavoidable to give additional charge of Principal, additional charge should be from ITIs within a hub and spoke cluster.
22. State Governments should provide land and building for ITIs running in rented / other State department building by year 2016.

\*\*\*\*

Principal Secretaries /Secretaries list (except Manipur and Sikkim and Administrators of UTs of  
Andaman & Nicobar, Daman & Diu and Dadra & Nagar Haveli)

1. Shri G Anantha Ramu, IAS  
Secretary,  
Labour, Employment, Training & Factories,  
Government of Andhra Pradesh  
A.P. Secretariat, Hyderabad-500 022.

2. Shri K.J.R Burman  
Commissioner,  
Industries,  
Government of Arunachal Pradesh  
Itanagar.

3. Dr. J.B. Ekka, IAS  
Comm.& Secretary,  
Labour & Employment,  
Government of Assam  
Dispur, Guwahati

4. Dr. S. Siddharth, IAS  
Secretary,  
Labour Resources,  
Government of Bihar,  
Patna.

5. Shri Amit Agarwal, IAS  
Secretary,  
Technical Education,  
Government of Chhattisgarh,  
Raipur.

6. Shri Sarabhjeet Singh, IAS  
Secretary,  
Technical Education,  
UT of Chandigarh,  
Chandigarh.

7. Shri G.S. Meena, IAS  
Collector & Labour Commissioner,  
Labour Department,  
UT of Dadra & Nagar Haveli,  
Silvassa

8. Smt Punya S. Shrivastava, IAS  
Secretary,  
Training & Technical Education,  
NCT of Delhi,  
Muni Maya Ram, Marg, Near T.V. Tower,  
Pitampura, Delhi.

9. Shri D.P.Dwivedi, IAS  
Secretary,  
Craftsmen & Training,  
Government of Goa  
Secretariat, Porvorim, Bardez Goa

10. Sh. Sanjay Prasad, IAS  
Principal Secretary,  
Labour & Employment,  
Government of Gujarat,  
Gandhi Nagar, Gujarat.

11. Shri Anil Kumar, IAS  
Principal Secretary  
Industrial Training,  
Govt. of Haryana  
Chandigarh

12. Shri Sanjay Gupta, IAS  
Principal Secretary,  
Technical Education,  
Government of Himachal Pradesh  
Shimla

13. Shri Khurshid Ahmad Shah,  
Secretary,  
Youth Services & Sports and Technical Education Department,  
Government of Jammu & Kashmir,  
Srinagar.

14. Shri Rahul Sharma, IAS  
Secretary,  
Labour, Employment & Training,  
Government of Jharkhand,  
Ranchi

15. Shri P.B. Ramamurthy, IAS  
Additional Chief Secretary,  
Labour, Government of Karnataka  
Bengaluru.

16. Shri Tom Jose, IAS  
Principal Secretary,  
Labour & Skills Department,  
Government of Kerala,  
Secretariat, Thiruvananthapuram

17. Shri Sanjay Singh, IAS  
Principal Secretary,  
Technical Education & Skill Development,  
Madhya Pradesh

18. Shri Sanjay Chahande, IAS  
Principal Secretary,  
Higher & Technical Education,  
Government of Maharashtra,  
Mumbai.

19. Shri N.S. Rao, IAS  
Principal Secretary,  
Labour,  
Government of Meghalaya,  
Shillong

20. Shri Rodney L. Ralde, IAS  
Secretary,  
Labour, Employment & Industrial Training,  
Government of Mizoram,  
Aizwal

21. Shri M. Patton,  
Commissioner & Secretary,  
Labour & Employment,  
Government of Nagaland,  
Kohima.

22. Dr. Chandra Shekhar Kumar  
Commissioner-cum-Secretary  
Employment, Technical Education and Training  
Government of Odisha,  
Bhubaneswar

23. Sh. R. Mihir Vardhan, IAS  
Secretary,  
Labour,  
Chief Secretariat, Puducherry

24. Sh. M. P. Singh, IAS  
Principal Secretary,  
Technical Education,  
Government of Punjab,  
Punjab Civil Secretariat, Chandigarh

25. Shri Rajat Mishra, IAS  
Secretary,  
Labour & Employment,  
Government of Rajasthan,  
Secretariat, Jaipur

26. Shri Kumar Jayant, IAS  
Secretary,  
Labour & Employment,  
Government of Tamilnadu,  
Secretariat, Chennai



27. Dr V.Chandravadhan, IAS  
Secretary,  
Labour, Employment, Training & Factories  
Government of Telengana,  
Telengana Secretariat, Hyderabad

28. Shri Lokranjan, IAS  
Principal Secretary  
Industries & Commerce,  
Government of Tripura  
Agartala

29. Shri Bhuvnesh Kumar, IAS  
Secretary,  
Vocational Education & Training,  
Government of Uttar Pradesh,  
Lucknow

30. Shri H. Mohan, IAS  
Principal Secretary,  
Technical Education & Training,  
Government of West Bengal,  
Kolkata.

31. Shri R. K. Sudhanshu, IAS  
Secretary,  
Technical Education,  
Government of Uttrakhand,  
Secretariat, Dehradun