

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**



**Skill Development, Employment & Training Department  
Andhra Pradesh**

**Request for Proposal (RFP)  
For  
Selection of an Anchor Industry Partner (AIP) for Upgradation of ITIs in  
Cluster-5 under PM-SETU in the State of Andhra Pradesh**

**Date of Issue : 25.04.2026**

**Issuing Authority  
Director, Skill Development, Employment & Training Department,  
Govt. ITI Campus, Siddhartha Nagar, Vijayawada-520008**

**[apcet.pmsetu@gmail.com](mailto:apcet.pmsetu@gmail.com)**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**



**Skill Development, Employment & Training Department  
Andhra Pradesh**

**Request for Proposal (RFP)  
For  
Selection of an Anchor Industry Partner (AIP) for Upgradation of ITIs in  
Cluster-5 under PM-SETU in the State of Andhra Pradesh**

**Date of Issue: .04.2026**

**Issuing Authority  
Director, Skill Development, Employment & Training Department,  
Govt. ITI Campus, Siddhartha Nagar, Vijayawada-520008  
[apcet.pmsetu@gmail.com](mailto:apcet.pmsetu@gmail.com)**

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

### **Disclaimer**

The information contained in this Request for Proposal document (“RFP”) or subsequently provided to any Bidder, whether verbally, in documentary form, or in any other form, by or on behalf of the Authority or any of its employees or advisors, is provided to Bidders on the terms and conditions set out in this RFP and on such other terms and conditions as may be prescribed in connection therewith.

This RFP is not an agreement and is neither an offer nor an invitation by the Authority to any prospective Bidder or any other person. The purpose of this RFP is to provide interested parties with information that may be useful to them in preparing their financial offers (Bids) pursuant to this RFP. This RFP includes statements that reflect various assumptions and assessments made by the Authority in relation to the Cluster. Such assumptions, assessments, and statements do not purport to contain all the information that a Bidder may require.

This RFP may not be appropriate for all persons, and it is not possible for the Authority, its employees, or its advisors to consider the investment objectives, financial situation, or particular needs of each person who reads or uses this RFP. The assumptions, assessments, statements, and information contained in this RFP may not be complete, accurate, adequate, or correct. Each Bidder should therefore conduct its own investigations and analysis, verify the accuracy, adequacy, correctness, reliability, and completeness of the information contained herein, and obtain independent advice from appropriate sources.

Information provided in this RFP includes matters that may depend upon interpretation of law. The information given is not intended to be an exhaustive account of statutory requirements and should not be regarded as a complete or authoritative statement of law. The Authority accepts no responsibility for the accuracy or otherwise of any interpretation or opinion expressed herein.

The Authority, its employees, and advisors make no representation or warranty and shall have no liability to any person, including any Bidder, under any law, statute, rules or regulations, or in tort, or under principles of restitution or unjust enrichment, for any loss, damage, cost, or expense which may arise from or be incurred on account of anything contained in this RFP, including the accuracy, adequacy, correctness, completeness, or reliability of this RFP, or arising in any way from participation in the Bidding Process.

The Authority also accepts no liability of any nature, whether resulting from negligence or otherwise, arising from reliance by any Bidder on the statements contained in this RFP.

The Authority may, at its sole discretion, but without being under any obligation to do so, update, amend, or supplement the information, assumptions, or assessments contained in this RFP.

The issue of this RFP does not imply that the Authority is bound to select any Bidder or Licensee for the Cluster, and the Authority reserves the right to reject any or all Bids without assigning any reason.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

The Bidder shall bear all costs associated with the preparation and submission of its Bid, including but not limited to preparation, copying, postage, delivery fees, and expenses associated with demonstrations or presentations, if required by the Authority. All such costs shall be borne entirely by the Bidder, and the Authority shall not be liable in any manner whatsoever, regardless of the conduct or outcome of the Bidding Process.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**INDEX**

<b>Title / Sub-title</b>	<b>Page No.</b>
Disclaimer	2
<b>Section 1: Letter of Invitation</b>	6
<b>Section 2: Instructions to Bidders (ITB)</b>	8
<b>A. General</b>	8
1. Introduction	8
2. Code of Integrity and Prohibited Practices	8
3. Eligibility for Bidders	9
4. Qualification Criteria for Bidders	9
<b>B. Preparation of Proposals</b>	9
5. General Considerations	9
6. Document Fee	9
7. Bid Security	10
8. Cost of Preparation of Proposal	10
9. Language of Proposals	10
10. Documents Forming Part of the Proposal	11
11. Single Proposal	11
12. Pre-Proposal Meeting and RFP Clarifications	11
13. Proposal Validity	11
14. Technical Proposal Format and Content	12
15. Financial Proposal:	12
<b>C. Submission, Opening and Evaluation of Proposals</b>	12
16. Submission of Proposal	12
17. Opening of the Technical Proposal	12
18. Evaluation of Responsiveness	13
19. Clarification of Proposals	13
20. Evaluation of Technical Proposals	13
21. Confidentiality:	13
22. Opening of Financial Proposals	14
23. Selection Method	14
<b>D. Negotiations and Award:</b>	14
24. Negotiations and Award	14
25. Issuance and Acknowledgement of LOA	15
26. Post-Award Institutionalization & SPV Formation	15
27. Performance Security	15
28. Grievance Redressal/ Complaint Procedure	16
29. Miscellaneous	16
<b>Section 3: ITB – Data Sheet</b>	17
<b>Section 4: Eligibility, Qualification and Evaluation Criteria</b>	19
A) Eligibility and Qualification Criteria:	19
1. Eligibility Criteria	19
2. Qualification Criteria	20
B. Technical Evaluation Criteria	23
C. Evaluation and Scoring Mechanism	25

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Title / Sub-title</b>	<b>Page No.</b>
<b>Section 5: Terms of Reference (ToR)</b>	29
1. Background	29
2. Objectives of the Assignment	33
3. Scope of Work	34
4. Details of ITI Hub-and-Spoke Cluster for which this RFP is issued:	36
5. Baseline Characteristics of the Hub and Spoke ITI Cluster :	36
6. Budget allocation for the last three financial years across the proposed ITIs (Cluster):	36
7. Indicative Upgradation Requirements Identified by the State:	37
8. Scheme Institutionalisation and Execution Roadmap	37
9. Performance Framework and Project Implementation	38
<b>Section 6: Guidelines for Preparation and Submission of SIP</b>	40
<b>Section- 7: Proposal Submission Forms</b>	45
Form Tech -1: Letter comprising the Technical Proposal	45
Form Tech -2 : Details of the Bidder	47
Form Tech 3 : Declaration Regarding Conflicting Activities	48
Form Tech -4 : Self-Certification of Eligibility and Non-Blacklisting	49
Form Tech 5: Certification of Turnover /Financial Capability	50
Form Tech 6: Power of Attorney for Signing of Proposal	51
Form Tech 6A: Power of Attorney for Lead Member of Consortium	52
Form Tech 7 : CA Certificate for Number of Employees	54
Form Tech -8: Strategic Investment Plan (SIP) Submission Format	55
Form Tech -9A : SIP Implementation & Evaluation Matrix	57
Form Tech-9B: Five-Year Investment Plan Budget for ITI Consortium	60
Summary Form of Strategic Investment Plan (SIP)	55
Form Fin 1: Details of Source of funding for Five Years Investment	63
Fin Form -2: Industrial Share Percentage (Cluster-wise)	65
<b>Section 8 –Annexures</b>	66
Annexure 1: Submission of Pre-Proposal Queries	67
Annexure 2 : Joint Bidding Agreement if applicable)	68
Annexure 3 : Bank Guarantee Format for Performance Security	75
Annexure 4 : Integrity Pact	77
Annexure 5: Details of Past Debarment & Restoration of Eligibility	82
<b>Section 9 –Appendix</b>	83
Appendix-1: Office Memorandum issued by DOE Guidelines on debarment of firms from bidding	84
Appendix-2: PM-SETU-Guidelines-Component-I-Upgradation-of-ITIs	90

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**  
**Section 1: Letter of Invitation**

**To**

Prospective Bidders

**Subject:** Request for Proposal (RFP) for Selection of an Anchor Industry Partner (AIP) for Upgradation of ITIs under Cluster-5 with Hub ITI as Govt. ITI, Kakinada and Spoke ITIs as 1. Govt. ITI, Rajamahendravaram 2. Govt. ITI, Jaggampeta and 3. Govt. ITI, K.R.Puram under the PM-SETU in the State of Andhra Pradesh.

Sir/Madam,

1. Director, Skill Development, Employment & Training Department, Andhra Pradesh invites proposals for the selection of an Anchor Industry Partner (“AIP”) to upgrade, operate, and manage a cluster of Industrial Training Institutes (“Cluster”) under a Hub-and-Spoke model through a Special Purpose Vehicle (SPV) to be formed with the Government.
2. Bidders must demonstrate the requisite experience and capability as specified in this RFP. Key information, including the applicable procurement portal and tentative timelines, is given below.

Project Name	Selection of an Anchor Industry Partner (AIP) for Upgradation of ITIs under Cluster-5 with Hub ITI as Govt. ITI, Kakinada and Spoke ITIs as 1. Govt. ITI, Rajamahendravaram 2. Govt. ITI, Jaggampeta and 3. Govt. ITI, K.R.Puram under the PM-SETU in the State of Andhra Pradesh.
Method of Selection	Quality and Cost Based Selection (QCBS)
Release date of RFP	27-04-2026
Last date for receiving queries/ requests for clarification	07-05-2026
Pre-Proposal meeting date, time and place	05-05-2026, 11:00 AM at O/o. Director, Skill Development Employment & Training, Govt. ITI, Campus, Siddhartha Nagar, Vijayawada – 520008.
Mode of submission and e-procurement portal	Online through GeM portal
Last date of submission of Proposal	18-05-2026
Opening of Technical Proposal date and time	19-05-2026
Opening of Financial Proposal	To be intimated later only to short-listed Bidders

3. Interested Bidders shall submit their Technical and Financial Proposals online through the designated procurement portal on or before the specified date and time. All submissions shall be digitally signed by the Bidder’s authorised signatory and shall include complete and legible scanned copies of the required documents, duly initialled by the Bidder’s authorised representative

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

4. Consortia, comprising up to a maximum of 5 members, are permitted to submit a Bid for this assignment. In such cases, the Bid shall be submitted by the Lead Member on behalf of the Consortium (the “Lead Member”). The Lead Member shall be clearly identified and shall be authorised to represent all Consortium Members on its behalf, and such actions shall be binding on all other Members. The Bid shall be accompanied by a signed Joint Bidding Agreement (the “Joint Bidding Agreement”) in the format provided in Annexure 2A of Section 8 and Consortium Agreement, executed by all Consortium Members, in the format provided in Annexure 2 of Section 8 of this RFP. (the “Consortium Agreement
5. The RFP includes the following documents:

Section 1 – Letter of Invitation

Section 2 - Instructions to Bidders

Section 3 – Data Sheet

Section 4 - Eligibility Qualification and Evaluation Criteria

Section 5 – Terms of Reference (ToR) and Key Performance Indicators (KPIs)

Section 6 –Strategic Investment Plan (SIP) Preparation Guidelines

Section 7 – Bid Submission Forms (Technical and Financial)

Section 8 –Annexures

Section 9 –Appendix

Yours Sincerely,

Director,  
Skill Development, Employment & Training Department,  
Andhra Pradesh

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme  
Section 2 – Instructions to Bidders (ITB)**

*Note to Bidder: The Instructions to Bidders (ITB) shall be read together with the Data Sheet. Project-specific information, requirements, and modifications to the ITB are provided in Section 3 Data Sheet, which references the relevant ITB clause numbers.*

*Bidders are advised to read each ITB clause in conjunction with the corresponding Data Sheet clause. In case of any inconsistency between the ITB and the Data Sheet, the provisions of the Data Sheet shall prevail.*

**A. General**

**1) Introduction**

- a) This Section provides information and instructions to assist prospective Bidders in the preparation and submission of Proposals and sets out the procedure to be followed by the Authority for receipt, opening, evaluation of Proposals, and award of Contract.
- b) The Authority, as specified in the **Data Sheet**, shall select the successful Bidder for the Cluster identified therein, in accordance with the method of selection specified in this RFP.
- c) Bidders are encouraged to visit the concerned Cluster ITIs and satisfy themselves regarding site conditions, existing infrastructure, utilities, accessibility, demand potential, industry ecosystem, and any other factors that may affect implementation of the Project.
- d) Through this RFP, the Authority intends to select an Anchor Industry Partner (“AIP”) responsible for upgradation, operation, and management of a Cluster of ITIs under a Hub-and-Spoke model through a Special Purpose Vehicle (SPV) to be formed with the Government. Details of the Cluster and the Estimated Project Cost are specified in the **Data Sheet**.
- e) Forms and templates provided in this RFP are for guidance only and shall not override or modify the provisions of the RFP.

**2) Code of Integrity and Prohibited Practices**

- a) Integrity Obligation: All Bidders, their representatives, and the Authority’s officers involved in the procurement shall maintain the highest standards of honesty, fairness, and transparency, in accordance with Rule 171 of the General Finance Rule (GFR) 2017.
- b) Prohibited Practices: A Bidder or its representatives shall be deemed in violation if they engage, directly or indirectly, in any of the following during the Selection Process or after award/execution of the Contract:
  - (i) Corrupt Practice: Offering, giving, soliciting, or receiving any benefit to influence the process, including offering employment to Authority officials within one year of their service.
  - (ii) Fraudulent Practice: Misrepresentation, concealment, or incomplete disclosure of facts to influence evaluation or award.
  - (iii) Coercive Practice: Threatening or harming any person to influence participation or decisions.
  - (iv) Undesirable/Restrictive Practice: Collusion, lobbying, or arrangements among Bidders to limit competition or manipulate the process.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- c) Consequences of Violation: The Authority may, after giving the Bidder a reasonable opportunity to be heard:
- (i) Reject the Proposal or cancel/terminate the contract.
  - (ii) Forfeit the Bid Security or recover damages.
  - (iii) Debar the Bidder from participation in future procurements.
  - (iv) Recover any payments made with interest at the prevailing bank rate.
- d) Interpretation: This clause is without prejudice to any other remedies under applicable laws, regulations, or the RFP.

**3) Eligibility Criteria for Bidders**

- a) This RFP is open to all Bidders who meet the eligibility criteria specified in Section 4 of this RFP.
- b) **Conflict of Interest:** A Bidder shall be disqualified if it has a Conflict of Interest, including, inter alia, the following:
- 1. Common ownership or control with another competing Bidder.
  - 2. Financial interdependence with another Bidder for this bidding process.
  - 3. Use of the same legal representative or Power of Attorney holder by more than one Bidder.
  - 4. Unfair access to information relating to another Bidder's proposal prior to submission deadline.
  - 5. Prior involvement of the Bidder or its associate in preparation of this RFP, TOR, or technical specifications for the Cluster.
  - 6. Engagement of consultants currently advising the Authority for this Project.
- 4) **Qualification Criteria for Bidders:** A Bidder must fulfil all the eligibility and qualification criteria specified in Section 4 of this RFP.

**B. Preparation of Proposals**

**5) General Considerations:**

The Bidder must prepare their proposal in strict accordance with the requirements outlined in the RFP, subsequent amendment/corrigendum. Failure to include all requested information will be considered a material deficiency and may result in the rejection of the proposal.

**6) Document fee:**

Prior to participation in the Bidding Process, the Bidder shall pay to the DET a sum of Rs.1,36,000/- (Rupees One lakh thirty six thousand Only), (@ 0.04% of estimated cost as per G.O.Ms.No.4, Dt.17.02.2005 of the ITE&C Dept., Govt. of AP issued for APTS) in the form of a demand draft issued by a Scheduled Bank in India, drawn in favour of The Director, Skill Development, Employment and Training, Andhra Pradesh , as the cost towards the Bid process ("Document Fee"). The Bidders would be required to furnish all the information specified in this RFP. The Bid shall be valid for a period of not less than 180 (one hundred and eighty) days from the Bid Due Date. The validity of

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

the demand draft towards the Document Fee shall not be less than 90 (ninety) days from the Bid Due Date for the purposes of encashment thereof by the DET.

**7) Bid Security (Earnest Money Deposit - EMD)**

The Bidder shall furnish the Bid Security (EMD) in the amount and form specified in the *Data Sheet*. Bids without the prescribed EMD, or of inadequate value, will be treated as non-responsive and rejected. Proof of submission must be uploaded on the e-procurement portal.

**a) Submission:**

The Bidder is required to deposit, along with its Bid, a bid security of Rs.68,00,000/- (Rupees sixty eight lakhs Only) (the “**Bid Security**”) through Demand Draft in favour of The Director, Skill Development, Employment and Training, Andhra Pradesh (2% as per Clause-6.2.6 (iv) at Page-63 in the Manual for Procurement of Consultancy and Other Services (Updated June 2022) of Ministry of Finance, Dept. of Expenditure, Govt. of India), refundable no later than 180 (one hundred and eighty) days from the Bid Due Date, except in the case of the selected Bidder whose Bid Security shall be retained till it has provided a Performance Security.

**b) Validity:**

The EMD shall remain valid for at least 90 (ninety) days beyond the final Bid Validity Period, unless otherwise specified.

**c) Forfeiture:**

The Authority may forfeit the EMD if:

- (i) The Bidder engages in corrupt, fraudulent, coercive, collusive, or obstructive practices;
- (ii) The Bidder withdraws, modifies, or amends the Bid during the validity period;
- (iii) The successful Bidder fails to furnish the required Performance Security within 28 days of the LoA;
- (iv) Any material misrepresentation or false statement is detected in the Bid.

**d) Return of EMD:**

- a. Unsuccessful Bidders: Original Demand Drafts will be returned within 15 days of Technical Evaluation Report finalization date.
- b. Successful Bidder: Original Demand Draft will be returned within 15 days of submission of Bank Guarantee towards Performance Security by the successful bidder.

**8) Cost of Preparation of Proposal:**

The Bidder shall bear all costs and expenses related to the preparation, submission, and processing of its Proposal, including any demonstrations, samples, or presentations required. The Authority shall not be responsible for any such costs, regardless of the outcome of the procurement process.

**9) Language of Proposals**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Proposal submitted by the Bidder and all subsequent correspondences and documents relating to the Proposal exchanged between the Bidder and the Authority, shall be written in English language. However, the language of any printed literature furnished by the Bidder in connection with its Proposal may be written in any other language, provided the same is accompanied by a self-certified English translation and, for purposes of interpretation of the Proposal, the English translation shall prevail.

**10) Documents Forming Part of the Proposal:**

- a) **The Bidder shall upload all documents specified in the *Data Sheet*, strictly using the formats provided in *Section 7* of this RFP.**
- b) **The details of documents obtained from field visits (mentioned at 5, 6 and 7 at *Section 5-Terms of Reference*) shall have to be uploaded by the bidder along with the bid in the proforma prescribed at *Template-1* and *Template-2* in *Appendix-2 (Scheme Guidelines)*.**

**The original hard copies of all the uploaded documents specific to the proposal shall reach to the following on or before bid due date:**

NAME: Smt. B. Thulasi  
 DESIGNATION: Inspector of Training,  
 ADDRESS: O/o The Director, Dept. of Skill Development, Employment & Training, Govt. ITI Campus, Siddhartha Nagar, Vijayawada – 520 008.  
 TELEPHONE NO: 7013532284  
 E-MAIL ADDRESS: [apcet.pmsetu@gmail.com](mailto:apcet.pmsetu@gmail.com)

**11) Single Proposal:**

A Bidder, including any member of a Consortium, shall submit only one proposal either individually or as a member of a Consortium. If a Bidder (or any member) participates in more than one proposal for which this RFP is issued, all such proposals shall be disqualified.

**12) Pre-Proposal Meeting and RFP Clarifications:**

- a) A Pre-Proposal Meeting may be held on the date, time, and location specified in *Section 1* to address Bidder queries. Participation is optional; non-attendance or failure to submit queries implies the Bidder has no issues with the RFP.
- b) Bidders may submit queries in writing or electronically, as specified in the *Data Sheet*. The Authority will respond in writing and publish all responses and any RFP amendments on the e-procurement portal, without revealing the source of queries. All amendments are binding on all Bidders.
- c) In case of substantial amendments, the Authority may extend the Proposal submission deadline. Bidders may submit revised Proposals before the deadline; no modifications will be accepted afterward.

**13) Proposal Validity:**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- a) Proposals shall remain valid for the period specified in the *Data Sheet*, or for any extended period notified by the Authority in accordance with ITB 14.
- b) Proposals valid for a shorter period shall be rejected as non-responsive.
- c) If the last day of validity falls on a holiday or closed day, it shall automatically extend to the next working day.
- d) The Authority may request an extension of validity before expiry; such requests and responses shall be in writing or electronically.
- e) A Bidder may decline to extend the validity, in which case the Proposal will not be considered further, without forfeiting the Bid Security (EMD).

**14) Technical Proposal Format and Content:**

The Technical Proposal shall be prepared and should upload all documents using the Standard Forms provided in *Section 7*. The Technical Proposal shall strictly exclude any financial information. Any Technical Proposal containing material financial data shall be considered non-responsive and rejected.

**15) Financial Proposal:**

1. The Financial Bid shall clearly state the percentage of the Share committed by the Bidder against the investment plan budget (amount proposed to be funded by the Bidder as part of the overall outlay under SIP). 17% would be the minimum industry share as mandatory/essential condition (i.e., 17% of the total project cost submitted for the Cluster in Form Tech -9B : Five-Year Investment Plan Budget for ITI Consortium).

**C. Submission, Opening and Evaluation of Proposals:**

**16) Submission of Proposal:**

- a) Technical and Financial Proposals shall be uploaded separately on the designated e-procurement portal before the deadline mentioned in deadline specified in *Section 1* or any subsequent corrigendum.
- b) Bidders shall be solely responsible for timely submission.
- c) Proposals may be resubmitted before the deadline, with the latest submission being considered final.
- d) Withdrawal is permitted only before the submission deadline.

**17) Opening of the Technical Proposal:**

- a) The Authority shall open the Technical Proposals online at the date, time, and place specified in Section 1, in the presence of Bidder representatives and other interested parties. Bidders may also view the opening status online.
- b) Financial Proposals shall remain encrypted until the completion of Technical Proposal evaluation.
- c) If the opening day is a holiday, proposals will be opened at the same time and place on the next working day.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- d) An electronic summary and official minutes of the bid opening shall be uploaded on the e-procurement portal.

**18) Evaluation of Responsiveness:**

- a) The Authority will assess responsiveness based solely on the submitted Proposal.
- b) A Proposal is “substantially responsive” if it meets all RFP requirements without material deviation, reservation, or omission.
- c) Material deviations affect scope, quality, performance, the Authority’s rights, Bidder obligations, or the competitive position of other Bidders. Proposals with material deviations shall be rejected.
- d) Minor non-conformities or omissions may be waived. Bidders may be asked to provide factual documentation to correct such issues within a specified timeframe. Clarifications cannot change Proposal price or substance. Non-material, quantifiable errors may be corrected for evaluation purposes.

**19) Clarification of Proposals:**

- a) During evaluation, the Authority may request factual clarifications or missing historical documents from Bidders within a specified deadline. Such requests shall not permit any change to the Proposal’s price or substance
- b) Clarifications shall not alter Proposal price or substance. Unsolicited clarifications will not be considered.
- c) Failure to provide requested clarifications within the permitted time will result in evaluation based on available information.

**20) Evaluation of Technical Proposals**

- a) Technical Proposals shall be evaluated only on the criteria specified in Section 4 – Evaluation Criteria, based on the submitted data and any other relevant information deemed appropriate by the Authority.
- b) Evaluation considers only the Bidder submitting the Proposal; associated entities are not included.
- c) Technical evaluation is in two parts:
  - (i) Part A: Eligibility & Qualification: Must be met by Bidders. Non-compliance leads to rejection as non-responsive.
  - (ii) Part B: Technical Scoring: Only Bidders passing Part A are scored per Section 4.
- d) The Evaluation Committee shall assign a Technical Score to each Proposal.
- e) Proposals failing to achieve the minimum qualifying Technical Score (as per the **Data Sheet**) shall be rejected.
- f) Only Bidders meeting the minimum Technical Score shall have their Financial Proposals opened.

**21) Confidentiality:**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- a) From Proposal opening until the Contract Award, Bidders shall not contact the Authority regarding their Proposals. Evaluation information remains confidential until the Notification of Intention to Award. The Authority may inform Bidders of Technical evaluation outcomes.
- b) Any attempt to influence the Authority during evaluation or award decisions may lead to Proposal rejection and action under applicable laws, including debarment.
- c) Communications with the Authority during this period must be in writing only.

**22) Opening of Financial Proposals:**

- a) After technical evaluation, the Authority shall notify on the procurement portal:
  - (i) Bidders whose Proposals were non-responsive; and
  - (ii) Bidders meeting the minimum technical score, including their overall score and detailed breakup, along with the date, time, and venue for the public opening of Financial Proposals.
- b) The public opening shall be held no earlier than the number of Business Days specified in the *Data Sheet* from the technical result publication. Attendance, in person or online, is optional.
- c) During the public opening, the Authority shall announce:
  - (i) Bidder name
  - (ii) Total Project Cost (Y)
  - (iii) Financial Contribution (Z)
  - (iv) Any other details deemed appropriate
- d) A record of the public opening, including technical scores and financial bid values, shall be uploaded on the portal.

**23) Selection Method:**

The Bidder shall be selected through a **Quality and Cost Based Selection (QCBS)** process. The evaluation will consider:

- (i) **Technical evaluation (80%)** – covering Strategic Investment Plan (Xt) 50% and Project Cost Efficiency (Yt) 30%.
- (ii) **Financial evaluation (20%)** – based on the Bidder's financial contribution towards the Project (Zt).

Detailed scoring methodology and the formula for computing the composite score are provided in *Section 4*.

**D. Negotiations and Award:**

**24) Negotiations and Award:**

a) **Resolution of Tie in Scores**

If two or more Bidders achieve the same score, the H-1 Bidder for negotiations shall be determined as follows:

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- (i) **Technical Priority:** Higher Technical Score.
- (ii) **Plan Quality:** Higher marks in the Strategic Investment Plan (SIP) evaluation.
- (iii) **Financial Stability:** Highest average annual turnover over the last 3 years.

### **b) Negotiations**

- (i) Negotiations shall be conducted with the highest-ranked (H-1) Bidder to finalize the 5-year Strategic Investment Plan (SIP) and Financial Contribution (minimum 17%); provided that such negotiations shall not result in any change affecting the technical scoring of the Bidder and shall not reduce the Financial Contribution quoted by the Bidder in the Bid.
- (ii) The Authority may seek clarifications or adjustments to optimize the SIP timeline, equipment specifications, and methodology for delivering the Industry Contribution, without impacting the technical evaluation or scoring.
- (iii) Negotiations may also cover finalization of Key Performance Indicators (KPIs) and Disbursement Linked Indicators (DLIs).
- (iv) Upon successful conclusion of negotiations, the Authority shall issue the Letter of Award (LoA) to the H-1 Bidder.
- (v) If the H-1 Bidder withdraws, fails to accept the LoA, or fails to fulfil post-award obligations, the Authority may invite the second-ranked Bidder (H-2) for negotiations or annul the bidding process.

### **25) Issuance and Acknowledgement of LOA:**

- a) The Authority shall issue the Letter of Award (LoA) in duplicate to the Selected Bidder. The Bidder shall return a signed copy within 7 (seven) days of receipt. Delay without extension may result in appropriation of Bid Security, and the next eligible Bidder may be considered.
- b) The date of acknowledgment of the LoA shall be considered the Commencement Date (T0) of the Institutionalization Phase. Timelines for SPV incorporation, execution of the Shareholding Agreement (SHA), and License Agreement (LA) shall become effective from T0.

### **26) Post-Award Institutionalization & SPV Formation:**

Bidders are required to comply with the post-award institutionalization and execution roadmap, including SPV formation, Shareholding Agreement (SHA) execution, and License Agreement (LA) signing, as detailed in the 'Scheme Institutionalization and Execution Roadmap' section of the Terms of Reference (ToR).

### **27) Performance Security**

- a) Within 28 days of the LOA, the successful Bidder shall furnish the Performance Security as specified in the ***Data Sheet***.
- b) It shall be submitted as a Bank Guarantee or FDR from a Scheduled Commercial Bank in India, in favour of the Authority.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- c) The Performance Security shall secure due performance of the obligations of the AIP, including achievement of Key Performance Indicators (KPIs), compliance with the RFP and applicable legal agreements, and fulfilment of committed financial contributions.
- d) The Authority may invoke the Performance Security, in whole or in part, to the extent specified in the applicable legal agreements, in the event of failure to meet KPIs, contractual obligations, or committed financial contributions.
- e) Subject to satisfactory achievement of annual KPIs and certification by the competent authority, the Performance Security may be released in a phased manner, in accordance with the provisions of the applicable legal agreements.
- f) The remaining Performance Security, if any, shall be released upon completion of the project term and fulfilment of all contractual obligations.

**28) Grievance Redressal/ Complaint Procedure**

A Bidder may submit a complaint or seek debriefing within 10 days of publication of evaluation results. Only participating Bidders directly affected by the decision may file a complaint. The Authority shall provide a response within 15 days. Confidential evaluation details, other Bidders' proposals, or marks shall not be disclosed

**29) Miscellaneous**

- a) This Selection Process shall be governed by the laws of India. Courts at the Authority's headquarters shall have exclusive jurisdiction.
- b) Document Priority: In case of conflict, the order of precedence shall be: (i) License Agreement, (ii) Shareholders' Agreement, (iii) RFP and any Corrigenda/Addenda."

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**Section 3. ITB-Data Sheet**

The following specific information for the Selection of AIP under this RFP shall complement, supplement, or amend the provisions of the Instructions to Bidders (ITB. In the event of any conflict between the provisions of the ITB and those specified in this Data Sheet, the provisions of the Data Sheet shall prevail.

<b>ITB Reference</b>	<b>Details</b>
ITB 1 (b)	The Authority is: Director, Skill Development, Employment & Training Department, Andhra Pradesh Name of Cluster- Cluster-5 with Hub ITI as Govt. ITI, Kakinada and Spoke ITIs as 1. Govt. ITI, Rajamahendravaram 2. Govt. ITI, Jaggampeta and 3. Govt. ITI, K.R.Puram under the PM-SETU in the State of Andhra Pradesh.
ITB 1 (d)	Estimated Project Cost for this specific Cluster Rs.34 crores (Rupees thirty four crores only)
ITB 6	Prior to participation in the Bidding Process, the Bidder shall pay to the DET a sum of Rs.1,36,000/- (Rupees One lakh thirty six thousand Only), (@ 0.04% of estimated cost as per G.O.Ms.No.4, Dt.17.02.2005 of the ITE&C Dept., Govt. of AP issued for APTS) in the form of a demand draft issued by a Scheduled Bank in India, drawn in favour of The Director, Skill Development, Employment and Training, Andhra Pradesh, as the cost towards the Bid process ("Document Fee").
ITB 7(a)	The amount of Bid security (EMD) shall be Rs.68,00,000/- (Rupees sixty eight lakhs only) through Demand Draft in favour of The Director, Skill Development, Employment and Training, Andhra Pradesh (2% as per Clause-6.2.6 (iv) at Page-63 in the Manual for Procurement of Consultancy and Other Services (Updated June 2022) of Ministry of Finance, Dept. of Expenditure, Govt. of India), refundable no later than 180 (one hundred and eighty) days from the Bid Due Date, except in the case of the selected Bidder whose Bid Security shall be retained till it has provided a Performance Security.
ITB 10	<p align="center"><b>A) Technical Proposal / Envelop:</b></p> <p>List of documents to be uploaded online</p> <p><b>A. Technical Proposal Envelop:</b></p> <ol style="list-style-type: none"> <li>1. Copy of Incorporation/Registration Certificate of Bidder.</li> <li>2. Copy of GST Registration Certificate and PAN Card.</li> <li>3. Copy of Document Fee (Demand Draft)</li> <li>4. Copy of Bid Security / EMD Document (Demand Draft)</li> <li>5. Form Tech -1: Letter comprising the Technical Proposal</li> <li>6. Form Tech -2 : Details of the Bidder</li> <li>7. Form Tech- 3 : Declaration Regarding Conflict of Interest</li> <li>8. Form Tech -4 : Self-Certification of Eligibility and Non-Blacklisting</li> <li>9. Form Tech -5: Certification of Turnover /Financial Capacity</li> <li>10. Form Tech -6: Power of Attorney for Signing of Bid</li> <li>11. Form Tech 6A: Power of Attorney for Lead Member of Consortium (I applicable)</li> </ol>

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

	<p>12. Form Tech -7 : CA Certificate for Number of Employees  13. Form Tech -8: Strategic Investment Plan (SIP) Submission Format  14. Form Tech -9A : SIP Implementation &amp; Evaluation Matrix  15. Form Tech -9B : Five-Year Investment Plan Budget for ITI Consortium  16. The details of information obtained from field visits (mentioned at 5, 6 and 7 at Section 5-Terms of Reference) shall have to be uploaded by the bidder along with the bid in the proforma prescribed at Template-1 and Template-2 in Appendix-2 (Scheme Guidelines), duly attested by the concerned Head of the Institute.  17. Any Other Document(s) specifically mentioned in the RFP / ATC</p> <p align="center"><b>B. Financial Proposal Envelop in PDF</b></p> <p>Form Fin 1: Details of Source of funding for Five Years Investment Plan  Form Fin 2: Industrial Share Percentage (Cluster-wise)</p> <p><b><u>The original hard copies of all the uploaded documents specific to the proposal shall reach to the following on or before bid due date:</u></b></p> <p><b>NAME: Smt. B. Thulasi</b>  <b>DESIGNATION: Inspector of Training,</b>  <b>ADDRESS: O/o The Director, Dept. of Skill Development, Employment &amp; Training, Govt. ITI Campus, Siddhartha Nagar, Vijayawada – 520 008.</b></p> <p><b>TELEPHONE NO: 7013532284</b>  <b>E-MAIL ADDRESS: <a href="mailto:apcet.pmsetu@gmail.com">apcet.pmsetu@gmail.com</a></b></p>
ITB 12(b)	Bidders shall submit their queries/clarifications online or by email prior to the Pre-Bid Meeting, to be held on the date specified in Section 1.
ITB 13(a)	Proposals shall be valid for 180 calendar days from the last date of submission of proposal
ITB 20 (e)	The minimum technical score (Xt) required to pass is: 70 Marks
ITB 22 (b)	Days shall be five (05) business days
ITB 27 (a)	The Performance Security shall be 5% of the financial Share of industry

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme  
Section 4 – Eligibility, Qualification and Evaluation Criteria**

This section outlines the criteria that the Authority will use to evaluate Proposals and determine the qualification of Bidders. No other factors, methods, or criteria shall be applied for the purpose of evaluation beyond those specified herein.

**A) Part A-Eligibility and Qualification Criteria:**

**1) Eligibility Criteria:**

The Bidder should meet the following all eligibility criteria:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Criteria</b>	<b>Supporting Documents to be uploaded</b>
1	Legal Status	<p>(i) Industry Partners (credible companies or manufacturers with established operations in India), including Public Sector Undertakings (OR)</p> <p>(ii) Industry associations or Consortia (OR)</p> <p>(iii) Industry-led foundations (CSR/philanthropy arms of corporates) (OR)</p> <p>(iv) Academic institutions promoted/operated by industry (e.g., corporate universities, sectoral skilling institutions)</p> <p><i>In the case of a Consortium, the Lead Member and each Consortium Member must also be a legally registered entity.</i></p>	The eligible agencies shall be entities registered or incorporated in India under applicable Indian laws, such as the Companies Act, 2013, Societies Registration Act, 1860, Indian Trusts Act, or relevant statutory Acts, as applicable to their organizational form.
2	Tax and Statutory Compliance	<p>The Bidder must have a valid PAN and, where required under applicable GST laws, a valid and active GSTIN.</p> <p><i>In case of a Consortium, all Members shall possess a valid PAN. GSTIN shall be required for each Consortium member where applicable under the GST laws.</i></p>	Copy of PAN and GSTN
3	Minimum Operational Experience of the Firm	The Bidder or its parent/promoting organization shall have a minimum of 05 years of experience in any sector as on the Bid submission date	Copy of the incorporation / registration certificate clearly indicating the nature of business

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Criteria</b>	<b>Supporting Documents to be uploaded</b>
4	Blacklisting/Debarment	The Bidder must not be under blacklist or debarred by any government department, public sector undertaking, or multilateral agency as on the date.  <i>In case of Consortium, all members must meet this requirement and submit declaration.</i>	Self-Declaration on company letterhead by authorized signatory
5	Conflict of Interest	The Bidder must not have any conflict of interest, as defined in the Instructions to Bidders.  <i>In case of a Consortium, all members must meet this requirement and submit declaration.</i>	Declaration by authorized signatory
6	Document Fee & Bid Security/EMD Compliance	The Bidder shall submit the Document Fee and Earnest Money Deposit (EMD) in the form and amount specified in the RFP.	Copies of the Demand Draft shall be submitted along with the bid

**2) Qualification Criteria:**

The Bidder should meet the following all qualification criteria:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Criteria</b>	<b>Supporting Documents to be uploaded</b>
1	Turnover	The Bidder shall have an average annual turnover of not less than INR 500 Crore during the last three (3) completed financial years ending 31 March 2025.  The manner of meeting this requirement shall be as follows:  1. <b>Industry Partners / PSUs / Corporate Entities</b> Each Bidder under this category shall independently meet the minimum turnover requirement specified above.	<b>Individual Bidder / Lead Member</b>  (i) Audited Balance Sheets  (ii) Audited Profit & Loss Statements  (iii) UDIN-verified CA Certificate certifying average annual turnover  Parent / Promoter

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Sr. No.	Particulars	Criteria	Supporting Documents to be uploaded
		<p><b>2. Consortium</b> In case of a Consortium, the <b>Lead Member</b> shall independently meet the minimum turnover requirement specified above.</p> <p><b>3. Industry-led Foundations / Academic Institutions / Industry Associations</b> Where the Bidder is an industry-led foundation, industry association, or an academic institution promoted or operated by industry, the average annual turnover of its Parent / Promoter Company shall be considered for meeting the turnover requirement, subject to submission of an unconditional and legally binding undertaking of financial support from such Parent / Promoter Company for the entire duration of the Project.</p> <p><i>NOTE: In case the audited annual accounts for the latest financial year are not available, the Bidder shall submit an undertaking to this effect. The statutory auditor / Chartered Accountant shall certify the same. In such cases, the Bidder shall submit audited annual reports for the three (3) financial years preceding the unaudited year</i></p>	<p>Company (if applicable):</p> <p>(i) Audited Annual Reports (last 3 FYs)</p> <p>(ii) UDIN-verified CA Certificate</p> <p>(iii) Board Resolution / Undertaking of Financial Support</p>
2	Financial: Net worth	<p>The Bidder shall have a positive net worth for the last two (2) consecutive financial years, i.e., FY 2022-23, FY 2023-24, and FY 2024-25, as evidenced by audited financial statements.</p> <p><b>1. Industry Partners / PSUs / Corporate Entities</b> Each Bidder under this category shall independently meet the minimum turnover requirement specified above.</p> <p><b>2. Consortium</b> In case of a Consortium, the <b>Lead</b></p>	Same as Above documents

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Sr. No.	Particulars	Criteria	Supporting Documents to be uploaded
		<p><b>Member</b> shall independently meet the minimum turnover requirement specified above.</p> <p><b>3. Industry-Led Foundations / Academic Institutions:</b></p> <p>Where the Bidder is an industry-led foundation, industry association, or an academic institution promoted or operated by industry, the net worth of its Parent / Promoter Company shall be considered for meeting this criteria</p>	
3	Employee Strength	<p>The Bidder shall have at least 250 employees on its payroll as on the Bid Due Date.</p> <p>The manner of meeting this requirement shall be as specified below:</p> <p><b>1. Industry Partners / PSUs / Corporate Entities</b> The Bidder shall independently meet the minimum manpower requirement specified above.</p> <p><b>2. Consortium</b> In case of a Consortium, the Lead Member shall independently fulfil the minimum manpower requirement.</p> <p><b>3. Industry-led Foundations / Academic Institutions / Industry Associations:</b> Where the Bidder is an industry-led foundation, industry association, or an academic institution promoted or operated by industry, the manpower strength shall be demonstrated either at the Bidder level or through the Parent / Promoter Company.</p>	<p>Individual / Lead Member:</p> <p>UDIN-verified CA Certificate certifying number of employees on direct payroll</p> <p>Parent / Promoter Company: Same documents as above</p>

*Note:1. For the Purpose of Qualification Criteria under this RFP, Net Worth shall mean the sum of subscribed and paid-up equity and reserves from which shall be*

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

*deducted the sum of revaluation reserves, miscellaneous expenditure not written off and reserves not available for distribution to equity shareholders.*

*Any Additional criteria to be fulfilled by the bidder, will be mentioned in the **Additional Terms and Conditions (ATC) document** uploaded in the GeM portal by the Authority for this RFP.*

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**B) Technical Evaluation Criteria:**

- (i) Bidders that meet all the minimum eligibility and qualification criteria /requirements shall be considered for further technical evaluation.
- (ii) The Strategic Investment Plans (SIPs) submitted by the eligible Bidders in accordance with this RFP shall be evaluated and awarded Technical Marks. The evaluation shall be carried out strictly in accordance with the evaluation parameters and the marking system specified in the table below.
- (iii) Only those Bidders who obtain at least the minimum Technical Score (cut-off) shall be considered eligible for opening of their Financial Proposals.

**Part B**

<b>Dimension</b>	<b>Key Areas / Requirements</b>	<b>Details to be Provided by Bidders</b>	<b>Weightage (marks)</b>
<b>A. Operational Plan &amp; Strategy</b>	Inclusivity (SC/ST & other groups)	Targeted mobilization, counselling, retention, and support measures to improve participation and outcomes for underserved communities.	05
	Female Enrolment	Roadmap for increasing female enrolment via infrastructure, trade diversification, safety measures, flexible delivery models, scholarships.	05
		Total	10 Marks
<b>B. Curriculum Strategy — Diversity &amp; Innovation</b>	Course Redesign	Enhancement of existing courses with industry-validated modules, updated curricula, NSQF alignment.	05
	New-Age Areas	Phased implementation of programs in IR 4.0, Green Energy, Digital Skills, EV, Advanced Manufacturing; lab setup and faculty readiness.	05
	Non-ITI Courses	Portfolio of short-term certifications, work-based diplomas, executive programs catering to local industry needs.	03
	Pedagogical Innovation	Integration of AR/VR, simulations, digital platforms, and blended learning into teaching-learning processes.	02
		Total	15 Marks
<b>C. Infrastructure &amp; Facility Management</b>	Capex & Upgradation Plan	Blueprint for civil works, workshop modernization, lab development, plus preventive/corrective maintenance strategy.	05

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Dimension</b>	<b>Key Areas / Requirements</b>	<b>Details to be Provided by Bidders</b>	<b>Weightage (marks)</b>
	Equipment Fungibility	Design laboratories/machinery to be multi-trade compatible, modular, future-ready for optimal utilization and technology upgrades.	05
		Total	10 marks
<b>D. Industry Engagement &amp; In-house Absorption</b>	Partnership Strategy	Confirmed/proposed MoUs for Dual System of Training, OJT, apprenticeships, and curriculum co-development.	05
	In-house Absorption	Commitment on number/proportion of graduates absorbed by Anchor Industry Partner, vendors, or supply-chain partners.	05
		Total	10 Marks
<b>E. HR Plan</b>	Proposed SPV CEO & Managers	Submission of detailed CVs of the proposed SPV CEO and Key Managers. The SPV CEO shall demonstrate leadership experience in large-scale skilling initiatives, PPP/SPV-based projects, or industrial operations, including scale of operations managed and outcomes achieved. Other Managers shall demonstrate relevant functional or domain experience appropriate to their proposed role, with evidence of successful execution in similar assignments.	05
	Trainer Capacity Building	Structured training/upskilling calendar for existing ITI trainers addressing gaps in pedagogy, digital tools, emerging technologies; include certifications and industry exposure.	03
	Master Trainers & Experts	Strategy for sourcing, onboarding, and retaining industry veterans, Master Trainers, Academic Deans, or Subject Matter Experts for specialized domains.	02
	Vacancy Management	Mechanism for rapid deployment of qualified contractual staff to ensure zero instructional disruption until permanent staff appointment by State.	05
		Total	15 Marks

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Dimension</b>	<b>Key Areas / Requirements</b>	<b>Details to be Provided by Bidders</b>	<b>Weightage (marks)</b>
<b>F. Employment Outcomes</b>	Placement Strategy	Year-on-year quantifiable targets for increasing placement rates over current baseline; include sector-wise demand analysis.	07
	Apprenticeships	Specific industry tie-ups under NAPS/NATS; indicative number of apprenticeship opportunities.	03
	Salary Growth	Linkage between proposed training interventions and improved entry-level wage outcomes vs historical data.	02
	Overseas Mobility	International placement pathways: partnerships with overseas employers, recruitment agencies, language/cultural training.	03
		Total	15Marks
<b>G. Sustainability Plan</b>	Revenue Generation Model	Plan to develop ITI as Production Centre / Service Hub offering fee-based courses, industry services, or manufacturing activities.	05
		Total	05 Marks
<b>H. Strategic Investment Plan</b>	The Strategic Investment Plan shall be evaluated strictly based on Form Tech-8.		20
		Total	20 Marks
	<b>Total</b>		<b>100 Marks</b>

**C) Evaluation and Scoring Mechanism**

The Authority shall adopt a **Quality and Cost Based Selection (QCBS)** framework. This ensures that the Selection of the Anchor Industrial Partner (AIP) is based on a balanced assessment of technical expertise, cost-efficiency, and the extent of private sector investment.

**1. Weightage Distribution**

The total score is divided into two main categories with a **80:20** weightage between Technical and Financial performance:

a) **Technical Weightage: 80%** (This is further sub-divided into two parameters):

(i) **Technical Weightage (Xt): 50%**

(ii) **Overall cost efficiency of the SIP as per Form Tech 9B) Weightage (Yt): 30%**

b) **Industry Contribution Score (Zt): 20%** (Based on the percentage of private investment Fin-2).

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**Calculations:**

**Step I: Technical Score (X<sub>t</sub>) : 50% Weightage**

The Technical Evaluation Committee (TEC) shall score the SIP based on the comprehensive Evaluation Rubric provided in Section 4, Part B.

**Step II: Overall Project cost efficiency of the SIP (Y<sub>t</sub>): [30% Weightage]**

Y<sub>t</sub> calculated as follows:

$$\text{Cost per Unit Technical Score A} = \frac{\text{Total Financial Outlay (from Form Tech 9B)}}{\text{Technical Score (X}_t\text{)}}$$

$$Y_t = \frac{\text{A Minimum}}{\text{A of the bidder under calculation (from Form Tech 9B)}} \times 100$$

**Step III: Industry Contribution Score (Z<sub>t</sub>) : [20% Weightage]**

This score rewards Bidders who commit a higher percentage of private investment into the cluster.

Input: Industry Share Percentage (F) (from Form FIN-2).

Calculate Normalized Score (Z<sub>t</sub>):

$$Z_t = \frac{\text{F (\% Share of the bidder under calculation)}}{\text{F (\% of Maximum Share)}} \times 100$$

(Where F<sub>max</sub> is the highest industry share percentage proposed among all technically qualified bidders).

**Evaluation Summary Table (The “Master Formula”)**

The Final Combined Score (S<sub>n</sub>) shall be the sum of the weighted scores:

$$S_n = (X_t \times 0.50) + (Y_t \times 0.30) + (Z_t \times 0.20)$$

**Illustrative Example of Evaluation (Simulation)**

Assume three bidders are technically qualified.

**1) Step-1: Technical Scores (X<sub>t</sub>):**

Bidder	Technical Score (X <sub>t</sub> )
Bidder A	78

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Bidder B	72
Bidder C	85

**2) Step-2: Overall cost efficiency of the SIP (Yt): 30% Weightage**

Input (Tech 9B ): Total Project Outlay proposed by bidders

Bidder	Total Outlay (₹ crore)
Bidder A	200
Bidder B	220
Bidder C	240

**Calculation of A Minimum:**

Cost per Unit Technical Score A=Total Financial Outlay/Xt

Bidder	Calculation	A
A	$200 \div 78$	2.56
B	$220 \div 72$	3.06
C	$240 \div 85$	2.82

**Amin=2.56 (Bidder A )**

**Calculation of Yt:**

**Yt=(A Min / bidder under calculation) ×100**

Bidder	Calculation	Yt
A	$(2.56 / 2.56) \times 100$	100
B	$(2.56 / 3.06) \times 100$	83.66
C	$(2.56 / 2.82) \times 100$	90.78

**3) Step-3: Industry Contribution Score (Zt) : 20% Weight**

Input (FIN-2): Industry Share %

Bidder	F (%)
A	18%
B	20%
C	25%

**Fmax=25%**

**Zt=(F-Bidder under calculation / F Max)×100**

Bidder	Calculation	Zt
A	$(18 / 25) \times 100$	72

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

B	$(20 / 25) \times 100$	80
C	$(25 / 25) \times 100$	<b>100</b>

**4) Final Calculation:**

$$S_n = (X_t \times 0.50) + (Y_t \times 0.30) + (Z_t \times 0.20)$$

Bidder	Calculation	Final Score (S <sub>n</sub> )
A	$(78 \times 0.50) + (100 \times 0.30) + (72 \times 0.20)$	83.40
B	$(72 \times 0.50) + (83.66 \times 0.30) + (80 \times 0.20)$	77.10
C	$(85 \times 0.50) + (90.78 \times 0.30) + (100 \times 0.20)$	<b>89.73</b>

**5) Result: Bidder C ranks H-1 (Highest Final Score)**

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

### **Section -5 Terms of Reference (ToR)**

#### **1) Background**

The Ministry of Skill Development and Entrepreneurship, represented by the Director General, Directorate General of Training (DGT) having its principal office at Ministry of Skill Development and Entrepreneurship, Government of India, Kaushal Bhawan, New Moti Bagh, New Delhi – 110023, has been entrusted with coordinating all skill development initiatives across the country. Its mandate includes bridging the gap between the demand and supply of skilled manpower, strengthening the vocational and technical training ecosystem, and fostering skill upgradation, innovation, and future-readiness—addressing both current and emerging job opportunities. These efforts are supported by its key institutional arms: the Directorate General of Training (DGT), National Council for Vocational Education and Training (NCVET), National Skill Development Corporation (NSDC), and the National Skill Development Fund (NSDF). The Ministry of Skill Development and Entrepreneurship (“MSDE”), through the Directorate General of Training (“DGT”) is responsible for the overall policy formulation and overseeing of the long- term skilling ecosystem in the country.

- A. The Directorate General of Training (DGT) under MSDE, is the principal agency responsible for policy formulation, regulation and implementation of vocational training programs, including institutional capacity building. Through DGT, the Ministry administers two key schemes:
  - a) The Craftsman Training Scheme (CTS), delivered through Industrial Training Institutes (ITIs) to equip youth with foundational vocational skills.
  - b) The Craft Instructor Training Scheme (CITS), implemented through National Skill Training Institutes (NSTIs), which are specialized institutions that train instructors and vocational educators in pedagogy, domain-specific skills, and training methodology. These institutes are under the administrative control of the Central Government.
- B. The Industrial Training Institutes (ITIs) in India provide vocational education and training across a range of technical and non-technical disciplines. Since their inception in the 1950s, ITIs have served as the foundation of the country’s vocational training ecosystem, equipping students with industry-relevant skills in areas such as manufacturing, construction, electronics, automobiles, and information technology. These institutions are instrumental in meeting the skilled workforce requirements of various industries. Recognizing the significant role of ITIs in national development, the Government of India has launched a comprehensive initiative aimed at upgrading and expanding vocational training. The National Scheme for ITI Upgradation aims to upgrade the ITIs in Cluster-5 (as mentioned in the Letter of Invitation at Section-1) through PPP mode.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- C. The National Scheme for ITI Upgradation envisages upgradation of 1,000 Government ITIs pan India in Component-I of the PM- SETU (Pradhan Mantri Skilling and Employability Transformation through Upgraded ITIs) Scheme, in a Hub and Spoke Model in partnership with industry partners through PPP mode. The curriculum will be updated to align with industry demands, and new courses will be introduced to address evolving skill needs. The primary model for implementing the scheme will be industry led, wherein, a Special Purpose Vehicle (SPV) will be formed to implement the scheme at the cluster level.
- D. The Centre shall establish a dedicated National Steering Committee (NSC) to oversee the scheme, coordinate with State/UT Governments, and monitor implementation through their respective State Steering Committees (SSC). The NSC will serve as the main decision-making body to ensure smooth execution. The NSC, chaired by the MSDE Secretary, could include senior officials from NCVET, DGT, states/UTs, other relevant ministry officials (e.g., Ministry of Education, Ministry of Heavy Industries, Ministry of Commerce and Industry, Ministry of Labor and Employment etc.), and key members of academia and industry. The NSC will have overall responsibility for all the activities under the PM-SETU Scheme through NPMU (National Project Implementation Unit) at O/o. The Director General of Training (DGT). The SSC will oversee the implementation of the scheme at the State level through SPMU (State Project Monitoring Unit) at the respective State Directorates. The SSC will be chaired by the Chief Secretary of the State and will include higher officials from other State Departments and members from technical fields, vocational training and industry organisations.
- E. The selection process for ITIs that would be upgraded under the scheme could entail among other following stage wise activities: -

- |  |
|--|
| <ul style="list-style-type: none"> <li>● States will define initial state-specific eligibility criteria for shortlisting of ITIs.</li> <li>● They will undertake a preliminary shortlisting of ITIs based on the minimum criteria defined by the Government of India (example: labs and infrastructure, structurally sound buildings, availability of space etc.) along with the initial state-specific criteria for shortlisting</li> <li>● States to identify clusters basis industry preferences and technical and financial feasibility studies</li> </ul> |
| <ul style="list-style-type: none"> <li>● States will identify key inputs required from industry partners to ensure successful implementation of the scheme - including state-defined ITI shortlisting criteria, criteria thresholds for identification of hubs and spokes, preferences for ITIs and clusters, sectoral focus and trades to be offered, parameters for cluster identification, suggestions for cluster feasibility studies, and required characteristics to guide cluster profiling.</li> </ul>   |

## Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

- States to finalize state-defined selection criteria basis assessment of industry inputs received
- States to undertake final shortlisting of ITIs based on both minimum eligibility criteria defined by Center and additional state-defined criteria
- States to finalize list of clusters

- F. Andhra Pradesh: There are 83 Government ITIs in the State of Andhra Pradesh which are administered by the Directorate of Skill Development, Employment & Training (DSET) (**Authority**) under the Skills Development and Training Department (SD&T), Government of Andhra Pradesh. The cluster proposed now is consisting of 01 Hub ITI as Govt. ITI, Kakinada and 03 Spoke ITIs as 1. Govt. ITI, Rajamahendravaram 2. Govt. ITI, Jaggampeta and 3. Govt. ITI, K.R.Puram - Cluster-5. In the cluster, the Hub ITI shall specialize in high-end sector-specific trades and manufacturing units, while the Spoke ITIs provide foundational courses feeding into the Hub. The cluster SPV led by an industry partner would upgrade the infrastructure across all four ITIs, introduce new age courses related to the sector, and oversee operations, with shared resources and faculty linkages.
- G. The Authority, through this RFP, intends to select the Bidder who shall act as an Anchor Industry Partner (“**AIP**” or “**Selected Bidder**”) and shall be responsible for upgradation of the cluster ITIs 01 Hub ITI as Govt. ITI, Kakinada and 03 Spoke ITIs as 1. Govt. ITI, Rajamahendravaram 2. Govt. ITI, Jaggampeta and 3. Govt. ITI, K.R.Puram - Cluster-5, on a hub and spoke model (“**Cluster**”) through a joint venture with Government. The estimated cost of project is INR 34 Crores (“Estimated Project Cost”). The assessment of actual costs, however, will have to be made by the Bidders.
- H. The AIP will form an SPV, which will be a new non-profit Section-8 company incorporated under Companies Act, 2013, wherein Government would be, in terms of the Bidding Documents and particularly the shareholders agreement, issued and allotted 49% of the economic and voting shares of the SPV for onboarding it in the SPV to undertake the Cluster through a joint venture of AIP and the Government. The AIP will accordingly hold 51% of the economic and voting shares of the SPV, while the remaining 49% of the economic and voting shares of the SPV will be vested with the Central and State Government. The SPV will act as the Licensee and shall be responsible for the development and management of the Cluster and performance of related obligations including delivery of the specified training and employment outcomes. The SPV will have full autonomy over course offerings (e.g., introduction of new programs, curriculum and pedagogy design), trainer management (e.g., recruitment, training), and financial operations (e.g., expenditure, revenue generation from users).
- I. The AIP is envisaged to be selected through a competitive bidding process through a quality and cost based mode based on weighted average of the marks

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

scored on their technical and financial eligibility, overall upgradation cost as per the Strategic Investment Plan (“SIP”), and financial bid offer for the upgradation of the ITIs as submitted in terms herein for the Cluster. The transformation of all the four ITIs in the Cluster shall be based on three key pillars:

- Upgradation of ITI infrastructure: Enhancing both soft and hard infrastructure to provide a more favourable learning environment.
- Decentralization and deregulation: Aligning ITI operations with industry requirements and local economic needs to meet current and future workforce needs.
- A new governance structure: Leveraging the managerial and operational support of industry and balancing autonomy with accountability

J. The Authority intends to award the Cluster through an open and transparent competitive bidding process in accordance with the procedure set out herein.

The bidder for the purposes of this RFP for qualification may be a single entity or a group of entities coming together to implement the Project (“**Bidder**”). However, bidder applying individually or as a member of a Consortium, as the case may be, shall not be entitled to submit another response either individually or as a member of another Consortium. The term bidder used herein would apply to both a single entity and a Consortium. The maximum number of members in a Consortium will be limited to 5. In the case of a Consortium, only the Lead Member’s credentials shall be considered for the purpose of determining the eligibility.

The AIP/Selected Bidder shall be required to incorporate a new Section 8 company under Companies Act, 2013, prior to execution of the License agreement for the purpose of execution of the Cluster and discharging the obligations of the Licensee (the “**Licensee**” or “**SPV**”) which *inter alia* shall include the design, development, management, operation and maintenance of the Cluster under and in accordance with the provisions of the License agreement (the “**License Agreement**”) to be entered into between the Selected Bidder and the Authority in the form provided by the Authority as part of the Bidding Documents pursuant hereto.

The scope of work will broadly include upgradation, operation and maintenance of the ITIs mentioned under Cluster-5 through Hub and Spoke model in accordance with the terms of the License Agreement. The Bidder shall submit a Strategic Investment Plan as part of its Technical Bid. The detailed terms and conditions for the grant of the License are set forth in the License Agreement, including *inter alia* the leasehold rights and the scope of the Licensee’s services and obligations (the “**License**”).

The Authority shall receive Bids pursuant to this RFP in accordance with the terms set forth in this RFP and other documents provided by the Authority pursuant to this RFP, as modified, altered, amended and clarified from time to time by the Authority (collectively the “**Bidding Documents**”), and all Bids shall be prepared and submitted in accordance with such terms on or before the date specified in the Data Sheet for submission of Bids.

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

The statements and explanations contained in this RFP are intended to provide a better understanding to the Bidders about the subject matter of this RFP and should not be construed or interpreted as limiting in any way or manner the scope of services and obligations of the Licensee set forth in the License Agreement or the Authority's rights to amend, alter, change, supplement or clarify the scope of work, the License to be awarded pursuant to this RFP or the terms thereof or herein contained. Consequently, any omissions, conflicts or contradictions in the Bidding Documents including this RFP are to be noted, interpreted and applied appropriately to give effect to this intent, and no claims on that account shall be entertained by the Authority.

### **2) Objective of the Assignment**

The objective of this assignment is to engage a capable, credible and technically competent Anchor Industry Partner (AIP) to support the transformation of the identified ITI Cluster (Cluster-5) under the PM-SETU through a structured Special Purpose Vehicle (SPV).

The engagement seeks to establish a long-term, collaborative partnership in which the AIP contributes industry knowledge, technology outlook, and strategic guidance so that the upgraded ITIs evolves into modern, industry-responsive institutions that consistently deliver high-quality training and improved employment outcomes for trainees.

More specifically, the assignment aims to:

1. Strengthen the linkage between training and industry demand, ensuring that the ITIs remain relevant to current and emerging labour-market requirements.
2. Promote the introduction of modern technology and good industrial practices within training systems, thereby improving quality, safety, and productivity awareness among trainees.
3. Enhance employability prospects of trainees by ensuring stronger connections with employers, apprenticeship pathways, and opportunities for real-world exposure.
4. Support institutional modernization and better governance, including improved planning, monitoring, and decision-making processes in alignment with scheme guidelines.
5. Encourage innovation, entrepreneurship, and skill upgradation, particularly in sectors with growth potential in the region.
6. Contribute to long-term sustainability of the upgraded ITIs, by promoting efficient utilization of resources and strengthening the overall capability of the institutions to operate as industry-aligned centres of excellence.

Through this assignment, the Government intends to create a structured PPP framework where the AIP acts as a strategic partner, bringing an industry perspective into planning, management and continuous improvement of training delivery, while ensuring compliance with regulatory norms and the broader objectives of the PM-SETU programme.

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

### **3) Scope of the Assignment:**

The Anchor Industry Partner (AIP), acting through the Special Purpose Vehicle (SPV), shall be responsible for planning, implementation, coordination, and operational management of the identified ITI cluster under the PPP framework.

The AIP is expected to bring strategic leadership, industry knowledge, co-investment, and sustained commitment (minimum five years) to transform ITIs into industry-aligned training centres.

The scope shall include, but not be limited to, the following:

#### **3.1 Strategic Planning & Governance**

- (i) Lead the preparation of a five-year Strategic Investment Plan (SIP) for the cluster, detailing infrastructure upgrades, new courses, staffing, and outcomes targets.
- (ii) Serve on the SPV Board along with government nominees.
- (iii) Participate in SPV sub-committees, including Curriculum, Infrastructure, Placement, etc.
- (iv) Align ITI operations with current and emerging industry skill requirements.

#### **3.2 Infrastructure Upgradation**

- (i) Design and implement upgradation of classrooms, labs, workshops, hostels, IT networks, and other facilities across Hub and Spoke ITIs.
- (ii) Procure, install, and maintain industry-grade equipment, tools, and simulators aligned with sector requirements.
- (iii) Advise on sector-specific lab layouts and provide access to industry facilities for practical exposure and internships.

#### **3.3 Curriculum Design & Training**

- (i) Co-develop and update curricula in collaboration with DGT and industry experts, ensuring alignment with NSQF and National Occupational Standards.
- (ii) Introduce new trades in emerging sectors (e.g. EV, renewable energy, AI/ML, advanced manufacturing, etc.).
- (iii) Implement competency-based training, modular courses, blended learning, and workplace-linked training formats.
- (iv) Integrate on-the-job training (OJT), apprenticeships, and practical exposure aligned with local job demand.

#### **3.4 Faculty and Staff Development**

- (i) Work with existing ITI instructors to enhance their skills through industry immersion, ToT programs, and pedagogy enhancement.
- (ii) Recruit additional trainers or subject-matter experts as needed.
- (iii) Provide modern teaching aids and continuous professional development support.

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

### **3.5 Financial Co-investment & Revenue Models**

- (i) Contribute a minimum of 17% of project costs for operational and capital expenses beyond the government share.
- (ii) Participate in revenue-generation initiatives, including paid training, consultancy services, shared lab usage, and industry-paid assessments or certifications.

### **3.6 Operational Management**

- (i) Manage day-to-day operations of the Hub-and-Spoke cluster through the SPV, including budgeting, accounting, procurement, asset maintenance, and hiring contractual staff if required.
- (ii) Implement efficient administrative processes and ICT systems (student management, learning management, accounting).

### **3.7 Placement, Industry Linkages & Apprenticeship**

- (i) Leverage industry networks to arrange campus placements, apprenticeships, and internships.
- (ii) Organize job fairs, industry visits, and employer engagement events.
- (iii) Facilitate the establishment of Apprenticeship cells and career counselling support in ITIs.

### **3.8 Quality, Standards & Monitoring**

- (i) Ensure training adherence to NCVET, NSQF, and other regulatory standards.
- (ii) Pursue accreditation or quality certifications.
- (iii) Implement KPIs and monitoring frameworks (enrolment, pass rates, placements) and submit regular reports to State and Central Governments.

### **3.9 Innovation & Long-Term Sustainability**

- (i) Introduce innovations such as incubators, entrepreneurial cells, online labs, or virtual reality training.
- (ii) Plan for the financial sustainability of ITIs beyond the project period through revenue models, alumni networks, and industry sponsorships.

### **3.10 Anchor Industry Partner (AIP) Role**

- (i) Provide strategic vision, investment, and leadership.
- (ii) Chair the SPV board and nominate members to the board.
- (iii) Commit to a multi-year partnership (minimum 5 years) and help secure additional industry involvement, including technical partnerships.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**3.11 Government Support (DGT / State)**

- (i) Up to 83% of project expenditure will be borne by the Government (GoI: 50% and GoAP:33%).
- (ii) Provide policy, administrative, and managerial support, including access to infrastructure and staff.
- (iii) Facilitate regulatory approvals, curriculum alignment, and SPV autonomy per scheme guidelines.

**4) Details of ITI Hub-and-Spoke Cluster for which this RFP is issued:**

<b>S. No.</b>	<b>ITI Name (Hub/Spoke)</b>	<b>State</b>	<b>Land Available (acres)</b>	<b>Number of Trades Offered</b>	<b>Total Student Capacity</b>	<b>Indicative Focus Sectors</b>
1	Govt. ITI, Kakinada <b>(Hub)</b>	Andhra Pradesh	15.40	14	1008	1. Petroleum 2. Steels & Engineering 3. IT 4. Aqua
2	Govt. ITI, Rajamahendravaram <b>(Spoke 1)</b>	Andhra Pradesh	4.00	7	220	
3	Govt. ITI, Jaggampeta <b>(Spoke 2)</b>	Andhra Pradesh	4.00	3	128	
4	Govt. ITI, K.R.Puram <b>(Spoke 3)</b>	Andhra Pradesh	4.50	5	192	

**5) Baseline Characteristics of the Hub and Spoke ITI Cluster:**

Bidders shall obtain the baseline profile of the identified Hub and Spoke ITIs in the cluster from field visits in Template-1 format as prescribed in the Appendix-2 (Scheme Guidelines) and submit the same along with the bid. This will enable bidders to understand the present institutional context, infrastructure status, training outcomes, and capacity gaps. Bidders are expected to use this baseline data while preparing their proposals, including the Strategic Improvement Plan (SIP), gap assessment, and proposed interventions under the PPP model.

**6) Budget allocation for the last three financial years across the proposed ITIs (Cluster):**

Bidders shall obtain the budget allocation trends for the proposed ITI cluster during the last three financial years from field visits in Template-2 format as prescribed in the Appendix-2 (Scheme Guidelines) and submit the same along with the bid. Bidders are expected to review this information while formulating their technical and financial proposals, ensuring alignment with current expenditure patterns and resource requirements.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**7) Indicative Upgradation Requirements Identified by the State:**

Bidders shall obtain the indicative upgradation requirements identified by the State/UT based on existing infrastructure, trade mix, and sectoral priorities from field visits and submit the same along with the bid in the following proforma. The information is intended to provide baseline inputs to bidders for preparing responsive proposals. Final scope and phasing of upgradation shall be undertaken in consultation with the selected Anchor Industry Partner.

<b>Indicative Requirement</b>	<b>Hub ITI (Name)</b>	<b>Spoke ITI (Name)</b>	<b>Spoke ITI (Name)</b>	<b>Spoke ITI (Name)</b>	<b>Spoke ITI (Name)</b>	<b>Add columns as needed</b>

**8) Scheme Institutionalization and Execution Roadmap**

The project shall be implemented in accordance with the PM-SETU scheme component -1 Guidelines (attached as Appendix 2). Bidders are advised to refer to the guidelines for detailed roles, responsibilities, and execution milestones. The ToR provides a summary of key deliverables and milestones, but the full guidelines shall govern project implementation.

Key Milestones (Summary):

1. LoA Issuance & Acceptance: Marks project commencement date (T0); formal acceptance by the Anchor Industrial Partner (AIP) within 7 days.
2. SPV Incorporation: AIP leads legal incorporation of the Section 8 SPV; Memorandum and Articles of Association filed with RoC.
3. Shareholders' Agreement (SHA): Executed by AIP, Central, and State Governments; defines governance, contribution structure, Board composition, and financial management.
4. License Agreement (LA): Grants operational rights over ITI land, buildings, and machinery to the SPV; ownership remains with Government.
5. Final Strategic Investment Plan (SIP): Following execution of the License Agreement, the AIP shall submit the Final SIP. Approval by the appropriate Steering Committee shall trigger the commencement of ITI upgradation.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**9) Performance Framework and Project Implementation**

**A. Indicative Activity Milestone**

The following milestones outline the mandatory chronological sequence for the cluster's transformation, serving as a roadmap to ensure that the Special Purpose Vehicle (SPV) transitions from planning to full-scale operational excellence within the five-year project lifecycle.

<b>Year</b>	<b>Key Performance Indicator (KPI)</b>
Year 1	SIP approved by NSC, SPV constituted, and Governing Board notified
	Commencement of Infrastructure Works as per SIP
	Increment in seating capacity
	Introduction of short-term courses
	ITI instructors trained
	Upgraded/New Industry-aligned long-term courses
Year 2	75% of Y1 funds utilized and Y2 AOP submitted & approved
	New Courses launched
	Trainee pass percentage (as per SIP)
	Trainee enrollment (Increment) as per SIP
	Any spillover KPI's from Year 1 have been achieved, as applicable.
	ITI instructors trained
	Placement of trainees (as per SIP)
Upgraded/New Industry-aligned long-term courses	
Year 3	75% of Y2 funds utilized; Y3 AOP approved
	Completion of Infrastructure related works
	Any spill-over KPI's from Year 2 have been achieved, as applicable.
	ITI instructors trained
	Trainee pass percentage
	Sustainability strategy developed and implementation started
Year 4	<b>50% released upon <math>\geq</math> 75% utilization of Year 3 funds</b>
	<b>Year 4 AOP approved <math>\geq</math> 80% of Year 3 KPI targets</b>
	Increment in trainee enrollment (and Female enrollment) as per SIP
	ITI instructors trained
	Trainee pass percentage
Year 5	<b>50% released upon <math>\geq</math> 75% utilization of Year 4 funds</b>
	<b>Year 5 AOP approved <math>\geq</math> 80% of Year 4 KPI targets</b>
	Trainee enrollment in CoE
	ITI instructors trained
	Trainee pass percentage (minimum 90% of the target)

**B. Key Performance Indicators (KPIs):**

This framework defines the measurable success metrics for the cluster, establishing the minimum mandatory quality standards and outcome targets spanning enrolment, placement, and sustainability that the Anchor Industry Partner is committed to achieving through the SPV.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Key Area</b>	<b>Performance Indicator</b>	<b>Target / Threshold</b>
<b>Institutional &amp; Governance Reforms</b>	Adoption of Industry-led SPV model at HSICs	100% of approved clusters
	Pathways for sustainable industry participation (production centres, OJT tie-ups, design partnerships, continuity of AIP)	Composite index (baseline + YoY improvement)
<b>Capacity Increment &amp; Trainee Performance</b>	Increase in CTS enrolment	95%
	Pass percentage	90%
	Increase in short-term course output	50% growth as per baseline
<b>Placement Outcomes</b>	Placement rate of CTS trainees	>75%
	Average salary of placed trainees	Increment of 50% over baseline
<b>Gender &amp; Inclusivity</b>	Share of women, PwD, SC/ST, rural & tribal groups in enrolment	50% increment over baseline
	Female trainee placement rate	>75%
<b>Curriculum &amp; Training Quality (incl. Green Practices)</b>	Courses upgraded as per industry requirements	10 per Hub ITI and 08 per Spoke ITI
	New CTS courses introduced	4 per Hub ITI and 2 per Spoke ITI
	New short-term courses introduced	10 per Hub-and-Spoke ITI cluster
	Industry validation of learning outcomes	Positive feedback index
<b>Faculty &amp; HR Development</b>	Trainer recruitment (vacancy reduction)	Below 10% vacancy
	% of trainers upskilled (incl. green practices)	>95%
<b>Infrastructure &amp; Facilities</b>	ITI hub & spoke upgradation	1,000 ITIs
<b>Systemic Capacity Building</b>	Number of trainers trained	50,000 across ITIs and NSTIs
<b>Sustainability</b>	Revenue from non-govt. sources (industry, CSR, production centres, trainings)	≥30%
<b>Monitoring &amp; Reporting</b>	Annual consolidated report at HSIC level	100% of onboarded cluster reporting

**C. Performance-Linked Disbursement and Monitoring**

The financial lifecycle of this project is governed by a results-based funding model. While the initial mobilization grant is provided to initiate the Special Purpose Vehicle (SPV) and early infrastructure works, all subsequent fund releases are strictly contingent upon performance. The National Steering Committee (NSC) will utilize the Milestones (A) and Target Thresholds (B) as the primary criteria for approving the Annual Operational Plan (AOP) and authorizing disbursements. Failure to meet these benchmarks may result in the withholding of funds or the requirement of a corrective action plan to ensure the project remains aligned with the National objectives of PM-SETU scheme.

*This Terms of Reference (ToR) is to be read in conjunction with the PM-SETU Guidelines attached as Appendix. In the event of any conflict between the guidelines and the ToR, the PM-SETU Scheme*

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

*Component 1 shall prevail for policy matters, while the ToR shall prevail for cluster-specific operational details.*

**Section 6: Guidelines for Preparation and Submission of SIP**

**A. Instructions for the Preparation of the Strategic Investment Plan (SIP) (Part -1)**

- 1) Overall Guidance Note *(to be read in conjunction with the Scheme Document; this section is for preparatory guidance only and may be deleted during final SIP submission.)*.
- 2) In alignment with the PM- SETU, each State and Union Territory (UT) shall facilitate the establishment of the Industrial Training Institute (ITI) Hub and Spoke Cluster. When submitting recommended SIPs of Hub and Spoke ITI Cluster to MSDE, states are required to attach commitment letters to fulfil the state's obligation of staffing, Scheme funding, and implementation of regulatory reforms, as specified in the scheme document.
- 3) Each Anchor Industry Partner (AIP) shall prepare a Five-Year Strategic Investment Plan (2025–2030) articulating a clear vision, strategic priorities, and investment roadmap to transform the quality and relevance of ITI training delivery which shows alignment with the overall purpose of the scheme to increase employability of graduates of ITIs. SIP shall be evidence-driven, rooted in local economic analysis, and developed through multi- stakeholder consultation involving industry, ITI instructors, students, academia, etc. SIP should be based on local job market studies, analysis of industry value chains, and discussions with experts from different sectors.
- 4) AIPs/SPVs are encouraged to align their investment plans with identified priority sectors, including but not limited to advanced and smart manufacturing, heavy engineering, automotive, textiles and garments, construction, process industries, electricals, electronics and telecommunications, food processing, building interiors, and consumer durables.
- 5) The SIP must demonstrate innovation in training design and delivery, with an emphasis on technology integration, blended learning, and modular curriculum aligned to existing and emerging job roles. The aim is to enhance the scale, quality, and labour market outcomes of graduates from the ITI ecosystem.
- 6) The total investment for Hub ITI and each Spoke ITI shall not exceed Rs 80 Crore and Rs 40 Crore respectively, inclusive of all capital and operational components. Within this overall financial ceiling, expenditure on civil infrastructure shall not exceed 20% of the total approved budget. SPV shall ensure optimal allocation between physical infrastructure, digital capabilities, faculty development, and program innovation.
- 7) The SIP is a strategic document focusing on demand-driven and industry-aligned courses, industry linkages, innovative approaches to program design and delivery, staff training, infrastructure development, gender and inclusion strategies, monitoring and evaluation systems, governance and management frameworks, financial and institutional sustainability. A comprehensive stakeholder engagement and communications plan may also be developed and included in the SIP budget. Each section of the SIP should describe the action, articulate expected outcomes, responsible entities, timelines, and budget requirements.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- 8) SIPs will be operationalized through Annual Operation Plan (AOP) which will include Annual Work and Budget Plans (AWBP). This Annual Operation Plan (AOP) will be submitted to SSC for approval before the start of the financial year. SIPs could be amended as needed by the SPVs. However, amendments with financial implications and impacting on the mandatory KPIs will need to be approved by the State Steering Committee and the National Steering Committee.
- 9) Template 3 consolidates the total budget required for implementing the Five-Year Strategic Investment Plan. Proposals must transparently disclose all sources of funding, including ongoing or expected support from State Governments, public-private partnerships, or other externally aided projects. Template 4 is Gantt Chart on the implementation timeline. Annexure II (Part B of the Section 4) provides the evaluation criteria and scoring rubric.

**B. Instructions for the Preparation of the Strategic Investment Plan (SIP) (Part -2)**

<b>Section</b>	<b>Instruction</b>
Detailing on ITI and Local Economy	<ul style="list-style-type: none"> <li>✓ List the hub ITI and its associated spokes,</li> <li>✓ Outline the characteristics of the local community, including the economy, key industries, labor market trends, and population demographics.</li> <li>✓ Specify the key trades, sectors and programs that will be offered to align with industrial needs</li> </ul>
Details of Anchor Industry Partner	<ul style="list-style-type: none"> <li>✓ Details of the anchor industry partner (AIP) and its associated industry partners/ and institutional collaborators (if any).</li> </ul>
Budget and Financing	<ul style="list-style-type: none"> <li>✓ Provide the annual recurring and capital budget for the hub and all spokes for the last 3 years.</li> <li>✓ Indicate the sources of financing (central, state, industry, income generation, grant-in aids etc). (Refer: Template 2)</li> </ul>
Vision and Mission	<ul style="list-style-type: none"> <li>✓ State the rationale for selection of the Hub and Spoke ITI Cluster. Define the vision, mission, core strategies, and unique value propositions that add value to the proposal.</li> </ul>
Detailing on New and upgradation of courses proposed for CTS, Short term and any other program	<ul style="list-style-type: none"> <li>✓ Provide details of labour market demand analysis to identify current and future employment opportunities.</li> <li>✓ Details of CTS courses to be upgraded.</li> <li>✓ Details of New CTS courses to be proposed and mechanism adopted. (This process will involve consultations with industry experts, governments, and other stakeholders to establish priority trades and courses. It is important to consider foundational learning as part of the course development. Modules</li> </ul>

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Section	Instruction
	<p>such as language, digital skills, career guidance counselling, could be embedded into the new courses, or as electives or extracurricular activities).</p> <ul style="list-style-type: none"> <li>✓ Details of new short-term courses to be developed or adopted.</li> <li>✓ Explain the course development or upgradation process, including consultations and approval/ accreditation sought. Explain how the SPV, along with Hub and Spoke ITIs and industry partners will work together. Which courses or modules will be offered at which institutions? Whether the courses and modules offered are gender neutral and are also designed for the differently abled people? How will faculty and facilities be shared across institutions? How will all students be able to learn different courses in the hub and spokes? Provide evidence of: <ul style="list-style-type: none"> <li>○ skills demand and/or potential for expansion of this demand.</li> <li>○ the presence of industrial linkages involving these programs.</li> </ul> </li> <li>✓ perceived advantages for institutions and students through the programs</li> </ul>
Proposed Industry and Employer Linkages	<ul style="list-style-type: none"> <li>✓ Partnerships with industries and employers. This may include financial supports, technology know-how support • Detailing on proposed apprenticeships and faculty industry attachment.</li> <li>✓ Development of customer-ordered industry-commissioned training programs and establishing “learning factories”</li> <li>✓ Detailing on proposed sharing of technology and production equipment’s</li> <li>✓ SIP can also provide proposed solutions if any for small and medium enterprises e.g. R&amp;D solutions etc</li> <li>✓ Proposed MOUs with companies for employment, apprenticeships, funding etc (Other details may include engaging industries in the development of standards, curriculum, and training programs, through technical committees, details of Jobs, and competency standards required in Industries, identifying specific industries that has potential for absorbing different categories of differently abled people and develop standard, curriculum and training programs. Organizing alumni and industrial outreach) The SPVs need to clearly articulate which types of industry partnerships are being provided in</li> </ul>

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Section	Instruction
	the SIP and attach letters from all the collaborating industries.
Innovation in Training Program Design, Delivery, and Technology Integration	<ul style="list-style-type: none"> <li>✓ Innovation in program design and delivery.</li> <li>✓ Innovative programs for Occupational Health &amp; Safety, Industry 4.0 occupations, and entrepreneurship.</li> <li>✓ Initiatives like incubation centres, Atal tinkering labs, industry commissioned specialized training, and industry-certified programs. Joint or sandwich programs with Indian or Foreign partner.</li> <li>✓ Innovative pedagogy like hybrid learning, student-centered and adaptive approaches, VR/AR labs, interdisciplinary and project based learning, skills competitions, R&amp;D, and on-the-job training.</li> </ul>
ITI Leadership and Instructor Capacity Building Plan	<ul style="list-style-type: none"> <li>✓ Plan for continuous professional development of ITI leaders, trainers, and staff.</li> <li>✓ Proposed Partnerships with National Skill Training Institutes (NSTIs) or other educational institutes such as the Indian Institute of Management or Institute of National importance (INIs) etc.</li> <li>✓ Recruitment plans for existing vacancies and new trades. (Staff professional development should begin with a training needs assessment to identify gaps in academic knowledge, technical competencies, and teaching methodologies. Strategies/Plan for assessment can be provided in this section. Once these assessments are conducted, the SPV should implement a staff development plan that includes industrial attachments, ongoing training in pedagogy, ICT, training of the trainers, student management, and internship supervision, fostering a culture of continuous professional growth.)</li> <li>✓ Plans for appraisals, incentives, and flexible HR arrangements may be outlined to enhance motivation and retention among instructors.</li> <li>✓ Provide clear policies for competitive selection of key leadership roles of SPV.</li> </ul>
Upgradation Plan including Infrastructure Development Plan and labs	<ul style="list-style-type: none"> <li>✓ Outline necessary investments in civil infrastructure (e.g., classrooms, hostels, workshops), including digital infrastructure, and procurement of state-of-the-art equipment. (The SPVs are encouraged to develop a long-term infrastructure master plan first before deciding which specific civil works projects will be supported under the scheme, explain how</li> </ul>

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Section	Instruction
	<p>investments have been prioritized across Hub and Spoke ITIs. Highlight gender-inclusive, climate resilient and accessible infrastructure. Highlight if any assistance of finance is proposed through other schemes of state/centre/existing collaborations.)</p> <ul style="list-style-type: none"> <li>✓ Development of sports facilities, incubation centre, production centre etc (Note: In case of upgradation of existing facilities or development of facilities, a checklist-based audit will be conducted and all-inclusive improvement (including improving solid, liquid waste management, energy efficiency, universal access, Health &amp; Safety, etc) may be made part of SIP and implemented while constructing/upgrading.)</li> </ul>
Gender and Inclusion Plan	<ul style="list-style-type: none"> <li>✓ State current gender ratios in local community and ITI</li> <li>✓ Define strategies and actions for improving women's participation, especially in non-traditional trades. Address multiple layers of exclusion (e.g., SC, ST, PWD).</li> <li>✓ Define indicators to monitor progress.</li> </ul>
Measuring Performance and Outcomes	<ul style="list-style-type: none"> <li>✓ Define performance indicators</li> <li>✓ Define systems/mechanisms that would be established to produce these indicators. (Note: The indicative full set of performance indicators and measurement methodology can be found in Template 3)</li> </ul>
Governance Management and	<ul style="list-style-type: none"> <li>✓ Provide the details of participating institutions, industry partners in SPV Board proposed by AIP/Industry Consortium.</li> <li>✓ Management Team: Provide details of SPV Management proposed with proposed organogram.</li> <li>✓ Hub and Spoke Relationship: Provide detailing on relationship of Hub ITI and Spoke ITI</li> </ul>
Sustainability and Scalability	<ul style="list-style-type: none"> <li>✓ Detail out sustainability plans including both institutional and financial sustainability. (Explain how financial sustainability can be improved through income generation, both during and beyond the duration of the PM-SETU scheme. Detail how the SPV intends to ensure long- term impact.)</li> </ul>
Stakeholder Engagement and Communication	<ul style="list-style-type: none"> <li>✓ Detail out stakeholder engagement, communications strategy.</li> </ul>

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Section</b>	<b>Instruction</b>
Risk and Mitigation Strategies	<ul style="list-style-type: none"> <li>✓ Detail out key risks (internal and external) for implementation</li> <li>✓ Provide mitigation strategies for each identified risk.</li> </ul>

*Wherever the term “template, Annexure” appears in this Section 6 , please refer to the PM-SETU Scheme Component 1 Guidelines given in the Appendix for detailed guidance.*

## **Section- 7: Proposal Submission Forms**

### **Form Tech -1: Letter comprising the Technical Proposal**

*(To be submitted on the Bidder’s Letterhead)*

**To:**

*[Name of the Authority]*

*[Address]*

**Sub:** Bid for Upgradation of Industrial Training Institutes (ITIs) under PM-SETU for Cluster: **[Name of Cluster]**, State/UT: **[Name of State]**

**Date:** \_\_\_\_\_

**Dear Sir/Madam,**

- 1) With reference to your RFP (including all Addenda, Amendments, and Corrigenda issued), I/We, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the above-mentioned Cluster. The proposal is unconditional and unqualified.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- 2) I/We certify that all information provided in this Bid and the supporting documents is true, correct, and complete. I/We acknowledge that the Authority will rely on this information for evaluating and qualifying us as a Bidder.
- 3) I/We hereby declare that this proposal is being submitted:

as a **Sole Bidder**, OR

as a **Consortium**, comprising the following Members:

Member Name	Role	Participation (%)

- 4) Where applicable, the **Lead Member** has been authorized by all Consortium Members, and the Consortium Agreement and Power(s) of Attorney are enclosed in accordance with the RFP.
- 5) I/We confirm that we meet all eligibility and qualification requirements specified in the RFP. I/We further certify that during the last three years, neither we nor our Associates have failed to perform any contract, been expelled from any project, nor had any contract terminated for breach.
- 6) I/We declare that we do not have any conflict of interest and have not engaged in any corrupt, fraudulent, coercive, undesirable, or restrictive practices. We further certify that neither we, our Associates, nor our Key Personnel are under investigation, charge-sheeted, or convicted for any offence relating to security, integrity, or moral turpitude.
- 7) I/We acknowledge the right of the Authority to cancel the bidding process or reject our Bid at any time without assigning any reason, and I/We irrevocably waive any right to challenge such decisions.
- 8) If declared as the Selected Bidder, I/We agree to:
  - (a) incorporate a **Section 8 Company (SPV)** prior to execution of the License Agreement; and
  - (b) execute the License Agreement in the form provided in the RFP (including any amendments issued), without seeking deviations.
- 9) I/We confirm that our Net Worth is positive for the financial year immediately preceding the Bid Due Date, in accordance with the RFP.
- 10) I/We have furnished the Bid Security in the amount and form specified in the RFP/Datasheet.
- 11) This Bid shall remain valid for the period specified in the RFP/Data Sheet (as amended from time to time), or such extended period as may be requested by the Authority and accepted by us in writing.

The Statement of Legal Capacity, Power of Attorney/Authorization (including Consortium/Lead Member authorization, where applicable), and all supporting technical documents have been submitted/uploaded in accordance with the RFP.

**In witness whereof**, I/We submit this Bid under and in accordance with the terms and conditions of the RFP.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

**Yours faithfully,**

(Signature, name and designation of the Authorized Signatory)  
Name and seal of Bidder

For and on behalf of  
**[Name of Lead Member]**  
**as Lead Member of the Consortium**  
(acting on behalf of all Consortium Members)  
  
(Seal)

**Form Tech-2 : Details of the Bidder**

*(To be printed on the letterhead of the Bidder / Lead Member of Consortium)*

<b>Sl. No.</b>	<b>Particulars</b>	<b>Details to be Furnished</b>
<b>1</b>	<b>Name of the Bidder</b>	_____
<b>2</b>	<b>Eligible Applicant Type</b>	<input type="checkbox"/> Industry Partner (including PSU) <input type="checkbox"/> Industry Association <input type="checkbox"/> Consortium <input type="checkbox"/> Industry-led Foundation (CSR / Philanthropy arm) <input type="checkbox"/> Industry-promoted Academic / Training Institution
<b>3</b>	<b>In case of Consortium, name of the Lead Bidder</b>	_____
<b>4</b>	<b>Legal Status of the Bidder</b>	<input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Partnership (LLP) <input type="checkbox"/> Private Limited Company <input type="checkbox"/> Public Limited Company <input type="checkbox"/> Section 8 Company <input type="checkbox"/> Registered Society <input type="checkbox"/> Registered Trust <input type="checkbox"/> Public Sector Undertaking <input type="checkbox"/> Others (please specify): _____

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>5</b>	<b>Registered Address of the Bidder</b>	_____
<b>6</b>	<b>Year of Incorporation / Registration No. / CIN / LLPIN (as applicable)</b>	_____
<b>7</b>	<b>PAN Number</b>	_____
<b>8</b>	<b>GSTIN</b>	_____
<b>9</b>	<b>Authorized Signatory Details</b>	Name: _____ Contact No.: _____ Email ID: _____ Official Address: _____
<b>10</b>	<b>Bar / Blacklisting Status</b>	(i) Has the Bidder been barred by any Central / State Government or PSU? YES / NO (ii) If yes, does the bar subsist as on the date of Bid? YES / NO
<b>11</b>	<b>Past Contract Performance</b>	Has the Bidder paid liquidated damages exceeding 5% of contract value or been penalized in the last three years? YES / NO If yes, attach details on separate sheets.

**Declaration**

We hereby declare that the information furnished above is true and correct to the best of our knowledge and belief. If any discrepancy is found at any stage, our Proposal may be rejected, and we shall be liable for any consequences as per applicable laws.

Signature of Authorized Signatory

Name & Designation:

Duly authorized to sign bid for and on behalf of:

[Sole Bidder / Lead Member of consortium, Address, Seal]

**Form Tech-3 : Declaration Regarding Conflict of Interest**

**Date:** [Insert Date]

**RFP Reference No:** [Insert RFP Number]

**To,**

Subject: Declaration regarding Conflict of Interest activities for the Anchor Industrial Partner (AIP) for the Cluster .....of State/UT under the PM-SETU scheme component-1.

Dear Sir/Madam,

In accordance with the requirements of the RFP, we hereby provide our declaration regarding Conflict of Interest:

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

1. We hereby declare that our firm, including our associates and group firms, have not indulged in any such activities which can be termed as conflicting activities as defined in the RFP.
2. We confirm that neither our firm nor our proposed Key Experts have any business or family relationship with any official of the Authority who is directly or indirectly involved in any part of:
  - (i) the preparation of the Terms of Reference for the assignment,
  - (ii) the selection process for this contract, or
  - (iii) the supervision of the resulting contract.
3. We acknowledge that in case of any misrepresentation of information or discovery of a Conflict of Interest at a later stage, our proposal shall be liable to be rejected or terminated by the Authority, and such decision shall be binding on us.

Yours faithfully,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Company Seal:

**Form Tech-4:Self-Certification of Eligibility and Non-Blacklisting**

Location

Date

To,

Subject: Self-Certification regarding Eligibility and Non-Blacklisting Status

Dear Sir/Madam,

We, [Full Name of Bidder], a [Company/Firm/Consortium] registered under the [Insert Act, e.g., Companies Act 2013], having our registered office at [Registered Address], do hereby solemnly affirm and declare the following:

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

1. **Registration & Operation:** We are a registered entity under the relevant Acts and are duly registered with the Goods and Services Tax (GST) Authorities. We have been in continuous operation for the last five years.
2. **Current Eligibility (GFR 2017):** As of the date of this proposal, we are not blacklisted or debarred by any agency of the Central Government, State Government, or any other regulatory authority in India. We are in full compliance with Rule 151 of the General Financial Rules (GFR), 2017 and the guidelines issued by the Department of Expenditure vide OM No. F.1/20/2018-PPD dated 02.11.2021.
3. **Portal Eligibility:** We certify that [Name of Bidder] is currently eligible to participate in bids on the GeM / e-procurement portal and is not under any active disqualification, suspension, or "Red Interest" flagging.
4. **Disclosure of Past Debarment (Strike out if not applicable):** We declare that a prior debarment/suspension was issued against the firm by [Authority Name] which concluded on [Date of Expiry]. As per Para 14 of the MoF OM dated 02.11.2021, this debarment stands automatically revoked upon the expiry of the specified period. Since the conclusion of the said period, no further orders of debarment have been issued against us.
5. **Integrity Undertaking:** We understand that if any information provided above is found to be false, or if material facts regarding our eligibility are suppressed, the Authority may place our agency on the negative list/blacklist without prejudice to any other civil/criminal action, including the forfeiture of the Earnest Money Deposit (EMD) and Performance Guarantee.

Yours faithfully,

Authorized Signature (full name and initials):

Name and Title of Signatory:

Name of Firm:

Address:

**Form Tech-5 : Certification of Turnover /Financial Capability**

*(On the letterhead of the Chartered Accountant)*

**Date:** \_\_\_\_\_

**To:**

**Subject:** Certification of Financial Capability

We have examined the books of accounts and other relevant records of *(Name of Bidder and address.)*Based on such examination and according to the information and explanations provided to us, and to the best of our knowledge and belief, we hereby certify that the annual turnover and net worth for the following financial years are as detailed below:

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Financial Year</b>	<b>Turnover (Rs.) in lakhs</b>	<b>Net Worth (Rs.in lakhs)</b>
2022-23		
2023-24		
2024-25		

The above figures have been computed in accordance with the definition of Net Worth provided in Section 4 of this RFP, applicable accounting standards, and are consistent with the audited financial statements of the Bidder.

**Chartered Accountant Details:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Membership Number: \_\_\_\_\_

Date: \_\_\_\_\_

Company Seal: \_\_\_\_\_

Business Address: \_\_\_\_\_

UDIN :

*Note: This certificate shall be submitted by lead member of the Consortium.*

**Form Tech-6: Power of Attorney for Signing of Bid**

*(On Non-Judicial Stamp Paper of appropriate value)*

Know all men by these presents,

We, *[Name of the Firm and Address of the Registered Office]*, do hereby irrevocably constitute, nominate, appoint, and authorize Mr./Ms. *[Name]*, son/daughter/wife of *[Name]*, residing at *[Address]*, presently employed with us and holding the position of *[Designation]*, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf all such acts, deeds, and things as are necessary or required in connection with or incidental to submission of our Bid in response to the RFP titled "Upgradation of Industrial Training Institutes (ITIs) under the PM-SETU for Cluster: *[Name of ITIs ]*", including but not limited to:

1. Signing and submission of all applications, bids, and other documents and writings;
2. Participating in Bidders' and other conferences and providing information/responses.
3. Representing us in all matters relating to the Bid;

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- 4. Signing and execution of all contracts, undertakings, and agreements consequent to acceptance of our Bid; and
- 5. Generally dealing with all matters in connection with or relating to or arising out of our Bid for the said Project and/or upon award thereof to us and/or until entering into the contract.

AND we hereby agree to ratify and confirm all acts, deeds, and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney..

IN WITNESS WHEREOF, we, *[Name of the bidder]*, the above-named Principal, have executed this Power of Attorney on this *[Date]*.

For *[Name of the bidder]*  
(Signature, Name, Designation, and Address of Principal)

Witnesses:

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

Accepted by:  
(Signature, Name, Designation, and Address of the Attorney)

Notarized

- Notes:i. The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s), and when required, under the common seal affixed in accordance with the required procedure.
- ii. Wherever required, the Bidder should submit for verification the extract of charter documents, board/shareholders resolution, or a Power of Attorney in favor of the person executing this Power of Attorney, authorizing delegation of power hereunder.

**Form Tech 6A: Power of Attorney for Lead Member of Consortium**

Whereas the \_\_\_\_\_ (the “Authority”) has invited applications from interested parties for the for the selection of an Anchor Industry Partner to upgrade, operate, and manage a Cluster of Industrial Training Institutes under a Hub-and-Spoke Cluster model through a Special Purpose Vehicle to be formed with the Government. on PPP Basis (the “Project”).

Whereas, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (collectively the “Consortium”) being Members of the Consortium are interested in bidding for the Project in accordance with the terms and conditions of the Request for Proposal (RFP) and other connected documents in respect of the Project, and

Whereas, it is necessary for the Members of the Consortium to designate one of them as the Lead Member with all necessary power and authority to do for and on behalf of the Consortium, all acts, deeds and things as may be necessary in connection with the Consortium’s Bid for the Project and its execution.

NOW THEREFORE KNOW ALL MEN BY THESE PRESENTS

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

We, M/s. ....having our registered office at....., M/s. ....having our registered office at....., and M/s. ....having our registered office at ..... (hereinafter collectively referred to as the “Principals”) do hereby irrevocably designate, nominate, constitute, appoint and authorise M/s. ....having its registered office at.....,being one of the Members of the Consortium, as the Lead Member and true and lawful attorney of the Consortium (hereinafter referred to as the “Attorney”). We hereby irrevocably authorise the Attorney (with power to sub-delegate) to conduct all business for and on behalf of the Consortium and any one of us during the bidding process and, in the event the Consortium is awarded the Contract, during the execution of the Project and in this regard, to do on our behalf and on behalf of the Consortium, all or any of such acts, deeds or things as are necessary or required or incidental to the Qualification of the Consortium and submission of its Bid for the Project, including but not limited to signing and submission of all applications, bids and other documents and writings, accept the Letter of Award, participate in Bidders’ and other conferences, respond to queries, submit information/ documents, sign and execute contracts and undertakings consequent to acceptance of the Bid of the Consortium and generally to represent the Consortium in all its dealings with the Authority, and/ or any other Government Agency or any person, in all matters in connection with or relating to or arising out of the Consortium’s Bid for the Project and/ or upon award thereof till the Concession Agreement is entered into with the Authority.

AND; hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by our said Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by our said Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us/ Consortium.

IN WITNESS WHEREOF WE THE PRINCIPALS ABOVE NAMED HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS ..... DAY OF .....2026.

For, .....

(Signature)

.....

(Name & Title)

For, .....

(Signature)

.....

(Name & Title)

For, .....

(Signature)

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

.....

(Name & Title)

Witnesses:

1.

2.

.....

(Executants)

(To be executed by all the Members of the Consortium)

Notes:

- *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the Applicable Law/Applicable Permit and the charter documents of the executant(s) and when it is so required the same should be under common seal affixed in accordance with the required procedure. The Power of Attorney should be executed on a non-judicial stamp paper of INR 500 (Indian Rupees Five Hundred) paid to the state of \_\_\_\_\_ a and duly notarized by a notary public.*
- *Also, wherever required, the Bidder should submit for verification the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the Bidder.*

**Form Tech -7 : CA Certificate for Number of Employees**

TO WHOMSOEVER IT MAY CONCERN

We have verified the payroll records, Employee Provident Fund (EPF) filings, and other relevant documents of *[Insert Bidder Name]*, having its registered office at *[Insert Bidder Address]*.

Based on our examination, we hereby certify that as of *[Insert Date usually the last day of the month preceding the bid date]*:

1. The total number of employees on the direct payroll of the company is *[Insert Number]*.
2. These employees are exclusive of any outsourced, third-party, or contractual labor.
3. The company is in compliance with statutory EPF contributions for the certified number of employees.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

UDIN: [Insert 18-digit UDIN Number here]

Place: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_

*(Name and Seal of the Chartered Accountant/Statutory Auditor)*

Membership No: \_\_\_\_\_

**Form Tech-8 : Strategic Investment Plan (SIP) Submission Format**

<b>Details of Hub-Spoke ITI Clusters</b>	
<b>Contact Name, Title, Tel, Email of bidder/Industries</b>	AIP or AIP lead consortium

#	Section
1.	Introduction
2.	Vision, Mission, and Strategic Objectives
3.	New and Revised Courses Proposed Based on Demand and Gap Analysis <ul style="list-style-type: none"> <li>- Long-term (CTS, Diploma),</li> <li>- Industry-certified programs</li> <li>- Other demand-driven and innovative programs</li> </ul>
4.	Proposed Industry and Employer Linkages

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

5.	Innovation Proposed in Training Program, and Pedagogy
6.	Capacity Building Plan for ITI Leadership and Instructors
7.	Infrastructure Modernization and Development Plan (including digital infrastructure)
8.	Gender Equity and Social Inclusion Strategy
9.	Monitoring, Evaluation, and Performance Measurement Framework
10.	Governance Structure and Management Framework
11.	Strategy for Financial Sustainability and Scalable impact
12.	Stakeholder consultation, Engagement and Communications strategy
13.	Risk Identification, Assessment, and Mitigation Plan

**Summary Form of Strategic Investment Plan (SIP)**

**1. Executive Summary** – Overview of the cluster (Hub-and-Spokes, locations, key industry sector focus), vision and goals of upgradation, summary of investment required and expected outcomes.

**2. Cluster Profile** – Baseline data for Hub and each Spoke: year established, courses/trades, current capacity and enrolment, pass and placement rates, staff strength, infrastructure facilities available, notable partnerships or achievements. Include socio-economic context of the area (industries present, skill gaps).

**3. Needs Assessment & Gap Analysis** – Identified gaps in infrastructure, training quality, industry relevance, etc., through diagnostic studies or stakeholder consultations. For instance, list of equipment that is outdated or trades with obsolete curriculum, etc., and the improvements needed.

**4. Upgradation Plan** – Detailed plan with sub-components:

- (i) *Infrastructure Development*: Civil works (new buildings, renovations) with specifications (e.g., construct new workshop of 500 sqm, renovate 10 classrooms, etc.), site readiness issues, and implementation timelines.
- (ii) *Equipment & Technology*: Trade-wise list of machinery, tools, IT hardware to be procured; quantity, estimated cost, and justification (e.g., CNC lathe – 2 units – to train 30 machinists/year).
- (iii) *Curriculum and Courses*: List of new courses to introduce (with duration, target annual intake), existing courses to be phased out or revised, modular structure adoption plan, alignment with NSQF/NCrF levels.
- (iv) *Faculty and HR*: Recruitment plan for new instructors or staff (numbers, profiles), training plan for existing faculty (areas/topics of ToT), any management staffing for SPV (CEO, admin, M&E officer, etc.).
- (v) *Digital Integration*: Plan for implementing LOMS and digital classrooms – internet connectivity arrangements, hardware procurement for IT labs, digital content creation if any by the cluster.
- (vi) *Industry Partnerships*: Roles and contributions of Anchor and other industry partners – e.g., internships for X students/year at ABC Corp, industry expert lectures schedule, equipment donation commitment, etc.
- (vii) *Outreach & Mobilization*: Strategy for student mobilization (awareness campaigns, counselling workshops), focus on increasing female enrolment or other target groups.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

(viii) *Sustainability Measures*: How the cluster will generate revenue or manage costs post-scheme.

**5. Implementation Timeline** – Gantt chart or phased timeline showing sequence of key activities: SPV setup, procurement milestones, civil works start/finish, course launch dates, etc. Identify critical path items.

**6. Institutional Arrangements** – Details of SPV (promoters, proposed Board composition), coordination with state department, roles of key officials, any capacity building needed for implementation.

**7. Cost Estimates** – Detailed budget tables: Breakup by component (civil works, equipment, training, admin, etc.) and by year.

Cost assumptions for each item (e.g., unit costs).

Contingency provision (if any, say 5-10%).

Summary of total cost for cluster.

**8. Financing Plan** – Sources of funds aligned to costs: central share, state share, industry share, any other (CSR, etc.). Indicate when each source will be injected (e.g., State ₹X crore in Year1, ₹Y in Year2, etc.). Ensuring this matches cost- sharing ratios.

**9. Expected Outcomes & KPI Targets** – Table of key performance indicators with baseline value, annual targets, and final target (for end of project).

**10. Risk Assessment & Mitigation** – Identify major risks (e.g., delay in civil works due to monsoon, difficulty in finding qualified trainers, industry contribution shortfall)and mitigation strategies.

**11. Approval and Endorsements** – Section for signatures of preparation team (AIP lead, ITI principals, etc.), endorsement by State department or SSC before forwarding to NSC.

*(This template will guide clusters in preparing comprehensive and standardized SIPs. Actual SIPs may include additional annexes like detailed equipment specs, architectural drawings, etc., as needed.)*

**Form Tech -9 A : SIP Implementation & Evaluation Matrix**

*Bidders should refer to the instructions in Section 4 Part B while preparing these details.*

Sl. No		Parameter (as per evaluation framework)	Bidder's to submit detailed Proposal w.r.t. each parameter
A		<b>Operational Plan &amp; Strategy</b>	
	Inclusivity (SC/ST & other groups)	Targeted mobilization, counselling, retention, and support measures to improve participation and outcomes for underserved communities.	

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Sl. No		Parameter (as per evaluation framework)	Bidder's to submit detailed Proposal w.r.t. each parameter
	Female Enrolment	Roadmap for increasing female enrolment via infrastructure, trade diversification, safety measures, flexible delivery models, scholarships.	
B	<b>Curriculum Strategy — Diversity &amp; Innovation</b>		
	Course Redesign	Enhancement of existing courses with industry-validated modules, updated curricula, NSQF alignment.	
	New-Age Areas	Phased implementation of programs in IR 4.0, Green Energy, Digital Skills, EV, Advanced Manufacturing; lab setup and faculty readiness.	
	Non-ITI Courses	Portfolio of short-term certifications, work-based diplomas, executive programs catering to local industry needs.	
	Pedagogical Innovation	Integration of AR/VR, simulations, digital platforms, and blended learning into teaching-learning processes.	
C	<b>Infrastructure &amp; Facility Management</b>		
	Capex & Upgradation Plan	Blueprint for civil works, workshop modernization, lab development, plus preventive/corrective maintenance strategy.	
	Equipment Fungibility	Design laboratories/machinery to be multi-trade compatible, modular, future-ready for optimal utilization and technology upgrades.	
D	<b>Industry Engagement &amp; In-house Absorption</b>		
	Partnership Strategy	Confirmed/proposed MoUs for Dual System of Training, OJT, apprenticeships, and curriculum co-development.	
	In-house Absorption	Commitment on number/proportion of graduates absorbed by Anchor Industry Partner, vendors, or supply-chain	

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Sl. No		Parameter (as per evaluation framework)	Bidder's to submit detailed Proposal w.r.t. each parameter
		partners.	
E		<b>HR Plan</b>	
	Proposed SPV CEO & Managers	Submission of detailed CVs of the proposed SPV CEO and Key Managers. The SPV CEO shall demonstrate leadership experience in large-scale skilling initiatives, PPP/SPV-based projects, or industrial operations, including scale of operations managed and outcomes achieved. Other Managers shall demonstrate relevant functional or domain experience appropriate to their proposed role, with evidence of successful execution in similar assignments.	
	Trainer Capacity Building	Structured training/upskilling calendar for existing ITI trainers addressing gaps in pedagogy, digital tools, emerging technologies; include certifications and industry exposure.	
	Master Trainers & Experts	Strategy for sourcing, onboarding, and retaining industry veterans, Master Trainers, Academic Deans, or Subject Matter Experts for specialized domains.	
	Vacancy Management	Mechanism for rapid deployment of qualified contractual staff to ensure zero instructional disruption until permanent staff appointment by State.	
F		<b>Employment Outcomes</b>	
	Placement Strategy	Year-on-year quantifiable targets for increasing placement rates over current baseline; include sector-wise demand analysis.	
	Apprenticeships	Specific industry tie-ups under NAPS/NATS; indicative number of	

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Sl. No		Parameter (as per evaluation framework)	Bidder's to submit detailed Proposal w.r.t. each parameter
		apprenticeship opportunities.	
	Salary Growth	Linkage between proposed training interventions and improved entry-level wage outcomes vs historical data.	
	Overseas Mobility	International placement pathways: partnerships with overseas employers, recruitment agencies, language/cultural training.	
G		<b>Sustainability Plan</b>	
	Revenue Generation Model	Plan to develop ITI as Production Centre / Service Hub offering fee-based courses, industry services, or manufacturing activities.	

**Bidder Declaration**

We confirm that the above proposal has been prepared in line with SIP requirements and reflects our strategy and commitment to achieving the proposed outcomes.

Yours faithfully,

Authorized Signature [In full and initials]: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Name of Firm: \_\_\_\_\_

Address: \_\_\_\_\_

Company

Seal:

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**  
**Form Tech 9B: Five-Year Investment Plan Budget for ITI Consortium**

Particulars	Investment Activity	Five-Year Target										Expected Outputs	Potential Direct Beneficiaries (with estimated numbers)	Total Investment Required (₹)	
		Year 1 2025-26		Year 2 2026-27		Year 3 2027-28		Year 4 2028-29		Year 5 2029-30					
		CAPE X	OPE X	CAPE X	OPE X	CAPE X	OPE X	CAPE X	OPE X	CAPE X	OPE X				
<b>A. Operational Plan &amp; Strategy</b>	Inclusivity (SC/ST & other groups)														
	Female Enrolment														
<b>B. Curriculum Strategy — Diversity &amp; Innovation</b>	Course Redesign														
	New-Age Areas														
	Non-ITI Courses														
	Pedagogical Innovation														

### Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

Particulars	Investment Activity	Five-Year Target										Expected	Potential Direct	Total Investment
<b>*C. Infrastructure &amp; Facility Management</b>	Capex & Upgradation Plan													
	Equipment Fungibility													
<b>D. Industry Engagement &amp; In-house Absorption</b>	Partnership Strategy													
	In-house Absorption													
<b>E. HR Plan</b>	Proposed SPV CEO & Managers													
	Trainer Capacity Building													
	Master Trainers & Experts													
<b>F. Employment Outcomes</b>	Placement Strategy													
	Apprenticeships													

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Particulars	Investment Activity	Five-Year Target										Expected	Potential Direct	Total Investme	
	Salary Growth														
	Overseas Mobility														
<b>G. Sustainability Plan</b>	Revenue Generation Model														
<b>Total</b>															

*\*Costs already accounted for in other activities shall not be included in this activity*

*Note: While preparing the above budget, the Bidder shall include its own contribution, but the Bidder should not show its own contribution/share separately this budget, as the same shall be captured as the quote in the Financial Proposal FIN 1.*

Particulars	Year 1 :2025-26	Year 2: 2026-27	Year 3: 2027-28	Year 4: 2028-29	Year 5:2029-30
	<b>TOTAL OPEX</b>				
<b>TOTAL CAPEX</b>					
<b>TOTAL</b>					

## Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

### Form Fin 1: Details of Source of funding for Five Years Investment

Activities	Investment Activity	Five-Year Target					Total Investment Required (₹)	Sources of Funding (Share in Amount)		
		Year 1 2025-26	Year 2 2026-27	Year 3 2027-28	Year 4 2028-29	Year 5 2029-30		Central	State	AIP
<b>A. Operational Plan &amp; Strategy</b>	Inclusivity (SC/ST & other groups)									
	Female Enrolment									
<b>B. Curriculum Strategy — Diversity &amp; Innovation</b>	Course Redesign									
	New-Age Areas									
	Non-ITI Courses									
	Pedagogical Innovation									
<b>C. Infrastructure &amp; Facility Management</b>	Capex & Upgradation Plan									
	Equipment Fungibility									
<b>D. Industry Engagement &amp;</b>	Partnership Strategy									

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

<b>Activities</b>	<b>Investment Activity</b>	<b>Five-Year Target</b>					<b>Total Investment</b>	<b>Sources of Funding (Share in Amount)</b>		
<b>In-house Absorption</b>	In-house Absorption									
<b>E. HR Plan</b>	Proposed SPV CEO & Managers									
	Trainer Capacity Building									
	Master Trainers & Experts									
	Vacancy Management									
<b>F. Employment Outcomes</b>	Placement Strategy									
	Apprenticeships									
	Salary Growth									
	Overseas Mobility									
<b>G. Sustainability Plan</b>	Revenue Generation Model									
<b>Total Amount</b>										

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme  
FORM FIN-2: Financial Proposal: Industrial Share Percentage**

*(To be submitted on the Letterhead of the Bidder / Lead Member of Consortium)*

**RFP Title:** Upgradation of ITIs under the PM-SETU for the Cluster: *[Insert Cluster Name]*

**A. Bidder's Financial Commitment (Its Share)**

Sl. No.	Description	% Against Five-Year Investment Plan Budget
1	Share committed by the Bidder (as % of Total Project Cost)	_____ %

**B. Declaration**

1. We confirm that the Industry Share quoted above is firm and binding for the duration of the Bid Validity period as specified in the RFP.
2. We understand that this percentage represents our mandatory financial contribution towards the project, to be channelled through the Section 8 Company (SPV).
3. We confirm that this bid is compliant with the PM-SETU Scheme Guidelines and all subsequent Corrigenda.
4. In the event of being selected, we undertake to provide the necessary bank guarantees/performance security based on this committed value.

Authorized Signatory

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Designation: \_\_\_\_\_ Date: \_\_\_\_\_

Seal: \_\_\_\_\_

In case of Consortium: This form shall be signed by the Lead Member, and the commitment shall be jointly and severally binding on all members.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

**Section 8**

**Annexures**

**Annexure -I: Submission of Pre-Proposal Queries**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**  
*[On the Letterhead of the Bidder]*

Date: / /20\_\_

To,

**Subject:** Submission of Pre-Proposal Queries – RFP for *[Title of Assignment]*

Sir/Madam,

We, the undersigned, refer to the Request for Proposal (RFP) dated [insert date], issued by [Authority name] for "*[Title of Assignment]*".

In accordance with the provisions of the RFP, we hereby submit our queries/clarifications for your kind consideration. The queries have been consolidated in the prescribed format below.

We request you to kindly provide clarification/confirmation on the same. This will enable us to submit a comprehensive and well-aligned proposal in line with the requirements of the RFP.

We thank you for the opportunity to participate in this process and look forward to your response.

S. No.	RFP Section / Clause No.	Page No.	Existing Provision in the RFP	Query / Clarification Sought	Suggested Modification (if any)

Yours faithfully,

(Authorized Signatory)  
[Name & Designation]  
[Bidder Firm Name]  
[Contact Details]

**Annexure2 : Declaration on Consortium (if applicable)**  
*(To be submitted on the Letterhead of the Lead Member)*

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

Date: \_\_\_\_\_

RFP Reference No.: \_\_\_\_\_

**To**

**Subject: Declaration regarding Consortium for the proposal for [Name of Assignment]**

Dear Sir/Madam,

We, the undersigned Members of the Consortium, hereby submit our proposal for the above-mentioned assignment in response to RFP No. \_\_\_\_\_ dated \_\_\_\_\_.

We hereby declare and confirm the following:

**1. Constitution of the Consortium**

We have formed a Consortium solely for the purpose of submitting this proposal and, if awarded, for executing the Contract for the Project. The Members are:

- **Lead Member:** [Name], incorporated under the laws of [Country], having its registered office at [Address].
- **Member 2:** [Name], incorporated under the laws of [Country], having its registered office at [Address].
- **Member 3 (if applicable):** [Name], incorporated under the laws of [Country], having its registered office at [Address].

**2. Lead Member Authorization**

We hereby designate [Name of Lead Member] as the Lead Member and authorize it to act on behalf of all Members in all matters relating to this proposal and the Contract, including:

- a) signing and submitting all documents;
- b) receiving and responding to communications;
- c) making representations, undertakings, and commitments; and
- d) assuming obligations relating to the satisfactory execution of the Contract.

**3. Roles and Responsibilities**

<b>Sr. No.</b>	<b>Member Name</b>	<b>Role</b>	<b>Key Responsibilities</b>
1	Lead Member		
2	Member		
3	Member		

**4. Joint and Several Liability**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

We acknowledge and agree that all Members of the Consortium shall be **jointly and severally liable** to the Authority for the full and satisfactory performance of the Contract in accordance with its terms.

This liability shall not be limited by any internal arrangements among the Members. The composition of the Consortium shall not be altered, nor shall it be dissolved, without the prior written consent of the Authority until successful completion of the Project.

**5. Acceptance of Terms**

We confirm that we have carefully read and understood the RFP and all provisions relating to Consortiums. We understand that any misrepresentation or breach of this Declaration may result in rejection of our proposal, termination of the Contract, and forfeiture of applicable guarantees.

**Declaration**

We submit this Declaration as a true statement of our intent, commitment, and capability to execute the Project in accordance with the RFP.

**For and on behalf of the Members of the Consortium**

**Authorized Signatory — Lead Member**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Seal & Address: \_\_\_\_\_

**Authorized Signatory — Member(s)**

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Seal & Address: \_\_\_\_\_

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**  
(To be executed on Stamp paper of appropriate value)

THIS JOINT BIDDING AGREEMENT is entered into on this the ..... day of ..... 2026

AMONGST

1. ...., a company incorporated under the Companies Act, 1956/ 2013 and having its registered office at ..... (hereinafter referred to as the **“First Part”** which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

2. ...., a company incorporated under the Companies Act, 1956/ 2013 and having its registered office at ..... (hereinafter referred to as the **“Second Part”** which expression shall, unless repugnant to the context include its successors and permitted assigns)

AND

3. {....., a company incorporated under the Companies Act, 1956/ 2013 and having its registered office at ..... (hereinafter referred to as the **“Third Part”** which expression shall, unless repugnant to the context include its successors and permitted assigns)}

The above mentioned parties of the FIRST, SECOND and {THIRD} PART are collectively referred to as the **“Parties”** and each is individually referred to as a **“Party”**

WHEREAS,

- a. **[Insert name of the Authority]**, under the aegis of [insert name of the Department], represented by its **[insert name of the Authority]** and having its principal offices at **[insert address of the Authority]** (hereinafter referred to as the **“Authority”** which expression shall, unless repugnant to the context or meaning thereof, include its administrators, successors and assigns) has invited applications (the **“Bids”**) by its Request for Proposal No. .... dated ..... (the **“RFP”**) for Qualification of Bidders for **on PPP Basis** (the **“Project”**) through public private partnership.
- b. The Parties are interested in jointly bidding for the Project as Members of a Consortium and in accordance with the terms and conditions of the RFP document and other Bid documents in respect of the Project, and
- c. It is a necessary condition under the RFP document that the Members of the Consortium shall enter into a Joint Bidding Agreement and furnish a copy thereof with the Bid.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**  
**NOW IT IS HEREBY AGREED as follows:**

**1. Definitions and Interpretations**

In this Agreement, the capitalized terms shall, unless the context otherwise requires, have the meaning ascribed thereto under the RFP.

**2. Consortium**

- I. The Parties do hereby irrevocably constitute a consortium (the “**Consortium**”) for the purposes of jointly participating in the Bidding Process for the Project.
- II. The Parties hereby undertake to participate in the Bidding Process only through this Consortium and not individually and/ or through any other consortium constituted for this Project, either directly or indirectly or through any of their Associates.

**3. Covenants**

The Parties hereby undertake that in the event the Consortium is declared the Selected Bidder and awarded the Project, it shall incorporate a special purpose vehicle (the “**SPV**”) under the Indian Companies Act, 2013 for entering into a Contract with the Authority and for performing all its obligations as the Concessionaire in terms of the Contract for the Project.

**4. Role of the Parties**

The Parties hereby undertake to perform the roles and responsibilities as described below:

- a. Party of the First Part shall be the Lead member of the Consortium and shall have the power of attorney from all Parties for conducting all business for and on behalf of the Consortium during the Bidding Process and until the execution of Contract when all the obligations of the SPV shall become effective;
- b. Party of the Second Part shall be {the Financial Member of the Consortium}; and
- c. Party of the Third Part shall be the {Technical Member of the Consortium/ Operation and Maintenance Member/ Other Member of the Consortium}.

**5. Joint and Several Liability**

The Parties do hereby undertake to be jointly and severally responsible for all obligations and liabilities relating to the Project and in accordance with the terms of the RFP, and the Contract, till such time as the satisfactory performance of the Contract in accordance with its terms.

**6. Shareholding in the SPV**

- I. The Parties agree that the proportion of shareholding among the Parties in the SPV shall be as follows:

First Party:

Second Party:

Third Party:

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

- II. The Parties undertake that they shall collectively hold at least 51% (fifty one per cent) of the subscribed and paid up equity share capital of the SPV at all times during the Contract Period.
- III. The Parties undertake that they shall comply with all equity lock-in requirements set forth in the Contract.

**7. Representation of the Parties**

Each Party represents to the other Parties as of the date of this Agreement that:

- a. Such Party is duly organized, validly existing and in good standing under the laws of its incorporation and has all requisite power and authority to enter into this Agreement;
- b. The execution, delivery and performance by such Party of this Agreement has been authorized by all necessary and appropriate corporate or governmental action and a copy of the extract of the charter documents and board resolution/ power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member is annexed to this Agreement, and will not, to the best of its knowledge:
  - i require any consent or approval not already obtained;
  - ii violate any Applicable Law/Applicable Permit presently in effect and having applicability to it;
  - iii violate the memorandum and articles of association, by-laws or other applicable organizational documents thereof;
  - iv violate any clearance, permit, concession, grant, license or other governmental authorization, approval, judgment, order or decree or any mortgage agreement, indenture or any other instrument to which such Party is a party or by which such Party or any of its properties or assets are bound or that is otherwise applicable to such Party; or
  - v create or impose any liens, mortgages, pledges, claims, security interests, charges or encumbrances or obligations to create a lien, charge, pledge, security interest, encumbrances or mortgage in or on the property of such Party, except for encumbrances that would not, individually or in the aggregate, have a material adverse effect on the financial condition or prospects or business of such Party so as to prevent such Party from fulfilling its obligations under this Agreement;
  - vi this Agreement is the legal and binding obligation of such Party, enforceable in accordance with its terms against it; and
  - vii there is no litigation pending or, to the best of such Party's knowledge, threatened to which it or any of its Associates is a party that presently affects or which would have a material adverse effect on the financial condition or prospects or business of such Party in the fulfillment of its obligations under this Agreement.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

**8. Termination**

This Agreement shall be effective from the date hereof and shall continue in full force during the Contract Period in case the Project is awarded to the Consortium. However, in case the Consortium is either not pre-qualified for the Project or does not get selected for award of the Project, the Agreement will stand terminated in case the Bidder is not pre-qualified or upon return of the Bid Security by the Authority to the Bidder, as the case may be.

**9. Miscellaneous**

- I. This Joint Bidding Agreement shall be governed by laws of India.
- II. The Parties acknowledge and accept that this Agreement shall not be amended by the Parties without the prior written consent of the Authority.

IN WITNESS WHEREOF THE PARTIES ABOVE NAMED HAVE EXECUTED AND DELIVERED THIS AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

SIGNED, SEALED AND DELIVERED		SIGNED, SEALED AND DELIVERED	
For and on behalf of			
LEAD MEMBER by:		SECOND PART	
	(Signature)		(Signature)
	(Name)		(Name)
	(Designation)		(Designation )
	(Address)		(Address)
SIGNED, SEALED AND DELIVERED			
For and on behalf of			
THIRD PART			
	(Signature)		
	(Name)		
	(Designation)		
	(Address)		
In the presence of:			
1.		2.	

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

--	--	--	--

**Notes:**

- *The mode of the execution of the Joint Bidding Agreement should be in accordance with the procedure, if any, laid down by the Applicable Law/Applicable Permit and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure.*
- *Each Joint Bidding Agreement should attach a copy of the extract of the charter documents and documents such as resolution / power of attorney in favour of the person executing this Agreement for the delegation of power and authority to execute this Agreement on behalf of the Consortium Member.*
- *For a Joint Bidding Agreement executed and issued overseas, the document shall be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney has been executed.*

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**Annexure3 : Bank Guarantee Format for Performance Security**

*(The Bank Guarantee shall be on a Stamp Paper of appropriate value )*

Ref Bank Guarantee No.....

Date.....

To

Whereas M/s.....with its Registered/ Head Office at..... (name and address of the Bidder, hereinafter called “the Bidder”, which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) has undertaken, in pursuance of contract no ..... date..... to delivery ..... (description of Services) (hereinafter called “the contract”).

And Whereas you (unless repugnant to the context or meaning thereof, including your successors, administrators, executors and assigns) have stipulated in the said contract that the Bidder shall furnish you with a bank guarantee by a Commercial bank for the sum specified therein as security for compliance with its obligations as per the contract;

And Whereas we ..... with our Head Office at..... (name and address of the Bank, hereinafter referred to as the ‘Bank’, which expression shall, unless repugnant to the context or meaning thereof, include its successors, administrators, executors and assigns) have agreed to give the Bidder such a bank guarantee.

Now, Therefore, we hereby affirm that we are guarantors and responsible to you, on behalf of the Bidder, up to a total of .....(amount of the guarantee in words and figures), and we undertake to pay you, upon your first written demand declaring the Bidder to be in default under the contract and without cavil or argument, any sum or sums within the limits of (amount of guarantee) as aforesaid, without your needing to prove or to show grounds or reasons for your demand or the sum specified therein, notwithstanding any difference between you and the Bidder or any dispute pending before any Court, Tribunal, Arbitrator or any other authority.

We hereby waive the necessity of your demanding the said debt from the Bidder before presenting us with the demand.

The Bank undertakes not to revoke this guarantee during its currency without your previous consent and further agrees that the guarantee herein contained shall continue to be enforceable till you discharge this guarantee. This guarantee will not be discharged due to a change in the constitution of the Bank or the Bidder’s.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

We further agree that no change or addition to or other modification of the terms of the contract to be performed thereunder or of any of the contract documents which may be made between you and the Bidder shall in any way release us from any liability under this guarantee, and we hereby waive notice of any such change, addition, or modification.

This guarantee shall be valid until the .....day of .....20.....

Our.....branch at.....\*(Name & Address of the .....\*(branch) is liable to pay the guaranteed amount depending on the filing of a claim and any part thereof under this Bank Guarantee only and only if you serve upon us at our .....\* branch a written claim or demand and received by us at our .....\* branch on or before Dt..... otherwise, the bank shall be discharged of all liabilities under this guarantee after that.

(Signature of the authorized officer of the Bank)

.....  
.....

Name and designation of the officer

.....

Seal, name & address of the Bank and address of the Branch

\*Preferably at the authority's headquarters competent to sanction the expenditure for procurement of goods/services or at the concerned district headquarters or the state headquarters.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

**Annexure4 : Integrity Pact**

*{On Non-Judicial Stamp Paper of appropriate value}*

Between *[Mention RFP inviting Authority]* hereinafter referred Authority and

M/s \_\_\_\_\_, a company/ firm/ individual (status of the company), PSU/Partnership/ and having its registered office at represented by Shri \_\_\_\_\_, hereinafter referred to as “The Bidder”

**Preamble**

The Authority intends to award, under laid down organization procedures, contract for Selection of a Anchor Industrial Partner (AIP) for the Cluster .....of State/UT under the PM-SETU. The Authority values full compliance with all relevant laws and regulations, and the principles of economic use of resources, and of fairness and transparency in its relations with the Bidder/s and Contractor/s.

In order to achieve these goals, the Authority and the above-named Bidder enter into this agreement called ‘Integrity Pact’ which will form an integral part of the bid.

It is hereby agreed by and between the parties as under:

**Section I – Commitments of Authority**

1. The Authority commits itself to take all measures necessary to prevent corruption and to observe the following principles:
  - a) The Authority undertakes that no official of the Authority connected directly or indirectly with the contract, will demand, take a promise for or accept, directly or through intermediaries, any bribe, consideration, gift, reward, favour or any material or immaterial benefit or any other advantage from the Bidder, either for themselves or for any person, organization or third party related to the contract in exchange for an advantage in the bidding process, bid evaluation, contracting or implementation process related to the contract.
  - b) The Authority will, during the pre-contract stage, treat all Bidders alike, and will provide to all Bidders the same information and will not provide any such information to any particular Bidder which could afford an advantage to that particular Bidder in comparison to other Bidder and could obtain an advantage in relation to the tender process or the contract execution.
  - c) The Authority will exclude from evaluation of Bids its such employee(s) who has any personal interest in the Companies/Bidders participating in the Bidding process.
2. If the Authority obtains information on the conduct of any of its employees with full and verifiable facts and the same is prima facie found to be correct which is a criminal offence under the Indian Penal Code / Prevention of Corruption Act, or if there be a

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

substantive suspicion in this regard, the matter will be informed to its Chief Vigilance Officer and in addition can initiate disciplinary actions.

**Section II – Commitments of the Bidder**

1. The Bidder commits himself to take all measures necessary to prevent corruption. He commits himself to observe the following principles during his participation in the tender process and during the contract execution:
  - a) The Bidder will not, directly or through any other person or firm, offer, promise or give to the Authority, or to any of the Authority's employees involved in the tender process or the execution of the contract or to any third person any material or other benefit which he/she is not legally entitled to, in order to obtain in exchange an advantage during the tender process or the execution of the contract.
  - b) The Bidder shall not enter into any agreement/ arrangement/ understanding/ action in concert, whether or not the same is formal or in writing with other Bidders. This applies in particular to agreements pertaining to prices, territorial or geographical allocations of market, specifications, certifications, subsidiary contracts, submission or non –submission of bids, bid rigging or other actions restricting competitiveness or leading to cartelization in the bidding process or amounting to any other violation under the Competition Laws for the time being in force.
  - c) The Bidder will not commit any criminal offence under the relevant Anti-corruption Laws of India; further, the Bidder will not use for illegitimate purposes or for purposes of restrictive competition or personal gain, or pass on to others, any information provided by the Authority part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
  - d) Bidders will not pass any information provided by the Authority as part of business relationship to others and not to commit any offence under PC/IPC Act.
  - e) The Bidder of foreign origin shall disclose the name and address of the Agents/representatives in India, if any, involved directly or indirectly in the Bidding. Similarly, the Bidder of Indian Nationality shall furnish the name and address of the foreign principals, if any involved directly or indirectly in the Bidding.
  - f) The Bidder will, when presenting his bid, disclose any and all payments he has made, or committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract and/or with the execution of the contract.
  - g) The Bidder will not misrepresent facts or furnish false/forged documents/information in order to influence the bidding process or the execution of the contract to the detriment of the Authority.
- (2) The Bidder will not instigate third persons to commit offences outlined above or be an accessory to such offences.

**Section III- Disqualification from tender process and exclusion from future contract**

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

(1) If the Bidder, before contract award, has committed a serious transgression through a violation of Section II or in any other form such as to put his reliability or credibility as Bidder into question, the Authority may disqualify the Bidder from the tender process or terminate the contract, if already signed, for such reason.

(2) If the Bidder has committed a serious transgression through a violation of Section II such as to put his reliability or credibility into question, the Authority may after following due procedures also exclude the Bidder from future contract award processes. The imposition and duration of the exclusion will be determined by severity of the transgression. The severity will be determined by the circumstances of the case, in particular the number of transgressions, the position of the transgressors within the company hierarchy of the Bidder and the amount of the damage. The exclusion will be imposed for a minimum of 12 months and maximum of 36 months.

(3) If the Bidder can prove that he has restored/recouped the damage caused by him and has installed a suitable corruption prevention system, the Authority may revoke the exclusion prematurely. However, decision of the Authority in this regard shall be final and binding on the Bidder.

**Section IV – Liability for violation of Integrity Pact**

(1) If the Authority has disqualified the Bidder from the tender process prior to the award under Section III, the Authority may forfeit the applicable Bid Security/ Earnest Money Deposit Under the Bid.

(2) If the Authority has terminated the contract under Section III, the Authority may forfeit the Contract Performance Security of this contract besides resorting to other remedies under the contract.

**Section V- Previous Transgression**

(1) The Bidder shall declare in his Bid that no previous transgressions occurred in the last 3 year with any other Public Sector Undertaking or Government Department that could justify his exclusion from the tender process.

(2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the tender process of the contract, if already awarded, can be terminated for such reason.

**Section VI – Equal treatment to all Bidder**

(1) The Authority will enter into agreements with identical conditions as this one with all Bidders.

(2) The Authority will disqualify from the tender process any Bidder who does not sign this Pact or violate its provisions.

**Section VII – Punitive Action against violating Bidders**

If the Authority obtains knowledge of conduct of a Bidder or an employee or a representative or an associate of a Bidder which constitutes corruption, or if the Authority

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

has substantive suspicion in this regard, the Authority will inform the Chief Vigilance Officer (CVO). Nothing mentioned here in above may deem to restrict the right of the Authority, in case of a suspected violation of Section II, Clause (1) (b) by the Bidders to initiate necessary action under the Competitions Laws for the time being in force.

**Section VIII – Independent External Monitor/Monitors**

(1) The Authority has appointed a panel of Independent External Monitors (IEMs) for this Pact with the approval of Central Vigilance Commission (CVC), Government of India.

(2) The IEM is to review independently and objectively, whether and to what extend the parties comply with the obligations under this agreement. He has right of access to all project documentation. The IEM may examine any complaint received by him and submit a report to the Authority, at the earliest. He may also submit a report directly to the CVO and the CVC, in case of suspicion of serious irregularities attracting the provisions of the PC Act. However, for ensuring the desired transparency and objectivity in dealing with the complaints arising out of any tendering process, the matter shall be referred to the full panel of IEMs, who would examine the records, conduct the investigations and submit report to the Authority, giving joint findings.

(3) The IEMs are not subject to instructions by the representatives of the parties and perform their functions neutrally and independently.

(4) The Bidder(s) accepts that the IEM has the right to access without restriction to all documentation related to this contract including that provided by the Bidder. The Bidder will also grant the IEM, upon his request and demonstration of a valid interest, unrestricted and unconditional access to his documentation. The IEM is under contractual obligation to treat the information and documents of the Bidder(s) with confidentiality.

(5) The Authority will provide to the IEM information as sought by him which could have an impact on the contractual relations between the Authority and the Bidder related to this contract.

(6) As soon as the IEM notices, or believes to notice, a violation of this agreement, he will so inform the Authority and request the Authority to discontinue or take corrective action, or to take other relevant action. The IEM can in this regard submit non-binding recommendations. Beyond this, the IEM has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action. However, the IEM shall give an opportunity to the Authority and the Bidder, as deemed fit, to present its case before making its recommendations to the Authority.

(7) The IEM will submit a written report to the Authority within 8 to 10 weeks from the date of reference or intimation to him by the Authority and, should the occasion arise, submit proposals for correcting problematic situations.

(8) If the IEM has reported to the Authority a substantiated suspicion of an offence under relevant Anti-Corruption Laws of India, and the Authority has not, within the reasonable

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

time taken visible action to proceed against such offence or reported it to the CVO, the Monitor may also transmit this information directly to the CVC, Government of India.

(9) The word 'IEM' would include both singular and plural.

(10) A Bidder signing the IP shall not approach the Courts while representing the matters to IEMs and he will await till their decision in the matter.

**Section IX – Pact Duration**

This Pact begins when both parties have legally signed it. It expires for the Contractor after the closure of the contract and for all other Bidder's six month after the contract has been awarded.

**Section X – Other Provisions**

(1) This agreement is subject to Indian Law. Place of performance and jurisdiction is the establishment of the Authority.

(2) Changes and supplements as well as termination notices need to be made in writing.

(3) Nothing in this agreement shall affect the rights of the parties available under the condition which are part of the Bidding Document.

(4) View expressed or suggestions/submissions made by the parties and the recommendations of the CVO/IEM# in respect of the violation of this agreement, shall not be relied on or introduced as evidence in the arbitral or judicial proceedings (arising out of the arbitral proceedings) by the parties in connection with the disputes/differences arising out of the subject contract.

# CVO shall be applicable for packages wherein IEM are not identified in the bidding document IEM shall be applicable for packages wherein IEM are identified in the bidding document.

(5) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.

On behalf of Bidder

**SIGNATURE OF BIDDER**

Name: Designation:

Witness 1: Signature: Name: Designation:

Witness 2: Signature: Name: Designation: -

**Note**

1. The authority of the Authority competent to sign the contract agreement shall sign this Annexure before uploading the proposal . The Bidder shall download this pre-signed document, affix their signatures along with those of the witnesses, and upload the signed document. Failure to submit the Integrity Pact, duly signed and witnessed, along with the proposal , may result in rejection of the proposal.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

2. In the case of a /Consortium, each member shall sign the Integrity Pact and submit it with the proposal . All authorized signatories of the Consortium members may either sign a single document jointly or sign separate documents. Failure to submit the Integrity Pact, as prescribed, duly signed and witnessed, along with the Bid, may result in rejection of the proposal.

**Annexure5: Details of Past Debarment & Restoration of Eligibility**

*(To be submitted on bidder's letter head)*

Date: [Insert Date]

RFP Reference No: [Insert RFP Number]

To,

Subject: Disclosure of past debarment details and current eligibility status for the Anchor Industrial Partner (AIP) for the Cluster .....of State/UT under the PM-SETU Scheme for ITI Upgradation.

Dear Sir/Madam,

In accordance with the requirements of the RFP and in the interest of full transparency, we, [Name of your Consulting Firm], hereby provide the following details regarding a past debarment and our subsequent restoration of eligibility:

S. No	Item Description	Details
1	Issuing Authority	[Name of the Department/Organization that issued the order]
2	Reason for Order	[Briefly state the reason, e.g., Administrative Delay / Project Termination]
3	Period of Debarment	From: [Start Date] To: [End Date]
4	Current Status	Eligibility Restored / Debarment Period Expired
5	Restoration Proof	[Reference to Order No. / Completion of Period]

Declaration of Current Eligibility:

1. We hereby declare that as of the date of submission of this proposal, the period of debarment mentioned above has successfully expired.
2. We confirm that there are no active debarment or blacklisting orders against our firm by any Central/State Government, PSU, or Multilateral Agency as of the bid submission deadline.
3. Our firm is fully eligible to participate in this tender as per the criteria defined in the RFP.
4. We have correctly marked our status as "Is Not Currently Blacklisted" in Form 5B (Self-Certification) based on our active status.

We understand that any misrepresentation of facts regarding our current status may lead to the rejection of our bid or termination of the contract.

Yours faithfully,

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

*(Signature of Authorized Signatory)*

Name: Designation: Company Seal:

## **Section 9**

## **Appendix**

## Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

### Appendix-1

No.F.1/20/2018-PPD  
Government of India  
Department of Expenditure  
Ministry of Finance  
Procurement Policy Division

169-A, North Block, New Delhi,  
2<sup>nd</sup> November, 2021.

#### OFFICE MEMORANDUM

**Subject: Guidelines on Debarment of firms from Bidding**

Attention is drawn towards Rule 151 of General Financial Rules (GFRs), 2017 regarding 'Debarment from Bidding' which is reproduced as under:

*(i) A bidder shall be debarred if he has been convicted of an offence—*

- (a) under the Prevention of Corruption Act, 1988; or*
- (b) the Indian Penal Code or any other law for the time being in force, for causing any loss of life or property or causing a threat to public health as part of execution of a public procurement contract.*

*(ii) A bidder debarred under sub-section (i) or any successor of the bidder shall not be eligible to participate in a procurement process of any procuring entity for a period not exceeding three years commencing from the date of debarment. Department of Commerce (DGS&D) will maintain such list which will also be displayed on the website of DGS&D as well as Central Public Procurement Portal.*

*(iii) A procuring entity may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity. The Ministry/ Department will maintain such list which will also be displayed on their website.*


*(iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment.*

2. This department has received a reference from Department of Commerce with a proposal that the task of universal banning of firms as per Rule 151 (ii) of GFRs as above may be undertaken by Department of Expenditure or should be decentralized to individual line Ministries/ Departments as DGS&D had been wind up on 31.10.2017. Central Public Procurement Portal (CPPP) or the Department of Expenditure can then maintain a master data of all such banned firms and it can be made available in public domain.

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

3 In context of above, all issues regarding debarment have been reviewed in consultations with major procuring Ministries/ Departments and it is decided to issue attached 'Debarment Guidelines' in suppression to all earlier instructions on this subject.

4. This issues with the approval of Finance Secretary.

  
2.11.21  
(Sanjay Aggarwal)  
Advisor/ Procurement Policy Division  
Email: sanjay.aggarwal68@nic.in  
Tel: 23093224

To,

Secretaries, All Central Ministries/ Departments.

Secretary/ Department of Public Enterprises with a request to circulate these instructions to all Central Public Sector Undertakings (CPSUs).

## Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

### Annexure

#### Guidelines on Debarment of firms from Bidding

1. The Guidelines are classified under following two types:
  - (i) In cases where debarment is proposed to be limited to a single Ministry, the appropriate Orders can be issued by that Ministry itself, thereby banning all its business dealing with the debarred firm.
  - (ii) Where it is proposed to extend the debarment beyond the jurisdiction of the particular Ministry i.e. covering to all central Ministries/ Departments, the requisite Orders shall be issued by Department of Expenditure (DoE), Ministry of Finance (MoF).

#### Definitions

2. **Firm:** The term 'firm' or 'bidder' has the same meaning for the purpose of these Guidelines, which includes an individual or person, a company, a cooperative society, a Hindu undivided family and an association or body of persons, whether incorporated or not, engaged in trade or business.
3. **Allied firm:** All concerns which come within the sphere of effective influence of the debarred firms shall be treated as allied firms. In determining this, the following factors may be taken into consideration:
  - a. Whether the management is common;
  - b. Majority interest in the management is held by the partners or directors of banned/ suspended firm;
  - c. Substantial or majority shares are owned by the banned/ suspended firm and by virtue of this it has a controlling voice.
  - d. Directly or indirectly controls, or is controlled by or is under common control with another bidder.
  - e. All successor firms will also be considered as allied firms.
4. The terms "banning of firm", 'suspension', 'Black-Listing' etc. convey the same meaning as of "Debarment".

#### Debarment by a Single Ministry/ Department

5. Orders for Debarment of a firm(s) shall be passed by a Ministry/ Department/ organizations, keeping in view of the following:
  - a. A bidder or any of its successors may be debarred from participating in any procurement process for a period not exceeding two years.
  - b. Firms will be debarred if it is determined that the bidder has breached the code of integrity as per Rule 175 of GFRs 2017.

## Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

- c. A bidder can also be debarred for any actions or omissions by the bidder other than violation of code of integrity, which in the opinion of the Ministry/ Department, warrants debarment, for the reasons like supply of sub-standard material, non-supply of material, abandonment of works, sub-standard quality of works, failure to abide "Bid Securing Declaration" etc.
  - d. It shall **not** be circulated to other Ministries/ Departments. It will only be applicable to all the attached/ subordinate offices, Autonomous bodies, Central Public Sector Undertakings (CPSUs) etc. of the Ministry/ Department issuing the debarment Order.
  - e. The concerned Ministry/ Department before issuing the debarment order against a firm must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm).
  - f. Secretary of Ministry/Department may nominate an officer at the rank of Joint Secretary/Additional Secretary as competent authority to debar the firms.
  - g. Ministry/ Department that issued the order of debarment can also issue an Order for revocation of debarment before the period of debarment is over, if there is adequate justification for the same. Ordinarily, the revocation of the Order before expiry of debarred period should be done with the approval of Secretary concerned of Ministry/Department.
  - h. The Ministry/Department will maintain list of debarred firms, which will also be displayed on its website.
  - i. Debarment is an executive function and should not be allocated to Vigilance Department.
6. Code of Integrity as contained in Rule 175 of the GFRs is reproduced as under:

*No official of a procuring entity or a bidder shall act in contravention of the codes which includes*

*(i) prohibition of*

- (a) making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.*
- (b) any omission or misrepresentation that may mislead or attempt to mislead so that financial or other benefit may be obtained or an obligation avoided.*
- (c) any collusion, bid rigging or anticompetitive behavior that may impair the transparency, fairness and the progress of the procurement process.*
- (d) improper use of information provided by the procuring entity to the bidder with an intent to gain unfair advantage in the procurement process or for personal gain.*
- (e) any financial or business transactions between the bidder and any official of the procuring entity related to tender or execution process of contract; which can affect the decision of the procuring entity directly or indirectly.*
- (f) any coercion or any threat to impair or harm, directly or indirectly, any party or its property to influence the procurement process.*
- (g) obstruction of any investigation or auditing of a procurement process.*

## Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme

*(h) making false declaration or providing false information for participation in a tender process or to secure a contract;*

*(ii) disclosure of conflict of interest.*

*(iii) Disclosure by the bidder of any previous transgressions made in respect of the provisions of sub-clause (i) with any entity in any country during the last three years or of being debarred by any other procuring entity.*

7. It is possible that the firm may be debarred concurrently by more than one Ministry/ Department.

8. Ministries/ Departments at their option may also delegate powers to to debar bidders to their CPSUs, Attached Offices/ Autonomous Bodies etc. In such cases, broad principles for debarment in para 5 as above are to be kept in mind. Debarment by such bodies like CPSUs etc. shall be applicable only for the procurements made by such bodies.

9. Similarly, Government e-Marketplace (GeM) can also debar bidders upto two years on its portal.

10. In case of debarments under para 8 as above, revocation the debarment orders before expiry of debarred period should be done only with the approval of Chief Executive Officer of concerned CPSUs etc.

### **Debarment across All Ministries/ Departments**

11. Where a Ministry/ Department is of the view that business dealings with a particular firm should be banned across all the Ministries/ Departments by debarring the firm from taking part in any bidding procedure floated by the Central Government Ministries/ Departments, the Ministry/ Department concerned, should after obtaining the approval of the Secretary concerned, forward to DoE a self-contained note setting out all the facts of the case and the justification for the proposed debarment, along with all the relevant papers and documents. DoE will issue the necessary orders after satisfying itself that proposed debarment across all the Ministries/ Departments is in accordance with Rule 151 of GFRs, 2017. This scrutiny is intended to ensure uniformity of treatment in all cases.

12. The firm will remain in suspension mode (i.e. debarred) during the interim period till the final decision taken by DoE, only in the Ministry/ Department forwarding such proposal.

13. Ministry/ Department before forwarding the proposal to DoE must ensure that reasonable opportunity has been given to the concerned firm to represent against such debarment (including personal hearing, if requested by firm). If DoE realizes that

## **Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in Cluster-5 under Component-I of the PM-SETU Scheme**

sufficient opportunity has not be given to the firm to represent against the debarment, such debarment requests received from Ministries/ Departments shall be rejected.

14. DoE can also give additional opportunity, at their option, to firm to represent against proposed debarment. DoE can also take suo-moto action to debar the firms in certain circumstances

15. No contract of any kind whatsoever shall be placed on the debarred firm, including its allied firms by any Ministries/ Departments/ Attached/Subordinate offices of the Government of India including autonomous body, CPSUs etc. after the issue of a debarment order.

16. DoE will maintain list of such debarred firms, which will be displayed on Central Public Procurement Portal.

### **Revocation of Orders**

14. An order for debarment passed shall be deemed to have been automatically revoked on the expiry of that specified period and it will not be necessary to issue a specific formal order of revocation.

15. A debarment order may be revoked before the expiry of the Order, by the competent authority, if it is of the opinion that the disability already suffered is adequate in the circumstances of the case or for any other reason.

### **Other Provisions (common to both types of debarment)**

16. No contract of any kind whatsoever shall be placed to debarred firm including its allied firms after the issue of a debarment order by the Ministry/ Department. Bids from only such firms shall be considered for placement of contract, which are neither debarred on the date of opening of tender (first bid, normally called as technical bid, in case of two packet/two stage bidding) nor debarred on the date of contract. Even in the cases of risk purchase, no contract should be placed on such debarred firms.

17. If case, any debar firms has submitted the bid, the same will be ignored. In case such firm is lowest (L-1), next lowest firm shall be considered as L-1. Bid security submitted by such debarred firms shall be returned to them.

18. Contracts concluded before the issue of the debarment order shall, not be affected by the debarment Orders.

19. The Debarment shall be automatically extended to all its allied firms. In case of joint venture/ consortium is debarred all partners will also stand debarred for the period specified in Debarment Order. The names of partners should be clearly specified in the "Debarment Order".

**Request For Proposal (RFP) to invite Industry Partners for upgradation of ITIs in  
Cluster-5 under Component-I of the PM-SETU Scheme**

**Appendix-2**

**PM-SETU-Guidelines-Component-I-Upgradation-of-ITIs  
Scheme Guidelines**

# PM SETU

## PRADHAN MANTRI SKILLING AND EMPLOYABILITY TRANSFORMATION THROUGH UPGRADED ITIs



## Guidelines

### Component I

Upgradation of Industrial Training Institutes



# PM SETU

## PRADHAN MANTRI SKILLING AND EMPLOYABILITY TRANSFORMATION THROUGH UPGRADED ITIs

### **Guidelines for Component I**

Upgradation of Industrial Training Institutes

SEPTEMBER 2025

# Table of Contents

1. Introduction .....	5
2. Scheme Objectives and Scope .....	5
3. Implementation Framework.....	7
3.1. Eligibility criteria for Government ITIs.....	7
3.2 Eligibility of Entities to Participate as an Anchor Industry Partner under the scheme .....	7
3.3 Roll-out Plan for the Scheme .....	7
3.4. SPV structure .....	8
3.5 Responsibilities of SPV:.....	10
3.6 Initial Share Capital .....	11
3.7 Board of Directors.....	11
3.8 Appointment and Responsibilities of the CEO and Management .....	13
3.9 Delegated Matters.....	14
3.10 Reserved Matters.....	14
3.11 Term and Termination.....	15
3.12 Human Resources .....	16
4. Financial Design .....	17
4.1 Financial Outlay and Financing Structure.....	17
4.2 Fund flow .....	19
4.3 Financial Controls.....	22
5. Framework for Curriculum Design .....	23
6. Scheme Monitoring and Governance .....	36
<b>Annexures</b>	
I. Strategic Investment Plan (SIP) Template .....	42
II. Evaluation Criteria.....	54
III. Share Holding Agreement Sheet.....	59
IV. License Agreement Term Sheet.....	76
V. Indicative ITI Clusters of States/UT .....	91
VI. Indicative Timelines.....	91
VII. KPI.....	93

# 1. Introduction

---

The Ministry of Skill Development and Entrepreneurship (MSDE), established in 2014, has been entrusted with coordinating all skill development initiatives across the country. Its mandate includes bridging the gap between the demand and supply of skilled manpower, strengthening the vocational and technical training ecosystem, and fostering skill upgradation, innovation, and future-readiness—addressing both current and emerging job opportunities. These efforts are supported by its key institutional arms: the Directorate General of Training (DGT), National Council for Vocational Education and Training (NCVET), National Skill Development Corporation (NSDC), and National Skill Development Fund (NSDF). The DGT implements the Craftsmen Training Scheme (CTS) through a nationwide network of Industrial Training Institutes (ITIs). At present, 169 trades aligned with the National Skill Qualification Framework (NSQF) are offered under the CTS.

The PM- SETU is a Centrally Sponsored Scheme launched to strengthen India's vocational training ecosystem at an unprecedented scale. It emerges from the Government's Budget 2024–25 announcement regarding the upgradation of ITIs and National Institutes for the training of trainers. The Budget for 2025–26 expanded this vision to establish five National Centers of Excellence (NCOEs) for skilling with global partnerships. The scheme's total outlay is ₹60,000 crore (Central share ₹30,000 crore; State share ₹20,000 crore; and Industry share ₹10,000 crore) over a five-year period. The scheme's objective is to upgrade 1,000 Government ITIs as aspirational skilling institutions and five (5) National Skill Training Institutes (NSTIs) as NCOE, in line with the goal of a "Viksit Bharat" (Developed India) by 2047. The scheme directly responds to these imperatives by reimagining ITIs as "government-owned, industry-managed" aspirational institutes that deliver demand-driven training and employment outcomes.

The scheme is structured in two components: Component I – Upgradation of 1,000 ITIs in Hub-and-Spoke clusters, and Component II – Capacity Augmentation of five (5) NSTIs and the setting up of five NCOEs therein. The scheme has co-financing to the extent of 50% of Central share by the Asian Development Bank and the World Bank, equally, as Result-Based loan.

This document focuses on the first component of the scheme i.e. Upgradation of ITIs. These Guidelines are to be considered a "living document." They may be revised and updated from time to time to incorporate emerging learnings from implementation, including measures to enhance ease of execution and address any operational bottlenecks encountered during rollout.

## 2. Scheme Objectives and Scope

---

**Objectives:** The scheme's objective is to upgrade and reimagine ITIs through industry-led governance into state-of-the-art skilling institutions that produce highly employable youth aligned with industry needs. The salient features include:

- a. One thousand (1,000) Government ITIs (200 as hub ITIs and 800 as spoke ITIs) to be upgraded in a Hub-and-Spoke arrangement. A Hub ITI will have, on average, four (4)

Spoke ITIs, with all upgraded ITIs equipped with state-of-the-art infrastructure, machinery, and equipment.

- b. For upgradation of ITIs in Hub-and-Spoke arrangements, the institutional structure of a Special Purpose Vehicle (SPV) shall be established by bringing in a credible Anchor Industry Partner (AIP), along with other industry partners if required, to manage the Hub-and-Spoke cluster/s and deliver agreed outcome-based training and employment outcomes.
- c. Introduction of new courses based on jobs/occupations and competencies required in the identified sector/industry segment, with flexibility in duration and pedagogy.
- d. Redesign of existing courses to align with industry needs and improve employability. High-demand traditional courses to be revamped with upgraded curricula and modern technology.
- e. On an average, four (4) new courses would be introduced and ten (10) existing courses would be upgraded at the Hub ITIs. On average, two (2) new courses would be introduced and eight (8) existing courses would be upgraded in Spoke ITIs.
- f. Flexibility to introduce courses related to the service sector, multi-skill courses, and livelihood promotion (where industry presence is low).
- g. Other than the National Trade Certificate (NTC), which is the current course certification for ITI pass-outs, the options may include long-term courses (Diplomas), short-term courses (3-6 months), and Executive Education Programs for Graduates and working professionals, leveraging the presence of advanced machinery and equipment and trainers at Hub ITIs.
- h. Specialized short-term courses for both ITI and non-ITI (Engineering, Diploma, working professionals) candidates.
- i. Facility for Training of Trainers (ToT) at the Hub ITI.
- j. Enhancement of student services, including those related to placement services and linkages to industries, counselling, remedial classes for addressing gaps in foundational learning, extra-curricular activities, life skills training, apprenticeships, and On-the-Job training, etc. in the Hub-and-Spoke cluster.
- k. Hubs may offer services like production centres, incubation centres, and maker spaces, for which the ITI can charge fees as determined by them for ensuring financial sustainability.
- l. Developing a digital interface and Learning Outcome Management System (LOMS) for mapping the entire network of Hub-and-Spoke ITI clusters, real time data capture, digital learning avenues including artificial and virtual reality (AR/VR) capabilities, simulation, and linkages with the national datasets and Skill India Digital Hub (SIDH).
- m. A human resource plan for managing the implementation of the upgradation plan for both Hub and Spoke ITIs, including a managerial layer, trainers and administrative staff, and adoption of better HR practices, leading to improved training outcomes.
- n. Mini-Hubs for North-East and Hilly region: To allow implementation of ITI upgradation in Hub-and-Spoke arrangements in North-Eastern and Hilly States, the indicative definition of Hubs and Spokes may be relaxed.

## 3. Implementation Framework

---

This section outlines the Implementation Plan for the Hub-and-Spoke Model under the ITI upgradation scheme.

**Implementation Phasing:** To manage the scale and complexity, the scheme will adopt a phased rollout. The first phase will cover around 20–25 Hub-and-Spoke clusters (100–125 ITIs) to validate the SPV model and implementation framework. Learnings from the pilot will inform course corrections before scaling to all targeted ITIs.

### 3.1 Eligibility criteria for Government ITIs

The selection criteria for ITI selection would be decided by States/Union Territories (UTs) in consultation with the industries, ensuring alignment with emerging skill needs, local industrial potential, and collaborative ownership by both States and industry stakeholders.

### 3.2 Eligibility of Entities to Participate as an Anchor Industry Partner under the scheme

- Industry partners (credible companies or manufacturers with established operations in India), including Public Sector Undertakings
- Industry associations or consortia
- Industry-led foundations (CSR/philanthropy arms of corporates)
- Academic institutions promoted/operated by industry (e.g., corporate universities, sectoral skilling institutions)

**Note:**

- a) Entities debarred by any government agency will not be eligible to participate under the scheme.

#### 3.2.1 Minimum Eligibility Criteria for Industry Participation

States/UTs through their Steering Committees (composition detailed in section 6) will have the flexibility to fix appropriate eligibility criteria, such as turnover and number of employees, at the Expression of Interest (EOI) or Request for Proposal (RFP) stage, based on their local context and industrial landscape. However, while determining such criteria, the State should ensure the participation of credible industry partners as Anchor Industry Partners (AIPs) and prevent 'small-time operators' from entering the scheme.

### 3.3 Roll-out Plan for the Scheme

#### Step 1: Finalizing RFP and Bid Evaluation Framework

States/UTs will:

- Finalize pre-qualification, technical, and financial criteria based on consultations and feedback during the EOI stage.
- Float the RFP inviting industry partners to submit proposals (Strategic Investment Plan (SIP)).

## Step 2: Evaluation of Proposal

The evaluation will follow:

1. Pre-qualification of bidders based on basic eligibility.
2. Technical evaluation of SIPs submitted by pre-qualified bidders in relation to their HR plan, employment outcomes, operational strategy, curriculum innovation, infrastructure, industry linkages, and sustainability (criteria and weights are provided in Annexure 2).
3. Financial evaluation as detailed in Annexure 2.

## Step 3: SPV Formation

### Scenario A: Qualifying Proposals Received

1. State evaluates technical and financial aspects and forwards top-ranked SIPs to the National Steering Committee (NSC).
2. NSC assesses alignment with scheme objectives and approves proposals.
3. Post-approval, an Industry-led SPV (Section 8 Company) is formed, with government and AIP nominating representatives to the SPV board. If an AIP is managing multiple clusters, it may form a common SPV.

### Scenario B: No Qualifying Proposals

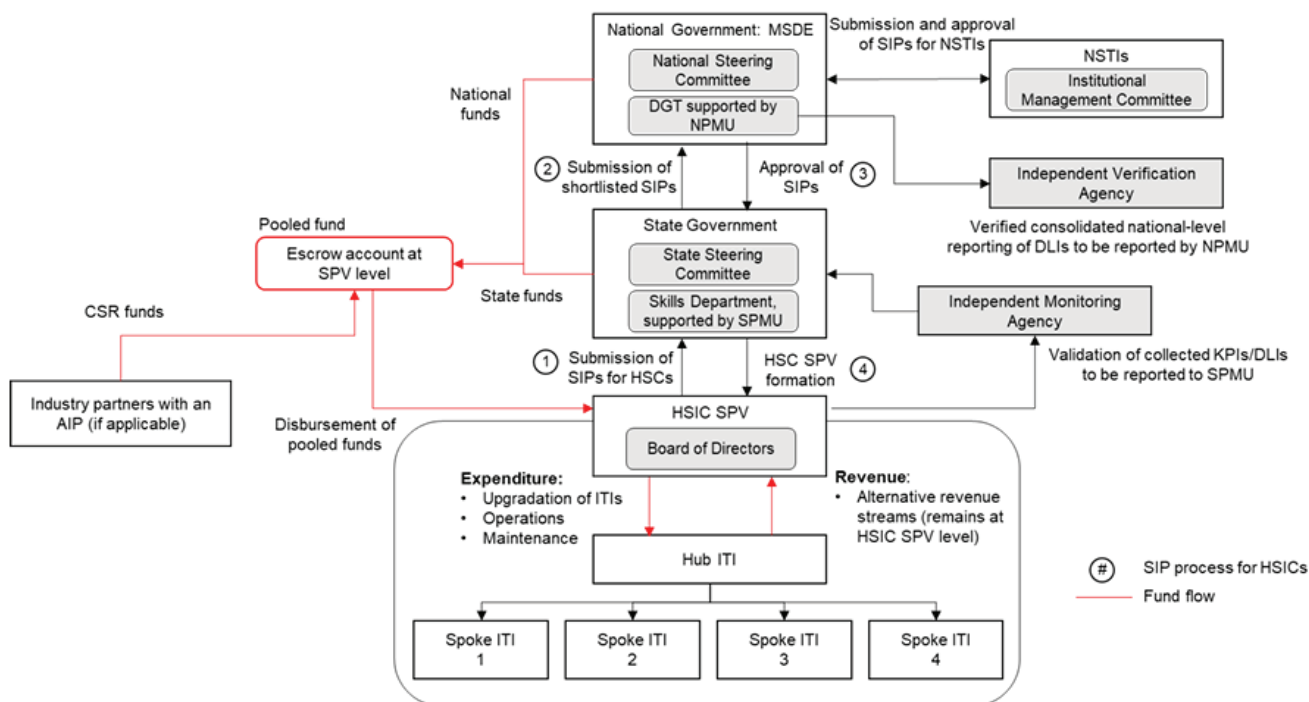
1. States may revise evaluation/qualification criteria, and re-float the RFP, or
2. State may propose a State-led, industry-supported SPV for NSC's consideration, or
3. State may drop the cluster.

## 3.4 SPV structure

### A. Industry-led SPV Structure

In the industry-led model, a tripartite agreement (Shareholder Agreement and License Agreement) shall be executed among the Government of India, State Government, and AIP for the upgradation, management, and operation of the ITIs. The 51% shareholding in the identified cluster-level SPV will remain with the AIP, and the remaining 49% will be equally shared by the Central and State Governments. The SPV will retain full autonomy over course offerings (e.g., introduction of new programs, curriculum and pedagogy design), trainer management (e.g., recruitment, training), financial operations (e.g., expenditure, revenue generation), as well as administration and infrastructure improvement. The State will ensure that there are no undue challenges to the SPV exercising their autonomy and may introduce relevant guidelines and regulations, if required.

The structure of the industry-led model is illustrated below:



The SPV shall be responsible for the upgradation (physical infrastructure and equipping), operation (training according to NCVET and DGT norms), management (human resources and physical and non-physical assets), and maintenance of the identified Hub-and-Spoke cluster/s.

The shareholders of the SPV will sign a Shareholders' Agreement (SHA) that will record the rights and obligations of the AIP, the Central Government, and the State Government in the SPV. The SHA Term Sheet is provided in Annexure 3.

The SPV will sign a License Agreement (LA) with the State and Central Governments. The LA will record the terms and conditions on which ITIs will be licensed by the State Government to the SPV and will outline the terms and conditions on which the SPV will operate and manage a specific Hub-and-Spoke cluster, including provisions on funding, key performance indicators (KPIs), obligations of the SPV with respect to operation and maintenance of the Hub-and-Spoke cluster, and mechanisms for monitoring the performance of the SPV. The Term Sheet for the LA is provided in Annexure 4.

### B. State-led SPV Structure:

This model shall be followed in cases where an AIP is not available for the industry-led model. The State-led SPV will function as the institutional body responsible for managing the Hub-and-Spoke cluster and delivering training and employment outcomes as per scheme norms and agreed KPIs.

In this model, the shareholding of the SPV will be 51% (majority) by the State Government. Under this SPV, strategic industry participation through co-funding will be required at a minimum level to be specified by the State Government, but not less than 17%, and also will be expected for curriculum co-creation, and placement linkages. The SPV will retain full autonomy over course offerings (e.g., introduction of new programs, curriculum and pedagogy design), trainer management (e.g., recruitment, training), financial operations

(e.g., expenditure, revenue generation), as well as administration and infrastructure improvement. The State will ensure that there are no undue challenges to the SPV exercising their autonomy and may introduce relevant guidelines and regulations, if required.

The State shall nominate officials or institutions to represent its interest in the SPV and ensure alignment with State skilling priorities. The State Government shall also coordinate with industry partners and relevant departments to ensure sustained support for training delivery, faculty deployment, and convergence with other employment schemes.

The SHA and LA formats for the State-led model shall be in line with the Annexures [3] and [4] respectively and will be modulated accordingly.

### **3.5 Responsibilities of SPV:**

The SPV's key responsibilities, applicable with necessary adjustments to both SPV models (Industry-led and State-led), shall be carried out through the approved SIP, broadly covering the following:

1. **Project Implementation and Execution:** Overseeing the establishment, expansion, and operation of Hub ITIs and Spoke ITIs, as per approved SIP, or any modifications thereof, at the level of the State Steering Committee (SSC) and NSC.
2. **Financial Management and Resource Allocation:** managing the funds disbursed by both Central and State governments, as well as contributions from the AIP. Additionally, revenue can be generated from other sources, such as production centres, fees from non-ITI students and working professionals, consultancy, and research. All financial transactions of the cluster will be managed by the SPV.
3. **Procurement and contract management:** SPV will be fully responsible for preparing an Annual Operational Plan (AOP) based on the SIP and carrying out procurement as per the agreed arrangements and applicable rules of the Company's Act or GFR provision, as the case may be. The SPV will ensure that awarded contracts are completed and closed as per contractual terms and conditions.
4. **Environmental and Social Management:** SPV will be responsible for adopting digital systems to inform the preparation, implementation, monitoring, and reporting of environmental and social risk management plans to ensure compliance with applicable national and state regulations; screening and monitoring of environmental and health and safety aspects of infrastructure development/upgradation and use; capacity development on environment, health and safety, and resilience; labour welfare measures included in contracts for civil works; Human Resource Policy for contract staff; workplace safety for women and girls; adoption of systems for social screening of subprojects and preparing and implementing mitigation plans; and establishing accessible and responsive grievance management systems.
5. **Course Design:** Develop and deploy new courses and re-design existing ITI courses as required in the identified industry cluster, with required flexibility in genre, duration, and pedagogy as per the framework given in the guidelines.
6. **Infrastructure and Equipment:** Appropriate procurement planning for putting in place state-of-the-art infrastructure, machinery, and equipment, with proper space, facility management, and placement of required lab resources as per the course and curriculum plan.

7. **Student Services:** Improve or deploy student services identified in the SIP, such as placement services, counselling, soft skills, remedial classes for addressing gaps in foundational learning, sports facilities, foreign language training, extra-curricular activities, etc.
8. **Institutional Support and Capacity Building:** Providing technical support, staff training and capacity building, faculty training, and curriculum development and diversification into high-growth sectors that have a favourable employment outlook for women.
9. **Stakeholder Engagement:** Provide beneficiary-centric and citizen engagement actions, and adopt systems for participation, planning, and monitoring across all levels of service delivery.
10. **Policy Implementation and Compliance:** Ensuring all training programs comply with government norms, industry standards, and regulatory requirements.
11. **Monitoring, Evaluation, and Reporting:** Collecting data, assessing performance, identifying bottlenecks, and improving program effectiveness. Various monitoring and evaluation mechanisms will be implemented, which are further explained under the M&E section of the guidelines. SPVs will be required to collect data on the employment outcomes of all graduates from their Hub and Spoke ITIs by implementing a graduate tracer survey.
12. **Industry and Stakeholder Collaboration:** Engaging with private industries, sector skills councils, relevant sectoral departments, and academic institutions to enhance skill development programs, and job outcomes.

### 3.6 Initial Share Capital

The Section 8 company (SPV) will be capitalized with an initial share capital of Rs. 1,00,000 (Rupees One Lakh), with each shareholder contributing pro rata.

### 3.7 Board of Directors

The Board shall be constituted as per the provisions of the Companies Act, 2013. For ease of implementation, a suggested composition is provided below, which may be modified as per the specific requirements of the SPV and in accordance with the SHA Term Sheet.

#### 1. Board Composition for Industry-led SPV

- **Board of Directors:** Each SPV shall be led by a Board of Directors. The membership, tenure, functions, and nomination process of the Board shall align with the requirements of the Companies Act and be specified in its shareholders' agreement.
- **Board Composition:** The Board shall have 11 Directors, at least two of whom should be female, conforming to the following:
  - **Chairperson:** To be nominated by the AIP in concurrence with the Government
  - **Four (4) members other than the Chairperson** to be nominated by the AIP. These members may serve as executive<sup>1</sup> or non-executive<sup>2</sup> members of the Board.
  - **Two (2) members** nominated by the Central Government as non-executive

members

- Two (2) members nominated by the State Government as non-executive members
- One (1) member nominated by the Board from existing ITI leadership
- Chief Executive Officer (CEO) of the SPV

*Note: For the State-led SPV, the composition shall be determined by the State Government, though the expectation is that the Chairperson will be from industry, a majority of the members from non-government stakeholder groups (industry, experts), and one member from existing ITI leadership.*

- **Appointment Criteria:** State Governments and the MSDE shall appoint their respective nominees to the Board. These nominees may come from a non-government background, including from academia or technical/ sector experts.

## 2. Board Functions

- **Strategic Oversight:** The Board shall set the strategic direction for the SPV in alignment with the SIP.
- **Governance and Fiduciary Duty:** The Board shall ensure that the company adheres to legal and regulatory requirements, compliance with fiduciary requirements, maintains high ethical standards, and ensures financial health and stability.
- **Policy Making:** The Board shall establish policies and procedures that guide the company's operations and management, for the overall benefit of students and the community.
- **Resource Allocation and Performance Monitoring:** The Board shall review and approve the annual workplan, budget, and results achievement reports to be shared with the State government (State Steering Committee) and the independent monitoring agency.
- **Risk Management:** The Board shall identify and monitor risks and ensure appropriate risk management strategies are in place.
- **Board Committees:** The Board shall establish rules and procedures for relevant Board Committees. It may create such committees or advisory groups for specific purposes, including academic matters, procurement, audit, financial management, etc. to support it in discharging its functions.
- **Quorum for Board Committee Meetings:** In addition to minimum quorum requirements applicable to Section 8 companies, all Board Committees/ Advisory Group meetings must have the presence of at least 1 Central Government and 1 State Government nominated director, in addition to AIP nominated Director/s, for meeting quorum requirements.

---

<sup>1</sup>Executive directors are board members who also serve in the company's management and are involved in the day-to-day operations.

<sup>2</sup> Non-executive directors are board members who do not hold management roles within the company and are not involved in the day-to-day operations. They provide an independent perspective and oversight to the company's strategy, and operations.

- **Stakeholder Consultation:** The SPV shall establish procedures for regular, structured, and meaningful consultation with key stakeholders, such as the constituent ITIs, students, parents, and staff. This could be achieved by the Board appointing ex-officio members.

### 3. Financial Responsibilities of Board

- **Solvency and Asset Protection:** The Board of Directors shall ensure the solvency of the institution and safeguard its assets.
- **Annual Plans and Budgets:** The Board shall approve annual work plans and budgets, which must reflect the SIP. These plans should include all activities of the constituent ITIs within the purview of the SPV. The annual plan shall reflect any procurement activities that need to be carried out during the specified FY.
- **Financial Strategy:** Financial strategy shall be carried out as per the approved SIP. In case of any change of plans or expectation of deviation from the original plans, approval shall be taken from the SSC through annual reports or other periodic reporting mechanisms, as laid down in the SHA and the LA.
- **Compliance with Funding Terms:** The Board shall ensure that funds provided by funding bodies are used in accordance with the terms and conditions specified in the scheme guidelines and license agreement.
- **Delegated Financial Authority:** The Board shall establish and maintain clear, written rules specifying the levels of financial authority delegated to the CEO and designated key personnel to ensure transparency and accountability in financial decision-making.
- **Risk Management and Governance Systems:** The Board shall ensure the existence and integrity of risk management, control, and internal governance systems, and monitor these through an audit committee.
- **Annual Accounts and Expense Monitoring:** The Board shall receive and approve annual accounts (audited financial statements) and periodically monitor capital and operating expenses (at least once a quarter) to ensure that the finances of the institution are managed as per the approved plan and to approve reasonable variations, if any.

#### 3.8 Appointment and Responsibilities of the CEO and Management

- **Appointment of CEO:** The Board of Directors shall appoint a nominee of the AIP as Chief Executive Officer (CEO) to lead the management team. The CEO is a full-time position appointed through a merit-based selection process.
- **Management Team:** Led by the CEO, the management team shall handle day-to-day operations and tasks assigned by the Board of Directors.
- **Powers and Responsibilities:** The Board of Directors shall specify the powers and responsibilities of the management team, which oversees operations and implements the SIP for SPV. The responsibilities of the management team may vary across SPVs, but at a minimum shall include:
  - Operational execution, including academic, HR, and administrative matters

- Performance management, monitoring, and evaluation.
- Fiduciary, environmental, health and safety, and social safeguards compliance, and reporting
- Coordination with government bodies, industries, and other stakeholders, such as trainees and staff

### 3.9 Delegated Matters

Delegated Matters is a list of matters in respect of which decision making at the Board level is delegated to the CEO. In order to ensure operational freedom for the SPV, a list of Delegated Matters will be incorporated into the SHA. The Board, in its first meeting, will assign the Delegated Matters to the CEO and empower the CEO to undertake actions contemplated in such matters.

The Delegated Matters will remain subordinate to the Reserved Matters. Hence, where there is an overlap between Delegated Matters and Reserved Matters, the necessary Reserved Matter consent will still be required.

### 3.10 Reserved Matters

Indicative Reserved Matters which shall be part of the SHA, protecting the State and Central Government, include the following:

**Part A:** Fundamental Reserved Matters available to both the Central Government and the State Government:

- Any amendment to, or alteration of, the memorandum of association or the articles of association of the SPV, including the “Objects” clause of the Memorandum of Association.
- Any change in the capital structure of the SPV, including by way of the issuance of any securities to any Shareholder or other person.
- Any transfer of the shares or securities of the SPV by any Shareholder.
- Any change in the constitution of the Board or of any Board Committees thereof (including the appointment, removal, or other change of the Chairperson), including the manner of appointment of Directors or any increase or decrease in the size of the Board.
- Appointment, removal, or any change of statutory auditors.
- Capital expenditure for, or on behalf of, the SPV or the Hub-and-Spoke cluster other than in accordance with the terms of the SIP.
- Acquisition, receipt, disposal, gift, or grant, of any assets of value greater than that specified in the SHA.
- Sale, lease, gift, grant, or disposal in any other form and manner of any assets to any person/entity other than the ITIs constituting the Hub-and-Spoke cluster.
- Acquisition of shares in or investment in any other person, creation of subsidiaries, joint ventures, partnerships.
- Creation of encumbrances on the assets of the SPV.
- Liquidation, dissolution, or winding up of the SPV.

- Any change to the registered office or the name of the SPV.
- Entering into any agreement with the AIP.
- Approval of the audited financial statements of the SPV.
- Incurring any indebtedness.
- Entering into an agreement, whether binding or otherwise, in relation to the foregoing.

**Part B:** Requiring prior written consent of the **State Government** to make decisions vis-à-vis such matters:

- Operational expenditure for, or on behalf of, the SPV or the Hub-and-Spoke Cluster other than in accordance with the terms of the SIP.
- Entering into any contract involving an expenditure in excess of that specified in the SHA, renewing /amending such contracts beyond the initial period, or altering the terms and conditions of such contracts.
- Commencement of litigation, arbitration, or other legal proceedings regarding a disputed value in excess of that specified in the SHA, and except in relation to any dispute arising out of the License Agreement.
- Entering into an agreement, whether binding or otherwise, in relation to the foregoing.

### 3.11 Term and Termination

The SHA to formalize the industry-led SPV model will come into effect simultaneously with the LA and will continue to remain in effect until and unless any of the following termination events occur:

- Mutual agreement among the parties to the SHA
- Expiry/termination of the LA for any reason other than any default by the SPV
- Liquidation, dissolution, winding up, or bankruptcy of the SPV
- A shareholder ceasing to hold any securities in the SPV. In such a case, the SHA would be terminated vis-à-vis such shareholder

### Exit Events

Upon expiry of the term of the LA or termination of the SHA (for reasons other than the occurrence of an Event of Default), one of the following actions will be undertaken at the discretion of the Central Government and the State Government:

- the SPV will be voluntarily wound up; or,
- the Central Government and the State Government will have the right to acquire (by themselves or their respective nominees) the shares of the SPV held by the AIP at the lowest permissible price under applicable law. The Government may continue the SPV with a different industry partner, after acquiring the shares.

Further information on the configuration of the industry-led SPV, including matters not listed above such as non- scheme modes of funding, lock-in period, inspection rights, events of defaults, penalties, termination, confidentiality, legal jurisdiction, etc. are covered in the SHA term sheet.

### 3.12 Human Resources

The Human Resources (HR) arrangement for the SPV is critical for ensuring effective management and operation of the ITIs. Putting in place a HR plan for managing the implementation of the Hub-and-Spoke ITI, including management, trainers, and administrative staff, will be the primary responsibility of the AIP (or the Board in the State-led model). A broad outline of such a plan will be part of the SIP. The HR plan can adopt various models suited to the context of the State/ UT and clusters identified for upgradation, including the following options:

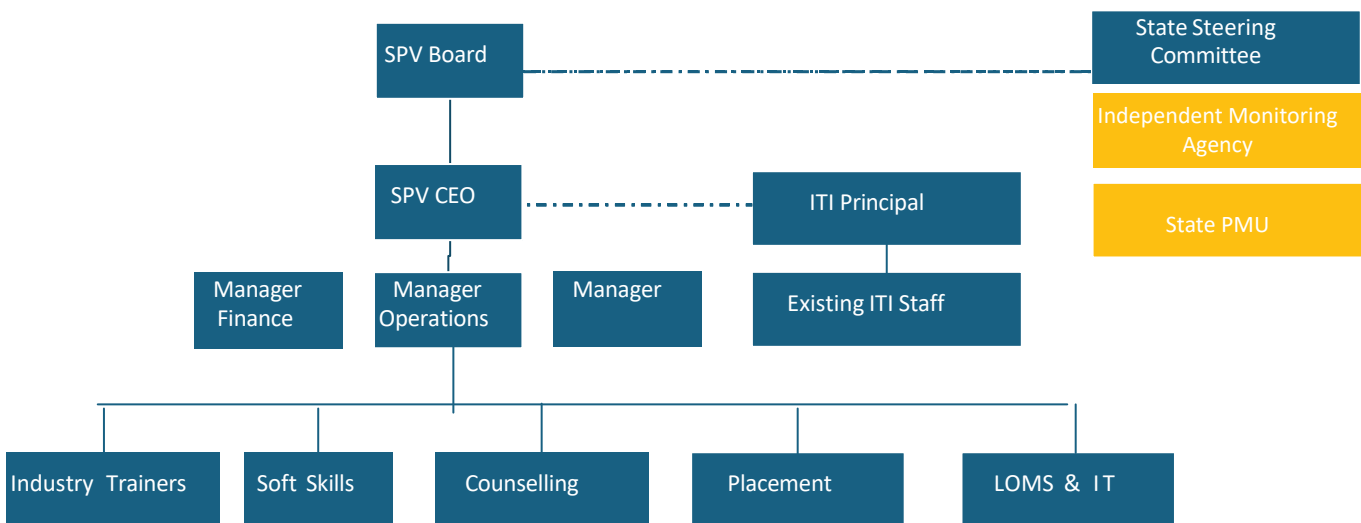
#### Model 1: Co-existence of Government ITI staff with new SPV staff

This would be the preferred model of HR management under the industry-led SPV model. The industry-led SPV shall bring in managerial expertise through a professional CEO and may also appoint managers for academics, finance, operations, etc. The SPV shall also bring master trainers/ trainers/ subject matter experts from industry shop floors for new courses and those being redesigned, especially in the areas of advanced manufacturing, Industry 4.0, etc.

In addition, personnel required for managing new functions such as LOMS, counselling, placement, etc. shall be engaged by the SPV.

The existing ITI staff will continue to report to their respective ITI principal. It is expected that the existing ITI staff will be professionally developed by the SPV, with collaborative technical and leadership training offered to bring them in line with the latest industry practices and prepare them for the post-scheme running of the ITIs. Onboarding of contractual staff at the SPV level is also expected to compensate for time for hiring permanent ITI staff for vacant positions, until such positions are filled by the Government.

The SPV CEO shall exercise administrative jurisdiction over the existing ITI staff for day-to-day work and performance. However, the ultimate control, including disciplinary actions or termination, shall remain with the State Government. The SPV CEO shall only exercise a recommendatory role to the State Government for performance, transfer, or disciplinary actions over ITI staff. In case the State Government decides to transfer the ITI staff, the SPV can hire a replacement on a contractual basis. An indicative representation of the model is shown in the below figure.



## Model 2: Deputation of Government ITI staff to SPV

A similar HR structure to Model 1 will be used, apart from it is staff having direct accountability and reporting to the SPV CEO. The existing government staff, including the principal who qualify the criteria set by the SPV may be absorbed by the SPV. Such a placement of government employees on deputation to the SPV shall be done with the formal consent of the employee and for the duration of the scheme. ITI staff who do not consent to the deputation may be transferred to another non-scheme ITI. The salary and benefits for staff deputed to the SPV shall be as per the HR policies of the SPV. The terms of deputation shall be as defined under the State rules and such service rules will need to permit deputation to private entities or be amended to allow such arrangements.

## Model 3: No Government staff in SPV

In this model, the State Government may remove all existing government staff from scheme ITIs and reassign them to other government-run ITIs within the State. The industry-led SPV would then be entirely run and managed by SPV staff, as per its own HR policies. This may not be ideal for building the required HR capacity of government it is envisaged under the scheme or for continuity of services to trainees and may only be explored in rare instances of discord or unforeseen situations.

# 4. Financial Design

This section outlines the financial management arrangements of the scheme – including planning and budgeting, fund flow mechanisms, accounting and reporting, internal controls, and audit provisions.

## 4.1 Financial Outlay and Financing Structure

The total outlay of the scheme is **₹60,000 crore** over five years. This cost is shared among the Central Government, State Governments, and Industry as shown below:

Particulars	Total (₹ Crore)	Central (₹ Crore)	State (₹ Crore)	Industry (₹ Crore)
Total Scheme Outlay (5 years)	60,000	30,000	20,000	10,000

This corresponds to a funding pattern of approximately 50% Central: 33% State: 17% Industry. Each Hub-and-Spoke cluster will maintain this cost-sharing ratio in its funding plan as indicated in the Strategic Investment Plan (SIP). The SIP will be vision and guiding document for upgradation of ITIs. The SIP prepared by the Industry Partner will outline the total cost of transformation, including expenses and those related to infrastructure, equipment, trainers, and other areas of upgradation, while focusing on the development and delivery of industry-aligned courses and the achievement of key outcomes (placement, salaries, enrolment, etc.) for the scheme period.

The Central share will predominantly finance capital expenditures (e.g. infrastructure, equipment), while State and Industry shares will cover both capital and operational expenditures. Special provisions apply for certain States/UTs: for North-Eastern and Hilly States, the Centre: State: Industry ratio is 74.7%: 8.3%: 17% (central funding includes a portion of operational costs), and for Union Territories without legislature the ratio is 83%:

0%: 17% (no UT share). In all cases, the industry contribution must be at least 17% of the project cost (this may come from a single industry partner or multiple partners). In cases, if an industry partner contributes more than the minimum 17%, the required State contribution is reduced proportionately. In exceptional cases, if the industry contributes less than 17%, the State must increase its share to meet the shortfall (undertaking to be given by State in SIP).

**Indicative Investment per ITI and Cluster:** Upgradation costs have been estimated per institution to guide planning. Under the Scheme, support will be provided for the upgradation of Hub ITIs with an outlay not exceeding ₹81 crore (over five years) and for Spoke ITIs with an outlay not exceeding ₹40 crore. In cases where the overall cost of upgradation of these institutes exceeds the prescribed outlay, the contribution of the Central Government shall be capped at 50% of the above ceiling amounts and limited strictly to capital expenditure (Exceptions for NER, Hilly States and UTs without legislature).

Table below provides an indicative breakdown, including the combined cost for a typical cluster of one Hub and four Spoke ITIs:

Item	Total Cost	Central	State	Industry
<b>Upgradation of one Hub ITI (avg.)</b>	₹81 crore per ITI	₹40 crore	₹30 crore	₹11 crore
<b>Upgradation of one Spoke ITI (avg.)</b>	₹40 crore per ITI	₹18 crore	₹17 crore	₹5 crore
<b>One Hub + Four Spokes (cluster total)</b>	₹241 crore per cluster	₹112 crore	₹98 crore	₹31 crore
<b>Annual cost for one cluster (5-year average)</b>	~₹48.2 crore per year	~₹22.4 crore	~₹19.6 crore	~₹6.2 crore

**Note:** Actual project costs and the exact share of each contributor will be determined by the approved Strategic Investment Plan (SIP) for each cluster. The figures above are indicative; individual cluster investments may vary. The central share will be as per actual capital expenditure.

Component-Wise Outlay (1000 ITIs): Within the overall scheme, approximately ₹56,900 crore is allocated for upgrading the 1,000 ITIs (Component I of the scheme). The table below breaks this out between Hub ITIs and Spoke ITIs, along with the share of each funding source:

Component	Total 5-Year Cost	Central	State	Industry
Upgradation of 200 Hub ITIs (including new courses/content development)	₹20,220 crore	₹10,420 crore	₹6,100 crore	₹3,700 crore
Upgradation of 800 Spoke ITIs (including new courses/content development)	₹36,680 crore	₹16,880 crore	₹13,900 crore	₹5,900 crore
Subtotal – ITI Upgradation (Comp. I)	₹56,900 crore	₹27,300 crore	₹20,000 crore	₹9,600 crore

(The remaining portion of the ₹60,000 crore outlay is allocated to Component II – the establishment of five National Centres of Excellence (upgraded NSTIs) – and to certain central activities as described below.)

Central Support for Scheme Management: ₹1,600 crore is earmarked for governance, project management, and capacity-building activities to ensure the scheme's effective implementation and sustainability. Key provisions (over five years) include:

- Capacity building of central & state agencies: ₹200 crore
- Office expenditure (administrative expenses): ₹100 crore
- IT and digital infrastructure (incl. LOMS): ₹600 crore
- Technical assistance for institutional strengthening: ₹100 crore
- Media, awareness & advocacy: ₹100 crore
- Evaluations, studies, and research: ₹100 crore
- Project Management Unit (PMU) support at the central and state levels: ₹400 crore. The PMU support for each State shall not exceed ₹2 crore per year and will be determined based on the number of clusters proposed by the State.

*Total central support for scheme management = ₹1,600 crore. (These costs are covered entirely by the Central Government and are part of the overall Central share in the scheme outlay.)*

## **4.2 Fund flow<sup>1</sup>**

Funding under the scheme is channelled through a dedicated mechanism that ensures all partners contribute their share and ties fund releases to performance milestones. The key elements of this funding mechanism are the escrow account for pooling contributions and a milestone-based disbursement schedule as described below. The payment tranche for Centre, State and Industry would be decided in the Annual Operational Plan (AOP) submitted by the SPV.

### **Escrow Account**

Each approved cluster SPV will operate an escrow bank account in Scheduled Commercial Bank (SCB) to collect funds from all sources. All contributions – Central, State, and Industry – are deposited into this escrow account, and funds become available for the SPV's use only after all three parties have contributed their respective shares for a given tranche. This escrow setup ring-fences the project funds, ensuring they are used solely for the cluster's upgradation activities and that each stakeholder's contribution is proportional and timely.

### **Fund Disbursement and Release Conditions**

**Initial Advance (Year 1):** In the first year of the project, an advance of up to 10% of the total project outlay (as per the proposed Annual Operational Plan, matched with the State and Industry shares) shall be released to the SPV upon approval of the cluster's Strategic Investment Plan (SIP) by the National Steering Committee (NSC). This upfront funding enables the SPV to establish its governing board and project team, initiate preparatory activities, finalize procurement plans, and kick-start initial improvements or training programs. There is no second installment in Year 1; the initial advance is the only disbursement for the first year.

**Annual Instalments (Years 2–5):** The remaining 90% of the project funds is disbursed from the second year onward in annual instalments. Each year's approved funds (as per

---

<sup>1</sup> National Steering Committee (NSC) meeting held on 20.09.2025 has recommended necessary revisions as required in consultation with Integrated Finance Division, MSDE. Necessary revisions would be updated separately.

the SIP/AOP) are released in two tranches – of 50% each – subject to the cluster meeting specific performance and co-funding conditions:

- First instalment (50% of annual allocation): Released at the beginning of Year 2, Year 3, Year 4, and Year 5, only if the following milestones for the previous year are met:
  1. Utilization of previous funds: At least 75% of the last tranche (previous year's funds) has been utilized, as evidenced by expenditure reports and utilization certificates. *(For example, to receive the first installment of Year 3, the cluster must have expended at least 75% of the funds released in Year 2.)*
  2. Annual Plan approval: The Annual Operational Plan (AOP) for the current year is submitted by the SPV and approved by the State Steering Committee (SSC). The AOP should detail the year's targets, activities, and budget, aligned with the original SIP.
  3. KPI achievement: The cluster achieved at least 80% of its key performance indicator (KPI) targets for the previous year. These KPIs cover critical outputs (e.g. completion of civil works, procurement and installation of equipment, faculty hiring/training, launch of new courses, student services rollout, etc.), and achievement is measured in a weighted manner (explained below).
- Second installment (remaining 50%): Released around the mid-point of Year 2 through Year 5, only if the following ongoing-year conditions are met:
  1. Mid-year progress on KPIs: At least 50% of the current year's KPI targets are achieved by mid-year (assessed using a cost-weighted progress metric).
  2. Industry contribution for the year: The industry partner has deposited its full share of the current year's required funding into the escrow account.
  3. State contribution for the year: The State government has deposited its full share of the current year's funding into the escrow account (ensuring the State is co-funding on schedule).
  4. Compliance with reporting: The SPV has submitted required interim progress reports and financial statements for the year-to-date, and addressed any review observations or corrective actions from previous reviews.

If the above conditions are not fulfilled, the release of funds is deferred until compliance is achieved. This staggered, conditional release structure ensures that the flow of funds is performance-driven and in sync with the cluster's capacity to utilize funds effectively

*(Note: In Year 5, the mid-year second instalment is the final scheduled disbursement, which may be adjusted or withheld based on a final performance review.)*

KPI-Based Performance Evaluation: Each Hub-and-Spoke cluster's performance is tracked through KPIs defined in its SIP and AOP, covering areas like infrastructure development, training delivery and outcomes, placement of trainees, faculty capacity, and industry partnership activities. To ensure fairness, a cost-weighted scoring approach is used for KPI achievement: progress in each component contributes to the overall KPI achievement in proportion to that component's share of the budget. For example, if procurement of equipment accounts for 30% of the project cost, and the cluster has completed 80% of the equipment procurement, then that component would contribute 24% (which is 80% of 30%) toward the overall KPI fulfillment percentage. Additionally, a

certain weight (e.g. 10%) is reserved for high-impact outcomes that may not directly correspond to expenditure, such as trainee performance and placement rates, industry satisfaction, and governance improvements. This method ensures that both financial utilization and outcome achievement are factored into performance, aligning fund releases with the scheme's objective of quality and results.

### **Planning and Budgeting**

Strategic Investment Plan (SIP): Financial planning for each cluster begins with the preparation of a Strategic Investment Plan at the proposal stage. The SIP lays out the complete 5-year financial blueprint for that Hub-and-Spoke cluster, detailing year-wise capital expenditure (CapEx) and operational expenditure (OpEx) requirements. It includes itemized budgets for major components – e.g., civil works (construction/renovation of classrooms and workshops), equipment and machinery for new and upgraded trades, human resources (additional instructors, support staff), training materials and consumables, curriculum development, student support services, etc. The SIP should be supported by schedules or annexures as needed (such as lists of equipment to be procured, civil works details, staff hiring plans, etc.). This plan is scrutinized and approved by the State Steering Committee and ultimately by the NSC as a pre-condition for funding. The approved SIP effectively sets the overall budget envelope for that cluster under the scheme.

Annual Budgeting and Revisions: The cluster will prepare an Annual Operational Plan (AOP) for each upcoming year, outlining specific activities, outputs, and budget for that year, within the ceilings approved in the SIP. If a revision to the originally approved annual budget (either CapEx or OpEx) is needed but remains within the overall envelope sanctioned in the SIP for that year, the SPV's Board of Directors can approve such a change. The Board's approval for an intra-envelope reallocation or revision should be communicated to the SSC/NSC within 15 days. However, any proposal to exceed the annual CapEx or OpEx limits defined in the SIP (i.e., a major change to the project scope or cost) requires prior approval from the SSC/NSC before implementation. This ensures flexibility for the SPV to make minor reallocations for efficiency, while maintaining oversight on major deviations from the plan.

*(Indicative state/UT-wise allocations of ITI clusters are provided in Annexure 5 of the guidelines to aid initial planning.)*

### **State and Industry Share:**

The following will be excluded while ascertaining mandated State share for SPV funding:

- i. Salaries of existing/baseline Hub-and-Spoke Clusters staff (both regular and contractual), i.e., staff hired before the registration of the SPV.
- ii. Salaries of regular Hub-and-Spoke Clusters staff hired after registration of the SPV against posts sanctioned by the State Government before the date of registration of SPV.
- iii. Existing/baseline budgetary grants from State Government (other than salaries) like operational cost per student (based on baseline number of students), minor repairs, consumables for existing trades, other establishment costs like telephone, electricity, stationery, etc.
- iv. The industry in-kind support (donation of equipment, software, etc.) will be excluded

while ascertaining the mandated industry share for Hub-and -Spoke Clusters funding.

#### **Transfer by H&S/State Government to SPV:**

The scheme intends to establish an empowered and accountable Hub-and -Spoke Clusters/SPV which will balance accountability with economy with a sustainable industry connect. To ensure sustainability of this institutional framework, the following will be transferred/assigned by State Govt/H&S ITIs to Hub-and -Spoke Clusters/SPVs.

- a. Budgetary grant received from State/UT Govt. for operational cost per student (based on baseline number of students), minor repairs, consumables for existing trades, other establishment costs like telephone, electricity, stationery (by State Govt.)
- b. Existing revenues like student's registration fees, if any (by H&S)
- c. Existing MOUs with industry (by H&S)
- d. Existing Fixed Assets for operational use with ownership retained by the State Govt. (by H&S)

However, none of these will be counted as contribution towards the mandated State share or industry share for funding of Hub-and -Spoke Clusters/SPVs.

#### **4.3 Financial Controls**

- To ensure robust financial management and accountability, the scheme will enforce strict controls and adhere to standard government financial practices throughout implementation:
- Ring-fencing of Funds: All scheme funds for a cluster are kept in the dedicated escrow account for that cluster and used only for approved scheme activities. The money in the escrow cannot be diverted to other purposes or lent/advanced elsewhere. This ring-fencing ensures a clear separation of scheme finances from other State or institutional accounts and facilitates transparent audit trails of how funds are spent.
- Utilization Threshold for Further Release: Before any new tranche of funds is released to the SPV, it must demonstrate substantial utilization of prior releases. Typically, at least 75% of the previous instalment should be utilized (and the corresponding outputs achieved) before the next instalment is approved. If a cluster is holding significant unutilized funds from earlier releases, further disbursements will be delayed or withheld. This principle prevents accumulation of idle funds and pushes the SPV to timely implement planned activities.
- Interest on Idle Funds: Any interest income must be remitted back to the Consolidated Fund of India. It is not to be treated as additional spending money for the SPV. This aligns with Government of India financial rules, which require interest earned on unspent public funds to be returned to the government exchequer.
- Cashless Transactions and PFMS Tracking: All payments and expenditures under the scheme must be made through bank transfers/ electronic means. No cash transactions are allowed for scheme funds. This ensures that every payment leaves a traceable record. Furthermore, the fund flow is integrated with the Public Financial Management System (PFMS) – allowing real-time tracking and reconciliation of every transaction against the planned budget lines. Each expense can thus be matched with its intended purpose in the approved plans, reinforcing financial discipline and transparency.
- Periodic Utilization Certificates (UCs): The SPV is required to submit periodic financial

reports, including Utilization Certificates for funds expended. These UCs must be certified by the SPV's Head of Finance/Accounts and verified by a Chartered Accountant. They attest that the funds have been used for the intended activities. The State Project Implementation Unit (SPIU) and/or the central PMU will review these certificates. No further fund release will be made to a cluster until UCs for at least 75% of the previous funds are submitted and accepted. This rule ties compliance in financial reporting to the flow of funds.

- **Real-Time Monitoring and Transparency:** An integrated digital dashboard will monitor fund releases and utilizations across all states and clusters. Key financial data (e.g. how much of the central share has been released to each SPV, percentage utilized, etc.) will be available to scheme authorities in real time. The National Steering Committee will review this data in its periodic meetings to identify slow-moving projects or bottlenecks. The ministry may also publicly disclose the performance of states and clusters in terms of fund utilization and achievements (a "scorecard"), thereby creating transparency and positive pressure. States or clusters that are slow in utilization may be highlighted in order to encourage prompt corrective action. This naming-and-accountability approach is intended to incentivize all stakeholders to maintain momentum and fully achieve the scheme's targets.

The NPMU in consultation with Integrated Finance Division (IFD) may issue required clarification from time-to-time.

## 5. Framework for Curriculum Design

---

- Currently, CTS courses run for a total of 1,200 hours annually, along with 150 hours of On-the-Job Training (OJT) and an optional 240 hours of add-on courses, bringing the total learning hours to 1590 (i.e., 1,200 + 150 + 240) in a year.
- The course structure includes Trade Practical, Trade Theory, and Employability Skills. Workshop Calculation & Science and Engineering Drawing for Engineering trades are integral parts of the trade syllabus as per the existing practice.
- Following the notification of the National Credit Framework (NCrF), every 30 hours of learning is equivalent to one credit. Accordingly, trainees earn 40 credits for 1,200 hours of training and 5 credits for 150 hours of OJT, totaling 45 credits. If the trainee opts for the additional 240-hour add-on course, they earn 8 more credits, bringing the total to 53 credits. This structure is aligned with the National Education Policy (NEP) 2020 and the NCrF.
- With the launch of the new scheme for upgradation of ITIs, there will be Scheme ITIs and Non-scheme ITIs. The course design should be such that it caters to the requirements of both Scheme and Non-scheme ITIs while leading to a common certification.

A novel approach would be adopted in designing the CTS courses. The courses can be modularized into segments of 240 hours each leading to 08 credits. The modular design consists of **core modules** that are standardized and applicable across all ITIs, and **specific modules**, which can be tailored to meet specific requirements.

**5.1 Advantages of Modular Structure of Training:** Modular learning is a versatile and effective approach to teaching and learning that offers numerous benefits for trainers and learners alike. Breaking down courses into self-contained modules aligned with learning objective and outcome leads to-

- flexibility in learning
- customization, and enhanced engagement
- more personalized and impactful learning experience
- Effective delivery of modular content on Learning Management Systems and online platforms and track learner progress efficiently

However, proper care needs to be taken that modules are properly designed and sequenced. As technology continues to advance, modular learning is likely to play an increasingly prominent role in training, offering new opportunities for innovation and improvement in teaching and learning practices.

## **5.2 Curriculum Design Under the Scheme**

Under the new scheme, there is a scope of developing new courses/ modifying existing courses that cater to requirements of industries by involving them in the design and development stage of course. This will not only enhance the relevance of ITI training but also ensure that the workforce is equipped with the skills required for the jobs of the future. Many of the current courses may need to be modernized to incorporate the latest industry practices, technological advancements, and Industry 4.0 elements.

Structure for revising the existing curriculum: The course will be designed in two parts covering Theory, Practical and Employability Skills in 05 modules of 240 Hours (240x5= 1,200 Hrs)

**Core Skills:** 3 modules (720 hours) – This component will be common across all ITIs.

**Specific Skills:** This component will differ for Scheme and Non-scheme ITIs.

- **Non-scheme ITIs:** An additional 480-hour module (comprising 2 modules) will be common across the country. In addition, there will be an optional module of 240 hours and 150 hours of On-the-Job Training (OJT), totalling an additional **870 hours** of learning, over and above the 720 hours of Core Skills.
- **Scheme ITIs:** The combined duration of the special module, optional module, and OJT (i.e., 480 + 240 + 150 = **870 hours**) may be treated as separate components or as a single unit. The training Hubs will have the flexibility to design and deliver these components through institutional training, industrial training, online training, or hybrid modes, with necessary approvals from the Special Purpose Vehicle (SPV). However, the **structure of the curriculum** shall remain aligned with the existing system. The design of the specific modules should aim to ensure **employment opportunities** in industries associated with the Hub or in similar sectors. (*Key Performance Indicator: Percentage of employment*).

The hour wise distribution of the modules is as under:

	<b>Scheme ITI</b>	<b>Non-Scheme ITI</b>
<b>Core Module</b>	03 Modules Of 240 Hours = 720 Hours	03 Modules Of 240 Hours = 720 Hours
<b>Specific Module</b>	Special 02 Modules of 240 Hours = 480 Hours as per the need of Industry /SPV	Additional 02 Module of 240 Hours = 480 Hours
<b>OJT</b>	Minimum 150 Hours of OJT as per the SPV/Industry need	150 Hours of OJT or Group Project
<b>Additional Module</b>	240 hours special module as per the need	Optional module of 240 Hours

### 1. The structure of courses, Assessment & Certification:

<b>Description</b>	<b>Courses under Non- Scheme ITI</b>	<b>Courses under Scheme ITI</b>	<b>Advantage &amp; Flexibility given to SPV/Hub</b>
Structure of the curriculum	<p>All the courses will be modularized</p> <p>Each module will be of 240 Hours (08 Credit)</p> <p>05 Modules of 240 Hours (240 x 5) totaling 1200 Hours (03 Core modules and 02 specific modules)</p> <p>Plus 150 Hours of OJT</p> <p>Another optional 240 Hours module for multi skilling or advance skilling.</p> <p>Totaling 1,200 +150+240 = 1,590 Hours and 40 +5 +8= = 53 Credits.</p>	<p>All the courses will be modularized</p> <p>Each module will be of 240 Hours (08 Credit)</p> <p>03 Modules of 240 Hours (240 x 3) totaling 720 Hours (03 Core modules)</p> <p>Additional 02 special modules developed as per the requirement of SPV/Hub.</p> <p>In addition, minimum 150 Hours of OJT and another optional 240 Hours module for multi skilling or advance skilling as per the requirement of SPV/ Hub.</p> <p>Totaling (1,200+150+240) 1,590 Hours and (40 +5 +8) 53 Credits.</p> <p>SPV/Hubs also have the autonomy to train the passed-out trainees of CTS/ existing workers in the additional modules to prepare them as per industry need.</p>	<p>Only 03 Core Modules totaling 720 Hours are fixed as per CTS and 870 Hours (1590-720) may be customized by the SPV/Hub as per their requirement in line with existing structure.</p> <p>Either they may develop or choose any existing short-term courses. They can have additional OJT period as per the need.</p> <p>This will give the autonomy to the SPV/Hub of giving training according to the industry requirement whereas trainees will also get NTC certificate in the existing trade name (as 60% of basic course design of 1,200 hours will remain same.</p> <p>By taking existing trainees, SPV/Hubs may utilize their infrastructure in a better way.</p>

<p>Assessment and Certification</p>	<p>Existing assessment and certification will be followed:</p> <ul style="list-style-type: none"> <li>(i) Formative Assessment-200 marks</li> <li>(ii) Summative Assessment – <ul style="list-style-type: none"> <li>a. CBT (Theory)- 150 marks</li> <li>b. Practical-250 marks</li> </ul> </li> </ul> <p><b>Total of 600 Marks</b> In the theoretical test, module wise question bank will be prepared and questions will come module wise, i.e. 30 marks for each module totaling 150 marks.</p>	<p>Existing assessment and certification will be followed for Computer based theory test at the end of each year including practical and formative assessment.</p> <p>In the theoretical test, module wise question bank will be prepared and questions will come module wise i.e. 30 marks for each module totaling 150 marks.</p> <p>There will be one single examination as per the existing practice covering all modules and passing will be decided on the marks of combining all modules together.</p> <p>The questions of 03 core module will be the same as existing CTS and for additional 02 module questions will be from the question bank developed by the HUB/SPV as per their requirement. The assessment criteria for these new modules, along with rubrics, also need to be developed by the SPV/Hub ITI.</p> <p>Formative marks (200 marks) and Practical marks (250 marks) will be given by the</p>	<p>This structure will provide autonomy to the SPV/Hub to award marks based on the training customized by them. Out of a total of 600 marks, only 90 marks (i.e., 30 marks for each of the 3 Core Skill modules) will be awarded as per the existing CT framework.</p> <p>The remaining 510 marks will be assigned by the Hub/SPV under the supervision of industry experts, distributed as follows:</p> <p>200 marks for Formative Assessment, 250 marks for Practical Assessment, and 60 marks through Computer-Based Test (CBT).</p> <p>For the above special industry led training, SPV/Industry partners will issue certificate/s which will give trainees a cutting edge for employment.</p> <p>Provision may be created on SIDH portal to upload this certificate/s.</p>
-------------------------------------	--	---	---

		<p>For management of quality the Assessment of formative and practical examination will be carried out through Learning Outcome Management System (LOMS).</p> <p>Industry may also conduct additional short-term courses. The assessment of additional courses separate assessment and certification can be done under supervision of SPV.</p>	<p>whereas trainees will also get the same well recognized NTC certificate in the existing trade name.</p>
--	--	--	--

## 2. Example of new modular structure of existing curriculum:

### a. Engineering Trade:

Courses under Non-Scheme ITI	Courses under Scheme ITI
<p>The <b>Welder Trade</b> course can include 3 core modules and 2 additional modules of 240 hours each. For example:</p> <ul style="list-style-type: none"> <li>• <b>Core Modules each of 240 Hours</b> (Mandatory for all trainees): <ul style="list-style-type: none"> <li>○ Welding Process and Safety Precautions</li> <li>○ Welding Techniques</li> <li>○ Workshop Calculation, Engineering Drawing and Employability skill</li> </ul> </li> <li>• <b>Specific Modules</b> (Mandatory for all trainees): <ul style="list-style-type: none"> <li>○ Gas Metal Arc Welding</li> <li>○ Gas Tungsten Arc Welding</li> </ul> </li> </ul> <p>✓ <b>150 Hours of OJT.</b></p>	<p>The <b>Welder Trade</b> course can include 3 core modules of 240 hours each, adding up to 720 hours. For example:</p> <ul style="list-style-type: none"> <li>• <b>Core Modules</b> (Mandatory for all trainees): <ul style="list-style-type: none"> <li>○ Welding Process and Safety Precautions</li> <li>○ Welding Techniques</li> <li>○ Workshop Calculation, Engineering Drawing and Employability skill</li> </ul> </li> </ul> <p>Additionally, the rest of 870 hours may be divided, with minimum 150 hours of OJT, as per the requirements of the AIP and industry partner(s)</p> <ul style="list-style-type: none"> <li>• <b>Minimum OJT of 150 hours.</b></li> <li>• The remaining 720 hours may be used for special modules, add-on courses, and OJT (in addition to the 150 hours of mandatory OJT)</li> </ul>

<p>Additionally, trainees may select a 240- hour <b>optional add-on course</b> from the following</p> <ul style="list-style-type: none"> <li>• Non-Destructive Testing of Welding</li> <li>• Fabrication and Fitting</li> <li>• Inspection and Quality Control</li> <li>• Industry 4.0</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Special Modules</b> (SPV/ Hub may take any two from the list below): <ul style="list-style-type: none"> <li>○ Any module developed by the SPVs as per their specific needs</li> <li>○ OJT</li> <li>○ Gas Metal Arc Welding</li> <li>○ Gas Tungsten Arc Welding</li> <li>○ Repair &amp; Maintenance Using Welding</li> <li>○ Submerged Arc Welding</li> <li>○ Structural Welding</li> <li>○ Non-Destructive Testing of Welding</li> <li>○ Fabrication and Fitting</li> <li>○ Inspection and Quality Control</li> <li>○ Industry 4.0</li> <li>○ OJT</li> </ul> </li> </ul> <p>Additionally, SPV/Hub/ trainees may select a 240-hour <b>optional add-on course</b> from the following:</p> <ul style="list-style-type: none"> <li>• Any module developed by the SPVs as per their specific needs</li> <li>• OJT</li> <li>• Non-Destructive Testing of Welding</li> <li>• Fabrication and Fitting</li> <li>• Inspection and Quality Control</li> <li>• Industry 4.0</li> </ul>
---	--

**b. Non – Engineering Trade:**

Courses under Non-Scheme ITI	Courses under Scheme ITI
<p>The <b>Cosmetology Trade</b> course can include 3 core modules and 2 additional modules of 240 hours each. For example:</p> <ul style="list-style-type: none"> <li>• <b>Core Modules each of 240 Hours</b> (Mandatory for all trainees): <ul style="list-style-type: none"> <li>○ Facial &amp; Skin Analysis</li> <li>○ Superfluous Hair</li> <li>○ Personality Development and Employability skill</li> </ul> </li> <li>• <b>Specific Modules</b> (Mandatory for all trainees): <ul style="list-style-type: none"> <li>○ Hair Styling</li> <li>○ Manicure &amp; Pedicure</li> </ul> </li> </ul> <p>✓ <b>150 Hours of OJT.</b></p>	<p>The <b>Cosmetology Trade</b> course can include 3 core modules and 2 additional modules of 240 hours each. For example:</p> <ul style="list-style-type: none"> <li>• <b>Core Modules each of 240 Hours</b> (Mandatory for all trainees): <ul style="list-style-type: none"> <li>○ Personality Development</li> <li>○ Superfluous Hair</li> <li>○ Facial &amp; Skin Analysis and Employability skill</li> </ul> </li> <li>• <b>Special Modules</b> (SPV/ Hub may take any two from the list below): <ul style="list-style-type: none"> <li>○ Any module developed by the SPVs as per their specific needs</li> <li>○ OJT</li> <li>○ Yoga</li> <li>○ Salon Management</li> </ul> </li> </ul>

<p>Additionally, trainees may select a 240-hour <b>optional add-on course</b> from the following:</p> <ul style="list-style-type: none"> <li>• Hair Coloring</li> <li>• Make up</li> <li>• Indian Traditional beauty concept</li> </ul>	<ul style="list-style-type: none"> <li>○ Spa Treatments</li> <li>○ Hair Styling</li> <li>○ Manicure &amp; Pedicure</li> </ul> <p>✓ <b>150 Hours of OJT.</b></p> <p>Additionally, SPV/Hub/ trainees may select a 240-hour <b>optional add-on course</b> from the following:</p> <ul style="list-style-type: none"> <li>• Any module developed by the SPVs as per their specific needs</li> <li>• OJT</li> <li>• Ayurvedic Cosmetology</li> <li>• Nail Art</li> <li>• Trichology</li> <li>• Hair Coloring</li> <li>• Make up</li> <li>• Indian Traditional beauty concept</li> </ul>
---	--

### 5.3 Development of new Courses:

The principles applied for existing courses will also be applied for development of new courses in modular format. SPV/Hub will also have the flexibility of developing any new course in the same line as the new modular structure to maintain the uniformity of CTS, i.e., 05 modules of 240 hours and 150 hours of OJT with optional 240 Hours as per their requirement and submit the redesigned and new courses to NCVET for approval, ensuring they meet national standards and qualifications. However, the approval process would follow a green channel and will be approved within a timeline of 15 working days after submission. However, course content and methodology of training will be decided by the Industry / SPV.

Since, under the provisions of the scheme, new courses will be developed at multiple levels—SPV, DGT (covering both Scheme and Non-scheme ITIs), - the roles and responsibilities for course development are outlined as follows:

- **Course Development at SPV Level:**

The SPV will monitor all Hubs and Spokes under its jurisdiction. Courses developed at this level will be **specific to the Scheme ITIs** within the respective SPV's jurisdiction. Training requirements may vary across different Hubs even within the same trade, and modalities of training may differ accordingly.

Courses will be developed by the Hubs in consultation with the SPV in a **modular format**, covering both Long-Term Training (LTT) and Short-Term Training (STT).

The finalized courses will be submitted to **NCVET for approval**, following due process.

- **Course Development at DGT Level:**

DGT follows a well-established process for course development through CSTARI, Kolkata. Areas of national importance or emerging sectors, where new courses are required, will be identified and developed in a modular format. These courses will be designed to be applicable across both Scheme and Non-scheme ITIs,

ensuring uniformity and scalability across the ITI ecosystem.

Provision for funding for all categories has been made which will be utilised for course and content development. For maintaining uniformity all the courses developed at different levels will be routed through CSTARI, Kolkata for submission to NCVET for approval. Similarly, the content development for all revamped existing courses and new course will be done at different levels and mode of training may be different however for uniformity these will be routed through NIMI, Chennai.

#### 5.4 Content Development and Capacity Building in the scheme ITI:

Based on the curriculum developed by industry through SPV, the content needs to be developed along with resources for training. The standards of training will be monitored through Learning Outcome Management System.

- **Industry-Driven Content:** Collaborate with industry experts to develop course content that meets current and future industry demands, including case studies, real-world projects, and hands-on training.
- **Resource Development:** Create comprehensive learning materials, including textbooks, on the move digital content, instructional videos including AR/VR and e- learning modules. Develop question banks for both trainees and trainers for the newly developed and revised courses.
- **Digital Interface and Learning Outcome Management System (LOMS):** By creating a digital interface for mapping the entire cluster of Hub and Spoke ITI network, to enable real time data capture and linkages with the national MIS and Skill India Digital Hub (SIDH). Guidelines for the design of such LOMS with the help of common standards and interoperable IT infrastructure shall be part of the scheme guidelines.

The Learning Outcome Management System (LOMS) for the ITI ecosystem should be designed with a user-centric approach, ensuring accessibility and multi- language support to accommodate diverse learners. It must integrate a blended learning model, combining online theoretical components with hands-on practical training. The LMS should feature interactive and engaging content, including multimedia resources and gamification elements, to enhance student motivation. Furthermore, the incorporation of adaptive learning technologies like intelligent tutoring systems, learning analytics, and personalized learning pathways will enable the LMS to personalize learning experiences based on individual progress and performance, providing tailored content and assessments that meet the unique needs of each student. To support data-driven decision-making, the LMS should provide real-time analytics to monitor performance and feedback mechanisms to facilitate continuous improvement.

- **Assessment and Certification:** Develop assessment criteria that measure both theoretical knowledge and practical skills throughout the learning period using LOMS. Design certifications recognized by industry that can be stacked towards higher qualifications.
- **Train the Trainer Programs:** Develop and implement training programs for ITI instructors to equip them with the knowledge and skills needed to deliver the updated courses. Partner with industry leaders to provide hands-on training, workshops, and certifications for instructors

## 5.5 Pedagogy along with Blended Learning:

Different types of Digital Resources, Tools and Methodologies which can be used in Blended Learning in line with NCVET guidelines

Theory/ Lectures/ Trade Theory: Imparting theoretical and conceptual Knowledge

- a. Physical classroom teaching
- b. Delivery of Lectures through TV Broadcast
- c. Online Digital learning: Mode of learning: Audio/ Audio-video / podcast Lectures through Internet Web Channel
  - i. Non-interactive- One-way communication
  - ii. Interactive - Two-way communication- One-to-Many, Many-to-Many
  - iii. Online curated self-learning
- d. Online Digital learning: Components
  - i. Text, Presentations
  - ii. Audio/ Audio-Video – Instructional
  - iii. Illustration/ Graphic/ GIF, Instructional Photographic Images, Animation
  - iv. Simulators – 3D and 4D, Virtual Labs
  - v. Digital twins
  - vi. Augmented Reality (AR)/ Virtual Reality (VR)/ Extended Reality (XR) based learning
- e. Metaverse- immersive learning
  - i. Reference Material Online Digital learning: Place of learning
  - ii. Student/ Learner in a classroom with a teacher: Instructor/ teacher led learning
  - iii. Student/ Learner in a classroom, no teacher: AI/ Robot Led learning
  - iv. Student/ Learner anywhere without a teacher
  - v. Gamification for effective learning

## 5.6 Enhancing Training in ITI Skill Ecosystem

In the modern skill training landscape, the emphasis is shifting towards practical, hands-on learning. This approach not only prepares trainees for real-world challenges but also enhances their employability by bridging the gap between theoretical knowledge and practical application. For the ITI skill ecosystem, this means a transformative approach to practical training, characterized by:

### i. Concept Building through Hands-On Experience:

- a. Practical sessions will focus on building strong foundational concepts.
- b. Emphasis will be on understanding the 'why' and 'how' behind each task, fostering deeper technical knowledge and critical thinking.
- c. Trainees will work on real-world scenarios and simulated environments to grasp

complex concepts effectively.

**ii. Learning by Doing:**

- a. A shift from traditional classroom methods to experiential learning.
- b. Trainees will engage directly with tools, machines, and technologies relevant to their trade.
- c. This approach not only builds muscle memory and technical competence but also instills confidence in executing complex tasks independently.

**iii. Problem-Solving and Innovation:**

- a. Practical sessions will incorporate problem-based learning to develop analytical skills.
- b. Trainees will be encouraged to identify, analyze, and solve real-life challenges, fostering creativity and innovation.
- c. Group activities and collaborative projects will be integrated to build teamwork and communication skills.

**iv. Continuous Assessment, including through Technology-Driven LOMS:**

- a. Learning Outcome Management Systems (LOMS) will be employed to track and assess practical competencies in real-time.
- b. Digital assessments and performance analytics will provide personalized feedback, ensuring continuous improvement.
- c. This data-driven approach will help instructors identify skill gaps and customize training accordingly.

**v. Integration of Digital Tools and Smart Technologies:**

- a. Practical training will increasingly utilize AR/VR, IoT, and smart manufacturing tools to mirror industry 4.0 practices.
- b. This integration will prepare trainees for the demands of modern manufacturing and digital workplaces.

**vi. Industry Alignment and Employability Focus:**

- a. Training modules will be co-developed with industry partners to ensure relevance to current and future job markets.
- b. Certification and assessments will be aligned with industry standards, enhancing the credibility and marketability of ITI graduates.

## **5.7 Practical Assessment Process for Vocational Training in scheme ITI:**

To ensure quality and industry alignment in vocational training, a robust practical assessment process will be implemented, focusing on evaluating hands-on skills of trainees by:

**1. Competency-Based Assessment:**

Assesses specific job tasks as per Learning Outcomes (LO)/National Occupational Standards (NOS), ensuring independent task performance.

## 2. Formative Assessment:

Conducted periodically by trainers to monitor progress, identify gaps, and provide feedback through practical tests and on-the-job tasks.

## 3. Summative/Final Assessment:

Conducted at course end by external assessors through practical tests, viva voce, and workplace simulations.

## 4. Standardized Assessment Tools:

Use of practical task sheets, observation checklists, rating scales, workplace simulations, portfolios/logbooks, oral viva combined with practical tasks, and digital assessment platforms.

**These assessment tools may include:**

- i. Practical Task Sheets / Job Sheets:** List specific tasks to be performed in a simulated or actual workplace environment by using required precision, safety, time management, and technique.
  - For example – Assembling an electrical circuit, or making Acme thread on a lathe machine.
- ii. Observation Checklists:** Through predefined criteria for evaluators to observe and record performance covering:
  - Use of tools/equipment
  - Safety practices
  - Sequence of operations
  - Quality of output
- iii. Rating Scales:** Provides a structured scoring guide with performance levels (e.g., Excellent, Good, Average, Poor).
  - For example – Measures proficiency on a scale—typically includes criteria like accuracy, neatness, completeness i.e. through a standardized marking pattern.
- iv. Workplace Simulations:** Trainees are given real-world scenarios to handle under time-bound conditions.
  - For example – Troubleshooting an HVAC unit, or driving a vehicle in the standard track.
- v. Portfolios / Logbooks:** Trainees should maintain a record of completed work, projects, or tasks which should be verified by instructors/supervisors.
- vi. Oral Viva + Practical Combo:** Oral questioning during/after hands-on tasks to check understanding of procedures, rationale, and safety by the external Examiner.
- vii. Digital Assessment Platforms:** Apps to be used by assessors to record performance digitally using predefined formats integrated with Management Information Systems (like Skill India Digital Hub or LOMS developed).
  - Some use AI-enabled tools (e.g., video recordings for practical / viva).

These measures will help maintain objectivity, transparency, and industry relevance in skill evaluations.

## 5.8 On the Job Training in scheme ITI

The primary objective of On-the-Job Training (OJT) is to provide ITI trainees with practical, real-world exposure in industry settings, bridging the gap between classroom learning and professional skills, ultimately preparing them for successful careers in their chosen trades. ITI will identify and collaborate with industries that offer relevant training opportunities, ensuring that the collaboration is based on the industry's capability to provide quality training aligned with the ITI's curriculum.

The final evaluation of OJT shall be conducted in two parts: one by the Industry Mentor and the other by the External Examiner, each carrying 50 percent weightage. The External Examiner, appointed during the practical examination at the ITI, shall conduct a viva, evaluate the records and award marks accordingly.

DGT also offers the Dual System of Training (DST) for all CTS courses. This model can be effectively utilized by the SPV to provide trainees with enhanced industry exposure, thereby aligning their skills with real-world requirements.

## 5.9 Roles and Responsibilities of SPV/Hub ITI and DGT in Curriculum Development

To ensure the effective design, revision, and implementation of courses under the Craftsmen Training Scheme (CTS) and Craft Instructor Training Scheme (CITS), a structured approach to curriculum development is essential. This process involves a collaborative effort between the Directorate General of Training (DGT), CSTARI, NIMI, and Special Purpose Vehicles (SPVs) or Hub ITIs. The responsibilities are outlined as follows:

### a. For Revision of Existing Courses:

#### i. Modularization of Existing Syllabus and Content:

- DGT, in collaboration with the Central Staff Training and Research Institute (CSTARI) and the National Instructional Media Institute (NIMI), will take the lead in modularizing all existing CTS and CITS syllabi.
- This process will involve breaking down the existing curriculum into clearly defined **Core Modules** (essential for foundational skills) and **Specific Modules** (covering advanced or specialized skills).
- The aim is to standardize the structure, enhance clarity, and ensure each module aligns with the National Skills Qualification Framework (NSQF).

#### ii. Development of Special Modules by SPVs:

- SPVs/ Hub ITIs will be responsible for developing two specialized modules tailored to their specific industry requirements for the courses they intend to run in their selected ITIs.
- These modules should address cutting-edge skills, niche technologies, or region-specific industrial needs, enhancing the employability of trainees.
- Once developed, these special modules must be submitted to CSTARI for alignment with the standardized structure to ensure uniformity and NSQF compliance.

- CSTARI will also conduct Trade Committee meeting to finalize the curriculum with the presence of members from SPV / Hub ITI, DGT, NIMI, NCVET and other stakeholders.
- This process will also include approval of NCVET to ensure alignment with national standards and industry expectations through green channel eliminating the need for stakeholder meetings and other extensive supporting documents.

## **b. For Development of New Courses:**

### **i. End-to-End Module Development by SPVs/Hub ITIs:**

- SPVs or Hub ITIs will have the primary responsibility for developing the complete curriculum for new courses.
- This includes identifying and designing all the required **Core Modules** (fundamental skills common across various trades) and **Specific Modules** (advanced skills unique to the trade or industry sector).
- The developed modules should reflect current industry practices, emerging technologies, and regional economic needs to ensure relevance and industry alignment.
- Once the draft curriculum is prepared, it must be submitted to CSTARI to ensure it adheres to the standardized structure and is NSQF compliant through Trade committee meeting with the presence of members from SPV / Hub ITI, DGT, NIMI, NCVET and other stakeholders. to maintain consistency across different ITIs and ensure seamless integration into the national skilling framework.
- These newly developed courses and contents will be sole property of DGT and may be used in any ITIs (Scheme or non-scheme) and NSTIs/ IToTs.
- The NSQF approval process will be through green channel eliminating the need for stakeholder meetings and extensive supporting documents in NCVET. The approvals will be granted within 15 working days from the date of submission, with a maximum of 5 days for comments from NCVET and 10 days for final approval and notification.

### **ii. Continuous Feedback and Improvement:**

- SPVs and Hub ITIs should engage with different industry partners, training experts, and alumni to gather continuous feedback for curriculum improvement.
- Regular updates to these modules should reflect the evolving skill requirements of the industry, ensuring that trainees remain competitive in the job market.

### **iii. Coordination by DGT:**

- DGT will play a critical role in overseeing the overall curriculum development process, providing technical support, and ensuring quality standards are met.
- DGT, in collaboration with NCVET, CSTARI and NIMI, will also be responsible for conducting periodic reviews to keep the curriculum up-to-date and industry-relevant.
- DGT will also develop new courses under CTS, CITS, short-term training, and

diploma programs, aligned with industry requirements and emerging future skills. This will include specialized modules in areas like employability skills, pedagogy, and other critical soft skills.

### 5.10 Additional information on Scheme ITI course framework:

- **Course Naming and Certification:** While the course name may remain the same (based on Core Skills), content may vary by trade and geography. Assessment will be in two stages: an industry-recognized certification (for the specific module) will form the basis for the final CTS certification. Industry-issued certificates, detailing acquired skills and industry association, will be uploaded on the examination portal for allocation of marks (equivalent to formative/OJT marks).
- **Spoke-Level Flexibility:** With SPV approval, Hubs may permit Spokes to collaborate with local industries or small enterprises to run customized programs suited for job creation, entrepreneurship, or livelihood enhancement—especially beneficial for hilly, remote, and North-Eastern regions.
- **Training Methodology and Monitoring:** Training methods will be defined by the Hub and approved by the SPV, ensuring that trainees are not engaged in labor work.
- **Trainer Development:** Trainers may be upgraded by industry partners or trained at ITIs, industry training centers, or within industries.
- **Industry Collaboration:** Industries can establish prototype training models in ITIs (Hub/Spoke) for training both trainers and students.
- **Integrated Training:** The model facilitates integration of Long-Term and Short-Term Training (LTT & STT).

## 6. Scheme Monitoring and Governance:

---

To make sure the scheme is implemented properly and delivers the expected results, a strong monitoring and governance system will be put in place. This system will include committees at the national and state levels, along with dedicated teams to support their work. These bodies will guide the scheme, review progress regularly, and make changes when needed.

**A. National Steering Committee (NSC)** –National Steering Committee chaired by Secretary, MSDE would provide the overall vision for the scheme, facilitate broad policy direction, finalize operational guidelines, monitor, and conduct course correction activities as defined below.

### Composition of NSC

a) Secretary, MSDE – Chairman

### Members

1. Director General, Directorate General of Training, MSDE
2. Additional Secretary/ Joint Secretary, MSDE
3. Additional Secretary/Joint Secretary and Financial Adviser, MSDE

4. Member, Capacity Building Commission
5. Representatives, not below the level of Joint Secretary of Central Ministries of Education; Heavy Industries, Commerce and Industry; and Labour and Employment and one sector specific ministry on rotation basis (such as Ministry of Food Processing Industries, Ministry of Electronics and IT etc.)
6. Representative of NCVET
7. Principal Secretary / Representatives of three (3) state governments (on rotation basis)

Upto four (4) Industry/academia representatives nominated by the MSDE. The composition of the NSC may be revised from time to time by the MSDE.

**Responsibilities of NSC:** Main responsibilities with respect to the activities related to upgrading ITIs and NSTIs through the Hub-and-Spoke cluster model will include (illustrative):

- To approve scheme guidelines, give broad policy directions and reallocate funds across components within the overall scheme allocation as well as modification of minor components not envisaged (in line with broad concept of scheme) but required for successful implementation of scheme, within total approved cost of the scheme, in consultation with Integrated Finance Division (IFD), MSDE
- To approve State proposals to utilize an empowered society adhering to autonomous governance structure of the scheme, including state-led model, rather than a Section 8 company for a particular cluster.
- Approving the SPV SIPs.
- Approving and allocating the central component for funding the program implementation and reallocating funds across the component within the overall scheme allocation.
- Shall be responsible for overall oversight of NSTI transformation component of the scheme, including planned sector specific CoEs and global partnerships.

**B. NPMU (National Project Monitoring Unit)** — The Centre will set up a National Project Monitoring Unit (NPMU), led by the Director General of Training (DGT) head, with officers from DGT and other units within MSDE and its agencies, and consulting staff as needed. The NPMU will support the NSC and its key responsibilities will include:

- Acting as the executive arm of the NSC, ensuring decisions are implemented and working with State/UT PMUs to standardize processes and interventions
- Facilitating leadership discussions for the National Steering Committee
- Tracking fund disbursement and utilization across States/UTs, ensuring efficient allocation and plan for future fund asks from States/UTs
- Ensuring reliable and consistent data collection, performance monitoring, and reporting; regularly track progress against Disbursement Linked Indicators (DLIs) and Key Performance Indicators (KPIs) to assess program effectiveness.
- Developing and maintaining digital tools including Learning Outcome management System (LOMS), grievance tool, stakeholder surveys, etc.

- Evaluating scheme activities, identifying evidence-based effective practices, disseminating to relevant stakeholders
- Providing strategic, technical, and logistical support to NSC for effective communication and implementation e.g. address State/UT queries in consultation with NSC, social media campaigns, conferences
- Providing support and monitor implementation of key aspects of the program such as fiduciary, social, and environmental risk management.
- Gathering regular feedback from clusters, States/ UTs, industry, and other stakeholders to identify challenges, assess implementation gaps, and determining and organizing additional support needed for effective program execution.
- Compiling and escalating key challenges for the consideration of NSC.
- Coordinating with MDBs supporting the scheme, including appointment of the Independent Verification Agency.
- Authorizing payments of national share per the LAs/SIP. Publishing findings from annual field audits (templates to be provided) on KPIs like seat utilization, pass percentage (%), placement percentage (%), funds used, OJTs completed, etc.

**C. State Steering Committee (SSC):** The State Steering Committee (SSC), chaired by the Chief Secretary, shall serve as the apex body at the State/UT level for guiding and overseeing the implementation of the component 1 of scheme i.e. Upgradation of ITIs through Hub-and-Spoke Model. It shall review and recommend cluster-level Strategic Investment Plans (SIPs) and approve Annual Operational Plan (AOP), monitor the progress of implementation, ensure inter-departmental coordination, and facilitate convergence with other state initiatives. The SSC shall support stakeholder engagement with industry and academia, address implementation bottlenecks, and serve as the primary liaison with the National Steering Committee (NSC) by submitting progress reports, policy feedback, and funding requests. It shall be responsible for providing strategic direction for the scheme within the State and ensuring timely and outcome-based execution in alignment with national priorities.

**Chairperson:**

- Chief Secretary of the State/UT

**Members:**

- Principal Secretary, Department of Skill Development / Technical Education
- Principal Secretary, Department of Industries
- Regional Director, RDSDE, MSDE
- Secretary, Department of Finance
- Director/Commissioner, Department of Employment & Training (as Member Secretary)
- One or two industry representatives (nominated in consultation with industry associations)
- One academic or vocational training expert from a recognized institution
- Representatives from relevant sectoral departments, e.g., Labour, Education, MSME

(as per State context)

## **Roles & Responsibilities of the State Steering Committee (SSC)**

### **a. Strategic Leadership & Oversight**

- Provide overall direction and state-level coordination for the implementation of the ITI Upgradation Scheme.
- Guide alignment of the scheme with the State's industrial, skilling, and education priorities.

### **b. Review & Approve Cluster-Level Plans**

- Review and recommend Strategic Investment Plans (SIPs) submitted by Special Purpose Vehicles (SPVs)
- Ensure that plans meet technical and financial criteria set by the scheme and reflect local skilling needs.

### **c. Facilitate Convergence & Inter-Department Coordination**

- Enable convergence across state departments like Skill Development, Industries, Education, and Labour for integrated implementation.
- Ensure support from state-level schemes and resources, including land, trainers, infrastructure, etc.

### **d. Monitor Progress & Implementation**

- Monitor implementation progress of ITI clusters, including civil works, equipment procurement, curriculum rollout, trainer deployment, and achievement of KPIs.
- Conduct periodic reviews (at least quarterly) and resolve operational bottlenecks.
- Evaluate industry participation and ensure timely fund release from State's share.

### **e. Stakeholder Engagement**

- Serve as a platform for industry and academia to provide inputs into cluster development and curriculum modernization.
- Engage with sector-specific partners and promote industry-supported initiatives within the clusters.

### **f. Liaison with the National Steering Committee (NSC)**

- Submit regular progress reports, cluster approvals, and funding requests to the NSC at the national level.
- Ensure compliance with national policy directions and guidelines issued from time to time.
- Represent State priorities, seek flexibility where needed, and highlight best practices or innovations.

### **g. Support Capacity Building and Digital Systems Rollout**

- Facilitate the adoption of digital platforms such as the Learning Outcome

Management System (LOMS), student feedback systems, and e-content tools.

- Oversee capacity building of State PMU, SPV teams, and ITI faculty involved in the scheme.

**D. State Project Monitoring Unit (SPMU)** – Each State/UT will set up a State Technical PMU within the State Department for Skills and Entrepreneurship to oversee program implementation at the State/UT level and to provide technical and executive support as needed to the State Steering Committee (SSC) and ensure the program stays on track. The PMU may bring in additional partners/consultants as needed, support industry outreach and onboarding, collect data, organize review meetings, and assist the SSC in enhancing on-ground execution. On-an-average four (4) members/consultants will be allowed. If the States/UTs so desires, it may engage two (2) Young Professionals in lieu of one (1) PMU consultant. The terms of engagement for Young Professionals will be governed in accordance with NITI Aayog guidelines.

The PMU, headed by the Director of the Skills Department, may include an industry expert, and a data analyst dedicated to the scheme. These personnel may either be assigned from the Department of Skills or engaged as consultants.

**Functions:**

- Track fund disbursement and utilization across clusters, ensuring efficient allocation and plan for future fund asks from clusters, prepare utilization certificates
- Facilitate leadership discussions for the State Steering Committee
- Regularly track progress, including through the appointment of an Independent Monitoring Agency (IMA)<sup>2</sup>, against Disbursement Linked Indicators (DLIs) and Key Performance Indicators (KPIs) to assess program effectiveness and enforce performance management framework<sup>4</sup> and report to the SSC with recommendations for improvement / course corrections
- Regularly track progress of implementation of key aspects of the program such as fiduciary, social, and environmental risk management, and grievance redressal
- Provide strategic support for effective communication and implementation e.g. resolve SPV queries in consultation with State/UT and Centre
- Raise key challenges with the State Steering Committee for timely resolution, including onward transmission to the NSC as appropriate.
- Support broader program success, e.g. orchestrate coordination amongst industry, cluster, State and Centre, engage with industry, lead branding exercises etc.
- Coordinate with MDBs supporting the scheme.
- Authorize payments of State contributions per the LA

**E. Independent Monitoring Agency (IMA)** – State shall appoint an IMA selected through transparent process, to be funded through the administrative and monitoring budget under the scheme. The roles of the IMA include:

- Carrying out project monitoring as per milestone schedule, performance tracking, milestone verification, and certify milestone completion based on tracking, and

---

<sup>2</sup>The SPMU may appoint one or more IMAs as it deems appropriate for the number of established SPVs.

trigger release of project-level tranches based on verified progress

- Collecting primary data relevant for KPI measurement to track project progress from the SPV
- Carry out the functions as set out in the Licensing Agreement including calculating performance against KPIs defined in the project agreement between the SPV and the state government

# Annexures

(The following Annexures provide detailed reference materials and templates to support the implementation of the scheme. The templates annexed in these Guidelines are model formats meant to guide States and Union Territories. States/UTs may suitably adapt or modify these templates as per their local context and requirements. The Ministry may issue necessary modifications or clarifications from time to time to keep these documents aligned with evolving implementation needs.)

## Annexure 1: Strategic Investment Plan (SIP) Template (Sample)

A suggested structure for the Strategic Investment Plan that each AIP/Industry partner must prepare for each Hub and Spoke Cluster, including key sections and information required.

### Template for Strategic Investment Plan (SIP) for H&S Cluster

<b>Details of Hub-Spoke ITI Clusters</b>	
<b>Contact Name, Title, Tel, Email of bidder/Industries</b>	AIP or AIP lead consortium

#	Section
1.	Introduction
2.	Financial Details: Budget Overview, Sources, and Application of Funds
3.	Vision, Mission, and Strategic Objectives
4.	New and Revised Courses Proposed Based on Demand and Gap Analysis <ul style="list-style-type: none"> <li>- Long-term (CTS, Diploma),</li> <li>- Industry-certified programs</li> <li>- Other demand-driven and innovative programs</li> </ul>
5.	Proposed Industry and Employer Linkages
6.	Innovation Proposed in Training Program, and Pedagogy
7.	Capacity Building Plan for ITI Leadership and Instructors
8.	Infrastructure Modernization and Development Plan (including digital infrastructure)
9.	Gender Equity and Social Inclusion Strategy
10.	Monitoring, Evaluation, and Performance Measurement Framework
11.	Governance Structure and Management Framework
12.	Strategy for Financial Sustainability and Scalable impact
13.	Stakeholder consultation, Engagement and Communications strategy
14.	Risk Identification, Assessment, and Mitigation Plan
15.	Template 1: Baseline Characteristics of Hub and Spoke it is
16.	Template 2: Budget allocation of the last three financial years
17.	Template 3: Five-Year Strategic Investment Plan and Budget for ITI Consortium
18.	Template 4: Performance Indicators for Measuring Success
19.	Template 5: Implementation Gantt Chart

## Instructions for the Preparation of the Strategic Investment Plan (SIP) (Part -1)

1. **Overall Guidance Note** (*to be read in conjunction with the Scheme Document; this section is for preparatory guidance only and may be deleted during final SIP submission.*)
2. In **alignment** with the PM- SETU, each State and Union Territory (UT) shall facilitate the establishment of the Industrial Training Institute (ITI) Hub and Spoke Cluster. When submitting recommended SIPs of Hub and Spoke ITI Cluster to MSDE, states are required to attach commitment letters to fulfill the state's obligation of staffing, Scheme funding, and implementation of regulatory reforms, as specified in the scheme document.
3. Each Anchor Industry Partner (AIP) shall prepare a **Five-Year Strategic Investment Plan (2025–2030)** articulating a clear vision, strategic priorities, and investment roadmap to transform the quality and relevance of ITI training delivery which shows alignment with the overall purpose of the scheme to increase employability of graduates of ITIs. SIP shall be evidence-driven, rooted in local economic analysis, and developed through **multi-stakeholder consultation** involving industry, ITI instructors, students, academia, etc. SIP should be based on local job market studies, analysis of industry value chains, and discussions with experts from different sectors.
4. AIPs/SPVs are encouraged to align their investment plans with identified **priority sectors**, including but not limited to advanced and smart manufacturing, heavy engineering, automotive, textiles and garments, construction, process industries, electricals, electronics and telecommunications, food processing, building interiors, and consumer durables.
5. The SIP must demonstrate innovation in training design and delivery, with an emphasis on technology integration, blended learning, and modular curriculum aligned to existing and emerging job roles. The aim is to enhance the scale, quality, and labor market outcomes of graduates from the ITI ecosystem.
6. The total investment for Hub ITI and each Spoke ITI shall not exceed Rs 80 Crore and for Rs 40 Crore respectively, inclusive of all capital and operational components. Within this overall financial ceiling, expenditure on civil infrastructure shall not exceed 20% of the total approved budget. SPV shall ensure optimal allocation between physical infrastructure, digital capabilities, faculty development, and program innovation.
7. The SIP is a strategic document focusing on demand-driven and industry-aligned courses, industry linkages, innovative approaches to program design and delivery, staff training, infrastructure development, gender and inclusion strategies, monitoring and evaluation systems, governance and management frameworks, financial and institutional sustainability. A comprehensive stakeholder engagement and communications plan may also be developed and included in the SIP budget. Each section of the SIP should describe the action, articulate expected outcomes, responsible entities, timelines, and budget requirements.
8. SIPs will be operationalized through Annual Operation Plan (AOP) which will include Annual Work and Budget Plans (AWBP). This Annual Operation Plan (AOP) will be submitted to SSC for approval before the start of the financial year. SIPs could be amended as needed by the SPVs. However, amendments with financial implications and impacting on the mandatory KPIs will need to be approved by the State Steering Committee and the National Steering Committee.

i.

10. Template 3 consolidates the total budget required for implementing the Five-Year Strategic Investment Plan. Proposals must transparently disclose all sources of funding, including ongoing or expected support from State Governments, public-private partnerships, or other externally aided projects. Template 4 is Gantt Chart on the implementation timeline. Template 5 provides the evaluation criteria and scoring rubric.

### Instructions for the Preparation of the Strategic Investment Plan (SIP) (Part -2)

Section	Instruction
Detailing on ITI and Local Economy	<ul style="list-style-type: none"> <li>List the hub ITI and its associated spokes,</li> <li>Outline the characteristics of the local community, including the economy, key industries, labor market trends, and population demographics.</li> <li>Specify the key trades, sectors and programs that will be offered to align with industrial needs</li> </ul>
Details of Anchor Industry Partner	<ul style="list-style-type: none"> <li>Details of the anchor industry partner (AIP) and its associated industry partners/ and institutional collaborators (if any).</li> </ul>
Budget and Financing	<ul style="list-style-type: none"> <li>Provide the annual recurring and capital budget for the hub and all spokes for the last 3 years.</li> <li>Indicate the sources of financing (central, state, industry, income generation, grant-in aids etc). (<i>Refer. Template 2</i>)</li> </ul>
Vision and Mission	<ul style="list-style-type: none"> <li>State the rationale for selection of the Hub and Spoke ITI Cluster. Define the vision, mission, core strategies, and unique value propositions that add value to the proposal.</li> </ul>
Detailing on New and upgradation of courses proposed for CTS, Short term and any other program	<ul style="list-style-type: none"> <li>Provide details of labour market demand analysis to identify current and future employment opportunities.</li> <li>Details of CTS courses to be upgraded.</li> <li>Details of New CTS courses to be proposed and mechanism adopted. (<i>This process will involve consultations with industry experts, governments, and other stakeholders to establish priority trades and courses. It is important to consider foundational learning as part of the course development. Modules such as language, digital skills, career guidance counselling, could be embedded into the new courses, or as electives or extracurricular activities</i>).</li> <li>Details of new short-term courses to be developed or adopted.</li> <li>Explain the course development or upgradation process, including consultations and approval/ accreditation sought. Explain how the SPV, along with Hub and Spoke ITIs and industry partners will work together. Which courses or modules will be offered at which institutions? Whether the courses and modules offered are gender neutral and are also designed for the differently abled people? How will faculty and facilities be shared across institutions? How will all students be able to learn different courses in the hub and spokes?</li> </ul> <p>Provide evidence of:</p> <ul style="list-style-type: none"> <li>skills demand and/or potential for expansion of this demand.</li> <li>the presence of industrial linkages involving these programs.</li> <li>perceived advantages for institutions and students through the programs</li> </ul>

<p>Proposed Industry and Employer Linkages</p>	<ul style="list-style-type: none"> <li>• Partnerships with industries and employers. This may include financial supports, technology know-how support</li> <li>• Detailing on proposed apprenticeships and faculty industry attachment.</li> <li>• Development of customer-ordered industry-commissioned training programs and establishing “learning factories”</li> <li>• Detailing on proposed sharing of technology and production equipment’s</li> <li>• SIP can also provide proposed solutions if any for small and medium enterprises e.g. R&amp;D solutions etc</li> <li>• Proposed MOUs with companies for employment, apprenticeships, funding etc</li> </ul> <p><i>(Other details may include engaging industries in the development of standards, curriculum, and training programs, through technical committees, details of Jobs, and competency standards required in Industries, identifying specific industries that has potential for absorbing different categories of differently abled people and develop standard, curriculum and training programs. Organizing alumni and industrial outreach)</i></p> <p>The SPVs need to clearly articulate which types of industry partnerships are being provided in the SIP and attach letters from all the collaborating industries.</p>
<p>Innovation in Training Program Design, Delivery, and Technology Integration</p>	<ul style="list-style-type: none"> <li>• Innovation in program design and delivery.</li> <li>• Innovative programs for Occupational Health &amp; Safety, Industry 4.0 occupations, and entrepreneurship.</li> <li>• Initiatives like incubation centers, Atal tinkering labs, industry-commissioned specialized training, and industry-certified programs. Joint or sandwich programs with Indian or Foreign partner.</li> <li>• Innovative pedagogy like hybrid learning, student-centered and adaptive approaches, VR/AR labs, interdisciplinary and project-based learning, skills competitions, R&amp;D, and on-the-job training.</li> </ul>

<p>ITI Leadership and Instructor Capacity Building Plan</p>	<ul style="list-style-type: none"> <li>• Plan for continuous professional development of ITI leaders, trainers, and staff.</li> <li>• Proposed Partnerships with National Skill Training Institutes (NSTIs) or other educational institutes such as the Indian Institute of Management or Institute of National Importance (INIs) etc.</li> <li>• Recruitment plans for existing vacancies and new trades.</li> </ul> <p><i>(Staff professional development should begin with a training needs assessment to identify gaps in academic knowledge, technical competencies, and teaching methodologies. Strategies/Plan for assessment can be provided in this section. Once these assessments are conducted, the SPV should implement a staff development plan that includes industrial attachments, ongoing training in pedagogy, ICT, training of the trainers, student management, and internship supervision, fostering a culture of continuous professional growth.)</i></p> <ul style="list-style-type: none"> <li>• Plans for appraisals, incentives, and flexible HR arrangements may be outlined to enhance motivation and retention among instructors.</li> <li>• Provide clear policies for competitive selection of key leadership roles of SPV.</li> </ul>
<p>Upgradation Plan including Infrastructure Development Plan and labs</p>	<ul style="list-style-type: none"> <li>• Outline necessary investments in civil infrastructure (e.g., classrooms, hostels, workshops), including digital infrastructure, and procurement of state-of-the-art equipment. (The SPVs are encouraged to develop a long-term infrastructure master plan first before deciding which specific civil works projects will be supported under the scheme, explain how investments have been prioritized across Hub and Spoke ITIs. Highlight gender-inclusive, climate resilient and accessible infrastructure. Highlight if any assistance of finance is proposed through other schemes of state/centre/existing collaborations.)</li> <li>• Development of sports facilities, incubation centre, production centre etc</li> </ul> <p><i>(Note: In case of upgradation of existing facilities or development of facilities, a checklist-based audit will be conducted and all-inclusive improvement (including improving solid, liquid waste management, energy efficiency, universal access, Health &amp; Safety, etc) may be made part of SIP and implemented while constructing/upgrading.)</i></p>

Gender and Inclusion Plan	<ul style="list-style-type: none"> <li>• State current gender ratios in local community and ITI</li> <li>• Define strategies and actions for improving women's participation, especially in non-traditional trades. Address multiple layers of exclusion (e.g., SC, ST, PWD).</li> <li>• Define indicators to monitor progress.</li> </ul>
Measuring Performance and Outcomes	<ul style="list-style-type: none"> <li>• Define performance indicators</li> <li>• Define systems/mechanisms that would be established to produce these indicators.</li> </ul> <p><i>(Note: The indicative full set of performance indicators and measurement methodology can be found in Template 3)</i></p>
Governance and Management	<ul style="list-style-type: none"> <li>• Provide the details of participating institutions, industry partners in SPV Board proposed by AIP/Industry Consortium.</li> <li>• Management Team: Provide details of SPV Management proposed with proposed organogram.</li> <li>• Hub and Spoke Relationship: Provide detailing on relationship of Hub ITI and Spoke ITI</li> </ul>
Sustainability and Scalability	<ul style="list-style-type: none"> <li>• Detail out sustainability plans including both institutional and financial sustainability.</li> </ul> <p><i>(Explain how financial sustainability can be improved through income generation, both during and beyond the duration of the national scheme. Detail how the SPV intends to ensure long-term impact.)</i></p>
Stakeholder Engagement and Communication	<ul style="list-style-type: none"> <li>• Detail out stakeholder engagement, communications strategy.</li> </ul>
Risk and Mitigation Strategies	<ul style="list-style-type: none"> <li>• Detail out key risks (internal and external) for implementation</li> <li>• Provide mitigation strategies for each identified risk.</li> </ul>

### Template 1: Baseline Characteristics of Hub and Spoke ITIs

	<b>Hub ITI [name]</b>	<b>Spoke ITI [name]</b>	<b>Spoke ITI [name]</b>	<b>Spoke ITI [name]</b>	<b>Add columns as needed</b>
Year in operation, current grading of ITI(s)					
Current ITI management and IMC composition (if IMC is present) <sup>5</sup>					
List of courses offered					
Number of enrolled students in the last three years (for courses, by gender and category – General/SC/ST/OBC).					
Number of graduates last year by courses (for courses, by gender and category General/ SC/ST/OBC), and specify proportion who are employed and other information about labor market outcomes					
Number of instructors (total disaggregated gender wise data, types of contracts, sanctioned post, vacancies by course, by gender).					
Size and condition of classroom and					
workshop facilities. Specify total area.					
Composition of Internal Complaint Committee to address workplace safety and its effectiveness from number of GRM registered, resolved; training undertaken and submission of Annual reports					

<sup>5</sup> Provide disaggregated information

Template 2: Budget allocation of the last three financial years across the proposed ITIs for the cluster

<b>Budget Component</b>	<b>Estimated Annual Budget (₹ Lakhs)</b>	<b>Source of Financing Center/State/ Industry-CSR/ Others</b>	<b>Year 1 2021-22</b>	<b>Year 2 2022-23</b>	<b>Year 2023-24</b>	<b>Remarks</b>
Total Recurrent Expenditure						
Faculty Salaries						
Non-teaching Staff Salaries						
Maintenance of Infrastructure						
Utilities (Electricity, Water, Internet)						
Consumables / Raw Materials for Training						
Scholarships, Internship/ Ap apprenticeship and Welfare Programs such as Stipends to eligible women, SC/ST/PWD students						
Total Capital Expenditure						
Infrastructure Development						
Equipment Procurement						
ICT based						
System for monitoring and reporting of labour welfare measures						
<b>Total Annual Budget</b>						

**Template 3: Five-Year Investment Plan Budget for ITI Consortium**

Investment Activity	Objective	Baseline	Five - year target					Expected Outputs	Potential Direct Beneficiaries (with estimated numbers)	Investment Required	Sources of funding	Timelines
			Year 1	Year 2	Year 3	Year 4	Year 5					
Strengthening ITI Hub- and- Spoke Governance and Management												
Institutionalizing Industry Linkages												
Develop and Implement Demand- Driven, Industry- Aligned Training Programs												
Capacity Building of ITI Leadership and Instructors												
Upgrading Key Infrastructure, Training Facilities, and Equipment												

Investment Activity	Objective	Baseline	Five - year target					Expected Outputs	Potential Direct Beneficiaries (with estimated numbers)	Investment Required	Sources of funding	Timelines
			Year 1	Year 2	Year 3	Year 4	Year 5					
Implementing Technological Innovations in Training Delivery												
Supporting Women, SC, ST and PwD Enrolment and Completion												
Building Entrepreneurship Skills and Start-Up Support												
Monitoring and Evaluation System Accessible system for Grievance Redress Mechanism												

## Summary Form of Strategic Investment Plan (SIP)

- 1. Executive Summary** — Overview of the cluster (Hub-and-Spokes, locations, key industry sector focus), vision and goals of upgradation, summary of investment required and expected outcomes.
- 2. Cluster Profile** — Baseline data for Hub and each Spoke: year established, courses/trades, current capacity and enrollment, pass and placement rates, staff strength, infrastructure facilities available, notable partnerships or achievements. Include socio-economic context of the area (industries present, skill gaps).
- 3. Needs Assessment & Gap Analysis** — Identified gaps in infrastructure, training quality, industry relevance, etc., through diagnostic studies or stakeholder consultations. For instance, list of equipment that is outdated or trades with obsolete curriculum, etc., and the improvements needed.
- 4. Upgradation Plan** – Detailed plan with sub-components:
  - *Infrastructure Development:* Civil works (new buildings, renovations) with specifications (e.g., construct new workshop of 500 sqm, renovate 10 classrooms, etc.), site readiness issues, and implementation timelines.
  - *Equipment & Technology:* Trade-wise list of machinery, tools, IT hardware to be procured; quantity, estimated cost, and justification (e.g., CNC lathe – 2 units – to train 30 machinists/year).
  - *Curriculum and Courses:* List of new courses to introduce (with duration, target annual intake), existing courses to be phased out or revised, modular structure adoption plan, alignment with NSQF/NCrF levels.
  - *Faculty and HR:* Recruitment plan for new instructors or staff (numbers, profiles), training plan for existing faculty (areas/topics of ToT), any management staffing for SPV (CEO, admin, M&E officer, etc.).
  - *Digital Integration:* Plan for implementing LOMS and digital classrooms – internet connectivity arrangements, hardware procurement for IT labs, digital content creation if any by the cluster.
  - *Industry Partnerships:* Roles and contributions of Anchor and other industry partners – e.g., internships for X students/year at ABC Corp, industry expert lectures schedule, equipment donation commitment, etc.
  - *Outreach & Mobilization:* Strategy for student mobilization (awareness campaigns, counseling workshops), focus on increasing female enrollment or other target groups.
  - *Sustainability Measures:* How the cluster will generate revenue or manage costs post-scheme.
- 5. Implementation Timeline** — Gantt chart or phased timeline showing sequence of key activities: SPV setup, procurement milestones, civil works start/finish, course launch dates, etc. Identify critical path items.
- 6. Institutional Arrangements** — Details of SPV (promoters, proposed Board composition), coordination with state department, roles of key officials, any capacity building needed for implementation.

**7. Cost Estimates** – Detailed budget tables:

Breakup by component (civil works, equipment, training, admin, etc.) and by year.

Cost assumptions for each item (e.g., unit costs).

Contingency provision (if any, say 5-10%).

Summary of total cost for cluster.

**8. Financing Plan** — Sources of funds aligned to costs: central share, state share, industry share, any other (CSR, etc.). Indicate when each source will be injected (e.g., State ₹X crore in Year1, ₹Y in Year2, etc.). Ensuring this matches cost-sharing ratios.

**9. Expected Outcomes & KPI Targets** — Table of key performance indicators with baseline value, annual targets, and final target (for end of project).

**10. Risk Assessment & Mitigation** — Identify major risks (e.g., delay in civil works due to monsoon, difficulty in finding qualified trainers, industry contribution shortfall) and mitigation strategies.

**11. Approval and Endorsements** — Section for signatures of preparation team (AIP lead, ITI principals, etc.), endorsement by State department or SSC before forwarding to NSC.

*(This template will guide clusters in preparing comprehensive and standardized SIPs. Actual SIPs may include additional annexes like detailed equipment specs, architectural drawings, etc., as needed.)*

## Annexure 2

**Table: Evaluation Criteria**

Dimension	Criteria	Sub-criteria	Rating mechanism	Weightage (marks)
A. HR Plan	HR Managerial Capacity	Proposed managerial level HR plan for the SPV, including capacity building of existing ITI staff.	Credentials of proposed SPV CEO and Management of SPV	5
			Plan for capacity Building of Existing and HR management of existing ITI staff/ Trainers	5
			Plan to induct industry level/ lateral hires as Master Trainers/ Academic Deans/ Subject Experts	5
			Filling of vacancies through contractual staff until permanent staff is hired by State Government	5
				20 Marks

B. Employment Outcomes	Employment Potential over baseline	Overall employment outcomes to be achieved as per the SIP over the baseline	Placement (Increase in share placed over baseline)	10	
			Apprenticeship (Increase in Share of those engaged as Apprentices)	2	
			Salary growth of placed students over baseline	5	
			Overseas Mobility Opportunities envisaged	3	
				20 Marks	
C. Operational Plan and Strategy	Inclusion and Outreach plan	Proposed outreach to underserved groups (SC/ ST/ others identified)		2	
		Proposed increase in female share of enrolment over baseline		5	
		Aspirational districts/ NER region as part of the cluster		3	
					10 marks
	Curriculum strategy - diversity and innovation	Plan for Re-design of Existing Courses	Qualitative Assessment	5	
		Plan to introduce courses in new age areas/ IR 4.0/ Green/ Digital/ Advanced		5	

		Manufacturing		
		Plan for non-ITI courses -shorter courses, work-based Diplomas, Executive programs, etc.		5
		Innovation in pedagogy/ technology enabled learning, AR/VR, etc.		5
				20 marks
	Infrastructure and Facility Management	New capex development strategy; Infra maintenance strategy (blueprint for an inclusive, climate, and disaster resilient and sustainable capex plan and civil infra upgradation <sup>3</sup> )		5
		Fungibility of equipment and machinery proposed		5
				10 marks
	Strength of Industry engagement & in-house absorption of pass-outs	Industry engagement strategy (MoUs, DSTs, OJT partnerships planned)		2

<sup>3</sup>This shall include overall redesign and upgradation of existing equipment and civil infrastructure, with some weightage for energy efficient equipment, climate & disaster resistant infrastructure, and overall environmental sustainability

		Extent of in-house absorption of pass-out by AIP and its partner/ supply chain/ vendors		5
		Size of the cluster proposed	Standard- 5(1:4) Cluster of 6-7 ITI Cluster of 8-10 ITI	3
				10 marks
				50 marks
D. Sustainability Plan	Extend of sustainability envisaged for the cluster	Plan for building revenue stream from activities like Production Centre, fee-based courses, etc. over the years		10
				10 marks
				<b>100 marks</b>

### **Financial Evaluation Criteria**

The State Steering Committee will evaluate the Strategic Investment Plan (SIP) based on the technical capabilities and financial support proposed by industry partners for the upgradation of the Hub and Spoke Cluster.

Based on the evaluation, three scores shall be assigned:

- 1. Technical Score – X**
- 2. Financial Score on overall costing – Y**
- 3. Final Score on Industry Contribution – Z**

The weightage for calculating the final score shall be 50:50. The Final Score shall be computed using the following formula:

$$\text{Overall SIP Score (Sn)} = [Xt \times 0.5] + [Yt \times 0.3] + [Zt \times 0.2]$$

Where:

- 1. Sn** = Final Score of SIP
- 2. Xt** = Technical Score of SIP, based on technical parameters mentioned in Table 2

3. **Yt** = Financial Score, based on the cost per unit technical score secured and calculated as follows:

- **Cost per unit technical score (A)** = Total Financial Outlay ÷ Xt
- **Yt** = (Amin ÷ A) × 100

4. **Zt** = (F ÷ Fmax) × 100, where:

**F** is the share of industry proposed by the AIP/Consortium in percentage of total outlay of SIP.

**17% would be the** minimum industry share as mandatory/essential condition (i.e., 17% of the total project cost submitted for the Hub and Spoke Cluster).

**Each State/UT, through the State Steering Committee will determine its technical score cut-off as per its discretion.**

## Annexure 3

### ITI UPGRADATION SCHEME | SHAREHOLDERS' AGREEMENT | TERM SHEET

The Ministry of Skill Development and Entrepreneurship, Government of India (“**MSDE**”) intends to undertake the upgradation of industrial training institutes (“**ITIs**”) across the country under a PM- SETU (“**Scheme**”) implemented through the public- private partnership (“**PPP**”) model. Under the Scheme, it is proposed that the right to upgrade, operate and manage an identified cluster constituting of a ‘hub’ ITI and a number of associated ‘spoke’ ITIs (collectively, a “**Hub-and-Spoke Cluster**”) will be granted to a special purpose vehicle (“**SPV**”) whose shareholding will be held by an anchor industry partner (“**AIP**”)⁶ chosen through a process of selection through a transparent process, the Central Government, and the relevant State Government.

The terms of this arrangement will be governed by:

- a. a license agreement (“**License Agreement**”) that will record the terms and conditions on which the right to upgrade, operate and manage a Hub-and-Spoke Cluster will be granted to the SPV by the relevant State Government; and,
- b. a shareholders’ agreement (“**SHA**”) that will record the rights and obligations of the AIP, the Central Government, and the State Government, as shareholders of the SPV and provide for the internal governance and management of the SPV.

This term sheet sets out below an indicative list of the key terms and principles that will be incorporated into the SHA.

#### DETAILS OF THE SPV AND SHAREHOLDERS

##### 1 SPV

The SPV will be a non-profit entity with the charitable object of the promotion of vocational education by means of the upgradation and management of ITIs in accordance with the terms of the Scheme.

The SPV will be incorporated as private limited company<sup>7</sup> limited by shares with charitable objects under, and in accordance with the terms of, Section 8 of the Companies Act, 2013.

The name, and the location of, the registered office of the SPV will be mutually agreed between the Shareholders (as defined below).

<sup>6</sup>**Note:** This term sheet has been prepared for an SPV structure involving one AIP. The State Steering Committee may appropriately modify the structure and the mechanics proposed in this term sheet for structures involving more than one AIP or a consortium of AIPs in the SPV.

## 2 Shareholders and Parties

The shareholders of the SPV, upon its incorporation, will be as follows (collectively, “Shareholders” and “Parties”):

- (a) the AIP;
- (b) the Central Government; and,
- (c) the relevant State Government.

All Share holders will also be parties to the SHA.

## 3 Shareholding Pattern

The initial shareholding pattern of the SPV upon its incorporation will be as follows:

AIP	51.00%
Central Government	24.50%
State Government	24.50%

The SPV will be incorporated with a nominal authorized, and paid-up, share capital of INR 1,00,000 (Indian Rupees One Lakh), with each Shareholder contributing to the paid-up capital of the SPV in proportion to its respective shareholding in the SPV as set out in the table above.<sup>8</sup> The share capital will comprise equity shares having a face value of INR 10 (Indian Rupees Ten) each.

---

<sup>7</sup>**Note:** A company incorporated under Section 8 of the Companies Act, 2013 can be incorporated as a private company or an unlisted public company. One key difference between a private company and a public company is that a private company requires a minimum of 2 (two) shareholders, whereas a public company requires a minimum of 7 (seven) shareholders. Given that the SPV is intended to be incorporated with 3 (three) shareholders, the SPV should be a private limited company.

<sup>8</sup>**Note:** It is proposed that the SPV be incorporated with an initial paid-up share capital of INR 1,00,000 (Indian Rupees One Lakh) for the following reasons: (a) we understand that the intent of the MSDE is to ensure that the financial assistance from the Central and State Governments is in the form of grants rather than equity contributions. The equity contribution of the Central Government and the relevant State Government to incorporate an SPV with an initial paid-up capital of INR 1,00,000 (Indian Rupees One Lakh), would be INR 24,500 (Indian Rupees Twenty-Four Thousand and Five Hundred) each; and (b) having an initial paid-up share capital of INR 1,00,000 (Indian Rupees One Lakh) is standard practice. However, please note that the Companies Act, 2013 does not prescribe any minimum or maximum value for initial paid-up share capital of a company.

#### 4 **Objects**

- (a) The object of the SPV shall be, inter-alia, to operationalize, manage, and upgrade a designated hub-and-spoke cluster of Government ITIs under the PM- SETU, as per the scheme guidelines and approved Strategic Investment Plan (SIP). This includes transforming these ITIs into modern, industry-aligned, aspirational institutes through the introduction of new trades, upgradation of existing courses, enhancement of training infrastructure, and alignment of curriculum with evolving industry needs. The SPV shall also be responsible for ensuring training delivery and improved employment outcomes through robust industry collaboration.
- (b) The SPV shall undertake initiatives for capacity building of trainers and instructors, including the design and delivery of pre- service and in-service training programs. It shall promote applied research, innovation in skilling pedagogy, development of digital learning content, and introduction of technology-driven training methods. The SPV may also establish facilities such as production centres, incubation units, and training centres for working professionals, to enhance financial sustainability and local enterprise development. It shall advise and collaborate with government bodies and industry to evolve governance and accreditation frameworks for skill development institutions.

Together, these objectives shall constitute the “Objects” of the SPV and shall be detailed in the Shareholders Agreement (SHA) and the Memorandum of Association (MoA) of the SPV.

### MANAGEMENT AND ADMINISTRATION

#### 5 **Key Managerial Personnel**

- (a) CEO: The board of directors of the SPV (“Board”) will appoint a chief executive officer (“CEO”), who will be the executive head of the SPV and will be responsible for the day-to-day management of the SPV. The CEO will be a person nominated by the AIP, and will be a director on the Board.<sup>9</sup>

---

<sup>9</sup>**Note:** The Concept Note for the National ITI Upgradation Scheme prepared by the MSDE provides that: (a) the CEO will be appointed by the Board of the SPV after following a transparent recruitment process, and (b) the CEO (with the management team) will run the everyday affairs of the SPV. However, the intent of the Scheme is for the AIP to drive the operations of the SPV. We have proposed a construct under which the Board will appoint the CEO, who will be a person nominated by the AIP. This will ensure that the AIP has greater operational control over the SPV, by virtue of having the power to appoint the majority of the Board (aggregating to a total of 6 (six) directors out of the 11 (eleven) directors on the Board, consisting of 5 (five) AIP Directors and 1 (one) nominee of the AIP who will be appointed as the CEO).

**6 Board and Committees**

(b) Key Managerial Personnel: The Board may appoint 'key managerial personnel', as such term is defined in the Companies Act, 2013 ("**KMPs**") other than the CEO in accordance with applicable laws.

(a) Board: The maximum authorised size of the board of directors of the SPV ("**Board**") will be 11 (eleven) directors, of which at least 1 (one) director shall be a woman at all times, to be constituted as follows:

- i. the AIP will have the right to nominate 5 (five) directors to the Board (collectively, "**AIP Directors**");
- ii. the Central Government will have the right to nominate 2 (two) directors to the Board ("**Central Government Directors**") which may also include eminent representatives from premier Higher Education Institutions (HEIs);
- iii. the State Government will have the right to nominate 2 (two) directors to the Board ("**State Government Directors**");
- iv. the Board shall nominate 1 (one) representative of the existing ITI level leadership of the Hub-and-Spoke Cluster; and,
- v. the CEO.

The Central Government Directors and State Government Directors (collectively, "**Government Directors**") will, at all times, be non-executive directors.

(b) No Government Director may be, at any time, designated as an 'officer who is in default', 'occupier', 'manager', 'compliance officer', or any other designation or role of similar import that requires the Government Directors to be responsible for any of the day-to-day affairs or the legal compliances of the SPV (collectively, "Relevant Designations"). At every time, there will be at least 1 (one) AIP Director or the CEO who has been designated with the Relevant resolution of the Board.<sup>10</sup>

---

<sup>10</sup>**Note:** The Relevant Designations in question are positions of responsibility under various applicable laws (such as company law, labour and employment laws, etc.), which carry with them the responsibility of ensuring that the SPV complies with the relevant laws. Hence, to mitigate the risk of liability for the Government Directors, we have provided that they will not be designated with any of the Relevant Designations.

- (c) Chairperson: The AIP shall nominate 1 (one) of the AIP Directors as the chairperson of the Board (“**Chairperson**”).
- (d) Committees: The Board may, from time to time, constitute one or more committees or sub-committees having such composition and terms of reference as it may deem fit (“**Board Committees**”). Subject to applicable laws, the composition of the Board Committees shall be such that the nominee directors of each Shareholder are represented in the Board Committees in the same proportion in which they are represented on the Board.<sup>11</sup> The Board Committees may include representatives from the industry, technical experts etc. to assist the Board and the CEO in discharging their functions.

The principles in relation to meetings, quorum and voting which are applicable to the Board will be applicable, *mutatis mutandis*, to the Board Committees unless otherwise provided herein or specified by the Board.

## 7 Board Meetings and Resolutions by Circulation

- (a) Meetings of the Board will be conducted as follows:
  - i. Frequency: The Board will meet at least once every quarter such that not more than 120 (one hundred and twenty) days elapse between any two successive Board meetings, or at such higher frequency as may be mutually agreed between the Shareholders.
  - ii. Notice: Notice for meetings of the Board will be given to, and the agenda and other supporting documentation shall be circulated with, each of the directors in accordance with applicable laws.
  - iii. Shorter Notice: Meetings of the Board may be convened at shorter notice with the consent of the Government Directors and at least 1 (one) AIP Director.<sup>12</sup>

<sup>11</sup>**Note:** The general principle in joint ventures is for the composition of board committees to be in the same proportion as the composition of the board. We have provided for a similar position here.

<sup>12</sup>**Note:** Under the Companies Act, 2013, Board meetings ordinarily require notice of 7 (seven) days, and meetings can be convened at shorter notice for urgent business. To ensure that the Government Directors retain supervision and oversight on the Board, we have provided that the Government Directors’ consent should be obtained for convening Board meetings with a notice period which is shorter than the ordinary notice period of 7 (seven) days.

- iv. Mode of Meetings: Meetings of the Board may be held by way of video conference / online audio-visual means, in accordance with the applicable law.
  - v. Quorum: The quorum for any meeting of the Board will be in accordance with the Companies Act, 2013 and shall require the presence of at least 1 (one) Central Government Director, at least 1 (one) State Government Director, and at least 1 (one) AIP Director.<sup>13</sup>
  - vi. Voting: Except as otherwise required under the SHA for the Reserved Matters (defined below) or under applicable laws, any resolution of the Board shall be approved by a simple majority of the directors present and voting at the relevant meeting of the Board.
- (b) Resolutions of the Board may be passed by circulation, subject to the following conditions: (i) passing of such resolutions by circulation is permitted under applicable law; and (ii) if such resolutions relate to Reserved Matters, the requisite prior written consent of the relevant Government has been obtained.

## 8 Supervision and Control

Subject to the SHA and the articles of association (“**Articles**”) of the SPV, the Board will be entitled to exercise all powers and functions as are vested in it under the Companies Act, 2013 and other applicable laws.

The overall management and administration of the SPV will be under the supervision and control of the Board. The Board may, at its discretion from time to time, delegate its powers to Board Committees, or any officers or KMPs of the SPV, in each case in accordance with applicable laws, the SHA, and the Articles.

---

<sup>13</sup>**Note:** To hold a Board meeting, the presence of at least one Central Government Director and at least one State Government Director should be required. This requirement is in addition to quorum requirements prescribed under the Companies Act, 2013, which is the lesser of (a) 8 (eight) members and (b) 25% (twenty five percent) of the total strength of the board of directors. This would ensure that the Governments have visibility over the operation of the Board. Further, we have seen that, in government-private joint ventures with the government as a minority shareholder, the quorum for board meetings generally requires the presence of the government’s nominee director.

## SHAREHOLDERS' MEETINGS

- 9 Shareholders' Meetings** Meetings of the shareholders of the SPV will be conducted as follows:
- (a) Shareholders' meetings may be convened in accordance with the procedure prescribed under applicable laws.
  - (b) Notice of shareholders' meetings shall be given to, and agenda and other supporting documentation shall be circulated with, the Shareholders in accordance with applicable laws.<sup>14</sup>
  - (c) Shareholders' meetings may be convened at shorter notice in accordance with applicable laws.<sup>15</sup>
- 10 Quorum and Voting** The quorum for, and the manner of voting at, meetings of the Shareholders of the SPV will be as follows:
- (a) The quorum for any Shareholders' meeting will require the presence of the authorized representatives of each of the Shareholders.<sup>16</sup>
  - (b) All Shareholders will vote in proportion to their respective shareholding in the SPV.
  - (c) Except as may be otherwise required under the SHA in respect of the Reserved Matters (as defined below) or under applicable laws, any resolution of the Shareholders shall be approved by a vote of a simple majority by shareholding of the Shareholders present and voting at the relevant Shareholders' meeting.
- 11 Chairman** Unless agreed otherwise by the Shareholders present at the relevant Shareholders' meeting, the Chairperson of the Board will be the chairman of every Shareholders' meeting.

---

<sup>14</sup>**Note:** Under the Companies Act, 2013, notice of 14 (fourteen) days is generally required to be given to convene a Shareholders' meeting.

<sup>15</sup>**Note:** Under the Companies Act, 2013, consent of Shareholders holding at least 95% (ninety-five percent) of the SPV's share capital will be required to convene a Shareholders' meeting with notice shorter than the ordinary period of 14 (fourteen) days. Given the shareholding pattern of the SPV, this practically means that the consent of all the Shareholders will be required to hold a Shareholders' meeting at shorter notice.

<sup>16</sup>**Note:** Similar to the construct for the quorum of Board meetings above, we have proposed that the presence of the representatives of both the Central Government and the State Government will be required to form the quorum for a Shareholders' meeting.

## RESERVED MATTERS AND DELEGATED MATTERS

### 12 Reserved Matters

Notwithstanding anything to the contrary in the Articles or the SHA, no action or decision in respect of any Central Government Reserved Matter (*as defined below*) will be taken without the prior written consent of the Central Government, and no action or decision in respect of any State Government Reserved Matter (*as defined below*) will be taken without the prior written consent of the State Government.<sup>17</sup>

The “**Central Government Reserved Matters**” means the list of reserved matters as set out in **Part A** of **Schedule I** (*Reserved Matters*) below.

The “**State Government Reserved Matters**” means the list of reserved matters as set out in **Part A** and **Part B** of **Schedule I** (*Reserved Matters*) below.

The Central Government Reserved Matters and the State Government Reserved Matters are collectively referred to as the “**Reserved Matters**”.

### 13 Delegated Matters

In order to ensure a certain degree of operational freedom for the SPV, a list of Delegated Matters will be incorporated into the SHA. The Board, in its first meeting, will delegate the Delegated Matters to the CEO, and empower the CEO to undertake the actions contemplated in the Delegated Matters.<sup>18</sup>

---

<sup>17</sup>**Note:** It is set out in **Schedule I** (*Reserved Matters*) below a list of Reserved Matters for both the Central Government and the State Government. The SPV, the Board, the CEO and the management team, would not be permitted to take any decision on a Reserved Matter without the prior written consent of, the Central Government for Central Government Reserved Matters and the State Government for the State Government Reserved Matters. This will ensure that the respective government’s consent is always required for a set of high-level matters that closely and directly affect their interests.

<sup>18</sup>**Note:** It is proposed that, in the interests of operational efficiency and administrative convenience, the Board’s powers and functions in relation to the Delegated Matters set forth in **Schedule II** (*Delegated Matters*) below should be exercised by the CEO. The list of Delegated Matters is a list of day-to-day operational matters on which the CEO can take decisions on his own. The powers of the CEO in relation to the Delegated Matters are subject to the following key limitations: (i) any Reserved Matter, even if it falls within the scope of a Delegated Matter, will require the prior written consent of the respective government; (ii) any matter within the competence of the Board that falls outside of the scope of the Delegated Matters will have to be decided by the full Board; and (iii) any matter required by applicable laws to be approved by the Board or the Shareholders cannot be decided by the CEO (and will require the consent of the Board or the Shareholders, as the case may be).

For the removal of doubt, it is clarified that nothing in the Delegated Matters will authorize the SPV or the AIP to engage in any conduct that is contrary to the terms of the License Agreement, the SHA or applicable laws. Further, if any action under Delegated Matters qualifies as a Reserved Matter, the prior written consent of the relevant government would be required to undertake such action.

The “**Delegated Matters**” means the list of matters in respect of the SPV and the Hub-and-Spoke Cluster that will be delegated to the CEO, as set out below in **Schedule II** (*Delegated Matters*).

## FURTHER FUNDING AND USE OF FUNDS

### 14 Modes of Funding<sup>19</sup>

Pursuant to its incorporation, the funding requirements of the SPV will be met in accordance with the strategic investment plan prepared by the AIP in accordance with the Scheme and approved by the Central Government and the State Government in accordance with the terms of the Scheme (“**Strategic Investment Plan**”) and by means that are in the sequential order of preference set out below:

- (a) Financial Assistance under License Agreement: The preferred mode of funding will be the drawdown of the financial assistance and contributions required to be made available to the SPV by each Shareholder under the terms of the License Agreement, in each case subject to the relevant milestones for the disbursement of the relevant tranche of such support being met in accordance with the Strategic Investment Plan.
- (b) CSR Funding and Grants: Subject to the provisions of the Companies Act, 2013, the SPV may receive and utilize corporate social responsibility (CSR) contributions, and other grants and contributions, from the Shareholders or third parties.

---

respective government; (ii) any matter within the competence of the Board that falls outside of the scope of the Delegated Matters will have to be decided by the full Board; and (iii) any matter required by applicable laws to be approved by the Board or the Shareholders cannot be decided by the CEO (and will require the consent of the Board or the Shareholders, as the case may be).

<sup>19</sup>**Note:** Modes of funding may need to be discussed further in light of the funding mechanics which will be included in the License Agreement.

- (c) Debt: If the modes of funding set forth in subparagraphs (a) and (b) above are not sufficient to meet the requirements of the SPV at any time, the SPV may raise debt from its Shareholders (to the extent permitted under applicable law), banks, financial institutions and/or other third parties (either in the form of loans or by way of the issuance of debt securities).
- (d) Equity: If the modes of funding set forth in subparagraphs (a), (b) and (c) above are not sufficient to meet the requirements of the SPV at any time, the SPV may raise further funds against the issuance of equity shares or securities convertible into equity shares to the Shareholders.<sup>20</sup>

- 15 Pre-Emptive Right**      If the SPV proposes to issue any securities, each of the Shareholders will have a *pro rata* pre-emptive right to subscribe to such number of the securities proposed to be issued as would enable such Shareholder to maintain their shareholding percentage in the SPV on a fully diluted basis.

## SHARE TRANSFER RESTRICTIONS AND EXIT

- 16 Lock In Period**      The securities of the SPV held by the AIP will be locked in till the expiry of the period of license under the License Agreement (“**Lock In Period**”). During the Lock in Period, the AIP will not transfer any of its securities in the SPV to any other person whatsoever, except with the prior written consent of the Central Government and the State Government.
- 17 Right of First Refusal**      Subject to paragraph 16 (*Lock In Period*) above, both the Central Government and the State Government will have a *pro rata* right of first refusal in respect of any intended transfer by the AIP of any securities of the SPV held by the AIP.<sup>21</sup>

<sup>20</sup>**Note:** Kindly note that any issuance of securities is both a Central Government Reserved Matter and a State Government Reserved Matter. Hence, any proposed issuance will require the prior consent of both the Central Government and the State Government, which will ensure that both the governments are aligned on the terms of any proposed issuance before it can take place. Further, please note that if the Central Government or the State Government does not participate in any proposed issuance of equity shares or securities convertible into equity shares *pro rata* to their respective shareholding in the SPV prior to the proposed issuance, their shareholding percentage in the SPV will be reduced after the completion of the proposed issuance.

<sup>21</sup>**Note:** While the relevant governments can always withhold consent for any proposed transfer of securities by the AIP until the terms of the proposed transfer are to their satisfaction, we have nevertheless, for the purposes of abundant clarity, provided both governments with a right of first refusal to purchase the securities proposed to be transferred. This right, when exercised, would enable the governments to ensure that they have the ability to contractually purchase the securities proposed to be transferred, with a view to ensuring that no third party becomes a shareholder in the AIP.

## EVENTS OF DEFAULT

- 18 Events of Default<sup>22</sup>** The SHA will set out the customary events of default (collectively, “Events of Default”), which will include:
- (a) any material breach of the SHA by any Party thereto;
  - (b) the liquidation, dissolution, winding up, or bankruptcy, of the AIP or the AIP being admitted to insolvency proceedings; and,
  - (c) any default on part of the SPV (which is attributable to the AIP) under the License Agreement.
- 19 Consequences of Event of Default<sup>23</sup>**
- (a) The consequences of the occurrence of an Event of Default will be as set forth in the License Agreement.
  - (b) In addition, in case of a default by the AIP, the SHA will provide for the following consequences which will be at the option of the Central Government and the State Government:
    - i. Call Option: Central Government and the State Government will have the right to acquire (by themselves or their respective nominees) the shares of the SPV held by the AIP at the lowest price permissible under applicable law;
    - ii. Liquidation / Winding Up: Central Government and the State Government will have the right to require liquidation / winding-up of the SPV.

## MISCELLANEOUS

- 20 Term and Termination** (a) The SHA will be effective on and from the effective date of the License Agreement and will thereafter continue to be in full force and effect until and unless terminated in the manner set forth in sub-paragraph (b) below.

---

<sup>22</sup>**Note:** An indicative list of Events of Default in this term-sheet is set out. Given the interlinkages between the SHA and the License Agreement, the Events of Default under the SHA would need to be revisited once the term sheet for the License Agreement is in place.

<sup>23</sup>**Note:** The consequences under the SHA of an Event of Default to be fleshed out further based on discussions on and review of the consequences of an event of default set out in the License Agreement.

- (b) The SHA will terminate upon the occurrence of any of the following events:
  - i. all Shareholders mutually agree to terminate the SHA;
  - ii. expiry of the License Agreement or termination of the License Agreement for any reason other than an event of default under the License Agreement by the SPV;
  - iii. liquidation, dissolution, winding up, or bankruptcy, of the SPV; and,
  - iv. only in relation to a particular Shareholder, upon that Shareholder ceasing to hold any securities of the SPV.
- (c) Customary provisions regarding the survival of certain provisions of the SHA beyond its termination will be incorporated in the SHA, which will include the provisions of the SHA concerning confidentiality, term and termination, governing law and exclusive jurisdiction and dispute resolution.

**21 Consequences of Expiry / Termination<sup>24</sup>**

Upon the expiry of the term of the License Agreement or termination of the SHA (for reasons other than the occurrence of an Event of Default), one of the following actions will be undertaken at the discretion of the Central Government and the State Government:

- (a) the SPV will be voluntarily wound up; or,
- (b) the Central Government and the State Government will have the right to acquire (by themselves or their respective nominees) the shares of the SPV held by the AIP at the lowest permissible price under applicable law.

---

<sup>24</sup>**Note:** Options provided may be exercised once the term of the License Agreement expires. Please note that, as currently drafted, the choice between winding up the SPV and buying out the shares of the SPV held by the AIP lies with the Central Government and the State Government. The option to buy out the shares in the SPV held by the AIP adds flexibility should the governments want to acquire the SPV or continue an SPV with a different industry partner, rather than undertake the process of winding up. However, this aspect would need to be aligned with the terms of the Scheme and reviewed by the MSDE to align expectations on the means by which exit will take place.

<b>22</b>	<b>Information and Inspection Rights<sup>25</sup></b>	The Central Government and the State Government will have customary information and inspection rights in relation to the SPV under the SHA, which will include the right to receive, <i>inter alia</i> : (a) the audited financial statements of the SPV on an annual basis, (b) unaudited and provisional financial statements of the SPV on a quarterly basis, and (c) signed copies of minutes of meetings of the Shareholders, Board and/or any committee of the Board.
<b>23</b>	<b>Representations and Warranties</b>	Each Shareholder will provide customary representations and warranties to the other Shareholders under the SHA.
<b>24</b>	<b>Confidentiality</b>	Each Shareholder will be bound by customary confidentiality obligations under the SHA.
<b>25</b>	<b>Governing Law</b>	The SHA will be governed by, and construed in accordance with, the laws of India.
<b>26</b>	<b>Exclusive Jurisdiction</b>	Any disputes or differences arising out of, in relation to, or in connection with, the SHA will be subject to the exclusive jurisdiction of the courts at New Delhi, India.

---

<sup>25</sup>**Note:** An indicative list of information and inspection rights in this term-sheet is provided. Since the License Agreement will also contain certain information and inspection rights in favour of the governments vis-a-vis the SPV, the list of information and inspection rights under the SHA will need to be revisited once the term sheet for the License Agreement is in place, so as to avoid duplication of such rights between the SHA and the License Agreement.

## SCHEDULE I | RESERVED MATTERS<sup>26</sup>

---

### Part A

#### **Governance Matters**

1. Any amendment to or alteration of the memorandum of association or the articles of association of the SPV, including that of the Objects.
2. Any change in the constitution of Board or of any Board Committees thereof (including the appointment, removal, and any change, of the Chairperson), including the manner of appointment of Directors or any increase or decrease in size of the Board.
3. Appointment, removal, or any change, of statutory auditors.
4. Liquidation, dissolution, or winding up, of the SPV.
5. Any change to the registered office or the name of the SPV.
6. Any change in the capital structure of the SPV, including by way of the issuance of any securities to any Shareholder or other person.
7. Any transfer of the shares or securities of the SPV by any Shareholder.

#### **Operational Matters**

8. Sale, lease, gift, grant, or disposal in any other form and manner, of any assets to any person/entity other than the ITIs constituting the Hub-and-Spoke Cluster.
9. Acquisition of shares in or investment in any other person, creation of subsidiaries, joint ventures, partnerships.
10. Entering into any agreement with the AIP.

#### **Financial Matters**

11. Creation of encumbrances on the assets of the SPV.
12. Capital expenditure for or on behalf of the SPV or the Hub-and-Spoke Cluster other than in accordance with the terms of the Strategic Investment Plan and the Annual Operating Plans.
13. Acquisition, receipt, disposal, gift, or grant, of any assets of value greater than INR [●] (Indian Rupees [●]).
14. Approval of the audited financial statements of the SPV.
15. Incurring any indebtedness.
16. Making any political contributions.

---

<sup>26</sup>**Note:** (a) Indicative set of the Reserved Matters are included. This list would need to be revised on the basis of the scope of the License Agreement, and feedback from the MSDE. (b) Certain Reserved Matters are linked to monetary thresholds. Such monetary thresholds may be decided by the State Governments on a case-to-case basis depending on factors like the size of the Hub-and-Spoke Clusters.

### ***Residuary Matters***

Entering into an agreement, whether binding or otherwise, in relation to any of the foregoing.

## **Part B**

### ***Financial Matters***

1. Operational expenditure for or on behalf of the SPV or the Hub-and-Spoke Cluster other than in accordance with the terms of the Strategic Investment Plan and the Annual Operating Plans.
2. Entering into any contract involving an expenditure in excess of INR [●] (Indian Rupees [●]), renewing such contracts beyond the initial period and altering the terms of such contracts.
3. Commencement of litigation, arbitration, or other legal proceedings, exceeding a value in dispute of INR [●] (Indian Rupees [●]), and except in relation to any dispute arising out of the License Agreement.

### ***Residuary Matters***

4. Entering into an agreement, whether binding or otherwise, in relation to the foregoing.

## SCHEDULE II | DELEGATED MATTERS<sup>27</sup>

---

1. Pay costs, charges and expenses in relation to day-to-day functioning and transactions of the SPV and/or the Hub-and-Spoke Cluster and, for this purpose, to make, draw, sign, accept, endorse, negotiate and otherwise execute on behalf of the SPV and/or the Hub- and-Spoke Cluster all cheques, drafts, pay orders, hundies or bills of exchange.
2. Open, operate and maintain, with complete authority, bank accounts of the SPV and/or the Hub-and-Spoke Cluster.
3. Purchase, take on lease, or otherwise receive on its books (including by way of gift or grant), any property or equipment, whether for and on behalf of the SPV and/or the Hub- and-Spoke Cluster, for the purpose of the Objects.
4. Purchase, procure, supply, or otherwise acquire any property (including furniture, machinery, tools, IT equipment and software, teaching aids, etc.) for the purpose of the day-to-day conduct of the operations of the SPV and/or the Hub-and-Spoke Cluster.
5. Demand, recover, take possession of and/or receive any property, moveable or immovable, and receivables (including fees paid or payable by trainees of the ITIs constituting the Hub-and-Spoke Cluster) on behalf of the SPV and/or the Hub-and-Spoke Cluster.
6. Discussion, negotiation, and settlement of the terms and conditions of contracts relating to the operations of the SPV and/or the Hub-and-Spoke Cluster from time to time, and to enter into, sign or execute agreements and contracts or other documents relating to the same.
7. Enter into contracts with third parties (including service providers, suppliers, industry partners, etc.) for the operation and maintenance of the Hub-and-Spoke Cluster.
8. Enter into revenue accretive contracts for and on behalf of the SPV and/or the Hub-and-Spoke Cluster, in each case in the ordinary course of business or operations.
9. Enter into insurance contracts for and on behalf of the SPV and/or the Hub-and-Spoke Cluster, in each case in the ordinary course of business or operations.
10. Undertake activities for the purposes of business development, marketing, and the planning and forecasting of revenues and expenses (including collections of fees from the trainees of the ITIs constituting the Hub-and-Spoke Cluster), in each case of both the SPV and the ITIs constituting the Hub-and-Spoke Cluster.
11. Determine processes and policies for various personnel on the payroll of or deputed to the SPV (including personnel engaged in the functions of training, process improvement, human resource, finance, legal, general administration, research, technology, IT, etc.) and implement organizational and financial controls and other related matters.

---

<sup>27</sup>**Note:** Indicative sets of Delegated Matters are included. This list would need to be revised on the basis of the scope of the License Agreement, and feedback from the MSDE.

12. Appoint, terminate, engage, fix and pay remuneration, grant promotion and increment, transfer, dismiss or discharge all managers, secretaries, experts and other officers, clerks, agents, employees, servants and other personnel of the SPV for permanent, temporary or special services or determine their powers and duties and fix their salaries or emoluments or require security in such instances.<sup>28</sup>
13. Participate in, and be consulted regarding, the process of the appointment, termination, fixation of remuneration, grant of promotions and increments, transfers, dismissals, and the determination or variation of the other terms and conditions of employment or engagement, of all officers, clerks, agents, employees, servants and other personnel of the Hub-and-Spoke Cluster who qualify as government/civil servants under applicable laws, in each case in accordance with the terms of the License Agreement.
14. Institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the SPV and/or any ITIs constituting the Hub-and-Spoke Cluster or their respective management, directors, officers, employees, or staff, or otherwise concerning the affairs of the SPV and/of the Hub-and-Spoke Cluster and act and represent on behalf of the SPV and/or the ITIs constituting the Hub-and-Spoke Cluster in matters relating to dealings with any governmental authority (including those relating to education, vocational educational and training, infrastructure and development, land, and taxation).
15. Make, sign, declare, execute, verify, affirm and file, on behalf of the SPV and/or the Hub-and-Spoke Cluster, all applications, returns, statements, petitions, declarations and all other documents as may be necessary or desirable under applicable laws with any governmental authority or in any proceedings thereunder.
16. Make and sign applications, in each case for and on behalf of the SPV and/or the the Hub-and-Spoke Cluster, to the appropriate government departments, local authorities or other competent authorities for all and any licenses, permits and consents required by any applicable laws as well as for mobile, telephone, fax, data link or leased lines in connection with business, operations or property of the SPV and/or the Hub-and-Spoke Cluster.
17. Make, vary and repeal bylaws, standing orders and internal guidelines and procedures for the regulation of the operations of the SPV and the duties of its officers, employees and staff.
18. Delegate any of the matters specified above to one or more directors, officers, or employees, of the SPV.
19. Prepare, execute, and deliver to any person any correspondence and/or documentation relating to the above.

---

<sup>28</sup>**Note:** By way of clarification, the powers set out in this Delegated Matter are limited to the employees of the SPV. This Delegated Matter does not extend to the employee of the ITIs.

## Annexure 4

### ITI UPGRADATION SCHEME | LICENSE AGREEMENT | TERM SHEET

The Ministry of Skill Development and Entrepreneurship, Government of India (“**MSDE**”) in collaboration with State Governments, intends to undertake the upgradation of 1,000 (one thousand) industrial training institutes (“**ITIs**”) across the country under a PM- SETU (“**Scheme**”) implemented through the public-private partnership (“**PPP**”) model. Under the Scheme, it is proposed that the right to upgrade, operate and manage an identified cluster constituting of a ‘hub’ ITI and a number of associated ‘spoke’ ITIs (collectively, a “**Hub-and-Spoke Cluster**”) <sup>29</sup> will be granted to a special purpose vehicle (“**SPV**”) whose shareholding will be held by an anchor industry partner (“**AIP**”) chosen through a transparent process of selection, by the Central Government, and the relevant State Government.

The terms of this arrangement will be governed by:

- a. a license agreement (“**License Agreement**”) that will record the terms and conditions on which the right to upgrade, operate and manage a Hub-and-Spoke Cluster will be granted to the SPV by the relevant State Government; and,
- b. a shareholders’ agreement (“**SHA**”) that will record the rights and obligations of the AIP, the Central Government, and the State Government, as shareholders of the SPV and provide for the internal governance and management of the SPV.

This term sheet sets out below an indicative list of the key terms and principles that will be incorporated into the License Agreement.

#### KEY TERMS OF THE LICENSE AGREEMENT

<b>27</b>	<b>Parties</b>	The License Agreement will be executed by and between: (a) the SPV; (b) State Government; and (c) Central Government, collectively, the “ <b>Parties</b> ”.
-----------	----------------	--

<sup>29</sup>**Note:** This term sheet has been prepared for a single Hub-and-Spoke Cluster. The State Steering Committee may appropriately modify the structure, and the mechanics proposed in this term sheet for structures involving more than one Hub-and-Spoke Cluster.

The SPV will be responsible for upgrading, operating and managing the ITIs in the Hub-and-Spoke Cluster in accordance with the terms of the License Agreement.<sup>31</sup>

The SPV's scope will include:

- (a) **Upgradation Works:** The SPV will be responsible for designing, financing and undertaking the works to upgrade the ITIs in the Hub-and-Spoke Cluster. The upgradation or expansion works may include civil works, refurbishment works (including refurbishment of labs), replacing old equipment and/or machinery, procuring or leasing and installing new equipment and/or machinery, upgrading IT infrastructure and software (including installation of new enterprise management systems and other software), staff facilities, and other associated infrastructure ("**Upgradation Works**"). The SPV shall also be responsible for obtaining the relevant approvals required for the upgradation of the ITIs.
- (b) **Operations and Management:** The SPV will be responsible for the day-to-day operations and management of the ITIs in the Hub-and-Spoke Cluster, which will include conducting training under the existing courses, introducing new courses and redesigning existing courses (to the extent applicable), training of the trainers, setting up production/incubation centres/centres of excellence, managing the staff and personnel at the ITIs (including payroll and other associated services for staff who are the employees of the SPV), engaging with industries and local government representatives, other HR and administrative and management functions, etc.

---

<sup>30</sup>**Note:** We have provided an indicative list of the upgradation and operations and management works which may be a part of the scope under the License Agreement. However, depending on the requirements of the State Government and each individual Hub-and-Spoke Cluster, the scope may be modified by the State Government.

<sup>31</sup>**Note:** The License Agreement will include the strategic investment plan prepared by the AIP in accordance with the Scheme and approved by the Central Government and the State Government ("**SIP**") by way of an annexure/schedule.

- (c) Other Services: The SPV will be responsible for enhancing student-services related to placement, counselling, on-the-job training, life skills, etc., deploying (if required) digital interface (i.e., the Learning Outcome Management System), identifying, commencing and/or managing additional revenue streams for the ITIs, promoting the ITIs in the Hub-and-Spoke Cluster, and developing partnerships/relationships for potential placement opportunities (as may be required), [undertaking (either by itself or through a third party) commercial activities such as operating cafeterias, student accommodation and parking lots], etc.

**29 Term**

The License Agreement will be effective on and from the date the conditions precedent are fulfilled by the Parties ("**Effective Date**"). Upon fulfilment of the conditions precedent, the License Agreement will, subject to early termination, continue to be in full force and effect for a period of 5 (five) years ("**Term**"), as may be mutually extended by the Parties.<sup>32</sup>

**30 Conditions Precedent and Transition of ITI Operations**

Conditions Precedent

The parties will be required to fulfil the following conditions precedents within [6 (six)] months from execution of the License Agreement:

- (a) Parties to finalise the SIP and obtain the necessary approvals for the SIP from the State Government and Central Government. The finalised SIP will form a part of the License Agreement, as an annexure/schedule;
- (b) State Government to handover actual and constructive possession of the Hub-and-Spoke Cluster to the SPV;
- (c) Parties to prepare an 'Asset Register' capturing details of the existing assets (and condition thereof) of the ITIs that are to be handed over to the SPV on or prior to the Effective Date;
- (d) [Central Government and State Government to operationalise the payment security mechanism as set out in S. No. 15];

---

<sup>32</sup>**Note:** If the Central Government is not inclined to continue to be a Party to the License Agreement after the first 5 (five) years, then the SPV and the State Government will likely need to execute a fresh bipartite license agreement. We will also need to consider what impact such a situation would have on the SHA depending on whether the Central Government also intends to extend its involvement in the SPV beyond the initial term.

- (e) SPV to furnish Performance Security;
- (f) SPV to submit and obtain the State Government's approval for the Annual Plan for the first 12 (twelve) months; and
- (g) SPV to submit details of the key managerial personnel it intends to appoint for each ITI.<sup>33</sup>

If the conditions precedent are not fulfilled within [●] months after the expiry of the timeline for fulfilling the conditions precedent (i.e., the long-stop date for fulfilling the conditions precedent), then the non-delaying Party will have a right to terminate the License Agreement.

#### **Transition Phase**

Prior to the Effective Date, the State Government shall allow the AIP to depute its nominated representatives to each ITI in the Hub-and-Spoke Cluster to observe the functioning, and operations of the ITIs, and the State Government shall extend all necessary support and provide access to the existing records of the ITIs to facilitate seamless transition of operations of the ITI to the SPV.

### **31 Performance Security**

The SPV will procure and maintain an irrevocable and on-demand bank guarantee from a scheduled bank acceptable to the State Government for an amount equal to [●]<sup>34</sup> ("**Performance Security**").

The Performance Security will secure the SPV's obligations in connection with carrying out the Upgradation Works and will be valid for at least [3 (three)]<sup>35</sup> months after the Scheduled Completion Date (as may be extended in accordance with the terms of the License Agreement).

<sup>33</sup>**Note:** Additional CPs may be added basis discussions with MSDE, ADB and World Bank.

<sup>34</sup>**Note:** Basis Central Government's guidance, the value of the performance security can range from 3% (three percent) to 10% (ten percent) of the cost of capital expenditure, and the value of the performance security may be determined by the State Government for each ITI depending on the scope of Upgradation Works of the Hub-and-Scope Cluster.

<sup>35</sup>**Note:** State Government to determine the validity period of Performance Security to be submitted by the SPV depending on the scope of Upgradation Works of the Hub-and-Scope Cluster.

**32 State Government's General Obligations**

The obligations of the State Government will include:

- (a) granting the SPV a license to: (i) undertake Upgradation Works; (ii) operate and manage the ITIs; and (c) provide other services, in accordance with the terms of the License Agreement;
- (b) facilitating approvals required by the SPV for operating, managing and upgrading the ITIs in a timely manner;
- (c) reviewing and approving various documents submitted by the SPV during the term including designs and drawings for upgradation works and Annual Plans;
- (d) appointing an Independent Monitoring Agency (“**IMA**”) for the Hub-and-Spoke Cluster, who will be responsible for monitoring the SPV’s performance (including assessing whether the SPV is meeting the Key Performance Indicators (“**KPIs**”));
- (e) ensuring that the existing ITI employees on the rolls of the State Government are instructed to follow directions of the SPV, and taking necessary remedial actions in case of non-compliance with and/or non-adherence to the instructions provided by the SPV;
- (f) ensuring that major utility connections, including power, water, internet and sewerage are in place at the time the ITIs are handed over to the SPV, provided that the SPV will be responsible for maintaining such connections including paying the bills for such utilities; and
- (g) ensuring that a communication plan is developed and delivered to the existing employees of the ITIs in the Hub-and-Spoke Cluster for the transition of the operations and management of the ITIs to the SPV.

**33 Key Performance Indicators**

Based on the SIP, the License Agreement will set out KPIs specific to the Hub-and-Spoke Cluster which may include (but are not limited to):<sup>36</sup>

- (a) increase in overall enrolment;
- (b) increase in verified placement;
- (c) increase in female enrolment;

- (d) increase in verified salaries of placed trainees;
- (e) training of trainers; and
- (f) verifiable technology adoption.

The procedure for monitoring and verification of the SPV's performance against the identified KPIs (where such monitoring and verification will be carried out through the IMA), will be detailed in the License Agreement.

### **34 Ownership of Assets**

The SPV shall ensure that any new asset created or acquired for the ITIs in the Hub-and-Spoke Cluster by the SPV is created or acquired in favour and benefit of the relevant ITI. The ownership of any such asset will vest with the State Government.

Notwithstanding the above, any residual assets created or acquired by the SPV for the ITIs in the Hub-and-Spoke Cluster will be transferred to the State Government for the benefit of the relevant ITI upon the expiry/termination of the License Agreement.

## **UPGRADATION WORKS AND PLANS**

### **35 Designs and Drawings**

Based on the agreed scope of the Upgradation Works as set out in the SIP, the SPV will submit the relevant designs and drawing to the State Government for its review and approval, at least [●]<sup>37</sup> days before undertaking any Upgradation Works.

The IMA shall, within [●]<sup>38</sup> days of submission of the relevant documents by the SPV, review and provide comments, if any, on the designs and drawings, to the SPV. Once the IMA has approved these documents, it shall issue a notice to the State Government who will, in turn, approve the designs and drawings based on the IMA's inputs.

---

<sup>36</sup>**Note:** The KPIs for each Hub-and-Spoke Cluster may vary depending on the requirements of the Hub-and-Spoke Cluster and will be provided in the SIP and replicated in the License Agreement, as finalised between the Parties.

<sup>37</sup>**Note:** State Government to determine the number of days within which the SPV will be required to submit the documents for the Upgradation Works to the IMA for review depending on the scope of Upgradation Works of the Hub-and-Scope Cluster.

<sup>38</sup>**Note:** State Government to determine the number of days within which the IMA will be required to submit its report on the documents submitted by the SPV for the Upgradation Works.

If the IMA or State Government do not provide their approval or comments within [●]<sup>39</sup> days of submission of the relevant documents by the SPV, or in the case of the State Government, within [●]<sup>40</sup> days of submission of the IMA's report, these documents will be deemed to be approved by the State Government.

**36 Scheduled Completion Date**

The SPV will undertake the Upgradation Works within a pre- defined time period (as set out in the License Agreement for the relevant Hub-and-Spoke Cluster) ("**Scheduled Completion Date**").

**37 Completion of Upgradation Works**

Once the Upgradation Works are complete, the SPV will invite the IMA to inspect the Upgradation Works. If the IMA finds the Upgradation Works to be complete, it will give its recommendation to the State Government who will, in turn, issue a completion certificate to the SPV within [15 (fifteen)] days of receiving the IMA's recommendation. If the State Government does not issue the completion certificate within [15 (fifteen)] days of receiving the IMA's recommendation, the completion certificate will be deemed to have been endorsed.

**38 Delay Liquidated Damages**

If the SPV is unable to complete the Upgradation Works by the Scheduled Completion Date, then unless such delay is caused due to reasons not attributable to the SPV, the SPV will be liable to pay delay liquidated damages to the State Government at the rate of [●]<sup>41</sup> of the Performance Security for each week of delay, or part thereof, till the works are complete, subject to a cap of [●]<sup>42</sup> of the Performance Security. However, if such delay is attributable to the State Government, and such delay leads to an increase in the costs of the works, the State Government will be required to provide additional funds to the SPV to meet the additional costs, in accordance with the SIP.

---

<sup>39</sup>**Note:** State Government to determine the number of days within which the IMA and State Government will be required to approve or reject the documents submitted by the SPV for the Upgradation Works.

<sup>40</sup>**Note:** State Government to determine the number of days within which the State Government will be required to issue its approval basis the report submitted by the IMA.

<sup>41</sup>**Note:** State Government to determine the rate of delay liquidated damages which will be payable in case of delay in completion of Upgradation Works depending on the scope of Upgradation Works for each Hub-and-Spoke Cluster.

<sup>42</sup>**Note:** State Government to determine the cap on delay liquidated damages. Typically, this cap would range between 10% (ten percent) to 20% (twenty percent) of the Performance Security.

**39 Annual Plan**

Based on the SIP and as a condition precedent to the effectiveness of the License Agreement, the SPV shall submit an annual plan to the other Parties for the first 12 (twelve) months period commencing on and from the Effective Date (“**Annual Plan**”). The Annual Plan will include the plan for undertaking the Upgradation Works (including construction schedule) and the operations plan for the Hub-and-Spoke Cluster, and will be prepared in accordance with the template annexed to the License Agreement.

The IMA shall, within [14 (fourteen)] days of submission of the Annual Plan by the SPV, review and provide comments, if any, to the State Government, The State Government shall, within

14 (fourteen) days of receipt of comments from the IMA, approve or reject the Annual Plan.

If the State Government does not convey its approval or rejection within [14 (fourteen)] days of submission of the IMA’s comments on the Annual Plan, it will be deemed to be approved by the State Government.

The SPV shall submit a new/updated Annual Plan for each 12 (twelve) month period thereafter until the expiry of the Term, at least 3 (three) months prior to the expiry of the then current Annual Plan.

## FINANCIAL COVENANTS

**40 Disbursement of Funds**

Contribution of Funds

The Parties undertake to fund the upgradation in the agreed ratio (based on their agreed commitments under the SIP) and operation and management of the ITIs in accordance with the agreed commitments, milestones and conditions set out in the Annual Plan. The contributions shall be released upon the SPV achieving milestones, as outlined in the Annual Plan.

Capital Expenditure: The funds that are required for capital expenditure will be contributed by the AIP, State Government and Central Government in the agreed ratio based on their agreed commitments under the SIP.

Operational Expenditure: The funds that are required for operational expenditure will be contributed by the AIP and the State Government based on their agreed commitments as set out under the SIP.

The funds will be contributed by way of grant or CSR contributions to the SPV.

If funds contributed by the State Government or Central Government, in their respective proportions are not utilised as per the SIP, then the State Government and/or Central Government, as the case may be, shall have the right to withhold future disbursements and/or adjust such amounts from disbursements for future milestones.

### **Reduction in Expenses**

If during the Term, there is a reduction in the capital expenses or operation expenses of the ITIs in the Hub-and-Spoke Cluster due to the SPV's efficiency or any other reason (except on account of a default by a Party of its obligations under the License Agreement), the contributions required to be made by each Party will be reduced proportionally in the agreed ratio in which funds are contributed by the Parties.

### **Increase in Cost**

Any increase in costs against what is set out in the SIP or Annual Plan, not attributable to the Central Government or State Government, shall be met by the AIP through the SPV.

### **Failure to achieve KPIs**

If the SPV fails to achieve certain KPIs (to be identified in the License Agreement) due to reasons attributable to the AIP, then the quantum of funds to be contributed by the State Government towards operational expenses shall be reduced in accordance with the terms of the SIP.

However, if the SPV fails to achieve the KPIs due to reasons attributable to the State Government or the Central Government, and where such failure leads to a reduction in operational expenses at the relevant ITI, then the quantum of funds to be contributed by the AIP through the SPV towards operational expenses shall be reduced in accordance with the terms of the SIP.

- 41 Payment Security Mechanism** The State Government and Central Government shall set up and maintain throughout the Term of the License Agreement, payment security in the form of either: (a) letter of credit; (b) escrow mechanism; or (c) any other suitable mechanism, as may be decided by the Central Government and State Government. The value of the payment security shall, at all times, be sufficient to cover the contribution to be made by the Central Government and State Government, respectively, over the succeeding 3 (three) months (as set out in the SIP).
- 42 Setting and Collection of Fees** The State Government shall be responsible for determining the fees to be charged for the existing courses offered at the ITIs as well as any new Craftsmen Training Scheme (“**CTS**”) course introduced by the SPV. If the SPV introduces any ‘non-CTS courses’ such as executive programs for professionals, management training programs, diplomas, short term courses, industry-certified courses, etc. the SPV shall be responsible for determining the fees to be charged for such courses. The SPV shall be responsible for collecting the fees from the trainees for all courses offered in the ITIs in the Hub-and- Spoke Cluster (i.e., both CTS courses as well as ‘non-CTS courses’).
- 43 Appropriation of Fees and Contributions** The SPV shall ensure that all funds obtained by the SPV by way of grants, CSR contributions, fees from trainees/ students for non-CTS courses, rental of training equipment and facilities, or any other mode are appropriated and utilised by the SPV towards the upgradation, operations and management of the ITIs in the Hub-and-Spoke Cluster in line with the agreed SIP. However, the fees collected by the SPV from trainees/students from the CTS courses (including from ongoing courses) will be transferred to the State Government’s account.

## EMPLOYEES

### **44 Existing Employees of the ITIs**

The SPV shall have the option to retain the services of any existing employee/personnel of the State Government working at the ITIs in the Hub-and-Spoke Cluster. However, it is clarified that these employees will continue to be employees of the State Government and have all rights of such employees, and the State Government shall remain responsible for the payment of salary, benefits, and any other emoluments to such employees and carrying out annual performance reviews with inputs from the SPV.

If the SPV is not satisfied with the performance of any existing employee of the State Government working at the ITIs in the Hub-and-Spoke Cluster, or, if the SPV wishes to replace any existing ITI employee with a new hire, it can request the State Government to remove such employee from the ITI. The SPV should provide the State Government with adequate prior notice and a written explanation as to why such removal is required. The State Government shall remove such employee from the ITI and either transfer the employee to another ITI (which shall not be in the Hub-and-Spoke Cluster), any other facility of the State Government or take any other action it deems fit.

Additionally, the State Government shall not transfer any existing employee/personnel of the State Government working at the ITIs in the Hub-and-Spoke Cluster without the SPV's consent.

### **45 New Employees for the ITIs**

The SPV shall have flexibility to hire new staff for the ITIs. Such new staff shall be employees of the SPV and not employees of the State Government. The SPV shall be responsible for the payment of salary, benefits, and any other emoluments to such employees, and their performance reviews.

## TERMINATION

### 46 Events of Default<sup>43</sup>

The License Agreement will set out certain customary events of default of the Parties (collectively, “**Events of Default**”), which will include:

- (a) any material breach of the License Agreement by any Party thereto;
- (b) the liquidation, dissolution, winding up, or bankruptcy, of the SPV or the SPV being admitted to insolvency proceedings;
- (c) failure of the SPV in achieving the KPIs within the timelines set out in the License Agreement;<sup>44</sup>
- (d) breach of applicable law by any Party;
- (e) failure of the State Government to take necessary actions against or redeploy non-performing State Government employees at any ITI in the Hub-and-Spoke Cluster;
- (f) failure by the State Government to ensure that the SPV enjoys peaceful possession of the ITIs;
- (g) failure by any Party in making contributions as per the SIP;
- (h) failure by the Central Government and/or the
- (i) State Government to submit and/or maintain the payment security;
- (j) failure by the SPV to complete the Upgradation Works by the Scheduled Completion Date, and such delay continues till breach of the cap on delay liquidated damages

---

<sup>43</sup>**Note:** We have set out an indicative list of Events of Default in this term-sheet. Given the interlinkages between the SHA and License Agreement, the Events of Default under the License Agreement may need to be revisited by the respective State Governments at the time of issue of the Request for Proposal.

<sup>44</sup>**Note:** The threshold for meeting the KPIs will be set out in the License Agreement with the understanding that SPV’s repeated failure in achieving a KPI, or failure to meet a KPI by a certain date, as the case may be, will be an event of default.

**47 Consequences of Termination**

Upon termination, the State Government shall have no obligation to retain any personnel hired by the SPV and the AIP will be responsible for redeploying or otherwise dealing with the personnel hired by the SPV. Further, the SPV shall transfer any asset created or acquired by the SPV for the benefit of the ITIs but held by the SPV to the State Government for the benefit of the ITIs.

No termination compensation will be payable by any Party to the other Parties upon termination of the License Agreement for any reason.

## MISCELLANEOUS

**48 Subcontracting**

The SPV shall have the right to subcontract part of the Scope

(not whole) to any subcontractor or assign or transfer any subcontract(s) to another subcontractor(s). However, SPV shall be solely responsible for all risk and cost associated due to acts and omissions of its subcontractors. Further, the SPV agrees and acknowledges that the subcontractors (and subcontractor's personnel) shall not be deemed to be employed by the State Government or Central Government.

If the SPV intends to subcontract any form of training to any subcontractor, SPV shall obtain prior written consent of the State Government.

**49 Insurance**

The SPV will be required to obtain and maintain the insurance

policies for its Scope<sup>45</sup>, at its own expense. However, the SPV will not be required to obtain and/or maintain any insurance policy for the existing staff of the ITIs.

---

<sup>45</sup>**Note:** The insurance to be obtained by the SPV will vary depending on the Scope for each Hub-and-Spoke Cluster. A detailed annexure setting out the insurance policies which the SPV will be required to obtain may be set out as an annexure to the License Agreement.

- 50 Force Majeure** The License Agreement will set out a customary list of natural and political force majeure events such as acts of God, acts of war, strikes, riots, etc.
- In case of any natural force majeure event (such as an act of God), the insurance obtained by the SPV will cover the cost impact of the force majeure event.
- In case of a prolonged force majeure, the Parties shall have the right to terminate the License Agreement.
- 51 Change in Law** The License Agreement will include a customary definition of
- change in law which will include any enactment, commencement, notification, amendment, repeal, etc. of any statute, law, code, legislation, etc.
- If change in law impacts the cost of upgradation or operations of the ITIs, the SPV will be entitled to seek appropriate modification to the expected capital and operational cost mentioned in the SIP to account for impact of such CIL.
- 52 Change of Scope** The License Agreement will include customary change of scope related provisions which will provide that any change of scope of the SPV's obligations under the License Agreement will need the prior consent of all the Parties.
- In case of any agreed change of scope, the financial commitments of the Parties under the SIP may be revised to account for such change of scope.
- 53 Handover at the end of the Term** The License Agreement will define certain standard hand-back requirements to be achieved prior to or simultaneously with the transfer of possession of the ITIs to the State Government, including inspection of the ITIs, remedying any defective equipment or machinery, handing over manuals for any equipment installed at the ITIs, unutilised consumables etc.

<b>54</b>	<b>Reporting Requirements and Inspection</b>	<p>The SPV will be required to submit [quarterly] reports to the State Steering Committee, through the IMA, capturing details about the operations of the ITIs, upgradation works, data on KPI compliance, data on enrolment of trainees, placement records, number of trainees who have quit, etc.</p> <p>The IMA will have the right to carry out periodic inspections of the operations of the ITIs to the extent required for verification of KPIs and fund disbursement triggers.</p>
<b>55</b>	<b>Representations and Warranties</b>	<p>Each party will provide customary representations and warranties to the other party under the License Agreement.</p>
<b>56</b>	<b>Governing Law</b>	<p>The License Agreement will be governed by, and construed in accordance with, the laws of India.</p>
<b>57</b>	<b>Exclusive Jurisdiction</b>	<p>Any disputes or differences arising out of, in relation to, or in connection with, the License Agreement will be subject to the exclusive jurisdiction of the courts at [New Delhi], India.<sup>4</sup></p>

---

<sup>46</sup>**Note:** We have aligned this provision as per the SHA Term Sheet. However, please note that there may be pushback from the State Governments on courts of New Delhi having exclusive jurisdiction, in which case, this clause in the License Agreement and SHA may need to be revised.

## Annexure 5

### Indicative State/UT categories for ITIs Upgradation

S. No.	State Category	Number of States / UTs	Indicative allocation of clusters
1	NE States	8	10
2	Hill States (HP, UK) and UTs	10	10
3	Industrialized States (AP, GJ, HR, KA, MH, RJ, TG, TN, UP, WB)	10	120
4	All other States (BH, CG, GA, JH, KL, MP, OD, PB)	8	60
	<b>Total</b>	<b>36</b>	<b>200</b>

### Indicative Year Wise Cluster to be approved

Particular	2024-2025	2025-2026	2026-2027	Total
Number of Hub and Spoke Cluster to be approved	25	125	50	200

## Annexure 6

### Broad Timeline for Implementation Activities

Sl. No.	Activity	Timeline
1	Issuance of National Scheme Guidelines	T
2	Constitution of State Steering Committee (SSC)	T + 7 days
3	State-level release of Expression of Interest (EOI) to Industry	T + 30 days
4	Finalization of SIP Template and Release of RFP	T + 45 days
5	SIP Submission by Anchor Industry Partner	T + 75 days
6	Recommendation of SIP by State Steering Committee (SSC)	T + 90 days
7	Approval of SIP by National Steering Committee (NSC)	T + 100 days
8	Formation of Special Purpose Vehicle (SPV)	T + 120 days

## Annexure 7

### Key areas for Performance Indicators for Component 1

Key Area	Performance Indicator	Target / Threshold
Institutional & Governance Reforms	Adoption of Industry-led SPV model at HSICs	100% of approved clusters
	Pathways for sustainable industry participation (production centres, OJT tie-ups, design partnerships, continuity of AIP)	Composite index (baseline + YoY improvement)
Capacity Increment & Trainee Performance	Increase in CTS enrolment	95%
	Pass percentage	90%
	Increase in short-term course output	50% growth as per baseline
Placement Outcomes	Placement rate of CTS trainees	>75%
	Average salary of placed trainees	Increment of 50% over baseline
Gender & Inclusivity	Share of women, PwD, SC/ST, rural & tribal groups in enrolment	50% increment over baseline
	Female trainee placement rate	>75%
Curriculum & Training Quality (incl. Green Practices)	Courses upgraded as per industry requirements	10 per Hub ITI and 08 per Spoke ITI
	New CTS courses introduced	4 per Hub ITI and 2 per Spoke ITI
	New short-term courses introduced	10 per Hub-and-Spoke ITI cluster
	Industry validation of learning outcomes	Positive feedback index
Faculty & HR Development	Trainer recruitment (vacancy reduction)	Below 10% vacancy
	% of trainers upskilled (incl. green practices)	>95%
Infrastructure & Facilities	ITI hub & spoke upgradation	1,000 ITIs
Systemic Capacity Building	Number of trainers trained	50,000 across ITIs and NSTIs
Sustainability	Revenue from non-govt. sources (industry, CSR, production centres, trainings)	≥30%
Monitoring & Reporting	Annual consolidated report at HSIC level	100% of onboarded cluster reporting







कौशल विकास और उद्यमशीलता मंत्रालय  
MINISTRY OF SKILL DEVELOPMENT  
& ENTREPRENEURSHIP  
GOVERNMENT OF INDIA

सत्यमेव जयते



**ADDITIONAL TERMS & CONDITIONS (ATC) for RFP – PM-SETU**

**Eligibility, Qualification and Evaluation Criteria**

This section outlines the criteria that the Authority will use to evaluate Proposals and determine the qualification of Bidders. No other factors, methods, or criteria shall be applied for the purpose of evaluation beyond those specified herein.

**Eligibility and Qualification Criteria:**

**Eligibility Criteria:**

For determining the eligibility of Bidders for submission of Bids hereunder, the following shall apply:

- a. Any entity which fulfils the qualification criteria shall be eligible for submission of their response for this “Request for Proposal (RFP)”. The bidder for qualification may be a single entity or a group of entities coming together to implement the Project (“**Bidder**”). However, bidder applying individually or as a member of a Consortium, as the case may be, shall not be entitled to submit another response either individually or as a member of another Consortium. The term bidder used herein would apply to both a single entity and a Consortium. The maximum number of members in a Consortium will be limited to 5. However in the case of a Consortium, only the Lead Member’s credentials shall be considered for the purpose of determining the eligibility:

The Bidder should meet the following all eligibility criteria:

Sr. No.	Particulars	Criteria	Supporting Documents to be uploaded
1	Legal Status	i. Industry Partners (credible companies or manufacturers with established operations in India), including Public Sector Undertakings (OR) ii. Industry associations or Consortia (OR) iii. Industry-led foundations (CSR/philanthropy arms of corporates) (OR) iv. Academic institutions	The eligible agencies shall be entities registered or incorporated in India under applicable Indian laws, such as the Companies Act, 2013, Societies Registration Act, 1860, Indian Trusts Act, or relevant statutory Acts, as applicable to their

		<p>promoted/operated by industry (e.g., corporate universities, sectoral skilling institutions)</p> <p><i>In the case of a Consortium, the Lead Member and each Consortium Member must also be a legally registered entity.</i></p>	organizational form.
2	Turnover	<p>The Bidder shall have an average annual turnover of not less than INR 500 Crore during the last three (3) completed financial years ending 31 March 2025.</p> <p>The manner of meeting this requirement shall be as follows:</p> <ol style="list-style-type: none"> <li>1. <b>Industry Partners / PSUs / Corporate Entities</b> Each Bidder under this category shall independently meet the minimum turnover requirement specified above.</li> <li>2. <b>Consortium</b> In case of a Consortium, the <b>Lead Member</b> shall independently meet the minimum turnover requirement specified above.</li> <li>3. <b>Industry-led Foundations / Academic Institutions / Industry Associations</b> Where the Bidder is an industry-led foundation, industry association, or an academic institution promoted or operated by industry, the average annual turnover of its Parent / Promoter Company shall be considered for meeting the turnover requirement, subject to submission of an unconditional and legally binding undertaking</li> </ol>	<p><b>Individual Bidder / Lead Member</b></p> <ol style="list-style-type: none"> <li>i. Audited Balance Sheets</li> <li>ii. Audited Profit &amp; Loss Statements</li> <li>iii. UDIN-verified CA Certificate certifying average annual turnover</li> </ol> <p>Parent / Promoter Company (if applicable):</p> <ol style="list-style-type: none"> <li>i. Audited Annual Reports (last 3 FYs)</li> <li>ii. UDIN-verified CA Certificate</li> <li>iii. Board Resolution / Undertaking of Financial Support</li> </ol>

		<p>of financial support from such Parent / Promoter Company for the entire duration of the Project.</p> <p><i>NOTE: In case the audited annual accounts for the latest financial year are not available, the Bidder shall submit an undertaking to this effect. The statutory auditor / Chartered Accountant shall certify the same. In such cases, the Bidder shall submit audited annual reports for the three (3) financial years preceding the unaudited year</i></p>	
3	Financial: Net worth	<p>The Bidder shall have a positive net worth for the last Three (3) consecutive financial years, i.e., FY 2022-23, FY 2023-24, and FY 2024-25, as evidenced by audited financial statements.</p> <ol style="list-style-type: none"> <li><b>1. Industry Partners / PSUs / Corporate Entities</b> Each Bidder under this category shall independently meet the minimum turnover requirement specified above.</li> <li><b>2. Consortium</b> In case of a Consortium, the <b>Lead Member</b> shall independently meet the minimum turnover requirement specified above.</li> <li><b>3. Industry-Led Foundations / Academic Institutions:</b> Where the Bidder is an industry-led foundation, industry association, or an academic institution promoted or operated by industry, the net worth of its Parent / Promoter Company shall be considered for meeting this criteria</li> </ol>	Same as Above documents
4	Employee Strength	The Bidder shall have at least 250 employees on its payroll as on the Bid Due Date.	Individual / Lead Member:

		<p>The manner of meeting this requirement shall be as specified below:</p> <ol style="list-style-type: none"> <li><b>1. Industry Partners / PSUs / Corporate Entities</b> The Bidder shall independently meet the minimum manpower requirement specified above.</li> <li><b>2. Consortium</b> In case of a Consortium, the Lead Member shall independently fulfil the minimum manpower requirement.</li> <li><b>3. Industry-led Foundations / Academic Institutions / Industry Associations:</b> Where the Bidder is an industry-led foundation, industry association, or an academic institution promoted or operated by industry, the manpower strength shall be demonstrated either at the Bidder level or through the Parent / Promoter Company.</li> </ol>	<p>UDIN-verified CA Certificate certifying number of employees on direct payroll</p> <p>Parent / Promoter Company: Same documents as above</p>
5	Tax and Statutory Compliance	<p>The Bidder must have a valid PAN and, where required under applicable GST laws, a valid and active GSTIN.</p> <p><i>In case of a Consortium, all Members shall possess a valid PAN. GSTIN shall be required for each Consortium member where applicable under the GST laws.</i></p>	Copy of PAN and GSTN
6	Minimum Operational Experience of the Firm	The Bidder or its parent/promoting organization shall have a minimum of 05 years of experience in any sector as on the Bid submission date	Copy of the incorporation / registration certificate clearly indicating the nature of business
7	Blacklisting/Debarment	<p>The Bidder must not be under blacklist or debarred by any government department, public sector undertaking, or multilateral agency as on the date.</p> <p><i>In case of Consortium, all</i></p>	Self-Declaration on company letterhead by authorized signatory

		<i>members must meet this requirement and submit declaration.</i>	
8	Conflict of Interest	The Bidder must not have any conflict of interest, as defined in the Instructions to Bidders.  <i>In case of a Consortium, all members must meet this requirement and submit declaration.</i>	Declaration by authorized signatory
9	Document Fee & Bid Security/EMD Compliance	The Bidder shall submit the Document Fee and Earnest Money Deposit (EMD) in the form and amount specified in the RFP.	Copies of the Demand Draft shall be submitted along with the bid
10	Area of Operations	Focus/Expertise of the Interested Party(ies) in industrial sector(s) along with key products/services operations.	Sector Profile, Company Brochure, Annual Report, etc.
11	Scale of Operations	Nationwide or multi-state operations; Mention any global business linkages as well (if any)	Annual Reports / Self-Declaration signed by the Authorized Signatory
12	Internal Training Initiatives	Experience in conducting internal training or onboarding programs. Mention the training expenditure incurred for your employees (Past 3 years record)	HR/L&D Reports/Case Studies signed by the Authorized Signatory
13	Previous Experience	<p>Previous Experience:</p> <ul style="list-style-type: none"> <li>The participating entity must have at least 2 years of experience in vocational training or ITI-related skilling, with evidence of contributions to curriculum development, training delivery, infrastructure support, or placement facilitation.</li> <li>The participating entity should have contributed or mobilized at least INR 50</li> </ul>	Relevant documents to be enclosed, Letters of intent or commitment from industry partners, Documentation of

		lakhs through CSR/ fundraising, for vocational / technical/industrial training initiatives in the last two Financial Years. The participating entity must demonstrate prior or ongoing engagement in vocational training initiatives aligned with Placements/ DST/ OJT/ Apprenticeships principles in the last 2 years.	pilot programs or internships to be submitted.
--	--	--	--

*Note:1. For the Purpose of Qualification Criteria under this RFP, Net Worth shall mean the sum of subscribed and paid-up equity and reserves from which shall be deducted the sum of revaluation reserves, miscellaneous expenditure not written off and reserves not available for distribution to equity shareholders.*

*Any Additional criteria to be fulfilled by the bidder, will be mentioned in the **Additional Terms and Conditions (ATC) document** uploaded in the GeM portal by the Authority for this RFP.*

-

#### **Online documents submission:**

The bidder shall upload the following documents in the e-procurement portal (GeM portal) as part of their proposal:

##### **A. Technical Proposal:**

1. Copy of Incorporation/Registration Certificate of Bidder
2. Copy of GST Registration Certificate and PAN Card.
3. Copy of Document Fee (Demand Draft)
4. Copy of Bid Security / EMD Document (Demand Draft)
5. Form Tech -1: Letter comprising the Technical Proposal
6. Form Tech -2 : Details of the Bidder
7. Form Tech- 3 : Declaration Regarding Conflict of Interest
8. Form Tech -4 : Self-Certification of Eligibility and Non-Blacklisting
9. Form Tech -5: Certification of Turnover /Financial Capacity
10. Form Tech -6: Power of Attorney for Signing of Bid
11. Form Tech 6A: Power of Attorney for Lead Member of Consortium (I applicable)
12. Form Tech -7 : CA Certificate for Number of Employees

13. Form Tech -8: Strategic Investment Plan (SIP) Submission Format
14. Form Tech -9A : SIP Implementation & Evaluation Matrix
15. Form Tech -9B : Five-Year Investment Plan Budget for ITI Consortium
16. The details of information obtained from field visits (mentioned at 5, 6 and 7 at Section 5-Terms of Reference) shall have to be uploaded by the bidder along with the bid in the proforma prescribed at Template-1 and Template-2 in Appendix-2 (Scheme Guidelines), duly attested by the concerned Head of the Institute.
17. Any Other Document(s) specifically mentioned in the RFP / ATC

**B. Financial Proposal in PDF**

Form Fin 1: Details of Source of funding for Five Years Investment Plan

Form Fin 2: Industrial Share Percentage (Cluster-wise)

**Hard copies submission:**

The original hard copies of all the uploaded documents specific to the proposal shall reach to the following on or before bid due date:

**NAME: Smt. B. Thulasi**

**DESIGNATION: Inspector of Training,**

**ADDRESS: O/o The Director, Dept. of Skill Development, Employment & Training, Govt. ITI Campus, Siddhartha Nagar, Vijayawada – 520 008.**

**TELEPHONE NO: 7013532284**

**E-MAIL ADDRESS: apcet.pmsetu@gmail.com**

**25-04-2026**

**DIRECTOR**