

Minutes of the second meeting of the National Steering Committee (NSC) of the Scheme “Upgradation of 1396 Government ITIs through Public Private Partnership” held on 23.6.08 at 3.30 p.m.

The second meeting of the National Steering Committee of the Scheme “**Upgradation of 1396 Government ITIs through Public Private Partnership**” was held on 23.6.08 at 3.30 p.m. at Shram Shakti Bhavan under the Chairpersonship of Secretary (L&E). The meeting was attended by the officers mentioned in **Annex ‘A’**.

2. Welcome of the Members:

At the outset, **Secretary, Labour & Employment** welcomed the members in the second meeting of the NSC. She expressed her happiness on the progress of the Scheme. She informed the members that during 2007-08, we were able to achieve our target of covering 300 ITIs under the Scheme successfully. Then the Director General of Employment & Training (DGE&T) was requested to take up the agenda items, one by one.

3. Confirmation of the minutes of the first meeting held on March 11, 2008

The minutes of the first meeting of NSC held on 11.3.2008 were confirmed.

4. Review of progress of implementation of the Scheme

DGE&T informed that the Scheme has been operationalised in the first batch of 300 ITIs during 2007-08. Interest free loan of Rs. 750 Cr. was released to these 300 selected ITIs @ Rs. 2.5 Cr. per ITI upto 31.3.08. The EFC meeting for approval of the Scheme for the remaining four years from 2008-09 to 2011-12 was held on 16.06.2008. CCEA approval will be obtained within 3 to 4 weeks. For sensitizing and educating Principals and Chairpersons of the ITIs covered during 2007-08, representatives of the State Governments and Industry Associations, Regional Workshops at Gurgaon, Lucknow, Mumbai, Bhopal, Kolkata and Hyderabad were organized during the months of May and June, 2008. During these workshops, all the stakeholders participated whole heartedly and various issues related to the scheme were discussed in great detail.

It was informed that the State Governments and Industry Associations have been requested to complete the legal and procedural formalities for taking up the next batch of 300 ITIs during 2008-09 and submit the proposals by June 30, 2008. **Secretary, West Bengal** stated that in some of the remote areas, it was difficult to find suitable Industry Partners and therefore, they need some more time to submit proposal for 2008-09. Similarly, **Principal Secretary, Punjab** informed that the IPs were interested only in the ITIs located near Chandigarh and are not interested in ITIs located in remote areas and hence they also needed more time to submit IDPs for 2008-09. **Chairperson** remarked that some more time may be given but it will be better if the proposals are submitted earlier because we have to go to the Cabinet with some firm proposals in hand. She urged the Industry Associations to direct/encourage their members to

come forward for associating with the ITIs located in remote areas. Chairperson also said that we wanted to develop skills in real sense and not increase number of daily wagers. Social security is an important aspect and therefore, Industry Partners who are from real industrial background should be selected by the State Governments.

5. Discussion about the manner in which the 20% admissions are to be done by the IMC Societies.

While giving approval to the Scheme, the CCEA directed that upto 20% of the admissions in the ITIs shall be determined by the IMCs. The Union Cabinet did not specify the manner in which these admissions were to be determined by the IMCs. At present, the State Governments have been requested to decide their own method for determination of these admissions in consultation with the State Steering Committee of their States. In the last meeting, it was decided to seek the opinion of State Governments and other stakeholders on this matter. Accordingly, letters were issued to all the State Governments to give their comments on the issue. However no comments have been received from any of the State Governments. The members were requested to offer their comments on this issue as to how should the 20% admissions be determined by the IMCs.

Representative of FICCI was of the opinion that these 20% admissions should be given to SC/ST. **Director (Adm.), DGE&T** informed that the State of Chhattisgarh is following a method in which after filling majority of the seats through merit and as per reservation policy, some seats are filled up on payment basis. The paid seats are offered to those candidates who are in the merit list but could not get admission to non-payment seats. **Principal Secretary, Punjab** requested that the method followed by Chhattisgarh may be circulated to them also so that they can examine it and, if found suitable, adopt it. **Secretary, West Bengal** informed that for the academic year 2008-09, they have allowed IMCs to determine 10% admissions. Some members felt that while taking a decision on this issue, we may study the Supreme Court decision on management quota applicable to engineering colleges.

Chairperson stated that using these 20% admissions for SC/ST would alter the percentage of reservation. For SCs/STs, some reservation quota was determined in a state and if we try to alter this quota directly or indirectly it may not be legally acceptable. She opined that we needed to deliberate more on this issue. However, till we arrive at a final decision, the State Govts. may adopt their own method in consultation with the SSC and IMC Societies.

6. Approval of Financial and Procurement guidelines for IMC societies issued in April-May 2008

It was informed that the financial and procurement guidelines for the IMC Societies for utilization of funds received under this Scheme were finalised in consultation with the Internal Finance Division (IFD) of MOL&E and circulated to all concerned on April 23, 2008. Subsequently, a minor modification was made in these guidelines as per letter dated 22.05.08. These guidelines were approved by Secretary (L&E) as Chairperson of the National Steering Committee. These were placed for perusal and approval of the Committee. **DGE&T** stated that during the regional workshop held recently at Hyderabad, an issue was raised by one of the IMC

Chairpersons that as per financial and procurement guidelines the power of Principal for sanction of an expenditure was Rs 15000/-, whereas authority of cheque signing upto Rs 15000/- was with 2 persons viz. Principal ITI and an Industry member of IMC locally available, nominated by the IMC, Chairman. The authority of cheque signing should, therefore, be given to the Principal of ITI alone instead of 2 persons. **Chairperson** was of the opinion that two people signing a cheque is always better, so the authority of cheque signing should not be given to a single person. Financial and procurement guidelines were approved by the Committee.

7. Approval of clarifications on various issues related to the scheme issued in May, 2008.

The Committee was informed that during the regional workshops, various issues raised by different stakeholders in respect of implementation of this scheme have been compiled and clarifications issued on them vide a DGE&T letter dated 28.05.08. The clarifications on the issues were approved by the NSC. However, Chairperson requested the members to go through them in detail and send their comments, if any. On issue no. 7 regarding allowing the IMCs to transfer scheme funds out of public sector banks, **FA (L&E)** clarified that recently Ministry of Finance has instructed that at least 60% of funds should necessarily be kept in public sector banks only. Therefore, even in some cases where NSC allows scheme funds to be transferred out of public sector banks, such amount should not be more than 40% of total funds.

8. Financial Contribution by Industry Partner for upgradation of ITI.

It was informed that the scheme does not make financial contribution by Industry Partner as a precondition to participate in the scheme. However, it is felt that it will be desirable to have financial contribution from Industry partners to make this scheme a truly public private partnership. A mechanism for obtaining financial contribution from Industry Partner may be discussed. **Chairperson** stated that this matter may be left to be decided by individual IMCs.

9. Unilateral withdrawal of Industry Partner from the scheme.

It was informed that the scheme does not specify any action if an Industry Partner wants to unilaterally withdraw from the scheme. Though it is expected that the Industry Partner will be involved with the scheme on a long term basis still it may be discussed as to what action is to be taken in such cases. **Chairperson** stated that such matters can be examined on a case to case basis. We need not specify any mechanism for this, at this stage when the scheme has just started.

10. Training of Principals :

Chairperson stated that for effective implementation of the Scheme, training programmes should be arranged for the Principals. Some of the Principals can also be sent on

study tours to foreign countries. Training within the country should not be more than one week and foreign training/study tour should not exceed 10 days including journey period.

11. Upgradation of trades:

It was informed that during 2007-08 proposals were received from some of the ITIs which were not affiliated to NCVT and were running courses only under the SCVT. Some of the State Governments have demanded that the ITIs which were not affiliated to the NCVT should also be covered under the Scheme. **Chairperson** stated that ITIs which are not affiliated to NCVT cannot be covered under the Scheme because the mandate of the Scheme does not provide for that. However, she felt that in any NCVT affiliated ITI if there are any SCVT trades, these may be allowed to be upgraded to NCVT standards using the funds of this Scheme.

12. Awards

Representative of ASSOCHAM suggested that to motivate different stakeholders in this Scheme, certain awards on the lines of 'Shram Awards' may be given. **Chairperson** agreed and stated that awards may be instituted for different categories of participants in this scheme such as IMC Chairpersons, ITI Principals, Instructors, etc.

The meeting ended with thanks to the chair.

List of participants for the second meeting of the NSC of the Scheme “**Upgradation of 1396 Government ITIs through Public Private Partnership**” held on 23.06.08 at 3.30 p.m.

1. Smt. Sudha Pillai, Secretary (L&E), **Chairperson**
2. Shri Sharda Prasad, DG/JS, DGE&T
3. Shri Rajesh Verma, JS & FA, DGE&T
4. Shri Tajender Kaur, Principal Secretary, Punjab
5. Shri Arun Bal, Secretary, West Bengal
6. Col. (Retd.) H.S. Sethi, Director, CII
7. Col. (Retd.) I S Gahlot, CII
8. Shri Manohar Lal, ASSOCHAM
9. Shri B. P Pant, Joint Director, FICCI
10. Shri H. A Keshav Murthy, DDG(T), DGE&T
11. Shri Sunil Mathur, Director (Admn.), DGE&T
12. Shri Jagjit Singh, Joint Director, Punjab
13. Shri B. M Parikh, Joint Director, Gujarat
14. Shri Hukam Singh, Joint Director, DGE&T
15. Shri Yoginder Kumar, Training Officer, DGE&T