

MINUTES OF THE STATE STEERING COMMITTEE MEETING HELD ON 10.12.2019 AT 11.00 A.M. IN THE CHAMBER OF THE ADDITIONAL CHIEF SECRETARY TO GOVERNMENT, LABOUR AND EMPLOYMENT DEPARTMENT, SECRETARIAT, CHENNAI-9.

The Member Secretary of SSC, the Director of Employment & Training and other SSC members, as mentioned in the enclosure, participated in the meeting. The Director of Employment and Training extended a warm welcome to the members of the State Steering Committee (SSC) and the agenda was placed for deliberation.

1. Confirmation of minutes of the 36th SSC meeting conducted on 29.10.2019:

Action Taken Report on the minutes of the SSC meeting held on 29.10.2019 was presented in the meeting.

The DET informed the SSC about the action taken on the minutes of the previous SSC meeting.

The minutes and the action taken report on the 36th SSC meeting held on 29.10.2019 were confirmed.

AGENDA – 1:

Submission of proposal to Govt of India to consider the interest free loan extended to the IMC Societies of Govt ITIs as Grants-in-aid:

The Director, Employment and Training Department informed the conditions of Memorandum of Agreement (MoA) executed by the IMC Societies of 32 Govt ITIs upgraded under PPP Scheme at the rate of Rs.2.50 Crore each. He informed that the MoA stipulated the powers to be delegated to the IMC Societies by the State Government so as to implement the various activities connected with the upgradation of ITIs. The moratorium period was 10 years for the loan amount and the IMCs have to start repayment from 11th year of receipt in 20 equal instalments.

As per the scheme terms, the IMC Society of each of the upgraded Govt Industrial Training Institute is permitted to maintain Rs.50.00 lakh as seed money in long term deposit so as to get maximum return as well as to help in loan repayment. He also informed that in G.O(Ms) No.195, Labour and Employment (S1) Dept., 17.10.2019, the Government have issued orders for incurring all recurring expenditure of the project ITIs from State fund, whenever the earmarked component in the IDP on Additional manpower was exceeded by the project ITIs. The physical and financial achievement reports of IMC Societies of 32 Govt Industrial Training Institutes were submitted to SSC.

The DGT has instructed in letter no.DGT-35 (396)/Repayment of loan/2017-NIC, dated: 18.11.2019, to make the online loan repayment of Rs.25.00 lakh (towards the 1st and 2nd instalments of ITIs upgraded in 1st phase) and Rs.12.50 lakh (towards the

1st instalment of ITIs upgraded in 2nd phase) in www.bharatkosh.gov.in portal payable for the years 2018-19 and 2019-20 respectively.

In order to decide on the repayment of the interest free loan, the following issues were placed for consideration of the SSC

Terms stipulated	Criteria for consideration
As per the amended MoA (Section B) defining the role of Second Party (State Govt), in para 4 (c)(x), the State Government have to permit the IMC Societies of Govt ITIs covered under PPP Scheme to fix and collect fee at a minimum rate of Rs.5000/- per candidate per year for atleast 10% of the total number of seats in the ITI.	In G.O.Ms.No.77, Labour and Employment (S1) Dept, dated: 26.04.2010, the State Government have asserted that two different types of fee structure are not permissible in Govt ITIs. This stand of the Government was conveyed to the DGET in this Office letter no.41501/SPIU3/2013, dated: 09.10.2013 but it was not considered by DGET.
	In the earlier guidelines, the DGT has permitted to maintain 50% of loan amount i.e., Rs.125.00 lakh as seed money and long term instrument to gain interest for the repayment of loan amount. This limit has been subsequently reduced to Rs.50.00 lakh so as to implement upgradation activities effectively. The decreasing interest rates on the deposits resulted in realisation of lesser interest amounts by the IMC Societies. Further, as per Section 12A of IT Act 1961, the Societies have to spend the interest amount within the same Financial year so as to claim exemption of Income tax and if not done, they are liable to pay IT. Considering these factors, the amount earned by way of interest was getting reduced progressively and it rendered only partial support for the repayment of loan.
As per MoA, the IMC Society was permitted to establish Training cum Production centre under the scheme.	Considering the training schedule of ITIs, this could not be achieved and also it is a fact that most of the project ITIs are located in rural areas. Hence revenue generation is not done by the project ITIs. As matter of policy, the State Government aimed at providing free vocational education to trainees in Government ITIs. As a step forward, the tuition fee from trainees was waived by the Government. In order to attract more youth towards vocational training and to facilitate more admission in ITIs various free-bies like bicycle, laptop, Uniforms and protective shoes, Stitching charges, Study materials and Drawing instruments are being provided to ITI trainees apart from monthly stipend of Rs.500/- per trainee. In such a scenario, it is not possible to collect fee from the trainees of PPP scheme trades thereby hampering the process of generation of revenue as stipulated in the project guidelines.

The DET informed that apart from the above said criteria, homogeneity in spending of funds by the IMCs in implementation of scheme could not be achieved throughout the State. Each IMC Society guided by Industry partner had its own unique ideas in selection as well as starting of new trades and their plan for upgradation of existing trades in the ITIs based on the local industrial needs. As a result, the spending patterns were not uniform. Even though most of the IMCs have utilized maximum funds towards implementation of Scheme activities, a few IMCs have shown reluctance to incur expenditure towards upgradation, fearing loan repayment burden, in the absence of revenue generation projects, resulting in lesser utilization of funds. He finally requested the SSC for its recommendation to submit a proposal through State Government requesting the Union Government to treat the interest free loan amount as Grants-in-aid to the 32 IMC Societies of Govt Industrial Training Institutes that have been upgraded under PPP Scheme.

Prof. Dr. V. Aravind, IMC Chairman of Govt ITI, Sankarapuram and Pullambadi presented a paper on this agenda to the SSC. He also insisted that the issues of revenue generation and the consequent absence of any score of repayment have already been addressed in various meetings conducted at DET/DGT levels. He informed that the guidelines and the terms of the project require repayment of loan only by the way of revenue generating activities and not out of unspent capital of the loan extended. The scope of starting Production / Service Centres should be given due importance for revenue generation so as to repay the loan. He also cited that in order to repay annual installment of Rs.12.50 lakh, the IMC Society must be capable of achieving an annual turnover of at least Rs.1.60 Crores, which is not in reality. Finally, he summed up that if any IMC had accumulated reserves in plenty by non-performance, either by not initiating any upgradation process as stipulated, may not qualify for running a true, healthy and genuine surplus of revenue fit enough to repay the loan in line with the modalities of the scheme.

In light of the above discussion, the SSC unanimously accepted to the submission of proposal through State Government requesting the Union Government to treat the interest free loan amount as Grants-in-aid to the 32 IMC Societies of Govt Industrial Training Institutes that have been upgraded under PPP Scheme. The Additional Chief Secretary, L & E Dept, instructed the DET to submit a detailed proposal in this regard to Government in a week's time.

AGENDA – 2:

Any other points discussed with the permission of Hon'ble Chair:

Prof. Dr. Aravind, IMC Chairman informed that the IMC Society of Sankarapuram and Pullambadi had a proposal to create Solar energy plant so as to reduce the cost of electricity consumption. He informed that the TANGEDCO authorities are demanding a NOC from the Government to create such an arrangement in Govt buildings and requested the Additional Chief Secretary to consider his proposal. The Additional Chief Secretary to Govt, L & E Dept asked the DET to send a detailed proposal in this regard to Government.

The Additional Chief Secretary to Government, L&E Department instructed to explore the avenues of commencing new trades related to Construction Sector like Civil Engineering Assistant, Architectural Assistant etc. as these trades have good job potential. He also suggested starting short term courses like Mobile Servicing as the number of phone users is on the rise and will provide regular employment opportunities to the trainees. He also asked the DET to explore the option of ITI level admission rather than District level Counseling as a good number of seats have remained unfilled in the current year. This will pave the way for increase in admission of trainees in ITIs.

DET informed that more focus will be emphasized on Dual System of Training with the support of Industries so that the trainees will have better opportunities to get absorbed in the Industry where they undergo training.

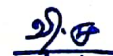
The meeting concluded with vote of thanks by DET.

**Sd/..[10.12.2019]
Member Secretary, SSC/
Director of
Employment and Training**

**Sd/..[16.12.2019]
Chairperson, SSC/
Additional Chief Secretary to
Government,
Labour and Employment Department**

//Forwarded by Order//


For Director of Employment and Training


17/12/19

**LIST OF PARTICIPANTS OF THE 37th STATE STEERING COMMITTEE
MEETING HELD IN THE CHAMBER OF THE ADDITIONAL CHIEF SECRETARY
TO GOVERNMENT, LABOUR AND EMPLOYMENT DEPARTMENT,
SECRETARIAT, CHENNAI-9 ON 10.12.2019 @ 11.00 A.M.**


Sl. No	List of Participants
1	Thiru Md.Nasimuddin IAS., Additional Chief Secretary to Government, Labour and Employment Department, Secretariat, Chennai-9.
2	Thiru. V. Vishnu, I.A.S., Director, Department of Employment and Training, Guindy, Chennai - 32.
3	Dr.K.P.Karthikeyan, I.A.S., Executive Director, Guidance Tamil Nadu, Industries Department, Secretariat, Chennai - 600 009.
4	Thiru.R.Ramanathan, Deputy Secretary to Government, Finance Department, Secretariat, Chennai - 600 009.
5	Thiru.R.Ramamoorthi, Federation of Indian Chambers of Commerce and Industry, No.5, Vivekananda Road, Chetpet, Chennai.
6	Thiru.K. Manickam, Secretary General, Employer Federation of South India, No.112, Eldo rado building, 2 nd floor, Nungambakkam High Road, Nungambakkam, Chennai - 4.
7	Thiru.V.Aravind, Chairman, Institute Management Committee, Government Industrial Training Institute, Sankarapuram and Pullambadi (W)
8	Thiru.C.Ravichandran, Additional Director, Directorate of Employment and Training, Guindy, Chennai-32.
9	Thiru.S.Lal Bahadur, Deputy Chief Engineer, Public Works Department, Chepauk, Chennai -600 005

**Sd/..[10.12.2019]
Member Secretary, SSC/
Director of
Employment and Training**

**Sd/..[16.12.2019]
Chairperson, SSC/
Additional Chief Secretary to
Government,
Labour and Employment Department.**

//Forwarded by Order//


For Director of Employment and Training


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