

**Guidelines for Selection of Vocational Training
Providers under Skill Development Initiative Scheme**

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Guidelines for Selection of Vocational Training Providers **under Skill Development Initiative Scheme**

1. Background

In pursuance of Hon'ble Union Finance Minister's announcement in 2005-06 Budget Speech, Ministry of Labour and Employment undertook development of a new strategic framework for skill development for the school drop-outs and existing workers especially in the informal sector in close consultation with industry, micro enterprises in the informal sector, State Governments, experts and academia. This was essential considering their educational, social and economic background. The key features of the new framework for skill development are:

- Demand driven short term training courses based on Modular Employable Skills (MES) decided in consultation with Industry.
- Flexible delivery mechanism (part time, weekends, full time, onsite/offsite)
- Different levels of programmes (Foundation level as well as skill upgradation) to meet demands of various target groups.
- Training to be provided by Vocational Training Providers under the government, private sector and industrial establishments
- Optimum utilization of existing infrastructure to make training cost effective
- The services of existing or retired faculty or guest faculty to be utilized
- Testing of skills of trainees by an independent assessing body that would not be involved in conduct of the training programme to ensure that it is done impartially

Accordingly, with the inclusion of above features, a new scheme namely “Skill Development Initiative” for imparting vocational training / testing of competencies of 1 million persons over a period of 5 years and thereafter 1 million per year with an outlay of Rs. 550.00 Crores has been taken up. The scheme has been operationalised after the approval of CCEA on 24th May 2007.

The training under SDI scheme was envisaged to be provided by various Vocational Training Providers (VTPs) under Central Government, State Governments, Public and Private Sector and Industrial establishments. It was decided that initially 1896 Govt. ITIs and 3218 private ITCs affiliated to the National Council for Vocational Training (NCVT) will be eligible to participate in the scheme as VTPs. Once the scheme takes off, the mechanism will be evolved for empanelment of other private VTPs by the Apex committee. Considering the response to the scheme, it is imperative to expand the ambit of Vocational Training Providers. Criteria and procedure for registration of various organizations as VTPs under SDI scheme is given below.

2. Eligible Vocational Training Providers

The applicants fulfilling the following conditions are eligible to apply:

2.1. Educational / Training Institutes:

Any educational/ training institute fulfilling any of the following criteria:

2.1.1. ITIs / ITCs affiliated to NCVT on or before the date of submission of the application.

2.1.2. Institutes approved by Councils under Central Government Ministries like All India Council of Technical Education / Medical Council of India / Indian Nursing Council / National

Council for Hotel Management and Catering Technology / Any other on or before the date of submission of the application.

2.1.3. Colleges / Institutes affiliated to a university set up by a Central or State / UT government or recognized by University Grants Commission.

2.1.4. Schools / Institutes approved by Central or State Boards of Secondary Education (or equivalent) or Boards of Technical Education.

2.1.5. Distance Education Institutions (DEIs) that are approved by Distance Education Council (DEC) of India on or before the date of submission of application.

2.1.6. Institutes approved by International Air Transport Association (IATA) and International Civil Aviation Organisation (ICAO).

In future, if the registration/affiliation of the institute is cancelled for any reason by the respective accrediting/registering/governing authority, then its registration as VTP under SDIS would also stand cancelled. VTP will not be allowed to run any new MES courses/batches from the date of cancellation. It will, however, have to complete the training of the on-going courses.

2.2. Organizations/ Institutes set up by Government:

2.2.1. Organizations / Institutes (including autonomous organizations) set up by Central Government / State Governments / UT Administrations.

2.3. Companies/Firms:

Company/Firm fulfilling any of the following criteria:

- 2.3.1. An organization providing training under Apprentices Act, 1961 for last one year from the date of submission of the application.
- 2.3.2. An organization registered in India, having been in existence in three years, employing at least 100 full time employees at the time of submission of application. It should have a valid Permanent Income Tax Account Number (PAN) or Service Tax Registration Number (TAN) and audited accounts of statements for the last three years.
- 2.3.3. Chambers of Commerce and Industry / Associations of Industries or Trade having at least 100 members at the time of submission of application. However, these cannot become Assessing Body under the SDIS.

2.4. Companies/Firms /Registered Societies/Trusts engaged in providing training:

Companies/Firms/Registered Societies/Trusts fulfilling any of the following criteria:

- 2.4.1. Registered Company /Firm/ Trust/ Society conducting vocational education / training / job oriented / self employment/ entrepreneurship development training courses having essentially trained 1000 persons in the last three years under a Central Government Scheme. It should have been in existence for at least three years holding a valid Permanent Income Tax Account Number or Service Tax Registration Number. It must have audited accounts of statements for last three years and should not have been black-listed by any Government entity in India. It should submit a letter of satisfactory performance from concerned central government ministry under whose scheme it has trained more than 1000 persons.
- 2.4.2. Hospitals/ Nursing homes registered with appropriate local authority and having at least 50 beds and training infrastructure.

3. Registration Procedure

3.1. Advertisement:

The respective State Government / UT Administration will give advertisement to invite applications for registration of VTPs to run MES courses under the SDI Scheme. DGE&T and RDATs may also give advertisements.

3.2. Application:

3.2.1. Duly filled in and signed application in the prescribed form (Section 8) (two copies) along with prescribed application fee and the necessary supporting documents shall be submitted to the concerned State Government either in person or through speed post/registered post. One copy of the above should be submitted to the concerned RDAT also, either in person or through speed post/registered post.

3.2.2. The application should spell out, among other things, the following:

- i. Documentary proofs of eligibility to apply as VTP in accordance with relevant provisions under para 2.0.
- ii. Goals and objectives of the organization.
- iii. Details of its promoters including their background.
- iv. Background of the organization with reference to its experience in promoting, managing and operating skill development programmes. Its activities in the training domain related to the sectors / trades in which it proposes to impart the training since its inception and its growth plan.
- v. Details of tie-up with industry for imparting training to staff and students, etc.
- vi. Training Infrastructure and amenities (equipment, space, power, instructional staff, etc.) available at its centres and methodology of training.

- vii. Detailed plan of the organization for conducting training including sectors/ trades, onsite/ offsite, mobilization of resources (financial, instructional, administrative and physical-equipment, raw-material, space, etc.), on-the-job training, organizing post training support for employment of students, etc.
- viii. Policy and practices with regards to Trainers recruitment, retention and development.
- ix. Policy and practices for selection of trainees and vocational guidance and counseling.
- x. Policies and practices for on-the-job training and production cum training.
- xi. Industry tie-ups for post-training support in the form of providing employment (wage employment/ self employment / any other).

The above, shall form the basis for evaluation of the application and shall serve as the blue print for proper evaluation of the applicant and further development.

- 3.2.3. Application for registration as VTPs should be submitted by:
- a. The Director or authorized person of the Institute/ Company/Firm. The power of attorney to be submitted for authorized signatory.
 - b. Officer designated by the Government in case of Central/State Government organizations.
 - c. The Chairman or Secretary of Society/Trust.

- 3.2.4. The applications can be submitted any time round the year to the respective State Director.
- 3.2.5. Organizations having more than one training centre in a particular state can submit a combined application for all the training centres in a particular state. However, application forms are required to be filled up for each centre accompanied by separate application fee.

3.3. Application Fee:

- 3.3.1. The Application forms can be collected from respective State Cells / UT Cells / RDATs or downloaded from the DGE&T website: www.dget.gov.in/mes
- 3.3.2. The applicant must submit a “Non-Refundable” application fee in the form of a Demand Draft for Rs. Two Thousand Only (Rs. 2000.00) drawn on a nationalized bank in favour of << To be provided by State Government >>, failing which, the application will not be considered for evaluation.
- 3.3.3. Government Organisations / Institutes are exempted from submission of Application Fee.

The application fee collected is to be utilized for the promotion and implementation of the Scheme. This amount cannot be used for any work other than related to SDI Scheme and cannot be transferred in any other account.

3.4. Evaluation of Application:

- 3.4.1. A VTP Evaluation Committee (VEC) at the State level will be formed for evaluation of the applications. This committee will be constituted by the State Government. It will have three (3) members – State Director, Representative from the RDAT and an Independent Expert of repute in vocational training field. The Independent Expert should preferably be from the leading

industry association of the State and finalized in consultation with the concerned RDAT.

- 3.4.2. The applications and related documents shall be duly scrutinized by the State VEC or their authorized representatives. The deficiencies if any, in the application shall be communicated to the applicant. The applicant shall furnish all such information/ documents / proofs sought for the purpose of evaluation.
- 3.4.3. State VEC will then call the applicants for a presentation / discussion. The State VEC will meet at least once in three months and evaluate the received applications.
- 3.4.4. State Government will inform the applicant & RDAT, the decision of the VEC about the approval/ rejection of the application. The RDAT will register the VTP and issue registration letter.
- 3.4.5. The applicants shall bear all costs for making the presentation or submission of information / documents as desired by State VEC.
- 3.4.6. In case of those applicants who have submitted the combined application as mentioned in Section 3.2.3, presentation / discussion can be done at one time only for the approval of all the centres.
- 3.4.7. The applicant whose application is rejected by State VEC on due evaluation will not be eligible to apply for registration as VTP for a period of six (6) months from the date of rejection. If on re-applying, the application is rejected again, the applicant will not be eligible to apply again for a period of one year from date of second rejection.

3.5. Parameters of evaluation:

The evaluation of an organization/ institute for becoming VTP under SDI scheme shall be done by VEC based on criteria specified under para 3.2.2.

3.6. Issue of Registration Letter:

- 3.6.1. Based on the evaluation of the application, eligible applicants shall be registered as VTPs under SDI Scheme. They shall be issued a registration letter by respective RDATs.
- 3.6.2. The registration of the VTPs will be valid till 31.03.2012 and shall be reviewed every two year by State Government/ DGE&T based on the performance of the VTP under the scheme.
- 3.6.3. The selected VTP shall submit a Performance Guarantee in the form of a Bank Guarantee for Rupees Two Lakh only (Rs. 2,00,000.00) for performing all the obligations arising on acceptance of all the terms and conditions of registration as Vocational Training Provider to the respective RDAT failing which the registration letter will not be issued. The format for the Bank Guarantee enclosed in Section 10 shall be provided by the concerned RDAT to the selected VTPs. The Bank Guarantee shall be valid for the period of registration, i.e., till 31.03.2012. DGE&T will have the absolute right to encash Bank Guarantee, if sufficiently convinced of negligence and lack of dedication to work on the part of the VTP.
- 3.6.4. Government Organisations / Institutes are exempted from submission of Application Fee and Bank Guarantee.
- 3.6.5. Autonomous Bodies under Government and private ITCs affiliated to the NCVT are exempted from submission of Bank Guarantee.

3.7. Suspension / Cancellation of Registration:

- 3.7.1. DGE&T, RDAT, concerned State/ UT Government department or any agency authorized by them may carry out random visits round the year any time for verifying the status of the institution and to ensure maintenance of norms and standards.
- 3.7.2. DGE&T, RDAT, concerned State/ UT Government department or any agency authorized by it may also conduct from time to time inspections with or without notifying such dates in such

cases where specific complaints of misrepresentation, violation of norms and standards, malpractices etc. are received to verify the facts. Upon inspection, such complaints if found correct may decide to Cancel / suspend the registration of VTP and/or forfeit the Bank Guarantee submitted by it.

- 3.7.3. Depending on a particular case, VTP may be allowed to create the facilities/ remove the deficiencies/ comply with stipulated conditions/ fulfillment of prescribed requirement as per timelines prescribed by State VEC or RDAT.
- 3.7.4. In case, it is found at a later stage that any of the documents submitted by the applicant are falsified, the registration of the VTP will be cancelled and VTP will be black-listed, the Bank Guarantee will be forfeited and it will not be allowed to register as VTP for the SDIS Scheme, in future.
- 3.7.5. The proposal for cancellation of registration of a VTP will be considered by State VEC and based on its recommendation, State Government/ RDAT will issue the cancellation order.
- 3.7.6. A show cause notice shall be issued to the VTP giving him 15 days time to explain why his registration should not be cancelled for << give the reason >>.

4. Other Conditions

- 4.1. The selected VTPs shall submit an undertaking that it shall provide necessary training infrastructure required to run the MES course under SDI Scheme. If at any stage it is found that VTP is running the courses without necessary training infrastructure, its registration may be cancelled / suspended and the bank guarantee shall be forfeited.
- 4.2. DGE&T is in the process of developing web-based software for effective implementation of the SDIS. The VTP shall fully comply with instructions issued by DGE&T from time to time in this regard and for usage of the

system. It shall provide necessary IT infrastructure and manpower for the same.

- 4.3. The VTPs would be eligible to run only those MES courses for which it has been registered.
- 4.4. The VTP shall submit the schedule of courses it intends to run / discontinue every six months to the concerned State Government. VTP cannot discontinue any course(s) without written approval of the State Government.
- 4.5. The VTP can run off-campus courses only within the district in which the training centre has been registered.

5. Evaluation of a VTP

- 5.1. Separation of training delivery and assessment functions are aimed at ensuring quality. Performance of the VTPs would be closely monitored based on the output and outcome of training provided by them. Rating would be awarded to the VTPs from 2nd year onwards based on following criteria:

Grading	Pass rate of trainees who appeared in tests during a period of 6 months (April – September , October- March)	Employment rate of passed out trainees
A	80% and above	80% and above
B	60%- 80%	60%- 80%
C	Less than 60%	Less than 60%

- 5.2. List of VTPs along with ratings would be provided on the SDI/ MES website. Registration of the VTP would be cancelled if it gets ‘C’ grade, in two consecutive times. The VTP would be able to apply for a fresh registration not before one year from the date of cancellation of the

registration. From 3rd year onwards, employment rate of trainees would also be considered in the rating.

6. Definition

DGE&T would mean DGE&T/ Any of its offices or officers/ any other agency appointed by DGE&T for performing a specified function.

7. Power to modify

The Apex committee has the power to modify any of the provisions of these Regulations in respect of any class or category of institutions.

8. Application Form for Registration of VTP

APPLICATION FORM

Instructions to fill the form:

1. Applicants are advised to read carefully the details of this Scheme and any advertisement notice issued by the DGE&T,/ RDAT/ State Director for Vocational Education before applying as vocational Training Provider
2. This Form would be filled in by the Organization applying for Vocational Training Provider under SDIS
3. Provide two (2) copies of the application along with the application fee in the form of Demand Draft to the State Director
4. Provide one (1) copy of the application to the respective RDAT
5. Provide the Power of Attorney of Authorized Signatory
6. Organizations having more than one training centre in a particular state can submit a combined application for all the training centres in a particular state. Application forms are required to be filled up for each centre accompanied by separate application fee.
7. The application form, Undertaking and any other supporting documents should be signed by the Director or authorized personnel of the Institute/ Company/Firm or Officer designated by the Government (In case of Central/State Government organizations) or Chairman or Secretary of Society/Trust.
8. Copies of qualification documents as prescribed are acceptable, but must be completely legible and certified true copies, preferably by a Gazetted Officer. Copies will be retained for record purposes. All original qualification documents (and only original documents) will be returned by registered post.
9. The committee reserves the right to request original documents for verification. If falsified documents are submitted by applicant, the application will be summarily rejected and the applicant will not be eligible to apply again for registration as VTP.

Application Letter

From,

Date: _____

Sir,

Subject: Application for Registration as Vocational Training Provider under the Skill Development Initiative Scheme

We, the undersigned, hereby apply for Registration as Vocational Training Provider under the Skill Development Initiative Scheme. We would like to state that the information provided by us is true to the best of our knowledge and belief and we understand that we are liable for action under the law for any false information or document produced by us.

We also understand that DGE&T/ RDAT or Any other representative of DGE&T shall be free to investigate on its own into the correctness of information furnished by us in this application and/or call for any further information in this regard from us.

During such investigation or at any subsequent stage, DGE&T may refuse to issue the letter of registration or if already issued may cancel the same and we shall stand debarred for applying as Vocational Training Provider / Assessing Body under the SDIS.

Signature of Authorised Person

Name & Designation:

Phone No.:

E-mail:

1. <u>Contact Details</u>	
Name of the Organization	
Name of the Head of the Organization	
Contact Details	Address:
	City:
	District:
	State:
	Pin Code:
	Telephone:
	Mobile:
	Fax:
	Email:
	Website:
Name of the Centre for which registration as VTP is sought	
Contact Details	Address:
	City:
	District:
	State:
	Pin Code:
	Telephone:
	Mobile:
	Fax:
	Email:
	Website:

2. Preliminary Data		
a.	Whether applying for Registration for the	First Time <input type="radio"/> Second Time <input type="radio"/> Third Time <input type="radio"/>
b.	If re-applying, please specify the last date / s of application and reasons of not being selected	
c.	Date of Registration / Incorporation	

3. Educational / Training Institutes and Organizations/ Institutes set up by Government				
S No.	Type of Institute	Whether institute affiliated/ accredited to any of the institution mentioned below?	Yes / No	Details and Documentary Proof
a.	ITIs / ITCs / Colleges / Schools / Distance Education Institute / Organizations / Autonomous Organizations	NCVT / AICTE / MCI / INC / NCHMCT / Any other?		
		<i>In case, the Accreditation Body is a Council, then it should be set up under the Central Government Ministry</i>		
		Central/ State / UT Government University		
		University recognized by UGC		
		Central/ State Board of Secondary Education		
		Board of Technical Education		
		Distance Education Council of India		
		University recognized by DEC of India		

	Institutes approved by International Air Transport Association (IATA) or International Civil Aviation Organisation (ICAO)		
	Set up by Central/ State/UT government <i>In case of autonomous organizations</i>		
	Any other (Please specify)		
<i>The documentary proof in the above would be Certificates of Registration / accreditation clearly highlighting the date of Registration and the Accrediting Body</i>			

4. <u>For Companies/ Firms/Registered Societies/ Trusts</u>			
S No.	Type of Institute	Documents / Information to be furnished	Details and Documentary Proof
a.	Providing training under Apprentices Act, 1961	Date of Registration for providing training under Apprentices Act 1961 <i>Attach Certificate of Registration</i>	
		Letter from Competent Authorities for satisfactory work performance	
OR			
b.	Registered Organization in India	Certificate of Incorporation	
		Number of full time employees at the time of submission of application	
		Permanent Income Tax Account Number (PAN)	
		Service Tax Registration Number	
		Audited accounts of statements for the last three years	
OR			

c.	Hospitals/ Nursing homes	Certificate of Registration with appropriate local authority	
		Date of Registration	
		No. of beds	
		Details of Training Infrastructure	
		Service Tax Registration Number	
OR			
d.	Chambers of Commerce and Industry / Associations of Industries or Trade	Number of members at the time of submission of application	
OR			
e.	Others engaged in providing Training	Date and Certificate of being Registered as Company /Firm/ Trust/ Society conducting vocational education / training / job oriented / self employment/ entrepreneurship development training courses	
		Name of the Management / Trust	
		Letter from Competent Authorities for satisfactory work performance	
		Whether trained 1000 persons in the last three years under a Central Government Scheme?	
		Permanent Income Tax Account Number (PAN)	
		Service Tax Registration Number	
		Audited accounts of statements for the last three years	
		Self Attested Undertaking that it is not black-listed by any Government entity in India	

5. Financial Performance Summary For Last Three Years

(To be filled in by those organizations which are maintaining the audited accounts of statements)

<i>In Indian Rupees</i>	FY – 1	FY - 2	FY – 3
Turnover			
Profit after Tax			
Net Worth			

6. Technical Proposal for Vocational Training under SDI Scheme

- Background of the organization with reference to its experience in promoting, managing and operating training mandates; its legal standing with respect to its registration; details of its promoters including their background
- Training domain activities related to the sectors / trades in which it proposes to impart the training since its inception and its growth plan
- Methodology of Training, Training Infrastructure and amenities available at its centres
- Policy with regards to Trainers recruitment, retention and development
- Industry tie-ups for imparting training & Industry tie-ups for post-training support in the form of generating employment (wage employment/ self employment / any other)
- Any other relevant information

Please attach a write-up covering all the above mentioned points. The Information provided herein should be adequately supported by relevant documents.

7. <u>Details of application fee</u>	
Demand Draft Number	
Date	
Payable at	
Bank	
Amount	

8. <u>Bank Details for the purpose of payment of release of funds from RDAT to VTP</u>	
<i>Account Details to be submitted after selection</i>	
DD to be drawn in favour of	
Payable at	
Bank account details	

9. <u>Details of the MES Sectors/Courses for which VTP proposes to conduct training</u>		
Name of the Sector	MES Course Code	Name of the Courses

<u>For Official Use (To be filled in by the State Directorate)</u>
To be filled by the authorized officer of the State Directorate dealing with the Craftsmen Training Scheme
The information furnished by the applicant is found to be correct as per the record available to the Directorate.
Any other comments : _____ _____

Signature of Authorised Person

Name & Designation:

Phone No.:

E-mail:

<u>For Official Use (To be filled in by the RDAT)</u>		
Registration No:		
Permission granted for running the following MES Courses		
Name of the Sector	MES Course Code	Name of the Courses
Any other comments : _____		

Signature of Authorised Person		
Name & Designation:		
Phone No.:		
E-mail:		

Supporting Documents

Please submit the following supporting documents (whichever applicable) along with the application form:

1. Copy of the Certificate of Registration from the relevant Accreditation Body
2. Copy of Registration of Society/Trust along with details of constitution, memorandum of association of the Society/Trust.
3. Certification of Incorporation of the Company
4. Copy of the letter from Competent Authority for satisfactory work performance
5. Details of latest fund position along with relevant Bank account available with the applicant for this proposal.
6. Supporting documents for Technical Proposal
7. Application fee
8. Audited Statements

9. Format for Undertaking

UNDERTAKING

(Note: This Undertaking is to be provided by the VTP after selection. This will require stamp duty as applicable in the State, where it is executed and shall be signed by the official whose signature and authority shall be verified. It is to be submitted after registration)

I/We, _____ (name of the Trustee/ Chairman/ Principal/ Director/ Authorised Person) of _____ (name of the College/ Institution/ Trust/ Society/ Company/ Firm etc.) hereby undertake to comply with the following in connection with my/our application for registration as VTP under Skill Development Initiative Scheme.

1. The VTP shall provide funds /investment in development of related infrastructural, instructional and other facility for providing MES training courses as per DGE&T's norms and standards laid down from time to time and for meeting recurring expenditure.
2. VTP shall allow authorized officers of RDAT/DGE&T/Respective State Government dealing with CTS to inspect the training infrastructure available in its premises for courses/modules under SDI scheme.
3. The VTP shall at its cost make necessary arrangements for providing information to persons desirous of undertaking training regarding the institution and courses/programmes being conducted and details of infrastructural facilities including faculty etc. before commencement of the training courses. The information shall be revised every year with updated information about all aspects of the institution.
4. Admissions to courses shall be made in accordance with the regulations notified by DGE&T from time to time.

5. The VTP shall not cause or allow either closure of the Institution or discontinuation of the course(s) or start any new course (s) or alter intake capacity of seats without the prior approval of the DGE&T.
6. VTP shall implement Central government /State Government's reservation policy applicable for ITIs, as the case may be.
7. VTP shall maintain a separate bank account (*To be submitted to RDAT after selection*) and reimburse training cost, as instructed by DGE&T and received from respective Regional Directorate of Apprenticeship Training to its candidate(s) who has/have cleared test conducted by the Assessing Bodies. The accounts related to SDI Scheme shall be open for inspection by DGE&T or any body or person authorized by it.
8. VTP shall submit reports and utilization certificate as per schedule prescribed by DGE&T.
9. The training and any other fees shall be charged as prescribed by DGE&T. No additional fee shall be charged from the students/guardians of students in any form.
10. The VTP, by virtue of the approval given by DGE&T shall not automatically become claimant to any grant-in-aid from the Central or State Government for the Institute or for recurring expenditure etc.
11. It shall be mandatory for the VTPs to use the web-based system being developed by DGE&T for the purpose of implementation and monitoring of the scheme as and when the system is implemented. The VTP must provide at its cost all such infrastructure and manpower to operate the system as per instructions issued by DGE&T from time to time in this regard.
12. If a VTP fails to disclose the information or suppress and/or misrepresent the information, appropriate action could be initiated including suspension/cancellation of registration and forfeiture of Bank Guarantee.
13. VTP shall provide post training support to trainees in getting employment, maintain data base on trainees trained and the outcome of the training.
14. VTP shall not make RDAT / DGE&T / State Governments a party in any disputes arising in its premises.
15. VTP shall abide by all the instructions prescribed in the Implementation Manual and those issued by DGE&T from time to time.

16. VTP shall strictly follow further conditions as may be specified by DGE&T from time to time.

In addition to above, we confirm that we shall provide training infrastructure as per norms prescribed in the course(s)/module(s) approved by NCVT. We have read terms and conditions and shall abide by the same. In case of violation of any terms or if infrastructure / quality of training is not satisfactory, the registration would be cancelled by DGE&T. In case of any dispute, the decision of DGE&T shall be final and acceptable to us.

Signature of the Authorized Representative

Name: _____

Seal of the Institution: _____

Date: _____

10. Format for Bank Guarantee

FORMAT OF BANK GUARANTEE TO BE PROVIDED BY THE VOCATIONAL TRAINING PROVIDER

(Note: This guarantee is to be provided by the VTP after selection. This will require stamp duty as applicable in the State, where it is executed and shall be signed by the official whose signature and authority shall be verified)

To,

Dear Sir,

**Subject: Performance Guarantee for Registration as Vocational Training
Provider under the Skill Development Initiative Scheme (SDIS)**

Bank Guarantee No.: _____ Date: _____

Name of the VTP: _____

WHEREAS

1. **Directorate General of Employment and Training (hereinafter referred to as DGE&T)**, Ministry of Labour has launched a new Scheme called Skill Development Initiative Scheme (hereinafter referred to as SDIS). The Training under the SDIS would be provided by various Vocational Training Providers selected through the Selection and Registration Procedure described in the Operational Manual of SDIS published by DGE&T from time to time and revised by the Apex committee set up for this Scheme.

2. The VTP has to provide a Performance Guarantee in the form of a Bank Guarantee for **Rupees Two Lakhs only** valid upto the Period of Registration which is till **31st March 2012**.

NOW THIS GUARANTEE WITNESSETH

1. In consideration of **DGE&T** having agreed to register <<Name of the VTP>>, <<VTP Registration No.>> (hereinafter referred to as VTP) as the Vocational Training Provider under the Skill Development Initiative Scheme (SDIS) of Ministry of Labour, Government of India under the terms and conditions which are given in the SDIS Operational Manual published by DGE&T from time to time and revised by the Apex committee set up for this Scheme, we <<Name of the Bank>>, having our registered branch at <<Address of the Bank>> do hereby undertake to the DGE&T, their Successors, Assigns that in the event of DGE&T coming to the conclusion that the VTP has not performed their obligations under the said conditions of the SDIS, or have committed a breach thereof, which conclusion shall be binding on us as well as the said VTP, we shall on demand by the DGE&T, pay without demur to DGE&T, a sum of **Rs. 200,000/- (Rupees Two Lakhs Only)** or any lower amount that may be demanded by DGE&T. Our guarantee shall be treated as equivalent to the Performance Guarantee for the due performance of the obligations of the VTP under the said Scheme, provided, however, that our liability against such sum shall not exceed the sum of Rs. 200,000/- (Rupees Two Lakhs Only).
2. We also agree to undertake to and confirm that the sum not exceeding Rs. 200,000/- (Rupees Two Lakhs Only) as aforesaid shall be paid by us without any demur or protest, merely on demand from DGE&T on receipt of a notice in writing stating the amount is due to them and we shall not ask for any further proof or evidence and the notice from the DGE&T shall be conclusive and binding on us and shall not be questioned by us in any respect or manner whatsoever. We undertake to pay the amount claimed by DGE&T within a period of one week from the date of receipt of the notice as aforesaid.
3. We, <<Name of the Bank>>, further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said work as the VTP and that it shall continue to

be enforceable till all the dues of DGE&T, under, or by virtue of the said work have been fully paid and its claims satisfied or discharged or till DGE&T certifies that the terms and conditions of the said work order have been fully and properly carried out by the said VTP and accordingly discharge the guarantee unless a demand or claim under this guarantee made on us in writing on or before **31st March 2012** we shall be discharged from all liability under this guarantee thereafter.

4. We confirm that our obligation to DGE&T under this guarantee shall be independent of the agreement or agreements or other understandings between DGE&T and the VTP.
5. Our liability under this will terminate unless these are renewed as provided hereinabove on the **31st March 2012** or on the day when our said constituents comply with their obligations, as to which a certificate in writing by DGE&T alone is the conclusive proof whichever date is later. Unless a claim or suit or action is filed against us within six months from that date or any extended period, all the rights of DGE&T against us under this guarantee shall be forfeited and we shall be released and discharged from all our obligations and liabilities hereunder.
6. The Bank agrees that the amount hereby guaranteed shall be due and payable to DGE&T on serving us with a notice before expiry of Bank Guarantee requiring the payment of the amount and such notice shall be deemed to have been served on the Bank either by actual delivery thereof to the Bank or by despatch thereof to the Bank by registered post at the address of the Bank.
7. This guarantee shall not be revoked by us without prior consent in writing of DGE&T.
8. This guarantee shall remain in force upto **31st March 2012** provided that if so desired by DGE&T, this guarantee shall be renewed for a further period as may be indicated by them on the same terms and conditions as contained herein.

Notwithstanding anything contained hereinabove our liability under this guarantee is restricted to **Rs. 200,000/- (Rupees Two Lakhs Only)**, and this guarantee is valid upto **31st March 2012**. We shall be released and discharged from all liabilities hereunder unless a written claim for payment under this guarantee is lodged on us on

or before **31st March 2012** irrespective of whether or not the original guarantee is returned to us.

Dated _____ day of _____

Yours Faithfully,

For and on behalf of _____ Bank