

FAQs

S.No	Issue/Questions	Clarifications/Responses
1.	Can the Industry Partner change the nominated industry members of IMC after Society Registration ?	In normal circumstances such changes should be avoided. However, if it is essential such changes may be carried out with the approval of the State Govt.
2.	Can the SCVT trades be taken up for upgradation with the funds of the Scheme ?	No, the SCVT trades being run in the ITI can not be taken up for upgradation under this Scheme. The scheme envisages that the ITI should be affiliated to the NCVT.
3.	Amount allowed for civil work i.e. upto Rs. 62.5 lakh is very less. Can this amount be increased ?	The expenditure on civil works can exceed Rs. 62.5 lakh but for this the IMC will have to send a proposal with full justification to the NSC for its approval. This proposal should be sent through the SSC.
4.	Can IMC Society sell old goods and scrap of the ITI ?	No, because old goods and scrap are the property of the State Govt. who are the owner of the ITI.
5.	Are repair works included in the civil works ?	Yes, repair works are included in civil works.
6.	What is the role of the SIC in financial and procurement decisions of the IMC	Normally SIC does not have any direct role in financial and procurement decisions of the IMC. They have the responsibility for monitoring the utilization of funds under the scheme. However, to take advantage of economies of scale the SIC can be involved in financial and procurement decisions of a group of IMCs with prior approval of the State Steering Committee (SSC).
7.	Can IMC Society transfer funds into other banks for earning more interest or getting better facilities.	Under normal circumstances the funds should not be transferred out of the public sector bank where the interest free loan has been deposited in the first instance. However, due to some unavoidable reasons if such a decision is to be taken a proposal with full justification should be sent for approval of the NSC.
8.	Do the members of the General Body of IMC Society have voting rights in Governing	The additional members nominated to the General Body of the IMC Society will not have any voting rights in the Governing Council.

	Council ?	
9.	Can IMC Society purchase a built up structure or empty plot for ITI ?	No and IMC Society should not acquire any immovable property in its name.
10.	Is every tender floated by IMC required to be put on website as required by the CVC ?	No, the IMC Society is not a Ministry/Department and therefore will not be required to follow CVC guidelines for putting tender inquiries on the website. However, the process of tendering should be as transparent as possible as per the financial and procurement guidelines.
11.	Can IMC Society purchase goods directly from manufacturers at DGS&D rates ?	The IMC Society can purchase goods directly from manufacturers at DGS&D Rate Contract but it has to make its own arrangements for inspection of goods so purchased.
12.	Can IMC Society let out some of the existing properties of ITI to generate extra revenue ?	No. The existing properties of the ITI belong to the State Govt. Therefore it cannot let them out. However, if letting out is done in connection with a training related activity the same may be permitted.
13.	Can IMC Society do the job work to generate extra revenue ?	Yes, IMC Society can do job work to generate extra revenue. They can start production service centres also.
14.	Will the IMC Society be required to get a Permanent Account Number (PAN) under the Income Tax Act ?	The IMC Society should get a Permanent Account Number (PAN) because it is an independent entity who may earn income from interest and other sources. If it gets itself registered under Section 12A of the IT Act, 1961 and utilize its income as per the provisions of Section 11 of the IT Act then its income may become exempt from income tax. In this respect a Chartered Accountant may be consulted.
15.	Will the IMC Society be required to get a TDS Account Number (TAN).	Yes, they should get TAN from the income tax department because they may be required to deduct TDS out of certain payments made to contractors/suppliers/consultants etc. and file TDS return with the Income Tax Department.
16.	Can IMC, engage a part time accountant on contract to attend its accounting work ?	Yes, they can, but they should follow the laid down procedure for engaging such an accountant and the charges should be reasonable.
17.	Can IMC engage their	Yes, they can engage but the laid down

	own support staff to carry on their work ?	procedure should be followed and the charges should be reasonable.
18.	Can IMC construct office for itself and install telephone facilities, computer, faxes etc. for its office ?	The IMC should not construct any new building as its office. However, for this purpose minor changes/repairs in the existing structure can be made using the scheme funds. The scheme funds can be used for installation of telephone facilities, computer, faxes etc. for IMC office but these facilities should be bare minimum, with a view to functional efficiency.
19.	Can they spend on organizing meetings, refreshments in those meetings and incidental expenditure ?	Yes, they can spend, but it should be directly related to creation of training infrastructure and improvement of training facilities in the ITI.
20.	Who will pay for TA/DA of IMC members in connection with the implementation of the scheme ?	For the State Govt. nominated members the TA/DA may be claimed from their respective organizations. The TA/DA for student representatives and industry members may be met out of the funds of the IMC Society, if the journey is undertaken for activities related to this scheme.
21.	What will be the entitlement of the IMC members for TA/DA?	For State Government nominated members the entitlement may be as per the State Government rules. The student representative can be paid as per the entitlement of the senior faculty member nominated in the IMC. The Chairman and other industry members can be paid TA/DA as per the TA/DA rules applicable to Central Govt. Class I Officers drawing pay in the range Rs 8,000/- to Rs. 16,399/- (Rs.12,300 to Rs. 16,400 for air travel) and modified from time to time. (These rules are available on Finance Ministry website www.finmin.nic.in)
22.	Can IDP be modified by the IMCs after release of the funds ?	For the ITIs covered during 2007-08, minor modifications by the IMC Society can be allowed because the IDPs had to be prepared in a very short time period. But for 2008-09 onwards the IDPs should be prepared after thorough study/research and discussions and will not be allowed to be modified in normal circumstances. The

		modifications in the IDPs should be carried out in the next few days and sent to DGE&T after approval of the SSC.
23.	The assets purchased from Scheme funds will be in the name of ITI or IMC – who will be the owner ?	The assets purchased from the funds of the IMC Society will be owned by the IMC Society and not by the ITI. Therefore, they should be acquired in the name of the IMC Society only though they will be installed and used in the ITI premises.
24.	The activities done by the IMC will be in the name of ITI or IMC ?	All the activities done, such as issuing of advertisement, issuing of work order, placing of purchase order, signing of a contract etc. using the funds of the IMC Society should be carried out in the name of the IMC Society.
25.	Will there be separate asset registers, stock registers etc. for the IMC.	Yes, the IMC Societies should maintain separate asset register, stock register, books of accounts and other documents as may be required for effective functioning of an organization. IMCs can provide training over and above what is prescribed by the NCVT for a particular trade/sector.
26.	What kind of academic freedom does the IMC have? Can it make changes in the curriculum of a course? Can it provide training on a machinery which is not prescribed under NCVT but is required as per present market conditions?	If IMC wants to introduce changes in any NCVT courses, they should intimate DGET through the SSC. If these changes are found necessary they will be introduced at the national level. Training on machinery other than NCVT machinery may be provided in industry establishments but such machinery should not be purchased out of the scheme funds unless it is approved by NCVT.
27.	How will the books of accounts of the IMC Society be maintained and audited.	The books of accounts of the IMC Society shall be maintained on a double entry accounting system. These books of accounts and corresponding documents should be got audited by a qualified Chartered Accountant for every accounting year. The audited financial statements shall be submitted/placed before the relevant authorities as per the requirements of Societies Registration Act and the Scheme.
28.	Will the books of accounts and	The Comptroller of Auditor General of India may audit the books of accounts and

	documents of the IMC Society be audited by Comptroller and Auditor General of India ?	documents of the IMC Society. On this issue, the matter has been referred to the Office of C&AG. Guidelines on this aspect will be issued once the response is received from them. <i>(The accounts of the IMC Society are auditable by the C&AG of India clarified vide letter No.G.25014/48/08/MF.CGA/COE/Insp/500 dated 11.8.2008.)</i>
29.	Whether the IMC has the authority to manage the entire ITI or manage only the affairs related to this scheme.	The purpose of forming an IMC is to manage the affairs of the ITI with a new approach wherein the expertise of the private sector and experience of the Government are used together. That is why, the IMC Society has members from the State Govt. and the Private Sector both. It is expected that the IMC should be in a position to manage functioning of the ITI as a whole and not restricted to funds received under this scheme. However, in respect of the activities which are being funded by the State Govt. the IMC will have a recommendatory role. It is expected that in normal circumstances these will be acceptable to the State Govt.
30.	How will the 20% admissions be determined by the IMC Society in the ITI ? Are there any guidelines for this ?	Different State Govts. have different methods for admissions in the ITIs. Therefore, in a letter dated November 5/8 issued by the DGE&T State Govts. have been requested to decide a uniform procedure to be followed by all the IMCs in their State in consultation with the IMCs and the State Steering Committee. State Governments are requested to call for a meeting of SSC and IMCs and take a decision in this regard.
31.	The 20% admissions to be determined by IMC Society will be related to trades/sectors covered under this scheme or for all trades being run in the ITI.	The requirement of 20% admissions to be made by IMC Society will apply to only those trades/sectors which are being covered by the funds of this scheme.
32.	Will the 20% admissions to be determined by IMC be over and above regular seats being filled in different trades or will it be out of the number of regular seats ?	The 20% seats to be determined by the IMC will be out of the number of regular seats being filled up in a trade and not over and above them.

33.	Are the funds received under this scheme to be used for opening Centre of Excellence (CoE) in a trade sector and opening of new trades only or can it be used for upgradation of existing trades.	There is no restriction on the purpose for which the funds under this scheme should be used. The funds can be used for opening a Centre of Excellence (CoE) type of course in a trade sector or opening of new regular trades under NCVT or upgradation of existing NCVT trades or combination of any of these.
34.	How will the meeting of the Governing Council of IMC Society be conducted when the Chairman and the Vice-Chairman both are not present. Can the meeting of the Governing Council still will be held ?	From Rule 44 (c) of Rules and Regulations of the Society, it can be seen that if Chairman and Vice-Chairman both are not present in the meeting then the members present will choose an acting Chairman for that particular meeting and the business of the meeting will be conducted. However while fixing the meeting of Governing Council it should be ensured that all the requirements in this respect provided in the Rules have been taken into account.
35.	Is there any time frame within which the interest free loan received under this scheme is to be spent ?	The interest free loan is to be spent in the manner as provided in the IDP prepared by the IMC and approved by the DGE&T while sanctioning the loan amount. In the IDP, the time frame for spending the loan amount on different items is to be specified.
36.	In case of some Industry Partners, it has been observed that they have nominated one person as their representative to act as Chairman of 3-4 ITIs. Such Chairmen are not able to devote sufficient time to all the ITIs. Should this be allowed ?	Chairman of the IMC, as the representative of the Industry Partner, is expected to devote sufficient time to the process of upgradation of the ITI. One person may act as Chairman of more than one IMC but it has to be ensured that he/she is able to devote sufficient time to all the IMCs without compromising on the quality of working of these IMCs.
37.	Who is the nodal officer of the Industry Partner as provided in the IDP and the MoA.	Nodal officer is a person within the organization of the Industry Partner who is dealing with the Central and State Govt. in connection with this scheme. He may be a person other than the Chairperson of the IMC Society who can be contacted in the Organization of the Industry Partner in connection with any matter related to this scheme.

38.	In what name should the bank account of IMC be opened and who should be authorized to sign the cheque for this bank account.	The bank account should be opened in the name of the IMC Society only. As provided in the financial and procurement guidelines the cheque signing authority should be the Chairman, the Member Secretary (ITI Principal) and one Industry Member, nominated by the Chairman, who is regularly available locally. These persons should sign the cheques as per the monetary limits provided in the guidelines.
39.	If a Chartered Accountant is an industry member in the IMC Society, can he be engaged to maintain audit books of accounts of the IMC Society.	If the Chartered Accountant member is prepared to provide his service free of charge then he can be engaged by the IMC Society. However, if he is to be hired on payment basis, he has to participate in the procedure to be followed by the IMC Society for hiring a consultant as provided in the financial and procurement guidelines. It is advisable not to engage such person in view of considerations of transparency and objectivity.
40.	In some of the ITIs covered under the Scheme, regular Principals are not posted and additional charges are being held by Principals of other ITIs. It is difficult to implement the scheme effectively in such cases.	The Principal of ITI has to play a very important role in this Scheme as the Member Secretary of the IMC. The State Governments are advised to post regular Principals in all the ITIs being covered under this Scheme.
41.	There is different work culture in Govt. and industry. The dual control of the State Govt. and the Industry Partner over the ITI staff may be a hurdle in achieving the desired results.	The IMC is an autonomous body which is fully empowered to take its own decisions for development of the ITI. The State Govt. is requested not to interfere with its functioning but to make an enabling environment for effective and successful implementation of the Scheme to make ITI self sustaining.
42.	Who will pay for recurring expenditure such as raw material, office expenses and the salaries to the staff appointed for the new	The State Govt. as owner of ITI is responsible for all recurring expenditure including salaries of staff. However, wages of the contract faculty may be paid by the IMC from its own funds till the regular posts are created and filled up by the State Govt. Any other expenses required to

	trades started under the Scheme ?	improve the quality of training may also be included.
43.	Whether PAN and TAN numbers of the ITI can be used for IMC or a separate PAN and TAN numbers are required for IMC ?	The IMC Society is required to obtain a separate Permanent Account Number (PAN) because it is an independent entity which may earn income from interest and other sources. If it gets registered itself under Section 12 A of Income Tax Act, 1961 and utilizes its income as per the provisions of Section 11 of Income Tax Act, then its income may get exemption from income tax. TAN number may also be obtained from the IT Department because IMC may be required to deduct TDS out of certain payments made to contractors/suppliers, etc.
44.	Can IMC have more than 11 members for efficient working ?	Extra members may be nominated in the general body of the Society. Co-opted members may be invited to the Governing Council meetings. However, they will not have right of voting.
45.	Whether purchases from IMC funds need approval of Government or approval of IMC ?	Approval of only IMC is required. It is omnipotent to take all its decisions in the interest of the ITI under the Scheme.
46.	Whether IMC Society can publish/award tenders for renovation of building, new works and purchasing of machinery, equipments during the model code of conduct for the election of Lok Sabha ?	IMC being a Society is not covered under the purview of model code of conduct. However, Election Commission of India should be informed.
47.	In preparation of accounts, should the expenses of the entire ITI be considered or only the activities pertaining to the IMC Society ?	Separate account books are required to maintained for the activities of IMC Society.
48.	Whether the purchases of machinery, equipments and tools can be kept about Rs. 2	The provision of seed money is for sustained income to IMC for the upgradation of ITI. As per the guidelines of the Scheme, the upper limit for the seed money is not exceeding 50%,

	Crore, if yes, how it will be possible to stick to the figure of seed money of 50% ?	however, there is no minimum limit.
49.	Whether 100% payment can be made before the dispatch of machinery and equipments by the Supplier ?	100% payment is only applicable after installation and inspection of the machinery and equipment, not before dispatch of machinery.
50.	Whether the interest money earned on the deposits out of Rs. 2.5 Crore can directly be utilized for the expenses of IMCs ?	Interest money earned on the deposits can be plough back for the upgradation of ITI and can be used for all purposes for which the original amount can be used.
51.	Whether the repayment of loan period is increased upto 30 years ?	For the repayment of loan, there shall be moratorium of 10 years. After the moratorium, the loan shall be payable in equal Installments of Rs. 12.5 lakh per annum over a period of next 20 years.
52.	Can the Industry Partner change the Chairperson of IMC ?	Yes, Industry Partner can change the Chairperson of IMC.
53.	In financial guidelines, it is suggested that open tenders to be called for the goods to be procured above Rs. 25 lakh and limited tender for the goods to be procured from Rs. 1 to 25 lakh. Please clarify that the limit of Rs. 1 to 25 lakh, above 25 lakh are the amount for one item or for all items or amount for per year or for one occasion.	As per the financial guidelines, limit of Rs. 1 to 25 lakh and above 25 lakh is the amount for which the goods can be procured at one occasion .
54.	Whether IMC Society should get registered for VAT/Trade Tax/Service Tax ?	The matter is being taken up with concerned authorities and a clarification will be issued later.
55.	Whether IDP can be modified ?	The IMC can modify the IDP and should get it approved by SSC and send a copy to Central Govt.

56.	Shortage of Principals and Instructors in the ITIs.	State Govts. are required to take immediate action to fill the vacant posts of Principals and instructors. However, guest/contract faculty of these trades may be engaged by the IMC.
57.	In the State of Haryana, IMC is required to take permission from the State Governments/Directorate for doing any new work.	IMC is an autonomous body which can take its own decision for upgradation of ITI. The State Govt. should withdraw such order, if any.
58.	Whether training of Principals on Society management (Rules and Regulations of Society), accounting procedure, financial management for Rs. 2.5 Crore, and writing of minutes, etc. will be organized ?	Training of Principals & senior faculty member of ITIs is being organized in premiere institutes of the country.
59.	Can the construction work be executed only through PWD ?	No, the construction work can be executed through the contractors registered with the Central Govt. Departments such as CPWD and State Govt. Departments such as PWD or Indian Railways or MES or Border Road Organization or Public Sector Undertaking setup by the Central/State Govt. to carry out civil or electrical works.
60.	Who is liable for repayment of loan ?	The repayment of loan is the collective responsibility of IMC Society.
61.	Can off-campus training programmes be organized by IMC for revenue generation ?	Yes.
62.	Can any building / machinery or equipments, etc. donated by Industry/Industry partner be recognized by the name of its donor ?	Yes.
63.	Can IMC be revise the fee structure ?	The fee structure for conducting short term courses for revenue generation may be fixed by the IMC. It may also decide separate fee structure for 20% admissions which are

		required to be determined by the IMC under the Scheme.
64.	Whether IMC Society is exempted from Service Tax ?	The Vocational Training Institutes are exempted from Service Tax vide Notification No.24/2004-ST dated 10.09.2004 provided in the letter No. F.No.137/23/2007-CX.4 dated 28.01.2009 of Central Board of Excise and Customs, Department of Revenue, Ministry of Finance.
65.	Whether 20% admission by IMCs can be over and above the sanctioned strength?	The state Government has to take decision based on the limitation of reservations, etc. and DGET has no objection if it is within 30% supernumeries.
66.	Whether financial norms to be followed as per Government of India or as per the State Governments?	Financial norms as provided under the Scheme by the Central Government must be followed. If any instruction issued in this regard by the State Government must be withdrawn.
67.	Dual administrative control on the ITI staff.	The functional control should be with the IMC and transfer /posting with the State Government.
68.	Industry Partners are not spending sufficient time with the IMCs.	State Governments should take up such matters with the Industry Chambers.
69.	Difference of opinion between the Chairmen and Principals.	A lot of clarifications have been provided in the regional workshops. The Industry partners and the Principals should work as a team.
70.	Trades are to be revamped and modernized.	State Governments to make reference with respect to the trades which are obsolete so as to make modifications. If State Government makes such reference, steps can be taken by the D.G.E&T.
71.	Whether the trainers from the Industry can be recruited as Instructors?	State Governments may take necessary action in this matter by modifying the service rules.
72.	In case of estimate prepared by the PWD is very high, how to bridge the gap?	The estimates can be prepared through outside consultant by following the guidelines. Extra amount if required for civil works should be provided by the State Government. The limit of 25% for civil works may be relaxed by DGE&T on case to case basis on receipt of proposal.
73.	Whether the NCVT affiliation is compulsory	NCVT Affiliation is mandatory before starting new courses. The proposals in this regard

	for starting new courses?	should be received before 31 st May, 2009.
74.	Vacant posts of Principals.	The vacant posts of the Principals should be filled by the State Government, so that the quality of training does not suffer. Similarly the frequent transfer of Principals should be avoided.
75.	Please clarify whether the certificates given for the short term courses which are to be run by IMC, would be recognized by DGET	It is NCVT which recognize the courses based on affiliation. The certificates issued by the IMC for short term courses other than NCVT affiliated trades/MES trades shall not be recognized by DGET.
76.	Can the IMC purchase a bus for industry visit of ITI trainees ?	Since the purchase of a bus and its operation involve much expenditure, the IMC can hire an appropriate vehicle for this purpose.
77.	Can the IMC charge additional fee for the 20% admissions determined by IMC ?	IMC may decide separate fee structure for 20% admissions which are required to be determined by the IMC under the Scheme. Already clarified vide FAQ-63.
78.	Does the 20% admission to be determined by IMC cover all trades running in the ITI ?	Since, this scheme is for overall upgradation of ITI, therefore, 20% admission to be determined by IMC, should cover all trades. However, clarification issued by the DGET vide letter dated 28.05.2008 under clarification No. 31, it has been mentioned that “The requirement of 20% admissions to be made by IMC Society will apply to only those trades/sectors which are being covered by the funds of this scheme.” Since, this contradicts the concept of overall upgradation, it may be modified.
79.	In case of State Government does not fill the vacancy of Instructors, can the IMC engage contract faculty through agency.	This is the responsibilities of the State Government to fill the vacancies of Instructors on regular basis in the ITIs. However, the IMCs can engage contract faculties till these vacancies are filled by the State Government.
80.	Can the Chairman of the IMC authorize any other member to issue cheque of the value more than Rs. 15,000/- ?	No.
81.	Can the IMC use the	The IMC should not start any commercial

	vacant space/ premises of the ITI for commercial use to generate revenue ?	activity in the vacant space/premises of the ITI which has adverse effect on academic environment of the ITI. However, the activities in conformity with development of the ITI may be taken.
82.	Can the interest earned be used in civil works apart from Rs. 62.5 lakhs of the principal amount ?	No.
83.	Can the space needs of new trades may be relaxed ?	The space requirement for different trades should be followed as per NCVT norms.
84.	Guidelines for use of up to 50% of total loan amount as seed money.	<p>a. A provision of up to 50% of the total loan amount under the scheme has been made to keep as seed money. This amount is required to be kept in some long term instruments so that the IMC society is able to get maximum returns on it. The interest so earned will provide long term sustainability to the project and also help repayment of the loan amount after a moratorium of 10 years.</p> <p>b. While the objective is to get maximum returns on this deposit, the amount is not permitted to be invested in speculative instruments such as shares, bonds, debentures, etc.</p> <p>c. For the remaining 50%, a provision has already been made to prepare a plan of action for utilization for civil construction, procurement of tools, equipments and machinery or appointment of contract faculty, etc. However, care should be taken to keep the amount in short term deposits according to the plan of action in order to maximize the returns. The interest earned from these deposits may be used for long term sustenance of the ITI and modernization of trades, infrastructure or other permissible activities.</p>