



## **NATIONAL INSTITUTE OF RURAL DEVELOPMENT**

(An Organization of the Ministry of Rural Development, Govt. of India)  
Rajendranagar, Hyderabad 500 030.HYDERABAD – 500030

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NIRD/RSETI/MoM/2009-10  
Date: 12<sup>th</sup> January 2010

**To**

All the Members of RSETI Review meeting

**Subject:** Minutes of the 1<sup>st</sup> Review Meeting of the Rural Self Employment Training Institutes (RSETIs) held on December 17, 2009 at NIRD, Hyderabad.

The undersigned is directed to forward herewith a copy of Minutes of the Rural Self Employment Training Institutes (RSETIs) Review Meeting the held on December 17, 2009 at NIRD, Hyderabad under the Chairmanship of Deputy Director General (NIRD) at National Institute of Rural Development, Hyderabad for information.

The Minutes are also made available on the NIRD's website: <http://www.nird.org.in/RSETI/News & Events>

Yours faithfully

Sd/-

**(B.Chandra Sekhar)**

Consultant,

SGSY (Sp) & RSETIs

Rural Technology Park

National Institute of Rural Development

Tel/fax: 040-24008564

Encl: as above

## **Minutes of the Review of Rural Self Employment Training Institutes held at NIRD on 17<sup>th</sup> December, 2009**

Minutes of the Review of Rural Self Employment Training Institutes held at NIRD on 17<sup>th</sup> December, 2009, under the Chairmanship of Deputy Director General, NIRD. List of participants is annexed.

**Dr. S.Senthil Vinayagam, Project Director, Rural Technology Park, NIRD**, welcomed the participants and briefed the gathering about the objectives of the review.

**Shri B.K.Sinha, Director General, NIRD**, stated that land allotment has become a major obstacle for initiation of RSETIs in several states of the country. He mentioned that the Principal Secretary, RD, Govt. of Bihar, has suggested that land available at block would be quite suitable for the purpose of RSETIs and this option needs to be explored further. He further stated that Banks must approach the RSETI initiative with a long term objective as they would be creating a clientele for expanding their business in future through this initiative. He also suggested creation of a comprehensive website that will not only support data acquisition for decision making but would also provide scope for interaction among various stakeholders and thereby proliferation of best practices and innovative ideas.

**Shri K.N.Kumar, Deputy Director General, NIRD**, gave a brief presentation on current status of RSETIs and the progress made so far. He stated that in 2008-09, 103 RSETIs were approved by the MoRD out of which 5 RSETIs received full grant amount of Rs. 100 lakhs each while 34 RSETIs received only first installment of Rs. 50 lakhs each. In 2009-10, 57 proposals have been approved by the MoRD and out of them 4 RSETIs received first installment and 36 RSETIs received grant for hiring charges, i.e. Rs 10 lakhs each. Therefore, till now 79 RSTIs have received grants from the MoRD.

He clarified the requirements for the release of grant for creation of permanent infrastructure and also for RESTIs willing to function out of hired premises. He explained the functional process involved in release of funds for the RSETIs. He also elaborated on the bank-wise and state-wise status of RSETIs.

He highlighted the important decisions taken at the first NLSC held in the month of September in New Delhi with a particular emphasis on additions/modifications in land allocation guidelines. He also mentioned the action taken by NIRD on the action points emerging from the first NLSC.

**Shri M.V.Rao, Registrar and Director (Admin.), NIRD**, stated that RSETIs were a necessity at this moment with large young population ready to enter the labor market. He mentioned that only 2% of the Indian workforce gets a formal training before entering the industry. Another 8% gets nominal training only, before entering the industry and the remaining 90% enters without any kind of training. In industrialized countries, the training rate is 60% to 80%, therefore, there is huge requirement for skill development in this country. He further mentioned that the rate of formation of

SHGs is not in consonance with the rate with which they take up micro-enterprises. RSETI being a bank led initiative will foster an ownership feeling and would bridge the missing link of credit linkage that was observed in the earlier skill development initiatives. He stated that the youth of this country needs to be employed gainfully or else they may become workforce for agitations.

**Shri Jagdish Singh, Director (SGSY), MoRD**, highlighted the concerns of ministry for setting up RSETI. He stated that it has been one year since ministry began funding RSETIs and the target is that of setting one RSETI in each of the six hundred districts of the country. Till now the progress has been slow. Half of the amount allocated for 2008-09 has remained unspent. Achieving this target seems to be difficult. In such a scenario it would be difficult for the ministry to get funds from the Planning Commission. Land allocation has become a major bottleneck and only few southern states have been proactive in resolving this issue. In other states situation is grim. He stated that proactive approach and initiative is required for timely initiation of RSETIs in all the districts of the country. He mentioned that the MoRD has no objection if the Banks and state governments have reached understanding on the issue of land in terms of long term lease. He invited suggestions from the participants regarding expediting the process of land allotment. He further mentioned that many RSETIs have started functioning from the rented premises but the ministry was not getting timely reports from them.

Thereafter, the Deputy Director General began bank-wise review of progress made thus far.

**Mr. Vinod Rao, IAS**, representing **Gujarat**, stated that the state government is willing to process the RSETI related matters at the earliest. He mentioned that the state government has drafted a MoU to be signed with the banks for transfer of land. His view that the text of this MoU has been discussed in detail and banks have agreed to it was endorsed by the representatives of the banks operating in the state of Gujarat.

**Mr. Suresh Chand Sharma, OSD**, Dept. of Rural Development, representing **Uttarakhand**, stated that the Uttarakhand government is emphasizing on skill development for eradication of poverty in the state. Due to this, the state government is willing to move quickly on the issue of RSETIs. He assured the bank representatives that state government will give all support for ensuring success of RSETI initiative.

**Allahabad Bank**: Mr.Rajendra Prasad, Asst. General Manager, agreed that Allahabad Bank has submitted 4 proposals out of which 4 proposals were approved and grant has been received in case of 3 proposals.

**Andhra Bank**: Mr.V.Suresh Basu, Senior Manager agreed that Andhra Bank has submitted 10 proposals out of which 9 proposals were approved and grant has been received in case of 3 proposals.

The representative clarified the land allotment status at Srikakulum and stated that land has been allotted by the government and a letter in this context will be sent to NIRD in due course of time.

In case of Kasargod, Kerala, the representative informed that Andhra Bank is willing to establish an RSETI there. Though, Syndicate Bank happens to be the lead bank in that district. The representative from Syndicate Bank informed that Syndicate Bank has no objection if Andhra Bank sets up a RSETI in Kasargod. However, SLBC recommendation to this effect is required for release of fund.

The Andhra Bank representative informed that in case of four districts, namely, Chittoor, Guntur, West Godavari and Nellore, they have not been able to obtain land from the state government.

**Bank of Baroda:** Mr.G.C.Sharma, General Manager mentioned that Bank of Baroda has submitted 27 proposals and not 24 as indicated by the NIRD. The NIRD clarified that 3 proposals were namely Rae Bareilly, U.P, Theurpune, Maharashtra and Jaipur, Rajasthan, were duplicated Out of which 16 proposals were approved and grant has been received in case of 9 proposals.

In case of Ajmer in Rajasthan, NIRD has released Rs. 10 lakhs for hiring purpose. However, the bank representative informed that subsequently land was allocated to the bank and bank has also obtained possession of the land. Therefore, it was requested that NIRD may release the 1<sup>st</sup> installment for creation of physical infrastructure by augmenting the grant released for hiring purpose. The NIRD has agreed to process the same after approval of the MoRD.

The representative informed that land allotment in Rajasthan was slow. Reacting to this the DDG, NIRD mentioned about a letter sent by the Principal Secretary, RD, Govt. of Rajasthan, indicating Ajmer, Banswara, Bikaner, Durgapur, Hanumangarh, Jhalawar, Jhunjhunu & Kota in Rajasthan where government is ready to provide land for RSETIs. He directed to circulate a copy of this letter to all the banks operating in Rajasthan.

The DDG, NIRD mentioned that the Bank of Baroda needs to enter into a MoU for certain locations and since the text of MoU has been approved by the IBA, the bank must quickly complete the process without any hesitation.

The bank enquired the reason for deduction of Income Tax by the NIRD despite the fact that they were exempted under IT Exemption Rules. The DDG, NIRD informed that IT deductions are made even in as per Government of India instructions. However, it can claim the IT deductions by furnishing Form 16(A). The DDG directed the Accounts staff of NIRD to issue Form 16(A) immediately at the time of fund release.

**Bank of Maharashtra:** Mr. T.E.C. Rao, Deputy General Manager, agreed that Bank of Maharashtra has submitted 6 proposals out of which 5 proposals were approved and grant has been received in case of 5 proposals.

The representative informed that Jalna in Maharashtra is a small district and Aurangabad can cater to the needs of Jalna. It was requested that in place of Jalna, the Bank of Maharashtra may be allowed to open an RSETI in Betul district of Madhya Pradesh.

Bank of Maharashtra being the convener of SLBC submitted a list of banks recommended by the SLBC. State Bank of India-5, Bank of India: 11, Central Bank of India-6, State Bank of Hyderabad-3

**Bank of Rajasthan:** Mr. V.P.Goyal, Additional Vice-President, agreed that Bank of Rajasthan has submitted 2 proposals out of which 2 proposals was approved and full grant has been received for one proposal.

The bank representative mentioned that the state government has allotted land in Jodhpur but that location is 15 Km away from the city of Jodhpur and is not suitable for RSETI. Therefore, the bank is trying to get land at reasonable location and in this context the bank representative sought NIRDs help.

**Canara Bank:** Mr. M.P.Kini, Deputy General Manager, agreed that Canara Bank has submitted 10 proposals out of which 9 proposals were approved and grant has been received in case of 7 proposals.

The bank representative informed that state government has identified land at Davanagare, Chikballapur and Trichur, but land allotment process is still incomplete.

The bank representative informed that in the current year, i.e., 2009-10, Canara Bank may come up with 10 new proposals for a grant of Rs. 100 lakhs each.

**Central Bank of India:** Mr.K.M.Pratap, Chief Manager, agreed that Central Bank of India has submitted 8 proposals out of which 6 proposals were approved and fund has to be received in case of 6 proposals.

The bank representative informed that some proposals (Dhule and Buldana) have been forwarded to the NIRD by the bank managers without informing the Head Office and the same has been processed by NIRD. To avoid any such situation in future, the DDG, NIRD, directed that proposals shall be processed at NIRD only if they are forwarded by General Manager of the respective bank.

The DDG, NIRD, also directed to release funds directly to the trust, and the trust in turn would release the funds to individual RSETIs. Therefore, the RSETI wise separate account numbers can be ignored for future processing of proposals.

The DDG, NIRD, suggested that the bank must also look at its internal systems and processes for error free transfer of funds.

The DDG, NIRD, informed the representative from Central Bank of India that the bank has to enter into MoU with the NIRD. The representative assured that the process would be completed in a week's time.

**Corporation Bank:** Mr. H.Mehboob Ali Khan, General Manager, agreed that Corporation Bank has submitted 2 proposals out of which 1 proposal were approved and grant has been received.

The representative informed that Corporation Bank has utilized Rs.30 lakhs released by the NIRD for the construction of RSETI at Chickmagalur. The DDG, NIRD, praised the bank for beautiful building they have come up with and asked the representative to send few photographs of the building duly signed by the authorized signatory for uploading it on the RSETI website.

In case of Kodagu, the bank informed that the state government has allotted 1 acre of land and the possession documents would be available in a month's time. Bank will be coming up with a proposal for this location before 15<sup>th</sup> January, 2010.

**Dena Bank:** Mr. V.Venkateshwarlu, Assistant General Manager, agreed that Dena Bank has submitted 10 proposals out of which 4 proposals were approved and grant has been received in case of 2 proposals.

The bank representative informed that land possession is awaited in Banaskanta and Sabarkanta in the state of Gujarat.

The representative also mentioned that the bank will submit fresh proposal for Dhamthari for the year 2009-2010.

**Indian Bank:** Mr.Selvam Veeraraghavan, General Manager agreed that Indian Bank has submitted 4 proposals out of which 3 proposals were approved and grant is received from the NIRD.

The bank representative informed that the Tamil Nadu government has allotted less than 20 cents of land and this is inadequate for the purpose of RSETI. The Tamil Nadu government representative agreed to ensure more land for the purpose.

The bank also requested that, the SLBC may be allowed to recommend other than lead bank for setting up of RSETI on its own resources wherever state government is willing to provide land.

**Oriental Bank of Commerce:** Mr.J.M.A.David, General Manager, agreed that Oriental Bank of Commerce has submitted 3 proposals out of which 2 proposals were approved and grant has been received for one proposal.

The OBC representative informed that though the state government has given in-principle approval for Sriganaganar in Rajasthan, land allocation has not been completed till date.

The representative informed that the bank will be able to come up with two proposals for the year 2009-10, namely, Palval in Haryana and Dehradun in Uttarakhand. In case of Palval land has been identified and within one month bank will gain possession of the land. In case of Dehradun, the representative from the Uttarakhand Government informed that state government is ready to allot land for the purpose of RSETI and he informed the bank representative to include Dehradun in the list of proposals for 2009-10.

**Punjab National Bank:** Mr.V.K.Srivastava, Deputy General Manager, disagreed with the number of proposals, approvals and sanctions that were shown for Punjab National Bank by the NIRD team.

The Deputy Director General, NIRD directed the team to verify its figures and come up with the accurate position.

The bank representative informed that the bank will come up with 23 proposals (hired premises) in the year 2009-10. SLBC recommendations for the same have been received.

The bank representative informed that the PNB had earlier submitted a proposal seeking a grant of Rs. 100 lakhs for Bulandshahr in Uttar Pradesh. However, as the land allotment process has been overly delayed by the state government, the bank now wants to seek Rs. 10 lakhs for meeting hiring charges and initiating RSETI in this district. The DDG, NIRD informed that the matter will be reported to the Ministry for its consent.

The bank representative enquired that whether an RSETI that has availed a grant of Rs. 10 lakhs for meeting hiring charges be eligible for Rs. 100 lakh grant for creation of physical infrastructure. The DDG, NIRD clarified that such RSETI is eligible for infrastructure grant to the tune of Rs. 100 lakhs that includes the Rs. 10 lakh grant for meeting hiring charges.

The representative also inquired about the possibility of funding assistance under the RSETI scheme for its already functioning RSETIs; 2 from own premises and 1 from rented premises. The DDG, NIRD conveyed that the bank needs to have SLBC recommendation and state government's assurance for providing land to these RSETIs of PNB, for claiming funding assistance under this scheme. As both of these conditions are not met currently, so funding assistance cannot be claimed at this juncture.

The bank queried about the possibility of training retired people as Business Development Correspondents under RSETIs. The DDG, NIRD informed that the mandate for RSETIs is to train rural BPL youth aged between 18 – 35 years. In a year, each RSETI is expected to meet a minimum target of 750 rural BPL youths and beyond that the RSETI is free to decide its course of action.

**State Bank of Hyderabad:** Mr.N.Prabhu Das, Chief Manager, agreed that State Bank of Hyderabad has submitted 8 proposals out of which 8 proposals were approved and grant is yet to be received in all the centers.

The bank representative informed that the state government of Karnataka has sent the Raichur and Koppal proposals directly to the NIRD and the bank were not aware of these proposals.

In case of Koppal, the DIC and ZP have constructed a building incurring an expenditure of Rs. 54 lakhs and also initiated the training. Now, these agencies want to transfer this building and training responsibility to SBH under the RSETI scheme. The representative enquired about the possibility of acquiring this infrastructure by using the funds available under the RSETI scheme.

In case of Raichur, the ZP is constructing a building incurring an expenditure of Rs. 70 lakhs. The ZP wants to transfer this infrastructure to SBH under the RSETI scheme. However, the bank holds the view that the cost of infrastructure is not commensurate with the quality of infrastructure.

The DDG, NIRD responded by stating that proposals coming in directly from the state government's won't be considered by the NIRD. Further, the RSETIs must refrain from acquiring infrastructure created under the above mentioned scheme of things.

**State Bank of India:** Mr. Ravi Manakeshwar, Chief Manager agreed that SBI has submitted 32 proposals out of which 16 proposals were approved and grant has been received in case of 6 proposals.

The representative informed that land allotment is the biggest bottleneck that the bank is facing in grounding of RSETIs. In Surendra nagar, Gujarat, a MoU has been signed between SBI and state government for land. Mr. Vinod Rao, I.A.S., representing the Gujarat government, informed that the text of MoU has been discussed in detail with the banks and banks have agreed to the terms and conditions mentioned in the MoU. The bank representative endorsed his submission. Mr. Rao further stated that the Gujarat government is willing to give land to RSETIs and the progress on this issue in Gujarat would be very quick.

The bank representative informed that in Gangtok land has been identified and possession would be gained soon. In case of Basti in Uttar Pradesh, land has been allotted but possession has not been gained yet. In case of West Bengal, the bank is yet to receive land from the state government. In case of Guna in Madhya Pradesh, decision on the issue of land for RSETI would be taken on 18<sup>th</sup> December, 2009.

**State Bank of Mysore:** Mr. M.D.Shivashankar, Deputy General Manager, agreed that State Bank of Mysore has submitted 2 proposals out of which 2 proposals were approved and grant is to be received.

The DDG, NIRD requested the bank to sign the MoU at the earliest for fast movement on setting up of RSETIs.

In case of Chamarajanagar in Karnataka, the bank representative informed that the bank was operating till date in association with the JSS group. But now the bank wants to move out of this arrangement and seek fresh SLBC recommendation for setting up of RSETI and upon receiving this recommendation it would approach NIRD for release of funds. Earlier proposal that was received from the JSS group must not be considered for release of funds. DDG agreed n their request.

In case of Tumkur, the bank informed that land allotment would be completed soon

**Syndicate Bank:** Mr. Sri Hari Bhat agreed that Syndicate Bank has submitted 13 proposals out of which 12 proposal were approved and grant has been received in case of 5 proposals.

The bank representative informed that in case of Kakapo in Andhra Pradesh, the bank is willing to pay 10% of the reserve cost of the land and take possession.

In case of Belgaum in Karnataka, the bank is yet to gain possession of the land.

In case of Meerut, land has been allocated 25 Km away from the district head quarter and this location is not acceptable for the purpose of RSETI.

The bank representative informed that the bank has submitted proposals for Bagpat and Jamnagar also but the NIRD team had not received it yet.

**UCO Bank:** Mr. Manoj Kumar agreed that UCO has submitted 10 proposals out of which 9 proposals were approved and grant has been received in case of 1 proposal only.

UCO Bank reported that they were facing problems in acquiring land from the state governments. In case of Puri, though 1 acre of land has been identified but it is not yet approved.

**United Bank of India:** Mr. MD Abdul Wahid, Assistant General Manager, agreed that United Bank of India has submitted 4 proposals out of which 4 proposals were approved and no grant has been received.

**Vijaya Bank:** Mr.S.Ananthaswamy, Assistant General Manager, agreed that Vijaya Bank has submitted 2 proposals out of which 2 proposals were approved and grant has been released.

The bank representative informed that the new proposals for the year 2009-10 would be from Uttar Pradesh, Gujarat and Chandigarh. The bank has requested respective SLBCs to allot districts in these states.

**State Bank of Travancore:** Mr. D.S.Rajamohan Nair, Chief Manager, agreed that State Bank of Travancore has submitted 4 proposals out of which 4 proposal were approved and grant were been received in case of 4 proposals.

The bank representative informed that the state government has allotted land for Pathanamthitta at a distance of 20 Km from the district headquarters and this land is not suitable for the purpose of RSETI. In case of Wayanad, land possession has been taken and the bank would be sending the proposal soon.

**State Bank of Bikaner and Jaipur:** Mr. Bhim Singh Chauhan, Chief Manager, agreed that State Bank of Bikaner and Jaipur has submitted 8 proposals out of which 8 proposal were approved and grant has been received in case of 4 proposals.

The DDG, NIRD informed the bank representative that NIRD has not yet received MoU for Rajsamand in Rajasthan. The DDG, NIRD informed that only one MoU can be signed between NIRD and Bank/Trust for all the RSETIs.

**State Bank of Patiala:** Mr.Ashok Gupta, DGM informed that there must be a standard land lease document across the country. The DDG, NIRD informed that as land laws vary from state to state, this may not be feasible.

The bank representative raised doubt about the achievement of training target which has been set at 750 rural BPL youth in a year. The DDG, NIRD indicated towards the RUDSETIs which have been

successfully training more than 750 candidates in a year, for several years now. He also suggested that to overcome such mental blocks, the Director, RSETI must necessarily undergo training at RUDSETI Institute at Bangalore.

The Ministry representative suggested that a training calendar be made for a year to achieve this target. It was decided that all the communication from the NIRD would be sent to the respective CMD and trust as well.

**Bank of India:** No representation.

**DCC Bank:** No representation.

**ING Vysya Bank:** No representation.

**Punjab and Sind Bank:** No representation.

**RUDSETI:** No representation.

The workshop came to a close at 06.00 pm with a informal vote of thanks by Dr.S.Senthil Vinayagam, Project Director, RTP, NIRD.



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**List of Participants of  
“Review on RSETIs workshop”  
Held on 17<sup>th</sup> December, 2009 at NIRD, Hyderabad.**

Sl. No	Name	Designation	Organization
<b>NIRD</b>			
1	Shri B.K.Sinha, IAS	Director General	NIRD, Hyderabad
2	Shri K.N.Kumar, IAS	Deputy Director General	NIRD, Hyderabad
3.	Shri M.V.Rao, IAS	Registrar	NIRD, Hyderabad
4.	Dr.S.Senthil Vinayagam	Project Director ,RTP	NIRD, Hyderabad
<b>Representatives from Ministry of Rural Development (Govt. Of India)</b>			
5.	Shri Jagdish Singh	Director, SGSY (Trg)	Ministry of Rural Development
6.	Smt. Renuka Kumar	Under Secretary	Ministry of Rural Development
7.	Shri Govind Sharma	Research Officer, SGSY (credit)	Ministry of Rural Development
<b>Representatives from State Governments</b>			
8	Shri Vinod Rao, I.A.S	Commissioner, Cottage & Rural Industries	Govt. Of Gujarat
9	Shri Suresh Chand Sharma	OSD, Dept of Rural Development	Govt. Of Uttarakhand
10	Shri R.Sakteeivel	Joint director	Govt. Of Tamil Nadu

<b>Representatives from Banks</b>			
11	Shri J.M.A. David	General Manager	Oriental Bank of Commerce
12	Shri N.Prabhu Das	Chief Manager, Lead Bank dept, H.O	State Bank of Hyderabad
13	Shri V.S.Suresh Babu	Senior Manager	Andhra Bank
14	Shri V.P.Goyal	Addl. Vice President	Bank of Rajasthan
15	Shri Ashok Gupta	Deputy General Manager	State Bank of Patiala
16	Shri H.Mehboob Ali khan	General Manager	Corporation Bank
17	Shri Sri Hari Bhat	General Manager	Syndicate Bank
18	Shri S.Anantha Swamy	Asst.General manager	Vijaya Bank
19	Shri D.S.Rajamohan Nair	Chief Manager	State Bank of Travancore
20	Shri Bhim Singh Chauhan	Chief Manager	State Bank of Bikaner & Jaipur
21	Shri Pramod Kumar Mitra	President	PNB Centenary R.D.Trust
22	Shri T.E.C Rao	Deputy General Manager	Bank of Maharashtra
23	Shri K.M Pratap	Chief Manager	Central Bank of India
24	Shri Rajendra Prasad	Asst.General Manager	Allahabad Bank
25	Shri Ravi Manakeshwar	Chief Manager	State Bank of India
26	Shri Md Abdul Wahid	Asst.General Manager	United Bank of India
27	Shri V.K.Srivastava	Deputy General Manager	Punjab National Bank
28	Shri M.D.Shiva Shankar	Deputy General Manager	State Bank of Mysore
29	Shri Selvam Veeraraghavan	General Manager	Indian Bank
30	Shri Manoj Kumar	Deputy General Manager	UCO Bank
31	Shri M.P.Kini	Deputy General Manager	Canara Bank
32	Shri V.Venkateshwarlu	Asst.General Manager	Dena Bank