



ABSTRACT

Employment and Training – Training – Central scheme – Pradhan Mantri Skilling and Employment Transformation through Upgraded Industrial Training Institutes (PM-SETU) – Constitution of State Steering Committee, State Project Monitoring Unit and Independent Monitoring Agency - Orders - Issued.

LABOUR WELFARE AND SKILL DEVELOPMENT (S1) DEPARTMENT

G.O.(Ms.) No.04

Dated:29.01.2026

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Read:-

From the Director of Employment and Training letter
R.C. DET-HO/3602/2024/JA-AT3, dated: 28.11.2025.

ORDER:

In the letter read above, the Director of Employment and Training has stated that, the Ministry of Skill Development and Entrepreneurship, Government of India has formulated a scheme called Pradhan Mantri Skilling and Employment Transformation through Upgraded Industrial Training Institutes (PM-SETU) in Hub-and-Spoke model under the Public Private Partnership (PPP) mode. The guidelines issued for the said scheme mandates the States to Constitute State Steering Committee (SSC), State Project Monitoring Unit (SPMU) and Independent Monitoring Agency (IMA) to monitor the implementation of the Pradhan Mantri Skilling and Employment Transformation through Upgraded Industrial Training Institutes (PM-SETU) scheme. The key components of the scheme are as follows: -

i. Industry Partnership:

- Each upgraded Industrial Training Institute is linked with an industry partner.
- Formation of **Institute Management Committees (IMCs)** headed by industry representatives.
- Industry supports curriculum design, equipment modernization, internships and placements.

ii. Infrastructure Modernization:

- Renovation of classrooms and workshops.

- Installation of modern machinery, tools and Information Technology (IT) infrastructure.
- Creation of smart classrooms, digital labs and industry-grade training setups.

iii. **Curriculum & Training Reforms:**

- Curriculum updated to meet **NSQF** (National Skills Qualification Framework) standards and industry trends.
- Focus on **21st-century skills**, including Information Technology (IT), soft skills and emerging technologies [Artificial Intelligence (AI), robotics, Internet of Things (IoT)].
- Introduction of **new trades and courses** as per sectoral demand.

iv. **Capacity Building of Trainers:**

- Regular training and upskilling of Industrial Training Institute instructors.
- Exposure visits and training in industry environments.
- Certification under the **Craft Instructor Training Scheme (CITS)** and other modules.

v. **Job Linkages & Apprenticeships:**

- Strong focus on **on-the-job training**, internships and **apprenticeship programs**.
- Collaboration with industries for campus placements and job fairs.

vi. **Hub & Spoke Model: Major Features**

- The scheme targets **1,000 Government ITIs: 200 Hub ITIs and 800 Spoke ITIs**.
- On average, each Hub Industrial Training Institute will be linked with about four Spoke Industrial Training Institutes to form a cluster. The Hubs will be equipped with state-of-the-art infrastructure including modern trades/courses, digital learning tools, advanced equipment, incubation/innovation centres, production units and placement services.
- The Spoke Industrial Training Institutes will extend within the geographical reach of each cluster, ensuring access in remote or underserved areas, while following the curriculum, governance and industry-linkage frameworks defined by the Hub and its Special Purpose Vehicle (SPV).

2. The Director of Employment and Training has also sent proposal to implement the said scheme and to constitute State Steering Committee (SSC), State Project Monitoring Unit (SPMU) and Independent Monitoring Agency (IMA) to monitor the Pradhan Mantri Skilling and Employment

Transformation through Upgraded Industrial Training Institutes (PM-SETU) scheme.

3. The Government, after careful examination of the proposal of the Director of Employment and Training accept it and decided to accord permission to the Director of Employment and Training to implement the Pradhan Mantri Skilling and Employment Transformation through Upgraded Industrial Training Institutes (PM-SETU) scheme in the State and also issues the following orders: -

- i. A State Steering Committee (SSC) as the apex body at the State level for monitoring the scheme is constituted with members as detailed below. Roles and responsibilities of the Committee is detailed in Annexure to this order: -

1.	Chief Secretary to Government, Government of Tamil Nadu Secretariat, Chennai –600 009.	:	Chairperson
2.	The Additional Chief Secretary to Government, Finance Department, Secretariat, Chennai – 600 009	:	Member
3.	Secretary to Government, Labour Welfare & Skill Development Department, Secretariat, Chennai 600 009	:	Member
4.	Secretary to Government, Industries, Investment Promotion & Commerce Department, Secretariat, Chennai – 600 009.	:	Member
5.	Commissioner of Industries and Director of Industries and Commerce	:	Member
6.	Director of Employment and Training, Guindy, Chennai	:	Member Secretary
7.	Director of Technical Education, Guindy, Chennai-25.	:	Member
8.	Managing Director, Tamil Nadu Skill Development Corporation	:	Member
9.	Director of Industry Safety and Health, Guindy, Chennai.	:	Member
10.	Regional Director, Regional Director of Skill Development & Entrepreneurship, MSDE, Chennai	:	Member
11.	Industry Representative –I- (in consultation with Industry Associations)	:	Member
12.	Industry Representative –II (in consultation with Industry Associations)	:	Member
13.	Academic/Vocational Expert-1.	:	Member

- ii. The Director of Employment and Training is permitted to obtain financial provision on the part of State share as per the Strategic

Investment Plan (SIP) submitted by the Special Purpose Vehicle (SPV) with the approval of State Steering Committee (SSC).

- iii. The Director of Employment and Training is permitted to set up the **State Project Monitoring Unit (SPMU)** in the Directorate to oversee scheme progress and to permit him to obtain the approval from the State Steering Committee (SSC) for establishing the SPMU.
- iv. The Director of Employment and Training is permitted to engage four consultants or a consulting agency to monitor progress at the State level in SPMU with the approval of the State Steering Committee (SSC).
- v. The Director of Employment and Training is permitted to issue an Expression of Interest (EoI) / Request for Proposal (RFP) with the approval of State Steering Committee (SSC) to onboard Industry Partners for implementing the scheme.
- vi. The Director of Employment and Training is permitted to form a **Special Purpose Vehicle (SPV)** a **Section-8 company** (non-profit) for the ITI clusters under the scheme with the approval of State Steering Committee (SSC).
- vii. The Director of Employment and Training is permitted to engage an **Independent Monitoring Agency (IMA)** for the scheme, following the Tamil Nadu Transparency in Tenders Act.
- viii. The Director of Employment and Training is permitted to open and operate an escrow bank account in a Scheduled Commercial Bank for handling the fund flow under the PM-SETU project.

(BY ORDER OF THE GOVERNOR)

K. VEERA RAGHAVA RAO
SECRETARY TO GOVERNMENT

To

The Chief Secretary to Government, Secretariat, Chennai – 600 009.

The Additional Chief Secretary,
Finance Department, Chennai – 600 009.

The Secretary to Government,
Labour Welfare and Skill Development Department, Chennai-600 009.

The Secretary to Government,
Industries, Investment Promotion & Commerce Department,
Chennai-600 009.

The Commissioner of Industries and Director of Industries and Commerce,
Guindy, Chennai - 600 032.

The Director of Employment and Training, Guindy, Chennai - 600 032.

The Director of Technical Education, Guindy, Chennai - 600 025.

The Managing Director of Tamil Nadu Skill Development Corporation,
Chennai – 600 035.
The Director of Industry Safety and Health, Guindy, Chennai – 600 032.
The Regional Director,
Regional Director of Skill Development & Entrepreneurship,
MSDE, Chennai.
(Through the Director of Employment and Training)
Industry Representative –I- (in consultation with Industry Associations)
(Through the Director of Employment and Training)
Industry Representative –II (in consultation with Industry Associations)
(Through the Director of Employment and Training)
Academic/Vocational Expert-1.
(Through the Director of Employment and Training)
The Accountant General (A&E), Chennai - 600 018.
(Through the Director of Employment and Training)
The Pay and Accounts Officer/Treasury Officers concerned.
(Through the Director of Employment and Training)

Copy to

The Hon'ble Chief Minister's Office, Chennai – 600 009.
The Senior Personal Assistant to Hon'ble Minister
(Finance & Environment Climate Change), Chennai - 600 009.
The Senior Personal Assistant to Hon'ble Minister,
(Labour Welfare and Skill Development), Chennai - 600 009.
The Finance Department, Chennai - 600 009.
Stock File/ Spare Copy (C.No.efile 5100/S1/2025)

//FORWARDED BY ORDER//

SECTION OFFICER

29/01/26
29/01/26

G.O.(Ms.)No.04, Labour Welfare and Skill Development (S1)
Department, dated 29.01.2026

ANNEXURE

Roles and Responsibilities of the State Steering Committee (SSC)
constituted to implement the PM-SETU scheme

1. Strategic Leadership & Oversight

- Provide overall direction and state-level coordination for implementation of Component I (Upgradation of ITIs via hub-and-spoke model).
- Ensure alignment of the scheme with the State's priorities in industry, skills development and technical education.

2. Review & Approval of Plans

- Review and recommend **Strategic Investment Plans (SIPs)** submitted by the SPVs for each cluster.
- Approve the **Annual Operational Plan (AOP)** for the State, as derived from the SIP.

3. Inter-departmental Coordination & Convergence

- Facilitate coordination among relevant State departments (e.g., Skill Development, Technical Education, Industries, Labour) to ensure smooth implementation.
- Promote convergence with other State-level schemes and initiatives (for infrastructure, training, finance, etc.) to leverage resources.

4. Monitoring & Implementation Oversight

- Monitor progress of the ITI clusters: civil works, procurement, curriculum rollout, trainers and performance against KPIs (Key Performance Indicators).
- Conduct periodic reviews (at least quarterly) to identify bottlenecks and help resolve them.
- Ensure release of the State's share of funds in a timely manner and oversee financial management at the State level.

5. Stakeholder Engagement

- Act as a platform for engaging with **industry** and **academia**: gather inputs on curriculum modernization, infrastructure needs and other priorities.
- Involve sectoral partners and encourage their active participation in training, placement and innovation.

6. Liaison with National Steering Committee (NSC)

- Serve as the primary interface between the State and the NSC: submit progress reports, funding requests and policy feedback.
- Represent State interests in national-level discussions and ensure that the State's strategy aligns with national priorities.

7. Capacity Building & Digital Systems

- Support the rollout of digital tools such as the **Learning Outcome Management System (LOMS)**, student feedback systems, e-content platforms, etc.
- Oversee capacity building for State PMU (Project Monitoring Unit), SPV teams and ITI faculty (trainers) to implement reforms effectively.

8. Governance & Risk Management

- Provide strategic direction and oversight to ensure the scheme's implementation is sustainable, effective and compliant with national guidelines.
- Identify and help mitigate risks linked to infrastructure, finance, social and operational aspects.
- Also to decide on the reserved matters which shall be part of the Share Holders Agreement (SHA) protecting the State and Central Government.

K. VEERA RAGHAVA RAO
SECRETARY TO GOVERNMENT

//TRUE COPY //

SECTION OFFICER

[Signature]
29/01/26