

OPPORTUNITY INFRASTRUCTURE

RSETI -- Rural Self-Employment Training Institute

WHAT THIS INSTITUTION IS

A Rural Self-Employment Training Institute (RSETI) is a residential training centre that teaches short-term enterprise skills to unemployed rural youth, with the explicit goal of making them self-employed. The establishment of a new RSETI is based on a feasibility assessment, and a single RSETI may serve more than one district – particularly where districts are newly carved out or have a smaller population. Each RSETI is sponsored by a lead bank (assigned by the Reserve Bank of India (RBI)); common lead banks include State Bank of India (SBI), Punjab National Bank (PNB), Bank of Baroda, and Canara Bank. RSETIs are a joint initiative of the Ministry of Rural Development (MoRD) and the banking system. Courses are free, with food, lodging, and materials provided, running from one to six weeks. After training, RSETI helps graduates get bank loans to start their businesses. Under the RSETI 2.0 reforms, the annual trainee target per institute has been raised from 750 to 1,000–1,200 candidates, with the aim of training around 6–6.5 lakh rural youth nationally each year.

WHY THIS MATTERS TO YOU

If you live in a rural area and want to start a small business but have no formal training or capital, RSETI provides free residential training and then helps you get a bank loan to start. The training covers everything from tailoring and food processing to mobile phone repair and dairy management.

GOVERNANCE

LAW / POLICY	SCOPE
RSETI Scheme Guidelines	Ministry of Rural Development; establishment and operation of RSETIs
RBI Master Circular on Lead Bank Scheme	Assigns lead bank responsibility per district
National Institute of Rural Development and Panchayati Raj (NIRD&PR)	Training support and Management Information System (MIS) for RSETIs

- **Centre:** Ministry of Rural Development (policy and partial funding) → NIRD&PR / Indian Banks' Association (IBA) (coordination)
- **District:** RSETI Director (bank officer on deputation from lead bank)
- **Oversight:** Lead bank headquarters/zonal office; District Magistrate's office
- **Funding:** The Ministry provides a capital grant of Rs 2 crore per RSETI building (raised from Rs 1 crore under RSETI 2.0) and recurring annual training grants; the lead bank bears remaining operating costs



KEY POSITIONS

POSITION	RESPONSIBILITY
RSETI Director	Bank officer on 2-3 year deputation; runs the institute, selects trainees, achieves settlement targets
Faculty / Trainers	Bank staff or contractual trainers with trade expertise
Follow-up Coordinator	Tracks trainees for at least 2 years: did they start a business, did they get a loan
Lead Bank Manager (district)	Oversees RSETI functioning; reviews performance at District Consultative Committee (DCC) meetings

MANDATED SERVICES

- Conduct Entrepreneurship Awareness Programmes (EAPs) in villages to identify and mobilise trainees; each sponsor-bank official is expected to conduct around 5 EAPs per month
- Use aptitude assessment, personal interview, and counselling to match candidates to the right trade, improving settlement outcomes
- Identify candidates: under RSETI 2.0, courses redesigned to accommodate illiterate/semi-literate Self-Help Group (SHG) members; default eligibility 18-45; upper age limit extended to 50 only for National Skills Qualifications Committee (NSQC)-approved traditional-skill programmes routed through National Academy of RUDSETI (NAR). Priority to Below Poverty Line (BPL) families, Scheduled Caste (SC) / Scheduled Tribe (ST) / minorities, women, persons with disabilities, and SHG members
- Provide free residential training with food, lodging, and materials; maintain an average programme duration of not less than 15 days across the year (total training days ÷ number of programmes)
- Offer a wide portfolio of programmes: food processing, tailoring, beauty parlour, mobile phone repair, electrical repair, dairy/poultry management, beekeeping, computer basics, and others
- Build credit linkage into training: every trainee prepares a project report and business plan during the course; loan applications are filled during training with branch managers invited; quarterly credit camps are held for RSETI trainees
- Include compulsory sessions on branding and packaging in every training programme, and support trainees in marketing their products
- Maintain official social-media accounts for awareness, outreach, and success stories, integrated with offline mobilisation
- Track every trainee for at least 2 years and measure settlement rate
- Provide post-training handholding: loan applications, business registration, market linkages

LINKED SCHEMES

- **MUDRA (Micro Units Development & Refinance Agency: Shishu / Kishore / Tarun / Tarun Plus)** – micro-enterprise loans from Rs 50,000 to Rs 20 lakh
- **PMEGP (Prime Minister's Employment Generation Programme)** – margin money subsidy (15-35%) for new enterprises up to Rs 50 lakh (manufacturing) / Rs 20 lakh (services)
- **DAY-NRLM (Deendayal Antyodaya Yojana - National Rural Livelihoods Mission)** – SHG formation and bank linkage for rural women
- **Stand-Up India** – loans Rs 10 lakh to Rs 1 crore for SC/ST and women entrepreneurs (original scheme ended March 2025; revamped scheme announced 16 March 2026, not yet launched)



HOW TO LOCATE

Portal: kaushal.rural.gov.in – the Ministry of Rural Development's unified IT platform for Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) and RSETI. Institute-wise staffing and infrastructure data is available at kaushal.rural.gov.in/#/rpt-rseti-profile-view

Also: Ask at the lead bank branch in the district headquarters or at the District Magistrate's office – RSETI performance is reviewed in district-level meetings

KEY FACILITIES

A functioning RSETI should have: a residential facility for 30-60 trainees with separate dormitories for men and women, 2-3 training halls equipped for different trades, a kitchen and dining hall, workshop/lab space for practical training, a computer lab with internet, and office space for the Director and faculty. In addition to the RSETI's own campus, up to 25 per cent of its annual training programmes may be conducted off-campus at Community Managed Training Centres (CMTCs). CMTCs must meet the minimum infrastructure checklist prescribed under RSETI 2.0 before being used for off-campus batches.

WHAT A FUNCTIONING RSETI LOOKS LIKE

- The RSETI is currently running a training batch with trainees physically present
- Training programmes have been conducted in the last 12 months with documented trainee numbers
- The settlement rate (trainees who started a business) is tracked with specific figures
- Credit linkage data is available: how many trainees got bank loans, what amount, through which scheme
- Trainees match the target group (rural unemployed, BPL, SC/ST, women)
- The follow-up register shows trainees being tracked after training with field visits recorded

GRIEVANCE REDRESSAL

During training. The first point of contact is the RSETI Director, who is accountable for trainee welfare, course conduct, and issues relating to food, lodging, or training quality.

After training. Post-training matters – follow-up, loan linkage, certification – are handled by the Follow-up Coordinator at the institute. Unresolved issues can be escalated to the Lead Bank's district Lead District Manager, who reviews RSETI performance at District Consultative Committee (DCC) meetings.

External. The Department of Rural Development operates a dedicated grievance portal at write2rdminister.dord.gov.in for scheme-related grievances. General public grievances can also be filed through the Centralised Public Grievance Redress and Monitoring System (CPGRAMS) at pgportal.gov.in. Banking-related grievances specific to RSETIs – loan refusals, delays in credit linkage, branch conduct – can be escalated to the Banking Ombudsman under the RBI Integrated Ombudsman Scheme 2021 (superseded by Reserve Bank - Integrated Ombudsman Scheme (Reserve Bank Integrated Ombudsman Scheme (RB-IOS)) 2026, effective 1 July 2026) at cms.rbi.org.in.
