

REVISED GUIDELINES FOR IMPLEMENTATION OF THE
“NATIONAL APPRENTICESHIP PROMOTION SCHEME”
(AS PER OPERATIONAL FRAME WORK) FOR APPRENTICESHIP IN INDIA

1. Background

1.1. The Apprentices Act, 1961 was enacted with the objective of regulating the program of training of apprentices in the industry by utilizing the facilities available therein for imparting on-the-job training. Ministry of Skill Development and Entrepreneurship is the administrative ministry responsible for implementation of the Act.

1.2. The National Policy of Skill Development and Entrepreneurship 2015, launched by the Hon'ble Prime Minister on 15th July, 2015, focuses on apprenticeship as one of the key programs for creating skilled manpower in India. The Government is working pro-actively with industry including MSME sector to facilitate a ten-fold increase in apprenticeship opportunities in the country by 2020.

1.3. Apprenticeship training is one of the most efficient ways to develop skilled manpower for industry by using training facilities available in the establishments without putting any extra burden on exchequer to set up training infrastructure. Persons after undergoing apprenticeship training can easily adapt to industrial environment at the time of regular employment.

- It is one of the most important modes of training in terms of quality of training, practical learning and the enhanced employability.
- It is the most promising skills delivery vehicle in the Industrial/training ecosystem of the country as it provides for a structured and rigorous training in real working environment which helps apprentices adapt to the actual workplace and acquire skills.
- It gives apprentices a real chance to put skills into practice and helps them to gain confidence in a working environment.

1.4. Apprenticeship Training consists of Basic Training and On-the-Job-Training/Practical Training at workplace in the industry. The basic training is an essential component of apprenticeship training for those who have not undergone any institutional training/skill training before taking up on-the-job-training/practical training. Basic Training is imparted to the fresher apprentices for acquiring a reasonable ability to handle instruments /Machineries/ Equipment independently prior to being moved to Shop Floor/Work Area for practical training / On-Job Training. It usually accounts for 20-25% of the duration of the overall apprenticeship training but can vary depending on the specific requirement of the curriculum. Apart from basic training, there is a component of on-the-job training which is performed in the establishments and undertaken by the establishment itself.

1.5. The Apprentices Act, 1961 makes it obligatory for employers to engage apprentices in “designated trades” and in “optional trades” for all employers who have a workforce of 40 employees or above (sum of total regular and contract employees), across the manufacturing, services, trading sectors etc. For establishments having work-force of 6-40 employees, engagement of apprentices is optional. However, for establishments with 5 employees or less, are not permitted to engage apprentices.

1.6. Under each of these two broad trade specific categories there can be following categories of apprentices:

- trade apprentices who have passed out of ITIs,
- fresher trade apprentices 8th , 10th and 12th pass outs
- graduate apprentices who are graduates in engineering or non-engineering courses,
- technician apprentices who have passed out of Polytechnics,
- technician(vocational) apprentices who have passed out of a 10+2 vocational training course
- apprentices who are perusing their graduation/diploma courses
- apprentices who have passed out of any NSQF aligned Short terms training Course including courses under the PMKVY/DDUKY/MES
- and fresh apprentices from among those who are class V pass & above who are not covered under any of the afore-listed categories but meet the Educational/technical qualifications as specified in the course curriculum .

1.7. A new “Operational Framework for Apprenticeship in India (Including National Apprenticeship Promotion Scheme)” was launched on 15th July, 2016, with an aim to make apprenticeship engagement smoother both for the industry and the youth. In the above framework, National Skill Development Corporation (NSDC) has been entrusted with the responsibilities of implementing Apprenticeship Training including NAPS for optional trades category by involving SSCs, Indian Chambers of Commerce and Industry (ICCI).

2. Current status

2.1. At present, only 4.17 lakh trade apprentices are undergoing/completed apprenticeship training across organizations in different sectors throughout the country under the Apprentices Act, 1961. Out of these, 96,000 apprentices are in Central Public Sector Undertakings/Central Government and 1.94 lakh apprentices are in State Public Sector Undertaking/State Government Departments.

3. Amendments in the Apprentices Act, 1961

3.1. Given the above background, the Government has brought comprehensive amendments in the Act in December 2014 to make it more attractive for both industry and youth. Major changes introduced in the amendment include replacing the restrictive system of trade wise and unit wise regulation of apprentices with a band of 2.5% to 10% of the total workforce, introduction of optional trades, bringing in the service sector under the ambit of apprenticeship, removing stringent clauses like imprisonment & allowing industries to out-source basic training.

4. Potential available for Apprenticeship Training

4.1. There are a large number of establishments where training facilities are available but these facilities have not been utilized because such establishments express their inability to come under the Act citing lack of support from Government. Compared to the size and rate of growth of economy of India, the performance of Apprenticeship Training is not satisfactory and a large number of training facilities available in the industry are going unutilized depriving both youth to avail the benefits of Apprenticeship Training and industry to prepare their future productive workforce using apprenticeships.

4.2. There are about 50 lakh employees in Central Public Sector Enterprises including PSUs, PSBs etc. If these establishments engage apprentices even up to the mandatory minimum limit of 2.5% of the total manpower strength, the number could reach 1, 25,000. Then there are huge private sector enterprises. Besides, there are a large numbers of establishments in MSMEs sector who come under the ambit of the Act. But their participation in implementation of apprenticeship training has not been encouraging. There are about 21 lakh MSMEs having 6 or more workers. Even if each establishment engages one apprentice, the number could be 21 lakhs. Therefore, there is a huge potential in apprenticeship training in the country.

5. Incentivizing Establishments

5.1. Apprenticeship training provides for an industry-led, practice-oriented, effective and efficient mode of formal training and as such strengthening of apprenticeship training needs to be given a high priority.

5.2. Although On-the-Job-Training/Practical Training facilities are available with the employers they are not able to engage apprentices as they do not have basic training facilities. Employers are not interested to outsource apprentices for basic training to other training providers, as they have to bear the basic training cost to be paid to the basic training providers and the stipend payable to apprentices during the basic training period.

5.3. Keeping in view the importance of Apprenticeship Training, the “National Apprenticeship Promotion Scheme” was approved by the government. The scheme was notified by the Ministry of Skill Development & Entrepreneurship (MSDE) Government of India on 19th August 2016 providing for financial

support to the industry undertaking apprenticeship programmes under the Apprentices Act, 1961.

6. National Apprenticeship Promotion Scheme

The scheme is for:

- (i) Sharing of 25% of prescribed stipend subject to a maximum of INR 1500/- per month per apprentice to all apprentices with the employers.
- (ii) Sharing of cost of basic training with Basic Training Providers (BTP) up to a maximum of INR 7500 per trainee.

6.1. Objective of the Scheme

The main objective of the scheme is to promote apprenticeship training and to increase the engagement of apprentices from 2.3 lakh during August, 2016 to 50 lakh cumulatively by year 2020.

6.2. Components of the Scheme

The scheme has the following two components:

- 6.2.1. Sharing of 25% of prescribed stipend subject to a maximum of INR 1500/- per month per apprentice with the employers. The stipend support would not be given during the basic training period for fresher apprentices
- 6.2.2. Sharing of basic training cost in respect of apprentices who come directly to apprenticeship training without any formal trade training. Basic training cost will be limited to INR.7500/- for a maximum of 500 hours calculated @ INR 15 per hour. There is a provision to fund basic training for 10 lakh apprentices till March 2020.

6.3. Scope of the Scheme

This scheme will cover all categories of apprentices except apprentices which are covered by the scheme administered by Ministry of Human Resource Development i.e. National Apprenticeship Training Scheme (NATS).

6.4. Scheme Targets

Target under the scheme shall be 5 lakh apprentices in 2016-17, 10 lakh apprentices in 2017-18, 15 lakh apprentices in 2018-19 and 20 lakh apprentices in 2019-20.

6.5. Implementing Agencies

- 6.5.1. The Regional Directorates of Apprenticeship Training (RDATs) under the control of Directorate General of Training (DGT) are the implementing agencies

in their regions in respect of all “Designated Trades” under the Act for all establishments falling under the central Govt. jurisdiction. National Skill Development Corporation (NSDC) and CEOs of the Sector Skill Councils under the control of NSDC are the implementing agencies in their sectors in respect of “Optional Trades” for the establishment under the Central Government jurisdiction.

6.5.2. The respective State Governments are the appropriate authorities in respect of any establishments other than those falling under the Central Govt. jurisdiction. State Apprenticeship Advisers (SAA) are implementing agencies in their regions in respect of all “designated trades” as well as “optional trades” for State Public Sector Units and private establishment falling under their jurisdiction as per the Apprentices Act 1961. They may also appoint the Mission Directors of the respective State Skill Development Missions (SSDMs) to act as implementing agency for all establishments under the state gov. jurisdiction, in respect of “Optional Trades”. They can also consider appointing SSCs as implementing agency for all establishments under the State Govt. jurisdiction, in respect of Optional trades.

6.5.3 Funds shall be provided by MSDE, in advance, to DGT, NSDC and other implementing agencies like SSA and SSDM based on estimated requirement for the current FY, utilization certificate in respect of funds released earlier and physical achievements during previous years. Funds to SSA and SSDM will be released through **State Treasury**. However, funds to establishments, actually engaging apprentices will be released on reimbursement basis by implementing agencies based on the total stipend paid by them to apprentices.

6.6. Key Features

6.6.1. Wider option for the apprentices-integration with other schemes

Courses under Pradhan Mantri Kaushal Vikas Yojana (PMKVY), Modular Employable Skill (MES) courses under Skill Development Initiative (SDI) of erstwhile DGE&T or courses approved by State Government/Central Government shall be linked with apprenticeship training. These courses will be given status of optional trades & the relevant practical content for on-the-job training shall be added by respective course approving authority.

6.6.2. Ease of Administering through technology

- (i). A specially designed online portal “www.apprenticeshipindia.org” shall be used for administering the entire implementation of the Apprenticeship Training on line. It shall address the requirements of all key stakeholders as under.
- (ii). Portal will facilitate:

For Industry

- Online registration
- Online posting of apprenticeship opportunities
- Online uploading of course curriculum
- Search & shortlisting of candidates specific to sector, trades, region, etc.
- Issue offer letters to candidates for engaging as apprentices
- Submit contract of apprenticeship on-line for approval by the concerned Apprentice Advisor/Additional/Joint/Assistant Apprenticeship Advisor (herein after referred to as the concerned authority)
- Monitoring of apprenticeship training
- On-line submission of returns and records
- On-line submission of claims under NAPS.
- Online reimbursement of Government share under NAPS

For candidates

- On-line registration indicating their preferred sector/trades of choice
- Sending application to potential employers for apprenticeship training,
- Online receipt and acceptance of offer letters from establishments
- Process all necessary contractual obligations online.
- Posting preferred apprenticeship opportunities, place of Basic Training, Basic Training Provider (BTP) specific to sector, trades and region.

For DGT/NSDC/RDATs / SAA / SSDMs in respect of their jurisdictions

- Register/ Approve contracts of apprenticeship
- Monitor the implementation of apprenticeship training
- Processing online reimbursement of 25% of prescribed stipend subjected to a maximum of INR1500/- per month per apprentice to the establishments.
- Processing Payment for basic training costs to BTP on line.

For Basic Training Provider (BTP)

- Online registration
 - Posting basic training seats/vacancies
 - Search & shortlist candidates specific to sector, trades, region etc. for Basic Training
 - Provide basic training to apprentices who have been sponsored by an employer/establishment after execution of contract with apprentice
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- Placement of apprentices for on-the-job training with employer after basic training.

- Online submission of claims for reimbursement of Basic Training costs with appropriate authorities.
- (iii). The Apprenticeship Portal will also facilitate for time bound approval of contract of apprenticeship by the concerned authority (wherever applicable under the provisions of the Act or conditions under NAPS), centralized database for compliance and monitoring, online verification of candidates profile, uploading of results after assessment by the concerned authority after assessments by NCVT /SSCs/ any other authority specified by Government from time to time & issue of certificates to apprentices.

6.6.3. Involvement of States/UTs

As per the Apprentices Act, monitoring of apprenticeship training in State Public Sector Undertakings and Private Sector Establishments is done by the respective State Governments.

States to play a very important role in implementing the programme as most of the smaller Industries and MSMEs will fall under the State jurisdiction. Hence sensitizing the states & State Skill Development Missions (SSDMs) & also officers up to the District level, on the intent of the reforms becomes critical & priority. The District Skilling Committees being promoted by both the Central and State governments will be mandated to identify apprenticeship opportunities in their district and ensure appropriate utilisation of same.

6.6.4. Promoter and Facilitators/Third Party Aggregators (TPA)

Since this scheme involves multiple stakeholders, the role of facilitators or Third Party Aggregators (TPAs) becomes important for mobilizing the apprentices and in mapping their preferences with the demand from the establishments for apprenticeship opportunities posted on the portal; also for helping the establishment in identifying Basic Training providers. TPAs shall be engaged as per the guidelines issued by MSDE for their selection.

7. Communication campaign

- (i). Workshop/Seminars
Meetings/Workshops will be organized with all stakeholders including CII, FICCI, ASSOCHAM, Sectorial Associations and local industry chambers/clusters
- (ii). Publicity & advertisements using both print and electronic media.
- (iii). Brand Ambassadors

Appointing Brand Ambassadors for states and for local industrial clusters to act as facilitators and promoters to promote apprenticeship training. Brand Ambassadors may be from large, medium and small industries. They will be actual practitioners & will include those employers who have/are engaging apprentices. Brand ambassadors will be formally recognized by granting them certificates/badges.

8. Implementation plan

8.1. Eligibility of Employer to run Apprenticeship Programmes

The employers interested to avail the benefits of the scheme must fulfill the following:

- (i). A person who employs six or more persons to do any work in an establishment for remuneration
- (ii). Employer shall engage apprentices in a band of 2.5% to 10% of the total strength of the establishment
- (iii). Employers must have EPFO/ESIC/Factory/Cooperative /MSME registration number.
- (iv). Employers must have TIN/TAN /GST/SGST number.
- (v). Employers must register on the apprenticeship portal.
- (vi). Employers must have bank account linked with Aadhaar/Pan No.

8.2. Eligibility of Apprentice

An apprentice is a person who has executed a contract of apprenticeship with the employer for apprenticeship training under the Act.

A. Apprentices can be engaged from the following categories:

- (i). Trainees passed out from ITI courses
- (ii). Trainees under dual-learning mode from ITIs
- (iii). Trainees who have completed any NSQF aligned Short Term Course including PMKVY/DDUGKY/MES
- (iv). Graduates /candidates, pursuing graduation courses/Diplomas courses in any stream or 10+2 vocational certificate holders
- (v). Candidates who possess minimum educational qualification required for a trade and have not undergone any formal trade training (Fresher apprentices).

B. Apprentice must possess minimum of 14 years age, educational and physical qualification prescribed for the trade and other requirements of the Apprentices Act, 1961.

C. Other requirements

- (i). Every apprentice has to register on the portal.
- (ii). Every apprentice must have an Aadhaar Number/any other prescribed document (for NE States and J& K).

8.3. Eligibility of Basic Training Providers

Basic Training Provider (BTP) is an entity who has the facilities for imparting

basic training to apprentices

A. Types of BTPs:

- (i). National Skill Training Institutes(NSTI), National Skill Training Institutes for Women, NSTI(W)
- (ii). Government Industrial Training Institutes (ITIs) having grading score 2 and above and Private ITIs having grading 2.5 and above, affiliated to NCVT
- (iii). Government & Private Training Centers approved by NSDC under its SDMs/SMART portal & Pradhan Mantri Kaushal Kendras (PMKK)
- (iv). Industries/ establishments with “In-house basic training facility” .
- (v). Basic Training Centre set up/supported by Industry/Industry Clusters/ Chambers/Association
- (vi). Stand-alone Basic Training Centers like Polytechnic, Universities, Engineering & Management Colleges.
- (vii). Training Centres empanelled with State Governments and/or other Government of India schemes

B. Concerned Authority for BTPs under the Apprenticeship Act/rules Guidelines:

The concerned authority to deal with all approvals /issues regarding BTPs under the Apprenticeship Programme in case of Designated Trades will be the RDAT/DGT and in case of Optional Trades it will be the NSDC.

C. Selection of BTP:

- (i). NSTI and NSTI(W) are designated as pre-approved BTP in related trades , RDAT shall approve and allot them a BTP registration number online.
- (ii). Government Industrial Training Institutes (ITIs) already affiliated to NCVT having more than 2.5 grade are pre-approved BTP in NCVT affiliated trades.
- (iii). Private Industrial Training Institutes affiliated to NCVT having grade 2.5 are pre approved BTP in NCVT affiliated trades.
- (iv). Government & Private Training Centers approved by NSDC under

SDMs/SMART & PMKKs provided that they have spare capacity to run them

- (v). BTP will have to apply through portal for registration
- (vi). RDAT for designated trades and NSDC for optional trades will review the application of BTP
- (vii). RDAT/NSDC as per their jurisdiction, will arrange for physical inspection of BTP by a committee constituted for this purpose.
- (viii). Submission of Inspection report on-line by the committee.
- (ix). Review of inspection report and approval of BTP by RDAT/NSDC , as per the BTP pertaining to their jurisdiction.
- (x). Selection and offer to BTP on-line by RDAT/NSDC, as per the BTP pertaining to their jurisdiction.

D. BTPs interested to avail the benefits of the scheme must fulfill the following:

After approval, they can get registered

- (i). BTP must be registered on the “apprenticeship.gov.in” portal (for Designated Trades) and apprenticeshipindia.org(for Optional Trades). The two portals will eventually get merged into one integrated portal by end of year 2018.
- (ii). BTP must have a Bank Account Aadhaar linked / linked with Pan No,

8.4. Fields under apprenticeship training

Apprenticeship training can be provided to apprentices across all Industry sectors including manufacturing, services and trading. These can be broadly categorized under two categories as under:

- (i). Designated trade-Designated trade means any trade or occupation as notified by the Government. As on 31st July 2018, there are 261 designated trades are available for apprenticeship training as notified on the portal.
- (ii). Optional trade- All Apprenticeship courses approved bySSCs but not included as part of “Designated trade”

8.5. Duration of Apprenticeship training

Apprenticeship Training consists of Basic Training and on the-Job-Training/Practical Training at the workplace in the industry. Duration of apprenticeship training for different routes for getting the financial benefits of the scheme will be as follows:

Routes of Apprenticeship Training	Duration* of Apprenticeship Training including Basic Training (as per duration specified in the curriculum)	Basic Training Exempted
ITI Pass Outs	6 -24 months	Yes
Graduates	3 - 12 months	Yes
Diploma Holders	6 - 24 months	Yes
All Pass Outs from the NSQF aligned courses including PMKVY/DDUGKY etc.	6 -24 months	Yes
Pursuing Graduation/ /Diplomas	3 -24 months	Yes
Fresh Apprentices	6 – 24 months	No

Note-1. Exemption is only in case the candidate opts for Apprenticeship training in a course related to his qualification as specified in the curriculum of each course separately. It is expected that candidates exempted from Basic Training have enough knowledge to enable them to undertake OJT, without the need to go through the Basic Training.

2.*For Designated Trades the duration of a few courses are notified upto 36 months.

8.6. Contract of apprenticeship

Contract of apprenticeship must be entered between apprentice and the employer. All contracts of apprenticeship under Designated Trade must be registered with the appropriate “Apprenticeship Advisor”. Also for Optional Trades, the contract of apprenticeship must be registered with the appropriate “Apprenticeship Advisor” to make them eligible for financial support under NAPS.

8.7. Examination and certification

After completion of apprenticeship training, apprentices will need to go through an assessment to be conducted by the DGT/SSC/Establishment. Certificates will be awarded to apprentices on the basis of mark secured by the apprentice. In case of DGT/SSC exam, practical will be conducted by the establishments engaging the apprentices and theory will be online.

In case the employer opts for NAPS (or even without NAPS in case the establishment opts for Joint certification), the assessment will be conducted jointly by the concerned Sector Skill Council & the establishment. The theory part of this assessment would be online to be conducted by the SSC concerned while the practical would be conducted by the employer at the shop floor premises and would be evidence based. In such cases the certificates will be awarded to apprentices on the basis of assessment done jointly by the establishment and the concerned Sector Skill Council.

9. Processing of Claims under NAPS.

9.1. Payment of reimbursement claims towards stipend support to the Employers under NAPS

- I. The prescribed stipend, shall be paid to apprentices by the establishment on a monthly basis through the aadhaar linked bank accounts of apprentices (or any other prescribed bank account in case of NE States & J&K). For this purpose, the employers are required to seek bank details from the apprentices.
- II. Establishments are required to upload a proof for payment of full amount of stipend to the apprentice along with the attendance particulars. Government of India's share will be reimbursed on a quarterly basis by the respective agency ie DGT/RDAT/SAA in respect of Designated Trades & NSDC/SSDMs in respect of Optional Trades. The entire processing of such claims will be online. (hereon after defined as the relevant authority)
- III. The respective agency will verify the information uploaded by the establishment and on confirmation of the training conducted and full amount of stipend paid, they will reimburse the payment to establishments' bank account on receipt of claims in prescribed format from the employers on line at the end of each quarter and subject to on line verification of payment of stipend to the apprentices.
- IV. Payment for last quarter shall be made only after apprentice appear for the assessment
- V. Payment for each quarter shall be made only after adjusting for dropouts.

9.2. Sharing of Basic Training Cost to Basic training Providers under NAPS

The following procedure shall be adopted under the scheme for payment of basic training cost i.e. INR 7500/- per apprentice for maximum of 500 hours calculated @ 15 per hour:

The respective agency will make the payment towards cost of basic training to Basic Training Providers through their bank account on the advice of the establishment which has engaged the TP to conduct the basic Training. For the basic training of 500 Hours payment of INR 5000/- per apprentice as a basic training cost shall be made after successful completion of basic training and the remaining basic training cost i.e. INR. 2500/- per apprentice shall be paid after completion of apprenticeship training by the apprentice & upon his/her being successful in appearing in the assessment processes in respect of courses where Basic Training & OJT is being done sequentially . In case where the Basic Training & OJT is being done simultaneously the payment will be made @ INR 10/- per hour at the end of each month. The remaining INR 5/- per hour will be released after the completion of apprenticeship training by the apprentice & upon his/her being successfully appear for the assessment process.

10. Monitoring of the establishments

Monitoring is required to ascertain the status of implementation of the scheme. Therefore, it is expected that 5% to 10% of the total beneficiary establishments under the scheme would be subject to actual physical verification every year by the concerned authority under the Act. They will be selected on a computerized random basis.

11. Eligibility and role of Brand Ambassadors

- (i). Have undergone apprenticeship training and are successful in their field.
- (ii). Employers engaged or engaging apprentices.
- (iii). They will be selected/appointed by the MSDE

Brand ambassadors will be paid @ INR 2500/- per day whenever they are called for any workshops/seminar/meeting. They would also be reimbursed travel expenses at actuals whenever they are required to travel not exceeding INR 1000/- per visit.
