GUIDELINES FOR IMPLEMENTATION OF NATIONAL APPRENTICESHIP PROMOTION SCHEME

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 program for creating skilled manpower in India.The policy proposes to pro-actively work with industry including MSME sector to facilitate a tenfold increase in apprenticeship opportunities in the country by 2020.

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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. The other advantages of apprenticeship training are as follows:

- It is one of the most important schemes in terms of quality of training, experiential learning and the enhanced employability that it provides.
- 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 programme which helps apprentices becomes skilled.
- 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. It accounts for 20-25% of overall duration of Apprenticeship Training. 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. Directorate General of Training (DGT) under Ministry of Skill Development & Entrepreneurship monitors the implementation of the scheme of apprenticeship training. For CPSUs and establishment operating business in 4 or more States, it is done through six Regional Directorates of Apprenticeship Training. State Apprenticeship Advisers monitor the Scheme in State Government Undertakings and Private Establishments.

1.6 There are five categories of apprentices namely; trade apprentices, graduate apprentices, technician apprentices, technician(vocational) apprentices and optional trade apprentices.

2.0 Current status

2.1 Only 2.30 lakh trade apprentices are undergoing apprenticeship training in 30,165 establishments throughout the country under the Apprentices Act, 1961 which is miniscule as compared to the total number of establishments in the country. Out of these, 36,000 apprentices are in Central Public Sector Undertakings/Central Government and 1.94 lakh apprentices are in State Public Sector Undertaking/State Government Departments and Private Sector

miniscule

3.0. Amendments in the Apprentices Act, 1961

3.1 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 are: replacing the outdated system of trade wise and unit wise regulation of apprentices with a band of 2.5% to 10% of the total workforce (including contractual workers), introduction of optional trades, removing stringent clauses like imprisonment & allowing industries to out-source basic training.

4.0 Potential available for Apprenticeship Training

4.1 There are a large number of establishments where training facilities are available but these facilities have not be 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 unemployed youth to avail the benefits of Apprenticeship Training.

4.2 There are about 50 lakh employees in Central Public Sector Undertaking, Central Government and Banking Sector. If these establishment engage apprentices even up to the mandatory minimum limit of 2.5% of the total manpower strength, the number could reach 1,25,000. According to the fifth economic census, there are 20,62,124 MSMEs having 6 or more workers. If each establishment engages even one apprentice, the number could be 20 lakh. Therefore, there is a huge potential in apprenticeship training which remains untapped.

5.0 Incentivizing Employers

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 but 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 scheme for "Promoting Apprenticeship Training" was placed before the Cabinet for its approval and the Cabinet approved "**National Apprenticeship Promotion Scheme".**

6.0 National Apprenticeship Promotion Scheme

The scheme is for

(i) Sharing of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice to all apprentices with the employers.

(ii) Sharing of cost of basic training with Basic Training Providers (BTP).

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 present 2.3 lakh to 50 lakh cumulatively by 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 Rs. 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 Rs. 7500/- for a maximum of 500 hours/3 months.

6.3 Scope of the Scheme

This scheme shall cover all categories of apprentices, which are not covered under National Apprenticeship Training Scheme (NATS) administered by Ministry of Human Resource Development.

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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 2018-2019 and 20 lakh apprentices in 2019-20. The engagement of fresher apprentices shall be 20% of total annual target.

6.5 Implementing Agencies

6.5.1 Regional Directorates of Apprenticeship Training (RDATs) under the control of Directorate General of Training will act as implementing agencies in their regions for Central Public Sector Undertaking and establishments operating their business in 4 or more States.

6.5.2 State Apprenticeship Advisers (SAA) will act as implementing agencies for state public sector and private establishments under their jurisdiction.

6.6. Key features

6.6.1 Wider options for the apprentices- integration with other schemes

Courses under Pradhan Mantri Kaushal Vikas Yojana (PMKVY)/ Modular Employable Skill (MES) under Skill Development Initiative (MES-SDI) or courses approved by State Governments/Central

Government will be linked with apprenticeship training. These courses will be given the status of optional trades & the relevant practical content for On-the-Job training will be added by respective course approving authority.

6.6.2 Ease of Administering through technology

(i) Online portal would be used for administering the implementation of the Apprenticeship Training. It will address the requirements of all key stakeholders.

(ii) Portal will facilitate:

For Industry

- On-line registration
- Declare apprenticeship seats/vacancies
- Search & shortlist 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 respective RDAT/SAA
- Monitoring of apprenticeship training.
- On-line submission of returns and records
- On-line submission of claims.
- Online payment of Government share

For candidates

- On-line registration indicating their 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.
- Search and select Basic Training Provider (BTP) specific to sector, trades and region

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For Regional Directorates of Apprenticeship Training/State Apprenticeship Advisers

- Review & approve contracts of apprenticeship
- Monitor the implementation of apprenticeship training
- Receipt and review of claims from employers
- Online payment of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice to the employers
- Receipt and review of applications from BTP by RDATs
- Receipt of Inspection report and approval of BTP by RDATs
- Receipt and review of claims from BTP on-line.
- Payment of cost of basic training to BTPs

For Basic Training Provider (BTP)

- On-line registration
- Declare basic training seats/vacancies
- Search & shortlist candidates specific to sector, trades, region etc.
- Provide basic training to apprentices who have been sponsored by a employer after execution of contract with apprentice
- Placement of apprentices for on-the-job training with employer after basic training.
- On-line submission of claims.

(iii) Portal will also facilitate for time bound approval of contract of apprenticeship, centralized database for compliance and monitoring, online verification of candidates profile, management of on-line examination for generation and issue of hall tickets.

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.

Generally, it has been seen that State Governments do not play an active role in promoting apprenticeship training so it has been decided to involve the states in implementing the new scheme. State Apprenticeship Council will be entrusted to setup an Apprenticeship Cell in each State and their responsibilities will include monitoring the implementation of this scheme.

6.6.4 Promoters and facilitators for Apprenticeship Training

(i) Facilitators/Promoters in the system are essential for mobilizing the apprentices. Since this scheme involves multiple stakeholders, the role of facilitators becomes important. Facilitators can also create awareness among the employers which is generally lacking in our country. The facilitators can also play a major role in coordinating between basic training providers and the employers for on-the-job training.

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7.0. Communication campaign

(i) Workshop/Seminars

Meetings/Workshops will be organized with all stakeholders including CII, FICCI, ASSOCHAM, Sectoral 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. These will be actual practitioners & will include those employers who have/are engaging apprentices. Brand ambassadors will be formally recognized by granting them certificates/badges.

8.0 Implementation plan

8.1 Eligibility of Employer

- Employer is any person/entity who has business in any trade or occupation.
- The employers interested to avail the benefits of the scheme must fulfill the following:
  - Employer shall engage apprentices in a band of 2.5% to 10% of the total strength of the establishment

- Employers must have EPFO/ESIC/Factory/ Cooperative/ MSME registration number
- Employers must have TIN/TAN number
- Employers must register on the apprenticeship portal.
- Employers must have an Aadhaar linked bank account

8.2 Eligibility of Apprentice

- An apprentice is a person who has made contract of apprenticeship with the employer for apprenticeship training under the Act.
- 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 PMKVY/MES -SDI courses or courses approved by State Governments/Central Government.
  - (iv) Graduates/diploma holders or pursuing graduation/ diploma in any stream or 10+2 vocational certificate holders (Apprentices who are not covered under NATS administered by MHRD)
  - (v) Candidates who possess minimum educational qualification required for a trade and have not undergone any formal trade training (Fresher apprentices)
- Apprentice must fulfill the following:
  - He/she has completed 14 years of age and fulfills other requirements of the Apprentices Act, 1961.
  - Every apprentice has to register on the portal.
  - Every apprentice must have an Aadhaar number.
  - Must possess minimum age, educational and physical qualification prescribed for the trade
- Number of apprentices mentioned at 8.2(v) above may be upto 20% of the target in a year.

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8.3 Eligibility of Basic Training Providers

(I) Basic Training Provider (BTP) is an entity who has the facilities for imparting basic training to apprentices.

(II) Types of BTPs:

- Government & Private Industrial Training Institutes.
- Industries/ establishments with in-house basic training facilities.
- BTP set up/supported by Industry clusters

(III) Selection of BTP:

- Government/Private ITI will automatically get selected as a BTP provided that they have spare seats (within overall affiliation) for running basic training. Spare shifts may be used for basic training.
- BTP will have to apply through portal for registration
- RDAT will review the application of BTP
- RDAT will arrange for physical inspection of BTP by a committee constituted for this purpose.
- Submission of Inspection report on-line by the committee.
- Review of inspection report and approval of BTP by RDAT
- Selection and offer to BTP on-line by RDAT.

(IV) BTPs interested to avail the benefits of the scheme must fulfill the following:

- After approval, they can get registered
- BTP must be registered on the apprenticeship portal.
- BTP must have an Aadhaar linked Bank Account.

8.4. Fields of apprenticeship training

Apprenticeship training can be provided to apprentices both in designated and optional trades.

(i) Designated trade

Designated trade means any trade or occupation as notified by the Government. At present, there are 259 designated trades available for apprenticeship training. List is available on apprenticeship portal.

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(ii) Optional trade

Optional trade means any trade or occupation or any subject field in engineering or non-engineering or technology or any vocational course as may be determined by the employer.

For the purpose of this scheme, the optional trades are categorized as under:

(a) PMKVY/MES–SDI or Courses approved by State Governments/Central Government - All courses under PMKVY, MES-SDI or courses approved by State Governments/Central Government with a duration of 20-25% of the total duration of apprenticeship training as basic training component. Remaining duration will be for practical content for on-the-job training as designed by respective course approving authority. These courses will be declared as optional trades & will be notified on apprenticeship portal

(b) Created by employer –Trades decided by employer with a duration of 20-25% of total duration of apprenticeship training as basic training component. Remaining duration will be for practical content for on-the-job component as designed by employer and uploaded on the apprenticeship portal.

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 Basic Training	Duration of Practical Training/On-the-job-Training	
	Maximum	Minimum	Maximum
ITIs pass-outs	Not required	1 year	2 years
Trainees who have completed PMKVY/ MES-SDI courses or courses approved by State Governments/ Central Government	,,	1 year	2 years

Graduates/ diploma holders or persons pursuing graduation/ diploma in any engineering stream or medical or paramedical (Apprentices who are not covered under NATS administered by MHRD)	,,	1 year	2 years
Graduates/ diploma holders / 10+2 vocational certificate holders or persons pursuing graduation/ diploma in Arts or Commerce or Science streams such as B.A., B.Sc., B.Com., L.L.B etc.	,,	1 year	
Dual-learning mode from ITIs	,,	5 to 9 months	
Fresher apprentices	3 months	1 year	2 years

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8.6. Contract of apprenticeship

Employer may shortlist candidates' specific to sector, trades, region etc. and offer letters to candidates for engaging through portal. Employer may also select apprentices off-line and upload the details of apprentices before start of apprenticeship training on the portal. Contract of apprenticeship must be entered between apprentice and the employer. The contract of apprenticeship must be registered with concerned Apprenticeship Adviser through the portal.

9.0 Processing of Claims

9.1 Payment of reimbursement claims towards stipend to the Employers

(i) Payment of full rate of prescribed stipend, including Government of India's share shall be paid to apprentices by the establishment through the Aadhaar linked bank accounts of apprentices. 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 alongwith the attendance particulars. Government of India's share will be reimbursed on a quarterly basis by the respective RDAT or SAA.

(iii) Concerned RDATs/States 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 within 10 days from the receipt of claims from the employers.

9.2 Sharing of Basic Training Cost to Basic training Providers

The following procedure shall be adopted under the scheme for payment of basic training cost i.e. Rs. 7500/- per apprentice for 500 hours/3 months:

(i) RDATs/States will make the payment towards cost of basic training to Basic Training Providers through their bank account. Rs. 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. Rs. 2500/- per apprentice shall be paid after completion of apprenticeship training by the apprentice.

10.0 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. They will be selected on a computerized random basis.

11.0 Eligibility and role of Brand Ambassadors

- Have undergone apprenticeship training and are successful in their field.
- Employers engaged or engaging apprentices.
- They will be selected/appointed by respective RDAT's.
- Brand ambassadors will be paid @ 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.

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Note: Categories of apprentices, which are financially supported under National Apprenticeship Training Scheme (NATS) administered by Ministry of Human Resource Development, would not get financial benefits under this scheme.