

NAPS PROPOSAL

OBJECTIVE:

The objective of the Apprentice Act 1961:

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.

Skill policy about apprenticeship:

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 policy proposes to pro-actively work with industry including MSME sector to facilitate a tenfold increase in apprenticeship opportunities in the country by 2020.

Apprenticeship Training:

Apprenticeship training is a course of training in an industry or establishment, under a contract of apprenticeship which consists of: Basic training component and on-the-job-training (OJT)/ practical training at the workplace.

Advantages of apprenticeship training:

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:

Why Apprenticeship?

Mandated under law for all establishment having more than 4 employees (including contractual employees) to engage apprentices. • A proven solution for training and retaining world-class talent which is industry ready. • All establishment shaving workforce (regular and contract employees) of 30 or more are mandated to undertake Apprenticeship Programs in a range from 2.5% - 15 % of its workforce (including contractual employees) every year. • For establishments having a workforce between 4 to 29 this is optional. • Establishments have a workforce of 3 or less are not permitted to engage apprentices.

Establishments under the Purview of Apprenticeship Mandate.

Employee Strength	Eligibility for Apprenticeship	Apprentice Band (On total manpower strength)	Apprenticeship Duration (Month)
0-3	Not Eligible	Not Eligible	Not Eligible
4-29	Optional	2.5% - 15%	6-36
>30	Mandatory	2.5% - 15%	6-36

Penalties for Non-Compliance of Act:

Under Clause 30 (1A) of the Act, the defaulter shall be punishable with fine of Rs. 500 per short fall of apprentice seat per month, for first three months and thereafter Rs. 1000 per month per seat, till such number of seats are filled up.

Legal Status of Apprentices.

- Every apprentice undergoing apprenticeship training in an establishment shall be trainee and not a worker.
- The provisions of any law with respect to labour (such as EPF / ESI) shall not apply to or in relation to such apprentice. (Definition of worker, Para 18 of Apprenticeship Act 1961)
- Establishments can engage apprentices of age 18 years and above in normal working hours of the establishment (including night shifts).
- For apprentices under the age of 18 years, establishment shall engage them in training between 8.00 am to 6.00 pm only.

National Apprenticeship Promotion Scheme?

National Apprenticeship Promotion Scheme (NAPS) is a new scheme of Government of India to provide financial support to establishments undertaking the apprenticeship training. It was launched on 19th August 2016.

Who implement the Apprenticeship Program (including NAPS)?

The Apprenticeship Program in India under the Apprenticeship act 1961 is implemented by the Ministry of Skill Development and Entrepreneurship (MSDE) at the National level. The MSDE has entrusted the Directorate General of Training [DGT] to implement the apprenticeship training falling under "Designated Trades" and made the National Skill Development Corporation [NSDC] responsible for apprenticeship training under "Optional Trades". For more details regarding Trades & Courses please visit apprenticeship portal <http://apprenticeshipindia.org>

Candidate Eligible for Apprenticeship

Route of Apprenticeship Training	Duration of Apprenticeship Training including Basic Training (as per duration specified in the curriculum)	Basic Training Exempted*
ITI Pass Outs	6-36 months	Yes
Graduates	6-12 months	Yes
Diploma Holders	6-36 months	Yes
All Pass Outs from the NSQF aligned courses including PMKVY/DDUGKY etc.	6-36 months	Yes
Pursuing Graduations/ Diplomas	6-36 months	Yes
Fresh Apprentices	6-36 months	No

Stipend Payment to Apprentices

(Industries can pay more stipend than below mentioned prescribed stipend)

Category	Prescribed minimum Stipend Amount
School Pass- Outs (Class 5th - Class 9th)	Rs 5000/- per month
School Pass- Outs (Class 10th)	Rs 6000/- per month
School Pass- Outs (Class 12th)	Rs 7000/- per month
National or State Certificate Holder	Rs 7000/- per month
Technician (Vocational) Apprentices or Vocational Certificate holder or Sandwich Course (Student from Diploma Institutions)	Rs 7000/- per month
Technician Apprentices or Diploma Holder in any Stream or Sandwich Course (Student from Degree Institutions)	Rs 8000/-per month
Graduate Apprentices or Degree Apprentices or Degree in any Stream	Rs 9000/- per month

- Skill certificate holder to get stipend as per his/her educational qualification.
- 10 % & 15 % Hike in Second and third Year respectively for Apprenticeship Training.
- 50 % of Stipend to be paid to Fresher Apprentices during Basic Training for a period of up to 3 months.

Industries- Why NAPS Scheme?

- ✓ Engagement of apprentices within a band of 2.5% to 15% of the total strength of employees of an establishment (including contractual employees)
- ✓ Establishments can engage apprentices of age 18 years and above in normal working hours of the establishment (including night shifts).
- ✓ **Expenditure on engaging apprentices more than 2.5% can be booked under CSR liability/funds.**
- ✓ Apprentices cannot participate in Union activities.
- ✓ The Apprenticeship Training helps in building a steady pool of talent, which is industry ready; to meet the Human Resources needs of an organization, at an optimum cost.
- ✓ Trainees under NAPS Scheme are not entitled for any statutory contribution from the employer. Stipends paid do not attract any statutory deduction/ payment obligation on the part of the corporate/industry (No PF, ESIC etc.)
- ✓ The law related to labour /employments are not applicable to apprenticeship training.
- ✓ Engagement of apprentices in optional trades- Industries can deploy ITI, BA, B Com, B Sc, Diploma, PMKVY/DDUGKY/ Short Term Certificate Courses completed candidates into Optional Trades.
- ✓ Extension of apprenticeship to non-engineering occupations.
- ✓ An employer is not obliged to employ the apprentice after of completion of apprenticeship.
- ✓ Industry can design and run Apprenticeships in customized courses
- ✓ Increase availability of industry ready skilled manpower well versed with culture of the company
- ✓ Reduces expenditure on recruitment process
- ✓ Studies establish that loyalty factor in apprentices is relatively higher
- ✓ Financial support from the Government through NAPS Scheme.

Trades/Courses establishments can take up under the Apprenticeship act:

There are two categories of Trades defined under the Apprenticeship Act 1961-

- Designated Trades: Those notified by the Govt. are referred to as “Designated Trades”.
- Optional Trades: the others which are not included in the notified list of the Designated Trades but opted as a Trade/Course to be run under the Apprentices Act by an establishment. These are referred to as “Optional Trades”.

As on 1st August 2018, there are 261 Designated Trades and 200 + Optional Trades across 37 industry sectors available for apprenticeship training. Please refer the updated list of trades.

Besides there are 2000 plus NSQF aligned Qualification Packs (may be called as Job roles), designed for Short Term courses which the establishments can choose from and add a component of shop

floor training (On the Job training) and design an Apprenticeship curriculum and run the Apprenticeship Program under Optional Trade.

Basic Difference | Designated Trade v/s Optional Trade:

Particulars	Designated Trades	Optional Trades
Definition	Any trade or occupation which the Central Government has notified in the official gazette as a Designated Trade	Any trade or occupation not included in Designated Trades determined by the employer or already pre-approved by NSDC/DGT which leads to a workplace competency
Course Curriculum Design	The Central Staff Training and Research Institute (CSTARI)	Employer under supervision of Sector Skill Councils/NSDC.
Course Duration	As per syllabus	As per syllabus
Approved Trades	261	2000 plus NSQF aligned Qualification Pack available to design curriculum for Optional Trade.
Assessment & Certification	National Council of Vocational Training	Sector Skill Councils

Categories of apprentice are covered under the Apprenticeship program:

- ITI Pass Outs
- Graduates / Diploma Holders
- All Pass Outs from the NSQF aligned courses including PMKVY/DDUGKY etc.
- Dual-Learning Mode from ITIs
- Perusing Graduation / Diplomas
- Fresh Apprentices.

Eligibility criteria for apprentices under the apprenticeship programme:

Apprentice must fulfil the following:

- The minimum age prescribed under the Act for an apprenticeship is 14 (18 years in case of hazardous industries) and he/she must have educational / technical and physical qualification prescribed under the Curriculum for the concerned trade;
- Minimum of 5th pass
- Apprentice must register on the Apprenticeship portal.
- Apprentice must have an Aadhaar number.

Who/what is an employer/ establishment?

An employer/ establishment is a person/entity who has a business in any trade or occupation and having infrastructure for providing On the Job Training (OJT). All establishments having work force (regular and contract employees) of 30 or more are mandated to undertake Apprenticeship Programmes in a range from 2.5% -15% of its workforce every year. For establishments having a workforce between 4&30 this is optional. Establishments have a workforce of 3 or less are not permitted to engage apprentices.

Who is Basic Training Provider?

Basic Training Provider (BTP) is an entity who has necessary facilities for a trade and providing basic training to fresher apprentices, who otherwise do not have any formal education and/or training in related trades, engaged by an establishment.

What is the procedure for payment of reimbursement claims [stipend] to the employers?

- 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.
- Establishments are required to upload a proof for payment of full amount of stipend to the apprentice along with the attendance. Government of India's share will be reimbursed on a quarterly basis by the respective agency i.e. DGT/ RDAT/ SAA in respect of Designated Trades & NSDC/SSDMs in respect of Optional Trades. The entire processing of such claims will be on line. (hereon after defined as the relevant authority)
- 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.
- Payment for each quarter shall be made only after adjusting for dropouts.

Assessment and Certification by Establishments (non-NAPS)

After completion of apprenticeship training, apprentices will need to go through an assessment to be conducted by the establishment. Certificates will be awarded by the establishments to apprentices based on marks obtained by them in the assessment by the establishment. A model template for certificate will be available on portal for adoption by the industry.

Assessment and Joint Certification under NAPS

Under NAPS, and in cases where the employer/ establishment opts for Joint certification, the assessment will be conducted jointly by the establishment and the concerned Sector Skill Council, (in case of Optional Trades) or the DGT (in case of Designated Trades). The theory part of this assessment

would be on line to be conducted through the SSC concerned / DGT, as the case may be, 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 who pass the assessment jointly by the establishment and the concerned Sector Skill Council /DGT. The assessment details will be uploaded on the portal and certificates, in approved formant will be eletronically generated and sent to establishments and successful apprentice.

Area	Sub Area	Agency
Practical	Practical Examination	Employer(on the shop floor)
Theory	Theory-(Online Examination)	Certifying Agency

Can an establishment with presence in multiple locations register centrally?

As per the definitions in Apprenticeship Act,1961.

- **"employer"** means any person who employs one or more other persons to do any work in an establishment for remuneration and includes any person entrusted with the supervision and control of employees in such establishment;
- **"establishment"** includes any place where any industry is carried on; 5 [and where an establishment consists of different departments or have branches, whether situated in the same place or at different places, all such departments or branches shall be treated as part of the establishments];

In point no. 2, it is specified that an establishment consists of different department and branches which can be situated at different places; all such branches shall be treated as part of establishment.

On apprenticeship portal, this functionality is already developed where TCI can register and add different office locations in case it wants to operate centrally. If TCI wants to operate in a decentralized manner, there is an option to register multiple branches also, and indicate Head Office and Branch Office structure for all registered branches.

Corporate Social Responsibility (CSR) funds be used for running Apprenticeship training:

Companies which are covered under the Apprentices Act shall undertake skill training under the Apprentices Act 1961. These companies can also undertake skill training from their CSR funds over and above the requirement under the Apprentices Act.

Apprentice on overtime

Section 15(2) of the Apprentices Act, 1961 provides as under:

Hours of work, overtime, leave and holidays

(1) The weekly and daily hours of work of an apprentice while undergoing practical training in a workplace shall be as determined by the employer subject to the compliance with the training duration, if prescribed];

(2) No apprentice shall be required or allowed to work overtime except with the approval of the Apprenticeship Adviser who shall not grant such approval unless he is satisfied that such overtime is in the interest of the training of the apprentice or in the public interest.

(3) An apprentice shall be entitled to such leave and holidays as are observed in the establishment in which he is undergoing training.

TPA Proposal under NAPS Scheme.

Clarification regarding engaging apprentices by establishment

Ministry of Skill Development & Entrepreneurship has vide letter no MSDE-1(1)/2018AP(PMU) dated 2nd April 2019 stipulated that Industries/establishments can engage apprentice from any of the following category of apprentices, as per their respective requirement to fulfil the mandate of Apprentices Act 1961(amended 2014) and Apprenticeship Rule (amended 2015)

- Trade apprentice
- Graduate apprentice
- Technician apprentice
- Technician (vocational) apprentice
- Optional trade apprentice

The sum of all total apprentices under various categories will qualify for compliance of provision of Section 7B (3) of Apprenticeship Rule (amended 2015). All establishment are accordingly required to post their Apprenticeship deployment plan on portal (while declaring the strength of manpower of the establishment) every quarter by the 15th of April, 15th of July, 15th of October and 15th January.

Apprentices are covered under Workmen's Compensation Act, 1923 or not

On perusal of the Apprenticeship Act and Rules – the rear specific provisions namely section 16 of the Act and Sch.5(I) (7) of the Rules (reproduced below) which clearly state that if personal injury is caused to an apprentice, by accident arising out of and in the course of his trainings an apprentice, his employer shall be liable to pay compensation which shall be determined and paid, so far as may be, in accordance with the provisions of the Workmen's Compensation Act, 1923.

Benefits to Employers

- ✓ Reimbursement of Rs. 1500/- (or 25% of stipend whichever is less) per apprentice per month towards stipend paid to candidates
- ✓ Financial Benefit of up to Rs. 7500/- (for 500 hours) per apprentice for training of apprentice
- ✓ Delinking of stipend from state's minimum wage rates (minimum stipend to be paid is linked to education qualification)
- ✓ Establishments can engage apprentices of age 18 years and above in normal working hours of the establishment (including night shifts).
- ✓ Trainees under NAPS Scheme are not entitled for any statutory contribution from the employer. Stipends paid do not attract any statutory deduction/ payment obligation on the part of the corporate/industry (No PF, ESIC etc.)
- ✓ Expenditure on engaging apprentices more than 2.5% can be booked under CSR liability/funds.
- ✓ Apprentices cannot participate in Union activities.
- ✓ The law related to labour /employments are not applicable to apprenticeship training.
- ✓ An employer is not obliged to employ the apprentice after of completion of apprenticeship.
- ✓ Extension of apprenticeship to non-engineering occupations.
- ✓ Industry can design and run Apprenticeships in customized courses
- ✓ The Apprenticeship Training helps in building a steady pool of talent, which is industry ready; to meet the Human Resources needs of an organization, at an optimum cost.
- ✓ Reduces expenditure on recruitment process
- ✓ Studies establish that loyalty factor in apprentices is relatively higher

Benefit to Candidates:

- Candidates as an apprentice undergoes extensive “on the job training” in an industry, which would enhance his employability.
- Receive Government and Industry Recognized Certification
- Earn a Stipend during Apprenticeship
- Choose a Profession that they want
- Acquire Specialized Skills through On-the-Job Training
- Gaining confidence in abilities: Practice makes perfect. If trainees learned about a specific technique in the classroom, they are able to test it out in the world of work. Then they will be much more equipped with the technique.
 - Develop Contacts - Working with professionals, the trainee will tap into a network that can offer references, advice and information about new technologies.
 - Focused Career Direction – The trainee will be able to explore his/ her subject preferences and develop it into a career.

- Convert training into a Future Job – After completion of On Job Training & working experience students becomes a preferred choice of any recruiter in the coming year.

Concept of TPA – Third Party Aggregator

- ❑ It has been observed that organization faces the issues like basic training to apprentices, documentation work, liasoning with apprentice board / SSC, addressing compliance issues, show cause notices, etc. Company need to deploy additional man power to carry out these procedures.
- ❑ In order to simplify and facilitate the process, Govt. of India has initiated to support the organization for apprenticeship training through third party agency who on behalf of the organization can carry out the required process.
- ❑ After outsourcing these activities organization can concentrate more on their core function and need not to engage additional manpower for the same.

About EduVantage

EduVantage, ISO 9001: 2015 certified organization, has more 9 years' experience in the skills ecosystem in assessments & apprenticeship sector. Some of our USPs are:

1. Affiliation & Partnership with **18 Sector Skill Councils & various Government Departments like DGT, Karnataka Skill Development Mission, Ministry of Minority Affairs etc.**
2. **MSDE Authorized TPA (Third Party Agency) for NAPS** implementation
3. **Partners for FICCI for NAPS implementation on Pan India basis**
4. Touched more than **2 Lakhs candidates last year for assessments or apprenticeship or placements**
5. Experience of Assessments Across Geography, even in North East and LWE areas
6. **ISO Certified**

EduVantage is as a TPA can take care of Mobilisation, administration, online claims & assessment, certification of trainees on behalf of establishment. EduVantage has its operations at all major industrial areas across India.

We are currently linked with 300+ establishments on NAPS portal, some of prominent ones being Ultratech cement, Bajaj Motors Ltd, Keventers, Luminous inverters, Kohinoor, Supreme, Exide, Shiroki Technico India Pvt Ltd, Polyplastics Industries, Fiem Industries Ltd,

JNS Instruments, Pranav Vikas, Mark Exhaust Systems Ltd, Gabriel, Mahle, Minda Industries Limited and many more

Quality Policy

We are committed to provide the best skill training with total involvement of all the members of the institution to attain continual improvement in achieving satisfaction of trainees, Industries and the Society.

Financial Proposal as a TPA for deployment of Apprentices Under NAPS Scheme

Training Proposal: To conduct 'On the Job Practical Training' to enhance employability of candidates under National Apprenticeship Promotion Scheme (NAPS).

A. Stipend: Company shall pay a minimum monthly stipend to the apprentices as per the qualifications stipulated in the apprenticeship curriculum during the period of apprenticeship training. Company can pay the stipend amount more than the prescribed min stipend amount.

B. Administrative Charges: Company shall pay an administrative fee to EduVantage on monthly stipend per trainee per month for assisting the company with the administrative support, registration, documentation, compliances, training & certification. Mobilisation support attracts a separate fee which will be decided mutually (Details in Commercial part).

C. Education & Training Charges: Industry Partner's responsibility.

D. Insurance: Industry Partner's responsibility.

E. Daily training Supervision (if required): Industry Partner's responsibility.

F. Reimbursement from Government to company: Reimbursement of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice. Eduvantage will facilitate for reimbursement from the Government.

Role of EDUVANTAGE as a TPA (Third Party Aggregator)

1. Mobilize candidates as per the needs & requirements of the organization
 - a. Numbers Required
 - b. Qualification
 - c. Location
 - d. Other demographic criteria (like age, gender, domicile etc.)
2. Comply with the provisions of Apprentice Act & to furnish all compliance, returns on portal on the behalf of Industry.
3. Ensure the candidate movement from place of origin to the destination (plant/office location). Make all the intermediate arrangements.
4. Collect all the details & documents required (total 20 mandatory details & documents which needs to collected from candidates & uploaded on NAPS portal. Without these details

- candidates cannot register on NAPS portal. In case some of these details are not available with candidates, then facilitate candidates in acquiring the same (eg bank account)
5. Complete registration of company on NAPS portal by providing and uploading necessary details and documents
 6. Enroll apprentices in company by facilitating contract generation and finalization between company and candidates. Ensure approval of the apprenticeship contract generated from appropriate authorities.
 7. Assist company in payment of stipend to apprentices through NAPS portal by entering/ uploading attendance details of apprentices on the portal for determination of amount payable to each apprentice, as per the guidelines.
 8. In case of early contract closure assist in closing the contract by coordinating with them respective authorities.
 9. Assist company in raising claims to MSDE for reimbursement of stipend paid to apprentices as per the policy.
 10. Post submission of the claim, following up with the authorities for the claim verification & approval.
 11. In case of any rejection, make necessary changes and re-submit the claim so that claim can be verified. Post claim verification, following up & coordination with authorities for reimbursement payment.
 12. At the end of apprenticeship, each apprentice will undergo an assessment by NAPS authorities. Assist company in planning & conducting the assessment. Also, we shall coordinate with concerned NAPS authorities for result publication etc.
 13. Submit any report asked by NAPS authorities on behalf of the establishment
 14. To operate NAPS portal on behalf of the organization. In case of any technical issues, coordinate with NAPS technical & back-end team for resolution of those issues.
 15. Be updated in terms of latest NAPS guidelines and nay changes from them on time-to time basis and to inform company on latest NAPS guidelines
 16. Submit any report asked by NAPS authorities on behalf of the establishment
 17. To get insurance coverage of apprentices engaged in Establishment.

Scope of Company:

- ✓ Enter into contract of apprenticeship with apprentices
 - ✓ Arrange / provide of basic training to fresher apprentice
 - ✓ Provide on-the-job training /practical training at his workplace to apprentice engaged by him.
 - ✓ Payment of prescribed stipend to apprentices
 - ✓ Facilities like shoes / uniform / insurance / transportation & Canteen as per Company Policy.
 - ✓ Follow all the NAPS guidelines, which may change from time to time
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To Know more details or for any clarification contact us on:



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