

**MSDE-5/01/2022-AP
(E-55199)
Government of India
Ministry of Skill Development & Entrepreneurship
(Apprenticeship Training Division)**

New Delhi, 25-08-2023

To

1. All the State Apprenticeship Advisers
2. All the Regional Directors, RDSDEs
3. Chief Executive Officer, NSDC

Subject: Guidelines for Implementation of National Apprenticeship Promotion Scheme-2 (NAPS-2)- Reg

Sir/ Madam,

The Guidelines for National Apprenticeship Promotion Scheme-2 (NAPS-2) is enclosed herewith for implementation with effect from the date of issue of this letter.

2. This guideline supersedes all other guidelines issued under the previous version of the scheme.

This issues with the approval of competent authority.

Yours faithfully,



(Ashutosh Kumar)
Deputy Secretary

Encl: As stated above

Copy for information to:

1. Sr PPS to Secretary (MSDE)
2. PS to JS(AT), MSDE
3. Sr. Economic Adviser, MSDE
4. Sr PPS to DG(T), DGT
5. PS to DDG, DGT
6. All Joint Apprenticeship Advisers (JAAs) / CEOs of all Sector Skill Councils (SSCs)
7. All Third Party Aggregators (TPAs)
8. All Basic Training Providers (BTPs)
9. DGM (IT &Digital), NSDC – with a request to upload this guideline on the portal and also ensure messages are sent through email and SMS to all stake holders.
10. Guard file 2023



**Guidelines for Implementation of National Apprenticeship Promotion Scheme-2
(NAPS-2)**



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Table of Abbreviations

| S. No. | Abbreviations | Full Form |
|---------------|----------------------|--|
| 1 | AA | Apprenticeship Adviser |
| 2 | AAA | Assistant Apprenticeship Adviser |
| 3 | AI | Artificial Intelligence |
| 4 | APB | Aadhaar Payment Bridge |
| 5 | API | Application Programming Interface |
| 6 | CAA | Central Apprenticeship Adviser |
| 7 | CAC | Central Apprenticeship Council |
| 8 | CEO | Chief Executive Officer |
| 9 | DBT | Direct Benefit Transfer |
| 10 | DSC | District Skill Committee |
| 11 | DT | Designated Trade |
| 12 | e-KYC | Electronic Know Your Customer |
| 13 | EPFO | Employees' Provident Fund Organization |
| 14 | GoI | Government of India |
| 15 | GST | Goods and Services Tax |
| 16 | IoT | Internet of Things |
| 17 | IRC | Implementation Review Committee |
| 18 | ITI | Industrial Training Institute |
| 19 | JAA | Joint Apprenticeship Adviser |
| 20 | JSS | Jan Shikshan Sansthan |
| 21 | MSDE | Ministry of Skill Development and Entrepreneurship |
| 22 | MSME | Micro, Small and Medium Enterprises |
| 23 | NAPS | National Apprenticeship Promotion Scheme |
| 24 | NATS | National Apprenticeship Training Scheme |
| 25 | NCS | National Career Service |
| 26 | NCVET | National Council for Vocational Education and Training |
| 27 | NPCI | National Payments Corporation of India |
| 28 | NSC | National Steering Committee |
| 29 | NSDC | National Skill Development Corporation |
| 30 | NSQF | National Skills Qualifications Framework |
| 31 | OJT | On-the-job Training |
| 32 | OM | Office Memorandum |
| 33 | OT | Optional Trade |
| 34 | OTP | One Time Password |
| 35 | PAN | Permanent Account Number |

| | | |
|----|-------|--|
| 36 | PFMS | Public Financial Management System |
| 37 | PMKK | Pradhan Mantri Kaushal Kendra |
| 38 | PMU | Project Management Unit |
| 39 | RBI | Reserve Bank of India |
| 40 | RDSDE | Regional Directorate of Skill Development & Entrepreneurship |
| 41 | SAA | State Apprenticeship Adviser |
| 42 | SIRC | State Implementation Review Committee |
| 43 | SMRC | Scheme Monitoring and Review Committee |
| 44 | SPSU | State Public Sector Undertaking |
| 45 | SSC | Sector Skill Council |
| 46 | SSDEC | State Skill Development & Entrepreneurship Committee |
| 47 | SSDM | State Skill Development Mission |
| 48 | TAN | Tax Deduction and Collection Account Number |
| 49 | TPA | Third Party Aggregator |
| 50 | TVET | Technical and Vocational Education & Training |
| 51 | UT | Union Territory |
| 52 | UTIRC | Union Territory Implementation Review Committee |

Government of India
Ministry of Skill Development and Entrepreneurship

**GUIDELINES FOR THE IMPLEMENTATION OF
NATIONAL APPRENTICESHIP PROMOTION SCHEME - 2
(NAPS - 2)**

1. Introduction to NAPS-2

1.1 Background

- 1.1.1 The National Policy on Skill Development and Entrepreneurship, 2015 focuses on apprenticeship as one of the key components for creating skilled workforce in India. Apprenticeship training can play a major role for on-the-job training (OJT), where youth can acquire skills by training on the industry shop floor, and earn stipend at the same time, for financial support. Globally, apprenticeship is considered as the best model for skill acquisition and earning while learning.
- 1.1.2 In the Indian context, the Apprentices Act, 1961 and the Apprenticeship Rules, 1992 were enacted with the objective to meet the demand of skilled workforce, to promote industrial economy, and to provide experiential learning opportunities to the youth. The Ministry of Skill Development and Entrepreneurship (MSDE) launched the National Apprenticeship Promotion Scheme (NAPS) on 19th August 2016 to provide financial incentives to the establishments engaging apprentice under the Apprentices Act, 1961.

1.2 Objectives of the scheme

- 1.2.1 National Apprenticeship Promotion Scheme-2 (NAPS-2) aims to promote apprenticeship training in the country, by providing partial stipend support to the apprentices engaged under the Apprentice Act, 1961, undertaking capacity building of the apprenticeship ecosystem, and providing advocacy assistance to the stakeholders.

1.2.2 It builds upon the efforts of the Government of India towards improving ease of doing business by simplifying processes of apprenticeship engagement and further accelerating the momentum created by the previous version of the scheme, i.e., NAPS. The comparison of NAPS-2 with NAPS is at *Annexure-I*.

1.2.3 The objectives of NAPS-2 are as follows:

- a) To develop skilled workforce for the economy by promotion of on-the-job experiential training.
- b) To encourage establishments to enrol apprentices by sharing partial stipend support to the apprentices.
- c) To provide up-skilling opportunities for candidates who have undergone short-term skill training offered by various Central and State Government initiatives.
- d) To encourage enrolment of apprentices in small establishments especially Micro, Small and Medium Enterprises (MSMEs), and those located in the underserved areas such as aspirational districts and North-East Region.

1.3 **Budget allocation**

1.3.1 NAPS-2 is a Central Sector Scheme (100% funded by the Central Government) and is one of the sub-components under the umbrella scheme of 'Skill India Programme'. The other sub-components are Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 4.0 and Jan Shikshan Sansthan (JSS).

1.3.2 Under NAPS-2, a budget of Rs 1,942 crore has been allocated for four (4) years from FY 2022-23 to FY 2025-26.

1.4 **Target for the period of FY2022-23 to FY2025-26**

The target is to enrol 46 lakh apprentices over a period of four (4) years from FY 2022-23 to FY 2025-26.

2. Key features

2.1. Apprenticeship Training

Apprenticeship training means a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship on prescribed terms and conditions, which may be different for different categories of apprentices. Under the scheme, training will be imparted in Designated Trades and Optional Trades.

2.2. Designated Trades (DT)

- 2.2.1. Designated Trade means any trade or occupation or any subject field in engineering or non-engineering or technology or any vocational course which the Central Government, after consultation with the Central Apprenticeship Council (CAC), may, notify in the Gazette.
- 2.2.2. Duration of apprenticeship training in DT for Industrial Training Institutes' (ITIs) pass-out candidates will ordinarily be one (1) year.
- 2.2.3. Duration of apprenticeship training in DT for fresher / non-ITI pass-out candidates will ordinarily be two (2) years.

2.3. Optional Trades (OT)

- 2.3.1. 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 employer¹.
- 2.3.2. Duration of apprenticeship training for OT will be six (6) months, nine (9) months, and twelve (12) months.
- 2.3.3. In certain cases, the duration can exceed one (1) year, subject to the approval from MSDE.

¹ Employer refers to any industry/ business/ organization unit for the scope of implementation of this scheme.

2.3.4. Compliance with National Skills Qualifications Framework (NSQF) under NAPS-2 will not be mandatory. However, partial stipend support by the Government to the apprentices will be restricted to NSQF aligned courses.

3. Eligibility to avail benefits

- 3.1. Minimum age for an apprentice is 14 years, and 18 years for designated trades related to hazardous industries, as per Section 3(a) of the Apprentices Act, 1961.
- 3.2. Apprenticeship training is primarily a transition from academia to workplace, and therefore, to avail partial stipend support by the Government, at the time of registration the upper age limit should be 35 years.

4. Basic training

- 4.1. In case of DT, notified through the Gazette, the duration of basic training will be as per the approved course.
- 4.2. In case of OT, basic training will be embedded in the course duration of apprenticeship. It will be of minimum two (2) weeks duration before the OJT and will focus on orientation/ induction into the establishment.
- 4.3. Induction will include an overview of basic hygiene, occupational health and safety, protocols for handling of hazardous material, etc.
- 4.4. No reimbursement of basic training cost will be provided under NAPS-2, both for DT and OT.

5. Stipend

- 5.1. Stipend to the apprentices will be paid by the employer as per the minimum rates prescribed under the Rule 11 of the Apprenticeship Rules, 1992. The existing minimum prescribed rates of stipend are provided at *Annexure-II*.
- 5.2. If the employer decides to participate in NAPS-2, partial stipend support by the GoI will be determined as per *para 6* of these guidelines.

5.3. The revision, if any, in the prescribed stipend rates (*Annexure-II*) would be implemented with the approval of CAC and will be applicable from the date of issue of the Gazette notification.

6. Funding support under NAPS-2

6.1. Partial stipend support by GoI under NAPS-2 will be limited to 25% of stipend paid, up to a maximum of Rs.1,500 per month, per apprentice during the training period.

6.2. The stipend support by GoI will be paid through Direct Benefit Transfer (DBT) to the bank account of apprentices.

6.3. No stipend support will be available under NAPS-2 to the Central and State Government Departments and Central and State Public Sector Undertakings/Enterprises, including Public Sector Banks.

6.4. Large private organisations will be encouraged to join a "Give It Up Campaign" and forego the stipend support by GoI under the scheme.

7. Processing of stipend support through DBT

7.1. Under NAPS-2, establishment will pay its share of the stipend (minimum 75%) to the apprentices as per the apprenticeship contract. On confirmation of payment of establishments' share of stipend, Government's share of stipend will be transferred directly to the bank account of apprentice through DBT. The entire process of DBT will be hosted on the apprenticeship portal (<https://www.apprenticeshipindia.gov.in/>).

7.2. The process flow for the implementation of NAPS-2 and DBT is illustrated at *Annexure-III* and the detailed guidelines on processing of stipend under NAPS-2 are provided at *Annexure-IV*.

8. Fund flow mechanism

8.1. The funds under NAPS-2 will be allocated as grants-in-aid by MSDE to National Skill Development Corporation (NSDC) through Public Financial Management

System (PFMS). Upon confirmation of the payment of establishment's share of stipend, NSDC will transfer the partial stipend support by GoI, through DBT to the bank accounts of the apprentices.

- 8.2. As mandated in the Rule 11(3) of the Apprenticeship Rules, 1992, the establishment will pay its share of stipend, to the bank accounts of the apprentices, by the tenth (10th) of the following month. Post payment of the stipend by the establishment, DBT will be initiated within 72 working hours.
- 8.3. The DBT payments will be streamlined by digital credentialing of apprentices and establishments (e-KYC, linkage with PFMS, Aadhaar-seeded bank accounts of apprentices etc.)

8.4. Committed liabilities under NAPS

8.4.1. MSDE will notify the sunset date for NAPS to settle the existing liabilities. With the launch of NAPS-2, the pending liabilities under the previous version of the scheme, i.e., NAPS will be processed through the respective apprenticeship advisers (RDSDEs/States/UTs/SSCs). A time period of six (6) months will be given to the establishments to submit the pending claims as follows:

- a) For claims till 31st March 2022: MSDE will allocate funds to RDSDEs/States/UTs/NSDC to settle any pending claims till FY 2021-22. Reimbursement of such claims will be processed as per the NAPS guidelines dated 1st October 2019.
- b) For claims from 1st April 2022 till launch of NAPS-2: During FY 2023-24, MSDE will allocated funds to NSDC to settle any pending claims for the period from 1st April 2022 till launch of NAPS-2. These claims will be processed by NSDC as per the OM No. MSDE-39/14/2022-AP dated 16.11.2022.

9. Roles and responsibilities of implementing, monitoring, and promotion agencies

- 9.1. **Ministry of Skill Development and Entrepreneurship (MSDE):** MSDE is responsible for the overall regulation, management, and monitoring of NAPS-2.

9.2. **National Council for Vocational Education and Training (NCVET):** NCVET is the overarching regulator establishing regulations and standards to ensure quality in the Technical and Vocational Education & Training (TVET) space.

9.3. **Regional Directorate of Skill Development & Entrepreneurship (RDSDEs):** As per the Apprentices, Act 1961, RDSDEs are appointed as Apprenticeship Advisers (AAs) in respect of Designated Trades for all establishments under the Central Government jurisdiction. They are responsible for the promotion, implementation, monitoring, and supervision of NAPS-2, including approval of contracts, examination, and certification of the apprentices, for their respective jurisdictions. They are also responsible for robust coordination with the State Government(s)/Union Territory (UT) Administration for enhancing stakeholder capacity building and awareness creation through campaigns, melas, workshops, seminars, etc. Further, RDSDEs in coordination with the concerned ITIs will reach out to other educational institutions, including schools, colleges, polytechnics, etc. in their jurisdiction to make apprenticeship training reach a larger segment of the youth.

9.4. **State Government/Union Territories (UT) Administration:** As per the Apprentices Act, 1961, the respective State Government and UT Administration are the appropriate authorities for the implementation of apprenticeship training for both Designated and Optional Trades, in respect of all establishments under their respective jurisdictions, for which they shall appoint State Apprenticeship Advisers (SAAs). The Government may also appoint Deputy and Assistant Apprenticeship Advisers to assist the State Apprenticeship Adviser in the performance of his functions as per the Section (27) of the Apprentices Act, 1961. To create a vibrant and robust apprenticeship ecosystem, States/UTs will ensure that apprenticeship engagement is regularly reviewed and monitored in the respective District Skill Committees (DSCs) and State Skill Development and Entrepreneurship Committees (SSDECs), with a focus on apprenticeship engagement by State departments and State Public Sector Undertakings (SPSUs).

9.5. **State Apprenticeship Advisers (SAAs):** As per the Apprentices Act, 1961, the SAAs are appointed as Apprenticeship Advisers (AAs) in respect of Designated and Optional Trades for all establishments under the State Government jurisdiction. They are responsible for the promotion, implementation, monitoring,

and supervision of NAPS-2, including approval of contracts, examination, and certification of the apprentices, for their respective jurisdictions. They are also responsible for stakeholder capacity building and awareness creation through campaigns, melas, workshops, seminars, etc., in coordination with the concerned RDSDEs. SAAs may appoint the Mission Directors (MDs) of the respective State Skill Development Missions (SSDMs) as AAs for Optional Trades. At the district level, SAAs may appoint Assistant Apprenticeship Advisers (AAAs) under the Act for effective implementation of the apprenticeship training.

- 9.6. **National Skill Development Corporation (NSDC):** NSDC is responsible for implementing, monitoring and supervision of apprenticeship in Optional Trades, through Sector Skill Councils (SSCs), for establishments under the Central Government jurisdiction. NSDC will manage the apprenticeship portal and release partial stipend support by the GoI to apprentices, for both Designated and Optional Trades via DBT. NSDC is also responsible for stakeholder capacity building and engagement; awareness creation through campaigns, melas, workshops, seminars, etc.; and advocacy and promotional activities.
- 9.7. **Sector Skill Councils (SSCs):** The SSCs, under the aegis of NSDC, are implementing apprenticeship training in respect of Optional Trades for all establishments under the Central Government jurisdiction. Under the Apprentices Act, 1961, Chief Executive Officers (CEOs) of SSCs have been appointed as Joint Apprenticeship Advisers (JAAs) via office order No. MSDE-6(1)/2018-AP dated 18th May 2018. They are responsible for the promotion, implementation, monitoring, and supervision of NAPS-2, including approval of contracts, examination, and certification of the apprentices, for their respective jurisdictions. They are also responsible for stakeholder capacity building and awareness creation through campaigns, melas, workshops, seminars, etc. SSCs will ensure establishments falling under their sector / concerned line ministries to actively engage apprentices.
- 9.8. **Industrial Training Institutes (ITIs):** Private and Government ITIs will create awareness about apprenticeship and will act as facilitators between their students and establishments for undertaking apprenticeship training. They will undertake apprenticeship promotional activities including organizing melas, workshops, seminars, etc in their respective ITIs. ITIs will also track their

students during apprenticeship and subsequent job placements for a minimum period of one (1) year. They will seek feedback from the employers on the quality and comprehensiveness of training imparted by the ITIs to improve the employability of their students. The nodal Government ITI principal, being the Member Secretary of the District Skill Committees (DSCs), chaired by the District Magistrate, will ensure that apprenticeship is part of the District Skill Development Plan (DSDP) created by the DSC.

9.9. **Third Party Aggregators (TPAs):** Empanelled TPAs by MSDE are the key partners towards bridging the demand of establishments for apprentices and the candidates aspiring to undertake apprenticeship training, with a special focus on MSMEs. They play key role in mobilising and counselling aspiring apprentices, meeting prescribed curriculum requirements, processing claims on behalf of establishments, facilitating assessments and issuing certifications. TPAs will proactively participate in the overall promotion of the scheme. They will also facilitate and track placements of the apprentices for at least one (1) year after apprenticeship training. TPAs will submit a monthly performance report to NSDC/MSDE as per the TPA guidelines for effective progress tracking and monitoring.

10. Administrative cost

10.1. The administrative cost under NAPS-2 will be allocated to Project Management Unit (PMU) at Central level, RDSDEs, State Governments/UT Administration, NSDC, and SSCs for the effective implementation of the scheme.

10.2. The indicative activities which can be undertaken under the 'administrative cost' for the effective implementation of NAPS-2 is at Table-1.

Table 1: Item-wise breakup of indicative activities

| Activity Head | Key activities |
|---------------------------------------|--|
| PMU at Central level | |
| • Project Management at Central level | A PMU will be set up at MSDE to monitor the progress of NAPS-2. This will be part of the 'unified PMU' being set up for the Skill India program. The |

| Activity Head | Key activities |
|--|---|
| | PMU will report to the Central Apprenticeship Adviser (CAA). It will ensure overall implementation and monitoring of the scheme along with submission of periodic reports. The roles and responsibilities of the PMU at Central level is at <i>Annexure-V</i> . |
| RDSDE | |
| • Capacity building, promotion, and advocacy | Capacity building of officials of RDSDEs, officials of State(s)/ UT(s), and establishments under their jurisdiction. Conducting and participating in workshops, seminars, media campaigns, mobilization, melas, etc. |
| • Project implementation and monitoring at RDSDE level for Designated Trades | Contract approval, ensuring assessment and certifications, ensuring apprenticeship training is in line with the contract, etc. |
| • Project Management at Regional level | A PMU will be set up at regional level to provide support and assistance to RDSDE for effective implementation and monitoring of NAPS-2. The roles and responsibilities of the PMU at RDSDE level is at <i>Annexure-VI</i> . |
| State Government/ UT Administration | |
| • Capacity building, promotion, and advocacy | Capacity building of officials of States/UTs, and establishments under their jurisdiction. Conducting and participating in workshops, seminars, media campaigns, mobilization, melas, etc. |
| • Project implementation and monitoring at State/UT level for Designated and Optional Trades | Contract approval, ensuring assessment and certifications, ensuring apprenticeship training is in line with the contract, etc. |
| NSDC | |
| • Execution and release of partial stipend support | The key activities related to execution of NAPS-2 and release of partial stipend support through DBT on behalf of GoI to the apprentices for both Designated and Optional Trades. |
| • Apprenticeship Portal | Portal development, management, and maintenance. |

| Activity Head | Key activities |
|--|---|
| <ul style="list-style-type: none"> Capacity building, promotion, and advocacy | <p>The key activities under capacity building, promotion, and advocacy to be updated as capacity building of officials of States/UTs, and establishments. Conducting and participating in workshops, seminars, media campaigns, mobilization, melas, etc.</p> |
| <ul style="list-style-type: none"> Project implementation and monitoring at SSC level for Optional Trades SSC | <p>Verification of contracts approved by JAAs on sample basis, target setting for SSCs, monitoring, assessment, and certification.</p> |

11. Apprenticeship portal

11.1. Implementation of NAPS-2 in terms of candidate and establishment registration, creation of apprenticeship courses, posting of apprenticeship opportunities, contract generation and management, payment of stipend to apprentices through DBT and other activities related to the lifecycle of apprenticeship training will be online and through the apprenticeship portal (<https://www.apprenticeshipindia.gov.in/>). In addition, the Act, Rules, Scheme Guidelines and Office Memorandums (OMs) released by MSDE would be uploaded on the portal, as and when required. Some of the relevant documents are listed below:

- The Apprentices Act, 1961
- The Apprenticeship Rules, 1992
- NAPS guidelines and other Gazette Notifications issued from time-to-time
- Office Memorandums (OMs) released by MSDE from time-to-time

11.2. The portal provides access to establishments, candidates, apprentices, State Governments/ UT Administrations, SSDMs, RDSDEs, SAAs, AAAs, NSDC, SSCs, TPAs and other stakeholders. Further, it is planned that details of all apprentices will be available on 'Skill India Digital' portal in due course of time.

11.3. Detailed user guides/ tutorials and support services for apprentices and establishments on easy use of the apprenticeship portal will be available in the

form of user manuals, instructional videos and chat-based/automated query resolution system on the apprenticeship portal.

- 11.4. NSDC will be responsible for managing apprenticeship portal and ensuring payment of stipend support through DBT to the apprentices upon receipt of approval through portal from Apprenticeship Advisers.
- 11.5. The apprenticeship portal (<https://www.apprenticeshipindia.gov.in/>) will have provision for interactive dashboard and reports for real time data availability, viz. age, gender, caste, State/ UT, district, sector, course (job role), training duration, etc. for all stakeholders. Also, provisions for accessing payment/ stipend details will be made available on the portal. A dashboard for claim status / DBT payment will be facilitated at the establishment/ apprentice levels in their login accounts on the portal. Dashboard interactive features will allow stakeholders to explore the data at a deeper-level and enable them to make data-driven decisions.
- 11.6. Further, to implement the scheme effectively, portal enhancements will be deployed to bring greater checks/ validations at the candidate-level (Aadhaar integration, e-KYC, bank account validation, OTP based login, etc.) and at the establishment-level (Permanent Account Number (PAN)/ Tax Collection Account Number (TAN)/ Goods and Services Tax (GST) integration, Employees' Provident Fund Organisation -EPFO). Integration with National Career Services (NCS) portal of Ministry of Labour and Employment (MoLE) and integration with Udyam portal of Ministry of MSME will be explored for enhanced data portability and tracking.
- 11.7. NSDC will also be responsible for bringing out periodic "Business Intelligence reports" highlighting any discrepancies and quickly develop IT/portal features and controls to rule out any inconsistency.

12. Anticipated outcome of the scheme

- 12.1. MSDE aims to train 46 lakh apprentices from FY2022-23 to FY2025-26. The scheme envisages greater promotion of apprenticeship in India and assisting stakeholders through various measures for accelerating the performance of

apprenticeship. The likely outcomes include last mile coverage, inclusivity of the scheme, and proper mapping for each State/UT in terms of supply and demand. Outcomes indicated below will be used to determine the impact of the scheme. Tracking outcome through Key Performance Indicators (KPIs) is critical to determine the impact of the scheme.

12.2. The following KPIs will be used to measure the outcome of the scheme:

Table 2: KPIs to determine the outcome of NAPS-2

| S. No. | KPI (Year-on-Year basis) |
|--------|---|
| 1. | % Increase in number of candidates registered and enrolled for apprenticeship training |
| 2. | % Increase in apprentices completing the training |
| 3. | % Increase in engagement of women apprentices |
| 4. | % Increase in engagement of apprentices from marginalized sections of society (SC/ST/OBC) |
| 5. | % of eligible establishments/apprentices availing DBT |
| 6. | % Increase in the number of establishments registered and engaging apprentices |
| 7. | % Increase in participation of establishments from MSME sector |
| 8. | Number of apprenticeship promotion activities including workshops and melas organized |

12.3. It is further envisaged to conduct periodic case studies and independent evaluations to measure the impact of the scheme.

13. Monitoring framework

13.1. Monitoring will be essential for the success of the scheme. The scheme will be monitored at three (3) levels:

- At Central level, a National Steering Committee (NSC) and a Scheme Monitoring and Review Committee (SMRC) will monitor the progress of the scheme.
- At Regional level, an Implementation Review Committee (IRC) will monitor the progress of the scheme.

- c) At State/ UT level, a State/UT-level Implementation Review Committee (SIRC/UTIRC) will monitor the progress of the scheme.
- 13.2. Separate OMs will be issued specifying the constitution, scope and role and responsibilities of the above committees.
- 13.3. Existing facilities available under RDSDEs, States/UTs and NSDC will be utilized for monitoring. The State Government/UT Administration through its SAAs and AAAs will be the backbone for monitoring both Designated and Optional Trades in every district. RDSDEs, throughout the country, will be monitoring the establishments under their jurisdiction for both Designated and Optional Trades. NSDC, through its network of SSCs, will monitor the scheme for all Optional Trade related activities.
- 13.4. Verification of establishments and apprentices: Apprenticeship portal will be the fulcrum for the scheme monitoring. The apprenticeship portal will capture all essential credentials of the candidates and establishments. These credentials will be verified against public databases such as PAN, TAN, GSTIN, EPFO, etc. through Application Programming Interface (API) integrations, to the extent possible. For all the details that cannot be verified through API integrations, AAAs will mandatorily verify eligibility criteria for the establishments and candidates before the contracts are issued under NAPS-2.
- 13.5. Physical verification: In addition, RDSDEs, States AAAs/AAAs and SSCs would be responsible to monitor the on-ground progress of the apprentices periodically through sample checks of apprentices and employers every quarter. The apprenticeship portal will facilitate such monitoring and capture the results thereof.
- 13.6. To enhance and track the conversion of apprentices to employment, apprentices, on successful completion of their training, will be provided with a provision of quick registration on the National Career Service (NCS) portal of Ministry of Labour and Employment.

14. Grievance redressal

14.1. Grievance redressal is an essential component of NAPS-2. The scheme will have a grievance redressal mechanism in place to address the concerns and complaints of all stakeholders. The key features of the grievance redressal system are listed below:

14.1.1. Apprenticeship portal: All stakeholders including apprentices, establishments, TPAs, AAs, etc., will be able to submit their queries or grievances via the query redressal tool linked to the apprenticeship portal. The tool allows for easy registration of the queries, real time tracking, and updates on the resolution status.

14.1.2. Dedicated call centre: The call centre will address grievances received through the NAPS-2 helpline. The helpline executives would be responsible for addressing the grievances promptly and providing a resolution within a stipulated time frame.

14.1.3. Grievance escalation: In case the grievance is not resolved within the stipulated time frame, it would be escalated to the higher authorities as per the escalation matrix. Authorities will be designated at the State (SAAs) and Central levels (RDSDEs, JAAs, CAA) to address grievances.

15. Convergence with other Government schemes and innovative models

15.1. Convergence will be sought with other apprenticeship/ OJT promotion schemes of the Government.

15.2. Candidates from skill development programmes such as Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY), National Urban Livelihoods Mission (NULM), Pradhan Mantri Kaushal Vikas Yojana (PMKVY), etc. will be encouraged to take up apprenticeship training to enhance their skills and employability.

15.3. In order to boost apprenticeship engagement in the ever-growing infrastructure sector, NAPS-2 will be linked to flagship Government infrastructure programs via platforms such as Gati Shakti.

15.4. Innovative models to preserve and upgrade existing apprenticeship systems in the informal economy, with a focus on craftsman, artisans, traditional skills, etc., will be taken up under NAPS-2. Such innovative models are essential towards advancing apprenticeship training, addressing skills gaps, encouraging employer participation, and scaling up successful models.

16. Communication, advocacy, and capacity building plan

16.1. The objective of the communication, advocacy, and capacity building plan is to promote NAPS-2 effectively, create awareness, highlight benefits, increase candidate enrolment, drive industry participation, and strengthen the overall apprenticeship training ecosystem.

16.2. Key components:

16.2.1. Based on the target audience, a communication kit and key messages will be developed in suitable formats for print, electronic, and social media.

16.2.2. Workshops, seminars, webinars, etc. will be organized with the stakeholders including candidates, establishments, industry associations/chambers of commerce, industry clusters with a special focus on participation from MSMEs, academic institutions, AAs, Skill India training partners, TPAs, Pradhan Mantri Kaushal Kendras (PMKKs), ITIs, JSSs, etc.

16.2.3. Training and capacity building sessions focussed on the apprenticeship portal, guidelines, and policy will be conducted from time-to-time to strengthen the ecosystem.

16.2.4. Ensuring media coverage of the promotional and awareness campaigns, sharing success stories, testimonials, best practices and leveraging influencers, brand ambassadors for enhanced outreach and visibility.

16.2.5. Skill champions at national and global level will be roped in as role models for apprentices to inspire and mobilize youth.

17. Sunset date and scheme evaluation

- 17.1. Sunset date of NAPS-2 is 31st March 2026.
- 17.2. MSDE will issue a separate notification with regards to sunset date of the previous version of the scheme, that is, NAPS.
- 17.3. Periodic performance reviews and independent/third-party mid-term and end-term evaluations of NAPS-2 will be conducted to assess the impact created.

18. Act of misuse

Any establishment found misusing the benefits under the scheme or not conducting training as per the Apprentices Act, 1961 and Apprenticeship Rules, 1992 will face action as per extant laws. Any establishment and TPA found misusing the scheme will be blacklisted and will not be allowed to participate further.

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Annexure-I
NAPS-2 Comparison with NAPS

A comparison of NAPS-2 with previous version of the scheme (NAPS) is as follows:

| S. No. | Feature | NAPS | NAPS-2 |
|---------------|--|--|--|
| 1 | Name | National Apprenticeship Promotion Scheme (NAPS). | National Apprenticeship Promotion Scheme-2 (NAPS-2). |
| 2 | Stipend Support | Reimbursement of 25% of prescribed stipend (up to a maximum of Rs.1,500 per month, per apprentice) to establishments by GoI. | Partial stipend support by GoI under NAPS-2 will be limited to 25% of stipend paid, up to a maximum of Rs.1,500 per month, per apprentice during the training period through DBT to the apprentices' bank account. |
| 3 | Funding Support to Government departments and Public Sector Undertakings (including public sector banks). | Available. | Not Available. |
| 4 | Basic Training Cost | Sharing of basic training cost with BTPs up to a maximum of Rs. 7,500 per apprentice (up to 500 hours @Rs 15 per hour) by GoI. | No reimbursement for BTPs. Basic training embedded in the total course duration of apprenticeship training. |
| 5 | Fund flow mechanism | Establishments pay full stipend to the apprentice as per the contract. | Establishments pay at least 75% of the stipend to apprentices and GoI pays 25% of the stipend, up to a maximum of Rs 1,500 per month per |

| S. No. | Feature | NAPS | NAPS-2 |
|--------|---------------------------|--|--|
| | | apprentice. | |
| | | For establishments under the jurisdiction of RDSDEs and States, reimbursement of stipend from Gol is through a manual process. | Partial stipend support by Gol will be transferred directly in the bank account of apprentice through DBT via PFMS. |
| 6 | Age of Apprentices | As specified in the Apprentices Act, 1961 | To avail partial stipend support under NAPS-2, upper age limit for apprentices will be 35 years at the time of registration on the portal. For establishments that do not want the partial stipend support under NAPS-2, the upper age limit will be as specified by the Apprentices Act, 1961. |

Annexure-II

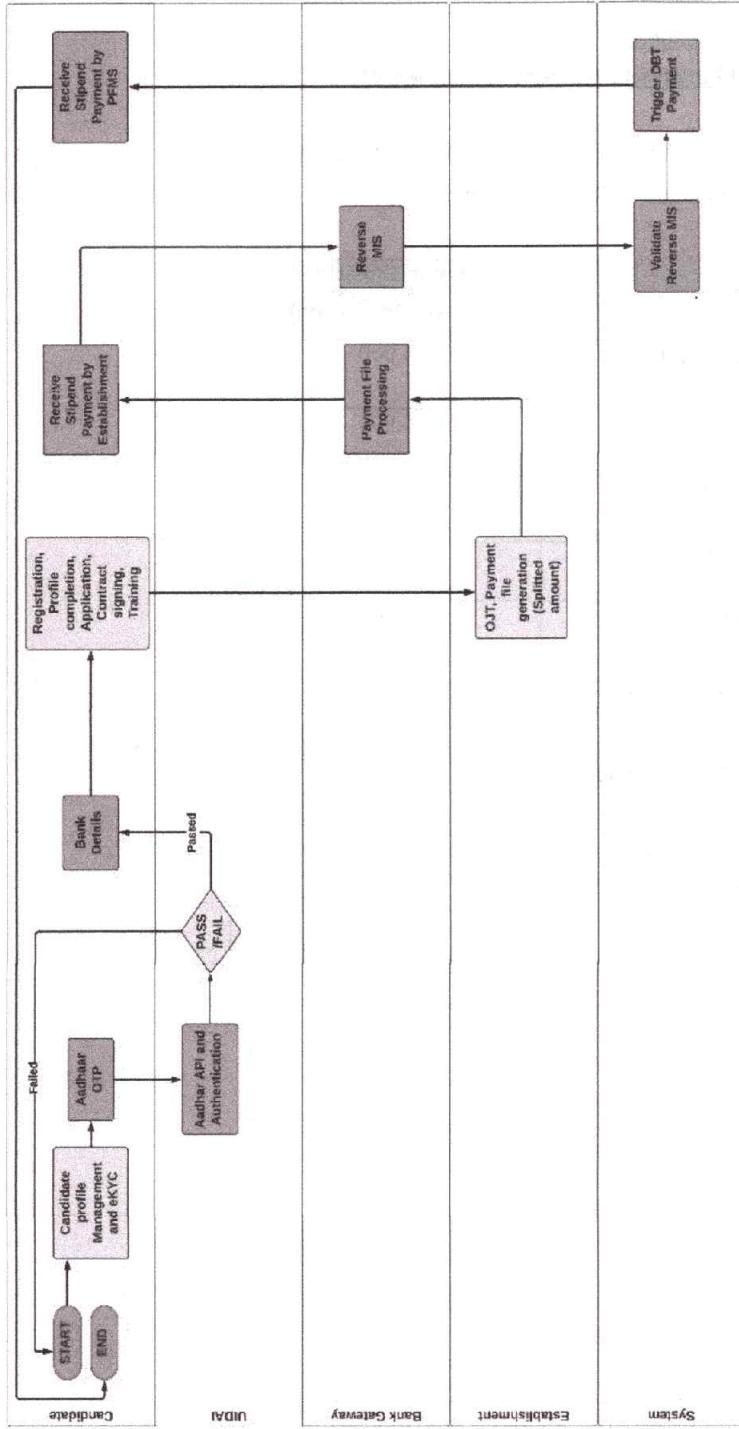
Minimum Rate of Stipend Payable to Apprentices per Month

The minimum rate of stipend payable to apprentices per month as per Rule 11 of the Apprenticeship Rules, 1992 and Amendments (up to 2019) is as follows:

| S. No. | Category | Minimum Stipend rate (In Rs. Per month) |
|---------------|--|--|
| i. | School pass-outs (Class 5 th – Class 9 th) | 5,000 |
| ii. | School pass-outs (class 10 th) | 6,000 |
| iii. | School pass-outs (class 12 th) | 7,000 |
| iv. | National or State Certificate holder | 7,000 |
| v. | Technician (vocational) apprentice or Vocational Certificate holder or Sandwich Course (Students from Diploma Institutions) | 7,000 |
| vi. | Technician apprentices or Diploma holder in any stream or Sandwich Course (Students from Degree Institutions) | 8,000 |
| vii. | Graduate apprentices or Degree apprentices or Degree in any stream | 9,000 |

Annexure-III

Process Flow for the Implementation of NAPS-2



Approved

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Annexure-IV

**DIRECT BENEFIT TRANSFER GUIDELINES UNDER
NATIONAL APPRENTICESHIP PROMOTION SCHEME-2 (NAPS-2)**

1. Background

- a. On 21st April 2022, Hon'ble Union Minister of Education and Skill Development & Entrepreneurship announced that "The Government of India will directly transfer its contribution of Rs 1,500 under National Apprenticeship Promotion Scheme (NAPS) in the bank account of apprentices. The establishment will transfer the remaining stipend share directly to the apprentices".
- b. Accordingly, the National Apprenticeship Promotion Scheme (NAPS) will be a Direct Beneficiary Transfer (DBT) scheme with the Government of India (GoI) support going directly to the apprentices instead of reimbursement to the establishment as earlier. Thus, the Government will directly pay the apprentices 25% of the stipend payable up to Rs 1,500 per apprentice per month.
- c. DBT offers comprehensive advantages such as identifying the leakages in financial disbursement under NAPS, formalizing the offline modes of stipend payment system, moving away from long delays from claiming reimbursements and most critically promotion of apprenticeship among youth thereby creating increased demand amongst candidate groups to choose Apprenticeship as a skilling vehicle.
- d. As mandated in the Rule 11(3) of the Apprenticeship Rules 1992, the establishment shall pay the stipend to the apprentices by the tenth (10th) of the following month and the stipend shall be paid in bank account of the Apprentices. Subsequent to the payment of stipend by establishment to the apprentices, the DBT will be initiated within 72 working hours.

2. Operationalisation of DBT:

- a. DBT has been initiated in pilot mode under the current version of the NAPS.
- b. This will be scaled up every month to cover more apprentices till the new version of NAPS, i.e., NAPS-2 is launched.

c. Once NAPS-2 is launched, establishments will have an option to choose for every apprenticeship contract whether they would like to avail the financial benefit under NAPS-2 or not.

- i. Contracts where the establishment chooses to take the financial benefit will be DBT contracts (also referred to as NAPS-2 contracts).
- ii. Contracts where the establishment chooses not to take the financial benefit will be non-DBT contracts (also referred to as non-NAPS-2 contracts).

3. Apprenticeship contract creation:

a. Establishments will be able to issue a contract only to those candidates who have updated their Aadhaar numbers and completed e-KYC on the apprenticeship portal.

b. New contracts:

- i. At the time of contract creation, an establishment will have to choose whether it would like to avail financial benefit under NAPS-2 or not.
- ii. If establishment chooses to take the benefit, the contract would be considered as a DBT contract (NAPS-2 contract). At this stage, once the establishment enters the stipend amount in the contract, the portal will show the establishment share and GoI share. This split will be incorporated in the contract.
- iii. If establishment chooses not to take the benefit, the contract would be considered as a non-DBT contract (non-NAPS-2 contract). Such a contract will reflect that the entire stipend amount will be paid by the establishment.

c. Existing contracts:

- i. Establishments can exercise the following options:
 - a) Contracts which are currently created as NAPS contracts can be updated either to DBT Contracts or Non-DBT Contracts.
 - b) Contracts which are currently created as non-NAPS contracts can only be updated to non-DBT contract.

4. Aadhaar number and e-KYC for candidates:

a. Aadhaar number update and e-KYC completion have been made mandatory for all candidates.

- b. For all candidates currently undergoing apprenticeship training, this activity needs to be completed immediately.
- c. For candidates already registered on the portal without a contract, this activity will be completed latest by 31st December 2022 or before issuing a contract, whichever is earlier.
- d. With immediate effect, new candidate registration on the apprenticeship portal will only be completed once a candidate has entered his/her Aadhaar number and completed the e-KYC.
- e. Mobile OTP based authentication will be mandatory for all candidates.

5. Role of candidates in DBT:

- a. Before signing/ accepting an apprenticeship contract under NAPS-2, the candidate will have to give their consent that they are entering into a contract with a DBT component and enter their bank account details on the portal. The candidates should give consent for entering into the contract with the DBT component and entering their Aadhaar linked Bank Account details on the portal.
- b. The bank account details of the candidate will be verified by the portal and will give consent to receive DBT to the declared account. The bank account of the candidate can only be in a Scheduled Bank under RBI (excluding Scheduled Regional Rural Banks and Scheduled Foreign Banks). The list of all such Banks will be available on the apprenticeship portal.
- c. NAPS-2 will use Aadhaar Payment Bridge (APB) through NPCI for DBT to the apprentices Aadhaar linked bank accounts.
- d. It is encouraged that the establishments also pay their share of the stipend to the apprentices in the same bank account as entered by the candidate on the portal.

6. Stipend Payment:

Illustration:

- a. If contract stipend is Rs. 5,000 and establishment declares that total stipend to be paid is Rs. 5,000, then establishment share will be Rs. 3,750 and Gol share will be Rs. 1,250.
- b. If contract stipend is Rs. 10,000 and establishment, after adjusting for attendance/unauthorized leaves, decides that the total stipend to be paid is Rs. 6,000 due to 60% attendance, then establishment share will be Rs. 4,500 and Gol share will be Rs. 1,500.
- c. If the stipend payable is above Rs. 6,000 per month, the Gol share will be capped at Rs 1,500 per apprentice per month.

6.1 Stipend payment for DBT contracts

- a. The stipend payment module on the apprenticeship portal will require the establishment to update the stipend amount payable to each candidate for the month.
- b. The portal will then split the stipend amount payable into stipend payable by establishment and stipend payable by Gol via DBT.
- c. The establishment will pay the stipend payable by them to the apprentice via the payment solution on the portal (currently available as the virtual account method).
- d. On receipt of payment confirmation from apprentice's bank for the establishment's share of stipend, stipend payable by Gol, i.e., DBT, will be automatically triggered. Stipend payment to candidate by Gol via DBT will be made only on the basis of payment made by establishment.
- e. Stipend payment confirmation of Gol share, i.e., DBT will also be available against each candidate on the portal.

- f. Updates on DBT payment will also be communicated to the candidate via SMS.
- g. In case the DBT payment fails, the status along with the reason will also be available on the apprenticeship portal against the apprentice concerned.
- h. Failed payments will be re-initiated automatically after the reason for failure is addressed.

6.2 Stipend payment for non-DBT contracts

- a. The stipend payment module on the apprenticeship portal will require the establishment to update the unauthorized absence(s) and stipend amount payable to each candidate for the month.
- b. The stipend payment module on the apprenticeship portal will require the establishment to update the stipend amount payable to each candidate for the month.
- c. Cash payment of stipend is not permitted.

7. Grievance Redressal:

- a. All DBT-related grievances will be addressed via a query resolution tool that will be linked to the apprenticeship portal. Appropriate automated escalation shall be triggered in case grievance is not addressed in the suggested timelines.

8. Role of Apprenticeship Adviser:

- a. The Apprenticeship Advisers will conduct physical verification of at least 10% establishments under their jurisdiction every quarter to ensure apprenticeship is being conducted as per the contract.
- b. The Apprenticeship Advisers will also have the access on the portal to view the stipend payment lifecycle for establishments and candidates under their jurisdiction.
- c. Whenever so required, the Apprenticeship Adviser will conduct physical verification to address grievances/queries of establishments and candidates under their jurisdiction.

- d. Any other instructions from Central/ State level for effective implementation of the scheme.

9. Act of Misuse:

Any establishment found misusing the benefits under the scheme or not conducting training as per the Apprentices Act, 1961 and the Apprenticeship Rules,1992 will face action as per extant laws. Any establishment found misusing the scheme should be blacklisted and will not be allowed to participate further in the scheme.

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Annexure-V
PMU at Central Level: Roles and Responsibilities

The Roles and responsibilities of PMU at Central level is as follows:

| S. No. | Expected Deliverable | Types of activities | Frequency |
|---------------|--|---|----------------------|
| 1 | Portal management (Key expert) | Support in end-to-end management of apprenticeship portal, resolving technical glitch and maintaining dashboards | Daily |
| | | Analysing apprenticeship datasets and drawing policy level inferences | Monthly |
| 2 | Monitoring and evaluation | Support MSDE in regular follow up with various stakeholders, conducting periodical reviews on various parameters of the scheme | Monthly |
| | | Regular follow up with State Skill Development Missions (SSDMs), Regional Directorates of Skill Development and Entrepreneurships (RDSDEs) | Weekly |
| | | Handling issues related to Sector Skill Councils (SSCs), Third Party Aggregators (TPAs). | Weekly |
| | | Visiting the allocated States/UTs and tracking the progress in the implementation of the scheme | Monthly |
| 3 | Capacity building, awareness (Publicity campaign information, education, and communication-) | Assist and coordinate organization of meetings, workshops, conferences, training, and related activities relevant to the implementation of the project (online/offline) | As and when required |

| S. No. | Expected Deliverable | Types of activities | Frequency |
|--------|---|--|----------------------|
| | IEC). | Designing of outreach/communication campaigns for various stakeholders | As and when required |
| | | Conducting event namely melas, workshops or any other major initiative of MSDE | Monthly |
| 4 | Policy initiatives and coordination (Key expert) | Preparation of concept notes, briefing papers, case studies, success stories, etc. Compilation of lessons-learned, international best practices and innovative models of apprenticeship training | Regular activity |
| | | Develop high quality documents pertaining to any changes in the policy, guidelines, scheme, etc. | Quarterly |
| 5 | Grievance Redressal | Assist in resolving all types of grievances, portal related processes, addressing issues related to examination and direct benefit transfer | Daily |
| | | Timely closure of grievances within stipulated timeframe and submit status report | Weekly |

Annexure-VI

PMU at Regional Level: Roles and Responsibilities

The roles and responsibilities of PMU at Regional level is as follows:

| Nature of Duties | Major functions |
|----------------------------------|--|
| Support and Assistance to RDSDEs | <ul style="list-style-type: none">• Support RDSDE officials in stakeholder capacity building and engagement; awareness creation through campaigns, melas, workshops, seminars, etc.; advocacy and promotional activities, data compilation and report submissions.• Undertake awareness drives in the respective educational institutions, including schools, colleges, ITIs, polytechnics, etc. to make apprenticeship training reach a larger segment of the youth.• Mobilize and onboard candidates and establishments on the apprenticeship portal, provide them portal assistance and support throughout the apprenticeship training lifecycle.• Assist in providing placement support to the candidates upon completion of their apprenticeship training.• Support RDSDE officials in the monitoring, periodic reviews and evaluations of the scheme from time-to-time.• Assist in conducting periodic meetings with State Government Officials dealing with State Apprenticeship Monitoring Cell on various Central/ State level apprenticeship promotion projects and initiatives |

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