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Newsflash – Obligations of Employer under the Apprenticeship Act,
1961& Apprenticeship Rules, 1992



1. Applicability of the Act:

| Applicability criteria | Remark |
|---|--|
| 5 or less employees | Engagement of apprentice is not permitted |
| 6-40 employees | Engagement of apprentice is Optional |
| Above 40 employees (Including Contracted Employees) | Minimum 2.5 % and Maximum 10% of total number of employee strength |

2. Eligibility of the Act:

- Above age of 14 years at the time of enrolment.

| Qualification | Type of Apprentice |
|-----------------------------|-------------------------------------|
| Fresher/ ITI Pass-outs | Trade Apprentice |
| Vocational (10+2) pass outs | Technician (Vocational) apprentices |
| Diploma holders | Technician Apprentices |
| Graduate Engineers | Graduate apprentices |

3. Establishment Covered under the Act:

- Manufacturing and Service Sector

Maximum and Minimum limit for apprentice in Establishment: (2.5% to 10%)

Total Employee (Including Contractor) working in Establishment = 100

$100 \times 2.5\% = 2.5$ or 3 employee (Minimum)

$100 \times 10\% = 10$ employee (Maximum)

4. Definition of Designated Trade(Section.2 of the Apprentice Act): (Means all Notified Trade)

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, may, by notification in the Official Gazette, specify as a designated trade for the purposes of this Act. Designated Trade also none as "Trade Apprentice"

5. Definition of Optional Trade (Section.2 of the Apprentice Act): (Trade defined by Employer)

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 purposes of this Act.

6. Establishment and Apprentice Registration Portal:

- For Designated Trade: apprenticeship.gov.in
- For Optional Trade: apprenticeshipindia.org



- MATS- Mukhyamantri Apprentice Yojana: From 1st April, 2018, Establishment registration is compulsory on this portal.
- Now government has decide to link Designated and Optional Trade in one Portal which is apprenticeshipindia.org
- If Apprentice registration/ contract letter is not register/generate due to any portal error, Apprentice registration portal have a provided facility to register apprentice on back date using portal apprenticeshipindia.org

7. Contract of Apprentice (Sec.14 of Apprenticeship Rules,1991):

- Every employer shall send Apprenticeship registration contract to the Apprenticeship Adviser within 30days from the date of registration/appointmentuntil a portal-site is developed by the Central Government.
- Thereafter the details of contract of apprenticeship shall be entered on the portal-site within seven days, for verification and registration.
- In the case of objection in the contract of apprenticeship, the Apprenticeship Adviser shall convey the object to the employer within fifteen days from the date of its receipt.
- Every Establishment shall maintainfollowing documents with Sign Contract Letter:
 1. Aadhar Card, PAN Card
 2. Qualification Documents
 3. Birth Certificate/ School Leaving Certificate
 4. Medical Fitness Certificate
 5. Guardian Aadhar Card in case of Minor Apprentice

8. Training Period of Apprenticeship(Section.6 of the Apprentice Act& Rules- 7):

Designated Trade:

Training period is Minimum 6 month to Maximum 3 year (According to Trade) and it could be 4 year in few trades.

- The establishment can extend the above mentioned period of his/her Apprenticeship until he/she completes the full apprenticeship course & the next test/exam held if required by Apprenticeship Adviser in case of:
 - He/she unable to complete full course due to illness or other circumstances which is beyond his/her control.
 - Strike or Lock-out or Lay-off in an establishment and not instructed for the same, the period of his apprenticeship training shall be extended for a period equal to the period of strike or lock-out, lay –off & He shall be paid stipend during the period of such strike or lock-out or lay-off for a Maximum 6 months or whichever is less.

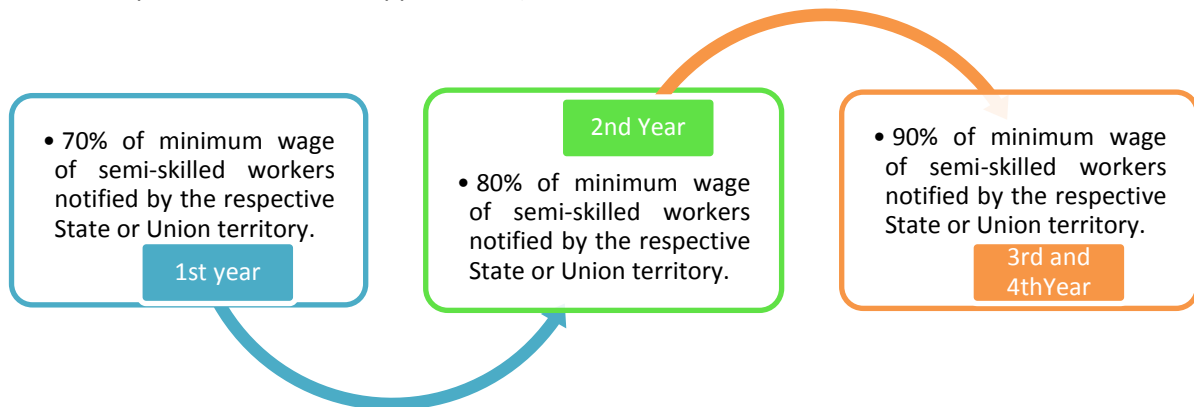


- For Seasonal Business, a trade apprentice may complete his apprenticeship period within 5 years or double the duration of apprenticeship training whichever is less from the date of starting his apprenticeship training.
- If the strike/lock out/ lay off is likely to continue for a longer period, the employer shall follow the procedure for novation of contract of apprenticeship for the apprentices.

Optional Trade: Training period shall be Minimum 6 months to Maximum 2 years.

9. Payment of stipend to Apprentices:

- Rates of stipend for the Trade Apprentices (Revised w.e.f. 22-09-2014):



- Rates of stipend for Graduate, Technician and Technician (Vocational) apprentices (Revised w.e.f. 19-12-2014)

| Categories of Apprentices | Rates of stipend (per month) |
|--|------------------------------|
| Engineering graduates | Rs. 4984 |
| Sandwich course (Students from degree institutions) | Rs. 3542 |
| Technician Apprentices | Rs. 3542 |
| Sandwich course (Students from diploma institutions) | Rs. 2890 |
| Technician(Vocational) Apprentices | Rs. 2758 |

- The stipend for a particular month shall be paid by the 10th day of the following month.
- The stipend shall be paid through the bank account of apprentices.
- No deduction such as PF, ESIC, and PT shall be made from the stipend for the period during apprenticeship training.
- No output bonus or incentive for apprentice.
- Where the work and conduct of the apprentice is not satisfactory, the employer shall report to apprenticeship adviser and with his consent, the employer may stop the continuance payment of stipend to the apprentice. Stipend cannot be stopped without intimating him and giving an opportunity of representing against the action proposed.



- If, the apprenticeship adviser fail to give his decision within 30 days of the receipt of the report from the employer and if apprenticeship adviser does not communicate to the employer any refusal to consent to stopping of payment of stipend within 30 days, and then it shall be deemed to have consented to the stopping the payment of stipend to the apprentice.

10. Training Hours of Apprentice(Section.12 of Apprenticeship Act 1961):

- Apprentice shall work the total number of hours per week shall be 42 to 48 hours.

| Year of Apprenticeship | Permissible Working Hours |
|---------------------------------------|--|
| During Basic Training Period | 42 hours a week |
| During Second Year | 42 to 45 hours week |
| During Third Year and Subsequent Year | Same working hours as the other workers in this trade. |

- Apprentice Training shall not be engage between 10:00 p.m. to 6:00 a.m. except give prior approval of apprenticeship adviser if he is satisfied.
- No apprentice shall allow Overtime except with the approval of Apprenticeship Adviser.
- Graduate, Technician and Technician (Vocational) Apprentices shall work according to the normal hours of work of the department in the establishment to which they are attached for training.

11. Basic Training Facility:

| Basic Training (Optional Trade) | Period for Basic Training |
|--|----------------------------------|
| For the period of One Year Training | 1Month to 3 Month |
| For the period of Two Year Training | 2 Month to 6 Month |

- If employer having more than 500 employees, the basic training institute shall set up by employer himself/ shall set up by 2 or more employer together.

12. Establishment as Training Provider:

- An Establishment can register as “Training Partner” on Portal apprenticeshipindia.org and will get “Training Partner Number” on register mail Id within one week. After successfully registration as “Training Partner” we have to edit the establishment details on portal.



- Training Provider means to support the establishments, who do not have in house Basic Training Facilities to set up such facilities in house or at a centre outside its premises or to engage Training Partners to undertake the Basic Training activity on their behalf for fresher apprentices who need to undergo such Basic Training before joining the on the job Training under the Apprenticeship program.

13. Documents need to be maintained:

For Designated Trade: Every establishment shall maintain daily work record related apprenticeship training from workshop. Refer **Annexure-I**

For Optional Trade: Every establishment shall maintain records related apprenticeship training on monthly basis.

1. Work diary with signature of Supervisory and Apprentice
2. Attendance Register
3. Stipend Register
4. In-Out punch data

14. Leave and Holiday of Apprentice(Section.15 of Apprenticeship Act,1961):

- An apprentice shall be entitled to such leave and holidays as are observed in the establishment in which he is undergoing training.
- Means whatever leave and holiday provisions are applicable for employee in the establishment, the same provisions/rules implied for an apprentice.

15. Employer's liability for compensation any injury(Section 16 of Apprenticeship Act,1961):

- If personal injury is caused to an apprentice, by accident arising out of and in the course of his training as an apprentice, his employer shall be liable to pay compensation in accordance with the provisions of the Workman's Compensation Act, 1923.(Sec.2(e))

16. Health, Safety and Welfare to apprentice (Sec.14 of Apprenticeship Act, 1961):

- If any apprentice is undergoing training in a factory, the provision of Chapter III, IV, V of the sec.63 of factory act, 1948 shall apply to apprentice.
- If any apprentice is undergoing training in a Mine, the provision of Chapter V of the sec.35 of Mine act, 1952 shall apply to apprentice.



17. Resign/Terminate the Apprenticeship Contract:

- As per confirmation with Apprentice Adviser, now onwards if any apprentices resign/terminate the apprenticeship contract then establishment has not required to mail to department, but has to maintain Resignation/Termination Letter with Stamp and Signature of Authority person as well as Apprentice.

18. Compensations for termination of Apprenticeship:

- If Contract of apprenticeship is **terminated by Employer** in case of failure to carry terms and conditions of the contract, employer is liable to pay the apprentice compensation of his last drawn three month's stipend.
- If Contract of apprenticeship is **terminated by Apprentice** in case failure on the part of apprentice, then the training cost of his last 3 month's drawn stipend shall be recoverable from apprentice or his guardian in case he is minor.

19. Offer and Acceptance of employment:

- There is no objection to give employment offer to apprentice from establishment after completion apprenticeship training, nor any objection for apprentice to accept employment with establishment.

20. National Apprenticeship Promotion Scheme:

National Apprenticeship Promotion Scheme (NAPS) is a new scheme of Government of India to promote apprenticeship. It was launched on 19th August 2016.

- Reimbursement of 25% of prescribed stipend subject to a Maximum of Rs. 1500/- per month per apprentice by the Government of India to all employers who engage apprentices. (Means 25% or 1500 whichever is less)
- Reimbursement of cost of basic training (up to a limit of Rs. 7500/- for a Maximum of 500 hours/3 months) by the Government of India to Basic Training Providers (BTPs) in respect of apprentices who come directly for apprenticeship training without any formal training. (Establishment Registration under BTP is Required)

21. Eligibility and requirement of Employer for NAPS benefit:

- Employer validation through TIN/TAN and EPFO/ESIC/LIN/ any other identifier decided by Govt.
- Aadhar linked bank account
- Establishment Registration on **Mukhyamantri Apprentice Yojana Portal**.

22. Eligibility and requirements of Apprentice for NAPS benefit:

- Aadhar linked bank account



23. Require documents for getting NAPS benefit:

- Stipend Reimbursement sheet for particular quarter
- Establishment registration proof (PF, ESIC, Factory or any other
- Establishment Bank Detail (Cancel Cheque/Passbook copy of establishment
- Declaration of having paid the Stipend through bank on letterhead
- Proof of stipend pay to apprentice, consider as Payment Statement copy with sign/stamp of Bank and establishment
- Attendance register
- Aadhar linked bank account of apprentice
- Sign Contract Letter
- Aadhar Card of apprentice
- Stipend payment transaction id/Bank receipt no. /Cheque no.

24. Offence and Penalty(Section.30 of the Apprentice Act,1961):

- If Establishment fail to register/engage Minimum apprentice as prescribe in rule, the officer behalf of the appropriate Government shall give a notice in written.
- In case the employer fails to reply the notice within the period specified in notice or the authorised officer, after giving him an opportunity of being heard, is not satisfied with the reasons given by the employer, he shall be punishable with fine of 500 rupees per shortfall of apprenticeship month for first 3 months and thereafter 1000 rupees per month till such number of seats are filled up.

Penalty where no specified penalty is provided(Section 31 of the Apprentice Act, 1961):

If any employer or any other person contravenes any provision of this Act for which no punishment is provided in section 30, he shall be punishable with fine which shall not be less than one thousand rupees but may extend to three thousand rupees.



Annexure I

For Designated Trade - Records and Returns

| Sr No | Rule Number | Form Name & Due date | Submitted to |
|--------------|--------------------------------|--|--|
| 1 | Format 1 Rule 14: | Model Contract of Apprenticeship Training 16 January to 15 April: 30th April | Regional Director/State Apprentice Adviser |
| | | 16 April to 15 July: 31 July | |
| | | 16 July to 15 October: 31 October | |
| | | 16 October to 15 January: 31st January | |
| 2 | Format 1A Rule 14: | Intimation of engagement of Apprentices 16 January to 15 April: 30th April | Regional Director/State Apprentice Adviser |
| | | 16 April to 15 July: 31 July | |
| | | 16 July to 15 October: 31 October | |
| | | 16 October to 15 January: 31st January | |
| 3 | Format 2 Rule 14: | Proforma of Work Diary | |
| 4 | Format 3 Rule 14: | Application Form for Trade Tests April/May: 31 December of previous year October/November: 30 June | Regional Director/State Apprentice Adviser |
| 5 | Format 3A Rule 14: | Forwarding of application forms for Trade Tests April/May: 31 December of previous year October/November: 30 June | Regional Director/State Apprentice Adviser |
| 6 | Format 4 Rule 14: | Eligibility Certificate for Trade Test 15 days prior to the commencement of All India Trade Test | Trade Training Center |
| 7 | Form Apprenticeship 1 Rule 14: | Half Yearly Returns For half year ending June: By 15 July. For half year ending December: By 15 January | Apprenticeship Adviser |
| 8 | Form Apprenticeship 2 Rule 14: | Return of engagement of apprentice within 10 days from the date of the engagement of the apprentice | 1.The Central Apprenticeship Adviser 2.The Director, Regional Board of Apprenticeship Training Concerned 3.The Technical Institute Concerned(In the case of sandwich course student) |
| 9 | Form Apprenticeship 3 Rule 14: | Record of progress of apprentice at the end of each quarter | The Director, Regional Board of Apprenticeship Training Concerned |