

IMPLEMENTATION GUIDELINES FOR THIRD PARTY AGENCIES
UNDER THE APPRENTICES ACT, 1961

1.0 BACKGROUND

At present, 2.1 lakh trade apprentices are undergoing apprenticeship training in about 30,000 establishments throughout the country under the Apprentices Act, 1961 which is miniscule as compared to the total number of establishments in the country. Though large numbers of establishments in MSMEs sector are available, their participation in implementation of apprenticeship training is not encouraging. The reasons behind this are: limited availability of training facilities as per prescribed curriculum, inability to hire instructional staff because of financial constraints, inadequacy of supporting staff to support activities involved with apprenticeship training such as maintaining contract of apprenticeship, uploading the contract details on the apprenticeship portal.

There are about 21 lakh MSMEs having 6 or more workers. Even if each establishment engages one apprentice, the number could be 21 lakh. Therefore, there is a huge potential in apprenticeship training which remains untapped because MSMEs do not have adequate supporting staff to support activities involved with apprenticeship training.

Since 2014, provision has been made under section 8(2) of the Apprentices Act, 1961 which enables several employers may join together either themselves or through an agency approved by the Apprenticeship Adviser, according to the guidelines issued from time to time by the Central Government in this behalf, for the purpose of providing apprenticeship training to the apprentices under them.

Further, the government of India has launched a new scheme “National Apprenticeship Promotion Scheme (NAPS)’ on 19th August, 2016 with an indicative outlay of Rs. 10,000 crore. Target under the scheme are 5 lakh apprentices in 2016-17, 10 lakh apprentices in 2017-18, 15 lakh apprentices in 2018-2019 and 20 lakh apprentices in 2019-20.

It is, therefore, proposed to support MSMEs and other establishments by providing the facility of Third Party Agency (TPA) and encourage MSMEs

and other establishments to engage large number of youth for Apprenticeship Training.

Legal opinion was sought and TPA can undertake the following obligations on behalf of employer:

- Arrange basic training for apprentices
- Maintenance of records and filing of returns
- Stipend administration

2.0 ELIGIBILITY OF TPA

- TPA can be an entity which is existence for 5 years.
- TPA must have a pool of resource persons and infrastructure.
- TPA must have relevant experience in such activities.
- Letter of support from atleast 20 establishments which are interested to engage apprentices through them.
- TPA can be of the following type:
 - Statutory university or private university under any provisions of the law made by Parliament/State Legislature.
 - Technical Institute affiliated with All India Council for Technical Education/ Board or State Council of Technical Education
 - Industrial Training Institutes affiliated with National Council for Vocational Training
 - Registered Industry Associations
 - Training providers accredited by NSDA/NSDC
 - Any other educational/technical institution notified by the Central/State Government.
 - NGOs'

3.0 SELECTION OF TPA

- DGT will give an advertisement inviting applications for selecting TPA under the Apprentices Act, 1961.
- Each RDAT will scrutinize the applications and will follow the above-mentioned eligibility criteria for selecting TPAs.
- Each RDAT will issue registration number to TPA.

4.0 ROLE OF TPAs.

TPAs can

- (i) arrange the basic training through Basic Training Providers for fresher apprentices (apprentices who come directly to undertake apprenticeship training without any formal training) in case employer outsources basic training.
- (ii) select not more than 3 establishments for an apprentice by studying the infrastructure facilities available for on-the-job/ practical training with individual employer such that combined facilities available with above establishments meets the requirement of prescribed curriculum of the trade. TPA can organize on-the-job /practical training for apprentices in selected establishments in coordination with employers.
- (iii) submit contract of apprenticeship on the apprenticeship portal on behalf of the employer for registration by Apprenticeship Adviser. Login and password will be provided to TPA for this purpose.
- (iv) furnish all the returns on the portal-site on behalf of the employer.
- (v) on behalf of employer submit the reimbursement claims towards stipend to employers and also submit the claims of basic training cost in case employer is basic training provider under NAPS.
- (vi) comply with formalities required for trade apprentices for appearing All India Trade Tests for Apprentices as and when required.

5.0. RESPONSIBILITIES OF EMPLOYERS

- Enter into contract of apprenticeship with apprentices
- Uploading of apprenticeship contract on portal-site
- 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
- Payment of compensation in case personal injury is caused to an apprentice, by an accident during training.

6.0 TENURE OF TPAs

TPA will be appointed for a period of three years. Performance of TPA will be reviewed by concerned RDATs quarterly.
