



National Apprenticeship Promotion Scheme

PAYRULE SERVICES PVT LTD
PUNE | MUMBAI



NAPS SCHEME BY GOVT OF INDIA

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Overview

Scheme Gazetted by Government of India on 19th Aug 2016 with objective

- To promote apprenticeship training
- To incentivize employers who wish to engage apprentices
- To increase the engagements of apprentices from present 2.4 lakh to 50 lakh cumulatively by 2022

28 K

Active Establishments

1110 K

Apprenticeship
Engaged

6.50 K

Apprenticeship
Engaged in F.Y 21-22

Eligibility Criteria

Employee Strength	Eligibility For Apprenticeship	Apprenticeship Band
0 - 3	Not Eligible	Not Eligible
4 - 29	Optional	2.5% - 15% of Employee Strength (Upto 25% in Maharashtra)
> 30	Mandatory	2.5% - 15% of Employee Strength (Upto 25% in Maharashtra)

Apprentice

A Fresher who has entered into a contract of apprenticeship with the employer for apprenticeship training in the industry by utilizing the facilities available therein for imparting on-the-job training under the Apprentices Act 1961.

Category	Prescribed Min Amt of Stipend	Apprenticeship Duration	Basic Training Exemption
School Pass outs (Min class 5 th – class 9 th)	Rs. 5000/- pm	6 - 36 months	No
School Pass outs (class 10 th)	Rs. 6000/- pm	6 - 36 months	No
School Pass out (class 12 th) / National & State Certificate Holder/ Passouts From NSQF aligned Courses PMKVY/DDUGKY	Rs. 7000/- pm	6 - 36 months	No
Technician / Diploma holder	Rs. 8000/- pm	6 - 36 months	No
ITI Pass Outs / Graduates / Degree Holders	Rs. 9000/- pm	6 - 36 months	Yes

Note : In 2nd year increase of 10% and 3rd year increase of 15% in the minimum prescribed stipend amount as mentioned above
& If hiring Fresh Apprentice stipend payment for first 3 months is 50% of min stipend.

Legal Benefits to the Employer

- No Employer - Employee Relationship
- Auto termination of apprenticeship contract - Employment not mandatory post completion of apprenticeship
- Exemption from PF/ ESIC /Labour Law compliances
- Engage Apprentice at compensation below minimum wages starting from Rs 5000/- per month
- Regulation through Single Window of online portal for all compliances



Commercial Benefits to the Employer

- Reimbursement / Subsidy
 - Upto 25% of Stipend Amount or max upto 1500/- per apprentice per month
- Reimbursement Of Basic Training Cost
 - Rs. 7500/- Per Apprentice (One Time) (for a maximum training of 500 hrs/3 months)
- CSR Funds Utilization
 - Claim training charges & TPA charges as part of their CSR expenses.
- Saves PF and ESI Compliance Cost
 - Employee and Employer Share adding upto approx 20% of CTC
- Saves Allied Labour Law
 - Like Bonus, Gratuity, Maternity Benefit (Only Workmen Insurance compulsory)



Operational Benefits to Employer

- Addresses skill gap for the industry
- Increases availability of industry ready skilled manpower well versed with culture of the company
- Reduces expenditure on recruitment process
- Deployment of 5th to Graduate candidates (All Streams)
- Can engage apprentices in all 3 shifts
- Service Sector can engage Apprentice
- Removal of Quota Based Apprenticeship norms
- No Obligation to Recruit
- Apprentice cannot engage in Union Activities
- Employer can design and run Apprenticeships in customized courses
- Employer can choose to conduct Basic Training Programme in house
- Creation of in house talent pool for onboarding



Neem & Naps Differential

Parameters	Neem	Naps
Regulatory Authority	AICTE Act 1987 Under MHRD (Ministry of Human Resource & Development	Apprentice Act -1961 Under MSDC(Ministry of Skill Development & Entrepreneurship
Operators	Neem – Facilitators	TPA – Restricted to Aggregation of Apprentice for OJT BTP- Deploy Under Establishment Payroll
EPF / Labor Law Applicability	DEBATABLE / SUBJUDICE Only Student Trainees pursuing education exempted	NOT Applicable Under Apprentice Act 1961
Eligibility	10th pass or pursuing Degree or Diploma Course	Min 5 th pass out
Basic Training	Not Required only On Job Training (OJT)	Basic Training for freshers abv 5 th -12 th pass with On Job Training
Engagement	Option – no upper limit	Mandatory upto 2.5% to a max of 15% upto 25% in (Mah)
Contract & Payment to the Apprentice	By Neem Facilitator	By Establishment directly
Benefit to Employer	No Reimbursement	Reimbursement of 25% max upto 1500/- apprentice/ month One time 7500/- Basic Training Cost per employee
Corporate Social Responsibility fund Benefit	No-Establishment doesn't make payment	Establishment If registered as BTP can utilize the CSR fund for Training the Apprentice
WC Policy	Not Mandatory	Mandatory

Payrule Proposes - NAPS Facilitator Model

- Registration of Employer & Apprentices
- Registration of Employer as Basic Training Provider (BTP) & mapping of Training Centre(TC)
- Candidate Profile Generation and Employer Mapping
- Opportunities Creation & Contract Generation
- Contract Renewal
- Training Coordination and Monitoring
- Monthly Payroll Process
- Assistance for Stipend Payments
- Training Completion & Certification
- Reimbursement / Subsidy Processing (Employer / BTP)
- Claim Follow up and settlement



Feel Free to reach...!!!

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