

**KEEN INDIA**

# PRESENTATION ON NAPS, NATS & FlexiMoU (ITI Program)

**BY KEEN INDIA**

(Providing Skilled Industrial Workforce)



## ABOUT US : INTRODUCTION

Keen India is established in the year 2023. We are rapidly growing human resource consultancy and Skilled Manpower Supplier Company.

We have deployed more than One Thousand Plus Trainees to Industry across India . We provide highly skilled manpower under the NAPS / NATS and Student Trainee Under FlexiMoU programs.

We work with many sectors such as

- **Manufacturing, Health care, Life Science, Hospitality, Retail, and many more .**

**Few of our Valuable Current Clients are as under:**

- **SRF Ltd, Pithampur,**
- **Kusum Healthcare Pvt. Ltd, Pithampur, Bhiwadi and New Delhi.**
- **Mankind Pharma, Alwar,**
- **Euro Safety Equipment, Agra,**
- **Montage Enterprises Pvt. Ltd. (Unit of Uflex Ltd.), Gwalior and Haridwar,**
- **Candor Textile, Indore,**
- **PSA Pharma, Pithampur**
- **Dular Steel, Agra etc.**





**Introduced** : 19<sup>th</sup> August 2016 by Govt. of India

**Purpose** : To provide financial support to the Establishments and Promote apprenticeship program.

**Constituents**: Basic Training + On The Job Training .

**Duration** : 6 Months to 12 Months.

**Qualification**: 5th to 12 & ITI.

**Benefits of Scheme** :

- Govt. will share **Rs.1500 per Apprentice per month** (Direct Benefit Transfer to Apprentice - DBT)
- Apprenticeship Quota : 2.5% to 15% & for Maharashtra State = 2.5% to 25% of Overall Establishment Strengths ( Including On roll / Off roll, Contract All )
- The Stipend can be paid from the CSR Budget (over and above 2.5% of total manpower)
- No ESIC, EPF Bonus etc. is applicable



**Introduced :** The National Apprenticeship Training Scheme (NATS) under the provisions of the Apprentices Act, 1961 amended in 1973;

**Purpose :** To promote Apprenticeship to the Graduates (B.E., B.Tech, Any Graduation and Diploma allowing industries to train candidates as per their skill set requirements.

**Qualification :** Diploma, B.E., B.Tech or any Graduate

**Constituents :** On The Job Training .

**Duration :** 1 Year

**Benefits of Scheme :** 1- Government Benefits as under

i- For **Diploma Rs.4000** reimbursement per Apprentice Per Month.

ii- For B.E., B.Tech, B.A. B.Com. and B.Sc. **Graduate Rs.4500** reimbursement per apprentice per month.

2 Apprenticeship Quota : 2.5% to 15% & for Maharashtra State = 2.5% to 25% of Overall Establishment Strengths ( Including On roll / Off roll, Contract All )

3 The **Stipend can be paid from the CSR Budget** (over and above 2.5% of total manpower)

4 No ESIC, EPF Bonus etc. is applicable





**Introduced :** Flexi-MoU was introduced in the year 2014.

**Purpose :** Flexi-MoU scheme is designed to cater to the needs of both industry as well as trainee, allowing industries to train candidates as per their skill set requirements.

**Qualification :** 10<sup>th</sup>/ 12<sup>th</sup>

**Constituents :** Basic Classroom Training ( 30%) + On The Job Training (70%)

**Duration :** 1 & 2 Years

**Benefits of Scheme :** **1- For participating Industries**

- i. No ESIC, EPF Bonus etc. is applicable
- ii. The Stipend and other admin Expenses can be paid from the CSR Budget.
- iii. Apprenticeship Quota : As per Company Requirement
- iv. Create new course with customized content
- v. Flexibility of selecting the candidates for the training.

**2 -For Student Trainees**

- i. The Student Trainee will get NCVT Approved ITI Certificate.
- ii. Get trained in industry relevant courses with high employment potential.
- iii. Exposure to industry shop-floors and real-time environment with latest equipment.



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Comparative Analysis of Engaging NAPS , FlexiMoU and NATS

S.No.	Content	NAPS	FlexiMoU	NATS
1	Qualification Required	ITI (10th/12th Pass can also be engaged under NAPS)	10th / 12th	Diploma/B.E./B.Tech/ B.Sc./B.Com./ B.A.
2	Duration of Training	1 Yr	1 Yr & 2 Yr	1 Yr
3	Benefits			
i	Exemption from Statutory Compliances like ( EPF, ESIC , Bonus etc.)	Yes	Yes	Yes
ii	Govt.'s Financial benefits to the Establishment (DBT) (Per App. Per Month)	Rs.1500/-	NA	Rs.4000/- ( Diploma) / Rs.4500/- (for B.E. and other Graduate)
iii	Certification	Yes ( NSDC issue Certificate of Merit)	Yes ( ITI Certificate issued by NCVT)	Yes ( NSDC issue Certificate of Proficiency)

## Cost Benefit Analysis (Average CTC of Semi-skilled Contract Workmen in MP Vs Recommended Stipend for Apprentice under NAPS)

S.No.	Wage Components	Average CTC of ITI STUDENT (Semi skilled Contract Workmen)	Apprenticeship Under NAPS Stipend (Rs. PM) for ITI STUDENT
1	Basic	10571	15000
2	DA	2550	0
3	HRA	0	0
4	Total - A	13121	15000
5	PF ( 13%)	1706	0
6	ESIC ( 3.25%)	426	0
7	Bonus ( 8.33%)	1093	0
8	Grand Total ( B)	16346	15000
9	Service Charges ( C ) - 8%	1308	1500
10	Govt. Benefits	0	1500
11	CTC ( D)	17654	15000
12	Savings against Per App Per Month	0	2654
13	Take Home	11448	12000
Substantial Savings of Rs.2654.00 per month under NAPS Per Apprentice			
Take home is also more for NAPS Students			
No EPF/ ESIC/ Bonus etc. is Applicable			

KEEN INDIA Cost Benefit Analysis (Average CTC for Fresher Graduate ( With Statutory Compliances) - illustration Vs Recommended Stipend for Apprentice under NATS (Diploma/ B.E./ B.Tech. /B.Sc./B.Com. /B.A.)			
S.No.	Wage Components	Average CTC for Fresher Graduate ( With Statutory Compliances) - illustration	Apprenticeship Under NATS Stipend for B.Tech. (Rs. PM)
1	Basic	15000	20000
2	DA	0	0
3	HRA	5000	0
4	Total - A	20000	20000
5	PF ( 13%)	1950	0
6	ESIC ( 3.25%)	488	0
7	Bonus ( 8.33%)	1250	0
8	Grand Total ( B)	23687	20000
9	Service Charges ( C ) - 8% of CTC	0	2000
10	Govt. Benefits	0	4500
11	CTC ( D)	23687	17500
12	Savings against Per App Per Month		6187
13	Take Home	18050	20000
Savings if Stipend is paid through CSR Budget			<div>Note:</div> <div><div>➤ Substantial Savings of Rs.6187 per month Per Apprentice under NATS</div><div>➤ Take home is also more (by Rs.1950 approx.) for NATS Apprentice</div><div>➤ Certification to all the apprentice</div><div>➤ No EPF/ ESIC/ Bonus is applicable.</div></div>
Savings PM per NATS Apprentice		6,187	
Savings PM for 100 NATS Apprentice		6,18,700	
Savings PA for 100 NATS Apprentice		74,24,400	
Approx. (PA)		74.24 Lakhs	



## Duration of Engaging Apprentice Under NAPS/FlexiMoU and NATS

10<sup>th</sup>/12<sup>th</sup>/ITI students can be retained for 3 Years as Apprentice/Student Trainee as under

Apprentice  
Under NAPS

**For 1 Year  
Under The  
Apprenticeship Act  
1961**



Student Trainee  
Under FlexiMoU

**For 1 to 2 Years  
DGT approved ITI  
Program**

Diploma / Graduate students  
( B.E./B.Tech./B.Sc./B.com./B.A.)  
can be retained for 1 Years as  
Apprentice as under

Apprentice Under  
NATS

**For 1 Year  
Under The Apprenticeship  
Act 1961**

# Letters by Competent Authority on EPF /ESIC Exemption and utilization the CSR Fund

## Letters for utilization of CSR Fund for Expense against **Apprentice under Apprenticeship Act 1961** issued by MSDE & MCA.

## Letter for utilization of CSR Fund and EPF/ESIC Exemption for Student Trainee **under FlexiMoU** issued by DGT

## EPF Exemption Letters for Student Trainee **Under FlexiMoU** issued by RPFC

File No. MSDE-10(1)/2020-AP (PMU)/-Pt.  
Government of India  
Ministry of Skill Development and Entrepreneurship

### Office Memorandum

New Delhi 11<sup>th</sup> March, 2020

**SUBJECT: Clarification on utilization of Corporate Social Responsibility funds of industries/establishments on Apprenticeship Training under Apprentices Act, 1961(amended 2014)**

This has reference to activities to be undertaken as Corporate Social Responsibility (CSR) enlisted in Schedule VII of the Companies Act, 2013 wherein "Skill Training" is already covered under item no. (ii) of Schedule VII of the Act.

As per circular from Ministry of Corporate Affairs dated 12/2 2016 (copy enclosed), Industries/establishments are permitted to utilize their Corporate Social Responsibility(CSR) funds for Apprenticeship Training which include expenditure on Basic Training and stipend payable to apprentices, under Apprentices Act, 1961(amended 2014) as under

- Industries/establishments having employee strength above 30 - it is **obligatory** for them to engage apprentices minimum 2.5% and maximum 15%, hence any expenditure on Apprenticeship Training over and above of 2.5% i.e. minimum mandate as per Apprentices Act, can be booked under CSR funding.
- Industries/establishments having employee strength between 4-29 - it is **not obligatory** for them to engage apprentices, however, they are permitted to engage apprentices minimum 2.5% and maximum 15% , hence any expenditure on Apprenticeship Training can be booked under CSR funding.
- Industries/establishments having employee strength 3 or less – they are not permitted to engage apprentices hence no expenditure on Apprenticeship Training can be booked under CSR funding.

(Anita Srivastava)  
Joint Director  
Apprenticeship Training AP (PMU)

To,  
Chairman/CMDs of PSUs as per list enclosed.

Government of India  
Ministry of Corporate Affairs

Subject: - Approved record of discussion of the meeting regarding Sub-Group of Chief Ministers on Skill Development held on 31<sup>st</sup> December, 2015.

- Prime Minister's office may refer to their ID Note, No.360/31/c/25/2015/ES-2, dated 05.01.2016 on the subject cited above with respect to the record of discussions of the meeting held, on 31.12.2015 of the Sub-Group of Chief Ministers on 'skill development'.
- One of the discussion reads as follows:  
"The Ministries of Corporate Affairs and Skill Development and Entrepreneurship may examine the option of allowing use of CSR funds in large industrial clusters for skill training related to the cluster activities".
- The matter has been examined in the Ministry in the light of provision of section 135 of the Companies Act, 2013 and rules made thereunder read with General Circular issued on 18.06.2014.
- In this connection it is stated that the activities to be undertaken as Corporate Social Responsibility (CSR) are enlisted in Schedule VII of the Companies Act, 2013. "Skill training" is already covered under item no. (ii) of Schedule VII of the Act.
- Further, the Apprentices Act, 1961 read with the rules, mandates apprenticeship training to 'any area or any industry in any area' as notified by Central Government from time to time. 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. The companies which do not fall under the Apprentices Act can undertake 'skill training' under the provisions of Corporate Social Responsibility.

General Circular dated 18.06.2014 issued by this Ministry already clarifies that expenses incurred by companies for the fulfillment of any Act/ Statute of regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act. No further amendment / clarification is required to be issued by Ministry of Corporate Affairs in this regard.

This issues with the approval of Secretary, MCA.

Encl:  
1. General Circular  
2. Schedule VII

Prime Minister's Office (Shri Mayur Maheshwari, Deputy Secretary)  
M/o Corporate Affairs UO No. 07 / 01/ 2016- CSR dated 10.02.2016

Copy to:

Shri Rohit Nandan,  
Secretary (TPI)  
Ministry of Skill Development and Entrepreneurship  
New Delhi.

(Seema Rath)  
Deputy Director-CSR  
Tel: 011-23384657

DGT-Flexi MoU- 03/2021/04-CD (E 46133)  
Government of India  
Ministry of Skill Development & Entrepreneurship  
Directorate General of Training (DGT)

Employment Exchange Building,  
PUSA Complex, New Delhi-110012  
Dated 17<sup>th</sup> February, 2023

To,  
The Pro Chancellor  
Medhavi Skill University, Sikkim.  
Singtam, Sikkim 737134.

**Sub: Letter for issuance of clarification regarding queries raised by industries w.r.t Flexi MoU scheme of DGT/ MSDE-regarding**

Sir,

With reference to your letter dated 21<sup>st</sup> September, 2022, this is to inform you that the scheme is designed to cater to the needs of both industry as well as trainees. The scheme allows industries to train candidates as per their skill set requirements and provides trainees with an industry environment aligned with the market demand and latest technology to undergo training. The following point are clarified as below:

### 1. Status of trainees:

Trainees may be paid a stipend which will not attract any statutory deductions or payments applicable to regular employees i.e PF/ESI etc, since these trainees do not constitute employment.

### 2. Program Funding:

DGT has no objection if any establishment wants to use their Corporate Social Responsibility (CSR) funds for work integrated training, subject to compliance with the rules and regulations related to such funding.

### 3. Apprenticeship Training:

The training under Flexi MoU is work integrated program with industries and does not come under Apprenticeship Act.

This issues with the approval of competent authority.

Yours Faithfully,  
  
Sanjay Kumar  
Director -CD Section  
DGT

DGT-Flexi MoU- 03/2021/04-CD (E 46133)  
Government of India  
Ministry of Skill Development & Entrepreneurship  
Directorate General of Training (DGT)

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Sanjay Kumar  
Director -CD Section  
DGT

File No. Compliance/Training Schemes Under State Govt/2021-22/10006  
To: AS, ADD, AC, CC, HR, DGT  
Subject: Clarification on status of student-trainees of educational/technical institutes recognized by a competent authority vis-a-vis the Employees' Provident Funds & Miscellaneous Provisions Act, 1952-Regarding  
Ref: H.O. Circular No. Coord./405/2015/Misc./Clarification/27308 dated 12.10.2015  
Sir/Madam,  
The Central Government has initiated several programmes for skill-imparting and skill-development to enhance the employability of youths in India. In the light of these developments several references were received from various stakeholders to raise further clarification to the Head Office circular dated 12.10.2015 (copy enclosed for ready reference).  
2. Hence, following further clarifications/queries are presented to decide about the status of a student-trainee under any scheme:  
a. The educational/technical institute/university and the academic course in which a student-trainee is enrolled shall be recognized by the competent authority.  
b. "On-the-job-training" shall be an integral component of such course.  
c. In case a student-trainee does not complete the training within the specified time including the period of extension, if any, as may be specified in such course, then such student-trainee shall be treated as a student-trainee who is pursuing the course which are relevant to the industry.  
d. The number of such student-trainees should not exceed such per cent. of the total workforce employed in the concerned establishment as may be specified in a scheme or a similar scheme of the Central/State Government.  
e. The employment of student-trainees shall not be for a purpose other than as specified in such course/scheme.  
f. The employer shall declare the details of such student-trainees in Electronic-challan-cum-return (ECR) or furnish such details of student-trainees every month as may be directed by the Commissioner.  
3. However, should a dispute arise regarding the eligibility of a person to become member of the Scheme, the same would be decided as per law.  
(This issue with the approval of CPFC)  
Yours faithfully,  
(Jag Mohan)  
Additional Central PF Commissioner (HQ) (Compliance)

File No. 2021-22/10006  
To: AS, ADD, AC, CC, HR, DGT  
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Additional Central PF Commissioner (HQ) (Compliance)



Certificates for Apprentice under NAPS & NATS / Student Trainee Under FelxiMoU

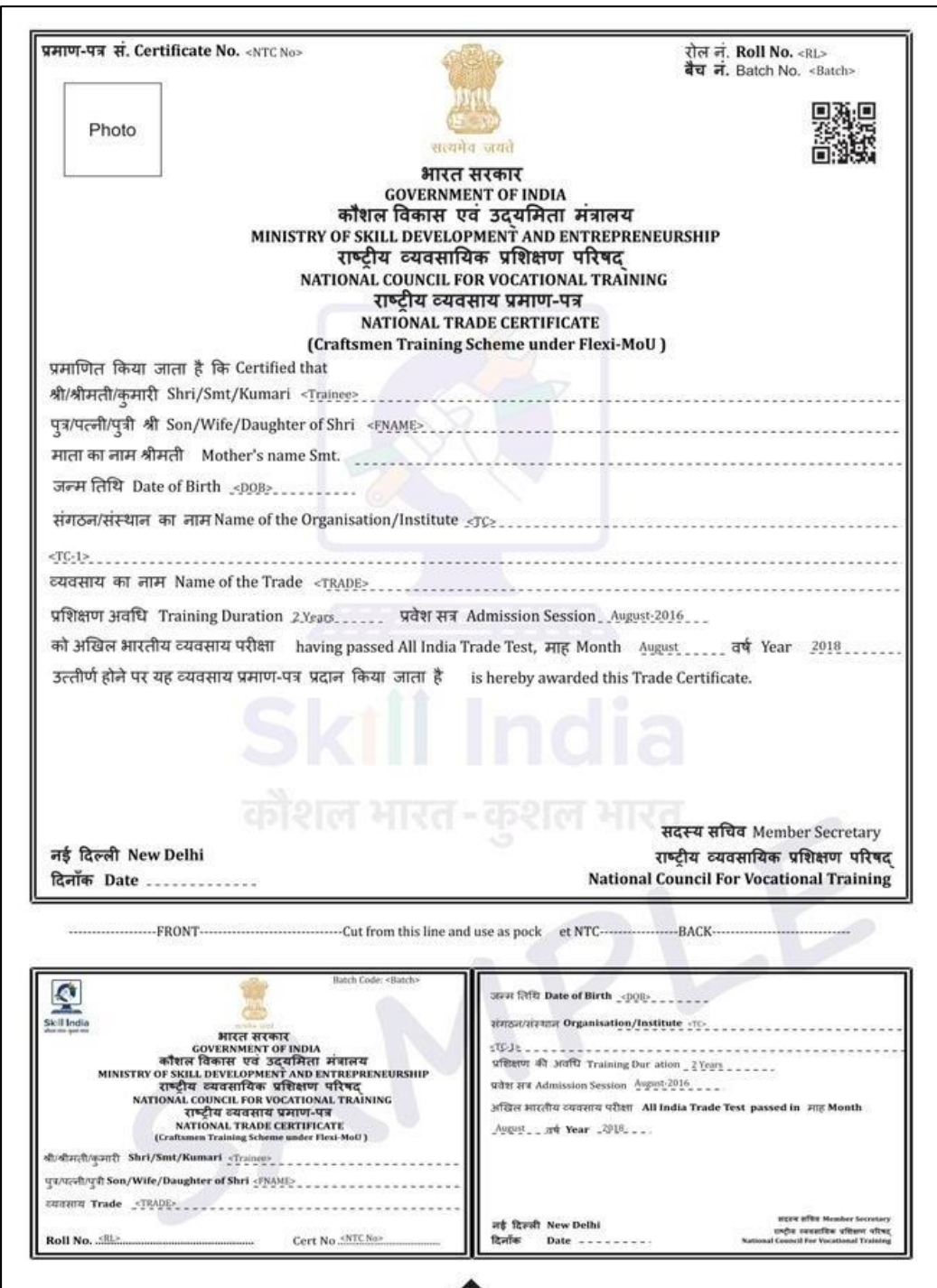
Certificate of Merit for Apprentice under NAPS



Certificate of Proficiency for Apprentice under NATS



ITI Certificate issued by NCVT for Student Trainee Under FlexiMoU





**KEEN INDIA**

# CONTACT US

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**KEEN INDIA**

**THANK YOU**  
FOR YOUR ATTENTION

