

F. No. MSDE-14(01)/2022-AP  
Government of India  
Ministry of Skill Development & Entrepreneurship  
Apprenticeship Training Division

New Delhi, 07.10.2022

**Office Memorandum**

**Subject: DBT in NAPS reg**

On 21st April 2022, Govt. of India announced the introduction of Direct Benefit Transfer (DBT) under National Apprenticeship Promotion Scheme (NAPS). As per this directive, the establishments have to transfer the stipend share directly to the bank account of apprentices. Government of India will then directly transfer its contribution of 25% of stipend up to Rs 1,500 per apprentice per month under NAPS in the bank account of apprentices.

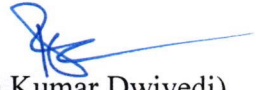
2. In this context, a pilot was rolled out in July 2022 with selected establishments to test the efficacy of the implementation model and Government of India has successfully released NAPS share directly to the bank accounts of apprentices.

3. NAPS DBT will be scaled up in each month in pilot form for establishments and apprentices to be made aware of DBT.

4. Further, a pan India roll-out of DBT will be implemented for NAPS after CCEA approval. All new contracts signed under NAPS will strictly adhere to DBT. After the approval of NAPS 2.0, all existing contracts under NAPS will mandatorily move to DBT.

Enclosed is the guideline on DBT transition.

This issues with the approval of Competent Authority.

  
(Krishna Kumar Dwivedi)  
Joint Secretary, MSDE

To,

All Establishments

**Copy to**

1. Sr PPS to Secretary (MSDE)-for kind information please
2. PS to DDG(DGT) for information please
3. All Joint Apprenticeship Advisors/CEOs of the 37 Sector Skill Councils
4. All RDSDEs- to ensure compliance without fail
5. All SAA- to ensure compliance without fail
6. All TPAs- to ensure compliance without fail
7. COO (Officiating CEO), NSDC

## **DIRECT BENEFIT TRANSFER GUIDELINES UNDER PRIME MINISTER NATIONAL APPRENTICESHIP PROMOTION SCHEME (PMNAPS)**

### **1. Background**

- a. On 21<sup>st</sup> 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. DBT has been initiated in pilot mode and will be scaled up each month till the new version of NAPS (i.e. Pradhan Mantri National Apprenticeship Scheme or PMNAPS) is launched.
- 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 (10<sup>th</sup>) 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. PMNAPS is launched.
- c. Once PMNAPS is launched, establishments will have an option to choose for every apprenticeship contract whether they would like to avail the financial benefit under PMNAPS or not.
  - i. Contracts where the establishment chooses to take the financial benefit will be DBT contracts (also referred to as PMNAPS contracts).
  - ii. Contracts where the establishment chooses not to take the financial benefit will be non-DBT contracts (also referred to as non-PMNAPS contracts).
- d. The contract format for DBT contracts will be different from the existing format of the apprenticeship contract and it will reflect the DBT share of GoI.

### **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 PMNAPS or not.
  - ii. If establishment chooses to take the benefit, the contract would be considered as a DBT contract (PMNAPS 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-PMNAPS contract). Such a contract will reflect that the entire stipend amount will be paid by the establishment.
- c. Existing contracts:
  - i. All live/ active contracts will be required to be re-signed by Candidate/ Establishment/ Apprenticeship Adviser as per the new contract format.
  - ii. 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 31<sup>st</sup> 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 PMNAPS, 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.
- b. The bank account details of the candidate will be verified by the portal and he/she 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. 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 PMNAPS contracts**

- a. The stipend payment module on the apprenticeship portal will require the establishment to update the unauthorized leaves and 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-PMNAPS contracts**

- a. The stipend payment module on the apprenticeship portal will require the establishment to update the unauthorized leaves and stipend amount payable to each candidate for the month.
- b. The establishment will have two options to pay the stipend to the apprentice
  - i. via the payment solution on the portal (currently available as the virtual account method).

- ii. via their own payroll process. In this case, establishments will need to upload proof of stipend payment on the apprenticeship portal.
- 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 Adviser 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 Adviser 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.

**9. 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 will face action as per extent laws.

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