

DGET-9(1)/2014-AP
Government of India
Ministry of Labour & Employment
Directorate General of Employment & Training (D.G.E.&T)

New Delhi, dated 18th July, 2014

To

- 1) All the members of CAC
- 2) All participants of the meeting

Subject : 34th Meeting of the Central Apprenticeship Council (CAC) held on 11th July, 2014
in Main Committee Room, Shram Shakti Bhawan, New Delhi- regarding

Sir/Madam

The minutes of the 34th Meeting of the Central Apprenticeship Council (CAC), held under the Chairmanship of MoS (L & E) on 11th July, 2014 in the Main Committee Room, C-Wing at Shram Shakti Bhawan, New Delhi are enclosed for information.

Encl: As above



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Copy to :

- 1) All Regional Directorates of Apprenticeship Training.
- 2) State Directors in-charge of Apprenticeship training in States/UTs for information (other than the members of CAC).

Minutes of the 34th meeting of the Central Apprenticeship Council held on 11th July, 2014 at 2.30 p.m. at Main Committee Room, 'C'-Wing Shram Shakti Bhavan, New Delhi.

The 34th meeting of the Central Apprenticeship Council (CAC) was held on 11th July, 2014 at 2.30 p.m. at Main Committee Room, 'C'-Wing, Shram Shakti Bhavan, New Delhi under the Chairmanship of Shri Vishnu Deo Sai, Hon'ble Minister of State for Labour & Employment, Government of India. The list of participants who attended the meeting is annexed.

2. Shri Alok Kumar, Member Secretary, CAC & Director General of Employment and Training/Joint Secretary welcomed the Hon'ble Chairman, Vice Chairman Shri P.P. Mathew, Secretary (L&E) and all other members of CAC. He also apprised the members that Labour and Employment Minister had authorised MOS for Labour and Employment to chair the meeting as he had to go out of Delhi due to unavoidable circumstances.

3. Shri. P.P. Mathew, Vice Chairman of CAC, in his opening remarks said that implementing apprenticeship training is an extremely important task in India. 50% of population is within the age of 30 years. It is important to train them in the right direction. For this, there is a need to improve quality and consistency in the training programme. He also said that there was a need to adopt international apprenticeship exchange programme with other countries. Labour force should be trained at least once in a year. Regular follow up and monitoring was required to achieve the quality of training.

4. Secretary (L&E) explained that productivity of the workforce can be significantly enhanced by imparting right skills. There are only 10% technically trained persons in our workforce, out of which only 2.5% have formal training. In the formally trained workforce only about 50% are certificate level for working on the shop floor. Ministry of Labour & Employment is providing vocational training through network of Industrial Training Institutes (ITIs) and Apprenticeship scheme. In addition to steps taken for expansion of ITIs in unserved blocks, several initiatives have been taken to improve the quality of training. These are restructuring of syllabus with involvement of academia and industry, the leadership training of ITIs Principals, Incubation centres in IITs, re-affiliation of ITIs and e-governance portal. Regarding vocational training through apprenticeship, Secretary (L & E) expressed concern that there are only one lakh apprentices passing the examination in a year against the allotted seat 3.5 lakhs, both numbers are very dismal. To improve the apprenticeship training outreach, meetings were held with industry associations, trade unions, states and subsequently in Inter-Ministerial Group. IMG has proposed that there is a need of providing flexibility in the Act such as flexibility in trades, qualification, examination etc. while providing apprenticeship stipend indexed with the minimum wages of semi-skilled.

5. Hon'ble Chairman addressed the Council and welcomed the members of CAC. He informed the members about the importance of apprenticeship training. He said the employment and training are closely related. Employment opportunity if created in the country will not be effective unless we equip our labour force with the necessary skill. Due to change in technology, the skill requirement undergoes very frequent changes and hence there is a need of full participation of industry in the apprenticeship training. He informed that Ministry have analysed the problems being faced by the various establishments while imparting apprenticeship training and now trying to have flexible mechanism to suit the individual establishments' situation. Ministry has consulted all the stakeholders including States/UTs. The proposals have also been placed on website for public comments.

With these words he thanked everyone for their presence in the meeting.

Discussions on Agenda Items followed after opening remarks of the Chairman. The members suggested that CAC meetings should be convened regularly.

Item No. 3401: Confirmation of the meeting of the 33rd meeting of CAC.

The minutes of the 33rd meeting were confirmed.

Item No. 3402: Action taken report on the recommendations of the 33rd meeting of CAC.

Member Secretary, CAC informed that most of recommendations of 33rd meeting of CAC were implemented and Web-Portal was being developed to provide linkage between apprentices and employers. Council noted the progress.

Item No. 3403: To consider the amendments to the Apprentices Act, 1961 and Rules made thereunder.

Member Secretary, CAC informed that suggestions were received from the various Agencies and the Working Group constituted by DGE&T for revamping all the Schemes of DGE&T. To consider these suggestions an Inter-Ministerial Group was constituted. Three meetings of IMG were held. The recommendations of IMG are placed for discussion and consideration of the Council.

I. To simplify the workflow of establishment by engaging apprentices

During the discussion on the proposal that implementation of Apprenticeship Training Scheme (ATS) in those

organizations which are operating business / trade in more than four States will rest with the Central Government, CAC recommended that instead of more than four States it should be four and more than four States.

II. Change in the Definition of 'Worker'

Council recommended that there was need for more clarity in the language of the proposed change in the definition of worker so as to enable smooth implementation.

III Trade-wise and Unit-wise regulation and deployment of apprentices in the service and informal sector

Member Secretary informed that presently apprenticeship seats are located in the establishments for each designated trade on the basis of ratio of trade apprentices to workers other than unskilled workers and also the training facilities available in the establishment for the trade.

It is proposed that within a financial year, each establishment should not engage apprentices less than 2.5 % and not more than 10% of the total workers of all trades. The establishment may engage the apprentices as per apprenticeship months within the above limits.

CAC recommended the proposal after discussions. It also suggested appropriate flexibility in the schedule for admissions of apprentices accordingly.

IV. Government regulation on addition of new trades

Council considered the proposal and recommended.

V. Expanding the scope of Apprenticeship

Member Secretary informed that graduates in any field like B.A., B.Com, B.Sc. etc. are proposed to be brought under the ambit of apprenticeship training.

During discussions, suggestions were received to include diploma level etc. of qualifications in all subjects and not restricting it to graduation level. It was also suggested not to include very short term internships of few weeks. There was

a suggestion that entry level qualification should be in terms of a minimum duration. In the matter of giving rebates, there was a suggestion that the courses run by various agencies of Central government and State Governments should also be considered along with SDI.

Council recommended the proposal and desired that the suggestions received may be suitably considered while formulating rules. It was also felt appropriate that a working group with participation of states may be constituted to prepare draft of rules in the Act for consideration of the Central Government.

VI. Qualification & Age Requirement

During the discussion on the proposal, representative from INTUC suggested that skills acquired under informal sectors like Cobbler, Weaver, etc., may also be engaged as apprentices. Secretary (L&E) suggested that such candidates may also be engaged as apprentices after certification of skills through RPL.

Council recommended the proposal.

VII. Payment of Stipend to Apprentices and financial support to MSMEs engaging Apprentices

Member Secretary informed that as the existing rates of stipend paid to the apprentices are too low to meet the basic needs, they prefer to go for low paid employment and hence it is proposed that rates of stipend should be from 70% to 90% of the minimum wages for semi-skilled workers applicable in the States/UTs from Year 1 to Year 3 respectively.

After discussions Council agreed with the proposal.

CAC was further apprised about the proposal of financially supporting the establishments which are having turnover less than Rs.100 crore and are covered under the Micro, Small and Medium Enterprise Development (MSMED) Act by sharing the expenditure on stipend by the Government equally during the first year of the training only. This support may be initially given only for apprentices in designated trades but may be considered subsequently for

optional trades also keeping in view the response of the scheme and the financial implications.

During the discussions, the members expressed the view that financial support only for first year would act as disincentive to engagement of freshers because their training duration will be longer. There was a common view to extend the period of support to two years.

CAC accordingly recommended the proposal.

VIII. Offences & Penalties

During the discussion on the proposal, representative of Government of Gujarat expressed that quantum of penalty may be increased.

After discussions, Council recommended the proposal and desired that suggestion of Gujarat may be appropriately considered. It also suggested that central level and state level mechanisms provided in the Act may be utilised for monitoring the status of compliance of statutory provisions.

IX. Powers of Inspection

Council agreed with the proposal.

X Web based Apprenticeship Portal

Council agreed with the proposal. It was also suggested that the portal should also be linked to other portal being developed by MOLE for compliance with labour laws, through Labour Identification Number allotted to establishments.

XI Registration of Contract

Council agreed with the proposal.

XII Duration of Apprenticeship

Council agreed with the proposal.

XIII In-house Training Infrastructure

Member Secretary informed that basic training is mandatory for the fresher apprentice. It was proposed that it may be permitted to be outsourced in order to facilitate MSME to engage apprentices. He also explained the proposal for permitting engaging apprentices through approved Third Party Agencies.

After deliberations Council agreed with the proposal.

Representative from Government of Maharashtra proposed that basic training centre facilities should be made compulsory under the Act for the establishments having more than 500 workers.

Several members suggested that Government should support the industry, particularly MSMEs, in bearing the cost of basic training. Otherwise industry may not be encouraged to take freshers as apprentices because of financial burden of basic training in addition to payment of stipend. There was a consensus on rationalising the period of basic training and the need of government support for basic training through schemes like SDI

XIV Regulations with regard to Holidays, Leaves, Shift Working, House of Deployment

Council agreed with the proposal.

XV Apprentices from Outside the States

Council agreed with the proposal.

XVI To give preference to Apprentices for employment

Council agreed with the proposal.

XVI Examination

Council agreed with the proposal. Representative of Gujarat suggested that where number of apprentices in an optional trade becomes significant, it should be taken up for national level certification. This was agreed.

Item No. 3404 **To provide lateral entry in polytechnic colleges for diploma courses for national apprenticeship certificate holder**

Member Secretary informed that candidates having NAC with minimum apprenticeship training of 02 years may also be given an opportunity to upgrade their qualification in their respective trades by providing them admission directly in the 3rd semester of 3 years diploma in Govt. Polytechnics as given for NTC holders. Members from HRD and AICTE supported the same.

Council agreed with the proposal.

Item No. 3405: **To include thirty seven subject fields as designated trades for Graduates and Technician apprentices under the Apprentices Act, 1961**

Council agreed for the inclusion of further 37 subject fields as designated trades for Graduates and Technician apprentices under the Apprentices Act, 1961.

Item No. 3406: **To include nine subject fields as designated trades for technician (vocational) apprentices under the Apprentices Act, 1961**

Council agreed for the inclusion of further 09 subject fields as designated trades for Technician (Vocational) apprentices under the Apprentices Act, 1961.

Item No. 3407: **To delete the Data Preparation & Computer Software trade under ATS**

Council agreed to delete the trade Data Preparation and Computer Software.

Item No. 3408: **To change the minimum qualifications of designated trades under ATS at par with qualifications under trades of CTS.**

Council agreed that the minimum educational qualification for all the trades designated under ATS may be made at par with the same trades under CTS.

Item No. 3409: To consider and approve the delegation of powers to sub-committee of CAC for introduction of trades under the Apprentices Act, 1961

Member Secretary informed that proposed Sub-Committee of CAC will assess the feasibility of introduction of trades under the Apprentices Act, 1961 and approve the same.

Council considered and approved the proposal.

Meeting ended with thanks to the Chair.

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