

Dear Sir,

Subject: Suggestions on proposed Amendments to the Apprentices Act, 1961

The Chamber of Small Industry Associations, in short COSIA, is a National Chamber of Micro, Small & Medium Industries. COSIA welcomes the move of the Government in proposing the various amendments in the present Apprentices Act, 1961 so as to make more fruitful the Apprenticeship Training Scheme. COSIA offers following suggestions for your apt consideration.

1. **Sharing of Stipend** – The proposal to share the stipend during the 1st year of training in case of enterprises covered under the MSMED Act having a turnover upto Rs. 100 crore may motivate the MSMEs to provide such training. Here we suggest that instead of sharing the stipend, the Government should allow the enterprises to pay 50 or 60% of minimum wages to such Apprentices during the period of training as stipend.
2. **Offences and Penalty** – We welcome the proposal to remove the imprisonment provision from the Act and replace it with penalties plus interest. However, in case of MSMEs the penalty should not be more than Rs. 250 per shortfall.
3. **Inspection**- We welcome the proposal that it shall be after prior approval of the Apprenticeship Advisor. We suggest that such inspection may be made alongwith the representative of MSME Association of which the enterprise of which the inspection is being ordered, is a member of the said MSME Association.
4. **In house training infrastructure** – We welcome the proposal that all the MSMEs may be required to engage apprentices as per their obligation & requirement and if need is arisen, they may identify competent training providers themselves for providing the said training to their apprentices. Here we suggest that the MSME Associations should be permitted to provide such training to their members.
5. **Recruitment of Apprentices** – The proposal that the enterprises to formulate their own policies to recruit trained apprentices is a welcome move. We suggest that even after the completion of training under this Act, the MSMEs be allowed to recruit such apprentices as trainees in the 1st year.

CHAMBER OF SMALL INDUSTRY ASSOCIATIONS

Member, National Board for MSMEs [2010-2012]

ESTD.YEAR 1990

REGD.NO.11-67185

Silver Jubilee Year

6. **Examination**- The proposal to allow apprentices to undergo examination conducted by other agency is very practical. Here we suggest that the MSME Associations also be allowed to conduct such examinations.

The present Act is not very useful for the Micro & Small Enterprises and therefore COSIA had suggested Micro & Small Enterprises Trainees Act & Rules to be enacted by the Govt. of India for the cause of MSMEs. I am enclosing herewith the said proposal for your consideration.

A line in reply will be appreciated.

Thanks & regards,



P.S. Agwan

Hon. Gen. Secretary

Encl.: As above