



व्यावहारिक प्रशिक्षण बोर्ड (पूर्वी क्षेत्र)  
BOARD OF PRACTICAL TRAINING (EASTERN REGION)

भारत सरकार के शिक्षा मंत्रालय के उच्चतर शिक्षा विभाग के अधीन  
UNDER MINISTRY OF EDUCATION, GOVT. OF INDIA, DEPARTMENT OF HIGHER EDUCATION



सशक्त युवा, समर्थ भारत  
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BOPT/DT/2022-23/

Date: July 07<sup>th</sup>, 2022

To  
The GM (HR) & Head of the Training Establishments  
Employing apprentices under The Apprentices (Amendment) Act, 1973

Sub: Clarification on utilization of Corporate Social Responsibility funds of industries/establishments on Apprenticeship Training under The 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 24.05.2022 (copy enclosed), Industries/Establishments are permitted to utilize their Corporate Social Responsibility (CSR) fund for Apprenticeship Training which include expenditure on Basic Training and stipend payable to apprentices, under The Apprentices Act, 1961 (amended 2014) as under

- I. 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 The Apprentices Act, can be booked under CSR funding.
- II. 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.
- III. 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.

Thanking you,

Yours faithfully,

Sd/-  
(S.M. Ejaz Ahmad)  
Director



ब्लॉक - ईए, सेक्टर - I (लावोनी संपदा के विपरीत), साल्ट लेक सिटी, कोलकाता - 700 064, दूरभाष /Phone - (033) 2337-0750/51, फैक्स /Fax - (033) 2321-6814  
Block - EA, Sector - I (Opposite. Labony Estate), Salt Lake City, Kolkata - 700 064, ई-मेल /E-mail - inf@boptr.gov.in, वेबसाइट / website - www.boptr.gov.in

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**e-File No. 10/09/2022-CSR**  
**Government of India**  
**Ministry of Corporate Affairs**

5<sup>th</sup> floor, 'A' Wing, Shastri Bhawan  
 Dr. R. P Road, New Delhi – 110 001

Date. 24.05.2022

**OFFICE MEMORANDUM**

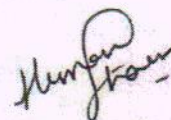
**Sub: Clarification on Utilization of Corporate Social Responsibility (CSR) fund for National Apprenticeship Training Scheme (NATS) by Industries/Establishments-regarding.**

The undersigned is directed to refer to OM dated 06.05.2022 on the subject mentioned above and to state that the broad framework of CSR is provided through Section 135 of the Companies Act, 2013('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014 ('Rules'). Section 135 of the Act contains provisions related to eligibility and obligation of companies towards CSR, Schedule VII of the Act indicates the activities that can be undertaken as CSR, and the Rules prescribe the manner in which companies shall comply with CSR provision of the Act.

2. In this context, the following may be noted:
  - 2.1. Item no. (ii) of Schedule VII of the Act, inter alia, includes **employment enhancing vocation skill** as eligible list of CSR activities. Further, Ministry of Corporate Affairs vide General Circular No. 14/2021 dated 25<sup>th</sup> August, 2021 has clarified that "the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule."
  - 2.2. Companies (Corporate Social Responsibility Policy) Rules, 2014 states that **activities carried out for fulfilment of any other statutory obligations under any law in force in India would not be considered as CSR expenditure.**
3. Thus, in response to the query, as to whether the industries can use funds available under CSR head for NATS, the following are submitted:
  - 3.1. The expenses incurred by the companies, mandated under the Apprentices Act, 1961 (or any other law) are statutory obligations to be carried out by the companies, and would not count as CSR expenditure.

*P. P. P. P.*  
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 25/5/22  
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- 3.2. However, if companies are spending funds for payment of stipend to the apprentices, or for any other activities involving 'employment enhancing vocation skill', **over and above their mandatory requirements under the Apprentices Act or any other statutory obligations as the case may be, such spending may be met from the available CSR funds.**
- 3.3. Further, companies which are not mandated to incur expenditure under the Apprentices Act, (or any other law) can utilize CSR Funds for payment of stipend to apprentices or for any other activities involving 'employment enhancing vocation skill' subject to fulfilling the Companies (CSR Policy) Rules, 2014.
4. This issues with the approval of Competent Authority.



**(Himani Sharma)**  
**Assistant Director, CSR**

To  
✓ Sh. Achint Kumar,  
Under Secretary,  
Department of Higher Education,  
Room No. 535, C-Wing, Shastri Bhawan,  
New Delhi.