GR/GO : CSR Funds can be used for Stipend

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

Office Memorandum

New Delhi 11th 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

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 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.

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

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

bvg
Humanity Ahead