

File No. J-17060/102/2017 DDU-GKY
Government of India
Ministry of Rural Development
Department of Rural Development
(Rural Skills Division)

NDCC-II Building, 7th Floor,
Jai Singh Road, New Delhi- 110001
Date: 6th Oct, 2020

Notification No: 18 /2020

Subject: Captive Employment Guidelines under DDU-GKY.

Taking into account the focus on improving Program outcomes and encourage the participation of Industries/Employers, who require large number of Human Resources, the Captive Employment Guidelines is being notified. The Guidelines has been launched on AntyodayaDiwas, 25th Sept 2020. The Guidelines of Captive Employment aims to provide sustainable employment to rural poor youth. A copy of the Captive Employment Guidelines is enclosed (available at <http://ddugky.gov.in>)

The Captive Employment Guidelines shall come into force w.e.f. 1st Oct 2020



(Bhim Prakash)
Under Secretary to Govt. of India

To

1. Director General, NIRDPR, Hyderabad.
2. MD, NABCONS, Rajendra Place, New Delhi.
3. The Additional Chief Secretaries/ Principal Secretaries/ Secretaries of the Nodal Departments of the States implementing DDU GKY

Copy to:

1. CEOs/MDs/COO/Nodal Officers of SRLMs/ SSDMs in States
2. PPS to Secretary (RD)
3. PPS to AS (RD)
4. PPS to JS (Skills)
5. Executive Director, NIRDPR
6. Project Director, NABCONS
7. All officials of DDU-GKY(MoRD)
8. ICT- PMU team for uploading the notification & Guidelines on website



The Guidelines of Captive Employment

DDU-GKY

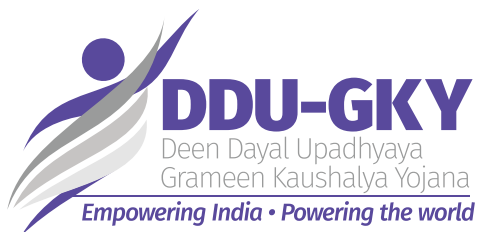
Ministry of Rural Development

The Guidelines of Captive Employment aims to provide sustainable employment to rural poor youth and in turn support industries who are in need of large number of Manpower for their own industries/setup.





Ministry of Rural Development
Government of India



Sl. No	Content	Page
1	Important Definitions & Abbreviations	1
1.1	Important Definitions	1
1.2	Abbreviations	2
2	Background	3
3	Captive Employment Model	5
4	Objective	6
5	Stakeholders	7
6	Salient Features	8
7	Eligibility Criteria & Benefits for Industry	9
7.1	Eligibility Criteria	9
7.2	Benefits to Industry	9
8	Commitment by Captive Employer/ Industry	10
9	Architecture	11
10	Implementation Modalities	12
10.1	Invitation for On boarding Industry as Captive Employer	12
10.2	On boarding as Captive Employer / Signing of MoU	12
10.3	Target Allocation by States post required Approvals	13
10.4	Training Centre Requirement	13
10.5	Mobilization of Candidates	14
10.6	Batch Modalities	14
10.7	Training of Candidates	15
10.8	Assessment and Certification	15
10.9	Captive Placement & Placement tracking for 6 months	16
10.10	Monitoring & Review	16
11	Pay-Out Model	17
12	Incentives	19
13	Annexure 1: Project Review Committee	19

Important Definitions & Abbreviation

Following are few of the Important Definitions and Abbreviations used across the document.

1.1. Important Definitions

- 1.1.1. **Captive Placement**- Captive Placement may be defined as the employment provided to the skilled candidates post training in the industry where they are trained.
- 1.1.2. **Captive Employer** - Any Employer or Industry who provides employment to candidates in their own organization or one of its subsidiaries and have suitable in-house training facilities.
- 1.1.3. **Captive Requirement**- PIAs having their own requirement train and absorb the trained persons in their own organizations. PIAs submitting projects for captive placement should submit details of their own manpower requirement based on a realistic estimate of current needs
- 1.1.4. **Industry/Establishment**- Any place where Industry is carried on to produce or accomplish the task or service.





1.2 Abbreviations

MORD – Ministry of Rural Development

DDU-GKY – Deen Dayal Upadhyaya Grameen Kaushalaya Yojana

NSQF – National Skills Qualification Framework

NSDC – National Skill Development Corporation

SSC – Sector Skill Council

PIA – Project Implementing Agency

CE – Champion Employer

PAC – Project Approval Committee

TIN – Tax Identification Number

TAN – Tax Deduction Account No

GSTIN – Goods & Services Tax Identification Number

EPFO – Employee Provident Fund Organisation

ESIC – Employees State Insurance Corporation

PAN – Permanent Account No

Background

The Ministry of Rural Development (MoRD) is implementing Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) with a vision to “transform rural poor youth into an economically independent and globally relevant workforce”. DDU-GKY is a part of the National Rural Livelihood Mission (NRLM), tasked with the dual objectives of adding diversity to the incomes of rural poor families and cater to the career aspirations of rural youth.

Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), aims to provide placement to skilled human resource. DDU-GKY occupies a unique position amongst other skill training programmes, due to its focus on the rural poor youth and its emphasis on sustainable employment through the prominence and incentives for Higher placements.

The trainings across the various skill development programs have not kept pace with the changing requirements of the industry and in particular desired need of each and product differentiated employer. The courses being run currently are as per general norms of NSQF. The employment potential of each of the course not ascertained and PIAs adopt some of them based on their training ability/feasibility. After training the trainees are placed with a different job role, which puts a question mark on the job roles for which the trainee was trained on. Thus there is currently a peculiar concern of “un-employment of trained candidates” and “lack of skilled human resource as perceived by Industry”. To train trainees in such a way that they are industry ready from day one, it is inevitable to develop/ utilise a model in which training too is

provided by the skilled labour absorbing enterprise, which provides the Captive employment to the skilled manpower.

Since every effort is made to skill the candidates as per the industry standards, the absorption rate of candidates trained by PIA is still low in the market, as each industry/employment has different level of needs and that too changes over a period of time. The skilling for performing a particular job requires trainees to accustom with relevant job operations being conducted at actual locations. Also, it becomes quite challenging for the industry, which requires large number of human resource to set up separate skilling infrastructure other than industry as per standards of govt. schemes, when they already have the readily available infrastructure for providing skilling as per their own industry standards. On the other hand, If Industry is encouraged in adopting Captive employer model, it gives confirm employment to the skilled candidates which in-turn also provide them real work life environment to learn skills on the job.

In order to encourage the participation of Industry and tailor made the candidates as per the industry requirement, DDU-GKY is facilitating Captive Employment model of skilling. The model will allow industry to source trainees as per their requirement with active support from states and train them as per the requirement of their own organizational/industry/ subsidiaries /operational need and provide candidates assured placement.

Captive Employment Model

- 3.1. As a part of accentuating innovative schemes and inviting participation from industry and corporates having presence and operations in India and abroad, DDU-GKY has come forward with a scheme wherein “An employer selects a rural youth, skills and deploy in one of its establishment/subsidiary”. This shall address the issue of relevance of the existing skill development programs from the industries perspective. The Captive employment model, an initiative of DDU-GKY to flexibly cater the requirements of industry and assure rural youth for placement.
- 3.2. Captive Employer is first of its kind initiative, aimed at addressing the vision of dynamic and demand-based planning and assist in pursuit of an efficacious skill ecosystem.

“An employer selects a rural youth, skills and deploy in one of its establishment/subsidiary.”

Objective

- 4.1. To encourage Industry in sustainable placement of rural youth;
- 4.2. Recipient Industry direct involvement in Skilling required Human Resource;
- 4.3. High absorption and retention of trained Rural Youth in Jobs they opted for training;



The following will be the Major Stakeholders:

- 5.1. Government (Implementing Ministry): Ministry of Rural Development through DDU-GKY to empanel the captive employers as per mandate of Captive Employment guidelines
- 5.2. SRLM/SDMs – State Rural Livelihood Mission/State Skill Development Mission leading DDU-GKY implementation in States shall provide the required implementation support and oversee implementation of the captive employment projects.
- 5.3. Employers/Industry – Industry /Employers are the implementer of DDU-GKY Projects as per the requirement of Captive employment guidelines. In case of Captive Employment projects, Employers/Industry will act as a Project Implementing Agency who will skill and provide captive employment to the DDU-GKY trained candidates
- 5.4. Candidate – Candidate are target segment of the rural poor youths as defined under DDU-GKY Guideline.
- 5.5. Sector Skill Councils – Sector Skill Councils will ensure the Assessment and Certifications of the candidates trained by Captive Employers.

Salient Features

- 6.1. Training courses may be implemented by the Industry/Employer as per the requirement of the industry to train the candidate with minimum 576 hours of skilling and maximum 2304 hours of skilling for which DDU-GKY Funding shall be made available. The courses selected by the industry mandatorily be NSQF aligned.
- 6.2. Clubbing of Relevant courses may be done by Captive Employer, if it is beneficial for the career progression of the candidates to be trained. The clubbed courses need to be mandatorily NSQF aligned with no repetition of the content. In case of clubbing of courses, the captive employer is required to provide the full justification as to why such courses are being clubbed? PAC reserves right to reject the combination, if the justification not found satisfactory.
- 6.3. The industry may provide the additional tailor made training as per their own requirement. However, since the payment is made as per the common cost norms for NSQF aligned courses only, payment shall be limited to training of NSQF aligned courses. No payment will be made for additional tailor made trainings.
- 6.4. The monitoring of Training centers shall be done concurrently. Monitoring visits during the training shall be conducted by CTSA /SRLM teams during the training.
- 6.5. Captive Employment to be provided for the minimum period of 6 months' post completion of training preferably in the trained job role or any higher level job role.
- 6.6. The payment to the candidates trained and further provided with captive employment should be as per the norms of Captive Employment Guideline.
- 6.7. The payment to the employer/industry shall be in reimbursement form. The Captive employers shall be paid in three instalments as defined in the Payout Model section of this guidelines.
- 6.8. Mandatory external assessment of trainees needs to be conducted.
- 6.9. Performance Guarantee is not required to be submitted by Captive Employers.
- 6.10. Industry representation in the yearly review of the program.

Eligibility Criteria & Benefits for Industry

7.1. Eligibility Criteria

Industry must have

- 7.1.1. Its existence for past three year
- 7.1.2. Valid EPFO/ESIC/Factory registration number
- 7.1.3. Valid TIN/ TAN/GST Number
- 7.1.4. Valid Bank Account linked with Aadhar/PAN
- 7.1.5. Minimum turnover of Rs. 25 Cr.
- 7.1.6. Positive Net Worth in at least Two of the last three financial year.
- 7.1.7. Should have training experience for minimum period of two year.
- 7.1.8. Should have an existing training centre as per the norms of National Skill Qualification Framework Industry specified infrastructure.
- 7.1.9. Provided employment to 500 or more jobs in own or subsidiary agencies/ companies, during the last three years from the date of application for a project.
- 7.1.10. Manpower Supplying companies are not eligible

7.2. Benefits to Industry

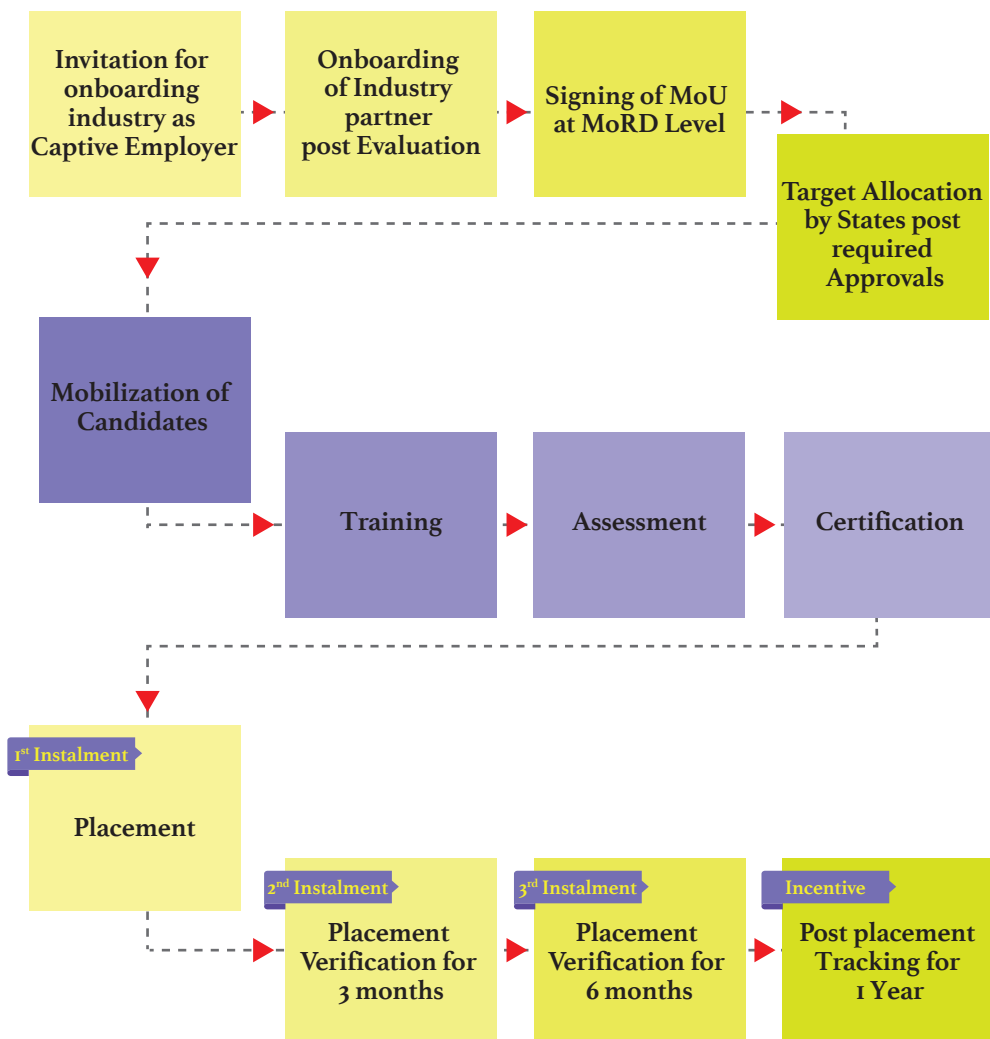
- 7.2.1. The Captive Employer can provide the training to rural youths in their own premises, however it is mandated to have the required set-up for the opted job role as per National Skill Qualification Framework and branding of DDU-GKY.
- 7.2.2. Captive Employer MoU with MoRD shall be for a period of three years.
- 7.2.3. Captive Employers shall get top most priority in target allocation by States.
- 7.2.4. Captive Employers will have waiver of QA Process, QA Fees, Due Diligence of Training centre and other mandates of DDU-GKY SoP. However, regular checks of training conducted may be done during the training period
- 7.2.5. Performance Guarantee will not be applicable for Captive Employers

Commitment by Captive Employer/Industry

Any PIA of about category need to commit to following deliverables:

Sl. No.	Deliverables
8.1	Training
8.1a	Training Infrastructure as per the requirement of Job Role
8.1b	Willingness to provide basic training as per the NSQF Aligned courses
8.1c	Commitment to provide assessment and certification from govt. recognized awarding body
8.1d	Commitment to train and place minimum 500 candidates in the period of 3 years
8.2	Placement
8.2a	Minimum placement commitment of 70% of training target (as prescribed in DDU-GKY Norms) for the minimum period of six months
8.2b	All the placement of trained candidates needs to be in 'Captive Employment 'or Affiliate Companies
8.3	Minimum Wage Commitment
8.3a	Minimum CTC of Rs. 10,000/- month or minimum wages whichever is higher for the training courses less than six months
8.3b	Minimum CTC of Rs. 12,000/- month or minimum wages whichever is higher for the training courses more than six months
8.4	Co – Branding as per DDU-GKY guidelines

Architecture



Implementation Modalities

10.1. Invitation for On boarding Industry as Captive Employer

- 10.1.1. The eligible Industry/Employer will be invited through Expression of Interest by MoRD/SRLMs/SSDMs.
- 10.1.2. In case the industry is shortlisted by SRLMs/SSDMs, then the proposal shall be send by respective SRLMs/SSDMs to MoRD for inclusion of an Industry / Employer as Captive Employer based on appraisal done on pre-defined parameters
- 10.1.3. Industry / Employer who fulfils eligibility criteria and are ready to fulfil the commitment conditions can apply through the Expression of Interest
- 10.1.4. The Review Committee approved by MoRD will evaluate the proposals submitted by Industry and on-board the eligible Industry.
- 10.1.5. MoRD reserves right to reject any proposal or ask for additional information if not found dim fit.

10.2. On boarding as Captive Employer & Signing of MoU

- 10.2.1. The eligible Industry/Employer will be on boarded by MoRD after evaluation of Proposals.
- 10.2.2. The proposals need to undergo two step approval process
- 10.2.1. Project Screening: At the State Level under the chairmanship of Principal Secretary of State Rural Development Department.
- 10.2.2. Project Review & Approval: At Central Level under the chairmanship of Additional Secretary (Ministry of Rural Development) along with SRLM Officials after hearing the presentation by each of prospective Industry/Training Providers.
- 10.2.3. The On boarded Industry/Employer will sign MoU with MoRD & all participating States/UT's.

- 10.2.4. MoU will be initially signed for the period of 3 years.
- 10.2.5. The extension of MoU may be done basis achievement of 70% captive employment of all the completed batches.
- 10.2.6. Industry who are enrolled as Captive Employer can submit their proposal to respective SRLMs any time round the year. Such Industries will be given priority in screening the proposal and target allocation.
- 10.2.7. MoRD reserves right to on-hold /terminate any MoU as per the clause of MoU, if performance is not found satisfactory during the course of implementation.
- 10.2.8. Legal undertaking to be provided by captive employer in case of failure to fulfil employment conditions

10.3. Target Allocation by States post required Approval.

- 10.3.1. Target Allocation to the Captive Employers will be provided by states post required approvals.
- 10.3.2. Target allocation at National Level to be capped at 40% of staff of captive employers registered on EPFO/ESIC or 5000 whichever is lower. The additional target may be provided by states as per the notification no 17/2017 for providing additional target to performing PIA, basis fulfilment of the condition of additional target criteria mentioned in the notification.

10.4. Training Centre Requirement

- 10.4.1. The basic minimum facility for providing class room training may be developed by the Captive Employer.
- 10.4.2. The Industry specified infrastructure as per the norms of National Skill Qualification Framework is mandated to be developed for providing training
- 10.4.3. Captive employer should have readily available training centre for providing the respective trade training

- 10.4.4. All the trainings conducted by Captive Employers can be both residential & Non-Residential.
- 10.4.5. Captive Employer is required to ensure the proper residential facility is being provided in case of residential courses. However, in case of non-residential courses, Captive Employers are required to facilitate the candidates for accommodation facility

10.5. Mobilization of Candidates

- 10.5.1. Selection of right candidate is inevitable for successful implementation of project, hence Mobilization is very important step for getting the aspirational and serious candidates.
- 10.5.2. CRP & SHGs and other Community Based Organization and other govt. official staffs may actively involve along with captive employer in order to mobilize needy, interested and aspirational candidates.
- 10.5.3. The aspiration and seriousness of the candidates may be mapped with the requirement of the captive employer trade or job roles
- 10.5.4. The visit of candidates and their parents to the industry of captive employer may be conducted as a part of Mobilization process in order to provide exposure to real world environment
- 10.5.5. If required, the captive employer may conduct a small selection test for shortlisting the right candidates and may be provided counselling support.

10.6. Batch Modalities

- 10.6.1. Minimum batch size should not be less than 15 candidates and Maximum batch size should not exceed 35 Candidates

- 10.6.2. Once the Batch is freezed, all the candidates needs to be provided with conditional offer letter by captive employer.

10.7. Training of Trainees

- 10.7.1. The training courses selected by the industry must be NSQF aligned.
- 10.7.2. Domain Trainings may be provided by ToT certified trainer of concern SSC.
- 10.7.3. Training courses may be implemented by the Industry/Employer as per the requirement of the industry to train the candidate with minimum hours (576 Hours) of skilling as per DDU-GKY Guidelines. DDU-GKY shall reimburse a maximum of 2304 hours of Training. Any Captive employer wants to train for longer duration has to arrange additional funds on their own.
- 10.7.4. Captive Employer is required to take necessary measures for the safety of the candidates when trainings are conducted within the industry premises.
- 10.7.5. DDU-GKY branding is mandatory for training areas in case of captive employment.

10.8. Assessment and Certification

- 10.8.1. Assessment is mandatory for all the candidates trained under Captive Employment Program. At least 70% of the candidates pass the Assessment and avail certification from concerned SSC.
- 10.8.2. The assessment and certification is required to be conducted for all the trades undertaken during the training.

10.9. Captive Placement & Placement tracking for 6 months

- 10.9.1. It is mandated to provide the Captive Employment offer to all the candidates trained by the Captive Employer.
- 10.9.2. It is mandatory to provide captive placement to 70% of trained candidates for the minimum period of 6 months' post completion of training.
- 10.9.3. A separate placement verification module shall be made available for verifying 100% placement.

10.10. Monitoring & Review

- 10.10.1. A robust IT platform & Monitoring Framework may be developed at National Level to monitor the performance and progress of Captive Employers
- 10.10.2. The monitoring of Training centres shall be done concurrently. Monitoring visits during the training may be conducted by CTSA /SRLM teams during the training.
- 10.10.3. Quarterly review may be conducted at State/MoRD level to monitor the performance of captive employer so that the mid-term rectification may be done in timely manner.



Pay-Out Model

The pay-out to the industry/employer will be done on batch mode. The payments will be done as per the common cost norms and in three instalments mentioned below.

Instalment	% of Instalment (of Batch)	Milestone
1 st	30%	On Successful completion of Training and Assessment of the batch & 70% of trained candidates are provided appointment letters. The payments will be made for the number of candidates successfully assessed and provided appointments.
2 nd	30%	On successful verification of Captive Placement for the 70% of trained candidates who are placed for minimum period of 3 months. Physical Verification shall be conducted for all placed candidates.
3 rd	40%	On successful verification of Captive Placement for the 70% of trained candidates who are placed for minimum period of 6 months.. Physical Verification shall be conducted for all placed candidates.

- 11.1. The 1st Instalment (30% as per pay-out model) will be made basis number of candidates assessed and provided appointment to at least 70% of trained candidates.
- 11.2. The subsequent installments shall be paid to Captive Employer post placement verification.
- 11.3. In case Industry/Captive Employer does not meet the milestone for 2nd instalment for two subsequent batch, then 1st instalment of 3rd batch shall not be disbursed.
- 11.4. The industry may provide the additional tailor-made training as per the requirement of the industry. However, since the payment is made as per the common cost norms for NSQF aligned courses only, no payment will be made for additional tailor-made trainings.



Incentives

Post placement incentives for placement, retention support, career progression, Counselling support including medical check-up for candidates placed in Foreign countries shall be paid as per DDU-GKY guideline.

Annexure – 1: Project Review Committee

1. Additional Secretary MoRD	Chairperson
2. Advisor (Skills & Livelihood), Sagarmala	Co-Chairperson
3. Joint Secretary Skills, MoRD	Member
4. Director, Rural Skill Division	Member
5. Head PMA	Member
6. Representative of CTSA - National Institute of Rural Development & Panchayati Raj (NIRD&PR)	Member
7. Representative of CTSA -NABARD Consultancy Services (NABCONS)	Member
8. Sector Expert (to be invited by Review Committee)	Member
9. Representatives from Project Management Agency(PMA) dealing the subject, Rural Skill Division	Member Secretary

