

SCHEME FOR MARKET LED FEE-BASED SERVICES

BY

NATIONAL SKILL DEVELOPMENT CORPORATION

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ABBREVIATIONS

CSR	Corporate Social Responsibility
DPIIT	Department of Promotion of Industry and Internal Trade
INR	Indian Rupees
MSDE	Ministry of Skill Development and Entrepreneurship
NBFI	Non-Banking Financial Institution
NCVET	National Council of Vocational Education and Training
NOS	National Occupational Standards
NSDC	National Skill Development Corporation
NSQF	National Skill Qualification Framework
PAC	Proposal Approval Committee
PEC	Proposal Evaluation Committee
PPP	Public Private Partnership
QP	Qualification Pack
SDMS	Skill Development Management System
SIP	Skill India Portal

DEFINITIONS

“Agreement” shall mean agreement(s) executed by the Partner and NSDC under the Scheme as part of Funded Affiliation or Non-Funded Affiliation.

“Applicant” shall mean the Eligible Entity submitting the Proposal under the Scheme with NSDC.

“Board” shall mean the Board of Directors of NSDC.

“Eligible Entity” shall mean a limited or unlimited liability company, corporation, limited liability partnership, registered trust, society, co-operative society, or any other entity that may be recognized as a person under applicable laws. It is clarified that individuals shall not be eligible to apply under this Scheme.

“Fee-based Services” shall mean Services delivered by the Partners, for which the fee for the Services is financed under either of the following models – (i) self-financed by the candidate, (ii) financed by candidate or training partner through a loan or under an income sharing arrangement with the Partner, (iii) financed by an employer, (iv) financed by a company or other corporate body under a program or as part of its corporate social responsibility (“CSR”) obligation, or (v) financed by any charitable organization or (vi) a combination of any of the above.

“Funded Affiliation” shall mean affiliation under the Scheme with NSDC as a Partner by obtaining financial assistance for (i) creation of infrastructure for training towards skill development and/ or (ii) working capital requirement for skill development activities of the Partner.

“Funding Guidelines” shall mean guidelines released by NSDC for submission and evaluation of Proposals for Funded Affiliation, as may be amended from time to time.

“Non-Funded Affiliation” shall mean affiliation with NSDC under the Scheme for non-financial support by NSDC.

“Non-Funding Guidelines” shall mean guidelines released by NSDC for submission and evaluation of Proposals for Non-Funded Affiliation, as may be amended from time to time.

“Partner” shall mean any Applicant whose Proposal has been approved under the Scheme for affiliation as a Partner, whether as part of Funded Affiliation or Non-funded Affiliation.

“Proposal” shall mean application submitted along with requisite documents by any Applicant for getting affiliated with NSDC as a Partner under the Scheme whether for Funded Affiliation or Non-Funded Affiliation.

“SIP” or “Skill India Portal” shall mean a portal developed and managed by NSDC for data management, record keeping and providing information of the Services provided by the Partners in association with NSDC.

“Scheme” shall mean this Scheme dated May 18, 2022 implemented by NSDC for empanelment of Partners for implementing market led Fee-based Services.

“Scheme Period” shall mean a period of 10 (Ten) years with effect from May 18, 2022, i.e. from the financial year 2022-23 to financial year 2031-32.

“Services” shall mean one or more of the following services proposed by the Applicant and approved under the Scheme by NSDC:

- a) vocational training programs or courses, whether conducted in online or offline mode or a combination of both, and
- b) learning, training, trainer enablement, assessment and livelihood support services, whether offered in online or offline mode.

OVERVIEW

National Skill Development Corporation (“NSDC”), a Section 25 Company under Companies Act, 1956 (corresponding to Section 8 of the Companies Act, 2013), was initially set up under the Prime Minister’s National Council on Skill Development with the primary mandate of enhancing and supporting private sector initiatives for Skill Development in India through appropriate Public-Private Partnership (“PPP”) models and striving for significant operational and financial involvement from the private sector. At present, NSDC functions under the aegis of the Ministry of Skill Development & Entrepreneurship (“MSDE”).

In order to foster skill development across the country, NSDC provides funding and non-funding support to enterprises, companies, and organizations across India to build capacity by providing technical assistance, financial support, branding support, thought leadership, knowledge management, and other support appropriate for the sector. Playing the role of a market-maker, NSDC is responsible for enhancing and strengthening skill development initiatives and ensuring long-term stability and growth of the sector.

NSDC through this Scheme endeavors to create a sustainable and enabling skill training ecosystem by promoting provision of market led Fee-based Services which are funded under the following models – (i) self-financed by the candidate, (ii) financed by candidate or Partner through a loan or under an income sharing arrangement with the Partner, (iii) financed by an employer, (iv) financed by a company or other corporate body under a program or as part of its CSR obligation, (v) financed by any charitable organization, or (vi) a combination of any of the above.

This Scheme also intends to establish a framework for aggregate and standardized training in high growth sectors by engaging ‘for-profit’ entities, ‘not for-profit’ entities, corporates, start-ups, trust, societies, foundations etc., as Partners on service-to-service basis and provide joint certification with the Partner to the candidates, wherever such joint certification is desirable and feasible. The Scheme will help in creating a verifiable repository of data of all the candidates being trained by the Partners under the Scheme.

OBJECTIVES OF THE SCHEME

NSDC, through this Scheme aims to –

- a) support Fee-based Services in high growth sectors and emerging technologies thereby creating large pool of skilled and certified workforce for these sectors;
- b) design, support and enable innovations in the fee-based training ecosystem;
- c) scale outcome oriented and successful fee-based training programs by providing financial and/or technical assistance, including concessional skill loans, industry partnerships, apprenticeship, access to Skill India Portal (“SIP”) and training networks and other enabling support;
- d) create large pool of skilling, re-skilling and upskilling Fee based Services to enable life-long learning and improved productivity of working professionals;

- e) aggregate data of certified trainees on a single digital platform for creating a repository and reporting and monitoring through SIP.

FEATURES OF SERVICE

At the time of submitting the Proposal, the Applicant shall be required to provide details of the prospective Services it intends to offer in association with NSDC under this Scheme.

A Partner whose Service has already been approved under the Scheme may also submit Proposal for including additional Services as part of the Scheme by submitting the details of the Service. In such cases, ordinarily the Service alone may be assessed and approved without going through a detailed assessment of the Applicant, unless NSDC determines that such assessment is required on a case-to-case basis.

NSDC in its discretion may prescribe variable assessment criteria and process for different class of Applicants, such as Applicants already registered for one Service applying for another Service, Applicants who are already registered as a training partner with NSDC and Applicants who are not registered with NSDC at all.

The Eligible Entity that intends to register with NSDC for organizing certain Services under this Scheme at the time of submitting the Proposal or at the time of submitting request for approval of a specific Service should preferably aim for the following–

- a) The Services introduced by the Applicant should include courses, programs or services for skilling, up-skilling, and re-skilling the candidates intended to get trained in different sectors.
- b) The Services offered by the Applicant are designed in a way to develop necessary skills in a candidate from employability perspective and/ or shall be able to generate appropriate employment opportunities for the said candidates including setting up of a registered enterprise.
- c) If the Services include courses or programs organized by Applicant, then such courses or programs shall preferably meet the [QP NOS standards](#) and be aligned with NSQF. NSDC may however on case-to-case basis relax this requirement subject to the Applicant demonstrating that there is demand for the non-NSQF mapped courses, programs or services in the market with suitable employment opportunities for the trainees. NSDC reserves its right to further relax the aforesaid requirement if in the sole satisfaction and judgment of NSDC, the Services organized by the Applicant intend to cater the vulnerable segments of the society including but not limited to gig workforce, women and un-catered geographies and sectors.
- d) The minimum annual pay scale offered to the candidates post completion and certification of a specified course or program forming part of the Service approved under the Scheme shall be in compliance with the minimum wages legislation for a particular state where the Partner is operating.
- e) The Services are preferably organized in an online mode or hybrid mode so as to maximize their reach, unless the nature of the Service demands otherwise.

- f) The Services are designed to address the need of the high growth sectors identified by Government of India such as IT, electronics, entrepreneurship etc.
- g) The Applicant shall provide various payment options for the fee to the candidates, including online and digital payment options.

While approving a Service under the Scheme, NSDC reserves the right to set out additional criteria for assessment of learning outcomes and/ or other tangible deliverables or outcomes that the Service must achieve including for Services that are specifically for up-skilling or re-skilling of the candidates/ service recipients.

BENEFITS AVAILABLE TO PARTNERS UNDER THE SCHEME

The Partner will be eligible for the following benefits under the Scheme in relation to the Services approved under the Scheme subject to approval of the Partner and the Services under the Scheme:

1. Soft loans in the form of concessional term loans to Partners.
2. Leverage training delivery ecosystem and branding for mass outreach and awareness.
3. Uniformity in certifications vide system generated joint certification with NSDC, wherever desirable and feasible.
4. Opportunity to use of name and brand logo of NSDC in relation to promotion of the approved Service, on terms and conditions set out by NSDC.
5. Opportunity to participate in new initiatives or opportunities offered by NSDC, subject to the eligibility and other conditions of such initiatives or opportunities.
6. Opportunity to participate in programs of NSDC designed in partnership with corporates under their CSR for skilling and livelihood generation.
7. Subscription to digital/ e-SkillIndia, the e-learning aggregator platform of NSDC. The Partner may also be able to place the details of its Services approved under the Scheme on a national portal of repute to enhance visibility and business with associated marketing as a separate service for an additional cost.
8. Opportunity to participate in the apprenticeship and industry partnerships of NSDC.
9. Opportunity to participate in Skill Loan Scheme of NSDC in partnership with NBFIs partners of NSDC.
10. Opportunity to work with NSDC and Sector Skill Councils for NCVET accreditation of Non-NSQF aligned training programs.

It is clarified that NSDC may provide additional criterions or conditions for a Partner being eligible to obtain the benefits or services set out above. Mere registration as a Partner shall not entitle such Partner to the benefits set out above automatically.

AFFILIATION AS PARTNER

Any Eligible Entity having relevant experience in skill development may submit a Proposal to become a Partner of NSDC. The Proposal shall be in the prescribed format and shall include details of the Services proposed to be offered by the Partner under the Scheme. The Services forming part of the Proposals must be robust, cater to sectors with high growth, unmet needs and/ or unorganized sector. The Services must be outcome oriented and should focus on placement in industry, self-employment opportunities or entrepreneurship and upskilling.

The Proposal submitted to NSDC in the prescribed format will go through the process of test of responsiveness, legal, technical and financial due diligence, as may be required by NSDC in its sole discretion, followed by consideration by appropriate authority/ committees. As part of the appraisal process, the credentials of the Applicant and its promoters and sponsors, past track record, robustness of training implementation model, current and past financials, management team, nature of the Service, pedagogy, business plans, skilling outcome, employability and industry linkages are some key aspects that may be evaluated by NSDC. NSDC may also ask for additional information as deemed fit during proposal evaluation and same shall be provided by the Applicant.

For the purpose of screening and approval of the Proposals, if it is deemed fit by NSDC for one or more Proposals or a class of Proposals, NSDC may set up Proposal Evaluation Committee (“**PEC**”) and Proposal Approval Committee (“**PAC**”). The approval of the Proposal and grant of ‘Partner’ status to the Applicant shall be subject to the sole satisfaction of NSDC as per the partnership guidelines, the viability of the Proposal submitted and expected outcomes from the Partner. At the time of approval of a Proposal, NSDC may prescribe such terms and conditions as it may deem fit, and the Partner shall comply with such terms and conditions, as prescribed.

An Applicant may submit a Proposal under the following categories:

- a) Funded Affiliation
- b) Non-Funded Affiliation

Funded Affiliation

NSDC’s Funded Affiliation is an affiliation where an Applicant submits a Proposal for availing financial assistance from NSDC for Services approved under the Scheme. The proposed Services must be fee based and outcome oriented and should focus on placement in industry, self-employment opportunities or entrepreneurship and up-skilling/ re-skilling.

The limits to funding, the requirement for promoter contribution (and evidence of such promoter contribution as may be required) and end use of the funding provided as part of Funded Affiliation shall be as per the Funding Guidelines.

The tenure of Funded Affiliation shall be such as may be prescribed in the Funding Guidelines. It is clarified that any Proposal for Funded Affiliation approved under the Scheme during the Scheme Period shall continue for its tenure notwithstanding that the Scheme Period has expired. Proposals need to be submitted in prescribed format and they shall be evaluated in accordance with the concerned Funding Guidelines and procedures determined by NSDC in its sole discretion, including the ‘Financial

Management & Procurement Manual’, as amended from time to time and available at the website of NSDC.

The Services forming part of the Proposals submitted for grant of Funded Affiliation should be robust and should preferably cater to geographies and/or sectors with unmet needs. Ideally, the business model should serve high growth sectors, unorganized sectors, or training to develop the skill ecosystem. The Proposal submitted must be outcome oriented and should focus on employability through placement in industry and/ or self-employment opportunities.

The Funded Affiliation is further aligned to the philosophy that the business plans and viabilities thereof will be different for ‘for-profit’ entity and ‘not-for-profit’ entity.

NSDC shall evaluate financial viability of the Service(s) forming part of the Proposal. For Applicants who are ‘not-for-profit’ entities, NSDC may on case-to-case basis approve financial assistance on such terms and conditions as it may deem fit.

The approval for Funded Affiliation shall be in accordance with the Funding Guidelines of the NSDC, as amended from time to time, and made available at the website of NSDC. It is clarified that the decision to provide funding shall be at the sole discretion of NSDC and its decision shall be final and binding upon the Applicant.

Without prejudice to the Funding Guidelines, NSDC shall execute appropriate agreements with the Applicant whose Proposal has been approved for grant of the financial assistance, in the formats made available at the website of NSDC.

Non-Funded Affiliation

NSDC’s Non-Funded Affiliation is an affiliation where an Applicant submits a Proposal for the purpose of becoming part of the ‘Skill India’ Mission and not for obtaining any financial assistance from NSDC. The Services under the Non-Funded Affiliation must be outcome oriented and should focus on placement in industry, self-employment opportunities or entrepreneurship and upskilling and such Services may be eligible for co-branding opportunity with NSDC for approved Services under the Scheme.

The eligibility conditions for an Applicant to apply under the Scheme for Non-Funded Affiliation shall be as per Non-Funding Guidelines available at the website of NSDC. Upon receipt of the Proposal for Non-Funded Affiliation, the Proposal shall go through the process of test of responsiveness, legal, financial and technical due diligence and shall be follow such evaluation procedure as determined by NSDC, including evaluated by PEC and PAC, if it is so deemed for specific Proposals or a class of them. As a part of the evaluation process, NSDC may, at any point in time, call for details and documents not limited to the credentials of the promoter, past track record, robustness of model, current and past financials, management team, outcome linkages and any other additional information as may be required.

NSDC shall execute appropriate agreements with the Applicant whose Proposal has been approved for grant of the Non-Funded Affiliation. It is clarified that any Proposal for Non-Funded Affiliation approved under the Scheme during the Scheme Period shall continue for its tenure notwithstanding that the Scheme Period has expired. The performance of the Partner under Non-Funded Affiliation shall be

subject to periodic review and NSDC will issue a certificate to the Partner on yearly basis subject to the Partner having fulfilled the performance parameters for Non-Funded Affiliation as may be specified by NSDC from time to time. The approved Non-Funded Partner may be eligible for such benefits as approved under the Scheme and Non-Funding Guidelines, on such terms and conditions as may be prescribed by NSDC from time to time.

It is clarified that the decision to provide Non-Funded Affiliation shall be at the sole discretion of NSDC and its decision shall be final and binding upon the Applicant.

The approval for Non-Funded Affiliation shall be in accordance with the Non-Funding Guidelines of the NSDC, which are available at website of NSDC.

SUBMISSION OF PROPOSAL BY THE APPLICANT

Any Eligible Entity that intends to get affiliated (whether Funded Affiliation or Non-Funded Affiliation) with the NSDC under this Scheme shall submit a Proposal under a prescribed format(s) for Funded Affiliation and for Non-Funded Affiliation along with relevant documents. The prescribed format is available at the website of NSDC and may be downloaded from the same. The said Proposal shall be accompanied with processing fee set out in **Part-I to Annexure-A**. It is clarified that the processing fee shall be subject to revisions made by NSDC from time to time.

NSDC may provide certain services to the Partners on such terms and conditions and on payment of fee as may be prescribed by NSDC. Out of the services offered by NSDC, the Partner may avail one or more services that it may require. The fee for such services shall be such as may be agreed between NSDC and the Partner.

The Applicant shall further provide following details at the time of submission of the Proposal or at the time of submitting a request for approval of a specific Service in the prescribed format:

- a) Details of the Service offered including fee charged, eligibility criteria, duration of the service, curriculum offered, mode of training and the quality assurance.
- b) The objectives of the Service, the competencies, skilling outcomes, and capabilities the Service intends to inculcate in a candidate.
- c) Details of resources, infrastructure and trainers required and its/their availability with the Applicant, and resource planning and funding plan.
- d) Details of the pedagogy, and assessment mechanism or evaluation format or criteria.
- e) Industry linkage and placement commitment offered by the Partner to the candidate.
- f) Minimum yearly remuneration that the candidate shall be able to command after receiving the Service, in case of a skilling Service.
- g) The Applicant shall along with the Proposal, provide details regarding its past performance and experience in skill training along with past placement records, wherever applicable.
- h) Any other information as may be required by NSDC from time to time.

APPROVAL OF PROPOSAL AND EXECUTION OF AGREEMENT(S)

NSDC, upon submission of the Proposal along with the requisite documents and processing fees by the Applicant shall send the Proposals for evaluation as per its own internal processes and procedures. On being satisfied, the NSDC may upon such terms and conditions (including the conditions for ongoing monitoring) as it may deem fit approve the Proposal of the Applicant. NSDC may also refuse to grant approval to the Applicant if it is not satisfied with the Proposal submitted or if the Applicant fails to submit necessary documents and details required by NSDC in the given time frame and from time to time.

NSDC reserves the right to modify the Scheme from time to time, including by way of updating partnership, monitoring, and any other guidelines applicable on the Partners under this Scheme.

Once approval has been granted, the Partner shall execute appropriate Agreements, documents and undertakings as may be required by NSDC. The templates of such agreements, documents and undertakings, as amended from time to time, is available at the website of NSDC. The standard documents are only indicative in nature and NSDC may specify additional or modified documents or agreements that the Partner may need to execute with NSDC.

MONITORING AND REPORTING

All Partners shall be expected to comply with the prevalent Monitoring and Reporting Guidelines of NSDC available at the website of NSDC.

CERTIFICATION THROUGH SIP

The Partner offering the Service through their respective skill training institutions shall have flexibility to undertake assessment of the candidates and certify them on the basis of the candidate's performance, as per the norms set out by them. Further, the candidates upon successful completion of a Service as reported on the SIP shall be provided with a system generated skill certification by the Partner, unless NSDC agrees for joint certification.

However, it is important to note that the certification shall be provided for the Services approved under this Scheme and only for those candidates whose data is uploaded and updated on the SIP and for whom the certificate fee has been paid. No other candidate enrolled by the Partner shall be eligible for certification under this Scheme.

The NSDC may against payment of such fee as may be determined by NSDC, undertake joint certification of any specific Service availed by a candidate through the Skill India Portal. Such joint certification shall be on such terms and conditions as may be prescribed by NSDC from time to time, including on the basis of verification, vetting, and/or approval of the evaluation and assessment method and process of the Partner, for one or more of the approved Services.

BRANDING AND COMMUNICATION

The Partner shall at all times strictly adhere to the Branding and Communication Guidelines of NSDC available at the website of NSDC. The Partner shall ensure to use the name and brand logo of NSDC in accordance with the Branding and Communication Guidelines and shall not misuse the same to NSDC's

disadvantage. In case of any non-adherence, NSDC shall give a written notice to Partner to ensure adherence within a definitive period of upto 30 (Thirty) days. In case the Partner fails to adhere to the Branding and Communication Guidelines as per the notice, then NSDC shall have the right, by a notice in writing to Partner, to terminate the status of Partner as a 'Partner' (whether under the Funded Affiliation or Non-Funded Affiliation). Upon the termination of the status of the Partner, the Partner shall be required to forthwith stop displaying association with NSDC, including the logo of NSDC. Such termination shall be without prejudice to any other rights and claims that NSDC may have under the Agreements executed between NSDC and the Partner.

If for the breach of any of the conditions mentioned anywhere in this Scheme, the status of Partner as a 'Partner' is terminated, the same shall lead to termination of the Agreements executed between NSDC and concerned Partner. In such event the Partner shall be liable to forthwith make the payment of the entire loan amount and any fee and other charges payable to NSDC under this Scheme. Further, the Partner shall not be eligible to claim any benefits available to it before the termination of the said Agreements.

REQUIREMENT TO REGISTER FOR EXISTING TRAINING PARTNERS

It is clarified that the training partners already registered with NSDC under the Non-Funding Guidelines as on the date of this Scheme shall be required to register themselves with NSDC under this Scheme so as to continue with the status of Partner or Training Partner, on or before November 30, 2022. Failure to register with the NSDC under this Scheme within the specified time period shall lead to expiry of the registration of the concerned training partner registered for Non-Funded Affiliation under any other scheme or program of NSDC.

Any training partner who has been registered with NSDC under any scheme for Funded Affiliation, wherein such training partner has availed any financial assistance from NSDC may continue its relationship with NSDC under the existing arrangement (including any contract executed between NSDC and such training partner) for the outstanding tenure. However, in order to avail the benefits under this Scheme, such training partners shall have to register themselves under this Scheme.

DISCLAIMER

By approving the Services under the Scheme, NSDC does not take liability or responsibility for the content of the Service, the responsibility for which shall solely vest with the Partner. Further, NSDC's approval of the Service under the Scheme shall not absolve the Partner from seeking any other approval required to be taken by the Partner under applicable laws, and the Partner shall be solely liable to take all such approvals. The words Partner or partnership have been used under the Scheme as generic terms of common parlance and shall not create any legally binding partnership between the Partner and NSDC or its Affiliates.

ANNEXURE-A

PART-I

PROCESSING FEE

1. **Funded Affiliation:** NSDC may prescribe such Processing fee as it may deem fit but not exceeding INR 10,00,000/- (Indian Rupees Ten Lakhs Only).
2. **Non-Funded Affiliation:** NSDC may prescribe such Processing fee as it may deem fit but not exceeding INR 10,00,000/- (Indian Rupees Ten Lakhs Only).

The processing fee shall be subject to revisions by NSDC from time to time.

PART-II

FEE FOR OTHER SERVICES PROVIDED BY NSDC

1. **Fee under Funded Affiliation for ‘for-profit’ and ‘not for profit’ entity.**

NSDC upon payment of such fee by the Partner, as determined by NSDC in consultation with the Partner shall issue automatically generated certificates through SIP to the candidates registered for the Services under the Scheme.

2. **Fee under Non-Funded Affiliation for ‘not for profit’ entity.**

The Partner registered under Non-Funded Affiliation as ‘not-for-profit’ entity shall pay such fixed fee as may be determined by NSDC. In addition, NSDC upon payment of such fee by the Partner, as determined by NSDC in consultation with the Partner shall issue automatically generated certificates through SIP to the candidates registered for the Services under the Scheme.

3. **Fee under Non-Funded Affiliation for ‘for profit’ entity.**

The Partner, being a ‘for-profit’ entity intending to register under Non-Funded Affiliation with NSDC shall have to pay such cost contribution as may be mutually agreed between the NSDC and the Partner.