



सत्यमेव जयते

GOVERNMENT OF INDIA

GUIDELINES

of

“Digital MSME”

**A Component of
CLCS-TU Scheme**

MSME

Micro, Small & Medium Enterprises

सूक्ष्म, लघु एवं मध्यम उद्यम

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List of Abbreviations

DC (MSME)	Development Commissioner (Micro, Small and Medium Enterprise)
EDC	Enterprise Development Centre
IA	Implementing Agency
ICT	Information and Communication Technology
IT	Information Technology
MoU	Memorandum of Understanding
MSME	Micro, Small and Medium Enterprises
MSME – DI	Micro, Small and Medium Enterprises – Development Institute
NMIU	National Monitoring & Implementation Unit
NMCP	National Manufacturing Competitiveness Programme
SP	Service Provider
PFMS	Public Financial Management System
PMAC	Project Monitoring and Advisory Committee
TC	Technology Centre
UAM	Udyog Aadhar Memorandum

“Digital MSME” Scheme for Promotion of Information and Communication Technology (ICT) in MSME Sector

1. INTRODUCTION

Over the last few decades, ICT has taken on a significant support role for business activities. In most cases, it has become a key enabler for competitiveness, better quality of service, lower processing costs or even better support for MIS. In some cases making the right choices and investing in the right digital technologies is the key to their successful uses.

2. SCHEME OBJECTIVES AND OUTCOME:

2.1 The previous Digital MSME scheme had provision to provide subsidy to MSEs for using Cloud Based software. In order to make maximum number of MSMEs digitally empowered, the present version of the scheme has been conceived keeping in mind the diverse digital needs of the sector.

The main objective of scheme is to make MSMEs digitally empowered and motivate them to adopt ICT tools and applications in their production & business processes with a view to improve their competitiveness in national and international market. The likely outcomes of the scheme will be:

- i. Empower & enable MSMEs to harness IT as a medium of communication to revamp access to the markets to update their managerial and technical knowledge through online content—both static and dynamic.
- ii. Evolving internal efficiencies by way of intense ICT intake and automating procedure for cost reduction and capacity enhancement for information access, processing, collaboration and dissemination.

2.2 Under this scheme, large number of MSMEs are expected to be benefited in terms of standardization of their business processes, improvement in delivery time, reduction in inventory carrying cost, improvement in productivity and quality of production, controlling cost & time, improved customer satisfaction etc.

3.0 COMPONENTS OF THE SCHEME:

The following activities are proposed to be undertaken under the scheme:

3.1 Awareness Programme and Work Shop:

The objective of Awareness programmes is to create awareness amongst Implementing agencies and MSMEs about the benefits of implementing ICT in their enterprises, details of the scheme, explain about how to avail the benefits of scheme, procedural methodology for participating in the scheme. The ICT needs of MSME will also be assessed during the programme and accordingly MSMEs will be advised in selecting suitable services. Awareness programmes and Workshops will be organized by NMIU/IA with the involvement of various stakeholders. Workshops will be funded @ Rs. 5 lakhs per day and awareness programme shall be funded @ Rs.0.70 lakh / programme. Place and venue may be decided by NMIU/IA.

3.2 Development of e-Platform

- a. India Enterprise Portal shall be developed for provision of various services to the MSMEs. The portal will display the details and list of Service Providers along with their services, charges, comparative cost of similar applications, features/specifications, service levels etc. Portal should also have provision for E-marketing related activities, Knowledge based artificial intelligence back end system, provision to accommodate necessary futuristic developments as per need. Maintenance and related aspects shall be taken care by NMIU.
- b. Specifications including all technical parameters will be determined by NMIU as per need of MSMEs and other stake holders. NMIU may assess specific needs of user sectors and may involve expert agencies etc. for that.

3.3 Development of software /Apps for MSMEs

Initially, software/apps. in following four verticals may be made available to MSMEs :

- a. Enterprise Resource Planning (ERP) including Human Resource Management, Finance & Accounting Management, Supply Chain Management, Inventory Management, Customer Relationship Management etc.
- b. Accounting
- c. Manufacturing Design – Sector specific as per need.
- d. Regulatory Compliances including GST etc.

More software/applications may be added need based as and when required.

3.4 Digital Literacy and e-marketing

E-literacy mission is to be run in order to make MSMEs digitally empowered. Various activities as deemed fit to meet the purpose may be undertaken by NMIU/IA with the involvement of expert agencies in relevant areas. Extensive awareness campaigns may be organized for MSMEs as well as for schools etc. to sensitize the participants to adopt digital mode of operation for various activities of their business processes. MSMEs and students fraternity may be provided training modules in different areas. Enterprise Development Centers (EDCs) shall be involved for running the e-literacy mission. E-marketing activities as deemed fit may be undertaken through the India Enterprise portal.

3.5 Training to MSME officials, MSMEs, Professionals etc

Relevant Training (Domestic and International) programmes may be organised for the officials of O/o DC(MSME) , its field offices, NMIU/IA and MSMEs. MSMEs have to bear 25 % of total cost involved. Training programmes and Participants will be finalized by the O/o DC(MSME).

3.6 Digital Empowerment through Enterprise Development Centre (EDC)

O/o DC(MSME) is in process to set up EDCs across the country. These EDCs may be involved to undertake various activities related to Digital literacy/ e-marketing etc. EDCs may act as nodal points for information dissemination and creating awareness amongst MSMEs and students fraternity etc.

For the above purpose, One time grant of upto Rs. 1 Lakhs per EDC may be given for IT related equipments/infrastructure and technical support.

3.7 Assistance for IT infrastructure to various Implementing Agencies (IA) upto Rs.10 lakhs per IA

3.8 Futuristic developments

In the fast changing digital world, any activity which is deemed necessary and important for digital empowerment of the MSMEs may be undertaken with the approval of O/o DC(MSME).

3.9 Publicity, Branding and Mobilization:

The following activities/tasks will be under taken through NMIU/IAs :

- a. Regular media campaign through electronic, print media and radio
- b. Documentary/short films on benefits of adopting ICT technology for MSME sector etc.
- c. Preparation and printing of book of knowledge on ICT/ Cloud computing having relevance to MSME sector, study material on cloud computing and success stories of MSME sector implemented ICT etc. would be covered.

3.10 Impact Assessment and Survey including Data Analytics

Any survey regarding need assessment, Impact of activities and other related activities may be undertaken by NMIU/IAs as deemed fit with the approval of O/o DC(MSME) involving expert agencies.

3.11 Miscellaneous Expenses

Expenses towards Project related travel etc. Admin expenses, printing of guidelines, purchase of office automation equipment including Desktops/Laptops/Printers/Scanners and all other related items, hiring of manpower/experts/consultants etc., contingencies, assistance to field offices of O/o DC-MSME for their role in implementing the scheme etc.

4. IMPLEMENTATION OF THE SCHEME

4.1 The scheme is proposed to be implemented up to financial year 2019-20.

4.2 A National Monitoring and Implementation Unit (NMIU) shall be setup in the O/o DC(MSME) to take care of facilitation, implementation and monitoring of the scheme involving Implementing Agencies(IAs) in accordance with established procedure. The scheme will be implemented by actively involving State Govts.

4.3 A Project Monitoring and Advisory Committee (PMAC) set up in the O/o DC,MSME will look after the planning, screening / identification of interventions / projects and such other functions as may be necessary to ensure effective implementation of the scheme. All proposals under the scheme will be received by IAs and submitted to PMAC through NMIU.

The constitution of PMAC will be as follows:

1.	AS&DC (MSME)	Chairman
2.	Joint Secretary, O/o DC MSME	Vice Chairman
3.	EA (IFW)/ Representative	Member
4.	JS Meity/ Representative	Member
5.	Representatives of expert agencies	Member
6.	In- Charge, NMIU	Member
7.	Representative of Associations	Members
8.	ADC/ JDC In – charge of MSME-DIs/TCs at O/o DC (MSME) / Director of MSME –DI concerned/ invitee	Member
9.	JDC/ Director/ Nodal officer handling scheme in DC MSME	Member– Secretary
10.	Special invitees/ experts/ consultants/IAs	Member

4.4 PMAC will have overall responsibility for policy formulation for scheme implementation and monitoring agency. It will be empowered to take all key decisions related to the scheme and also approve minor modifications for operational expediency. PMAC will hold its meeting as and when required.

4.5 Eligibility Criteria: All MSMEs registered under MSME Act 2006 as amended from time to time and also MSMEs which are included as per executive orders issued by Office of DC (MSME) consistent with MSME Act from time to time.