

Government of India  
Office of the Development Commissioner  
(Micro, Small & Medium Enterprises)  
Ministry of Micro, Small & Medium Enterprises  
'A' Wing, 7<sup>th</sup> Floor, Nirman Bhawan,  
New Delhi – 110108

No. 81(12)/NMCP/ICT/Misc./2016-17

31.05.2017

**OFFICE MEMORANDUM**

**Subject: "Digital MSME" Scheme for promotion of Information & Communication Technology in MSME Sector.**

**1.0 INTRODUCTION**

The Government has decided to implement "Digital MSME" Scheme for promotion of Information & Communication Technology in MSME Sector with a total budget of Rs. 85.705 Crore (including Government of India contribution of Rs. 58.105 Crore) during 2017-18 to 2019-20.

MSMEs in India need to improve their competitiveness by taking a variety of measures. The use of Information & Communication Technology (ICT) is one of the important measures which can greatly help MSMEs in almost every facet of their business.

The scheme envisages promotion of ICT applications to make them "Digital" by adopting new approach of Cloud Computing with following objectives:

- (i) To sensitize and encourage MSMEs towards new approach i.e., Cloud Computing for ICT adoption in their production and business processes with a view to improve their competitiveness in National and International Market.
- (ii) Adoption of best practices to improve quality of products and services.
- (iii) To benefit large number of MSMEs in terms of standardizing their business processes, improvement in productivity through Cloud Computing by reducing the burden of investment on Hardware, Software and Infrastructural Activities using Cloud Platform.

**2.0 MAJOR ACTIVITIES UNDER THE SCHEME:**

**2.1 Awareness Programmes & Workshop:**

Awareness Programme aims to create awareness amongst MSMEs about the benefit of implementing ICT applications in their enterprises. The objective of workshop is to have interaction amongst various stakeholders involving Industry Associations etc.



## **2.2 Cloud Computing:**

To encourage MSMEs to use Cloud Computing for ICT applications. Cloud Computing services will be provided in 3 categories:

- (i) With subsidy- Maximum subsidy of Rs. 1 Lakh per unit over a period of 2 years to Micro and Small Enterprises.
- (ii) Without subsidy – Services through Cloud at ultra low cost to desirous Micro, Small & Medium Enterprises.
- (iii) Market cost – Services through Cloud at Market cost to desirous Micro, Small & Medium Enterprises.

## **2.3 PUBLICITY, BRANDING AND MOBILIZATION:**

To publicize and mobilize the scheme amongst MSMEs, various activities like Hoarding/ Permanent Display, Media Campaign, Documentary/ Short Films, preparing Book of Knowledge on ICT etc. will be undertaken.

## **2.4 MISCELLANEOUS EXPENSES**

Under the head, expenses towards Project related travel, admin expenses, printing of guidelines, purchase of office automation equipments, hiring of consultants etc. may be incurred.

## **3.0 IMPLEMENTATION ARRANGEMENTS:**


- (i) The core component of the scheme ie. Cloud Computing will be implemented by Telecommunications Consultants India Ltd. (TCIL) who has been nominated as Implementing Agency (IA). IA will be responsible for facilitating, implementation and monitoring of Cloud Computing Services.
- (ii) IA will empanel various Cloud Service Providers by executing a Service Level Agreement (SLA) incorporating issues like security and privacy of data of MSMEs, location of data storage, location of mirror of data, vendor locking terms and conditions etc.
- (iii) TCIL will develop a portal which shall display the list of Cloud Computing Service Providers (CCSPs) alongwith their services, charges, comparative cost of similar applications, features and specifications of the services, workflow to avail the services etc. Portal will be suitably hyperlinked with the portal of CCSPs and shall be linked to payment gateways.
- (iv) MSMEs initially will make full payment to Cloud Service Providers. Subsidy as per guidelines will be disbursed to TCIL who in turn will transfer it in the account of MSMEs through DBT route.

At the highest level, Project Monitoring and Advisory Committee (PMAC) will guide, review, monitor and provide overall direction for implementation of the scheme and it will be headed by Development Commissioner (MSME). PMAC will have overall responsibility for policy formulation, scheme implementation and monitoring. It will be empowered to take all key decisions related to the scheme and to approve minor modifications, procedural changes in the guidelines for operational expediency. PMAC would deliberate on the issues put up by Implementing Agency. It would lay down the detailed implementation strategy for Implementing



Agency. It would also consider the recommendations of Implementing Agency on each application.


The guidelines of the scheme have been approved by the Competent Authority and are enclosed herewith for reference. These guidelines are also available on the official website of the Office of DC (MSME) i.e, [www.dcmsme.gov.in](http://www.dcmsme.gov.in).

  
(Piyush Srivastava)

Additional Development Commissioner

**Copy for information to:-**

1. Chief Secretary (States/ UTs)
2. All Commissioner/ Director of Industries (States/ UTs)
3. Secretary, Department of Expenditure, North Block, New Delhi
4. Secretary (MSME), Ministry of MSME, Udyog Bhawan, New Delhi
5. Secretary, Meity, New Delhi
6. Secretary, Ministry of Science & Technology, New Delhi
7. Director General, NIC, New Delhi
8. Advisor (PAMD) Room No. 244, NITI Ayog, Sansad Marg, New Delhi – 110001
9. Advisor (Indus I&II), Room No. 214, NITI Ayog, Sansad Marg, New Delhi – 110001
10. Member Secretary, NMCC, Vigyan Bhawan, New Delhi
11. AS&FA, M/o MSME, Udyog Bhawan, New Delhi
12. Chief Controller of Accounts, DIPP, Udyog Bhawan, New Delhi
13. Budget and Accounts Section, O/o DC (MSME)
14. CMD, TCIL, TCIL Bhawan, GK- I, New Delhi – 110048
15. All Directors, MSME-DIs/ Director, MSME-Testing Centres/ All Branch DIs
16. Internal Circulation in the O/o DC (MSME) as per standard list.

  
(Piyush Srivastava)

Additional Development Commissioner