Memorandum of Understanding

between

All India Council for Technical Education,
New Delhi

and

Ministry of Micro, Small and Medium Enterprises,
New Delhi

13th June, 2017
AGREEMENT

This Agreement is entered into and executed on this 13th Day of June, 2017 at New Delhi.

BY AND BETWEEN

All Indian Council for Technical Education (hereinafter Called "AICTE"), a Statutory Body of Ministry of Human Resource Development, Govt. of India, established under the All India Council for Technical Education Act, 1987 represented by its Member Secretary, having its office at Nelson Mandela Marg, Vasant Kunj, New Delhi 110067 Which expression shall, where the context so admits, be deemed to include its successors, executors and administrators of the ONE PART

AND

Ministry of Micro, Small and Medium Enterprises (hereinafter Called "Ministry of MSME"), Government of India, (Which expression unless it be repugnant to the context or meaning thereof, shall be deemed to mean and include their executors, administrators and assigns), Party of the SECOND PART

WHEREAS, the All India Council for Technical Education has initiated a number of schemes, to enhance the employability of students passing out from technical institutes, such as:

- The Scheme to Employability Enhancement Training Program (EETP) to provide Competency based Employability Enhancements skills under the EETP;
- PG Scholarships to M. Tech students.

WHEREAS, the All India Council for Technical Education(AICTE), the first party has the ability to reach nearly all engineering colleges, polytechnics and MBA colleges in India and is keen to enhance the employability of the students passing out from Technical Institutions and make them Job Ready;

WHEREAS, Ministry of MSME, the second party is keen to enhance the capability and capacity of a large number of micro, small and medium enterprise;

WHEREAS, both the parties feel that real life work experience if provided and acquired by passing out students of Technical Institutions on their placement in MSMEs for Internship shall be immensely beneficial to them and the MSME units will also benefit by getting technical and other help by way of innovative inputs that may be received from such students. Thus, it will be for the benefit of both the students and MSMEs;
WHEREAS, the Second Party has the access to various industry associations of MSME units so as to effectively and expeditiously reach a large number of MSME units across India for the purpose;

And, WHEREAS, both the parties have held discussions and have agreed for collaboration for synergizing their mutual strengths in public interest and to deliver a larger good for the society at large;

NOW, THEREFORE, both the Parties hereby agree as follows:

Implement a collaboration framework as outlined in attached Annexure-I.

1. AICTE shall also sign local MoUs with industry associations of micro, small and medium enterprises where the outreach and training program will be held.

2. AICTE and Ministry of MSME directly or through other strategic partners may develop and will facilitate in developing the required training content that is industry specific as well as that which may be common to multiple types of industries to make student trainees/interns Industry Ready, for working with the MSME units.

3. The Ministry of MSME shall provide support to AICTE in implementation of this Agreement. Such support may be used for tasks such as the development of the training content, acquiring certain industry specific expertise from within India or abroad, acquiring international quality and environmental standards, etc. from time to time, separate Annexures will be developed and signed by both parties for the scope of such tasks and associated funding requirements, as may be mutually agreed upon.

4. During the operation of MoU, circumstances may arise which may call for alterations or modifications or amendments to this agreement. These alterations or modifications or amendments will be mutually discussed and agreed upon in writing. No amendment or change hereof or additions hereto shall be effective or binding on either of the parties hereto unless set forth in writing and executed by the respective duly authorized representative of each of the parties hereto.

5. If any dispute arises between AICTE & Ministry of MSME on operation and execution of the agreement, efforts shall be made to resolve the same amicably and if the dispute is not mutually settled, then it shall be referred to Government of India for resolution.

6. This agreement may be terminated by either party by giving a notice of one month to the other party without assigning any reason in this regard, subject to settlement of existing liabilities to be met on account of acts done under this MoU. Thereafter, neither party shall have any claim against the other party on account of termination of the agreement.
7. Effective Date: This agreement shall be effective from the date it is signed by both the parties and will be valid for a period of two years until determined, suspended or terminated earlier.

IN WITNESS WHEREOF, the parties hereto, each acting under due and proper authority, have executed this mutually binding Memorandum of Understanding as on the date first written above.

For AICTE:

Signature: 

Name: Prof. A. P. Mittal

Designation: Member Secretary

Date: 13th June, 2017

Seal of Office: 

For Ministry of MSME:

Signature: 

Name: Shri S.N. Tripathi

Designation: Additional Secretary & Development Commissioner (MSME)

Date: 13th June, 2017

Seal of Office:

Witnessed by:

1. Signature: 

Name: Dr. Amit Salunkhe

Date:

2. Signature: 

Name: (A.K. (MAHAG))

Date: 13-6-2017
Annexure-I

Both the MSME sector and the academia have needs that can be addressed by establishing an efficient mechanism to promote collaboration between them in a mutually beneficial manner. The key needs of each segment are as follows:

**Engineering graduates, post graduates, diploma holders and MBAs:**

- Getting hands on experience in real life work environment.
- Getting confidence and learning to apply what they have learnt in their studies.
- On completing the internship, the students shall be job ready thereby improving their chance for placement in larger organizations generally and opportunity for joining the MSME sector in particular.

**MSMEs:**

- Improving product designs and quality while reducing manufacturing cost of products to make them globally competitive and acceptable.
- Supporting MSMEs for technology upgradation through its various schemes including NMCP, ZED, etc.

**I. Objectives**

The objectives of this joint initiative will be as follows:

1. To provide an edge to the MSME units to compete with others.
2. Increase/Generate the employment in the MSME sector for employment to the youth.
3. Increase the employability of students completing their education and internship.

**II. Goals**

**The specific goals will be:**

1. To finalize a pilot project plan by 30 June, 2017.
2. Launch the pilot project by 1 August, 2017 and complete it by 30 April, 2018.
3. Launch the full scale plan by 1 July, 2018.

**III. What AICTE will do**

AICTE can help by way of leveraging existing schemes such as scholarships for M. Tech students.
1. Motivate and train a reasonable percentage of M. Tech scholarship recipients and B.Tech. students to work with MSME units in their geographic areas.
2. Subsequently extend this to diploma students.
3. Help identify certain students who have the aptitude and the desire to launch start ups of their own and to assist them in taking the next steps to accomplish their desire.
4. Increase the interaction of the academic community with MSME in order to:
   a. Benefit the MSME to increase their effectiveness and thus to help create more jobs.
   b. Get the students to be job ready.
5. Develop relevant training material such as eLearning and real time use of the Internet infrastructure and deliver it to achieve quality, scale and speed.
6. Get the faculty and students to focus on the development of technologies relevant to the needs of rural India with emphasis on agri-linked manufacturing and other allied businesses.
7. Participate in the implementation of initiatives for increased environmental benefits and sustainability.
8. Set up an assessment process wherein the local MSME units will evaluate the quality of assistance provided by the academic community.

IV. What Ministry of MSME will do

The MSME Ministry will help in the following manner:

1. Identify MSME industry associations to connect them to AICTE for the implementation of this MoU.
2. Provide access to the MSME database.
3. Develop a system to sensitize the MSME units to work with the academic community (students, faculty and administration) for all round betterment.
4. Work with AICTE to develop a pilot project and a scaling plan to go beyond the pilot project.
5. Market the initiative to the MSMEs.
6. Help establish formal links with organizations under the Ministry of MSME such as NSIC, KVIC, Coir Board and the entities under the Development Commissioner such as the Tool Rooms.

V. Implementation process:

AICTE and Ministry of MSME will identify their respective nodal officer to coordinate this initiative. As a part of the development of a pilot project, both parties will define a practical mechanism for monitoring and fine tuning the implementation process.
MSME Training will consist of:

1. Technology upgradation in MSME through various schemes of Ministry of MSME including NMCP and ZED
2. Business development in the private sector.
3. Leadership skills.
4. Technical help in product development to help meet the market needs in public and private sector.
5. Manufacturing process improvement: process, equipment, jigs, fixtures, reliability, repeatability, staff training.
6. Information systems.
7. Accounting and financial systems.
8. Workflow and Inventory management.
10. Quality improvement and assurance.
11. Working with banks and other financial institutions.
12. Cash flow planning and management.
13. Environmental regulations and sustainability issues.
15. Responding to other needs as they come up.

Engaging with the MSME units

During the **pilot project**, engaging with the MSME units in the field will be handled by reaching the business units through the industry associations operating in the following areas:

1. Tamilnadu
2. Karnataka
3. Haryana
4. Punjab
5. Rajasthan
6. Uttar Pradesh
7. Maharashtra
8. Other regions as appropriate.

Assistance will be sought from MSME Development Institutes (MSME - DIs) through DI headquarters and MSME Tool rooms wherever possible.

The goal of the pilot project is to engage with a minimum of 500 students from 100 academic institutions to get a good representation of types of industries within the country.
Feedback process

In order to understand the effectiveness of the initiative in an accurate and timely manner, AICTE will develop a mechanism for online feedback from the following stakeholders:

1. Students
2. Academic institutions – faculty and administration
3. MSME units
4. MSME - DI concerned
5. MSME associations

Signing of local MoUs

AICTE will sign MoUs with the participating MSME associations that will address the following issues:

Roles and responsibilities of AICTE, associations, participating MSME units academic institutions and students. The Ministry of MSME, at its option may also choose to sign such MoUs as a third party.